

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Borough of High Bridge***

*in the*

*County of Hunterdon*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2011*



BOROUGH OF HIGH BRIDGE

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BOROUGH OF HIGH BRIDGE

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2011 AND 2010



# SUPLEE, CLOONEY & COMPANY

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of High Bridge  
County of Hunterdon  
High Bridge, New Jersey 08829

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Borough of High Bridge, County of Hunterdon, New Jersey as of and for the years ended December 31, 2011 and 2010 and for the year ended December 31, 2011, as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements – regulatory basis are the responsibility of the management of the Borough of High Bridge, County of Hunterdon. Our responsibility is to express an opinion on these financial statements based on our audit

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

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

In our opinion, because the Borough of High Bridge prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of High Bridge, County of Hunterdon, as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the year then ended or the revenues or expenditures for the year ended December 31, 2011.

# SUPLEE, CLOONEY & COMPANY

However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and the account group of the Borough of High Bridge, County of Hunterdon, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the year then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 24, 2012 on our consideration of the Borough of High Bridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 is fairly stated in all material respects in relation to the financial statements taken as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 24, 2012

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CURRENT FUND

BOROUGH OF HIGH BRIDGE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Cash-Treasurer	A-4	\$ 3,381,596.86	\$ 2,783,917.28
Cash-Tax Collector	A-5	88,282.66	186,112.51
Change Fund	A-6	120.00	120.00
		<u>\$ 3,469,999.52</u>	<u>\$ 2,970,149.79</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 174,027.59	\$ 195,455.28
Tax Title Liens	A-12	2,562.21	1,440.76
Property Acquired for Taxes	A-22	114,600.00	114,600.00
Interfunds Receivable	A-10	7,009.24	20.64
Due From Others	A-23	50,000.00	50,000.00
	A	<u>\$ 348,199.04</u>	<u>\$ 361,516.68</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-55)	A-29	\$ 7,500.00	\$ 2,360.00
Emergency Authorization	A-28	32,000.00	228,500.00
		<u>\$ 39,500.00</u>	<u>\$ 230,860.00</u>
		<u>\$ 3,857,698.56</u>	<u>\$ 3,562,526.47</u>
Grant Fund:			
Grants Receivable	A-27	\$ 97,150.13	\$ 60,391.85
Due Current Fund	A-24	80,034.52	42,238.08
		<u>\$ 177,184.65</u>	<u>\$ 102,629.93</u>
		<u>\$ 4,034,883.21</u>	<u>\$ 3,665,156.40</u>

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 84,288.02	\$ 101,886.37
Prepaid Taxes	A-17	51,711.20	72,464.17
Tax Overpayments	A-18		9.60
Due State of New Jersey-Chapter 20, PL 1971	A-8	3,399.44	1,147.39
Interfunds Payable	A-10	80,034.52	57,767.94
County Taxes-Payable	A-14	266.55	518.54
Local District Taxes Payable	A-15	833,753.40	834,931.40
Regional High School Taxes Payable	A-16	437,878.98	413,038.53
Reserve for Encumbrances	A-20	254,737.95	77,098.71
Accounts Payable	A-26	3,630.00	3,630.00
Reserve for Miscellaneous Deposits	A-21	1,243.63	3,879.00
Reserve for Grants - Unappropriated	A-19	643,535.00	193,535.00
		\$ 2,394,478.69	\$ 1,759,906.65
Reserve for Receivables and Other Assets	A	348,199.04	361,516.68
Fund Balance	A-1	1,115,020.83	1,441,103.14
		\$ 3,857,698.56	\$ 3,562,526.47
Grant Fund:			
Encumbrances Payable	A-25	\$ 116,513.29	\$
Appropriated Reserves	A-25	60,671.36	102,629.93
		\$ 177,184.65	\$ 102,629.93
		\$ 4,034,883.21	\$ 3,665,156.40

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

BOROUGH OF HIGH BRIDGECURRENT FUNDSTATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 582,000.00	\$ 582,000.00
Miscellaneous Revenue Anticipated	A-2	2,292,473.54	2,716,129.42
Receipts From Delinquent Taxes	A-2	200,193.24	233,924.38
Receipts From Current Taxes	A-2	11,685,715.45	11,678,107.73
Non-Budget Revenue	A-2	69,099.59	63,732.56
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	92,401.29	138,120.79
Tax Overpayments Canceled	A-18	9.60	
Interfunds Returned			20,719.78
Total Income		\$ <u>14,921,892.71</u>	\$ <u>15,432,734.66</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 3,377,545.03	\$ 3,480,439.91
Deferred Charges and Statutory Expenditures	A-3	382,012.19	313,945.54
Operations Excluded From "CAPS":			
Operating	A-3	227,205.84	200,802.56
Municipal Debt Service	A-3	1,560,633.26	1,618,120.31
Deferred Charges	A-3	212,868.42	243,469.00
Interfunds Advanced		6,988.60	20.64
County Taxes	A-14	1,401,699.99	1,458,106.68
County Share of Added Taxes	A-14	266.55	518.54
Local District School Tax	A-15	5,343,727.00	5,346,083.00
Regional High School Tax	A-16	2,187,434.29	2,137,753.42
Refund of Prior Year Revenue	A-4	5,093.85	7,697.60
Total Expenditures		\$ <u>14,705,475.02</u>	\$ <u>14,806,957.20</u>
Excess in Revenue		\$ 216,417.69	\$ 625,777.46
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred Charges to the Budget of the Succeeding Year	A-3	<u>39,500.00</u>	<u>228,500.00</u>
Statutory Excess to Fund Balance		\$ 255,917.69	\$ 854,277.46
<u>Fund Balance</u>			
Balance, January 1	A	<u>1,441,103.14</u>	<u>1,168,825.68</u>
		\$ <u>1,697,020.83</u>	\$ <u>2,023,103.14</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>582,000.00</u>	<u>582,000.00</u>
Fund Balance, December 31	A	\$ <u><u>1,115,020.83</u></u>	\$ <u><u>1,441,103.14</u></u>

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 582,000.00		\$ 582,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 6,000.00		\$ 6,000.00	\$
Other	A-2	1,375.00		1,235.00	(140.00)
Fees and Permits:					
Construction Code Official	A-9	21,400.00		29,018.00	7,618.00
Interest on Investments	A-9	15,130.00		17,459.61	2,329.61
Golf Fees	A-9	1,515,000.00		1,158,129.93	(356,870.07)
Fines:					
Municipal Court	A-9	31,405.00		32,205.76	800.76
Interest and Costs on Taxes	A-9	6,238.00		44,864.50	38,626.50
Lake Solitude Rental Income	A-9	15,600.00		10,408.00	(5,192.00)
Garden State Preservation Trust Fund	A-19	12,931.00		12,931.00	
Consolidated Municipal Property Tax Relief Aid	A-9	71,169.00		71,169.00	
Energy Receipts Tax	A-9	220,740.00		220,740.00	
Hunterdon County Open Space	A-9	12,795.42		12,795.43	0.01
Hunterdon County Grant	A-9	333,000.00		333,000.00	
Cable TV Franchise Fee	A-9	11,217.47		11,217.47	
Recreation Fees	A-2	20,000.00		25,595.00	5,595.00
Energy Efficiency and Conservation Grant	A-27		19,003.96	19,003.96	
Reserve for Debt Service	A-9	200,000.00		200,000.00	
Plan Conformance Grant	A-27		69,180.15	69,180.15	
Clean Communities Program	A-27		7,135.00	7,135.00	
Golf Open Space	A-27	38,100.00			(38,100.00)
Body Armor Replacement Fund	A-27		1,096.45	1,096.45	
Drunk Driving Enforcement Fund	A-27		2,447.11	2,447.11	
Recycling Tonnage Grant	A-27	2,837.87	4,004.30	6,842.17	
	A-1	\$ 2,534,938.76	\$ 102,866.97	\$ 2,292,473.54	\$ (345,332.19)
Receipts From Delinquent Taxes	A-1:A-7	\$ 180,600.00		\$ 200,193.24	\$ 19,593.24
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 2,975,990.32		\$ 3,139,218.93	\$ 163,228.61
<u>Budget Totals</u>		\$ 6,273,529.08	\$ 102,866.97	\$ 6,213,885.71	\$ (162,510.34)
Non-Budget Revenue	A-1:A-2			69,099.59	69,099.59
		\$ 6,273,529.08	\$ 102,866.97	\$ 6,282,985.30	\$ (93,410.75)
	REF.	A-3	A-3		

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collections Realized on a Cash Basis	A-7	\$ 11,685,715.45
Allocated to:		
School and County Taxes		<u>8,933,127.83</u>
Balance for Support of Municipal Budget Appropriations		\$ 2,752,587.62
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>386,631.31</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>3,139,218.93</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ <u>200,193.24</u>
	A-2	\$ <u><u>200,193.24</u></u>
Recreation Fees:	A-9	\$ 25,850.00
Less: Refunds	A-4	<u>255.00</u>
	A-2	\$ <u><u>25,595.00</u></u>
<u>Analysis of Non-Budget Revenues</u>		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Newsletter Advertising		\$ 1,435.00
Tax Premiums Canceled		5,100.00
Miscellaneous		14,431.41
Board of Education - Fuel & Salt		3,155.82
Refunds		30,595.61
Police Fees		1,306.27
CCO Permits		4,345.00
Clerk Fees		120.02
Registrar Fees		3,885.37
Parking Permits		1,140.00
Zoning Permits		<u>1,505.00</u>
	A-4	\$ 67,019.50
Tax Collector	A-5	<u>2,080.09</u>
	A-1:A-2	\$ <u><u>69,099.59</u></u>

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 37,188.00	\$ 37,188.00	\$ 36,899.92	\$ 288.08	
Other Expenses:					
Internet	4,640.00	4,640.00	4,136.20	503.80	
Miscellaneous	310.00	310.00	246.00	64.00	
Mayor and Council:					
Salaries and Wages	6,000.00	4,000.00	4,000.00		
Other Expenses:					
Advertising Costs	6,430.00	6,430.00	6,241.00	189.00	
Newsletter	10,450.00	10,450.00	10,050.98	399.02	
Miscellaneous	1,500.00	1,500.00	776.80	723.20	
Municipal Clerk:					
Salaries and Wages	28,875.04	28,875.04	26,795.08	2,079.96	
Other Expenses	4,840.00	4,340.00	2,408.00	1,932.00	
Codification of Ordinances					
Election Expense	3,750.00	3,750.00	1,934.80	1,815.20	
Financial Administration:					
Salaries and Wages	39,632.67	39,632.67	39,436.47	196.20	
Other Expenses	7,200.00	7,200.00	6,810.81	389.19	
Audit Services	24,250.00	24,250.00	23,425.00	825.00	
Assessment of Taxes:					
Salaries and Wages	15,192.90	15,193.00	15,193.00		
Other Expenses	1,600.00	1,599.90	887.21	712.69	
Revenue Administration:					
Salaries and Wages	39,632.67	39,632.67	39,551.34	81.33	
Other Expenses	6,600.00	6,600.00	6,021.76	578.24	
Legal Services and Costs:					
Other Expenses	51,000.00	51,000.00	48,984.00	2,016.00	
Engineering Services and Costs:					
Other Expenses	15,100.00	15,100.00	13,440.33	1,659.67	

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
Planning Board:					
Salaries and Wages	\$ 5,465.16	\$ 5,465.16	\$ 5,465.00	0.16	\$
Other Expenses	1,200.00	1,200.00	991.17	208.83	
Zoning Costs:					
Salaries and Wages	4,396.20	4,396.20	4,396.08	0.12	
Economic Development:					
Other Expenses	500.00	500.00		500.00	
Environmental Commission:					
Other Expenses	500.00	500.00	468.99	31.01	
Insurance:					
Other Insurance Premiums	126,000.00	126,000.00	120,844.00	5,156.00	
Workers Compensation	51,000.00	51,000.00	46,998.00	4,002.00	
Employee Group Health Assessment	236,999.00	236,999.00	230,496.90	6,502.10	
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	58,000.00	58,000.00	58,000.00		
Police:					
Salaries and Wages	673,960.92	673,960.92	669,727.96	4,232.96	
Other Expenses:					
Lease of Police Cars	13,884.00	10,884.00	10,882.56	1.44	
Miscellaneous	38,000.00	38,000.00	37,567.80	432.20	
First Aid Organization Contribution	41,000.00	41,000.00	41,000.00		
Emergency Management Services:					
Other Expenses	3,000.00	3,000.00	2,999.27	0.73	
Municipal Prosecutor:					
Salaries and Wages	4,284.00	4,284.00	4,284.00		
Public Defender					
Salaries and Wages	1,785.00	1,785.00	1,785.00		
<u>PUBLIC WORKS:</u>					
Streets and Road Maintenance:					
Salaries and Wages	170,281.19	170,281.19	157,083.58	13,197.61	
Public Building and Grounds:					
Maintenance and Repairs	25,000.00	32,000.00	31,733.32	266.68	
Other Expenses	16,400.00	16,400.00	13,415.73	2,984.27	

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Other Expenses	\$ 5,340.00	\$ 5,340.00	\$ 5,340.00	\$	
<u>PARKS AND RECREATION:</u>					
Recreation Services:					
Salaries and Wages	6,000.00	6,000.00	5,563.57	436.43	
Other Expenses:					
Special Events	2,750.00	2,750.00	1,848.60	901.40	
Miscellaneous	37,000.00	37,000.00	30,320.15	6,679.85	
Golf Course:					
Other Expenses	1,200,000.00	1,200,000.00	1,199,113.59	886.41	
Expenses of Participation in County Library:					
Salaries and Wages	19,549.08	19,549.08	18,346.50	1,202.58	
Other Expenses	200.00	200.00	200.00		
<u>STATE UNIFORM CONSTRUCTION CODE (N.J.S.A. 52:270-120 ET. SEQ.)</u>					
Building Inspector:					
Salaries and Wages	4,396.20	4,396.20	4,395.92	0.28	
Construction Code Enforcement:					
Salaries and Wages	26,265.00	26,265.00	26,265.00		
Other Expenses	355.00	355.00	174.00	181.00	
<u>UTILITIES:</u>					
Telephone	18,200.00	18,200.00	17,010.19	1,189.81	
Electricity	42,700.00	45,800.00	41,542.94	4,257.06	
Water	5,830.00	5,230.00	5,200.40	29.60	
Gasoline	37,500.00	65,500.00	64,246.44	1,253.56	
Fuel Oil	40,000.00	40,000.00	39,370.09	629.91	
Street Lighting	43,000.00	43,000.00	41,861.52	1,138.48	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 3,338,045.03	\$ 3,377,545.03	\$ 3,304,456.27	\$ 73,088.76	

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>DEFERRED CHARGES AND OTHER STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
<u>Deferred Charges</u>					
Emergency Authorization	\$ 117,437.00	\$ 117,437.00	\$ 117,437.00	\$	
Statutory Expenditures:					
Contribution To:					
Social Security System (OASI)	82,842.19	82,842.19	81,150.81	1,691.38	
Police and Fireman's Retirement System	115,927.00	115,927.00	115,927.00		
Public Employees Retirement System	65,806.00	65,806.00	65,806.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 382,012.19</u>	<u>\$ 382,012.19</u>	<u>\$ 380,320.81</u>	<u>\$ 1,691.38</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 3,720,057.22</u>	<u>\$ 3,759,557.22</u>	<u>\$ 3,684,777.08</u>	<u>\$ 74,780.14</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Affordable Housing Appropriation	\$ 15,000.00	\$ 15,000.00	\$ 12,500.00	\$ 2,500.00	
Length of Service Award Program (LOSAP)	30,100.00	30,100.00	23,100.00	7,000.00	
Stormwater Management Engineering	1,500.00	1,500.00	1,500.00		
Insurance	17,401.00	17,401.00	17,401.00		
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 64,001.00</u>	<u>\$ 64,001.00</u>	<u>\$ 54,501.00</u>	<u>\$ 9,500.00</u>	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
North Hunterdon Municipal Court:					
Other Expenses	\$ 57,500.00	\$ 57,500.00	\$ 57,492.12	\$ 7.88	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	<u>\$ 57,500.00</u>	<u>\$ 57,500.00</u>	<u>\$ 57,492.12</u>	<u>\$ 7.88</u>	

