

BOROUGH OF JENKINTOWN

FINANCIAL REPORT

DECEMBER 31, 2011



INDEPENDENT AUDITORS' REPORT

Members of Council
Borough of Jenkintown

We have audited the financial report (Form DCED-CLGS-30) of the Borough of Jenkintown, Montgomery County as of and for the year ended December 31, 2011. This report is the responsibility of the Borough's management. Our responsibility is to express an opinion on this financial report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial report presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of Jenkintown prepares its financial report on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the accompanying financial report referred to above presents fairly, in all material respects, the cash balances of the Borough of Jenkintown as of December 31, 2011, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described above.

This report is intended solely for the information and use of the governing body and management of the Borough of Jenkintown, and for filing with the Commonwealth of Pennsylvania Department of Community & Economic Development and Montgomery County Clerk of Courts. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Gold Gocial Gerstein

Jenkintown, Pennsylvania
March 19, 2012

BOROUGH OF JENKINTOWN
NOTES TO THE ANNUAL AUDIT AND FINANCIAL REPORT
DECEMBER 31, 2011

Note 1: Nature of operations, reporting entity and basis of accounting

Nature of operations

The Borough of Jenkintown was incorporated in 1874 and operates as a borough under the Commonwealth of Pennsylvania Borough Code. The Borough operates under a mayor/council form of government with twelve council members. The Borough provides the following services: public safety (police and fire), health, highways and streets, sanitation, recreation, planning and zoning, and general administrative services.

Reporting entity

In evaluating how to define the Borough for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate a potential component unit for inclusion or exclusion from the reporting entity is the existence of special responsibilities. Based upon the application of these criteria, the Borough of Jenkintown has no component units.

Basis of accounting

The Borough's policy is to prepare its report on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. This basis of accounting differs from U.S. generally accepted accounting principles in that revenues and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

Note 2: Cash and investments

Cash and investments of \$4,140,054 are stated at cost as of December 31, 2011. The fair market value at December 31, 2011 is \$4,164,117, which indicates a net unrealized gain of \$24,063 as of December 31, 2011.

Note 3: Legal proceedings

The Borough is currently involved in three pending proceedings. The outcome of these proceedings cannot be determined presently, but the damages claimed, if ultimately proven and assessed, would not have a material effect on the Borough's financial condition.

**2011 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

460513 JENKINTOWN BORO, MONTGOMERY COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

JENKINTOWN BORO, MONTGOMERY County

BALANCE SHEET

December 31, 2011

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments		482,008					3,658,046			4,140,054
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	17,618	208,724		449,652						675,994
131-139, 150-159	Other Current Assets	8,192					546				8,738
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		25,810	690,732			449,652		3,658,592			4,824,786

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	691						250			941
230.00	Due To Other Funds	503,517		172,477							675,994

JENKINTOWN BORO, MONTGOMERY County

BALANCE SHEET

December 31, 2011

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		504,208		172,477				250			676,935

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	-478,398	690,732	-172,477		449,652		3,658,342			4,147,851
291-299	Other Equity										
Total Fund and Account Group Equity		-478,398	690,732	-172,477		449,652		3,658,342			4,147,851

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											4,824,786
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JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		218,997	81,052		12,268		63,417	375,734

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants		475,320					475,320
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units			475,320					475,320

Charges for Service								
361.00	General Government							
362.00	Public Safety	36,132						36,132
363.20	Parking	64,443						64,443
363.00	All Other Charges for Highway & Streets Services	3,544						3,544
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				593,918			593,918
364.30	Solid Waste Collection and Disposal Charge (trash)				307,525			307,525
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		104,119			901,443			1,005,562

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		1,160					1,160
388.00	Fiduciary Fund Pension Contributions					242,986		242,986
389.00	All Other Unclassified Operating Revenues	134						134
Total Unclassified Operating Revenues		134	1,160			242,986		244,280

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	142,000						142,000
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt	333,000						333,000

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	12,644						12,644
Total Other Financing Sources		487,644						487,644

