

BOROUGH OF CALDWELL

COUNTY OF ESSEX

REPORT OF AUDIT

2011

*NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF CALDWELL
COUNTY OF ESSEX
REPORT OF AUDIT
2011

BOROUGH OF CALDWELL
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BOROUGH OF CALDWELL

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011



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Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Caldwell
 Caldwell, New Jersey

We have audited the financial statements – regulatory basis of the various funds of the Borough of Caldwell in the County of Essex (the "Borough") as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which demonstrate 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 accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The financial statements referred to in the first paragraph do not include the general fixed assets account group as of December 31, 2010, which should be included to conform to the Technical Accounting Directives of the Division. The amount that should be recorded in the general fixed assets account group is not known as of December 31, 2010. The Borough's financial statements as of December 31, 2010 do not disclose the post retirement benefits funding status as required by GASB No.45. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, because the Borough prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
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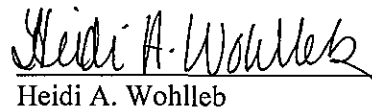
However, in our opinion, except for the effects on the financial statements of the omissions described in the fourth paragraph, the financial statements – regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of Caldwell at December 31, 2011 and 2010, and the results of operations and changes in fund balances, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2012 on our consideration of the Borough of Caldwell's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The information included in the supplementary data schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and are not a required part of the financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The 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 as a whole on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
June 30, 2012

NISIVOCCIA LLP



Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 1,941,853.73	\$ 1,795,347.67
Change Fund		150.00	150.00
		<u>1,942,003.73</u>	<u>1,795,497.67</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	2,474.52	1,855.23
Revenue Accounts Receivable	A-9	29,800.12	
Due from Animal Control Fund	B		2,855.25
Due from Other Trust Funds	B	15,220.29	
Due from General Capital Fund	C		21,554.65
Due from Water Utility Operating Fund	D	7,499.85	
		<u>54,994.78</u>	<u>26,265.13</u>
Deferred Charges:			
Emergency Authorization		155,500.00	31,250.00
		<u>2,152,498.51</u>	<u>1,853,012.80</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	75,931.83	463,135.81
Due From Current Fund	A	310,415.99	221,165.23
		<u>386,347.82</u>	<u>684,301.04</u>
TOTAL ASSETS		<u><u>\$ 2,538,846.33</u></u>	<u><u>\$ 2,537,313.84</u></u>

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 101,380.29	\$ 50,238.05
Unencumbered	A-3;A-11	400,832.47	613,507.93
		<u>502,212.76</u>	<u>663,745.98</u>
Other Encumbrance Payable - Storm Damage		23,628.01	
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		15,799.62	14,549.62
Marriage License Fees		300.00	100.00
County Added and Omitted Taxes Payable		2,581.46	2,988.10
Prepaid Taxes		81,796.46	88,461.49
Tax Overpayments			250.04
Due to Federal and State Grant Fund	A	310,415.99	221,165.23
Due to Other Trust Funds	B		6,269.43
Due to General Capital Fund	C	72,661.08	
Due to Water Utility Operating Fund	D		42.93
Due to Sewer Utility Operating Fund	E	239,184.84	89,236.65
Reserve for Storm Damage		84,929.06	
Reserve for State Library Aid		3,676.91	3,670.91
		<u>1,337,186.19</u>	<u>1,090,480.38</u>
Reserve for Receivables and Other Assets	A	54,994.78	26,265.13
Fund Balance	A-1	760,317.54	736,267.29
		<u>2,152,498.51</u>	<u>1,853,012.80</u>
Total Regular Fund			
Federal and State Grant Fund:			
Appropriated Reserves	A-15	365,735.47	672,443.92
Unappropriated Reserves	A-14	20,612.35	11,857.12
		<u>386,347.82</u>	<u>684,301.04</u>
Total Federal and State Grant Fund			
		<u>2,538,846.33</u>	<u>\$ 2,537,313.84</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,538,846.33</u>	<u>\$ 2,537,313.84</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

<u>Revenue and Other Income Realized</u>	<u>Year Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Fund Balance Utilized	\$ 340,550.00	\$ 399,115.00
Miscellaneous Revenue Anticipated	4,056,826.53	4,310,550.93
Receipts from:		
Delinquent Taxes	1,825.25	2,370.88
Current Taxes	23,682,313.70	23,207,568.66
Nonbudget Revenue	122,008.70	42,639.54
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	345,338.29	357,640.13
Cancellation of Tax Overpayments	0.04	342.00
Interfunds Returned	24,409.90	4,231.55
Total Income	<u>28,573,272.41</u>	<u>28,324,458.69</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	11,501,769.65	11,748,283.90
County Taxes	4,903,853.73	4,633,499.40
Local School District Taxes	11,750,553.98	11,454,860.83
Municipal Open Space Taxes	103,248.95	103,614.08
Prior Year Reimbursement	56,998.46	
Cancellation of Prior Year Outstanding Check Paid to Water Utility Operating Fund	25,027.25	
Refund of Prior Year Taxes		1,797.39
Interfunds Advanced	22,720.14	24,409.90
Total Expenditures	<u>28,364,172.16</u>	<u>27,966,465.50</u>
Excess in Revenue	209,100.25	357,993.19
Adjustments Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>155,500.00</u>	<u>31,250.00</u>
Statutory Excess to Fund Balance	364,600.25	389,243.19
<u>Fund Balance</u>		
Balance January 1	<u>736,267.29</u>	<u>746,139.10</u>
	1,100,867.54	1,135,382.29
Decreased by:		
Utilized as Anticipated Revenue	<u>340,550.00</u>	<u>399,115.00</u>
Balance December 31	<u>\$ 760,317.54</u>	<u>\$ 736,267.29</u>

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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 340,550.00		\$ 340,550.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	6,552.00		7,930.00	\$ 1,378.00
Other	51,631.80		51,498.40	133.40 *
Fees and Permits	65,853.14		44,223.50	21,629.64 *
Fines and Costs:				
Other	161,075.29		214,393.52	53,318.23
Interest and Costs on Taxes	37,077.56		39,176.92	2,099.36
Parking Meters	85,367.64		85,367.64	
Interest on Investments and Deposits	6,002.40		3,920.01	2,082.39 *
Rent - Grover Cleveland Senior Citizens Center	11,049.96		11,049.96	
Sewer Utility Operating Fund - Administration Charge	99,022.00		99,022.00	
Township of Essex Fells - Share of Salary - Joint Municipal Tax Assessor	10,000.00		10,000.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland	44,180.00		51,105.32	6,925.32
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing	152,800.00		152,963.00	163.00
Lease of Municipal Property - Wastewater Treatment Plant	293,833.00		293,833.00	
Cablevision Franchise Fees (N.J.S. 48:5A-30)	112,922.40		112,922.40	
Sewer User Charges	152,000.00		152,000.00	
Consolidated Municipal Property Tax Relief Aid	56,154.00		56,154.00	
Energy Receipts Tax	630,721.00		630,721.00	
Uniform Construction Code Fees	176,224.00		154,448.49	21,775.51 *
Borough of Essex Fells - Library Fees	8,000.00		8,000.00	
Borough of Essex Fells - Welfare Services	1,000.00		500.00	500.00 *
Township of West Caldwell - Welfare Services	8,000.00		8,000.00	
Community Center - Membership & Program Fees	1,459,017.75		1,459,017.75	
Drunk Driving Enforcement Fund	2,536.86		2,536.86	
Reserve for Drunk Driving Enforcement Fund	9,847.97		9,847.97	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue:				
Recycling Tonnage Grant	\$ 10,806.68		\$ 10,806.68	
Over the Limit Under Arrest - 2011 Mobilization		\$ 4,400.00	4,400.00	
Body Armor Fund - 2011	2,009.15	195.00	2,204.15	
Clean Communities Program	11,349.13		11,349.13	
Municipal Alliance on Alcoholism and Drug Abuse		28,500.00	28,500.00	
Municipal Alliance on Alcoholism and Drug Abuse - West Caldwell Match		5,500.00	5,500.00	
Alcohol Education and Rehabilitation Fund		1,024.76	1,024.76	
Bulletproof Vest Program		2,340.00	2,340.00	
Division on Aging Preventive Health Grant	3,849.00		3,849.00	
Hurricane Irene Disaster National Emergency Grant		18,832.80	18,832.80	
Utility Operating Surplus of Prior Year (Sewer)	28,212.00		28,212.00	
Water Utility Operating Fund - Administration Charges	27,332.00		27,332.00	
Escrow Fees (Due from Other Trust)	5,600.00		5,600.00	
Sale of Fire Truck	62,061.22		62,061.22	
Reserve for Contribution	31,250.00		31,250.00	
Additional Community Center Fees	110,000.00		148,760.89	\$ 38,760.89
Additional Parking Meter Fees	20,000.00		6,172.16	13,827.84 *
Total Miscellaneous Revenue	3,953,337.95	60,792.56	4,056,826.53	42,696.02
Receipts from Delinquent Taxes	250.00		1,825.25	1,575.25
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,669,786.58		6,600,892.33	68,894.25 *
Minimum Library Tax	370,764.71		370,764.71	
Budget Totals	11,334,689.24	60,792.56	11,370,858.82	\$ 24,622.98 *
Nonbudget Revenue			122,008.70	
	<u>\$ 11,334,689.24</u>	<u>\$ 60,792.56</u>	<u>\$ 11,492,867.52</u>	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 23,682,313.70
Allocated to County, Local School District and Open Space Taxes	<u>16,757,656.66</u>
Balance for Support of Municipal Budget	6,924,657.04
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>47,000.00</u>

Realized for Support of Municipal Budget	<u><u>\$ 6,971,657.04</u></u>
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Analysis of Licenses - Other:

Rental Licenses	\$ 41,390.00
Raffle Licenses	300.00
Health Department	6,475.40
Amusement Licenses	395.00
Used Car Licenses	1,525.00
Vital Statistics	1,288.00
Other Licenses	<u>1,400.00</u>
	52,773.40
Less: Refunded	<u>1,275.00</u>
	<u><u>\$ 51,498.40</u></u>

Analysis of Fees and Permits:

Gargage Sale Permits	\$ 280.00
Police Report Fees	6,931.00
Vital Statistics Fees	15,545.00
Administrative Traffic Fees	21,990.00
Other Fees	<u>160.00</u>
	44,906.00
Less: Refunded	<u>682.50</u>
	<u><u>\$ 44,223.50</u></u>

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 3,919.39
Due from General Capital Fund	0.62
	\$ 3,920.01
	\$ 3,920.01

Analysis of Uniform Construction Code Fees:

Collected/Received by Treasurer	\$ 121,755.49
Due from Other Trust Funds	32,693.00
	\$ 154,448.49
	\$ 154,448.49

Analysis of Interest and Costs on Taxes:

Collected/Received by Treasurer	\$ 36,700.30
Due from Other Trust Funds	2,476.62
	\$ 39,176.92
	\$ 39,176.92

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cancellation of Various Trust Reserves	\$ 38,065.97
Prior Year Reimbursements	1,955.00
Federal Emergency Management Agency Reimbursements for Storm Damages	58,292.76
Copies	152.99
Hepatitis B Reimbursement - State of New Jersey	5,000.00
State of New Jersey Motor Vehicle Inspections	9,458.25
State of New Jersey - Senior Citizens' and Veterans'	
Deductions Administrative Reimbursement	1,045.00
Other Miscellaneous	8,038.73
	\$ 122,008.70
	\$ 122,008.70

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 53,675.00	\$ 54,596.94	\$ 54,483.17	\$ 113.77	
Other Expenses	71,500.00	81,200.00	70,833.20	10,366.80	
Mayor and Council:					
Salaries and Wages	9,900.00	9,900.00	9,900.00		
Other Expenses	2,500.00	2,500.00	1,559.50	940.50	
Municipal Clerk:					
Salaries and Wages	24,900.00	25,400.00	25,391.34	8.66	
Other Expenses	1,500.00	1,500.00	100.00	1,400.00	
Elections:					
Other Expenses	3,000.00	3,010.44	3,010.44		
Financial Administration:					
Salaries and Wages	38,385.00	43,060.13	43,052.53	7.60	
Other Expenses	3,150.00	3,650.00	2,905.65	744.35	
Audit Services:					
Other Expenses	26,493.00	26,493.00	13,754.53	12,738.47	
Collection of Taxes:					
Salaries and Wages	44,342.00	45,752.22	45,748.41	3.81	
Other Expenses	4,300.00	5,800.00	5,636.38	163.62	
Assessment of Taxes:					
Salaries and Wages	31,020.00	31,023.00	31,020.34	2.66	
Other Expenses	4,600.00	4,600.00	3,799.40	800.60	
Legal Services and Costs:					
Salaries and Wages	27,000.00	27,000.00	25,002.07	1,997.93	
Other Expenses	29,300.00	29,300.00	23,824.86	5,475.14	
Engineering Services and Costs:					
Salaries and Wages	24,000.00	17,101.00	15,000.01	2,100.99	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Other Expenses	\$ 3,403.00	\$ 3,403.00	\$ 3,235.00	\$ 168.00	
Zoning Board of Adjustment:					
Other Expenses	3,403.00	3,403.00	3,010.00	393.00	
Rent Review Board:					
Other Expenses	2,000.00	2,000.00	2,000.00		
PUBLIC SAFETY:					
Police:					
Salaries and Wages	1,992,643.00	2,017,643.00	2,016,697.66	945.34	
Other Expenses	240,590.00	229,033.00	221,643.88	7,389.12	
Public Defender:					
Other Expenses	4,050.00	4,050.00	4,050.00		
Parking Meter Maintenance					
Other Expenses	3,275.00	2,325.00	883.26	1,441.74	
Office of Emergency Management:					
Other Expenses	855.00	855.00	711.30	143.70	
PUBLIC SAFETY:					
Aid to West Essex First Aid Organization - Contribution	11,502.00	11,502.00	11,501.20	0.80	
Fire Department:					
Other Expenses	43,602.00	43,602.00	38,600.50	5,001.50	
Municipal Prosecutor:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Municipal Court:					
Salaries and Wages	115,967.00	118,582.00	118,573.87	8.13	
Other Expenses	21,375.00	21,375.00	20,209.97	1,165.03	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
STREETS AND ROADS:					
Streets and Roads Maintenance:					
Salaries and Wages	\$ 325,518.00	\$ 316,199.19	\$ 316,193.05	\$ 6.14	
Other Expenses	45,705.00	31,638.00	20,053.10	11,584.90	
Other Expenses - Hurricane Irene/October Nor'easter (N.J.S.A.40A:4-55 Emergency + \$237,400.00)		237,400.00	150,000.00		\$ 87,400.00
Recycling:					
Other Expenses	47,783.00	21,308.00	3,071.11	18,236.89	
Solid Waste Collection:					
Other Expenses	577,501.00	566,301.00	541,168.42	25,132.58	
Building and Grounds:					
Other Expenses	73,750.00	72,250.00	43,762.11	28,487.89	
Shade Tree Division:					
Other Expenses	26,700.00	14,125.00	14,025.00	100.00	
Vehicle Repair/Maintenance (Including Police):					
Other Expenses	48,500.00	52,500.00	46,378.63	6,121.37	
Snow Removal:					
Salaries and Wages	5,000.00	5,500.00	5,000.00	500.00	
Other Expenses	25,000.00	18,000.00	16,302.18	1,697.82	
HEALTH AND WELFARE:					
Board of Health:					
Other Expenses	98,274.00	93,006.00	89,750.71	3,255.29	
Environmental Commission:					
Other Expenses	1,200.00	1,200.00	406.00	794.00	
Animal Control:					
Other Expenses	15,600.00	15,600.00	6,000.00	9,600.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
HEALTH AND WELFARE: (Continued)					
Welfare/Administration of Public Assistance:					
Salaries and Wages	\$ 6,694.00	\$ 6,694.00	\$ 6,693.44	\$ 0.56	
Other Expenses	150.00	150.00	100.00	50.00	
RECREATION AND EDUCATION:					
Recreation Services and Programs:					
Other Expenses	428,000.00	428,000.00	427,590.00	410.00	
Senior Citizens' Transportation:					
Salaries and Wages	43,767.00	43,767.00	43,189.28	577.72	
Other Expenses	27,181.19	19,181.19	18,547.77	633.42	
UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	108,427.00	113,646.69	113,642.10	4.59	
Other Expenses	7,500.00	7,500.00	6,800.97	699.03	
UTILITY EXPENSES AND BULK PURCHASES:					
Electric & Gas	92,000.00	92,000.00	75,956.72	16,043.28	
Street Lighting	145,000.00	145,000.00	118,464.48	26,535.52	
Telephone	37,000.00	45,895.41	43,701.94	2,193.47	
Gasoline	66,500.00	85,625.00	76,135.66	9,489.34	
INSURANCE:					
Worker's Compensation/General Liability	203,101.54	203,101.54	202,087.38	1,014.16	
Group Insurance for Employees	1,150,378.97	1,074,812.95	1,067,538.20	7,274.75	
Total Operations Within "CAPS"	6,457,460.70	6,589,060.70	6,277,696.72	223,963.98	87,400.00
Detail:					
Salaries and Wages	2,851,238.00	2,875,865.17	2,869,587.27	6,277.90	
Other Expenses	3,606,222.70	3,713,195.53	3,408,109.45	217,686.08	87,400.00