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
<u>PUBLIC PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
Body Armor Replacement Fund (N.J.S. 40A:4-87 +\$1,096.45)	\$	\$ 1,096.45	\$ 1,096.45	\$	
Plan Conformance Grant (N.J.S. 40A:4-87 +\$69,180.15)		69,180.15	69,180.15		
Energy Eff & Conservation Grant (N.J.S. 40A:4-87 + \$19,003.96)		19,003.96	19,003.96		
Recycling Tonnage Grant (N.J.S. 40A:4-87 +\$4,004.30)	2,837.87	6,842.17	6,842.17		
Clean Communities (N.J.S. 40A:4-87 +\$7,135.00)		7,135.00	7,135.00		
Drunk Driving Enforcement Fund (N.J.S. 40A:4-87 +\$2,447.11)		2,447.11	2,447.11		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUE</u>	\$ 2,837.87	\$ 105,704.84	\$ 105,704.84	\$	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 124,338.87	\$ 227,205.84	\$ 217,697.96	\$ 9,507.88	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 269,000.00	\$ 269,000.00	\$	\$	269,000.00
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	\$ 269,000.00	\$ 269,000.00	\$	\$	269,000.00
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 385,000.00	\$ 385,000.00	\$ 385,000.00	\$	
Payment of Bond Anticipation Notes & Capital Notes	484,402.00	484,402.00	484,402.00		
Interest on Bonds	426,693.00	426,693.00	426,693.00		
Interest on Notes	109,750.00	109,750.00	109,750.00		
Green Trust Loan Program:					
Loan Repayments for Principal & Interest	154,788.26	154,788.26	154,788.26		
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	\$ 1,560,633.26	\$ 1,560,633.26	\$ 1,560,633.26	\$	

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>DEFERRED CHARGES-MUNICIPAL EXCLUDED FROM "CAPS"</u>					
Emergency Authorizations	\$ 111,063.00	\$ 111,063.00	\$ 111,063.00		\$
Special Emergency Authorizations	2,360.00	2,360.00	2,360.00		
Lake Solitude Parcel	43,316.44	43,316.44	43,316.44		
Purchase of Emergency Generator	5,691.10	5,691.10	5,691.10		
Various General Improvements	11,479.00	11,479.00	11,479.00		
Solitude House Roof Replacement	32,358.88	32,358.88	32,358.88		
Cokebury Guardrails	6,600.00	6,600.00	6,600.00		
	\$ 212,868.42	\$ 212,868.42	\$ 212,868.42		\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 2,166,840.55	\$ 2,269,707.52	\$ 1,991,199.64	\$ 9,507.88	\$ 269,000.00
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 5,886,897.77	\$ 6,029,264.74	\$ 5,675,976.72	\$ 84,288.02	\$ 269,000.00
RESERVE FOR UNCOLLECTED TAXES	386,631.31	386,631.31	386,631.31		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 6,273,529.08</u>	<u>\$ 6,415,896.05</u>	<u>\$ 6,062,608.03</u>	<u>\$ 84,288.02</u>	<u>\$ 269,000.00</u>
	REF.	A-2	A-1	A.A-1	
Reserve for Encumbrances	A-20		\$ 252,142.95		
Reserve for Uncollected Taxes	A-2		386,631.31		
Emergency Authorizations	A-28		228,500.00		
Special Emergency 40A:4-55	A-29		2,360.00		
Reserve for Grants Appropriated	A-25		105,704.84		
Cash Disbursements	A-4		5,087,268.93		
			\$ 6,062,608.03		
Budget	A-3	\$ 6,273,529.08			
Emergency Authorization (40A:4-47)	A-28	32,000.00			
Special Emergency 40A:4-55	A-29	7,500.00			
Appropriation by 40A:4-87	A-2	102,866.97			
		\$ 6,415,896.05			

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

TRUST FUND

BOROUGH OF HIGH BRIDGETRUST FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>4,598.96</u>	\$ <u>4,534.78</u>
Other Funds:			
Cash	B-1	\$ 248,237.06	\$ 274,122.67
Rehabilitation Loans Receivable	B-4	4,390.00	4,390.00
Due General Capital Fund		<u>2,509.93</u>	<u>611.06</u>
		\$ <u>255,136.99</u>	\$ <u>279,123.73</u>
		\$ <u><u>259,735.95</u></u>	\$ <u><u>283,658.51</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Due Current Fund	B-6	\$ 0.05	\$ 20.64
Due From State of New Jersey	B-3	135.00	135.00
Encumbrances Payable	B-2	1,825.24	
Reserve for Animal Control Fund Expenditures	B-2	<u>2,638.67</u>	<u>4,379.14</u>
		\$ <u>4,598.96</u>	\$ <u>4,534.78</u>
Other Funds:			
Due Current Fund	B-6	\$ 6,764.39	\$
Reserve For:			
Encumbrances	B-5	735.03	
Various Reserves and Deposits	B-5	<u>247,637.57</u>	<u>279,123.73</u>
		\$ <u>255,136.99</u>	\$ <u>279,123.73</u>
		\$ <u><u>259,735.95</u></u>	\$ <u><u>283,658.51</u></u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,330,503.94	\$ 1,317,348.57
Deferred Charges to Future Taxation - Funded	C-4	10,871,166.38	11,382,061.22
Deferred Charges to Future Taxation - Unfunded	C-5	4,422,863.08	4,942,010.50
Due Current Fund	C-9		15,529.86
Grants Receivable	C-10	<u>298,101.25</u>	<u>180,733.01</u>
		<u>\$ 16,922,634.65</u>	<u>\$ 17,837,683.16</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-12	\$ 9,253,000.00	\$ 9,638,000.00
Bond Anticipation Notes	C-13	1,037,686.00	1,457,388.00
Environmental Infrastructure Loans Payable	C-14	769,739.79	815,851.30
Green Acres Loans Payable	C-11	848,426.59	928,209.92
Improvement Authorizations:			
Funded	C-7	433,566.47	145,139.94
Unfunded	C-7	679,464.05	3,359,982.79
Various Reserves and Deposits	C-15	1,873,507.15	439,474.17
Contracts Payable	C-6	1,527,456.31	405,105.72
Due Current Fund	C-9	244.80	
Due Trust Fund		2,509.93	611.06
Capital Improvement Fund	C-8	235,415.70	434,796.27
Fund Balance	C-1	<u>261,617.86</u>	<u>213,123.99</u>
		<u>\$ 16,922,634.65</u>	<u>\$ 17,837,683.16</u>

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

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2010	C	\$	213,123.99
Increased by:			
Permanently Funded Improvement			
Authorizations Canceled	C-7	\$	48,254.87
Premium on Sale of Bonds and Notes	C-2		<u>239.00</u>
			<u>48,493.87</u>
Balance, December 31, 2011	C	\$	<u><u>261,617.86</u></u>

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

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WATER UTILITY FUND

BOROUGH OF HIGH BRIDGE

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Operating Fund:			
Cash - Treasurer	D-5	\$ 139,141.45	\$ 154,415.31
Cash - Collector	D-6	27,151.73	14,787.58
Interfunds Receivable	D-8	16.90	21.15
		<u>\$ 166,310.08</u>	<u>\$ 169,224.04</u>
Receivables and Inventories With Full Reserves:			
Consumer Accounts Receivable	D-7	\$ 18,541.35	\$ 25,316.87
	D	<u>\$ 18,541.35</u>	<u>\$ 25,316.87</u>
Deferred Charges:			
Operating Deficit	D-14	\$ _____	\$ 16,226.79
<u>Total Operating Fund</u>		<u>\$ 184,851.43</u>	<u>\$ 210,767.70</u>
Capital Fund:			
Cash	D-5	\$ 78,514.66	\$ 49,816.91
Fixed Capital	D-20	3,376,275.69	3,368,775.69
Fixed Capital Authorized and Uncompleted	D-21	258,000.00	115,500.00
Grants Receivable	D-15	<u>40,000.00</u>	<u>_____</u>
<u>Total Capital Fund</u>		<u>\$ 3,752,790.35</u>	<u>\$ 3,534,092.60</u>
		<u>\$ 3,937,641.78</u>	<u>\$ 3,744,860.30</u>

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 3,523.66	\$ 4,047.58
Accrued Interest	D-12	948.06	400.00
Encumbrances Payable	D-11	15,669.75	5,505.44
		\$ 20,141.47	\$ 9,953.02
Reserve for Receivables and Inventory	D	18,541.35	25,316.87
Fund Balance	D-1	146,168.61	175,497.81
<u>Total Operating Fund</u>		\$ 184,851.43	\$ 210,767.70
Capital Fund:			
Improvement Authorizations:			
Funded	D-15	\$ 131,530.00	\$ 45,682.00
Unfunded	D-15	52,400.00	65,500.00
Capital Improvement Fund	D-18	15,168.33	43,284.33
Bond Anticipation Notes	D-19	62,400.00	73,950.00
Interfunds Payable	D-9	16.90	21.15
Reserve For:			
Contracts Payable	D-17	33,930.00	9,860.00
Amortization	D-16	3,260,123.95	3,241,073.95
Deferred Amortization	D-13	192,500.00	50,000.00
Fund Balance	D-2	4,721.17	4,721.17
<u>Total Capital Fund</u>		\$ 3,752,790.35	\$ 3,534,092.60
		\$ 3,937,641.78	\$ 3,744,860.30

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2011</u>	<u>YEAR ENDED DECEMBER 31, 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 79,174.44	\$ 37,182.39
Rents	D-3	336,161.94	293,591.36
Miscellaneous	D-3	4,740.84	4,505.56
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	1,519.58	6,344.65
Accrued Interest Canceled	D-12	0.72	
Encumbrances Canceled	D-11	422.16	
		<u>422,019.68</u>	<u>341,623.96</u>
<u>TOTAL INCOME</u>		\$ <u>422,019.68</u>	\$ <u>341,623.96</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 298,643.21	\$ 278,401.04
Capital Improvements	D-4	35,000.00	33,000.00
Debt Service	D-4	12,964.00	12,332.36
Statutory Expenditures and Deferred Charges	D-4	25,567.23	34,117.35
		<u>372,174.44</u>	<u>357,850.75</u>
<u>TOTAL EXPENDITURES</u>		\$ <u>372,174.44</u>	\$ <u>357,850.75</u>
Excess (Deficit) in Revenue to Fund Balance		\$ 49,845.24	\$ (16,226.79)
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>16,226.79</u>
Statutory Excess to Fund Balance		\$ 49,845.24	\$ 0.00
<u>Fund Balance</u>			
Balance, January 1	D	<u>175,497.81</u>	<u>212,680.20</u>
		\$ 225,343.05	\$ 212,680.20
Decreased by:			
Utilization by Water Operating Budget	D-1:D-3	<u>79,174.44</u>	<u>37,182.39</u>
Balance, December 31	D	<u>\$ 146,168.61</u>	<u>\$ 175,497.81</u>

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	4,721.17
Balance, December 31, 2011	D	\$	<u>4,721.17</u>

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 79,174.44	\$ 79,174.44	\$
Water Use Charges	D-1:D-7	293,000.00	336,161.94	43,161.94
Miscellaneous	D-1:D-3		4,740.84	4,740.84
	D-4	\$ <u>372,174.44</u>	\$ <u>420,077.22</u>	\$ <u>47,902.78</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:

Treasurer:

Interest on Investments

Miscellaneous

\$ 470.42

256.80

D-5

\$

727.22

Collector:

Interest on Delinquent Accounts

Miscellaneous

2,385.29

1,628.33

D-3

\$

4,740.84

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

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 122,097.21	\$ 121,097.21	\$ 118,683.97	\$ 2,413.24
Other Expenses	<u>176,546.00</u>	<u>177,546.00</u>	<u>176,696.75</u>	<u>849.25</u>
<u>Total Operating</u>	<u>\$ 298,643.21</u>	<u>\$ 298,643.21</u>	<u>\$ 295,380.72</u>	<u>\$ 3,262.49</u>
Capital Improvements:				
Capital Improvement Fund	\$ <u>35,000.00</u>	\$ <u>35,000.00</u>	\$ <u>35,000.00</u>	<u>          </u>
<u>Total Capital Improvements</u>	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>	<u>          </u>
Debt Services:				
Payment of Bond Anticipation Notes	\$ 11,550.00	\$ 11,550.00	\$ 11,550.00	<u>          </u>
Interest on Notes	<u>1,414.00</u>	<u>1,414.00</u>	<u>1,414.00</u>	<u>          </u>
<u>Total Debt Services</u>	<u>\$ 12,964.00</u>	<u>\$ 12,964.00</u>	<u>\$ 12,964.00</u>	<u>          </u>
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	\$ 9,340.44	\$ 9,340.44	\$ 9,079.27	\$ 261.17
Deferred Charges - Deficit in Operations	<u>16,226.79</u>	<u>16,226.79</u>	<u>16,226.79</u>	<u>          </u>
<u>Total Statutory Expenditures</u>	<u>\$ 25,567.23</u>	<u>\$ 25,567.23</u>	<u>\$ 25,306.06</u>	<u>\$ 261.17</u>
	<u>\$ 372,174.44</u>	<u>\$ 372,174.44</u>	<u>\$ 368,650.78</u>	<u>\$ 3,523.66</u>
<u>REF.</u>	D-3		D-1	D:D-1
Cash Disbursements	D-5		\$ 335,340.24	
Encumbrances Payable	D-11		15,669.75	
Deferred Charges	D-14		16,226.79	
Accrued Interest	D-12		<u>1,414.00</u>	
			<u>\$ 368,650.78</u>	

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

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SEWER UTILITY FUND

BOROUGH OF HIGH BRIDGE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Operating Fund:			
Cash - Treasurer	E-5	\$ 814,203.22	\$ 894,835.95
Cash - Collector	E-6	60,374.41	28,410.75
Interfunds Receivable	E-8	67.47	
		<u>\$ 874,645.10</u>	<u>\$ 923,246.70</u>
Receivables and Inventories With Full Reserves:			
Consumer Accounts Receivable	E-7	\$ 48,137.87	\$ 71,718.48
	E	<u>\$ 48,137.87</u>	<u>\$ 71,718.48</u>
<u>Total Operating Fund</u>		<u>\$ 922,782.97</u>	<u>\$ 994,965.18</u>
Capital Fund:			
Cash	E-5	\$ 229,879.76	\$ 155,065.02
Interfund Receivable	E-9		49,747.27
Fixed Capital	E-18	5,369,481.34	5,331,240.34
Fixed Capital Authorized and Uncompleted	E-19	<u>7,000.00</u>	<u>102,000.00</u>
<u>Total Capital Fund</u>		<u>\$ 5,606,361.10</u>	<u>\$ 5,638,052.63</u>
		<u>\$ 6,529,144.07</u>	<u>\$ 6,633,017.81</u>

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

BOROUGH OF HIGH BRIDGE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4:E-10	\$ 17,834.91	\$ 14,310.36
Accrued Interest Payable	E-20	48,819.85	49,999.98
Encumbrances Payable	E-11	88,784.04	106,781.62
Interfunds Payable	E-8	49,747.27	49,747.27
		<u>\$ 155,438.80</u>	<u>\$ 220,839.23</u>
Reserve for Receivables	E	48,137.87	71,718.48
Fund Balance	E-1	<u>719,206.30</u>	<u>702,407.47</u>
<u>Total Operating Fund</u>		<u>\$ 922,782.97</u>	<u>\$ 994,965.18</u>
Capital Fund:			
Improvement Authorizations:			
Funded	E-15	\$ 7,000.00	\$ 43,759.00
Capital Improvement Fund	E-13	218,817.63	157,058.63
Serial Bond Payable	E-17	2,927,000.00	2,937,000.00
Down Payment on Capital Improvements	E-14	2,500.00	2,500.00
Interfunds Payable	E-9	67.47	
Reserve For:			
Amortization	E-16	2,442,481.34	2,394,240.34
Deferred Amortization	E-12	7,000.00	102,000.00
Fund Balance	E-2	<u>1,494.66</u>	<u>1,494.66</u>
<u>Total Capital Fund</u>		<u>\$ 5,606,361.10</u>	<u>\$ 5,638,052.63</u>
		<u>\$ 6,529,144.07</u>	<u>\$ 6,633,017.81</u>

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

BOROUGH OF HIGH BRIDGESEWER UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-3	\$ 113,860.34	\$ 243,823.64
Sewer Service Charges	E-3	804,323.11	760,322.19
Miscellaneous	E-3	50,894.83	14,181.07
Other Credits to Income:			
Accrued Interest on Bonds Canceled	E-20	1,180.88	
Unexpended Balance of Appropriation Reserves	E-10	<u>34,260.35</u>	<u>8,659.76</u>
<u>TOTAL INCOME</u>		<u>\$ 1,004,519.51</u>	<u>\$ 1,026,986.66</u>
<u>EXPENDITURES</u>			
Operating	E-4	\$ 699,817.35	\$ 684,573.72
Capital Improvements	E-4	25,000.00	50,000.00
Debt Service	E-4	140,287.00	163,555.82
Statutory Expenditures and Deferred Charges	E-4	<u>8,755.99</u>	<u>8,549.92</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 873,860.34</u>	<u>\$ 906,679.46</u>
Excess in Revenue		\$ 130,659.17	\$ 120,307.20
<u>Fund Balance</u>			
Balance, January 1	E	<u>702,407.47</u>	<u>825,923.91</u>
		\$ 833,066.64	\$ 946,231.11
Decreased by:			
Utilization by Sewer Operating Budget	E-1:E-3	<u>113,860.34</u>	<u>243,823.64</u>
Balance, December 31	E	<u>\$ 719,206.30</u>	<u>\$ 702,407.47</u>