TOTAL REVENUES

3,251,188	639,235	476,196		914,263		546,393	5,827,275
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	291,344						291,344
401.00	Executive (Manager or Mayor)	74,632						74,632
402.00	Auditing Services / Financial Administration							
403.00	Tax Collection	30,382						30,382
404.00	Solicitor / Legal Services							
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	49,078						49,078
Total General Government		445,436						445,436

Public Safety

410.00	Police	1,243,512	2,697	24,691				1,270,900
411.00	Fire		166,608				63,417	230,025
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							
414.00	Planning and Zoning	78,337						78,337
415.00	Emergency Management and Communications							

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety								
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		1,321,849	169,305	24,691			63,417	1,579,262

Health and Human Services								
420.00-425.00	Health and Human Services	200						200
Total Health and Human Services		200						200

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	24,000			3,220			27,220
427.00	Solid Waste Collection and Disposal (garbage)				267,890			267,890
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				451,278			451,278
Total Public Works - Sanitation		24,000			722,388			746,388

Public Works - Highways and Streets								
430.00	General Services - Administration	378,521						378,521
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		25,078					25,078
433.00	Traffic Control Devices	25,428	1,246					26,674
434.00	Street Lighting		66,070					66,070
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets							
437.00	Repairs of Tools and Machinery		299				299
438.00	Maintenance and Repairs of Roads and Bridges		3,729				3,729
439.00	Highway Construction and Rebuilding Projects		62,317	1,078,718			1,141,035
Total Public Works - Highways and Streets		403,949	158,739	1,078,718			1,641,406

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking	14,117					14,117
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises		14,117					14,117

Culture and Recreation							
451.00	Culture-Recreation Administration	7,645					7,645
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks						
455.00	Shade Trees						
456.00	Libraries		262,763				262,763

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		7,645	262,763					270,408

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development	11,645						11,645
Total Community Development		11,645						11,645

Debt Service								
471.00	Debt Principal (short-term and long-term)	333,000		155,700				488,700
472.00	Debt Interest (short-term and long-term)	3,978		135,387				139,365
475.00	Fiscal Agent Fees							
Total Debt Service		336,978		291,087				628,065

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	14,118						14,118
482.00	Judgments and Losses						3,215	3,215
483.00	Pension / Retirement Fund Contributions	185,365						185,365
484.00	Worker Compensation Insurance	57,764						57,764

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2011

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES**Employer Paid Benefits and Withholding Items**

487.00	Other Group Insurance Benefits	366,061						366,061
Total Employer Paid Benefits and Withholding Items		623,308					3,215	626,523

Insurance

486.00	Insurance, Casualty, and Surety	45,984						45,984
Total Insurance		45,984						45,984

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						222,016	222,016
489.00	All Other Unclassified Expenditures						32,400	32,400
Total Unclassified Operating Expenditures							254,416	254,416

Other Financing Uses

491.00	Refund of Prior Year Revenues	10,000						10,000
492.00	Interfund Operating Transfers		57,000	70,000		15,000		142,000
493.00	All Other Financing Uses							
Total Other Financing Uses		10,000	57,000	70,000		15,000		152,000

TOTAL EXPENDITURES

		3,245,111	647,807	1,464,496		737,388		321,048	6,415,850
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

		6,077	-8,572	-988,300		176,875		225,345	-588,575
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JENKINTOWN BORO

December 31, 2011

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Note	Note	2008	2028	3,460,800	3,276,876		155,700		3,121,176		3,121,176
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

3,121,176

Capitalized lease obligations

0

Not debt

3,121,176

JENKINTOWN BORO, MONTGOMERY County
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2011

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	58,333		58,333
Recreation			
Sewer			
Solid Waste			
Streets / Highways	164,068	1,060,135	1,224,203
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	222,401	1,060,135	1,282,536

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

1,492,029

JENKINTOWN BORO, MONTGOMERY COUNTY

December 31, 2011

NOTES / COMMENTS