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
Deferred Charges and Statutory Expenditures - Municipal					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 123,940.00	\$ 123,940.00	\$ 123,940.00		
Police and Firemen's Retirement System of NJ	507,378.00	507,378.00	507,378.00		
Social Security System (O.A.S.I.)	150,000.00	150,000.00	150,000.00		
Defined Contribution Retirement Program	3,071.52	3,471.52	3,455.71	\$ 15.81	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>784,389.52</u>	<u>784,789.52</u>	<u>784,773.71</u>	<u>15.81</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>7,241,850.22</u>	<u>7,373,850.22</u>	<u>7,062,470.43</u>	<u>223,979.79</u>	<u>\$ 87,400.00</u>
Operations Excluded from "CAPS":					
Refund Tax Appeals	50,000.00	50,000.00	2,062.50	47,937.50	
Sewerage Treatment:					
Other Expenses	1,053,000.00	1,053,000.00	1,038,416.92	14,583.08	
Length of Service Awards Program:					
Fire Department	43,450.00	43,450.00		43,450.00	
West Essex First Aid Squad	15,000.00	20,000.00	180.88	19,819.12	
Municipal Library:					
Salaries and Wages	236,220.00	236,220.00	222,943.10	13,276.90	
Other Expenses	155,523.48	155,523.48	149,036.27	6,487.21	
Shared Service Agreements:					
Borough of Essex Fells - Library:					
Other Expenses	8,000.00	8,000.00	8,000.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Shared Service Agreements (Continued):					
Borough of Essex Fells - Welfare:					
Salaries and Wages	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
Township of West Caldwell - Welfare:					
Salaries and Wages	8,000.00	8,000.00	8,000.00		
Community Center:					
Salaries and Wages	863,759.00	911,459.00	911,427.92	\$ 31.08	
Other Expenses	416,400.00	469,100.00	437,832.21	31,267.79	
State and Federal Programs Offset by Revenue:					
Body Armor Fund - 2011 (N.J.S.A. 40A:4-87 + \$195.00)	2,009.15	2,204.15	2,204.15		
Bulletproof Vest - 2011 (N.J.S.A. 40A:4-87 + \$2,340.00)		2,340.00	2,340.00		
Alcohol Education Grant (N.J.S.A. 40A:4-87 + \$1,024.76)		1,024.76	1,024.76		
Municipal Alliance on Alcohol & Drug Abuse (N.J.S.A. 40A:4-87 + \$28,500.00)		28,500.00	28,500.00		
Municipal Alliance on Alcohol & Drug Abuse Match (N.J.S.A. 40A:4-87 + \$5,500.00)		5,500.00	5,500.00		
Municipal Alliance on Alcohol & Drug Abuse West Caldwell Match (N.J.S.A. 40A:4-55 Emergency + \$5,500.00)		5,500.00	5,500.00		
Hurricane Irene Disaster National Emergency Grant (N.J.S.A. 40A:4-87 + \$18,832.80)		18,832.80	18,832.80		
Over the Limit Under Arrest (N.J.S.A. 40A:4-87 + \$4,400.00)		4,400.00	4,400.00		
Clean Communities Grant	11,349.13	11,349.13	11,349.13		
Drunk Driving Enforcement Fund	2,536.86	2,536.86	2,536.86		
Reserve for Drunk Driving Enforcement Fund	9,847.97	9,847.97	9,847.97		
Recycling Tonnage Grant	10,806.68	10,806.68	10,806.68		
Division of Aging Preventive Health Grant	3,849.00	3,849.00	3,849.00		
Total Operations Excluded from "CAPS"	2,890,751.27	3,062,443.83	2,885,591.15	176,852.68	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Detail:					
Salaries and Wages	\$ 1,108,979.00	\$ 1,156,679.00	\$ 1,143,371.02	\$ 13,307.98	
Other Expenses	1,781,772.27	1,905,764.83	1,742,220.13	163,544.70	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Total Capital Improvements Excluded from "CAPS"	50,000.00	50,000.00	50,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	665,000.00	665,000.00	665,000.00		
Interest on Bonds	354,044.75	354,044.75	354,044.75		
Interest on Notes	54,793.00	54,793.00	52,580.85		\$ 2,212.15
Total Municipal Debt Service Excluded from "CAPS"	1,073,837.75	1,073,837.75	1,071,625.60		2,212.15
Deferred Charges - Municipal - Excluded from "CAPS":					
Emergency Authorizations	31,250.00	31,250.00	31,250.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	31,250.00	31,250.00	31,250.00		
Total General Appropriations Excluded from "CAPS"	4,045,839.02	4,217,531.58	4,038,466.75	176,852.68	2,212.15
Subtotal General Appropriations	11,287,689.24	11,591,381.80	11,100,937.18	400,832.47	89,612.15
Reserve for Uncollected Taxes	47,000.00	47,000.00	47,000.00		
Total General Appropriations	\$ 11,334,689.24	\$ 11,638,381.80	\$ 11,147,937.18	\$ 400,832.47	\$ 89,612.15

Ref.

A

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Analysis of	
	Budget After Modification	Paid or Charged
Adopted Budget	\$ 11,334,689.24	
Appropriation by NJSA 40A:4-87	60,792.56	
Emergency Appropriations	242,900.00	
	\$ 11,638,381.80	
	<u>Ref.</u>	
Reserve for Uncollected Taxes		\$ 47,000.00
Reserve for Encumbrances	A	101,380.29
Reserve for Storm Damage		150,000.00
Deferred Charges - Emergency Authorization		31,250.00
Due Federal and State Grant Fund:		
Grants		101,191.35
Local Match		5,500.00
Due to General Capital Fund		52,580.85
Due to Sewer Utility Operating Fund		174.48
Cash Disbursed		10,898,784.53
		11,387,861.50
Less: Appropriation Refunds		239,924.32
		\$ 11,147,937.18

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
TRUST FUNDS

BOROUGH OF CALDWELL
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 559.00	\$ 6,918.25
Change Fund		25.00	25.00
		<u>584.00</u>	<u>6,943.25</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	605,070.31	1,007,516.69
Due from Current Fund	A		6,269.43
		<u>605,070.31</u>	<u>1,013,786.12</u>
TOTAL ASSETS		<u>\$ 605,654.31</u>	<u>\$ 1,020,729.37</u>

BOROUGH OF CALDWELL
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Board of Health		\$ 68.00	\$ 11.00
Due Current Fund	A		2,855.25
Reserve for Animal Control Fund Expenditures	B-6	516.00	4,077.00
		<u>584.00</u>	<u>6,943.25</u>
Other Trust Funds:			
Due to State of New Jersey - DCA Fees		7,469.00	6,618.00
Due to Current Fund	A	15,220.29	
Due to General Capital Fund	C		475,000.00
Reserve for:			
Community Development Block Grant			1,213.90
State Unemployment Insurance		19,495.53	18,276.96
Open Space		238,750.27	364,646.99
Municipal Alliance - Caldwell/West Caldwell		12,497.81	8,987.81
Connection Fees			250.00
Adopt-A-Tree			325.00
Escrow Fees		48,309.68	16,194.88
Tax Sale Premiums		53,800.00	4,100.00
Outside Tax Liens			1,576.94
Lien Recording Fees			4,361.00
Parking Offense Adjudication Act		13,876.70	12,390.70
Municipal Court			11,659.40
Lien 6% Penalty Redemption			5,188.41
Fire Department Dues			6,116.87
Fire Lease Payment			20.79
Recycling		39,639.17	28,441.42
Downtown Beautification			2,785.00
Confiscated Funds		4,286.00	3,000.00
Year-End Penalty			673.55
Attorney Fees			1,039.95
Community Center Donation			473.00
Comcast			4,687.00
LOSAP Surrendered Funds		10,758.55	10,758.55
Accumulated Leave		95,967.31	
Debt Service - 2005 Sinking Fund Bonds		45,000.00	25,000.00
		<u>605,070.31</u>	<u>1,013,786.12</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 605,654.31</u>	<u>\$ 1,020,729.37</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,488,309.99	\$ 369,497.19
Due Current Fund	A	72,661.08	
Due from Other Trust Funds	B		475,000.00
Due from Water Utility Operating Fund	D	34,425.00	
Grants Receivable:			
New Jersey Department of Environmental Protection			350,000.00
New Jersey Department of Community Affairs		150,000.00	150,000.00
Township of West Caldwell - Shared Services Agreement		30,618.60	68,167.65
Community Development Block Grants Receivable		224.06	82,450.00
New Jersey Department of Transportation Grants Receivable		128,077.43	353,000.00
Deferred Charges to Future Taxation:			
Funded		11,816,900.00	8,957,900.00
Unfunded	C-4	452,617.00	4,317,917.00
<u>TOTAL ASSETS</u>		<u>\$ 14,173,833.16</u>	<u>\$ 15,123,931.84</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 11,816,900.00	\$ 8,957,900.00
Bond Anticipation Notes Payable	C-7		2,827,500.00
Improvement Authorizations:			
Funded	C-5	1,660,022.52	1,032,047.82
Unfunded	C-5	245,990.49	2,201,663.16
Due to Current Fund	A		21,554.65
Due to Water Utility Capital Fund	D	36,168.00	5,224.64
Capital Improvement Fund	C-6	33,718.00	16,218.00
Reserve for:			
Contribution			31,250.00
Payment of Debt Service		82,450.00	
Fund Balance	C-1	298,584.15	30,573.57
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 14,173,833.16</u>	<u>\$ 15,123,931.84</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>		
Balance December 31, 2010	C		\$ 30,573.57
Increased by:			
Grant Proceeds on Fully Funded Ordinance		\$ 16,922.00	
Premium on Sale of Bonds		157,131.84	
Improvement Authorizations Cancelled		<u>93,956.74</u>	
			<u>268,010.58</u>
Balance December 31, 2011	C		<u>\$ 298,584.15</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 660,591.72	\$ 557,502.25
Due from Current Fund	A		42.93
Due from Water Utility Capital Fund	D	52,313.38	41,220.69
		<u>712,905.10</u>	<u>598,765.87</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	1,001.30	108,936.30
Total Receivables and Inventory with Full Reserves		<u>1,001.30</u>	<u>108,936.30</u>
Deferred Charges:			
Deficit in Operations	D-1		19,325.10
Total Operating Fund		<u>713,906.40</u>	<u>727,027.27</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	207,944.81	599,647.95
Due from General Capital Fund	C	36,168.00	5,224.64
Fixed Capital	D-7	1,890,961.12	1,890,961.12
Fixed Capital Authorized and Uncompleted	D-8	1,611,000.00	1,461,000.00
Total Capital Fund		<u>3,746,073.93</u>	<u>3,956,833.71</u>
TOTAL ASSETS		<u>\$ 4,459,980.33</u>	<u>\$ 4,683,860.98</u>

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 249,068.84	\$ 465,070.00
Encumbered	D-3;D-9	12,549.66	5,854.28
		<u>261,618.50</u>	<u>470,924.28</u>
Due to Current Fund	A	7,499.85	
Due to General Capital Fund	C	34,425.00	
Due to Sewer Utility Operating Fund	E	108,981.46	108,974.40
Accrued Interest on Bonds		17,204.17	5,475.00
Accrued Interest on Notes			7,356.58
Water Rent Overpayments		3,149.60	
		<u>432,878.58</u>	<u>592,730.26</u>
Reserve for Receivables	D	1,001.30	108,936.30
Fund Balance	D-1	280,026.52	25,360.71
		<u>713,906.40</u>	<u>727,027.27</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds	D-14	1,255,000.00	584,200.00
Bond Anticipation Notes Payable	D-13		810,000.00
Due to Water Utility Operating Fund	D	52,313.38	41,220.69
Improvement Authorizations:			
Funded	D-10	98,484.93	87,088.06
Unfunded	D-10	297,342.50	576,759.84
Capital Improvement Fund	D-11	70,000.00	60,000.00
Reserve to Pay Debt Service		11,300.00	11,300.00
Reserve for Amortization	D-12	1,906,111.12	1,766,911.12
Deferred Reserve for Amortization	D-12A	9,900.00	9,900.00
Fund Balance	D-1A	45,622.00	9,454.00
		<u>3,746,073.93</u>	<u>3,956,833.71</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,459,980.33</u>	<u>\$ 4,683,860.98</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 200,000.00
Water Rents/Additional Water Billing		\$ 1,552,045.94	1,287,838.05
Miscellaneous Revenue Anticipated		52,502.14	41,492.63
Cancellation of Appropriation Reserves		238,000.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		49,852.83	82,668.21
Total Income		<u>1,892,400.91</u>	<u>1,611,998.89</u>
<u>Expenditures</u>			
Operating		1,352,618.08	1,364,489.00
Capital Improvements		50,000.00	50,000.00
Debt Service		170,205.92	188,331.99
Deferred Charges and Statutory Expenditures		64,911.10	28,503.00
Total Expenditures		<u>1,637,735.10</u>	<u>1,631,323.99</u>
Excess/(Deficit) in Revenue		254,665.81	(19,325.10)
Operating Deficit to be Raised in Budget of Succeeding Year			<u>\$ 19,325.10</u>
Excess in Revenue/Statutory Excess to Fund Balance		254,665.81	
<u>Fund Balance</u>			
Balance January 1		25,360.71	\$ 225,360.71
		<u>280,026.52</u>	<u>225,360.71</u>
Decreased by:			
Utilization as Anticipated Revenue:			
Water Utility Operating Budget			200,000.00
Balance December 31	D	<u>\$ 280,026.52</u>	<u>\$ 25,360.71</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 9,454.00
Increased by:		
Premium on Sale of Bonds - Due from General Capital Fund		<u>36,168.00</u>
Balance December 31, 2011	D	<u>\$ 45,622.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Water Rents	\$ 1,287,838.05	\$ 1,287,838.05	
Miscellaneous Revenue	24,253.63	52,502.14	\$ 28,248.51
Additional Water Billing	95,000.00	264,207.89	169,207.89
Cancellation of Appropriation Reserves	238,000.00	238,000.00	
 Budget Totals	 <u>\$ 1,645,091.68</u>	 <u>\$ 1,842,548.08</u>	 <u>\$ 197,456.40</u>

Analysis of Water Rents

Water Rent Collections	\$ 1,287,838.05
Additional Water Billing	264,207.89
	<u>\$ 1,552,045.94</u>

Analysis of Miscellaneous Revenue

Treasurer:

Prior Year Outstanding Checks Voided	\$ 25,027.25
Interest on Investments and Deposits:	
Collected/Received by Treasurer	\$ 514.71
Due from Water Utility Capital Fund	584.21
	<u>1,098.92</u>

Collector:

Miscellaneous Revenue	148.26
Meter Sales	347.00
Meter Test	200.00
Penalties/Interest on Water Charges	25,680.71
	<u>26,375.97</u>
	<u>\$ 52,502.14</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 288,076.00	\$ 288,076.00	\$ 287,348.63	\$ 727.37	
Other Expenses	1,064,542.08	1,064,542.08	856,428.81	208,113.27	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	40,000.00	40,000.00		40,000.00	
Debt Service:					
Payment of Bond Principal	139,200.00	139,200.00	139,200.00		
Interest on Bonds	21,150.00	21,150.00	21,150.00		
Interest on Notes	17,212.50	17,212.50	9,855.92		\$ 7,356.58
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	25,486.00	25,486.00	25,486.00		
Social Security System (O.A.S.I.)	20,000.00	20,000.00	19,771.80	228.20	
Defined Contribution Retirement Plan	100.00	100.00	100.00		
Deficit in Operations in Prior Years	19,325.10	19,325.10	19,325.10		
	<u>\$ 1,645,091.68</u>	<u>\$ 1,645,091.68</u>	<u>\$ 1,388,666.26</u>	<u>\$ 249,068.84</u>	<u>\$ 7,356.58</u>

Ref.