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

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	1,494.66
Balance, December 31, 2011	E	\$	<u>1,494.66</u>

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

BOROUGH OF HIGH BRIDGESEWER UTILITY OPERATING FUNDSTATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	E-1	\$ 113,860.34	\$ 113,860.34	\$
Sewer Use Charges	E-1:E-7	760,000.00	804,323.11	44,323.11
Miscellaneous	E-1:E-3		50,894.83	50,894.83
	E-4	\$ <u>873,860.34</u>	\$ <u>969,078.28</u>	\$ <u>95,217.94</u>

ANALYSIS OF REALIZED REVENUE

## Miscellaneous:

## Treasurer:

Interest on Investments

E-5 \$ 3,026.70

Miscellaneous

E-5 42,417.00\$ 45,443.70

## Collector:

Interest on Delinquent Accounts

E-6 \$ 5,329.17

Miscellaneous

E-6 121.96\$ 5,451.13E-3 \$ 50,894.83

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

## BOROUGH OF HIGH BRIDGE

## SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 114,457.35	\$ 114,457.35	\$ 108,651.77	\$ 5,805.58
Other Expenses	\$ 585,360.00	\$ 585,360.00	\$ 573,691.73	\$ 11,668.27
<u>Total Operating</u>	\$ 699,817.35	\$ 699,817.35	\$ 682,343.50	\$ 17,473.85
Capital Improvements:				
Capital Improvement Fund	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
<u>Total Capital Improvements</u>	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
Debt Services:				
Payment of Bond Principal	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Interest on Bonds	\$ 130,287.00	\$ 130,287.00	\$ 130,287.00	
<u>Total Debt Services</u>	\$ 140,287.00	\$ 140,287.00	\$ 140,287.00	
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	\$ 8,755.99	\$ 8,755.99	\$ 8,394.93	\$ 361.06
<u>Total Statutory Expenditures</u>	\$ 8,755.99	\$ 8,755.99	\$ 8,394.93	\$ 361.06
	\$ 873,860.34	\$ 873,860.34	\$ 856,025.43	\$ 17,834.91
	REF.	E-3	E-1	E:E-1
Cash Disbursements	E-5		\$ 636,954.39	
Encumbrances Payable	E-11		88,784.04	
Accrued Interest	E-20		130,287.00	
			\$ 856,025.43	

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

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SOLID WASTE UTILITY FUND

BOROUGH OF HIGH BRIDGESOLID WASTE UTILITY FUNDBALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Operating Fund:			
Cash - Treasurer	F-4	\$ 120,970.49	\$ 203,136.97
Cash - Collector	F-5	29,790.00	14,528.40
Interfunds Receivable	F-15	8.57	14.91
		<u>\$ 150,769.06</u>	<u>\$ 217,680.28</u>
Receivables and Inventories With Full Reserves:			
Consumer Accounts Receivable	F-6	\$ 27,978.85	\$ 42,261.06
	F	<u>\$ 27,978.85</u>	<u>\$ 42,261.06</u>
<u>Total Operating Fund</u>		<u>\$ 178,747.91</u>	<u>\$ 259,941.34</u>
Capital Fund:			
Cash	F-4	\$ 39,798.35	\$ 35,116.69
Fixed Capital	F-14	48,588.67	48,588.67
Fixed Capital Authorized and Uncompleted	F-8	<u>114,000.00</u>	<u></u>
<u>Total Capital Fund</u>		<u>\$ 202,387.02</u>	<u>\$ 83,705.36</u>
		<u>\$ 381,134.93</u>	<u>\$ 343,646.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	F-3:F-9	\$ 14,159.26	\$ 2,717.41
Encumbrances Payable	F-7	19,508.20	28,436.00
		<u>\$ 33,667.46</u>	<u>\$ 31,153.41</u>
Reserve for Receivables and Inventory	F	27,978.85	42,261.06
Fund Balance	F-1	<u>117,101.60</u>	<u>186,526.87</u>
<u>Total Operating Fund</u>		<u>\$ 178,747.91</u>	<u>\$ 259,941.34</u>
Capital Fund:			
Improvement Authorizations:			
Funded	F-10	\$ 324.00	\$
Capital Improvement Fund	F-13	6,101.78	35,101.78
Interfunds Payable	F-16	8.57	14.91
Reserve For:			
Contracts Payable	F-10	33,364.00	
Amortization	F-12	48,588.67	48,588.67
Deferred Amortization	F-11	<u>114,000.00</u>	<u></u>
<u>Total Capital Fund</u>		<u>\$ 202,387.02</u>	<u>\$ 83,705.36</u>
		<u>\$ 381,134.93</u>	<u>\$ 343,646.70</u>

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

BOROUGH OF HIGH BRIDGESOLID WASTE UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	F-2	\$ 109,322.90	\$ 13,207.05
Solid Waste Collection Fees	F-2	410,342.21	386,278.51
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	F-2	12,838.01	6,447.32
Unexpended Balance of Appropriation Reserves	F-9	<u>2,717.41</u>	<u>8,882.22</u>
<u>TOTAL INCOME</u>		<u>\$ 535,220.53</u>	<u>\$ 414,815.10</u>
<u>EXPENDITURES</u>			
Operating	F-3	\$ 407,315.99	\$ 400,923.87
Statutory Expenditures and Deferred Charges	F-3	3,006.91	2,902.70
Capital Improvements	F-3	<u>85,000.00</u>	<u>                    </u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 495,322.90</u>	<u>\$ 403,826.57</u>
Excess in Revenue		\$ 39,897.63	\$ 10,988.53
<u>Fund Balance</u>			
Balance, January 1	F	<u>186,526.87</u>	<u>188,745.39</u>
		\$ 226,424.50	\$ 199,733.92
Decreased by:			
Utilization by Water Operating Budget	F-1:F-3	<u>109,322.90</u>	<u>13,207.05</u>
Balance, December 31	F	<u><u>\$ 117,101.60</u></u>	<u><u>\$ 186,526.87</u></u>

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

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	F-1	\$ 109,322.90	\$ 109,322.90	\$
Solid Waste Use Charges	F-1:F-6	386,000.00	410,342.21	24,342.21
Miscellaneous Revenue Not Anticipated	F-1:F-2		<u>12,838.01</u>	<u>12,838.01</u>
	F-3	<u>\$ 495,322.90</u>	<u>\$ 532,503.12</u>	<u>\$ 37,180.22</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:

Treasurer:

Interest on Investments

\$ 553.82

Miscellaneous

9,267.32

F-4

\$ 9,821.14

Collector:

Miscellaneous

F-5

121.90

Interest on Delinquent Accounts

F-5

2,894.97

F-2

\$ 12,838.01

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

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 39,305.99	\$ 39,305.99	\$ 37,272.37	\$ 2,033.62
Other Expenses	<u>368,010.00</u>	<u>368,010.00</u>	<u>356,040.01</u>	<u>11,969.99</u>
<u>Total Operating</u>	<u>\$ 407,315.99</u>	<u>\$ 407,315.99</u>	<u>\$ 393,312.38</u>	<u>\$ 14,003.61</u>
Capital Improvements:				
Capital Improvement Fund	<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ _____</u>
<u>Total Capital Improvements</u>	<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ _____</u>
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	<u>\$ 3,006.91</u>	<u>\$ 3,006.91</u>	<u>\$ 2,851.26</u>	<u>\$ 155.65</u>
<u>Total Statutory Expenditures</u>	<u>\$ 3,006.91</u>	<u>\$ 3,006.91</u>	<u>\$ 2,851.26</u>	<u>\$ 155.65</u>
	<u>\$ 495,322.90</u>	<u>\$ 495,322.90</u>	<u>\$ 481,163.64</u>	<u>\$ 14,159.26</u>
<u>REF.</u>	F-2		F-1	F:F-1
Cash Disbursements	F-4		\$ 461,655.44	
Encumbrances Payable	F-7		<u>19,508.20</u>	
			<u>\$ 481,163.64</u>	

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"G"

BOROUGH OF HIGH BRIDGE

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	DECEMBER <u>31, 2011</u>	DECEMBER <u>31, 2010</u>
General Fixed Assets:		
Land and Buildings	\$ 11,350,907.33	\$ 11,077,867.90
Machinery and Equipment	<u>5,144,358.53</u>	<u>4,508,184.34</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 16,495,265.86</u>	<u>\$ 15,586,052.24</u>
Investment in General Fixed Assets	<u>\$ 16,495,265.86</u>	<u>\$ 15,586,052.24</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HIGH BRIDGE

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of High Bridge is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of High Bridge include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of High Bridge, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of High Bridge do not include the operations of the Volunteer Fire Companies, First Aid Squad, Public library or the local and regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of High Bridge conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of High Bridge are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Water Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Solid Waste Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Solid Waste Utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. All grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes and consumer charges are recorded with offsetting reserves on the balance sheet of the Borough's Current, Sewer, Water and Solid Waste Funds; accordingly, such amounts are not recorded as revenue until collected.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as a gain or loss on disposition in the year of sale.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Borough's most recent property revaluation.

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

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

Inventories of Supplies - The cost of inventories of supplies for all utility funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset for proprietary funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility, Sewer Utility and Solid Waste Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund, Sewer Utility Fund and the Solid Waste Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough considers change funds; cash in bank, investment in certificates of deposits as cash and cash equivalents. The Borough of High Bridge has the following cash and cash equivalents at December 31, 2011:

<u>FUND</u>	<u>CASH IN BANK</u>	<u>CASH EQUIVALENTS</u>	<u>ON HAND/ IN TRANSIT</u>	<u>OUTSTANDING CHECKS</u>	<u>TOTAL</u>
Current Fund	\$ 3,458,470.73	\$ 9,694.73	\$ 3,157.54	\$ 1,323.48	\$ 3,469,999.52
Animal Control Fund	4,598.96				4,598.96
Other Trust Fund	249,023.34			786.28	248,237.06
General Capital Fund	1,330,503.94				1,330,503.94
Water Utility Operating Fund	166,584.44			291.26	166,293.18
Water Utility Capital Fund	78,514.66				78,514.66
Sewer Utility Operating Fund	874,577.63				874,577.63
Sewer Utility Capital Fund	229,879.76				229,879.76
Solid Waste Utility Operating Fund	150,760.49				150,760.49
Solid Waste Utility Capital Fund	39,798.35				39,798.35
<u>TOTAL DECEMBER 31, 2011</u>	<u>\$ 6,582,712.30</u>	<u>\$ 9,694.73</u>	<u>\$ 3,157.54</u>	<u>\$ 2,401.02</u>	<u>\$ 6,593,163.55</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$6,082,712.30 was covered under the provisions of NJGUDPA. \$9,694.73 invested in the New Jersey Cash Management fund (cash equivalents) is uninsured.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (c.52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2011 the Borough has \$9,694.73 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, based by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2011</u>	<u>YEAR 2010</u>	<u>YEAR 2009</u>
Issued			
General:			
Bonds, Loans and Notes	\$ 11,908,852.38	\$ 12,839,449.22	\$ 13,820,718.35
Water Utility:			
Bonds and Notes	62,400.00	73,950.00	85,500.00
Sewer Utility:			
Bonds and Notes	2,927,000.00	2,937,000.00	2,937,000.00
	<u>14,898,252.38</u>	<u>15,850,399.22</u>	<u>16,843,218.35</u>
Less: Funds Temporarily held to pay			
Bond and Notes - General Capital	<u>341,008.73</u>	<u>386,382.56</u>	<u>535,455.25</u>
<u>Net Debt Issued</u>	<u>14,557,243.65</u>	<u>15,464,016.66</u>	<u>16,307,763.10</u>
Authorized But Not Issued:			
General - Bonds and Notes	3,385,177.08	3,484,621.98	3,796,445.42
Water Utility - Bonds and Notes	<u>119,251.74</u>	<u>119,251.74</u>	<u>119,251.74</u>
<u>Total Authorized But Not Issued</u>	<u>3,504,428.82</u>	<u>3,603,873.72</u>	<u>3,915,697.16</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u>\$ 18,061,672.47</u>	 <u>\$ 19,067,890.38</u>	 <u>\$ 20,223,460.26</u>

SUMMARY OF STATUTORY DEBT CONDITION  
(ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 3.68% as of December 31, 2011.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$ 184,498.00	\$ 184,498.00	
Local District School Debt	5,680,000.00	5,680,000.00	
Water Utility Debt	181,651.74	181,651.74	
Sewer Utility Debt	2,927,000.00	2,927,000.00	
General Debt	<u>15,294,029.46</u>	<u>341,008.73</u>	<u>\$ 14,953,020.73</u>
	<u>\$ 24,267,179.20</u>	<u>\$ 9,314,158.47</u>	<u>\$ 14,953,020.73</u>

NET DEBT \$14,953,020.73 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$406,273,444 EQUALS 3.68%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2011	\$ <u>406,273,444.00</u>
3-1/2% of Equalized Valuation Basis	\$ 14,219,570.54
Net Debt	<u>14,953,020.73</u>
Remaining (Deficit) Borrowing Power	\$ <u>(733,450.19)</u>

\*Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Regional and Local School District.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- WATER UTILITY PER N.J.S. 40A:2-45 AT DECEMBER 31, 2011

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus	\$420,077.22
Deduction:	
Operating and Maintenance Cost	\$324,210.44
Debt Service Per Water Utility Account	<u>12,964.00</u>
	<u>337,174.44</u>
Excess in Revenue	<u><u>\$82,902.78</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- SEWER UTILITY PER N.J.S.A. 40A:2-45 AT DECEMBER 31, 2011

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus	\$969,078.28
Deduction:	
Operating and Maintenance Cost	\$708,573.34
Debt Service Per Sewer Utility Account	<u>140,287.00</u>
	<u>848,860.34</u>
Excess in Revenue	<u><u>\$120,217.94</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- SOLID WASTE UTILITY PER N.J.S. 40A 2-45 AT DECEMBER 31, 2011

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$532,503.12
Deduction:		
Operating and Maintenance Cost	\$410,322.90	
Debt Service Per Solid waste Utility Account	<u>0.00</u>	
		<u>410,322.90</u>
Excess in Revenue		<u><u>\$122,180.22</u></u>

Long-Term Debt

General Capital Fund

**General Serial Bonds:**

\$1,104,000.00 of 2006 General Improvement Refunding Bonds due in annual installments of \$10,000.00 to \$100,000.00 through December 2022 at interest rates of 3.375 to 5.00%.	\$	939,500.00
\$4,156,000.00 of 2006 Golf Course Utility Refunding Bonds due in annual installments of \$40,000.00 to \$369,000.00 through December 2022 at interest rates of 3.375% to 5.00%.		3,465,500.00
\$4,863,000.00 of 2010 General Improvement Bonds due in annual installments of \$20,000.00 to \$369,000.00 through February 2040 at interest rates of 2.00% to 5.00%.		<u>4,848,000.00</u>
	\$	<u><u>9,253,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

**General Capital Fund (Continued)**

**General Capital Fund**

Green Acres Loans:

\$1,049,148.12 of 2007 Loan due in semiannual installments of principal and interest of \$43,145.63 through June 2021 at an interest rate of 2%. \$ 743,226.90

\$187,500.00 of 2002 Loan due in semiannual installments of principal and interest of \$5,829.67 through December 2021 at an interest rate of 2%. 105,199.69

\$ 848,426.59

Infrastructure Loans:

\$245,000 of 2007 Trust Loan due in annual installments of principal of \$10,000.00 to \$20,000.00 through August 2027 at interest rates of 3.5% to 5.0%. \$ 215,000.00

\$681,941.00 of 2007 Fund Loan due in semiannual installments of principal only through August 2027 ranging from \$16,156.64 to \$39,295.82, interest free 554,739.79

\$ 769,739.79

**Bond Anticipation Notes**

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	2.000%	7/20/2012	\$ 741,686.00
	2.000%	7/20/2012	<u>296,000.00</u>
			\$ <u><u>1,037,686.00</u></u>
Water Utility Capital	2.000%	7/20/2012	\$ <u><u>62,400.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2011 the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$	<u>3,385,177.08</u>
Water Utility Capital Fund	\$	<u>119,251.74</u>
Sewer Utility Capital Fund	\$	<u>-0-</u>
Solid Waste Utility Capital Fund	\$	<u>-0-</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2011