D

Cash Disbursed		\$ 1,328,749.42
Due to Current Fund		201.16
Accrued Interest on Bonds		21,150.00
Accrued Interest on Notes		9,855.92
Deferred Charges:		
Deficit in Operations in Prior Years		19,325.10
Encumbrances Payable	D	12,549.66
		<u>1,391,831.26</u>
Less: Appropriation Refunds		<u>3,165.00</u>
		<u>\$ 1,388,666.26</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 209,465.92	\$ 699,608.29
Due from Current Fund	A	239,184.84	89,236.65
Due from Water Utility Operating Fund	D	108,981.46	108,974.40
Due from Sewer Utility Capital Fund	E	14,956.23	13,569.63
		<u>572,588.45</u>	<u>911,388.97</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-6	161,279.81	1,419.36
Total Receivables and Inventory with Full Reserves		<u>161,279.81</u>	<u>1,419.36</u>
Deferred Charges:			
Deficit in Operations	E-1	88,546.29	
Total Operating Fund		<u>822,414.55</u>	<u>912,808.33</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,099,821.14	1,231,111.41
Due from New Jersey Environmental Infrastructure Trust		386,560.00	3,699,244.00
Fixed Capital	E-7	28,882,151.97	28,882,151.97
Fixed Capital Authorized and Uncompleted	E-8	16,480,300.00	16,480,300.00
Total Capital Fund		<u>46,848,833.11</u>	<u>50,292,807.38</u>
TOTAL ASSETS		<u>\$ 47,671,247.66</u>	<u>\$ 51,205,615.71</u>

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 47,901.05	\$ 174,982.68
Encumbered	E-3;E-9	291.72	31,845.58
		<u>48,192.77</u>	<u>206,828.26</u>
Prepaid Sewer Rents		62.01	
Accrued Interest on Bonds		7,689.55	10,220.80
Accrued Interest on Loans		124,169.79	130,107.29
		<u>180,114.12</u>	<u>347,156.35</u>
Reserve for Receivables	E	161,279.81	1,419.36
Fund Balance	E-1	481,020.62	564,232.62
		<u>822,414.55</u>	<u>912,808.33</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds	E-14	619,580.00	900,380.00
New Jersey Environmental Infrastructure Trust			
Loans Payable	E-15	12,952,093.81	13,626,045.50
Improvement Authorizations:			
Funded	E-10	742,709.37	4,388,570.24
Unfunded	E-10	902,220.00	902,220.00
Due to Sewer Utility Operating Fund	E	14,956.23	13,569.63
Capital Improvement Fund	E-11	729,715.54	529,215.54
Reserve for Amortization	E-12	30,708,007.05	29,753,255.36
Deferred Reserve for Amortization	E-12A	179,551.11	179,551.11
		<u>46,848,833.11</u>	<u>50,292,807.38</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 47,671,247.66</u></u>	<u><u>\$ 51,205,615.71</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 55,000.00	\$ 195,768.00
Sewer Rents		4,246,973.22	3,983,892.00
Additional Sewer Rents			913,005.78
Interest Income		1,675.83	1,663.68
KMOS Lease of Wastewater Plant Property		217,331.00	195,000.00
Additional KMOS Lease of Wastewater Plant Property			9,815.00
Sewer Connection Fees		14,400.00	9,800.00
Sewer Application Fees		250.00	829.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		166,127.47	19,694.65
		<u>4,701,757.52</u>	<u>5,329,468.11</u>
<u>Expenditures</u>			
Operating		3,255,924.19	3,199,207.00
Capital Improvements		200,500.00	235,500.00
Debt Service		1,291,073.62	1,290,310.54
Deferred Charges and Statutory Expenditures		42,806.00	46,655.00
		<u>4,790,303.81</u>	<u>4,771,672.54</u>
Excess/(Deficit) in Revenue		(88,546.29)	557,795.57
Operating Deficit to be Raised in Budget in Succeeding Year		<u>\$ 88,546.29</u>	
Excess in Revenue/Statutory Excess to Fund Balance			557,795.57
<u>Fund Balance</u>			
Balance January 1		\$ 564,232.62	212,847.05
		564,232.62	770,642.62
Decreased by:			
Utilization as Anticipated Revenue		55,000.00	195,768.00
Surplus Anticipated in Current Fund		28,212.00	10,642.00
Balance December 31	E	<u>\$ 481,020.62</u>	<u>\$ 564,232.62</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 55,000.00	\$ 55,000.00	
Sewer Rents	4,526,665.00	4,246,973.22	\$ 279,691.78 *
Interest Income	1,663.68	1,675.83	12.15
KMOS Lease of Wastewater Plant Property	204,815.00	217,331.00	12,516.00
Sewer Connection Fees	9,800.00	14,400.00	4,600.00
Sewer Application Fees	829.00	250.00	579.00 *
 Budget Totals	 <u>\$ 4,798,772.68</u>	 <u>\$ 4,535,630.05</u>	 <u>\$ 263,142.63 *</u>

Analysis of Interest Income

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer

\$ 289.23

Due from Sewer Utility Capital Fund

1,386.60

\$ 1,675.83

KMOS Lease of Wastewater Plant Property:

Due from Current Fund

\$ 217,331.00

Sewer Rents:

Collected in Sewer Utility Operating Fund

\$ 4,240,826.90

Due from Water Utility Operating Fund

7.06

Due from Current Fund

6,139.26

4,246,973.22

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 423,798.00	\$ 423,798.00	\$ 420,541.38	\$ 3,256.62	
Other Expenses	2,832,126.19	2,832,126.19	2,787,481.76	44,644.43	
Capital Improvements:					
Capital Improvement Fund	200,500.00	200,500.00	200,500.00		
Debt Service:					
Bond Principal	954,751.69	954,751.69	954,751.69		
Interest on Bonds	344,790.80	344,790.80	336,321.93		\$ 8,468.87
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	19,706.00	19,706.00	19,706.00		
Social Security System (O.A.S.I.)	23,000.00	23,000.00	23,000.00		
Defined Contribution Retirement Plan	100.00	100.00	100.00		
	<u>\$ 4,798,772.68</u>	<u>\$ 4,798,772.68</u>	<u>\$ 4,742,402.76</u>	<u>\$ 47,901.05</u>	<u>\$ 8,468.87</u>
				E	
Cash Disbursed			\$ 4,648,926.49		
Accrued Interest on Bonds			30,001.95		
Accrued Interest on Loans			306,319.98		
Encumbrances Payable			291.72		
			<u>4,985,540.14</u>		
Less: Appropriation Refunds			<u>243,137.38</u>		
			<u>\$ 4,742,402.76</u>		

Ref.

E

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 26,015.04</u>	<u>\$ 40,433.57</u>
TOTAL ASSETS		<u><u>\$ 26,015.04</u></u>	<u><u>\$ 40,433.57</u></u>
 <u>RESERVES</u>			
Reserve for Public Assistance		<u>\$ 26,015.04</u>	<u>\$ 40,433.57</u>
TOTAL RESERVES		<u><u>\$ 26,015.04</u></u>	<u><u>\$ 40,433.57</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CALDWELL
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

	<u>December 31,</u> <u>2011</u>
<u>ASSETS</u>	
Land and Land Improvements	\$ 10,125,613.00
Buildings and Building Improvements	38,141,628.00
Machinery and Equipment	4,488,752.00
Construction in Progress	<u>14,726,940.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 67,482,933.00</u>
 <u>RESERVES</u>	
Reserve for General Fixed Assets	<u>\$ 67,482,933.00</u>
<u>TOTAL RESERVES</u>	<u>\$ 67,482,933.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Caldwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Caldwell, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Caldwell do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Governmental Accounting Standards Board's Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Caldwell 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 (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Caldwell accounts for its financial transactions through the following separate funds:

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

Trust Funds - 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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The operations of the State funded welfare program were transferred to the County effective July 1, 2011.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accounting policies of the Borough of Caldwell conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Borough's budget. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

The cash basis of accounting is followed in the Trust and Capital Funds.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough of Caldwell's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; depreciation would be recorded on fixed assets in the utility capital funds; Federal and State grants and assistance would be recognized when earned, not when awarded or budgeted; and inventories would not be reflected as expenditures at the time of purchase.

- D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through capital lease purchase agreements.

- E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

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

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets, except for the Water and Sewer Utility Operating Funds. The amounts reflected as inventories on the Water and Sewer Utility Funds balance sheets are offset by reserves.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

General Fixed Assets Account Group – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

In accordance with Technical Accounting Directive No. 85-2, General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets in 2011. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating, Sewer and Water Utility, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt

	December 31,		
	2011	2010	2009
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 11,816,900.00	\$ 11,785,400.00	\$ 11,232,900.00
Water Utility:			
Bonds and Notes	1,255,000.00	1,394,200.00	1,526,850.00
Sewer Utility:			
Bonds and Loans	13,571,673.81	14,526,425.00	15,461,750.00
Total Issued	<u>26,643,573.81</u>	<u>27,706,025.00</u>	<u>28,221,500.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	452,617.00	1,490,417.00	452,107.00
Water Utility:			
Bonds and Notes	330,000.00	180,000.00	180,000.00
Sewer Utility:			
Bonds and Notes	902,220.00	902,220.00	902,220.00
Total Authorized but not Issued	<u>1,684,837.00</u>	<u>2,572,637.00</u>	<u>1,534,327.00</u>
Less:			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
General:			
Reserve to Pay Debt Service	82,450.00		
Water Utility:			
Reserve to Pay Debt Service	11,300.00	11,300.00	
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 28,234,660.81</u>	<u>\$ 30,267,362.00</u>	<u>\$ 29,755,827.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/10	Additions	Retirements	Balance 12/31/11
Serial Bonds:				
General Capital Fund	\$ 8,957,900.00	\$ 3,519,000	\$ 660,000.00	\$ 11,816,900.00
Water Utility	584,200.00	810,000.00	139,200.00	1,255,000.00
Sewer Utility	900,380.00		280,800.00	619,580.00
Bond Anticipation Notes:				
General Capital Fund	2,827,500.00		2,827,500.00	
Water Utility	810,000.00		810,000.00	
Loans Payable:				
Sewer Utility:				
NJEIT	13,626,045.50		673,951.69	12,952,093.81
Total	\$ 27,706,025.50	\$ 4,329,000.00	\$ 5,391,451.69	\$ 26,643,573.81
	Balance 12/31/09	Additions	Retirements	Balance 12/31/10
Serial Bonds:				
General Capital Fund	\$ 9,592,900.00		\$ 635,000.00	\$ 8,957,900.00
Water Utility	716,850.00		132,650.00	584,200.00
Sewer Utility	1,177,730.00		277,350.00	900,380.00
Bond Anticipation Notes:				
General Capital Fund	1,640,000.00	\$ 2,827,500.00	1,640,000.00	2,827,500.00
Water Utility	810,000.00	810,000.00	810,000.00	810,000.00
Loans Payable:				
Sewer Utility:				
NJEIT	14,284,020.35		657,974.85	13,626,045.50
Total	\$ 28,221,500.35	\$ 3,637,500.00	\$ 4,152,974.85	\$ 27,706,025.50

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.20%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 4,203,219.24	\$ 4,203,219.24	
Water Utility Debt	1,585,000.00	1,585,000.00	
Sewer Utility Debt	14,473,893.81	13,390,418.61	\$ 1,083,475.20
General Debt	12,269,517.00	82,450.00	12,187,067.00
	<u>\$ 32,531,630.05</u>	<u>\$ 19,261,087.85</u>	<u>\$ 13,270,542.20</u>

Net Debt: \$13,270,542.20 divided by Average Equalized Valuations of \$1,101,409,312.00 of Real Property = 1.20%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 38,549,325.92
Net Debt	<u>13,270,542.20</u>
Remaining Borrowing Power	<u>\$ 25,278,783.72</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,842,548.08
Deductions:	
Operating and Maintenance Cost	\$ 1,398,204.08
Debt Service	<u>170,205.92</u>
Total Deductions	<u>1,568,410.00</u>
Excess in Revenue	<u>\$ 274,138.08</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 4,535,630.05
Deductions:	
Operating and Maintenance Cost	\$ 3,298,730.19
Debt Service	<u>1,291,073.62</u>
Total Deductions	<u>4,589,803.81</u>
Deficit in Revenue	<u>\$ (54,173.76)</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

The foregoing information is in agreement with the Revised Annual Debt Statement as filed by the Chief Financial Officer.

At December 31, 2011, the Borough had capital debt issued and outstanding described as follows:

General Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
2005 Refunding Bonds	07/01/24	3.50%-4.35%	\$ 5,070,000.00
2005 ERI Refunding Bonds	07/01/19	3.50%-4.00%	195,000.00
2007 General Obligation Bonds	04/01/21	3.75%-4.00%	3,032,900.00
2011 General Improvement Bonds	07/15/26	2.00%-5.00%	<u>3,519,000.00</u>
			<u>\$ 11,816,900.00</u>

Water Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
Water Utility Bonds	04/01/21	3.75%-4.00%	\$ 445,000.00
Water Utility Bonds	07/15/21	2.00%-5.00%	<u>810,000.00</u>
			<u>\$ 1,255,000.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Sewer Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
2005 Refunding Bonds	07/01/17	3.50%-4.00%	\$ 175,000.00
2007 Sewer Utility Bonds	04/01/21	3.75%-4.00%	444,580.00
			<u>\$ 619,580.00</u>

Sewer Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
Wastewater Treatment Plant Upgrades:			
Trust	08/01/27	3.40-5.00%	\$ 6,720,000.00
Fund	08/01/27	0.00%	6,232,093.81
			<u>\$ 12,952,093.81</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 26,643,573.81</u>

Environmental Infrastructure Loans

On November 8, 2007, the Borough of Caldwell entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$15,460,140, which represents direct obligations of the Borough. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

At December 31, 2011, the Borough has borrowed or "drawn down" \$14,726,940.00 for these projects. The difference or unexpended proceeds of the "Trust" loan will be retired by NJ Environmental Infrastructure Trust from funds on hand, and any unexpended proceeds of the "Fund" will be reduced from future debt service payments. Principal payments to the "Fund" commenced on August 1, 2009, and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Borough will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

Also, an annual administrative fee of fifteen hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and
Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2012	\$ 825,000.00	\$ 449,236.26	\$ 115,000.00	\$ 43,713.33
2013	890,000.00	425,398.26	115,000.00	41,650.00
2014	910,000.00	394,373.26	115,000.00	38,650.00
2015	930,000.00	361,298.26	115,000.00	34,900.00
2016	940,000.00	327,673.26	120,000.00	31,150.00
2017-2021	4,717,900.00	1,084,073.30	675,000.00	85,000.00
2022-2026	2,604,000.00	254,243.76		
	<u>\$ 11,816,900.00</u>	<u>\$ 3,296,296.36</u>	<u>\$ 1,255,000.00</u>	<u>\$ 275,063.33</u>

Calendar Year	Sewer Utility		
	Principal	Interest	Total
2012	\$ 759,440.11	\$ 321,278.20	\$ 2,513,667.90
2013	769,309.87	308,528.20	2,549,886.33
2014	778,756.32	294,978.20	2,531,757.78
2015	796,022.60	280,758.20	2,517,979.06
2016	809,882.95	261,308.20	2,490,014.41
2017-2021	4,224,143.10	1,002,574.40	11,788,690.80
2022-2026	4,468,747.26	472,412.50	7,799,403.52
2027	965,371.60	24,437.50	989,809.10
	<u>\$ 13,571,673.81</u>	<u>\$ 2,966,275.40</u>	<u>\$ 33,181,208.90</u>

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2011 which has been included in the adopted budget for the Current Fund, Water Utility Fund and Sewer Utility Fund budgets for the year ending December 31, 2012, is as follows:

Current Fund	\$ 340,550.00
Water Utility Operating Fund	125,000.00
Sewer Utility Operating Fund	72,432.00

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 4: Deferred Charges to be Raised in Succeeding Budgets

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

	Balance Dec. 31, 2011	2012 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Emergency Authorization	\$ 155,500.00	\$ 155,500.00	\$ -0-
Sewer Utility Operating Fund:			
Deficit in Operations	88,546.29	88,546.29	-0-

The 2012 Budget Appropriation is not less than that required by statute.

Note 5: Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Caldwell has elected not to defer school taxes.

Note 6: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employee retirement systems. However, if an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 6: Pension Plans (Cont'd)

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS went from 5.5% to 6.50% while the employee contributions for PFRS increased to 10.00% from 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are 5.50% of employees' annual compensation, as defined, and are matched by a 3% employer contribution.

Borough contributions to PERS amounted to \$190,074.00, \$154,815.00 and \$126,017 for 2011, 2010 and 2009, respectively. Borough contributions to PFRS amounted to \$507,378.00, \$392,384 and \$391,103 for 2011, 2010 and 2009, respectively.

The employer contributions for the DCRP amounted to \$3,655.71, \$2,096.29 and \$416.54 for 2011, 2010 and 2009, respectively. The employee contributions for the DCRP amounted to \$6,293.24, \$3,843.14 and \$763.64 for 2011, 2010 and 2009, respectively.

Note 7: Accrued Sick and Vacation Benefits

The Borough policy allows Borough employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Borough would approximate \$636,277.91. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditure in the year in which it is used. This amount is partially reserved in the Reserve for Accumulated Leave of \$95,967.31 reflected on the Other Trust Funds' balance sheet as of December 31, 2011.

Note 8: Deferred Compensation Plan

The Borough of Caldwell offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by the Hartford Group, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation plan is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 9: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 9: Selected Tax Rate Information (Cont'd)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	<u>\$ 2.307</u>	<u>\$ 2.245</u>	<u>\$ 2.219</u>
<u>Apportionment of Tax Rate</u>			
Municipal:			
Amount to be Raised	0.683	0.680	0.672
Open Space	0.010	0.010	0.010
County	0.475	0.448	0.441
Local School	1.139	1.107	1.096
<u>Assessed Valuations</u>			
2011	<u>\$ 1,031,511,186.00</u>		
2010		<u>\$ 1,035,051,357.00</u>	
2009			<u>\$ 1,034,926,284.00</u>

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 23,810,051.72	\$ 23,682,313.70	99.46%
2010	23,251,587.25	23,207,568.66	99.81%
2009	22,997,095.02	22,966,393.82	99.86%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 10: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types 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;
- (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;

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2011, cash and cash equivalents and investments of the Borough of Caldwell consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking and Savings Accounts</u>	<u>Total</u>
Current	\$ 150.00	\$ 1,941,853.73	\$ 1,942,003.73
Animal Control	25.00	559.00	584.00
Other Trust		605,070.31	605,070.31
General Capital		1,488,309.99	1,488,309.99
Water Utility Operating		660,591.72	660,591.72
Water Utility Capital		207,944.81	207,944.81
Sewer Utility Operating		209,465.92	209,465.92
Sewer Utility Capital		1,099,821.14	1,099,821.14
Public Assistance		26,015.04	26,015.04
	<u>\$ 175.00</u>	<u>\$ 6,239,631.66</u>	<u>\$ 6,239,806.66</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

During the year ended December 31, 2011, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents and investments at December 31, 2011, was \$6,239,806.66 and the bank balance was \$6,219,881.22.

Note 11: Post-Retirement Medical Benefits

The Borough's portion of post-retirement medical and dental benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. The Borough paid premiums in the amount of \$564,594.01, \$548,420.15 and \$550,908.81 for 2011, 2010 and 2009, respectively, for 32 retired employees in 2011, 31 retired employees in 2010 and 27 retired employees in 2009.

The Borough's contributions to post-retirement Federal Medicare Part B reimbursement benefits for the years ended December 31, 2011, 2010 and 2009 were \$12,724.80, \$12,724.80 and \$11,568, respectively, which equaled the required contributions for each year. There were 11, 11 and 10 retired participants eligible at December 31, 2011, 2010 and 2009, respectively.

The Borough did not obtain an actuarial valuation of its Post-Employment Health Benefits obligations, calculated in accordance with GASB 45 standards as of December 31, 2010. Therefore, the financial statements do not include disclosures of required contributions, annual OPEB cost, funding progress, funding status and actuarial assumptions as required by that standard. The amounts that would be included in those disclosures are material to the financial statements. However, the Borough changed their health benefit provider to State of New Jersey Health Benefits Plan effective October 2011.

The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

The coverage applies to the employee and dependents. In the event of an employee's death, coverage ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty-five (25) years of full-time service with the Borough.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 11: Post-Retirement Medical Benefits (Cont'd)

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

Note 12: 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. Health benefits are provided through the State of New Jersey Health Benefits Plan.

Property and Liability

The Borough is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against general liability and property.

As a member of the Fund, the Borough could be subjected to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liability.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2011 audit report of the Garden State Municipal Joint Insurance Fund was not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2010 is as follows:

	<u>Garden State Municipal Joint Insurance Fund</u>
Total Assets	\$ 23,407,804
Net Assets/(Deficit)	\$ (945,632)
Total Revenue	\$ 20,285,169
Total Expenses	\$ 19,971,570
Change in Net Assets	\$ 313,599
Net Assets Distribution to Participating Members	\$ -0-

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Garden State Municipal Joint Insurance Fund
900 Route 9 North, Suite 503
Woodbridge, NJ 07095-1003
(800) 446-7647

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years.

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ -0-	\$ 7,922.11	\$ 9.06	\$ 6,712.60	\$ 19,495.53
2010	-0-	7,670.65	66.42	33,633.07	18,276.96
2009	-0-	7,491.69	226.85	622.81	44,172.96

Note 13: 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	\$ 22,720.14	\$ 622,261.91
Federal and State Grant Fund	310,415.99	
Other Trust Funds		15,220.29
General Capital Fund	107,086.08	36,168.00
Water Utility Operating Fund	52,313.38	150,906.31
Water Utility Capital Fund	36,168.00	52,313.38
Sewer Utility Operating Fund	363,122.53	
Sewer Utility Capital Fund		14,956.23
	<u>\$ 891,826.12</u>	<u>\$ 891,826.12</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 13: Interfund Receivables and Payables (Cont'd)

The Current Fund interfund receivable is comprised of expenditures paid on behalf of the Water Utility Operating Fund; interest and costs on taxes and uniform construction code fees collected in the Other Trust Funds offset by current year open space added/omitted taxes due to the Other Trust Funds.

The Federal and State Grant Fund interfund receivable is the net of grant funds received in the Current Fund offset by disbursements made by the Current Fund on behalf of the Federal and State Grant Fund.

The General Capital Fund interfund receivable is comprised of an interfund advanced to the Water Utility Operating Fund for an interest payment on bond anticipation notes; and an interfund advanced to the Current Fund net of interest earnings and grant receipts due to the Current Fund.

The Water Utility Operating Fund interfund receivable is comprised of interest earnings in the Water Utility Capital Fund and an interfund advanced due from the Water Utility Capital Fund.

The Water Utility Capital Fund interfund receivable is comprised of a premium earned on the issuance of serial bonds due from the General Capital Fund.

The Sewer Utility Operating Fund interfund receivable is comprised of a prior year interfund and current year interest earnings due from the Sewer Utility Capital Fund; a prior year interfund and current year excess sewer rents collected in the Water Utility Operating Fund; excess sewer rents collected in the Current Fund, expenditures paid on behalf of the Current Fund, and funds due from the Current Fund for the KMOS Lease Payments collected during the current year.

Note 14: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 15: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 16: Open Space Trust Reserve

The Borough established an Open Space Trust Fund in 2000. The Borough has levied a tax equal to one cent per \$100 of total Borough equalized real property valuation. The tax has remained one cent since the approval by the voters to establish the open space tax. The intention of the Borough is to use this funding for open space and recreation purposes. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The balance in the Reserve for Open Space at December 31, 2011 is \$238,750.27.

SUPPLEMENTARY DATA

BOROUGH OF CALDWELL
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2011

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 Corporate or Personal Surety</u>
Ann Dassing	Mayor		
Richard Hauser	Councilman		
John Coyle	Councilman		
Peter Murray	Councilman		
Joseph Norton	Councilman		
Douglas Piazza	Councilman		
Thomas O'Donnell	Councilman		
Paul Carelli	Administrator		
Margaret Cherone	Chief Financial Officer	\$ 225,000	Travelers Insurance Company
Lisa O'Neill	Acting Municipal Clerk		
Idamae Renne	Tax Collector; Utility Collector	467,000	Travelers Insurance Company
Donald O'Connor	Municipal Judge	40,000	Selective Insurance Company
Marilyn Reeve	Court Administrator	40,000	Selective Insurance Company
Gregory Mascera	Municipal Attorney		

There is an Blanket Crime Coverage in the amount of \$1,000,000 with Garden State Municipal Joint Insurance Fund covering all Borough employees, including statutory positions. All of the bonds were examined and properly executed.

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 1,795,347.67
Increased by Receipts:		
Tax Collector		\$ 23,676,603.64
Revenue Accounts Receivable		3,879,845.25
Miscellaneous Revenue Not Anticipated		122,008.70
Interest on Investments and Deposits		3,919.39
Due to/from Federal and State Grant Fund:		
Grants Receivable		60,547.36
Unappropriated Grants		18,603.20
Due from Animal Control Fund:		
Settlement of Prior Year Interfund		2,855.25
Due to Other Trust Funds:		
Interfund Advanced		19,892.38
Due from General Capital Fund:		
Settlement of Prior Year Interfund		21,554.65
Interfund Advanced		85,080.85
Due to Sewer Utility Operating Fund:		
KMOS Lease Payments Anticipated Revenue		217,331.00
Excess Sewer Rents		6,139.26
Interfund Advanced		15,540.10
Due from State of New Jersey:		
Senior Citizens' and Veterans' Deductions		52,250.00
Marriage Licenses		1,275.00
Reserve for State Library Aid		3,605.00
Appropriation Reserve Refunds		17,862.98
Appropriation Refunds		239,924.32
		28,444,838.33
		30,240,186.00

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Decreased by Disbursements:		
2011 Appropriation Expenditures	\$ 10,898,784.53	
2010 Appropriation Reserve Expenditures	336,270.67	
Regional School District Taxes	11,750,553.98	
County Taxes	4,904,260.37	
Due to Federal and State Grant Fund:		
Appropriated Reserves Expenditures	60,399.80	
Due to Other Trust Funds:		
Open Space Tax Levy	103,192.00	
Settlement of Prior Year Interfund	6,269.43	
Due Water Utility Operating Fund:		
Settlement of Prior Year Interfund	42.93	
2011 Budget Expenditures	201.16	
2010 Appropriation Reserve Expenditures	7,298.69	
Due to Sewer Utility Operating Fund:		
Settlement of Prior Year Interfund	89,236.65	
Due to State of New Jersey:		
Marriage Licenses	1,075.00	
Reserve for State Library Aid	3,599.00	
Reserve for Storm Damage	41,442.93	
Prior Year Reimbursement	56,998.46	
Cancellation of Prior Year Outstanding Check Paid to		
Water Utility Operating Fund	25,027.25	
Tax Overpayment Refunds	13,679.42	
	\$ 28,298,332.27	
Balance December 31, 2011	A	\$ 1,941,853.73

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:

Taxes Receivable	\$ 23,544,677.46	
2011 Prepaid Taxes	81,796.46	
Interest and Costs on Taxes	36,700.30	
Tax Overpayments	13,429.42	
	\$ 23,676,603.64	\$ 23,676,603.64

Decreased by:

Payments to Municipal Treasurer		\$ 23,676,603.64
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SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2011 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Balance
	Dec. 31, 2010		2010	2011			Dec. 31, 2011
2010	\$ 1,855.23			\$ 1,825.25		\$ 29.98	
2011		\$ 23,810,051.72	\$ 88,461.49	23,542,852.21	\$ 51,000.00	125,263.50	\$ 2,474.52
	<u>\$ 1,855.23</u>	<u>\$ 23,810,051.72</u>	<u>\$ 88,461.49</u>	<u>\$ 23,544,677.46</u>	<u>\$ 51,000.00</u>	<u>\$ 125,293.48</u>	<u>\$ 2,474.52</u>
<u>Ref.</u>	A						A

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 23,796,964.04
Added and Omitted Taxes	13,087.68
	<u>\$ 23,810,051.72</u>

Tax Levy:

Local School District Taxes	\$ 11,750,553.98
Local Open Space Taxes	103,248.95
County Taxes:	
General Tax	\$ 4,901,170.04
Due County for Added and Omitted Taxes	2,683.69
	<u>4,903,853.73</u>
	16,757,656.66
Local Tax for Municipal Purposes Levied	6,669,786.58
Local Library Taxes	370,764.71
Add: Additional Tax Levied	11,843.77
	<u>7,052,395.06</u>
	<u>\$ 23,810,051.72</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

	Accrued In 2011	Collected by Treasurer	Balance Dec. 31, 2011
Licenses:			
Alcoholic Beverages	\$ 7,930.00	\$ 7,930.00	
Other	51,498.40	51,498.40	
Fees and Permits	44,223.50	44,223.50	
Fines and Costs:			
Other	244,193.64	214,393.52	\$ 29,800.12
Parking Meters	85,367.64	85,367.64	
Rent - Grover Cleveland Senior Citizens Center	11,049.96	11,049.96	
Sewer Utility Operating Fund - Administration Charge	99,022.00	99,022.00	
Township of Essex Fells - Share of Salary - Joint Municipal Tax Assessor	10,000.00	10,000.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland	51,105.32	51,105.32	
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing	152,963.00	152,963.00	
Lease of Municipal Property - Wastewater Treatment Plant	293,833.00	293,833.00	
Cablevision Franchise Fees (N.J.S. 48:5A-30)	112,922.40	112,922.40	
Sewer User Charges	152,000.00	152,000.00	
Consolidated Municipal Property Tax Relief Aid	56,154.00	56,154.00	
Energy Receipts Tax	630,721.00	630,721.00	
Uniform Construction Code Fees	121,755.49	121,755.49	
Borough of Essex Fells - Library Fees	8,000.00	8,000.00	
Borough of Essex Fells - Welfare Services	500.00	500.00	
Township of West Caldwell - Welfare Services	8,000.00	8,000.00	
Community Center - Membership & Program Fees	1,459,017.75	1,459,017.75	
Utility Operating Surplus of Prior Year	28,212.00	28,212.00	
Water Utility Operating Fund - Administration Charges	27,332.00	27,332.00	
Escrow Fees (Due from Other Trust)	5,600.00	5,600.00	
Sale of Fire Truck	62,061.22	62,061.22	
Reserve for Contribution - General Capital Fund	31,250.00	31,250.00	
Additional Community Center Program Fees	148,760.89	148,760.89	
Additional Parking Meter Fees	6,172.16	6,172.16	
	<u>\$ 3,909,645.37</u>	<u>\$ 3,879,845.25</u>	<u>\$ 29,800.12</u>
Ref.			A

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	
Other Expenses	9,454.42	9,454.42	9,199.68	\$ 254.74
Municipal Clerk:				
Other Expenses	700.00	700.00		700.00
Financial Administration:				
Other Expenses	905.76	905.76	84.82	820.94
Audit Services:				
Other Expenses	5,038.00	5,038.00	3,645.50	1,392.50
Collection of Taxes:				
Salaries and Wages	8,071.03	8,071.03		8,071.03
Other Expenses	815.80	815.80	815.80	
Assessment of Taxes:				
Salaries and Wages	1,664.29	1,664.29	1,664.29	
Other Expenses	412.90	412.90		412.90
Legal Services and Costs:				
Salaries and Wages	6,995.87	6,995.87	6,995.80	0.07
Other Expenses	144.00	144.00		144.00
Engineering Services and Costs:				
Salaries and Wages	0.98	0.98		0.98
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Other Expenses	145.50	145.50	88.80	56.70
Zoning Board of Adjustment:				
Other Expenses	145.50	145.50	145.50	
Police:				
Salaries and Wages	50,466.82	50,466.82	50,466.82	
Other Expenses	66,813.48	66,813.48	11,467.34	55,346.14
Parking Meter Maintenance:				
Other Expenses	2,391.74	2,391.74		2,391.74
Office of Emergency Management:				
Other Expenses	855.00	855.00		855.00
Aid to West Essex First Aid Organization - Contribution	1.00	1.00		1.00
Fire Department:				
Other Expenses	15,526.94	15,526.94	4,849.92	10,677.02
Municipal Court:				
Other Expenses	2,844.88	2,844.88	556.33	2,288.55
Streets and Roads Maintenance:				
Salaries and Wages	10,650.91	10,650.91	10,650.91	
Other Expenses	20,733.21	20,733.21	4,764.65	15,968.56
Recycling:				
Other Expenses	15,351.00	15,351.00		15,351.00
Solid Waste Collection:				
Other Expenses	32,267.24	32,267.24	23,240.49	9,026.75