General Capital Fund

Calendar Year	Principal	Interest	Total
2012	\$ 380,000.00	\$ 409,270.00	\$ 789,270.00
2013	400,000.00	396,638.76	796,638.76
2014	390,000.00	377,913.78	767,913.78
2015	385,000.00	358,763.78	743,763.78
2016	420,000.00	339,353.78	759,353.78
2017	420,000.00	320,063.76	740,063.76
2018	420,000.00	303,608.76	723,608.76
2019	435,000.00	287,168.13	722,168.13
2020	450,000.00	269,877.50	719,877.50
2021	440,000.00	251,877.50	691,877.50
2022	485,000.00	234,077.50	719,077.50
2023	70,000.00	213,227.50	283,227.50
2024	20,000.00	210,977.50	230,977.50
2025	270,000.00	203,727.50	473,727.50
2026	220,000.00	191,477.50	411,477.50
2027	215,000.00	180,602.50	395,602.50
2028	265,000.00	168,602.50	433,602.50
2029	340,000.00	153,477.50	493,477.50
2030	335,000.00	136,602.50	471,602.50
2031	260,000.00	122,702.50	382,702.50
2032	285,000.00	111,050.00	396,050.00
2033	275,000.00	98,941.25	373,941.25
2034	325,000.00	85,810.00	410,810.00
2035	325,000.00	71,347.50	396,347.50
2036	325,000.00	56,722.50	381,722.50
2037	375,000.00	40,972.50	415,972.50
2038	350,000.00	24,660.00	374,660.00
2039	350,000.00	8,910.00	358,910.00
2040	23,000.00	517.50	23,517.50
Total	\$ <u>9,253,000.00</u>	\$ <u>5,628,942.00</u>	\$ <u>14,881,942.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL  
AND INTEREST AS OF DECEMBER 31, 2011

GREEN TRUST LOANS

CALENDAR YEAR	<u>LAKE SOLITUDE</u>		<u>SPRINGSIDE</u>		<u>TOTAL</u>
	<u>LOAN PRINCIPAL</u>	<u>LOAN INTEREST</u>	<u>LOAN PRINCIPAL</u>	<u>LOAN INTEREST</u>	
2012	\$ 71,783.85	\$ 14,507.41	\$ 9,603.13	\$ 2,056.22	\$ 97,950.61
2013	73,226.70	13,064.55	9,796.16	1,863.20	97,950.61
2014	74,698.56	11,592.69	9,993.06	1,666.29	97,950.60
2015	76,200.00	10,091.25	10,193.92	1,465.43	97,950.60
2016	77,731.62	8,559.63	10,398.82	1,260.53	97,950.60
2017	79,294.02	6,997.22	10,607.83	1,051.52	97,950.59
2018	80,887.83	5,403.41	10,821.05	838.30	97,950.59
2019	82,513.68	3,777.57	11,038.55	620.80	97,950.60
2020	84,172.21	2,119.05	11,260.42	398.92	97,950.60
2021	42,718.43	427.19	11,486.75	172.60	54,804.97
	<u>\$ 743,226.90</u>	<u>\$ 76,539.97</u>	<u>\$ 105,199.69</u>	<u>\$ 11,393.81</u>	<u>\$ 936,360.37</u>

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

CALENDAR YEAR	<u>TRUST LOAN</u>		<u>FUND LOAN</u>	<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	
2012	\$ 10,000.00	\$ 9,487.50	\$ 35,208.15	\$ 54,695.65
2013	10,000.00	9,147.50	34,593.87	53,741.37
2014	10,000.00	8,797.50	33,961.53	52,759.03
2015	10,000.00	8,437.50	33,311.11	51,748.61
2016	10,000.00	7,937.50	32,407.77	50,345.27
2017	10,000.00	7,437.50	31,504.41	48,941.91
2018	10,000.00	6,937.50	30,601.05	47,538.55
2019	15,000.00	6,437.50	38,731.23	60,168.73
2020	15,000.00	5,837.50	37,647.21	58,484.71
2021	15,000.00	5,237.50	36,563.18	56,800.68
2022	15,000.00	4,487.50	35,208.15	54,695.65
2023	15,000.00	3,737.50	33,853.13	52,590.63
2024	15,000.00	3,100.00	32,701.35	50,801.35
2025	15,000.00	2,425.00	31,481.82	48,906.82
2026	20,000.00	1,750.00	39,295.82	61,045.82
2027	20,000.00	850.00	37,670.01	58,520.01
	<u>\$ 215,000.00</u>	<u>\$ 92,045.00</u>	<u>\$ 554,739.79</u>	<u>\$ 861,784.79</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2011 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012 were as follows:

Current Fund	\$582,000.00
Sewer Operating Fund	168,398.00
Water Operating Fund	44,500.00
Solid Waste Operating Fund	None

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, 2011	BALANCE DECEMBER 31, 2010
Prepaid Taxes	<u>\$51,711.20</u>	<u>\$72,464.17</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) and the Defined Contribution Retirement Plan (DCRP). The PERS and the PFRS are cost-sharing multiple employer defined benefit plans. The DCRP is a defined contribution plan. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$181,733.00 for 2011, \$181,733.00 for 2010, and \$126,527.00 for 2009.

NOTE 6: PENSION PLANS (CONTINUED)

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees hired prior to December 31, 2001 are allowed to accumulate unused sick pay over the life of their working careers, up to a maximum of twenty-one days, which may be paid at a later date. The accumulated cost of such unpaid compensation is not required to be accrued in the financial statements as presented. The Borough has estimated the liability at \$67,834.80 and \$69,275.00 as of December 31, 2011 and 2010, respectively. The Borough annually appropriates the amounts that are required to be paid in each year's budget on a cash basis.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough as of December 31, 2011.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2011. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in detail in Part II of the 2011 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Borough of High Bridge is a member of the Statewide Excess Liability Fund. This is an insured group of municipalities established for the purpose of providing low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum. The fund is an insurance purchasing pool in which the participants seek to lower insurance costs through their combined joint purchasing power. Each participant receives their own insurance policies. Risk transfers through the pool to the insurance company from which the policies are purchased. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**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 table is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the 2011 and the previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 311.75	\$ 1,952.78	\$	\$ 115,259.00
2010	560.70	1,869.40	1,060.46	112,994.47
2009	483.31	2,025.12	1,753.16	111,624.83

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2011:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 7,009.24	\$ 80,034.52
Grant Fund	80,034.52	
Animal Control Trust Fund		0.05
Trust Funds	2,509.93	6,764.39
General Capital Fund		2,754.73
Water Utility Operating Fund	16.90	
Water Utility Capital Fund		16.90
Sewer Utility Operating Fund	67.47	
Sewer Utility Capital Fund		67.47
Solid Waste Utility Operating Fund	8.57	
Solid Waste Utility Capital Fund		8.57
	<u>\$ 89,646.63</u>	<u>\$ 89,646.63</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and the payment between the funds was made.

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of High Bridge adopted an ordinance establishing a Length of Service Awards Program for the members of the volunteer Fire Department and Emergency Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the volunteer Fire Department and Emergency Squad will have an annual amount of \$700.00 deposited into a tax deferred income account that will earn interest for the volunteer. The estimated annual cost of this program is \$21,000.00.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulation.

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2011	2012 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING BUDGETS
<u>Current Fund:</u>			
Special Emergency Authorization 40A:4-55	<u>\$7,500.00</u>	<u>\$7,500.00</u>	<u>\$0.00</u>
Emergency Authorization	<u>\$32,000.00</u>	<u>\$32,000.00</u>	

NOTE 15: POST-EMPLOYMENT BENEFITS (GASB 45)

The Borough does not provide other post-employment benefits to its retirees. Therefore, there is no liability reported under the requirements of GASB Statement No. 45 or LFN 2009-13 and LFN 2007-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

BOROUGH OF HIGH BRIDGE

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011



BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF CASH-COLLECTOR

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	186,112.51
Received:			
Revenue Accounts Receivable	A-9	\$	44,864.50
Taxes Receivable	A-7		11,785,754.79
Miscellaneous Revenue	A-2		2,080.09
2012 Taxes Prepaid	A-17		51,711.20
Tax Overpayments	A-18		5,705.36
Reserve for Outside Liens	A-21		171,722.61
			<u>12,061,838.55</u>
		\$	<u>12,247,951.06</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		<u>12,159,668.40</u>
Balance, December 31, 2011	A	\$	<u><u>88,282.66</u></u>

BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>	BALANCE DECEMBER 31, 2010	BALANCE DECEMBER 31, 2011
Police	\$ 20.00	\$ 20.00
Clerk	50.00	50.00
Collector	50.00	50.00
	<u>120.00</u>	<u>120.00</u>
	\$ <u>120.00</u>	\$ <u>120.00</u>
<u>REF.</u>	A	A

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2011 LEVY	COLLECTED		TRANSFER TO TAX TITLE LIENS	REMITTED AND CANCELED	BALANCE
	DECEMBER 31, 2010		IN 2010	IN 2011			DECEMBER 31, 2011
2010	\$ 195,455.28	\$ 4,737.96	\$	\$ 200,193.24	\$	\$	\$
	\$ 195,455.28	\$	\$	\$ 200,193.24	\$	\$	\$
2011		11,912,973.82	72,464.17	11,613,251.28	1,121.45	52,109.33	174,027.59
	\$ 195,455.28	\$ 11,917,711.78	\$ 72,464.17	\$ 11,813,444.52	\$ 1,121.45	\$ 52,109.33	\$ 174,027.59
	REF. A		A-2:A-17	A-2	A-12		A
Collector	A-5			\$ 11,785,754.79			
State of New Jersey	A-8			27,689.73			
				\$ 11,813,444.52			

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 11,910,795.89
Added Taxes (54:4-63.1 et. seq.)	2,177.93
	<u>\$ 11,912,973.82</u>

TAX LEVY

Regional High School Tax (Abstract)	A-16	\$ 2,187,434.29
Regional School Tax (Abstract)	A-15	5,343,727.00
County Taxes:		
County Tax (Abstract)	A-14	\$ 1,401,699.99
Due County for Added Taxes (54:4-63.1 et. seq.)	A-14	266.55
Total County Taxes		1,401,966.54
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 2,975,990.32
Add: Additional Tax Levied		3,855.67
		<u>2,979,845.99</u>
		<u>\$ 11,912,973.82</u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
PER CHAPTER 20,P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2010 (Due To)	A	\$	(1,147.39)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	5,750.00
Veterans			23,000.00
Allowed by Tax Collector:			
Senior Citizens and Veterans			<u>750.00</u>
			29,500.00
		\$	<u>28,352.61</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	29,941.78
Sr. Citizens Deductions Disallowed By Tax Collector			<u>1,810.27</u>
			<u>31,752.05</u>
Balance, December 31, 2011 (Due To)	A	\$	<u><u>(3,399.44)</u></u>

SUMMARY OF 2011 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	28,750.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>750.00</u>
			29,500.00
Disallowed by Collector:			
2011 Taxes			<u>1,810.27</u>
	A-7	\$	<u><u>27,689.73</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2011</u>	<u>COLLECTED BY</u>	
			<u>COLLECTOR</u>	<u>TREASURER</u>
Clerk:				
Alcoholic Beverage Licenses	A-2	\$ 6,000.00	\$	6,000.00
Licenses-Other	A-2	1,235.00		1,235.00
Construction Code Official:				
Fees and Permits	A-2	29,018.00		29,018.00
Municipal Court:				
Fines and Costs	A-2	32,205.76		32,205.76
Interest on Investment	A-2	17,459.61		17,459.61
Golf Fees	A-2	1,158,129.93		1,158,129.93
Lake Solitude Rental Income	A-2	10,408.00		10,408.00
Consolidated Municipal Property Tax Relief Act	A-2	71,169.00		71,169.00
Energy Receipts Tax	A-2	220,740.00		220,740.00
Hunterdon County Grant	A-2	333,000.00		333,000.00
Hunterdon County Open Space	A-2	12,795.43		12,795.43
Cable Franchise Fee	A-2	11,217.47		11,217.47
Recreation Fees	A-2	25,850.00		25,850.00
Reserve for Debt Service	A-2	200,000.00		200,000.00
Interest and Costs on Taxes	A-2	44,864.50	44,864.50	
		\$ 2,174,092.70	\$ 44,864.50	\$ 2,129,228.20
	<u>REF.</u>		A-5	A-4

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>SOLID WASTE OPERATING</u>
Balance, December 31, 2010:							
Due From	A	\$ 20.64	\$	20.64	\$	\$	
Due To	A	<u>57,767.94</u>	<u>42,238.08</u>			<u>15,529.86</u>	
Receipts - Treasurer	A-4	75,276.40	68,946.56	86.59	2,288.91	407.68	3,546.66
Disbursements	A-4	<u>59,998.42</u>	<u>31,150.12</u>	<u>66.00</u>	<u>9,053.30</u>	<u>16,182.34</u>	<u>3,546.66</u>
Balance, December 31, 2011:							
Due From	A	\$ 7,009.24	\$	0.05	6,764.39	244.80	\$
Due To	A	<u>80,034.52</u>	<u>80,034.52</u>				

"A-11"

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>DEPARTMENT</u>	<u>RECEIVED</u>	<u>RETURNED</u>
Finance	\$ 200.00	\$ 200.00
Police	50.00	50.00
	<u>250.00</u>	<u>250.00</u>
	\$ <u>250.00</u>	\$ <u>250.00</u>
<u>REF.</u>	A-4	A-4

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	1,440.76
Increased by:			
Transfer from Taxes Receivable	A-7		<u>1,121.45</u>
Balance, December 31, 2011	A	\$	<u><u>2,562.21</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Administrative and Executive	\$ 978.68	\$ 978.68	\$	978.68
Municipal Clerk	11.30	11.30		11.30
Financial Administration	8.53	8.53		8.53
Assessment of Taxes	0.86	0.86		0.86
Collection of Taxes	76.89	76.89		76.89
Planning Board	0.06	0.06		0.06
Zoning Costs	0.52	0.52		0.52
Recreation Services	55.41	55.41		55.41
Police	19,954.76	19,954.76		19,954.76
Municipal Prosecutor	395.00	395.00		395.00
Public Defender	138.00	138.00		138.00
Streets and Road Maintenance	9,501.94	8,451.94		8,451.94
Expenses of Participation in Free County Library	905.11	905.11		905.11
Building Inspector	0.52	0.52		0.52
<u>OTHER EXPENSES</u>				
Administrative and Executive:				
Internet	502.60	502.60	190.59	312.01
Miscellaneous Other Expenses	7.85	7.85		7.85
Mayor & Council:				
Advertising Costs	196.82	2,183.59	221.52	1,962.07
Newsletter	141.85	196.82	15.00	181.82
Miscellaneous		156.85		156.85
Municipal Clerk:				
Other Expenses	158.47	166.49	-50.00	216.49
Election Expenses	119.28	119.28		119.28
Financial Administration	420.85	638.22		638.22
Audit Services		18,000.00	18,000.00	
Assessment of Taxes	339.12	465.65	43.01	422.64
Collection of Taxes	534.42	634.42		634.42
Legal Services and Costs	17.00	4,369.67	3,616.00	753.67
Engineering Services and Costs	95.00	2,739.60	1,526.90	1,212.70
Public Buildings and Grounds:				
Maintenance and Repairs	221.25	1,566.55	995.16	571.39
Other Expenses - Office Supplies	214.97	1,517.22	327.06	1,190.16
Planning Board	2.14	532.99		532.99
Economic Development	129.30	129.30		129.30
Environmental Commission (N.J.S 40:56A-1) et. Seq.):	26.92	26.92		26.92
Police:				
Lease of Police Car	2.97	2.97		2.97
Miscellaneous Other Expenses	760.47	4,370.89	3,489.32	881.57
Emergency Management Services	32.71	334.56	137.81	196.75
Street and Road Maintenance	1,723.29	9,972.88	1,918.62	8,054.26
Board of Health				
Bloodborne Pathogens	550.00	550.00		550.00
Recreation Program:				
Special Events	243.72	668.72	425.00	243.72
Miscellaneous Other Expenses	5,563.32	7,163.32	1,600.00	5,563.32
Golf Course	33,770.61	41,770.61	41,380.98	389.63
Expenses of Participation in Free County Library	140.01	178.27		178.27
Construction Code Enforcement	47.41	67.41		67.41

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2010</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Electricity	\$ 171.22	\$ 3,145.32	\$ 2,296.12	\$ 849.20
Street Lighting	118.34	3,864.86	3,743.99	120.87
Telephone	787.26	1,899.55	1,450.75	448.80
Water	11.22	11.22		11.22
Fuel Oil	2,509.31	8,125.75	4,928.05	3,197.70
Gasoline		35.14		35.14
Social Security System (O.A.S.I.)	2,807.96	2,807.96		2,807.96
Insurance (NJSA 40A:4-45.3(00)):				
General Liability	1,578.49	1,578.49	72.00	1,506.49
Workers' Compensation	920.40	920.40		920.40
Employee Group Health	2,446.04	2,446.04		2,446.04
Length of Service Award Program	4,900.00	4,900.00		4,900.00
Defined Contribution Retirement Plan	360.00	360.00	127.91	232.09
Affordable Housing Appropriation	7,135.96	18,728.88	128.00	18,600.88
North Hunterdon Municipal Court	150.24	150.24		150.24
	<u>\$ 101,886.37</u>	<u>\$ 178,985.08</u>	<u>\$ 86,583.79</u>	<u>\$ 92,401.29</u>
<u>REF.</u>	A		A-4	A-1
Balance, December 31, 2010	A	\$ 101,886.37		
Encumbrances Payable	A-20	<u>77,098.71</u>		
		<u>\$ 178,985.08</u>		