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 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>
Building and Grounds:				
Other Expenses	\$ 7,141.01	\$ 7,141.01	\$ 3,865.08	\$ 3,275.93
Shade Tree Division:				
Other Expenses	6,432.00	6,432.00	540.00	5,892.00
Vehicle Maintenance:				
Other Expenses	20,666.35	20,666.35	5,296.87	15,369.48
Snow Removal:				
Salaries and Wages	4,480.00	4,480.00	4,480.00	
Other Expenses	9,129.25	9,129.25	546.00	8,583.25
Board of Health:				
Other Expenses	27,898.76	27,898.76	17,270.39	10,628.37
Environmental Commission:				
Other Expenses	480.31	480.31		480.31
Welfare/Administration of Public Assistance:				
Salaries and Wages	0.56	0.56		0.56
Other Expenses	50.00	50.00		50.00
Recreation:				
Other Expenses	10,576.12	10,576.12		10,576.12
Senior Citizens' Transportation:				
Salaries and Wages	1,462.12	1,462.12	1,462.12	
Other Expenses	9,832.78	9,832.78		9,832.78
Grover Cleveland Senior Citizens Center:				
Other Expenses	250.00	250.00		250.00
Uniform Construction Code:				
Other Expenses	407.45	407.45	398.23	9.22
Utility Expenses and Bulk Purchases:				
Electric & Gas	10,512.84	10,512.84	10,512.84	
Street Lighting	14,669.94	14,669.94	13,554.53	1,115.41
Telephone	6,529.42	6,529.42	3,691.84	2,837.58
Gasoline	1,549.32	1,549.32	1,538.60	10.72
Insurance:				
Worker's Compensation/General Liability	25,080.20	25,080.20		25,080.20
Group Insurance for Employees	21,518.88	21,518.88	447.18	21,071.70
Refund Tax Appeals	100,000.00	100,000.00	687.50	99,312.50
Sewerage Treatment:				
Other Expenses	0.09	0.09		0.09
Length of Service Awards Program:				
Fire Department	43,450.00	43,450.00	43,450.00	
West Essex First Aid Squad	15,000.00	15,000.00	15,000.00	
Municipal Library:				
Salaries and Wages	11,196.67	11,196.67	11,196.67	
Other Expenses	18,854.12	18,854.12	16,161.06	2,693.06

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 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>
Community Center:				
Salaries and Wages	\$ 50.70	\$ 50.70	\$ 50.70	
Other Expenses	<u>35,130.82</u>	<u>35,130.82</u>	<u>30,621.43</u>	<u>\$ 4,509.39</u>
	<u>\$ 663,745.98</u>	<u>\$ 663,745.98</u>	<u>\$ 318,407.69</u>	<u>\$ 345,338.29</u>
		<u>Ref.</u>		
<u>Analysis of Balance December 31, 2010:</u>				
Encumbered	A \$ 50,238.05			
Unencumbered	A <u>613,507.93</u>			
	<u>\$ 663,745.98</u>			
Cash Disbursed			\$ 336,270.67	
Less: Appropriation Reserve Refunds			<u>17,862.98</u>	
			<u>\$ 318,407.69</u>	

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Increased by:

Levy - School Year 2011

\$ 11,750,553.98

Decreased by:

Payments to Regional School District

\$ 11,750,553.98

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued in</u> <u>2011</u>	<u>Received</u>	<u>Transfer from</u> <u>Unappropriated</u> <u>Grant</u> <u>Reserves</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Division of Aging - Preventative Health:						
2010	\$ 3,849.00		\$ 3,849.00			
2011		\$ 3,849.00	3,849.00			
Body Armor Grant - 2011		2,204.15	2,204.15			
Drunk Driving Enforcement Fund:						
2006		2,457.14		\$ 2,457.14		
2007		2,900.00		2,900.00		
2009		4,490.83		4,490.83		
2010		2,536.86	2,536.86			
Bulletproof Vest Program		2,340.00				\$ 2,340.00
Clean Communities - 2011		11,349.13	11,349.13			
NJ Transportation Trust Fund Authority Act:						
2008 - Park and Whitfield	14,134.35					14,134.35
2009 - Prospect & Highview	65,000.00		65,000.00			
2010 - Smull Avenue	353,000.00				\$ 353,000.00	
Alcohol Education and Rehabilitation Fund:						
2008	1,338.00					1,338.00
2009	649.73					649.73
2011		1,024.76	1,024.76			
Recycling Tonnage Grant:						
Prior Years	4,446.41					4,446.41
2008	4,906.48					4,906.48
2010		10,806.68	10,806.68			
Municipal Alliance for Alcohol and Drug Abuse:						
State Grant:						
2008	243.08					243.08
2009	6,092.25					6,092.25
2010	4,426.51					4,426.51

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued in</u> <u>2011</u>	<u>Received</u>	<u>Transfer from</u> <u>Unappropriated</u> <u>Grant</u> <u>Reserves</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Alliance for Alcohol and Drug Abuse:						
State Grant:						
2011		\$ 28,500.00	\$ 24,927.78			\$ 3,572.22
West Caldwell Match		5,500.00				5,500.00
Over the Limit, Under Arrest - 2008	\$ 3,600.00					3,600.00
Over the Limit, Under Arrest - 2010 Statewide Crackdown	1,450.00					1,450.00
Over the Limit, Under Arrest - 2011 Mobilization		4,400.00				4,400.00
Hurricane Irene Disaster National Emergency Grant		18,832.80				18,832.80
	<u>\$ 463,135.81</u>	<u>\$ 101,191.35</u>	<u>\$ 125,547.36</u>	<u>\$ 9,847.97</u>	<u>\$ 353,000.00</u>	<u>\$ 75,931.83</u>
<u>Ref.</u>	A					A
			\$ 60,547.36			
			<u>65,000.00</u>			
			<u>\$ 125,547.36</u>			
		Federal	\$ 72,698.00			
		State	<u>52,849.36</u>			
			<u>\$ 125,547.36</u>			

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Cash</u> <u>Received</u>	<u>Transfer to</u> <u>2011 Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Drunk Driving Enforcement Fund:				
2006	\$ 2,457.14		\$ 2,457.14	
2007	2,900.00		2,900.00	
2009	4,490.83		4,490.83	
2011		\$ 4,908.00		\$ 4,908.00
Body Armor	2,009.15			2,009.15
Recycling Tonnage Grant		13,695.20		13,695.20
	<u>\$ 11,857.12</u>	<u>\$ 18,603.20</u>	<u>\$ 9,847.97</u>	<u>\$ 20,612.35</u>
<u>Ref.</u>	A			A

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer from</u> <u>2011 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Body Armor Grant:					
2005	\$ 939.13		\$ 939.13		
2006	5,761.12		3,740.87		\$ 2,020.25
2011		\$ 2,204.15			2,204.15
Division of Aging - Preventative Health:					
2010	1,717.70				1,717.70
2011		3,849.00	3,849.00		
Domestic Preparedness Equipment Grant	94,258.90				94,258.90
NJ Transportation Trust Fund Authority Act:					
2008 - Park and Whitfield	21,924.46				21,924.46
2010 - Small Avenue	353,000.00			\$ 353,000.00	
Alcohol Education Rehabilitation Grant:					
2007	146.63		146.63		
2008	1,338.00		1,332.37		5.63
2009	649.73				649.73
2010	351.91				351.91
2011		1,024.76			1,024.76
Clean Communities:					
Prior Years	12,225.00				12,225.00
2005	6,508.00		6,508.00		
2006	7,335.00		5,336.07		1,998.93
2007	8,972.00				8,972.00
2011		11,349.13			11,349.13
Green Communities	3,000.00				3,000.00

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer from</u> <u>2011 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Drunk Driving Enforcement Fund:					
2006		\$ 2,457.14	\$ 2,144.22		\$ 312.92
2007		2,900.00			2,900.00
2008	\$ 2,982.42				2,982.42
2009		4,490.83			4,490.83
2010		2,536.86			2,536.86
Municipal Alliance for Alcohol and Drug Abuse:					
State Share:					
2008	12,987.48		2,348.22		10,639.26
2009	1,566.51				1,566.51
2010	28,500.00				28,500.00
2011		28,500.00			28,500.00
Municipal Share	8,528.00	5,500.00	14,028.00		
West Caldwell Match		5,500.00	5,500.00		
Recycling Tonnage Grant:					
2002	2,106.52		2,106.52		
2003	4,003.00		4,003.00		
2004	4,003.00		3,243.37		759.63
2005	3,263.46				3,263.46
2006	4,341.80				4,341.80
2007	3,691.19				3,691.19
2008	4,906.48				4,906.48
2009	9,986.48				9,986.48
2010		10,806.68			10,806.68
Bulletproof Vest Partnership Grant		2,340.00			2,340.00

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer from</u> <u>2011 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Over the Limit, Under Arrest - 2008	\$ 3,600.00				\$ 3,600.00
Over the Limit Under Arrest 2009 Statewide Crackdown	4,400.00				4,400.00
Over the Limit, Under Arrest - 2010 Statewide Crackdown	1,450.00				1,450.00
Over the Limit, Under Arrest - 2011 Mobilization		\$ 4,400.00	\$ 1,400.00		3,000.00
Housing Services - Special Purpose Grant	50,000.00				50,000.00
Division of Highway Safety - "Click It or Ticket"	4,000.00				4,000.00
Hurricane Irene Disaster National Emergency Grant		18,832.80	3,774.40		15,058.40
	<u>\$ 672,443.92</u>	<u>\$ 106,691.35</u>	<u>\$ 60,399.80</u>	<u>\$ 353,000.00</u>	<u>\$ 365,735.47</u>
<u>Ref.</u>	A				A
Original Budget		\$ 40,398.79			
Added by NJSA 40A:4-87		<u>60,792.56</u>			
		101,191.35			
Matching Funds (Emergency Appropriation (Caldwell))		<u>5,500.00</u>			
		<u>\$ 106,691.35</u>			
Federal			\$ 9,023.40		
State			37,348.40		
Local Matching Funds			<u>14,028.00</u>		
			<u>\$ 60,399.80</u>		

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
TRUST FUNDS

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 6,918.25	\$ 1,007,516.69
Increased by Receipts:			
Animal Control Collector		\$ 2,532.00	
Interest Income			
Due to Current Fund:			
Interest and Costs on Taxes			\$ 2,476.62
Uniform Construction Code Fees			32,693.00
Partial Settlement of Prior Year Interfund			6,269.43
Due to State of New Jersey - DCA Fees			7,836.00
Reserve for:			
State Unemployment Insurance:			
Interest Earned			9.06
Employee Contributions			7,922.11
Open Space:			
Interest Earned			459.79
Open Space Tax Levy			103,192.00
Municipal Alliance - Caldwell/West Caldwell			6,308.00
Escrow Fees			45,161.63
Tax Sale Premiums			52,300.00
Outside Tax Liens			86,882.53
Parking Offense Adjudication Act			1,486.00
Police Outside Duty Traffic Assignment			157,711.25
Accumulated Leave			95,967.31
Recycling			54,952.75
Confiscated Funds			1,772.00
Debt Service - 2005 Sinking Fund Bonds			20,000.00
		<u>2,532.00</u>	<u>683,399.48</u>
		9,450.25	1,690,916.17

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses	\$	5,683.80	
State Board of Health		352.20	
Due to Current Fund:			
Partial Settlement of Prior Year Interfund		2,855.25	
Interfund Advanced			\$ 19,892.38
Due to General Capital Fund:			
Settlement of Prior Year Interfund			475,000.00
Due to State of New Jersey - DCA Fees			6,985.00
Cancelled to Current Fund:			
Reserve for Connection Fees			250.00
Reserve for Adopt-A-Tree			325.00
Reserve for Lien Recording Fees			4,361.00
Reserve for Municipal Court			11,659.40
Reserve for Lien 6% Penalty Redemption			5,188.41
Reserve for Fire Department Dues			6,116.87
Reserve for Fire Lease Payment			20.79
Reserve for Downtown Beautification			2,785.00
Reserve for Year-end Penalty			673.55
Reserve for Attorney Fees			1,039.95
Reserve for Community Center Donation			473.00
Reserve for Comcast			4,687.00
Reserve for:			
Community Development Block Grant			1,213.90
State Unemployment Insurance			6,712.60
Open Space			229,605.46
Municipal Alliance - Caldwell/West Caldwell			2,798.00
Escrow Fees			13,046.83
Tax Sale Premiums			2,600.00
Outside Tax Liens			88,459.47
Police Outside Duty Traffic Assignment			157,711.25
Recycling			43,755.00
Confiscated Funds			486.00
		<u>\$ 8,891.25</u>	<u>\$ 1,085,845.86</u>
Balance December 31, 2011	B	<u>\$ 559.00</u>	<u>\$ 605,070.31</u>

BOROUGH OF CALDWELL
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by:

Animal Control License Fees:

Dogs	\$ 1,858.00	
Late Fees	264.80	
State Registration Fees	<u>409.20</u>	
		\$ 2,532.00

Decreased by:

Paid to Treasurer		<u>\$ 2,532.00</u>
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BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF CALDWELL
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 4,077.00
Increased by:		
Animal Control License Fees:		
Dog Licenses		\$ 1,858.00
Late Fees		264.80
		2,122.80
		6,199.80
Decreased by:		
Animal Control Expenditures (R.S. 4:19-15.11):		
Cash Disbursed		5,683.80
		5,683.80
Balance December 31, 2011	B	\$ 516.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 2,026.00
2009	1,974.00
	1,974.00
Maximum Allowable Reserve	\$ 4,000.00

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 369,497.19
Increased by:		
Capital Improvement Fund:		
2011 Budget Appropriation	\$ 50,000.00	
Capital Fund Balance:		
Premium on Serial Bonds Issued	157,131.84	
Grant Receipts on Fully Funded Ordinance -		
NJ Department of Environmental Protection Green Acres Grant	16,922.00	
Serial Bonds Issued	3,519,000.00	
Township of West Caldwell - Shared Services Agreement	631,299.05	
Grants Receivable:		
NJ Department of Transportation - Smull Avenue	286,172.57	
NJ Department of Transportation - Forest Avenue	183,750.00	
Community Development Block Grant	82,225.94	
NJ Department of Environmental Protection Green Acres	350,000.00	
Due to Current Fund:		
Interest Earned	0.62	
Due to Federal and State Grant Fund:		
NJ Department of Transportation Grants Receivable	65,000.00	
Due from Other Trust Funds:		
Settlement of Prior Year Interfund	475,000.00	
Due to Water Utility Capital Fund:		
Premium on Serial Bonds Issued	36,168.00	
	<u>5,852,670.02</u>	<u>6,222,167.21</u>
Decreased by:		
Due to Current Fund:		
Settlement of Prior Year Interfund	21,554.65	
Interfund Advanced	85,080.85	
Anticipated as Current Year Revenue:		
Reserve for Contribution	31,250.00	
Interfund Advanced -		
Bond Anticipation Notes Redemption - Interest Payment	52,580.85	
Due to Water Utility Operating Fund:		
Interfund Advanced	17,212.50	
Bond Anticipation Notes Redemption - Interest Payment	17,212.50	
Due to Water Utility Capital Fund:		
Settlement of Prior Year Interfund	5,224.64	
Bond Anticipation Notes Redemption	2,827,500.00	
Improvement Authorization Expenditures	1,676,241.23	
	<u>4,733,857.22</u>	
Balance December 31, 2011	C	<u>\$ 1,488,309.99</u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2010	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011	
		Miscellaneous	Serial Bonds	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorization Expenditures	From	To		
Fund Balance	\$ 30,573.57	\$ 174,053.84							\$ 93,956.74	\$ 298,584.15	
Capital Improvement Fund	16,218.00			\$ 50,000.00			\$ 32,500.00			33,718.00	
Due to/from Current Fund	21,554.65	65,000.62			\$ 159,216.35					(72,661.08)	
Due from Other Trust Funds	(475,000.00)	475,000.00									
Due from Water Utility Operating Fund					34,425.00					(34,425.00)	
Due to Water Utility Capital Fund	5,224.64	36,168.00			5,224.64					36,168.00	
NJ Department of Environmental Protection Grants Receivable	(350,000.00)	350,000.00									
NJ Department of Community Affairs Grants Receivable	(150,000.00)									(150,000.00)	
Township of West Caldwell - Shared Services Agreement	(68,167.65)	631,299.05					593,750.00			(30,618.60)	
Community Development Block Grants Receivable	(82,450.00)	82,225.94								(224.06)	
NJ Department of Transportation Grants Receivable	(353,000.00)	469,922.57					245,000.00			(128,077.43)	
Reserve for Contribution	31,250.00				31,250.00						
Reserve for Payment of Debt Service								82,450.00		82,450.00	
Ord.											
No.	Improvement Description										
1092-00	Various Capital Improvements	1,452.90								1,452.90	
1100-01	Various Capital Improvements	72.00								72.00	
1110-02	Various Capital Improvements	3,298.70								3,298.70	
1123-03	Various Capital Improvements	49,003.75								49,003.75	
1129-03	Acquisition of Property		\$ 57,000.00			\$ 57,000.00					
1141-04	Various Capital Improvements	6,460.67								6,460.67	
1153-05	Various Capital Projects	133,833.34								133,833.34	
1161-05	Various Capital Projects	13,441.46								13,441.46	
1170-06	Various Capital Projects	41,116.08	211,000.00			211,000.00	\$ 8,381.43	32,734.65			
1185-08	Various Capital Projects	299,579.72	828,584.10			828,584.10	48,834.02	61,222.09		189,523.61	
1189-08;											
1190-08	Acquisition of Fire Truck	3,247.00	231,500.00			231,500.00	2,869.13			377.87	
1192-08	Acquisition of Property	650,000.00	285,000.00			285,000.00	371,283.20			278,716.80	
1197-09	Various Road Improvements	(171,345.38)					35,281.13			(206,626.51)	
1207-10	Improvements to Kiwanis Oval	248,020.43	593,500.00			1,187,500.00	140,981.77		593,750.00	106,788.66	
1225-10	Various Capital Improvements	32,650.00	620,090.00				147,914.65			504,825.35	
1226-10	Emergency Repairs to the Elgin Street Sweeper	5,628.31	26,915.90			26,915.90	600.00			5,028.31	
1227-10	Various Street Improvements	421,265.00	188,810.00				427,715.67	82,450.00		99,909.33	
1228-10	Capital Improvements to the Municipal Parking Facility	5,570.00	311,600.00				197,773.79			119,396.21	
1232-11	Improvements to Forest Avenue		165,000.00				294,606.44		245,000.00	115,393.56	
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters								32,500.00	32,500.00	
		\$ 369,497.19	\$ 2,283,670.02	\$ 3,519,000.00	\$ 50,000.00	\$ 230,115.99	\$ 2,827,500.00	\$ 1,676,241.23	\$1,047,656.74	\$1,047,656.74	\$ 1,488,309.99

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded by Serial Bonds	Funded by Township of West Caldwell Shared Services	Transfer Excess Proceeds to Reserve to Pay Debt Service	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011	
								Expenditures	Unexpended Improvement Authorizations
1092-00	Various Capital Improvements	\$ 600.00					\$ 600.00		\$ 600.00
1129-03	Acquisition of Property	57,000.00		\$ 57,000.00					
1170-06	Various Capital Projects	211,007.00		211,000.00			7.00		7.00
1185-08	Various Capital Projects	828,584.10		828,584.10					
1189-08;									
1190-08	Acquisition of Fire Truck	231,500.00		231,500.00					
1192-08	Acquisition of Property	285,000.00		285,000.00					
1197-09	Various Road Improvements	451,500.00					451,500.00	\$ 206,626.51	244,873.49
1207-10	Improvements to Kiwanis Oval	1,187,500.00		593,500.00	\$ 593,750.00		250.00		250.00
1225-10	Various Capital Improvements	620,350.00		620,090.00			260.00		260.00
1226-10	Emergency Repairs to the Elgin Street Sweeper	26,915.90		26,915.90					
1227-10	Various Street Improvements	106,360.00		188,810.00		\$ 82,450.00			
1228-10	Capital Improvements to the Municipal Parking Facility	311,600.00		311,600.00					
1232-11	Improvements to Forest Avenue		\$ 165,000.00	165,000.00					
		<u>\$ 4,317,917.00</u>	<u>\$ 165,000.00</u>	<u>\$3,519,000.00</u>	<u>\$ 593,750.00</u>	<u>\$ 82,450.00</u>	<u>\$ 452,617.00</u>	<u>\$ 206,626.51</u>	<u>\$ 245,990.49</u>
	<u>Ref.</u>								
		C					C		

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations					Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	N.J. Department of Transportation Grants Receivable	Paid or Charged	Cancelled	Funded	Unfunded
1092-00	Various Capital Improvements	02/08/00	\$ 250,000.00	\$ 1,452.90	\$ 600.00						\$ 1,452.90	\$ 600.00
1100-01	Various Capital Improvements	03/13/01	600,000.00	72.00							72.00	
1110-02	Various Capital Improvements	03/12/02	400,000.00	3,298.70							3,298.70	
1123-03	Various Capital Improvements	03/25/03	250,000.00	49,003.75							49,003.75	
1141-04	Various Capital Improvements	04/13/04	553,500.00	6,460.67							6,460.67	
1153-05	Various Capital Projects	08/09/05	806,000.00	133,833.34							133,833.34	
1161-05	Various Capital Projects	11/17/05	285,538.00	13,441.46							13,441.46	
1170-06	Various Capital Projects	08/15/06	958,955.00		41,123.08				\$ 8,381.43	\$ 32,734.65		7.00
1185-08	Various Capital Projects	02/26/08	908,500.00		299,579.72				48,834.02	61,222.09	189,523.61	
1189-08;												
1190-08	Acquisition of Fire Truck	10/04/08	550,000.00		3,247.00				2,869.13		377.87	
1192-08	Acquisition of Property	12/09/08	650,000.00	365,000.00	285,000.00				371,283.20		278,716.80	
1197-09	Various Road Improvements	08/25/09	475,456.00		280,154.62				35,281.13			244,873.49
1207-10	Improvements to Kiwanis Oval	04/27/10	2,000,000.00		248,020.43				140,981.77		106,788.66	250.00
1225-10	Various Capital Improvements	11/23/10	653,000.00	32,650.00	620,350.00				147,914.65		504,825.35	260.00
1226-10	Emergency Repairs to the Elgin Street Sweeper	11/23/10	26,915.90		5,628.31				600.00		5,028.31	
1227-10	Various Street Improvements	11/23/10	551,750.00	421,265.00	106,360.00				427,715.67		99,909.33	
1228-10	Capital Improvements to the Municipal Parking Facility	12/28/10	328,000.00	5,570.00	311,600.00				197,773.79		119,396.21	
1232-11	Improvements to Forest Avenue	03/22/11	410,000.00			\$ 165,000.00		\$ 245,000.00	294,606.44		115,393.56	
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters	12/27/11	32,500.00				\$ 32,500.00				32,500.00	
				<u>\$ 1,032,047.82</u>	<u>\$ 2,201,663.16</u>	<u>\$ 165,000.00</u>	<u>\$ 32,500.00</u>	<u>\$ 245,000.00</u>	<u>\$ 1,676,241.23</u>	<u>\$ 93,956.74</u>	<u>\$ 1,660,022.52</u>	<u>\$ 245,990.49</u>
	<u>Ref.</u>			C	C						C	C
									Capital Fund Balance	<u>\$ 93,956.74</u>		

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 16,218.00
Increased by:		
2011 Budget Appropriation		<u>50,000.00</u>
		66,218.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>32,500.00</u>
Balance December 31, 2011	C	<u>\$ 33,718.00</u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Issue	Maturity				
1129-03	Acquisition of Property	08/01/08	07/28/10	07/28/11	2.125%	\$ 57,000.00	\$ 57,000.00	
1170-06	Various Capital Projects	08/01/08	07/28/10	07/28/11	2.125%	211,000.00	211,000.00	
1185-08	Various Capital Projects	08/01/08	07/28/10	07/28/11	2.125%	828,584.10	828,584.10	
1190-08	Acquisition of Fire Truck	12/17/09	12/17/10	07/28/11	1.100%	231,500.00	231,500.00	
1192-08	Acquisition of Property	12/17/09	12/17/10	07/28/11	1.100%	285,000.00	285,000.00	
1207-10	Improvements to Kiwanis Oval	07/28/10	07/28/10	07/28/11	2.125%	1,187,500.00	1,187,500.00	
1226-10	Emergency Repairs to the Elgin Street Sweeper	07/28/10	07/28/10	07/28/11	2.125%	26,915.90	26,915.90	
						<u>\$ 2,827,500.00</u>	<u>\$ 2,827,500.00</u>	<u>\$ -0-</u>
					<u>Ref.</u>	C		C
				Serial Bonds Issued			<u>\$ 2,827,500.00</u>	

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011			
			Date	Amount								
2005 Refunding Bonds	1/1/2005	\$ 7,325,000.00	7/1/2012	\$ 415,000.00	3.500%							
			7/1/2013	410,000.00	4.000%							
			7/1/2014	405,000.00	4.000%							
			7/1/2015	400,000.00	4.000%							
			7/1/2016	395,000.00	3.750%							
			7/1/2017	390,000.00	3.850%							
			7/1/2018	385,000.00	4.000%							
			7/1/2019	380,000.00	4.000%							
			7/1/2020	375,000.00	4.100%							
			7/1/2021	370,000.00	4.125%							
			7/1/2022	365,000.00	4.200%							
			7/1/2023	365,000.00	4.250%							
			7/1/2024	415,000.00	4.350%							
												\$ 5,490,000.00
2005 ERI Refunding Bonds	1/1/2005	275,000.00	7/1/2012	15,000.00	3.500%							
			7/1/2013-15	20,000.00	4.000%							
			7/1/2016	25,000.00	3.750%							
			7/1/2017	30,000.00	3.850%							
			7/1/2018	30,000.00	4.000%							
			7/1/2019	35,000.00	4.000%							
												210,000.00
2007 General Obligation Bonds	4/1/2007	3,782,900.00	4/1/2012	245,000.00	3.750%							
			4/1/13-20	310,000.00	4.000%							
			4/1/2021	307,900.00	4.000%							
									3,257,900.00		225,000.00	3,032,900.00
2011 General Improvement Bonds	7/27/2011	3,519,000.00	7/15/12-13	150,000.00	2.000%							
			7/15/14	175,000.00	3.000%							
			7/15/15	200,000.00	3.000%							
			7/15/16	210,000.00	3.000%							
			7/15/17	220,000.00	3.000%							
			7/15/18	225,000.00	4.000%							
			7/15/19	230,000.00	4.000%							
			7/15/20	240,000.00	5.000%							

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
			Date	Amount					
2011 General Improvement Bonds	7/27/2011	\$ 3,519,000.00	7/15/21	\$ 260,000.00	5.000%				
			7/15/22	275,000.00	3.125%				
			7/15/23	300,000.00	3.250%				
			7/15/24	285,000.00	3.400%				
			7/15/25	300,000.00	3.500%				
			7/15/26	299,000.00	3.650%				
							\$ 3,519,000.00		\$ 3,519,000.00
						\$ 8,957,900.00	\$ 3,519,000.00	\$ 660,000.00	\$ 11,816,900.00
					<u>Ref.</u>	C			C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded by Township of West Caldwell Shared Services	Bond Anticipation Notes Matured	Serial Bonds Issued	Transfer Excess Proceeds to Reserve to Pay Debt Service	Balance Dec. 31, 2011
1092-00	Various Capital Improvements	\$ 600.00						\$ 600.00
1129-03	Acquisition of Property				\$ 57,000.00	\$ 57,000.00		
1170-06	Various Capital Projects	7.00			211,000.00	211,000.00		7.00
1185-08	Various Capital Projects				828,584.10	828,584.10		
1190-08	Acquisition of Fire Truck				231,500.00	231,500.00		
1192-08	Acquisition of Property				285,000.00	285,000.00		
1197-09	Various Road Improvements	451,500.00						451,500.00
1207-10	Improvements to Kiwanis Oval			\$ 593,750.00	1,187,500.00	593,500.00		250.00
1225-10	Various Capital Improvements	620,350.00				620,090.00		260.00
1226-10	Emergency Repairs to the Elgin Street Sweeper				26,915.90	26,915.90		
1227-10	Various Street Improvements	106,360.00				188,810.00	\$ 82,450.00	
1228-10	Capital Improvements to the Municipal Parking Facility	311,600.00				311,600.00		
1232-11	Improvements to Forest Avenue		\$ 165,000.00			165,000.00		
		<u>\$ 1,490,417.00</u>	<u>\$ 165,000.00</u>	<u>\$ 593,750.00</u>	<u>\$ 2,827,500.00</u>	<u>\$ 3,519,000.00</u>	<u>\$ 82,450.00</u>	<u>\$ 452,617.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	D	\$ 557,502.25	\$ 599,647.95
Increased by Receipts:			
Water Utility Collector		\$ 1,581,578.57	
Due Current Fund:			
Settlement of Prior Year Interfund		42.93	
Due from General Capital Fund:			
Interfund Advanced		17,212.50	
Settlement of Prior Year Interfund			\$ 5,224.64
Due to Water Utility Operating Fund:			
Interest Earned			584.21
Interfund Advanced			40,000.00
Due from Water Utility Capital Fund:			
Settlement of Prior Year Interfund		41,220.69	
Anticipated Water Revenue - Treasurer		25,541.96	
Appropriation Refunds		3,165.00	
Serial Bonds Proceeds			810,000.00
2011 Budget Appropriation:			
Capital Improvement Fund			10,000.00
Improvement Authorization Refunds			11,715.00
		<u>1,668,761.65</u>	<u>877,523.85</u>
		2,226,263.90	1,477,171.80
Decreased by Disbursements:			
2011 Appropriation Expenditures		1,328,749.42	
2010 Appropriation Reserve Expenditures		175,772.76	
Bond Anticipation Notes Matured			810,000.00
Accrued Interest on Bonds		21,150.00	
Due to Water Utility Operating Fund:			
Settlement of Prior Year Interfund			41,220.69
Due from/to Water Utility Capital Fund:			
Interfund Advanced		40,000.00	
Improvement Authorizations			418,006.30
		<u>1,565,672.18</u>	<u>1,269,226.99</u>
Balance December 31, 2011	D	<u>\$ 660,591.72</u>	<u>\$ 207,944.81</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 1,552,045.94	
Miscellaneous Revenue	26,375.97	
	1,578,421.91	

Excess Sewer Rents - Due to Sewer Utility Operating Fund	7.06	
Water Rent Overpayments	3,149.60	
	3,156.66	

\$ 1,581,578.57

Decreased by:

Paid to Treasurer

\$ 1,581,578.57

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2010	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2011
		Serial Bonds	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 9,454.00								\$ 36,168.00	\$ 45,622.00
Capital Improvement Fund	60,000.00		\$ 10,000.00							70,000.00
Due from General Capital Fund	(5,224.64)			\$ 5,224.64				\$ 36,168.00		(36,168.00)
Due to Water Utility Operating Fund	41,220.69			40,584.21			\$ 41,220.69		11,729.17	52,313.38
Reserve to Pay Debt Service	11,300.00									11,300.00
Miscellaneous	(950.00)									(950.00)
<u>Ord.</u>										
<u>No.</u>	<u>Improvement Description</u>									
1174-06	Water System Improvements	87,088.06		11,715.00	\$ 15,480.00					83,323.06
1178-07;										
1231-11	Water Capital Projects	404,440.84	\$ 810,000.00		377,549.80	\$ 810,000.00		11,729.17		15,161.87
1198-09	Water System Improvements	(7,681.00)			24,976.50					(32,657.50)
		<u>\$ 599,647.95</u>	<u>\$ 810,000.00</u>	<u>\$ 57,523.85</u>	<u>\$ 418,006.30</u>	<u>\$ 810,000.00</u>	<u>\$ 41,220.69</u>	<u>\$ 47,897.17</u>	<u>\$ 47,897.17</u>	<u>\$ 207,944.81</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 108,936.30
Increased by:		
Billings		<u>1,444,110.94</u>
		<u>1,553,047.24</u>
Decreased by:		
Collections		<u>1,552,045.94</u>
Balance December 31, 2011	D	<u>\$ 1,001.30</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ <u>1,890,961.12</u>
Balance December 31, 2011	D	\$ <u><u>1,890,961.12</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010	2011 Improvement Authorizations	Balance Dec. 31, 2011
		Date	Amount			
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 471,000.00		\$ 471,000.00
1178-07; 1231-11	Water Capital Projects	05/01/07; 03/08/11	810,000.00 150,000.00	810,000.00	\$ 150,000.00	960,000.00
1198-09	Water System Improvements	08/25/09	180,000.00	180,000.00		180,000.00
				<u>\$ 1,461,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 1,611,000.00</u>
			<u>Ref.</u>	D		D