"A-14"

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	518.54
2011 Tax Levy:			
County Taxes	A-1:A-7	\$	1,401,699.99
County Share of Added Taxes	A-1:A-7		<u>266.55</u>
			1,401,966.54
		\$	<u>1,402,485.08</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,402,218.53</u>
Balance, December 31, 2011	A	\$	<u><u>266.55</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2010	A	\$	834,931.40
Increased by:			
2011 Levy	A-1:A-7		<u>5,343,727.00</u>
		\$	<u>6,178,658.40</u>
Decreased by:			
Cash Disbursements	A-4		<u>5,344,905.00</u>
Balance, December 31, 2011	A	\$	<u><u>833,753.40</u></u>

"A-16"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Balance, December 31, 2010	A	\$	413,038.53
Increased by:			
2011 Levy	A-1:A-7		<u>2,187,434.29</u>
		\$	<u>2,600,472.82</u>
Decreased by:			
Cash Disbursements	A-4		<u>2,162,593.84</u>
Balance, December 31, 2011	A	\$	<u><u>437,878.98</u></u>

"A-17"

BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2010 (2011 Taxes)	A	\$	72,464.17
Increased by:			
Collection of 2012 Taxes	A-5		51,711.20
		\$	<u>124,175.37</u>
Decreased by:			
Application to 2011 Taxes Receivable	A-7		<u>72,464.17</u>
Balance, December 31, 2011 (2012 Taxes)	A	\$	<u><u>51,711.20</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2010	A	\$	9.60
Increased by:			
Cash Receipts	A-5		5,705.36
		\$	<u>5,714.96</u>
Decreased by:			
Cash Disbursements	A-4	\$	5,705.36
Canceled	A-1		9.60
			<u>9.60</u>
		\$	<u><u>5,714.96</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>GRANT</u>	BALANCE DECEMBER 31, 2010	CASH RECEIPTS	APPLIED TO REVENUE	BALANCE DECEMBER 31, 2011
Garden State Trust	\$ 12,931.00	\$ 12,931.00	\$ 12,931.00	12,931.00
Green Acres Grant	<u>180,604.00</u>	<u>450,000.00</u>	<u>12,931.00</u>	<u>630,604.00</u>
	\$ <u>193,535.00</u>	\$ <u>462,931.00</u>	\$ <u>12,931.00</u>	\$ <u>643,535.00</u>
<u>REF.</u>	A	A-4	A-2	A

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	77,098.71
Increased by:			
Charged to 2011 Appropriations	A-3	\$	252,142.95
Charged to Miscellaneous Deposits	A-21		<u>2,595.00</u>
			254,737.95
		\$	<u>331,836.66</u>
Decreased by:			
Transfer to Appropriation Reserves	A-13		<u>77,098.71</u>
Balance, December 31, 2011	A	\$	<u><u>254,737.95</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ENCUMBRANCES PAYABLE</u>	<u>BALANCE DECEMBER 31, 2011</u>
Marriage License Due State	\$	\$ 350.00	\$ 250.00	\$ 100.00	\$
Outside Liens		171,722.61	171,722.61		
State Training Fees	803.00	1,846.00	1,939.00	665.00	45.00
Police Outside Overtime		3,719.27	3,686.64		32.63
GIS Fees	451.00	2,800.00	2,930.00	180.00	141.00
County Food Inspections	2,625.00	1,850.00	1,800.00	1,650.00	1,025.00
	<u>\$ 3,879.00</u>	<u>\$ 182,287.88</u>	<u>\$ 182,328.25</u>	<u>\$ 2,595.00</u>	<u>\$ 1,243.63</u>
<u>REF.</u>	A	A-4:A-5	A-4	A-20	A

"A-22"

BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 114,600.00
Balance, December 31, 2011	A	\$ <u>114,600.00</u>

"A-23"

SCHEDULE OF DUE FROM OTHERS

Balance, December 31, 2010	A	\$ 50,000.00
Balance, December 31, 2011	A	\$ <u>50,000.00</u>

BOROUGH OF HIGH BRIDGE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2010 (Due From)	A	\$ 42,238.08
Increased by:		
Cash Disbursements	A-4	68,946.56
		\$ <u>111,184.64</u>
Decreased by:		
Cash Receipts	A-4	<u>31,150.12</u>
Balance, December 31, 2011 (Due From)	A	\$ <u><u>80,034.52</u></u>

BOROUGH OF HIGH BRIDGE

GRANT FUND

SCHEDULE OF GRANTS FUND  
APPROPRIATED RESERVES

<u>GRANT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>TRANSFERRED FROM</u> <u>2011 BUDGET</u> <u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
Municipal Court Alcohol Education Rehabilitation Fund - 2005	\$ 170.35	\$	\$	\$ 170.35
Drunk Driving Enforcement Fund - 2011		2,447.11		2,447.11
Alcohol Education and Rehabilitation Fund	645.90			645.90
Energy Efficiency & Conservation Grant		19,003.96	19,003.96	
Hazardous Discharge Site Remediation Fund - 2008	55,359.31		25,000.00	30,359.31
Domestic Violence Training Grant - 2008	50.00			50.00
Body Armor Replacement Fund - 2009	671.74		671.74	
Recycling Tonnage Grant - 2009		4,004.30	4,004.30	
Recycling Tonnage Grant - 2010		2,837.87	2,837.87	
Clean Communities Program - 2011		7,135.00		7,135.00
Drunk Driving Enforcement Fund - 2009	931.85		750.00	181.85
NJ Highlands & Water Protection Program:				
Plan Conformance Grant - 2009	7,579.65	69,180.15	64,152.05	12,607.75
Sustainable Development Program	30,300.00		25,861.90	4,438.10
New Jersey Body Armor Fund - 2011		1,096.45		1,096.45
Clean Communities Program - 2010	5,869.20		5,381.59	487.61
New Jersey Body Armor Fund - 2010	1,051.93			1,051.93
	<u>\$ 102,629.93</u>	<u>\$ 105,704.84</u>	<u>\$ 147,663.41</u>	<u>\$ 60,671.36</u>
<u>REF.</u>	A	A-3		A
Encumbrances Payable	A		\$ 116,513.29	
Cash Disbursements	A-4		<u>31,150.12</u>	
			<u>\$ 147,663.41</u>	

BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	3,630.00
Balance, December 31, 2011	A	\$	<u>3,630.00</u>

BOROUGH OF HIGH BRIDGE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

GRANT	BALANCE DECEMBER 31, 2010	2011 REVENUE ANTICIPATED	CASH RECEIPTS	BALANCE DECEMBER 31, 2011
Body Armor Replacement Fund	\$	\$ 1,096.45	\$ 1,096.45	\$
Drunk Driving Enforcement Fund		2,447.11	2,447.11	
Energy Efficiency Grant		19,003.96	19,003.96	
Clean Communities Program		7,135.00	7,135.00	
Hazardous Discharge Grant	12,272.00			12,272.00
NJ Highlands & Water Protection Program: Plan Conformance Grant-2011		69,180.15	14,602.02	54,578.13
Recycling Tonnage Grant		6,842.17	6,842.17	
2009 Plan Conformance Grant	17,819.85		17,819.85	
Sustainable Development Plan	30,300.00			30,300.00
	<u>\$ 60,391.85</u>	<u>\$ 105,704.84</u>	<u>\$ 68,946.56</u>	<u>\$ 97,150.13</u>
<u>REF.</u>	A	A-2	A-4	A

BOROUGH OF HIGH BRIDGE  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2010	ADDED IN 2011	REDUCED IN 2011	BALANCE DECEMBER 31, 2011
Emergency Authorizations	\$ 228,500.00	\$ 32,000.00	\$ 228,500.00	\$ 32,000.00
	<u>228,500.00</u>	<u>32,000.00</u>	<u>228,500.00</u>	<u>32,000.00</u>
	<u>\$ 228,500.00</u>	<u>\$ 32,000.00</u>	<u>\$ 228,500.00</u>	<u>\$ 32,000.00</u>
<u>REF.</u>	A	A-3	A-3	A

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES  
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY

<u>DATE</u> <u>AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET</u> <u>AMOUNT</u> <u>AUTHORIZED</u>	<u>1/5 OF</u> <u>NET AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>ADDED IN</u> <u>2011</u>	<u>REDUCED IN</u> <u>2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
07-10-09	Codification of Ordinances	\$ 14,600.00	\$ 2,920.00	\$ 2,360.00	\$	\$ 2,360.00	\$
10-18-11	Road Repair Due to Flood Damage	7,500.00	1,500.00		<u>7,500.00</u>		<u>7,500.00</u>
				<u>\$ 2,360.00</u>	<u>\$ 7,500.00</u>	<u>\$ 2,360.00</u>	<u>\$ 7,500.00</u>
			<u>REF.</u>	A	A-3	A-3	A

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2010	B	\$ 4,534.78	\$ 274,122.67
Increased by Receipts:			
Dog License Fees	B-2	\$ 3,005.31	
Due From State of New Jersey	B-3	383.40	
Various Reserves and Deposits	B-5		\$ 1,970,194.62
Due Current Fund	B-6	<u>0.05</u>	<u>6,912.28</u>
		<u>3,388.76</u>	<u>1,977,106.90</u>
		<u>7,923.54</u>	<u>2,251,229.57</u>
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	B-2	2,920.54	
Due From State of New Jersey	B-3	383.40	
Due General Capital Fund			1,898.87
Various Reserves and Deposits	B-5		2,000,945.75
Due Current Fund	B-6	<u>20.64</u>	<u>147.89</u>
		<u>3,324.58</u>	<u>2,002,992.51</u>
Balance, December 31, 2011	B	\$ <u><u>4,598.96</u></u>	\$ <u><u>248,237.06</u></u>

"B-2"

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	4,379.14
Increased by:			
Dog License Fees Collected	B-1		<u>3,005.31</u>
			7,384.45
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1	\$	2,920.54
Encumbrances Payable	B		<u>1,825.24</u>
			<u>4,745.78</u>
Balance, December 31, 2011	B	\$	<u><u>2,638.67</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2010	\$	3,390.00
2009		<u>4,226.20</u>
	\$	<u><u>7,616.20</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

Balance, December 31, 2010	B	\$	135.00
Increased by:			
Cash Receipts	B-1		<u>383.40</u>
		\$	518.40
Decreased by:			
Cash Disbursements	B-1		<u>383.40</u>
Balance, December 31, 2011	B	\$	<u><u>135.00</u></u>

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF REHABILITATION LOANS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	4,390.00
Balance, December 31, 2011	B	\$	<u>4,390.00</u>

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2010	CASH RECEIPTS	CASH DISBURSED	BALANCE DECEMBER 31, 2011
Engineering Fees	\$ 25,427.73	\$ 4,773.29	\$ 17,980.61	12,220.41
Open Space Acquisition	611.06	1,898.87		2,509.93
Unemployment Compensation	112,994.47	2,264.53		115,259.00
Small Cities - CDBG	52,894.06	144.59		53,038.65
Tax Sale Premiums	79,400.00	32,700.00	83,900.00	28,200.00
Rehabilitation Loan Receivable	4,390.00			4,390.00
Public Events	3,406.41	24,324.06	20,525.48	7,204.99
Payroll Agency		1,904,089.28	1,879,274.69	24,814.59
	<u>\$ 279,123.73</u>	<u>\$ 1,970,194.62</u>	<u>\$ 2,001,680.78</u>	<u>\$ 247,637.57</u>

REF.

B

B-1

B

Cash Disbursements  
Encumbrances Payable

B-1

B

\$ 2,000,945.75

735.03

\$ 2,001,680.78

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2010: Due To	B	\$ <u>1,194.39</u>	\$ <u>20.64</u>	<u>                    </u>
Increased by: Cash Receipts	B-1	<u>6,912.33</u>	<u>0.05</u>	<u>6,912.28</u>
Decreased by: Cash Disbursements	B-1	<u>168.53</u>	<u>20.64</u>	<u>147.89</u>
Balance, December 31, 2011: Due To	B	\$ <u><u>6,764.44</u></u>	\$ <u><u>0.05</u></u>	<u><u>6,764.39</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 1,317,348.57
Increased by Receipts:			
Budget Appropriation:			
Deferred Charges- Unfunded	C-5	\$ 99,445.42	
Premium on Sale of Bonds and Notes	C-1	239.00	
Grants Receivable	C-10	47,182.70	
Due Current Fund	C-9	17,673.53	
Due Open Space Trust		1,898.87	
Various Reserves and Deposits	C-15	1,999,982.04	
Bond Anticipation Notes	C-13	<u>1,037,686.00</u>	
			<u>3,204,107.56</u>
			\$ <u>4,521,456.13</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 1,618,367.32	
Bond Anticipation Notes	C-13	1,037,686.00	
Various Reserves and Deposits	C-15	533,000.00	
Due Current Fund	C-9	<u>1,898.87</u>	
			<u>3,190,952.19</u>
Balance, December 31, 2011	C:C-3		\$ <u><u>1,330,503.94</u></u>

"C-3"

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2011</u>
Capital Improvement Fund	\$ 235,415.70
Fund Balance	261,617.86
Contracts Payable	1,527,456.31
Unexpended Proceeds of Bond Anticipation Notes on "C-5"	45,227.07
Improvement Authorizations:	
Funded Improvements Listed on "C-7"	433,566.47
Improvements Expended Set Forth on "C-5"	(2,750,940.10)
Various Reserves and Deposits	1,873,507.15
Due Trust Fund	2,509.93
Due Current Fund	244.80
Grants Receivable	<u>(298,101.25)</u>
	<u>\$ 1,330,503.94</u>
<u>REF.</u>	C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2010	C	\$ 11,382,061.22
Decreased by:		
2011 Budget Appropriation to Pay:		
Bond Principal	C-12	\$ 385,000.00
Green Trust Loan Principal	C-11	79,783.33
Environmental Infrastructure Loan Principal	C-14	<u>46,111.51</u>
		<u>510,894.84</u>
Balance, December 31, 2011	C	<u>\$ 10,871,166.38</u>



BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 405,105.72
Increased by:		
Contracts Issued	C-7	<u>2,740,717.91</u>
		\$ <u>3,145,823.63</u>
Decreased by:		
Cash Disbursements	C-2	<u>1,618,367.32</u>
Balance, December 31, 2011	C	\$ <u><u>1,527,456.31</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2010		2011 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1999-02	Acquisition of Lake Solitude Land Parcel	05/13/99	\$ 1,800,000.00	\$ 62,751.61	\$ 43,316.44				\$ 106,068.05	
2002-19	Lake Solitude Dam Project	07/25/02	164,600.00		26,544.27		3,301.00			23,243.27
2006-30	Streetscape - Phase I	08/24/06	241,000.00		4,061.71		165.61			3,896.10
2007-11	Acquisition of Property	04/12/07	4,221,000.00	48,254.87				48,254.87		
2007-14/2011-04	Construction of DPW	05/10/07	350,000.00		31.84	7,000.00	7,031.84			
		03/10/11	7,000.00							
2007-17	Various Improvements to Jercho Road	05/10/07	520,000.00		11,297.33		229.39			11,067.94
2007-19	Various Improvements to Mill & McDonald	05/10/07	63,000.00		47,651.64					47,651.64
2007-20	Purchase of Fire Pumper	05/10/07	425,000.00		1,142.68		558.89			583.79
2008-11	River Road Improvements	03/13/08	300,000.00		10,332.07					10,332.07
2008-26	Lake Solitude Dam Remediation	10/23/08	3,600,000.00		3,215,604.81		2,632,915.57			582,689.24
2009-4	Mine Road Improvements	2/12/2009	20,000.00	8,459.51			165.61	8,293.90		
2009-26	Reclamation- Buffalo Hollow Road	7/16/2009	25,000.00	8,002.48				8,002.48		
2009-30	Fire Escape- Rescue Squad Building	10/8/2009	30,000.00	5,377.43				5,377.43		
2009-35	ADA Compliance - Borough Hall	11/12/2009	15,000.00	3,588.78				3,588.78		
2010-4	Patrol Desk improvements - Police	3/29/2010	15,000.00	1,856.84				1,856.84		
2010-15	Road Improvements	10/15/2010	10,000.00	6,848.42			5,000.00		1,848.42	
2011-09	Solitude House - Heating System Repairs	04/14/11	15,000.00			15,000.00	5,150.00		9,850.00	
2011-10/2011-25	Cregar Road Improvements	9/8/2011	375,000.00			375,000.00	65,300.00		309,700.00	
2011-28	Borough Hall - Heating System Repairs	10/27/11	15,000.00			15,000.00	13,905.00		1,095.00	
2011-29	Purchase of Backhoe Attachment	11/17/11	12,000.00			12,000.00	6,995.00		5,005.00	
				\$ 145,139.94	\$ 3,359,982.79	\$ 424,000.00	\$ 2,740,717.91	\$ 75,374.30	\$ 433,566.47	\$ 679,464.05
		REF.		C	C				C:C-3	C:C-5
	Miscellaneous Deposits	C-15				\$ 2,500.00	\$			
	Grants Receivable	C-10				195,000.00				
	Capital Improvement Fund	C-8				226,500.00		27,119.43		
	Capital Surplus	C-1						48,254.87		
	Contracts Payable	C-6					2,740,717.91			
						\$ 424,000.00	\$ 2,740,717.91	\$ 75,374.30		