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 62,792.60	\$ 62,792.60		\$ 62,792.60
Other Expenses	364,195.92	364,195.92	\$ 183,071.45	181,124.47
Capital Improvements:				
Capital Outlay	40,000.00	40,000.00		40,000.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	3,935.76	3,935.76		3,935.76
	<u>\$ 470,924.28</u>	<u>\$ 470,924.28</u>	<u>\$ 183,071.45</u>	<u>\$ 287,852.83</u>
		Realized as Current Year Revenue		\$ 238,000.00
		Unexpended Balances Lapsed		<u>49,852.83</u>
<u>Analysis of Balance December 31, 2010:</u>				<u>\$ 287,852.83</u>
	<u>Ref.</u>			
Appropriation Reserves:				
Unencumbered	D	\$ 465,070.00		
Encumbered	D	<u>5,854.28</u>		
		<u>\$ 470,924.28</u>		
		Cash Disbursed	\$ 175,772.76	
		Due to Current Fund	<u>7,298.69</u>	
			<u>\$ 183,071.45</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 87,088.06			\$ 3,765.00	\$ 83,323.06	
1178-07	Water Capital Projects	05/01/07	810,000.00						
1231-11		03/08/11	150,000.00		\$ 404,440.84	\$ 150,000.00	389,278.97	15,161.87	\$ 150,000.00
1198-09	Water System Improvements	08/25/09	180,000.00		172,319.00		24,976.50		147,342.50
				<u>\$ 87,088.06</u>	<u>\$ 576,759.84</u>	<u>\$ 150,000.00</u>	<u>\$ 418,020.47</u>	<u>\$ 98,484.93</u>	<u>\$ 297,342.50</u>
		<u>Ref.</u>		D	D			D	D
							Cash Disbursed	\$ 418,006.30	
							Due to Water Utility Operating Fund - Accrued Interest on Bonds	11,729.17	
							Less: Improvement Authorization Refunds	11,715.00	
								<u>\$ 418,020.47</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 60,000.00
Increased by:		
2011 Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2011	D	<u>\$ 70,000.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 1,766,911.12
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>139,200.00</u>
Balance December 31, 2011	D	<u><u>\$ 1,906,111.12</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	D	<u>\$ 9,900.00</u>
Balance December 31, 2011	D	<u><u>\$ 9,900.00</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Date of</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Matured</u>	<u>Balance Dec. 31, 2011</u>
		<u>Issue of Original Note</u>	<u>Issue</u>	<u>Maturity</u>				
Water Capital Improvements	1178-07	05/01/07	07/28/10	07/28/11	2.125%	\$ 810,000.00	\$ 810,000.00	\$ -0-
						<u>\$ 810,000.00</u>	<u>\$ 810,000.00</u>	<u>\$ -0-</u>
					<u>Ref.</u>	D		D
					Serial Bonds Issued		<u>\$ 810,000.00</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
			Date	Amount					
2003 Refunding Bonds	05/31/03	\$ 840,000.00				\$ 99,200.00		\$ 99,200.00	
Water Utility Bonds	04/01/07	575,000.00	04/01/12-16	\$ 40,000.00	3.750%	485,000.00		40,000.00	\$ 445,000.00
			04/01/17	45,000.00	4.000%				
			04/01/18-21	50,000.00	4.000%				
Water Utility Bonds	07/27/11	810,000.00	07/15/12	75,000.00	2.000%				
			07/15/13	75,000.00	2.000%				
			07/15/14	75,000.00	3.000%				
			07/15/15	75,000.00	3.000%				
			07/15/16	80,000.00	3.000%				
			07/15/17	80,000.00	3.000%				
			07/15/18	80,000.00	4.000%				
			07/15/19	90,000.00	4.000%				
			07/15/20	90,000.00	5.000%				
			07/15/21	90,000.00	5.000%				
						\$ 810,000.00		810,000.00	
						\$ 584,200.00	\$ 810,000.00	\$ 139,200.00	\$ 1,255,000.00
					<u>Ref.</u>	D			D

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Improvement Authorizations</u>	<u>Balance Dec. 31, 2011</u>
1198-09	Water System Improvements	\$ 180,000.00		\$ 180,000.00
1178-07; 1231-11	Water Capital Projects		<u>\$ 150,000.00</u>	<u>150,000.00</u>
		<u>\$ 180,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 330,000.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	E	\$ 699,608.29	\$ 1,231,111.41
Increased by Receipts:			
Sewer Utility Collector		\$ 4,255,538.91	
Interest Income		289.23	
NJ Environmental Infrastructure Loan Receivable			\$ 3,312,684.00
Due Current Fund:			
Prior Year Interfund Returned		89,236.65	
Due Sewer Utility Operating Fund:			
Interest Earned			1,386.60
Appropriation Refunds		243,137.38	
Appropriation Reserve Refunds		56,450.16	
2011 Budget Appropriation:			
Capital Improvement Fund			200,500.00
		<u>4,644,652.33</u>	<u>3,514,570.60</u>
		5,344,260.62	4,745,682.01
Decreased by Disbursements:			
2011 Appropriation Expenditures		4,648,926.49	
2010 Appropriation Reserve Expenditures		97,150.95	
Accrued Interest on Bonds		32,533.20	
Accrued Interest on Loans		312,257.48	
Due Current Fund:			
Anticipated Revenue - Operating Surplus		28,212.00	
Interfund Advanced		15,540.10	
2011 Budget Expenditures		174.48	
Improvement Authorizations			3,645,860.87
		<u>5,134,794.70</u>	<u>3,645,860.87</u>
Balance December 31, 2011	E	<u>\$ 209,465.92</u>	<u>\$ 1,099,821.14</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:

Prepaid Sewer Rents	\$ 62.01	
Sewer Connection Fees	14,400.00	
Sewer Application Fees	250.00	
Consumer Accounts Receivable:		
Sewer Rents	<u>4,240,826.90</u>	
		\$ 4,255,538.91

Decreased by:

Paid to Treasurer		<u>\$ 4,255,538.91</u>
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BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2010	Receipts		Disbursements Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2011
		Budget Appropriation	Miscellaneous		
Capital Improvement Fund	\$ 529,215.54	\$ 200,500.00			\$ 729,715.54
Due from NJ Environmental Infrastructure Loan	(3,699,244.00)		\$ 3,312,684.00		(386,560.00)
Due Sewer Utility Operating Fund	13,569.63		1,386.60		14,956.23
Ord. No.	Improvement Description				
1175-06	Sewer Utility Improvements	328,940.53			328,940.53
1177-07	Wastewater Treatment Plant Upgrades	4,058,629.71		\$ 3,645,860.87	412,768.84
		<u>\$ 1,231,111.41</u>	<u>\$ 200,500.00</u>	<u>\$ 3,645,860.87</u>	<u>\$ 1,099,821.14</u>
			<u>\$ 3,314,070.60</u>		

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 1,419.36
Increased by:		
Billings		<u>4,406,833.67</u>
		4,408,253.03
Decreased by:		
Collected in Sewer Utility Operating Fund	\$ 4,240,826.90	
Due from Water Utility Operating Fund	7.06	
Due from Current Fund	<u>6,139.26</u>	
		<u>4,246,973.22</u>
Balance December 31, 2011	E	<u>\$ 161,279.81</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2010	E	<u>\$ 28,882,151.97</u>
Balance December 31, 2011	E	<u><u>\$ 28,882,151.97</u></u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2010	Dec. 31, 2011
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 480,300.00	\$ 480,300.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00	16,000,000.00	16,000,000.00
				<u>\$ 16,480,300.00</u>	<u>\$ 16,480,300.00</u>
			<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 44,850.22	\$ 44,850.22		\$ 44,850.22
Other Expenses	158,301.35	158,301.35	\$ 40,700.79	117,600.56
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>3,676.69</u>	<u>3,676.69</u>		<u>3,676.69</u>
	<u>\$ 206,828.26</u>	<u>\$ 206,828.26</u>	<u>\$ 40,700.79</u>	<u>\$ 166,127.47</u>

Ref.

Analysis of Balance December 31, 2010:

Appropriation Reserves:				
Unencumbered	E	\$ 174,982.68		
Encumbered	E	<u>31,845.58</u>		
		<u>\$ 206,828.26</u>		

Cash Disbursed	\$ 97,150.95
Less: Appropriation Reserve Refunds	<u>56,450.16</u>
	<u>\$ 40,700.79</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		Paid or Charged	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 329,940.53	\$ 15,720.00		\$ 329,940.53	\$ 15,720.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00	4,058,629.71	886,500.00	\$ 3,645,860.87	412,768.84	886,500.00
				<u>\$ 4,388,570.24</u>	<u>\$ 902,220.00</u>	<u>\$ 3,645,860.87</u>	<u>\$ 742,709.37</u>	<u>\$ 902,220.00</u>
			<u>Ref.</u>	E	E		E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 529,215.54
Increased by:		
2011 Budget Appropriation		<u>200,500.00</u>
Balance December 31, 2011	E	<u>\$ 729,715.54</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 29,753,255.36
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds Payable	\$ 280,800.00	
New Jersey Environmental Infrastructure Trust Loans	<u>673,951.69</u>	
		<u>954,751.69</u>
Balance December 31, 2011	E	<u>\$ 30,708,007.05</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	\$ 179,551.11	\$ 179,551.11
			<u>\$ 179,551.11</u>	<u>\$ 179,551.11</u>
		<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Amount	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
2003 Sewer Utility Refunding Bonds	05/01/03	\$ 1,870,000.00				\$ 220,800.00	\$ 220,800.00	
2005 Sewer Utility Refunding Bonds	01/01/05	335,000.00	07/01/12	\$ 30,000.00	3.500%			
			07/01/13-15	30,000.00	4.000%			
			07/01/16	30,000.00	3.750%			
			07/01/17	25,000.00	3.850%	205,000.00	30,000.00	\$ 175,000.00
2007 Sewer Utility Bonds	04/01/07	564,580.00	04/01/12-16	40,000.00	3.750%			
			04/01/17	40,000.00	4.000%			
			04/01/18-20	50,000.00	4.000%			
			04/01/21	54,580.00	4.000%	474,580.00	30,000.00	444,580.00
						<u>\$ 900,380.00</u>	<u>\$ 280,800.00</u>	<u>\$ 619,580.00</u>
						<u>Ref.</u>	<u>E</u>	<u>E</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 13,626,045.50
Decreased by:		
Principal Matured:		
Paid by Sewer Utility Operating Budget		673,951.69
Balance December 31, 2011	E	\$ 12,952,093.81

Schedule of Principal and Interest Payments Outstanding December 31, 2011
Trust Loan - 2007 Issue

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 6,720,000.00
8	02/01/12		\$ 149,003.75	6,720,000.00
9	08/01/12	\$ 300,000.00	149,003.75	6,420,000.00
10	02/01/13		143,903.75	6,420,000.00
11	08/01/13	310,000.00	143,903.75	6,110,000.00
12	02/01/14		138,478.75	6,110,000.00
13	08/01/14	320,000.00	138,478.75	5,790,000.00
14	02/01/15		132,718.75	5,790,000.00
15	08/01/15	335,000.00	132,718.75	5,455,000.00
16	02/01/16		124,343.75	5,455,000.00
17	08/01/16	350,000.00	124,343.75	5,105,000.00
18	02/01/17		115,593.75	5,105,000.00
19	08/01/17	365,000.00	115,593.75	4,740,000.00
20	02/01/18		106,468.75	4,740,000.00
21	08/01/18	385,000.00	106,468.75	4,355,000.00
22	02/01/19		96,843.75	4,355,000.00
23	08/01/19	405,000.00	96,843.75	3,950,000.00
24	02/01/20		88,743.75	3,950,000.00
25	08/01/20	420,000.00	88,743.75	3,530,000.00
26	02/01/21		80,343.75	3,530,000.00
27	08/01/21	435,000.00	80,343.75	3,095,000.00
28	02/01/22		69,468.75	3,095,000.00
29	08/01/22	460,000.00	69,468.75	2,635,000.00
30	02/01/23		57,968.75	2,635,000.00
31	08/01/23	480,000.00	57,968.75	2,155,000.00

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJIT) LOANS PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2011

Trust Loan - 2007 Issue

(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
32	02/01/24		\$ 47,768.75	\$ 2,155,000.00
33	08/01/24	\$ 505,000.00	47,768.75	1,650,000.00
34	02/01/25		36,406.25	1,650,000.00
35	08/01/25	525,000.00	36,406.25	1,125,000.00
36	02/01/26		24,593.75	1,125,000.00
37	08/01/26	550,000.00	24,593.75	575,000.00
38	02/01/27		12,218.75	575,000.00
39	08/01/27	575,000.00	12,218.75	-0-
		<u>\$ 6,720,000.00</u>	<u>\$ 2,849,735.00</u>	

Schedule of Principal Payments Outstanding December 31, 2011

Fund Loan - 2007 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 6,232,093.81
8	02/01/12	\$ 97,035.63	6,135,058.18
9	08/01/12	292,404.48	5,842,653.70
10	02/01/13	93,714.36	5,748,939.34
11	08/01/13	295,595.51	5,453,343.83
12	02/01/14	90,181.44	5,363,162.39
13	08/01/14	298,574.88	5,064,587.51
14	02/01/15	86,430.36	4,978,157.15
15	08/01/15	304,592.24	4,673,564.91
16	02/01/16	80,976.31	4,592,588.60
17	08/01/16	308,906.64	4,283,681.96
18	02/01/17	75,278.06	4,208,403.90
19	08/01/17	312,976.82	3,895,427.08
20	02/01/18	69,335.59	3,826,091.49
21	08/01/18	320,058.94	3,506,032.55
22	02/01/19	63,067.50	3,442,965.05
23	08/01/19	326,815.45	3,116,149.60

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJET) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2011

Fund Loan - 2007 Issue

(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
24	02/01/20	\$ 57,792.54	\$ 3,058,357.06
25	08/01/20	331,308.93	2,727,048.13
26	02/01/21	52,322.22	2,674,725.91
27	08/01/21	335,607.05	2,339,118.86
28	02/01/22	45,240.09	2,293,878.77
29	08/01/22	344,805.67	1,949,073.10
30	02/01/23	37,750.96	1,911,322.14
31	08/01/23	350,341.12	1,560,981.02
32	02/01/24	31,108.41	1,529,872.61
33	08/01/24	359,979.31	1,169,893.30
34	02/01/25	23,708.82	1,146,184.48
35	08/01/25	365,604.31	780,580.17
36	02/01/26	16,016.17	764,564.00
37	08/01/26	374,192.40	390,371.60
38	02/01/27	7,957.21	382,414.39
39	08/01/27	382,414.39	-0-
		<u>\$ 6,232,093.81</u>	

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
1175-06	Sewer Utility Improvements	\$ 15,720.00	\$ 15,720.00
1177-07	Wastewater Treatment Plant Upgrades	<u>886,500.00</u>	<u>886,500.00</u>
		<u>\$ 902,220.00</u>	<u>\$ 902,220.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2011
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2011

	<u>Ref.</u>	<u>P.A.T.F II</u>	<u>P.A.T.F I</u>	<u>Total</u>
Balance December 31, 2010	F	\$ 21,063.59	\$ 19,369.98	\$ 40,433.57
Increased by Receipts:				
State Aid		17,000.00		17,000.00
Donations			22,368.76	22,368.76
Voided Prior Year Checks		74.00		74.00
Transfer from P.A.T.F. I		462.41		462.41
		<u>38,600.00</u>	<u>41,738.74</u>	<u>80,338.74</u>
Decreased by Disbursements:				
Current Year Assistance (Reported):				
Maintenance		10,367.00		10,367.00
Rent		2,775.00		2,775.00
Temporary Rental Assistance		25,458.00		25,458.00
Ineligible Assistance			15,261.29	15,261.29
Transfer to P.A.T.F. II			462.41	462.41
		<u>38,600.00</u>	<u>15,723.70</u>	<u>54,323.70</u>
Balance December 31, 2011	F	<u>\$ -0-</u>	<u>\$ 26,015.04</u>	<u>\$ 26,015.04</u>

BOROUGH OF CALDWELL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Federal Department	Federal Program	C.F.D.A. Account Number	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
					From	To			Cumulative Total Expenditures
U.S. Department of Transportation: (Passed through NJ Department of Transportation)	Highway Planning and Construction: Municipal Aid Program: Prospect and Highview Small Avenue Forest Avenue	20.205	480-078-6320- TCAP-6010	\$ 260,000.00 353,000.00 245,000.00	01/01/09 01/01/10 01/01/11	12/31/10 12/31/12 12/31/11	\$ 65,000.00 286,172.57 183,750.00 <u>534,922.57</u>	\$ 260,000.00 286,172.57 245,000.00 <u>531,172.57</u>	\$ 260,000.00 286,172.57 245,000.00 <u>791,172.57</u>
	Over the Limit Under Arrest - Mobilization - 2011	20.605	N/A	4,400.00	01/01/11	12/31/12		1,400.00	1,400.00
Total U.S. Department of Transportation							<u>534,922.57</u>	<u>532,572.57</u>	<u>792,572.57</u>
U.S. Department of Health and Human Services: (Passed through the County of Essex)	Special Programs for the Aging - Title IIIID	93.043	100-046-4110- 265-6110	3,849.00 3,849.00	01/01/10 01/01/11	12/31/12 12/31/11	3,849.00 3,849.00	3,849.00	2,101.30 3,849.00 <u>5,950.30</u>
Total U.S. Department of Health and Human Services							<u>7,698.00</u>	<u>3,849.00</u>	<u>5,950.30</u>
U.S. Department of Housing and Urban Development: (Passed through the County of Essex)	Community Development Block Block Grants Entitlement Cluster: Hawthorne Parkway West & East Oak Grove Road	14.228 14.228 14.228	N/A N/A N/A	82,450.00 82,450.00 82,450.00	01/01/08 01/01/09 01/01/10	12/31/12 12/31/11 12/31/12		713.90 500.00 82,225.94 <u>82,225.94</u>	35,695.00 82,450.00 82,225.94 <u>200,370.94</u>
Total U.S. Department of Housing and Urban Development							<u>82,225.94</u>	<u>83,439.84</u>	<u>200,370.94</u>
U.S. Department of Labor: (Passed through the County of Essex)	Workforce Investment Act - National Emergency Grant: Hurricane Irene Emergency Grant	17.277	N/A	18,832.80	01/01/11	02/29/12		3,774.40	3,774.40
Total U.S. Department of Labor								<u>3,774.40</u>	<u>3,774.40</u>
TOTAL FEDERAL AWARDS							<u>\$ 624,846.51</u>	<u>\$ 623,635.81</u>	<u>\$ 1,002,668.21</u>

N/A - Not Applicable/Available

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO	
				From	To			Cumulative Total Expenditures	
Department of Environmental Protection	Clean Communities Grant	765-042-4900-004-178900	\$ 6,508.00	01/01/05	12/31/11		\$ 6,508.00	\$ 6,508.00	
			7,335.00	01/01/06	12/31/12		5,336.07	5,336.07	
			11,349.13	01/01/11	12/31/12	\$ 11,349.13			
							<u>11,349.13</u>	<u>11,844.07</u>	<u>11,844.07</u>
	Recycling Tonnage Grant	752-042-4900-004-178840	2,106.52	01/01/02	12/31/11		2,106.52	2,106.52	
			4,003.00	01/01/03	12/31/11		4,003.00	4,003.00	
			4,003.00	01/01/04	12/31/12		3,243.37	3,243.37	
			10,806.68	01/01/10	12/31/12	10,806.68			
			13,695.20	01/01/11	12/31/12	13,695.20			
						<u>24,501.88</u>	<u>9,352.89</u>	<u>9,352.89</u>	
	NJ Environmental Infrastructure Trust and Fund Loan Program	100-042-4860-009-093050	15,113,500.00	01/01/07	12/31/12	3,312,684.00	3,312,684.00	14,726,940.00	
	Green Trust Program - Green Acres	727-042-4800-002-V22G-6020	366,922.00	07/01/06	09/30/11	366,922.00	366,922.00	366,922.00	
Total Department of Environmental Protection						<u>3,715,457.01</u>	<u>3,700,802.96</u>	<u>15,115,058.96</u>	
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-040000	789.00	01/01/07	12/31/11		146.63	789.00	
			1,338.00	01/01/08	12/31/12		1,332.37	1,332.37	
			1,024.76	01/01/11	12/31/12	1,024.76			
Total Department of Health and Senior Services						<u>1,024.76</u>	<u>1,479.00</u>	<u>2,121.37</u>	
Department of Human Services	Payments to Municipalities for Cost of General Assistance (State Share)	100-054-7550-121-158010	39,611.25	01/01/07	06/30/11		4,890.00	39,611.25	
			69,240.00	01/01/10	06/30/11		16,710.00	69,240.00	
			17,000.00	01/01/11	06/30/11	17,000.00			
Total Department of Human Services						<u>17,000.00</u>	<u>38,600.00</u>	<u>125,851.25</u>	

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
				From	To			Cumulative Total Expenditures
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110-260-YYYY	\$ 2,457.14	01/01/06	12/31/12		\$ 2,144.22	\$ 2,144.22
			2,536.86	01/01/10	12/31/12	\$ 2,536.86		
			4,908.00	01/01/11	12/31/12	4,908.00		
				<u>7,444.86</u>	<u>2,144.22</u>	<u>2,144.22</u>		
	Body Armor Replacement Fund	718-066-1020-001-6120	942.47	01/01/05	12/31/11		939.13	942.47
			6,413.50	01/01/06	12/31/12		3,740.87	4,393.25
2,204.15			01/01/11	12/31/12	2,204.15			
			<u>2,204.15</u>	<u>4,680.00</u>	<u>5,335.72</u>			
Total Department of Law and Public Safety						<u>9,649.01</u>	<u>6,824.22</u>	<u>7,479.94</u>
Department of Treasury (Passed through the County of Essex)	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	29,000.00	01/01/08	12/31/12		2,348.22	18,360.74
			28,500.00	01/01/11	12/31/12	24,927.78		
Total Department of Treasury						<u>24,927.78</u>	<u>2,348.22</u>	<u>45,294.23</u>
TOTAL STATE AWARDS						<u>\$ 3,768,058.56</u>	<u>\$ 3,750,054.40</u>	<u>\$ 15,295,805.75</u>

BOROUGH OF CALDWELL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state awards of the Borough of Caldwell. The Borough of Caldwell is defined in Note 1 to the Borough's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal and state Type A and B programs was \$300,000.

E. STATE LOANS OUTSTANDING

The Borough of Caldwell has the following loans outstanding as of December 31, 2011:

Sewer Utility Capital Fund:

New Jersey Environmental Infrastructure Trust Loans	<u>\$ 12,952,093.81</u>
---	-------------------------

Currently, the Borough is in the process of drawing down the proceeds and repaying the loan balances. There were loan receipts and expenditures of \$3,312,684.00 in the current year.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' 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 Caldwell
 Caldwell, New Jersey

We have audited the financial statements of the Borough of Caldwell, in the County of Essex (the "Borough") as of, and for the years ended, December 31, 2011 and 2010 and have issued our report thereon dated June 30, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting and was qualified for the omission of the general fixed assets account group as of December 31, 2010 and the post retirement benefit funding status as required by GASB No. 45 as of December 31, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of providing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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

Our consideration of the 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 weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 2

Compliance and Other Matters

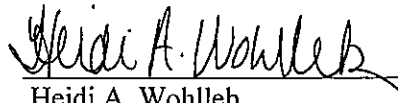
As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Borough's response and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Borough Council, and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
June 30, 2012

NISIVOCIA LLP



Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481



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Independent Auditors' Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133 And
New Jersey's OMB Circular NJOMB 04-04

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Caldwell, New Jersey

Compliance

We have audited the compliance of the Borough of Caldwell in the County of Essex (the "Borough") with the types of compliance requirements described in the U.S. Office of Management and Budget (the "OMB") *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011. The Borough's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to each of its major federal and state programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and New Jersey's OMB Circular NJOMB 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 2

Internal Control Over Compliance

The management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal and state programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

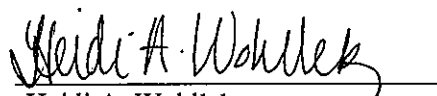
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Mayor and Members of the Borough Council, and to meet the requirements for filing with the Division of Local Government Services, and other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mount Arlington, New Jersey
June 30, 2012

NISIVOCCIA LLP



Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements for 2011 prepared on another comprehensive basis of accounting.
- The audit did not disclose any material weaknesses in the internal controls of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Borough's major federal and state programs.
- An unqualified report was issued on the Borough's compliance for its major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The Borough's major federal and state programs for the year ended December 31, 2011 consisted of the following awards:

	CFDA No. / State Account No.	Budgetary Expenditures
<u>Federal Program:</u>		
Highway Planning and Construction Cluster:		
Municipal Aid Program:		
Smull Avenue (Ord #1227-10)	20.205	\$ 286,172.57
Forest Avenue (Ord #1232-11)	20.205	245,000.00
<u>State Program:</u>		
NJ Environmental Infrastructure		
Trust and Fund Loan Program	100-042-4860-009-093050	3,312,684.00
Green Trust Program - Green Acres	727-042-4800-002-V22G-6020	366,922.00

- The threshold for distinguishing federal and state Type A and B programs was \$300,000.
- The Borough did not qualify as a "low-risk" auditee under the provisions of Section 530 of the federal Circular for federal programs but did qualify as a "low-risk" auditee for state programs.

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2011-1

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments or offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Tax Collector is responsible for collecting, depositing and posting all cash receipts to the Borough's finance software. The Assistant Treasurer disburses funds and is a signatory on all checking accounts. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

This finding will be evaluated by the governing body and administration in 2012.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in Federal OMB Circular A-133.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04.

BOROUGH OF CALDWELL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Borough's prior year audit finding regarding segregation of duties have not been resolved in 2011 and is therefore included as current year finding 2011-1. The prior year audit finding regarding fixed assets was resolved in 2011.

BOROUGH OF CALDWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

The minutes also indicated that resolutions were adopted and advertised awarding change orders per NJAC 5:34- 4.1 et seq.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

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. None were noted.

The Borough did not obtain a current pay-to-play political contribution form for a professional engineering service vendor. It is recommended that the Borough makes every effort to ensure that pay-to-play political contribution forms are obtained for all required vendors.

Management's Response

The Borough will ensure that pay-to-play political contribution forms are obtained for all required vendors.

Collection of Interest on Delinquent Taxes, Utility Rents and Assessments

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

On January 1, 2011, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ pursuant to R.S. 54:4-67, as amended and supplemented, that the rate of interest to be charged for the non-payment of taxes or assessments on or after the date when they become delinquent shall be as follows:

1. No interest shall be charged if payment of any installment so due is made within ten (10) days of the date the same shall be payable; and
2. Upon expiration of the ten (10) day period as aforesaid, the rate of interest shall be eight (8) percent on the first \$1,500.00 of the delinquency and eighteen (18) percent thereafter on any amount in excess of \$1,500; and
3. A penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year in the amount of 6% of the delinquency.

FURTHER, BE IT RESOLVED that

4. Any water or sewer account remaining unpaid after due date on each billing shall be subject to a penalty of ten (10) percent of the unpaid balance."

It appears from tests of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

An accelerated tax sale was held on December 22, 2011.

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

Year	Number of Liens
2011	-0-
2010	-0-
2009	-0-

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2011 and 2012 Taxes	30
Payment of 2011 and 2012 Water Rents	20
Payment of 2011 Excess Sewer Rents	15
Unpaid Water Rents	20

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough maintains encumbrance, fixed assets and general ledger accounting systems.

Finance Records

Other Trust Funds

A dedication by rider has not been obtained for the LOSAP Surrender Fund Reserve in the Other Trust Funds. As there have been no expenditures to date in the Reserve, no formal recommendation is judged to be warranted.

Also, the balance in the payable Due to State of New Jersey - DCA Fees does not appear to be valid. The fourth quarter 2011 balance due to the State of New Jersey for DCA fees was \$2,592. However, the balance at December 31, 2011 on the Borough's general ledger is \$7,469. The Borough has reviewed the balance and is in the process of cancelling the difference of \$4,877 in 2012. Therefore, a formal recommendation is not deemed warranted.

Appropriated Grant Reserves and Grants Receivable

There are a number of older appropriated grant reserve balances and grant receivable balances in the Federal and State Grant Fund as well as several older Special Legislative grant receivable balances in the General Capital Fund.

It is recommended that the Borough review the grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.

Management's Response

The Borough will review the grant receivable balances for collectability and whether the receivables should be cancelled. Also, the appropriated grant reserves will be reviewed for possible cancellation.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Finance Records (Cont'd)

Computerized Expenditure Records

During our review of the computerized expenditure records for the various funds, we noted that the disbursements per these records were not reconciled with the cash disbursement spreadsheets and the general ledgers prepared by the Finance Office.

It is recommended that the cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements spreadsheets and the general ledgers prepared by the Finance Office on a monthly basis.

Management's Response

Cash disbursements per the computerized expenditure reports will be reconciled with the cash disbursements spreadsheets and general ledgers prepared by the Finance Office on a monthly basis.

Our review of the Finance Office's records revealed that the balance sheets of the various funds reflect a number of interfund receivables and payables. However, as there was a definite effort to limit the amount of interfund activity during the current year, especially interfund receivables due to the Current Fund, and the interfunds were liquidated in a timely manner in 2012, no formal recommendation is judged to be warranted.

Internal Controls

The Chief Financial Officer and the Assistant Treasurer are the two authorized signatories on Borough's checks and one of the Assistant Treasurer's duties is the accounts payable function which does not allow for an adequate segregation of duties over the disbursement processing cycle. In many municipalities, the authorized signatories are the Mayor, Clerk and the Chief Financial Officer. Also, during our review of vouchers, we noted that not all vouchers contain all required signatures, such as department head and claimant's signatures.

It is recommended that an employee or governing body member independent of the accounts payable function be authorized as a signatory on the Borough's checks. Also, vouchers contain all of the required signatures prior to the release of the related payments.

Also, the Borough has not prepared formal standard operating policies and procedures with respect to the accounting functions. However, as the Borough is in the process of drafting formal standard operating policies and procedures, a formal recommendation is not deemed necessary.

Management's Response

The Borough will consider a change in authorized signatories for the various Borough accounts. Also, the Borough will take extra care to ensure required signatures are obtained for all vouchers before they are released for payments.

Payroll

During our review of the analysis of balance for the payroll agency account, we noted various adjustments were made for overpayments and underpayments of pension withholdings to the State of New Jersey which resulted in a net shortage in the payroll agency account of approximately \$5,000. This was due to the fact that the Borough does not reconcile the actual pension withholdings to the quarterly pension reports and adjust for any differences in subsequent payrolls. As the Borough has already taken steps to fund the shortage in the payroll agency account and ensure that pension withholdings are reconciled with the quarterly pension reports, no formal recommendation is judged to be warranted.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Payroll (Cont'd)

Management's Response

The Borough will reconcile the quarterly pension reports with the actual payroll withholdings and make any necessary adjustments to future payrolls.

Outside Offices

During our review of the various outside offices we noted the following:

1. Although prenumbered receipts are issued for Police Department collections, a formal cashbook is not maintained by the Police Department.
2. During our review of the Community Center operations, we noted that individual log ons are not assigned for each employee who utilizes the one Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are not approved by a Community Center employee independent of collections.

It is recommended that:

1. A formal cashbook is maintained by the Police Department.
2. Each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

Management's Response

A formal cashbook will be maintained by the Police Department. Also, the Borough will evaluate job duties and systems controls at the Community Center.

Sewer Operating Utility

The Borough does not have formal written sewer fees contracts with the various municipalities to establish sewer rates and terms to ensure collection of sewer billings. It is recommended that the Borough has formal written contracts with the various municipalities for sewer fees.

Management's Response

The Borough will obtain formal written contracts with the various municipalities for sewer fees.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected on the following page is a summary of receipts and disbursements for the year ended December 31, 2011.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Receipts	Disbursements	Balance Dec. 31, 2011
Municipal Treasurer:				
Fines and Costs		\$ 243,934.64	\$ 214,134.52	\$ 29,800.12
P.O.A.A. Fines	\$ 78.00	1,662.00	1,564.00	176.00
Public Defender		259.00	259.00	
State Treasurer	7,907.30	155,604.36	147,839.28	15,672.38
County Treasurer	2,621.50	44,188.50	42,384.50	4,425.50
Conditional Discharge Fee		1,000.00	739.00	261.00
Weights and Measures		2,200.00	2,200.00	
Restitution		125.00	125.00	
Cash Bail	950.00	31,720.00	31,430.00	1,240.00
	<u>\$ 11,556.80</u>	<u>\$ 480,693.50</u>	<u>\$ 440,675.30</u>	<u>\$ 51,575.00</u>

During our review of the Municipal Court records, we noted that there were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. It is recommended that the Court Administrator pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.

Management's Response

The Court Administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

Office of the State Comptroller's Report

The Office of the State Comptroller issued a report dated March 28, 2012 which summarized the findings and recommendations based on the Office's limited review of the Borough's financial practices for the period 2007 to 2009. The Borough's current Administrator and Chief Financial Officer were hired after the period under review in the report. The review was conducted as a result of several complaints being received in June 2009 by the Office concerning certain weaknesses in the Borough's financial procedures. The Borough has already addressed a number of the findings and recommendations in the report and plans to address the remaining findings and recommendations in 2012.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2010 audit report. The following prior year recommendations were resolved during the current year: 2 (with respect to the lack of a fixed assets accounting and reporting system), 3a (with respect to obtaining dedication by riders for Trust Fund Reserves; review of balance in DCA Fees Due to the State of New Jersey; and implementation of billings and collection process for police outside duties), 3e (with respect to annual salary resolution for non-negotiated employees), 4a (with respect to monthly reports being prepared by the various outside offices and 4c (with respect to the parking meter collection process). The remaining prior year recommendations have been repeated in the current year's audit and corrective action with respect to these recommendations is in the process of being implemented.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. The Borough makes every effort to ensure that pay-to-play political contribution forms are obtained for all required vendors.
3. Finance Records:
 - a. The Borough reviews the older grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.
 - b. The cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements spreadsheets and general ledgers prepared by the Finance Office on a monthly basis.
 - c. An employee or governing body member independent of the accounts payable function be authorized as a signatory on the Borough's checks. Also, vouchers contain all of the required signatures prior to the release of the related payments.
4. Outside Offices
 - a. A formal cashbook is maintained by the Police Department.
 - b. Each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.
5. The Borough has formal written contracts with the various municipalities for sewer fees.
6. The Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.

* * * * *