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 434,796.27
Increased by:		
Cancellation of Improvement Authorizations	C-7	<u>27,119.43</u>
		\$ 461,915.70
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>226,500.00</u>
Balance, December 31, 2011	C	<u><u>\$ 235,415.70</u></u>

"C-9"

BOROUGH OF HIGH BRIDGE  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2010 Due from	C	\$	15,529.86
Increased by:			
Cash Disbursements	C-2		1,898.87
		\$	<u>17,428.73</u>
Decreased by:			
Cash Receipts	C-2		<u>17,673.53</u>
Balance, December 31, 2011 (Due to)	C	\$	<u><u>(244.80)</u></u>

"C-10"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2010	C	\$	180,733.01
Increased by:			
Grants Awarded- Funded Projects	C-7		195,000.00
		\$	<u>375,733.01</u>
Decreased by:			
Cash Receipts	C-2	\$	47,182.70
Canceled	C-15		<u>30,449.06</u>
			<u>77,631.76</u>
Balance, December 31, 2011	C	\$	<u><u>298,101.25</u></u>

ANALYSIS OF BALANCE

Green Acres Trust - Lake Solitude Property	\$	100,283.95
New Jersey Department of Transportation - Ord 2008-11		2,817.30
New Jersey Department of Transportation - Ord 2011-10		<u>195,000.00</u>
	\$	<u><u>298,101.25</u></u>

"C-11"

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY -  
DEPARTMENT OF ENVIRONMENTAL PROTECTION -  
GREEN TRUST LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 928,209.92
Decreased by:		
Paid by Budget Appropriation	C-4	<u>79,783.33</u>
Balance, December 31, 2011	C	<u>\$ 848,426.59</u>

ANALYSIS OF BALANCE

Springside Property	\$ 105,199.69
Lake Solitude Property	<u>743,226.90</u>
	<u>\$ 848,426.59</u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement Refunding Bonds	02/08/06	\$ 1,104,000.00	12/01/12	\$ 69,500.00	3.375%	\$ 1,019,000.00	\$ 79,500.00	\$ 939,500.00
			12/01/12	10,000.00	3.500%			
			12/01/13	78,500.00	4.750%			
			12/01/14	76,500.00	5.000%			
			12/01/15	76,000.00	5.000%			
			12/01/16	78,500.00	4.750%			
			12/01/17	85,500.00	4.000%			
			12/01/18	85,000.00	4.000%			
			12/01/19	85,000.00	4.000%			
			12/01/20	100,000.00	4.000%			
			12/01/21	99,500.00	4.000%			
			12/01/22	95,500.00	4.000%			
Golf Course Utility Refunding Bonds	02/08/06	4,156,000.00	12/01/12	245,500.00	3.375%	3,756,000.00	290,500.00	3,465,500.00
			12/01/12	40,000.00	3.500%			
			12/01/13	311,500.00	4.750%			
			12/01/14	303,500.00	5.000%			
			12/01/15	304,000.00	5.000%			
			12/01/16	311,500.00	4.750%			
			12/01/17	304,500.00	4.000%			
			12/01/18	305,000.00	4.000%			
			12/01/19	325,000.00	4.000%			
			12/01/20	325,000.00	4.000%			
			12/01/21	320,500.00	4.000%			
			12/01/22	369,500.00	4.000%			

BOROUGH OF HIGH BRIDGE  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2010	DECREASED	BALANCE DECEMBER 31, 2011
			DATE	AMOUNT				
General Improvement Bonds	02/15/2010	\$ 4,863,000.00	2/15/2012	\$ 15,000.00	2.000%	\$ 4,863,000.00	\$ 15,000.00	\$ 4,848,000.00
			2/15/13-14	10,000.00	2.000%			
			2/15/15	5,000.00	2.000%			
			2/15/16	30,000.00	2.400%			
			2/15/17	30,000.00	2.700%			
			2/15/18	30,000.00	3.000%			
			2/15/19	25,000.00	3.125%			
			2/15/20	25,000.00	4.000%			
			2/15/21-22	20,000.00	5.000%			
			2/15/23	70,000.00	5.000%			
			2/15/24	20,000.00	5.000%			
			2/15/25	270,000.00	5.000%			
			2/15/26	220,000.00	5.000%			
			2/15/27	215,000.00	5.000%			
			2/15/28	265,000.00	5.000%			
			2/15/29	340,000.00	5.000%			
			2/15/30	335,000.00	5.000%			
			2/15/31	260,000.00	4.250%			
			2/15/32	285,000.00	4.300%			
			2/15/33	275,000.00	4.350%			
2/15/34	325,000.00	4.400%						
2/15/35-36	325,000.00	4.500%						
2/15/37	375,000.00	4.500%						
2/15/38-39	350,000.00	4.500%						
2/15/40	23,000.00	4.500%						
						<u>\$ 9,638,000.00</u>	<u>\$ 385,000.00</u>	<u>\$ 9,253,000.00</u>
						REF. C	C-4	C

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
2002-19	Lake Solitude Dam Project	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	\$ 46,740.00	\$ 31,160.00	\$ 46,740.00	\$ 31,160.00
2003-03	Taylor and Thomas Street Improvements	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	55,828.00	25,228.00	55,828.00	25,228.00
2003-06	Cokesbury Road Improvements	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	34,696.00	22,789.00	34,696.00	22,789.00
2003-08	Seal Street Improvements	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	38,717.00	19,717.00	38,717.00	19,717.00
2003-13	Solitude Village Roads	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	17,100.00	11,400.00	17,100.00	11,400.00
2003-12	Construction of Salt Barn	08/03/03	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	29,040.00	17,165.00	29,040.00	17,165.00
2004-28	Purchase of Emergency Generator	07/25/05	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	22,800.00	17,100.00	22,800.00	17,100.00
2005-20	Various Capital Improvements	07/25/05	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	21,640.00	12,900.00	21,640.00	12,900.00
2005-22	Acquisition of Pumper Truck	07/25/05	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	76,493.00	61,193.00	76,493.00	61,193.00
2004-27	Purchase of Equipment	07/25/05	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	18,335.00	13,585.00	18,335.00	13,585.00
2005-16	Purchase of Equipment	07/25/05	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	57,000.00	45,600.00	57,000.00	45,600.00
2007-03	Acquisition of Front End Loader	07/26/07	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	30,800.00	15,400.00	30,800.00	15,400.00
2007-20	Acquisition of Fire Pumper	07/26/07	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	266,000.00	228,000.00	266,000.00	228,000.00
2007-17	Improvements to Jericho Road	12/20/07	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	168,000.00	144,000.00	168,000.00	144,000.00
2007-18	Acquisition of Lawn Tractor	12/20/07	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	6,199.00	1,449.00	6,199.00	1,449.00
2008-11	River Road Improvements	07/23/08	07/22/10 07/21/11	07/21/11 07/20/12	1.17% 2.00%	90,000.00	75,000.00	90,000.00	75,000.00

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
2007-14	Construction of Public Works Bldg	04/09/10	12/09/10 12/08/11	12/09/11 07/20/12	1.75% 2.00%	\$ 279,000.00	\$ 248,000.00	\$ 279,000.00	\$ 248,000.00
2006-30	Streetscape Improvements- Phase I	12/10/09	12/09/10	12/09/11	1.75%	25,000.00		25,000.00	
2008-11/25	Mine Hill Road Improvements	12/10/09	12/09/10 12/08/11	12/09/11 07/20/12	1.75% 2.00%	54,000.00	48,000.00	54,000.00	48,000.00
2008-26	Lake Solitude Dam Project	12/10/09	12/09/10	12/09/11	1.75%	<u>120,000.00</u>		<u>120,000.00</u>	
						<u>\$ 1,457,388.00</u>	<u>\$ 1,037,686.00</u>	<u>\$ 1,457,388.00</u>	<u>\$ 1,037,686.00</u>
					<u>REF.</u>	C	C-2		C:C-5
					Funded by Budget			\$ 419,702.00	
					Paid by Cash on Hand	C-2		<u>1,037,686.00</u>	
								<u>\$ 1,457,388.00</u>	

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY -  
DEPARTMENT OF ENVIRONMENTAL PROTECTION -  
ENVIRONMENTAL INFRASTRUCTURE TRUST

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 815,851.30
Decreased by:		
Paid by Budget Appropriation	C-4	<u>46,111.51</u>
Balance, December 31, 2011	C	<u><u>\$ 769,739.79</u></u>

ANALYSIS OF BALANCE

Trust Loan	\$ 215,000.00
Fund Loan	<u>554,739.79</u>
	<u><u>\$ 769,739.79</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2010	CASH RECEIPTS	APPLIED TO ORDINANCE	GRANTS RECEIVABLE APPLIED	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2011
Debt Service	\$ 386,382.56	\$ 154,626.17			\$ 200,000.00	\$ 341,008.73
Down Payments on Improvements	100.00					100.00
Open Space	2,542.55					2,542.55
Grants Receivable	50,449.06			30,449.06		20,000.00
Hunterdon County Grant		1,000,000.00			333,000.00	667,000.00
Dam Project - N.J.E.I.T.		842,855.87				842,855.87
Due From Library		2,500.00	2,500.00			
	<u>\$ 439,474.17</u>	<u>\$ 1,999,982.04</u>	<u>\$ 2,500.00</u>	<u>\$ 30,449.06</u>	<u>\$ 533,000.00</u>	<u>\$ 1,873,507.15</u>
<u>REF.</u>	C	C-2	C-7	C-10	C-2	C

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2011</u>
2006-30	General Improvements: Streetscape Grant - Phase I	\$ 29,177.08
2007-19	Road Improvements - Mill & McDonald St.	56,000.00
2008-26	Dam Remediation	<u>3,300,000.00</u>
		<u>\$ 3,385,177.08</u>



"D-6"

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2010	D	\$ 14,787.58
Increased by Receipts:		
Consumer Accounts Receivable	D-7	\$ 336,161.94
Interest on Delinquent Accounts	D-3	2,385.29
Miscellaneous	D-3	<u>1,628.33</u>
		340,175.56
		\$ <u>354,963.14</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Water Operating Fund	D-5	<u>327,811.41</u>
Balance, December 31, 2011	D	\$ <u><u>27,151.73</u></u>

"D-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2010	D	\$ 25,316.87
Increased by:		
Water Rents Levied - Net		<u>329,386.42</u>
		\$ 354,703.29
Decreased by:		
Collection	D-3:D-6	<u>336,161.94</u>
Balance, December 31, 2011	D	\$ <u><u>18,541.35</u></u>

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER CAPITAL FUND</u>
Balance, December 31, 2010:			
Due From	D	\$ <u>21.15</u>	\$ <u>21.15</u>
Increased by:			
Cash Receipts	D-5	\$ <u>4.25</u>	\$ <u>4.25</u>
Balance, December 31, 2011:			
Due From	D	\$ <u><u>16.90</u></u>	\$ <u><u>16.90</u></u>

BOROUGH OF HIGH BRIDGE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER OPERATING FUND</u>
Balance, December 31, 2010: Due To	D	\$ <u>21.15</u>	\$ <u>21.15</u>
Decreased by: Cash Disbursements	D-5	\$ <u>4.25</u>	\$ <u>4.25</u>
Balance, December 31, 2011: Due To	D	\$ <u><u>16.90</u></u>	\$ <u><u>16.90</u></u>

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 3,464.22	\$ 64.22	\$	\$ 64.22
Other Expenses	318.31	8,801.59	7,611.28	1,190.31
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	<u>265.05</u>	<u>265.05</u>	<u>                    </u>	<u>265.05</u>
	<u>\$ 4,047.58</u>	<u>\$ 9,130.86</u>	<u>\$ 7,611.28</u>	<u>\$ 1,519.58</u>
	<u>REF.</u>	<u>D</u>	<u>D-5</u>	<u>D-1</u>
Balance December 31, 2010	D-10	\$ 4,047.58		
Encumbrances Payable	D-11	<u>5,083.28</u>		
		<u>\$ 9,130.86</u>		

"D-11"

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
SCHEDULE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	5,505.44
Increased by:			
Charges to 2011 Appropriations	D-4		<u>15,669.75</u>
		\$	<u>21,175.19</u>
Decreased by:			
Transferred to Appropriation Reserves	D-10	\$	5,083.28
Canceled	D-1		<u>422.16</u>
			<u>5,505.44</u>
Balance, December 31, 2011	D	\$	<u><u>15,669.75</u></u>

"D-12"

SCHEDULE OF ACCRUED INTEREST

Balance, December 31, 2010	D	\$	400.00
Increased by:			
Charges to Budget Appropriations	D-4		<u>1,414.00</u>
		\$	<u>1,814.00</u>
Decreased by:			
Cash Disbursements	D-5	\$	865.22
Canceled	D-1		<u>0.72</u>
			<u>865.94</u>
Balance, December 31, 2011	D	\$	<u><u>948.06</u></u>

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>TO RESERVE FOR AMORTIZATION</u>	<u>FIXED CAPITAL AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2011</u>
General Improvements:						
2009-22	Various Water System Improvements	06/25/09	\$ 50,000.00	\$ 7,500.00	\$	42,500.00
2011-05	Water Test Bench	03/10/11			7,500.00	7,500.00
2011-11	Cregar Road Improvements	05/12/11			85,000.00	85,000.00
2011-27	Fire Hydrant Replacements	09/08/11			7,500.00	7,500.00
2011-30	Washington Ave.- Water Main Improvements	12/15/11			50,000.00	50,000.00
			<u>\$ 50,000.00</u>	<u>\$ 7,500.00</u>	<u>\$ 150,000.00</u>	<u>\$ 192,500.00</u>
<u>REF.</u>			D	D-16		D

BOROUGH OF HIGH BRIDGE  
WATER UTILITY OPERATING FUND  
STATEMENT OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2010	FUNDS RAISED IN 2011 BUDGET
Operating Deficit	\$ <u>16,226.79</u>	\$ <u>16,226.79</u>
	\$ <u><u>16,226.79</u></u>	\$ <u><u>16,226.79</u></u>
<u>REF.</u>	D	D-4

BOROUGH OF HIGH BRIDGE  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2010		2011 AUTHORIZATION	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>										
2009-22	Various Water System Imprvts	6/25/09	115,500.00 \$	45,682.00 \$	65,500.00 \$					
2011-05	Water Test Bench	03/10/11	7,500.00			7,500.00	6,298.00	1,202.00		
2011-11	Cregar Road Improvements	05/12/11	85,000.00			85,000.00			85,000.00	
2011-27	Fire Hydrant Replacements	09/08/11	7,500.00			7,500.00			7,500.00	
2011-30	Washington Ave.- Water Main Improvements	12/15/11	50,000.00			50,000.00	24,070.00		25,930.00	
			\$ 45,682.00	\$ 65,500.00	\$ 150,000.00	\$ 30,368.00	\$ 46,884.00	\$ 131,530.00	\$ 52,400.00	
		<u>REF.</u>		D	D		D-17	D-18	D	D
	Grants Receivable	D				\$ 40,000.00				
	Capital Improvement Fund	D-18				110,000.00				
		D-21				\$ 150,000.00				

"D-16"

BOROUGH OF HIGH BRIDGE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	3,241,073.95
Increased by:			
Bond Anticipation Notes Paid by Budget	D-19	\$	11,550.00
Transferred from Deferred Reserve for Amortization	D-13		<u>7,500.00</u>
			<u>19,050.00</u>
Balance, December 31, 2011	D	\$	<u><u>3,260,123.95</u></u>

"D-17"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2010	D	\$	9,860.00
Increased by:			
Charges to Improvement Authorizations	D-15		<u>30,368.00</u>
		\$	<u>40,228.00</u>
Decreased by:			
Cash Disbursements	D-5		<u>6,298.00</u>
Balance, December 31, 2011	D	\$	<u><u>33,930.00</u></u>

BOROUGH OF HIGH BRIDGE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	43,284.33
Increased by:			
2011 Budget Appropriation	D-5	\$	35,000.00
Ordinances Canceled	D-15		<u>46,884.00</u>
			<u>81,884.00</u>
		\$	<u>125,168.33</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	D-15		<u>110,000.00</u>
Balance, December 31, 2011	D	\$	<u><u>15,168.33</u></u>

BOROUGH OF HIGH BRIDGE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
2003-09	Seal Street Improvements	08/03/03	07/23/10	07/22/11	1.17%	\$ 15,000.00	\$	\$ 15,000.00	\$
			07/21/11	07/20/12	2.00%		10,000.00		10,000.00
2009-22	Various Water Improvements	12/18/09	07/23/10	07/22/11	1.17%	58,950.00		58,950.00	
			07/21/11	07/20/12	2.00%		52,400.00		52,400.00
						<u>\$ 73,950.00</u>	<u>\$ 62,400.00</u>	<u>\$ 73,950.00</u>	<u>\$ 62,400.00</u>
						REF. D	D-5		D
								\$ 62,400.00	
								<u>11,550.00</u>	
								<u>\$ 73,950.00</u>	

Cash Disbursements  
Notes Paid by Budget

D-5  
D-16

\$ 62,400.00  
11,550.00  
\$ 73,950.00

BOROUGH OF HIGH BRIDGE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>INCREASED</u> <u>BY</u> <u>ORDINANCE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
Water Plant - Original Costs	\$ 15,000.00	\$	\$ 15,000.00
Source of Supply - Land	534.00		534.00
Storage Reservoir - Land	3,550.97		3,550.97
Miscellaneous Land Capital	475.38		475.38
Springs and Wells	23,918.16		23,918.16
Intake and Supply Mains	794.47		794.47
Chemical Treatment Plants	5,734.97		5,734.97
Pumping Station Structures	881.32		881.32
Power Pumping Equipment	9,906.18		9,906.18
Chlorination Equipment	7,983.37		7,983.37
Hydraulic Power Pumping Equipment	264.60		264.60
Electric Power Pumping Equipment	21,005.16		21,005.16
Storage Reservoir	16,210.39		16,210.39
Distribution Mains and Accessories	299,137.90		299,137.90
Service Pipes and Stops	7,870.82		7,870.82
Meters, Meter Boxes and Vaults	134,018.17		134,018.17
Fire Hydrants	10,277.84		10,277.84
General Equipment	6,981.75		6,981.75
Engineering	417.00		417.00
Air Compressor	7,305.20		7,305.20
Improvements to Water System	1,344,966.93		1,344,966.93
Water Tower	325,000.00		325,000.00
Wells	200,000.00		200,000.00
Water Pump	5,379.00		5,379.00
Water Tank	97,500.00		97,500.00
Bunnvale Well System	206,610.87		206,610.87
Backhoe	20,000.00		20,000.00
Generator	70,000.00		70,000.00
Fencing at Well	25,712.00		25,712.00
Cokesbury Main Extension	129,677.83		129,677.83
Water Main Improvements	32,406.19		32,406.19
Improvements to Water Tank Overflow	10,000.00		10,000.00
West Main Street Improvements	165,000.00		165,000.00
Improvements to Water Utility	20,000.00		20,000.00
Purchase of Utility Truck	44,255.22		44,255.22
Water Improvements	50,000.00		50,000.00
Purchase of Dump Truck	50,000.00		50,000.00
Various Water Systems Improvements		7,500.00	7,500.00
	<u>\$ 3,368,775.69</u>	<u>\$ 7,500.00</u>	<u>\$ 3,376,275.69</u>

REF.

D

D-21

D

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>NEW AUTHORIZATIONS</u>	<u>TRANSFER TO FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2011</u>
General Improvements:							
2009-22	Various Water Improvements	06/25/09	\$ 115,500.00	\$ 115,500.00	\$	\$	\$ 115,000.00
2011-05	Water Test Bench	03/10/11	7,500.00		7,500.00	7,500.00	
2011-11	Cregar Road Improvements	05/12/11	85,000.00		85,000.00		85,000.00
2011-27	Fire Hydrant Replacements	09/08/11	7,500.00		7,500.00		7,500.00
2011-30	Washington Ave.- Water Main Improvements	12/15/11	50,000.00		50,000.00		50,000.00
				<u>\$ 115,500.00</u>	<u>\$ 150,000.00</u>	<u>\$ 7,500.00</u>	<u>\$ 142,500.00</u>
			<u>REF.</u>	D	D-15	D-20	D

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2011</u>
2003	Water System Improvements	\$	58,000.00
2007-22	Various Improvements		<u>61,251.74</u>
		\$	<u><u>119,251.74</u></u>

BOROUGH OF HIGH BRIDGE

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2010	E	\$ 894,835.95	\$ 155,065.02
Increased by Receipts:			
Collector	E-6	\$ 777,810.58	\$
Interfunds	E-8:E-9	185.26	50,000.00
Miscellaneous	E-3	45,443.70	
Budget Appropriations - Capital Improvement Fund	E-13		25,000.00
		<u>823,439.54</u>	<u>75,000.00</u>
		\$ <u>1,718,275.49</u>	\$ <u>230,065.02</u>
Decreased by Disbursements:			
2011 Appropriations	E-4	\$ 636,954.39	\$
2010 Appropriation Reserves	E-10	86,831.63	
Accrued Interest	E-20	130,286.25	
Interfunds	E-8:E-9	50,000.00	185.26
		<u>904,072.27</u>	<u>185.26</u>
Balance, December 31, 2011	E	\$ <u><u>814,203.22</u></u>	\$ <u><u>229,879.76</u></u>

"E-6"

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2010	E	\$ 28,410.75
Increased by Receipts:		
Consumer Accounts Receivable	E-7	\$ 804,323.11
Interest on Delinquent Accounts	E-3	5,329.17
Miscellaneous	E-3	<u>121.96</u>
		809,774.24
		\$ <u>838,184.99</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Sewer Operating Fund	E-5	<u>777,810.58</u>
Balance, December 31, 2011	E	\$ <u><u>60,374.41</u></u>

"E-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2010	E	\$ 71,718.48
Increased by:		
Sewer Rents Levied - Net		780,742.50
		\$ <u>852,460.98</u>
Decreased by:		
Collection	E-3:E-6	<u>804,323.11</u>
Balance, December 31, 2011	E	\$ <u><u>48,137.87</u></u>

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SEWER CAPITAL FUND</u>
Balance, December 31, 2010: Due To	E	\$ <u>49,747.27</u>	\$ <u>49,747.27</u>
Increased by: Interest Earnings	E-5	\$ <u>185.26</u>	\$ <u>185.26</u>
Decreased by: Cash Disbursements	E-5	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
Balance, December 31, 2011: Due From	E	\$ <u><u>67.47</u></u>	\$ <u><u>67.47</u></u>

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SEWER OPERATING FUND</u>
Balance, December 31, 2010:			
Due From	E	\$ 49,747.27	\$ 49,747.27
Increased by:			
Cash Receipts	E-5	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
Decreased by:			
Cash Disbursements	E-5	\$ <u>185.26</u>	\$ <u>185.26</u>
Balance, December 31, 2011:			
Due To	E	\$ <u><u>67.47</u></u>	\$ <u><u>67.47</u></u>

BOROUGH OF HIGH BRIDGE

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 3,275.89	\$ 3,275.89	\$	\$ 3,275.89
Other Expenses	10,867.55	117,649.17	86,831.63	30,817.54
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	<u>166.92</u>	<u>166.92</u>	<u>                    </u>	<u>166.92</u>
	\$ <u>14,310.36</u>	\$ <u>121,091.98</u>	\$ <u>86,831.63</u>	\$ <u>34,260.35</u>
	<u>REF.</u>	<u>E</u>	<u>E-5</u>	<u>E-1</u>
Balance December 31, 2010	E	\$ 14,310.36		
Encumbrances Payable	E-11	<u>106,781.62</u>		
		\$ <u>121,091.98</u>		

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY OPERATING FUND  
SCHEDULE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	106,781.62
Increased by:			
Charges to 2011 Appropriations	E-4		88,784.04
		\$	<u>195,565.66</u>
Decreased by:			
Transferred to Appropriation Reserves	E-10		<u>106,781.62</u>
Balance, December 31, 2011	E	\$	<u><u>88,784.04</u></u>

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>TO RESERVE FOR AMORTIZATION</u>	<u>BALANCE DECEMBER 31, 2011</u>
	General Improvements:				
21-05	Improvements to Sewer Utility	04/28/05	\$ 95,000.00	\$ 95,000.00	
24-07	Sewer Maps	08/09/07	<u>7,000.00</u>	<u>                    </u>	<u>7,000.00</u>
			<u>\$ 102,000.00</u>	<u>\$ 95,000.00</u>	<u>7,000.00</u>
		<u>REF.</u>	E	E-16	E

"E-13"

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	157,058.63
Increased by:			
2011 Budget Appropriation	E-5	\$	25,000.00
Improvement Authorizations Canceled	E-15		<u>36,759.00</u>
			<u>61,759.00</u>
Balance, December 31, 2011	E	\$	<u><u>218,817.63</u></u>

"E-14"

SCHEDULE OF DOWN PAYMENT ON CAPITAL  
IMPROVEMENTS

Balance, December 31, 2010	E	\$	2,500.00
Balance, December 31, 2011	E	\$	<u><u>2,500.00</u></u>



BOROUGH OF HIGH BRIDGE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	2,394,240.34
Increased by:			
Transfer from Deferred			
Reserve for Amortization	E-12	\$	95,000.00
Serial Bonds Payable	E-17		<u>10,000.00</u>
			<u>105,000.00</u>
		\$	<u>2,499,240.34</u>
Decreased by:			
Canceled	E-19		<u>56,759.00</u>
Balance, December 31, 2011	E	\$	<u><u>2,442,481.34</u></u>

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>	
			<u>DATE</u>	<u>AMOUNT</u>					
Sewer Utility Bonds	2/24/10	\$ 2,937,000.00	2/15/12	\$ 10,000.00	2.00%	\$ 2,937,000.00	\$ 10,000.00	\$ 2,927,000.00	
			2/15/13-14	15,000.00	2.00%				
			2/15/15	20,000.00	2.00%				
			2/15/16	20,000.00	2.40%				
			2/15/17	20,000.00	2.70%				
			2/15/18	20,000.00	3.00%				
			2/15/19	25,000.00	3.13%				
			2/15/20	25,000.00	4.00%				
			2/15/21-25	30,000.00	5.00%				
			2/15/26	80,000.00	5.00%				
			2/15/27-29	85,000.00	5.00%				
			2/15/30	90,000.00	5.00%				
			2/15/31	190,000.00	4.25%				
			2/15/32	190,000.00	4.30%				
			2/15/33	200,000.00	4.35%				
			2/15/34	200,000.00	4.40%				
			2/15/35	200,000.00	4.50%				
			2/15/36-37	225,000.00	4.50%				
			2/15/38-39	250,000.00	4.50%				
			2/15/40	252,000.00	4.50%				
						\$ 2,937,000.00	\$ 10,000.00	\$ 2,927,000.00	
						<u>REF.</u>	E	E-16	E

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED BY ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2011</u>
Sanitary Sewerage System	\$ 1,231,917.78	\$	1,231,917.78
Auxiliary Sewer Pump	35,960.00		35,960.00
Upgrade Sewer Pumping System	583,300.00		583,300.00
Backhoe	20,000.00		20,000.00
Dump Truck	30,245.09		30,245.09
Mains	130,565.97		130,565.97
Improvements to Drainage on W. Main St.	30,000.00		30,000.00
Improvements to Sewer Utility	8,000.00		8,000.00
Acquisition of Property	3,100,000.00		3,100,000.00
Purchase of Sewer Pumps	16,398.00		16,398.00
Various Sewer Improvements	50,000.00		50,000.00
Replacement of Hydraulic Sewer Cleaner	41,110.00		41,110.00
Acquisition of Dump Truck	53,743.50		53,743.50
Improvements to Sewer Utility - Ord. 21-05		38,241.00	38,241.00
	<u>\$ 5,331,240.34</u>	<u>38,241.00</u>	<u>\$ 5,369,481.34</u>
<u>REF.</u>	E	E-19	E

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>TRANSFER TO FIXED CAPITAL</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
General Improvements:							
21-05	Improvements to Sewer Utility	04/28/05	\$ 95,000.00	\$ 95,000.00	\$ 38,241.00	\$ 56,759.00	\$
24-07	Sewer Maps	08/09/07	7,000.00	<u>7,000.00</u>	<u>                    </u>	<u>                    </u>	<u>7,000.00</u>
				<u>\$ 102,000.00</u>	<u>\$ 38,241.00</u>	<u>\$ 56,759.00</u>	<u>\$ 7,000.00</u>
			<u>REF.</u>	<u>E</u>	<u>E-18</u>	<u>E-16</u>	<u>E</u>

BOROUGH OF HIGH BRIDGE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	49,999.98
Increased by:			
Charges to 2011 Budget Appropriations	E-4		130,287.00
		\$	<u>180,286.98</u>
Decreased by:			
Cash Disbursements	E-5	\$	130,286.25
Canceled	E-1		<u>1,180.88</u>
			<u>131,467.13</u>
Balance, December 31, 2011	E	\$	<u><u>48,819.85</u></u>

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY FUND

SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2010	F	\$ 203,136.97	\$ 35,116.69
Increased by Receipts:			
Capital Improvement Fund	F-13	\$	\$ 85,000.00
Collector	F-5	398,097.48	
Interfunds	F-15	6.34	
Miscellaneous Revenue Not Anticipated	F-2	<u>9,821.14</u>	
		407,924.96	<u>85,000.00</u>
		\$ <u>611,061.93</u>	\$ <u>120,116.69</u>
Decreased by Disbursements:			
2011 Appropriations	F-3	\$ 461,655.44	\$
2010 Appropriation Reserves	F-9	28,436.00	
Improvement Authorizations	F-10		80,312.00
Interfunds	F-16		<u>6.34</u>
		<u>490,091.44</u>	<u>80,318.34</u>
Balance, December 31, 2011	F	\$ <u><u>120,970.49</u></u>	\$ <u><u>39,798.35</u></u>

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2010	F	\$ 14,528.40
Increased by Receipts:		
Consumer Accounts Receivable	F-6	\$ 410,342.21
Interest on Delinquent Accounts	F-2	2,894.97
Miscellaneous	F-2	<u>121.90</u>
		413,359.08
		\$ <u>427,887.48</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Solid Waste Operating Fund	F-4	<u>398,097.48</u>
Balance, December 31, 2011	F	\$ <u><u>29,790.00</u></u>

"F-6"

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010	F	\$ 42,261.06
Increased by:		
Solid Waste Charges Levied - Net		396,060.00
		\$ <u>438,321.06</u>
Decreased by:		
Collection	F-2:F-5	<u>410,342.21</u>
Balance, December 31, 2011	F	\$ <u><u>27,978.85</u></u>

"F-7"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2010	F	\$ 28,436.00
Increased by:		
Transfer from Budget Appropriations	F-3	19,508.20
		\$ <u>47,944.20</u>
Decreased by:		
Transfer to Appropriation Reserves	F-9	<u>28,436.00</u>
Balance, December 31, 2011	F	\$ <u><u>19,508.20</u></u>

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>NEW AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2011</u>
General Improvements:					
2011-16	Dump Truck Cab/Chassis	06/09/11	\$ 114,000.00	\$ <u>114,000.00</u>	\$ <u>114,000.00</u>
				\$ <u>114,000.00</u>	\$ <u>114,000.00</u>
			<u>REF.</u>	F-10	F

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY OPERATING FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 2,034.29	\$ 2,034.29		\$ 2,034.29
Other Expenses	527.46	28,963.46	28,436.00	527.46
Contributions to:				
Social Security System (O.A.S.I.)	<u>155.66</u>	<u>155.66</u>		<u>155.66</u>
	<u>\$ 2,717.41</u>	<u>\$ 31,153.41</u>	<u>\$ 28,436.00</u>	<u>\$ 2,717.41</u>
<u>REF.</u>	F		F-4	F-1
Balance, December 31, 2010	F-9	\$ 2,717.41		
Encumbrances Payable	F-7	<u>28,436.00</u>		
		<u>\$ 31,153.41</u>		

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		2011 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2011	
		DATE	AMOUNT			FUNDED	UNFUNDED
<u>General Improvements:</u>							
2011-16	Dump Truck Cab/Chassis	06/09/11	\$ 114,000.00	\$ <u>114,000.00</u>	\$ <u>113,676.00</u>	\$ <u>324.00</u>	\$ _____
				\$ <u>114,000.00</u>	\$ <u>113,676.00</u>	\$ <u>324.00</u>	\$ _____
		<u>REF.</u>				F	F
	Capital Improvement Fund			\$ <u>114,000.00</u>			
				\$ <u>114,000.00</u>			
	Cash Disbursements				\$ 80,312.00		
	Contracts Payable				<u>33,364.00</u>		
					\$ <u>113,676.00</u>		

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>FIXED CAPITAL AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2011</u>
	General Improvements:			
2011-16	Dump Truck Cab/Chassis	06/09/11	\$ <u>114,000.00</u> \$	<u>114,000.00</u>
			\$ <u>114,000.00</u> \$	<u>114,000.00</u>
		<u>REF.</u>	F-10	F

"F-12"

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2010	F	\$	48,588.67
Balance, December 31, 2011	F	\$	<u>48,588.67</u>

"F-13"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2010	F	\$	35,101.78
Increased by:			
2011 Budget Appropriation	F-4		<u>85,000.00</u>
		\$	120,101.78
Decreased by:			
Appropriation to Finance Improvement Authorizations	F-10		<u>114,000.00</u>
Balance, December 31, 2011	F	\$	<u>6,101.78</u>

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER <u>31, 2010</u>	BALANCE DECEMBER <u>31, 2011</u>
Leaf Vacuum	\$ 19,836.00	\$ 19,836.00
Leaf Vacuum Impeller	811.50	811.50
Purchase of Leaf Vacuum	20,360.95	20,360.95
Purchase of Chipper	<u>7,580.22</u>	<u>7,580.22</u>
	\$ <u><u>48,588.67</u></u>	\$ <u><u>48,588.67</u></u>
<u>REF.</u>	F	F

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SOLID WASTE CAPITAL FUND</u>
Balance, December 31, 2010:			
Due From	F	\$ <u>14.91</u>	\$ <u>14.91</u>
Decreased by:			
Cash Receipts	F-4	<u>6.34</u>	<u>6.34</u>
Balance, December 31, 2011:			
Due From	F	\$ <u><u>8.57</u></u>	\$ <u><u>8.57</u></u>

BOROUGH OF HIGH BRIDGE  
SOLID WASTE UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SOLID WASTE OPERATING FUND</u>
Balance, December 31, 2010: Due To	F	\$ <u>14.91</u>	\$ <u>14.91</u>
Decreased by: Cash Disbursements	F-4	<u>6.34</u>	<u>6.34</u>
Balance, December 31, 2011: Due To	F	\$ <u><u>8.57</u></u>	\$ <u><u>8.57</u></u>

BOROUGH OF HIGH BRIDGE

PART II

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

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of High Bridge  
County of Hunterdon  
High Bridge, New Jersey 08829

We have audited the accompanying financial statements - regulatory basis of the Borough of High Bridge, County of Hunterdon, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated July 24, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of High Bridge prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

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

# SUPLEE, CLOONEY & COMPANY

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of High Bridge's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Borough of High Bridge, County of Hunterdon, New Jersey, the Division of Local Government Services and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 24, 2012

BOROUGH OF HIGH BRIDGE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2011 RECEIVED	2011 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
		FROM	TO				
<u>Department of Environmental Protection</u>							
Recycling Tonnage Grant-2010	4900-752-042-4900-001-V42Y-6020	Continuous		\$ 6,842.17	\$ 6,842.17	\$ 6,842.17	6,842.17
Clean Communities Program-2010	4900-765-042-4900-004-V42Y-6020	Continuous		7,518.70		5,381.59	7,031.09
Clean Communities Program- 2011	4900-765-042-4900-004-V42Y-6020	Continuous		7,135.00	7,135.00		
Hazardous Discharge Grant	N/A	1/1/08	12/31/08	92,460.00		25,000.00	62,100.69
Energy Efficiency Grant	N/A	1/1/11	12/31/11	19,003.96	19,003.96	19,003.96	19,003.96
					<u>32,981.13</u>	<u>56,227.72</u>	<u>94,977.91</u>
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund-2009	6400-100-078-6400-YYYY	Continuous		1,570.54		750.00	1,388.69
Drunk Driving Enforcement Fund-2010	6400-100-078-6400-YYYY	Continuous		2,447.11	2,447.11		
Domestic Violence Training	N/A	1/1/08	12/31/08	100.00			50.00
Alcohol Education and Rehabilitation Fund - 2007	9735-760-098-4900-001-x100-6020	Continuous		645.90			
Alcohol Education and Rehabilitation Fund-2005	9735-760-098-4900-001-x100-6020	Continuous		170.35			
Body Armor Replacement Fund-2010	1020-718-066-1020-001-VCJS-6120	Continuous		1,051.93			
Body Armor Replacement Fund-2011	1020-718-066-1020-001-VCJS-6120	Continuous		1,096.45	1,096.45		
Body Armor Replacement Fund-2008	1020-718-066-1020-001-VCJS-6120	Continuous		693.16		0.81	693.16
Body Armor Replacement Fund-2009	1020-718-066-1020-001-VCJS-6120	Unappropriated		670.93		670.93	670.93
					<u>3,543.56</u>	<u>1,421.74</u>	<u>2,802.78</u>
<u>NJ Highlands Council</u>							
NJ Highlands Water Protection- Sustainable Development - 2010	not available	Continuous		30,300.00		25,861.90	25,861.90
NJ Highlands Water Protection- Plan Conformance -2009	not available	Continuous		50,000.00	17,819.85		42,420.35
NJ Highlands Water Protection-Plan Conformance-2011	not available	Continuous		69,180.15	14,602.02	64,152.05	64,152.05
					<u>32,421.87</u>	<u>90,013.95</u>	<u>106,572.40</u>
<u>Department of Transportation</u>							
Improvement to River Road	6320-480-078-6320-AJ4-TCAP-6010	Continuous		50,000.00	47,182.70	47,182.70	47,182.70
					<u>47,182.70</u>	<u>47,182.70</u>	<u>47,182.70</u>
				\$	<u>116,129.26</u>	\$ <u>194,846.11</u>	<u>251,535.79</u>

BOROUGH OF HIGH BRIDGE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2011

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial awards for the Borough of High Bridge, County of Hunterdon, New Jersey. All state financial awards received directly from state agencies as well as state financial awards passed through other governmental agencies are included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented on the modified accrual basis of accounting, with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The basis of accounting is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related state financial reports due to differences between the grant reporting year and the Borough's fiscal year.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current Fund, Grant Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS-REGULATORY BASIS (CONTINUED)

Revenues:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 68,946.56	\$ 68,946.56
General Capital Fund	<u>47,182.70</u>	<u>47,182.70</u>
	<u>\$ 116,129.26</u>	<u>\$ 116,129.26</u>

Expenditures:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 147,663.41	\$ 147,663.41
General Capital Fund	<u>47,182.70</u>	<u>47,182.70</u>
	<u>\$ 194,846.11</u>	<u>\$ 194,846.11</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

PART III

BOROUGH OF HIGH BRIDGE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 582,000.00	3.90%	\$ 582,000.00	3.77%
Miscellaneous-From Other Than Local				
Property Tax Levies	2,453,984.02	16.45%	2,938,702.55	19.04%
Collection of Delinquent Taxes and Tax Title Liens	200,193.24	1.34%	233,924.38	1.52%
Collection of Current Tax Levy	11,685,715.45	78.31%	11,678,107.73	75.67%
<u>TOTAL INCOME</u>	<u>14,921,892.71</u>	<u>100.00%</u>	<u>15,432,734.66</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	5,760,264.74	39.17%	5,856,777.32	39.55%
County Taxes	1,401,966.54	9.53%	1,458,625.22	9.85%
School Taxes	7,531,161.29	51.21%	7,483,836.42	50.54%
Other	12,082.45	0.08%	7,718.24	0.05%
<u>TOTAL EXPENDITURES</u>	<u>14,705,475.02</u>	<u>100.00%</u>	<u>14,806,957.20</u>	<u>100.00%</u>
Excess in Revenue	216,417.69		625,777.46	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year	39,500.00		228,500.00	
Statutory Excess to Fund Balance	255,917.69		854,277.46	
Fund Balance, January 1	1,441,103.14		1,168,825.68	
	1,697,020.83		2,023,103.14	
Less: Utilization as Anticipated Revenue	582,000.00		582,000.00	
Fund Balance, December 31	\$ <u>1,115,020.83</u>		\$ <u>1,441,103.14</u>	

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

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 79,174.44	18.76%	\$ 37,182.39	10.88%
Collection of Water Rents	336,161.94	79.66%	293,591.36	85.94%
Miscellaneous-From Other Than Water Rents	6,683.30	1.58%	10,850.21	3.18%
<u>TOTAL INCOME</u>	<u>422,019.68</u>	<u>100.00%</u>	<u>341,623.96</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	298,643.21	80.24%	278,401.04	77.80%
Deferred Charges and Statutory Expenditures	25,567.23	6.87%	34,117.35	9.53%
Debt Service	12,964.00	3.48%	12,332.36	3.45%
Capital Improvements	35,000.00	9.40%	33,000.00	9.22%
<u>TOTAL EXPENDITURES</u>	<u>372,174.44</u>	<u>100.00%</u>	<u>357,850.75</u>	<u>100.00%</u>
Excess in Revenue	49,845.24		(16,226.79)	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year			16,226.79	
Statutory Excess to Fund Balance	49,845.24		0.00	
Fund Balance, January 1	175,497.81		212,680.20	
	225,343.05		212,680.20	
Less: Utilization as Anticipated Revenue	79,174.44		37,182.39	
Fund Balance, December 31	\$ <u>146,168.61</u>		\$ <u>175,497.81</u>	

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

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 113,860.34	11.33%	\$ 243,823.64	23.74%
Collection of Sewer Rents	804,323.11	80.07%	760,322.19	74.03%
Miscellaneous - From Other Than Sewer Rents	86,336.06	8.59%	22,840.83	2.22%
<u>TOTAL INCOME</u>	<u>1,004,519.51</u>	<u>100.00%</u>	<u>1,026,986.66</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	699,817.35	80.08%	684,573.72	75.50%
Deferred Charges and Statutory Expenditures	8,755.99	1.00%	8,549.92	0.94%
Debt Service	140,287.00	16.05%	163,555.82	18.04%
Capital Improvements	25,000.00	2.86%	50,000.00	5.51%
<u>TOTAL EXPENDITURES</u>	<u>873,860.34</u>	<u>100.00%</u>	<u>906,679.46</u>	<u>100.00%</u>
Excess in Revenue	130,659.17		120,307.20	
Fund Balance, January 1	702,407.47		825,923.91	
	833,066.64		946,231.11	
Less: Utilization as Anticipated Revenue	113,860.34		243,823.64	
Fund Balance, December 31	\$ <u>719,206.30</u>		\$ <u>702,407.47</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-SOLID WASTE UTILITY FUND

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 109,322.90	20.43%	\$ 13,207.05	3.18%
Collection of Solid Waste Charges	410,342.21	76.67%	386,278.51	93.12%
Miscellaneous - From Other Than Solid Waste Charges	<u>15,555.42</u>	<u>2.91%</u>	<u>15,329.54</u>	<u>3.70%</u>
<u>TOTAL INCOME</u>	<u>535,220.53</u>	<u>100.00%</u>	<u>414,815.10</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	407,315.99	82.23%	400,923.87	99.28%
Deferred Charges and Statutory Expenditures	3,006.91	0.61%	2,902.70	0.72%
Capital Improvements	<u>85,000.00</u>	<u>17.16%</u>	<u>                    </u>	<u>0.00%</u>
<u>TOTAL EXPENDITURES</u>	<u>495,322.90</u>	<u>100.00%</u>	<u>403,826.57</u>	<u>100.00%</u>
Excess in Revenue	39,897.63		10,988.53	
Fund Balance, January 1	<u>186,526.87</u>		<u>188,745.39</u>	
	226,424.50		199,733.92	
Less: Utilization as Anticipated Revenue	<u>109,322.90</u>		<u>13,207.05</u>	
Fund Balance, December 31	\$ <u>117,101.60</u>		\$ <u>186,526.87</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$3.159</u>	<u>\$3.150</u>	<u>\$3.062</u>
Apportionment of Tax Rate:			
Municipal	\$0.789	\$0.784	\$0.784
County	0.313	0.325	0.326
County Library	0.027	0.027	0.028
County Open Space	0.033	0.034	0.034
Local Regional School	1.417	1.414	1.380
Regional High School	<u>0.580</u>	<u>0.566</u>	<u>0.510</u>

Assessed Valuations:

2011	\$ <u>377,043,217.00</u>		
2010		\$ <u>378,015,734.00</u>	
2009			\$ <u>378,998,611.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH</u> <u>COLLECTIONS</u>	<u>CURRENTLY</u>
			<u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u>
2011	\$ 11,912,973.82	\$ 11,685,715.45	98.09%
2010	11,911,685.97	11,678,107.73	98.04%
2009	11,611,571.69	11,367,523.48	97.90%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER</u> <u>31, YEAR</u>	<u>TAX</u> <u>TITLE</u> <u>LIENS</u>	<u>AMOUNT OF</u> <u>DELINQUENT</u> <u>TAXES</u>	<u>TOTAL</u>	<u>PERCENTAGE</u> <u>OF TAX</u> <u>LEVY</u>
2011	\$ 2,562.21	\$ 174,027.59	\$ 176,589.80	1.48%
2010	1,440.76	195,455.28	196,896.04	1.65%
2009	739.61	229,714.21	230,453.82	1.98%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2011	\$114,600.00
2010	\$114,600.00
2009	\$114,600.00

COMPARISON OF WATER UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>CASH COLLECTIONS *</u>
2011	\$	329,386.42	\$	336,161.94
2010		310,092.23		293,591.36
2009		305,744.23		322,502.34

\* Includes Collection of Prior Year Levies

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>CASH COLLECTIONS *</u>
2011	\$	780,742.50	\$	804,323.11
2010		797,710.04		760,322.19
2009		781,658.36		798,134.87

\* Includes Collection of Prior Year Levies

COMPARISON OF SOLID WASTE LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>CASH COLLECTIONS *</u>
2011	\$	396,060.00	\$	410,342.21
2010		406,839.98		386,278.51
2009		399,536.83		405,565.26

\* Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	2011	\$ 1,115,020.83	\$ 582,000.00
	2010	1,441,103.14	582,000.00
Current Fund	2009	1,168,825.68	582,000.00
	2008	1,277,464.34	582,000.00
	2007	903,637.50	450,000.00
	2011	146,168.61	44,500.00
	2010	175,497.81	79,144.44
Water Utility Operating Fund	2009	212,680.20	37,182.39
	2008	186,096.54	14,042.52
	2007	194,703.38	99,722.11
	2011	719,206.30	168,398.00
	2010	702,407.47	113,860.44
Sewer Utility Operating Fund	2009	825,923.61	243,823.64
	2008	802,494.93	189,539.54
	2007	534,852.98	296,999.72
	2011	117,101.60	None
	2010	186,526.87	109,322.90
Solid Waste Utility Operating Fund	2009	188,745.39	13,207.05
	2008	168,834.71	13,207.05
	2007	138,267.16	706.41

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 BOND</u>	<u>NAME OF SURETY</u>
Mark Desire	Mayor	*	
Tom Flynn	Councilman	*	
Lynn Hughes	Councilwoman	*	
Michael Lynch	Councilman	*	
Victoria Miller	Councilwoman	*	
Dean Rapp	Councilman	*	
Michael Stemple	Councilman	*	
Diane Seals	Borough Clerk Utility Collector	* \$1,000,000.00	
Douglas Walker	Borough Administrator	*	
Bonnie Ann Fleming	Chief Financial Officer, Tax Collector	\$1,000,000.00	
Patricia Spychala	Tax Assessor	*	
Barry Goodman	Municipal Attorney		
Robert Ballard	Borough Prosecutor		
Brett Bartman	Police Chief	*	

\*Public Employees Blanket Bond with the State Insurance Fund in the amount of \$1,000,000.00.

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2010 the bid threshold was increased to \$36,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

DPW Alteration Project  
Union Forge Park and Commons Park  
Lake Solitude Dam Remediation  
Solid Waste and Recycling Collections

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

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2011 for the following professional services:

Borough Auditor	Bond Counsel
Borough Engineer	Borough Planner
Borough Attorney	Various Special Counsel

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes.

BE IT RESOLVED by the Mayor and Council of the Borough of High Bridge, County of Hunterdon, State of New Jersey, that taxes and utilities rent shall be collected quarterly. Taxes are due on February 1, 2011, May 1, 2011, August 1, 2011 and November 1, 2011.

BE IT FURTHER RESOLVED that interest will be charged at the rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax and/or utilities rent was payable until the date of actual payment. There will be a ten-day (10) grace period after which unpaid taxes and/or utilities rent will be charged interest from the due date.

BE IT FURTHER RESOLVED that pursuant to statute, if a tax and/or utilities rent delinquency is over \$10,000.00 at the end of the year, and additional flat penalty of 6% per annum shall be imposed on that delinquency.

BE IT FURTHER RESOLVED that, in the event that the Borough conducts a sale for unpaid municipal taxes, the interest rate on said tax certificate shall begin at a maximum of 18% per annum.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 21, 2011 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2011	2
2010	2
2009	2

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of verification notices as follows:

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	25
Delinquent Utility Rent Positive Confirmation	25
Information Tax Current Positive Confirmation	25
Information Utility Rent Positive Confirmation	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None



