

**BOROUGH OF LAUREL SPRINGS
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2016**

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BOROUGH OF LAUREL SPRINGS
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Laurel Springs
Laurel Springs, New Jersey 08021

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2016, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2017 on our consideration of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Laurel Spring's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 24, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Laurel Springs
Laurel Springs, New Jersey 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated April 24, 2017. That report indicated that the Borough of Laurel Springs' financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Laurel Springs' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 24, 2017

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash	SA-1	\$ 790,194.54	\$ 760,407.16
Cash--Change Fund	SA-2	400.00	400.00
		<u>790,594.54</u>	<u>760,807.16</u>
Receivables with Full Reserves:			
Delinquent Property Taxes	SA-3	159,331.96	130,442.16
Tax Title Liens	SA-4	23,826.26	14,824.17
Property Acquired for Taxes - Assessed Valuation	A	551.00	551.00
Revenue Accounts Receivable	SA-5	7,773.63	5,199.25
Due State of New Jersey: State Training Fees	SA-9		99.00
Due from Trust - Other Fund	SB-5	0.63	
		<u>191,483.48</u>	<u>151,115.58</u>
Deferred Charges:			
Reserve for Preparation of Tax Maps	SA-6	10,000.00	15,000.00
Reserve for Master Plan	SA-6	16,000.00	20,000.00
Reserve for Revaluation	SA-6	75,000.00	
		<u>101,000.00</u>	<u>35,000.00</u>
		<u>1,083,078.02</u>	<u>946,922.74</u>
Federal and State Grant Fund:			
Cash	SA-1	58,239.41	14,265.40
Federal and State Grants Receivable	SA-17	165,277.04	125,088.04
		<u>223,516.45</u>	<u>139,353.44</u>
		<u>\$ 1,306,594.47</u>	<u>\$ 1,086,276.18</u>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Special Emergency Note Payable	SA-1	\$ 75,000.00	
Appropriation Reserves	A-3;SA-7	125,728.46	\$ 88,957.14
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	SA-8	3,722.80	3,472.80
Due State of New Jersey:			
State Training Fees	SA-9	341.00	
Marriage License Fees	SA-10	150.00	50.00
Prepaid Taxes	SA-11	9,723.23	32,703.99
Due County for Added and Omitted Taxes	SA-13	164.70	2,466.97
Tax Overpayments	SA-15	20,231.26	723.33
Reserve for Sale of Municipal Assets	A	18,389.00	18,389.00
Reserve for Tax Map Revisions	SA-16	5,000.00	11,350.00
Reserve for Master Plan	SA-16	20,000.00	20,000.00
Reserve for Revaluation	SA-16	48,623.46	
		<u>327,073.91</u>	<u>178,113.23</u>
Reserves for Receivables and Other Assets	A	191,483.48	151,115.58
Fund Balance	A-1	564,520.63	617,693.93
		<u>1,083,078.02</u>	<u>946,922.74</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-18		2,122.71
Appropriated	SA-19	223,516.45	137,230.73
		<u>223,516.45</u>	<u>139,353.44</u>
		<u>\$ 1,306,594.47</u>	<u>\$ 1,086,276.18</u>

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For The Years Ended December 31, 2016 and 2015

<u>Revenue and Other Income Realized</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	\$ 299,000.00	\$ 186,152.00
Miscellaneous Revenues Anticipated	674,141.94	690,615.65
Receipts from Delinquent Taxes	125,501.63	111,218.45
Receipts from Current Taxes	5,651,296.78	5,589,872.48
Non-Budget Revenue	37,168.93	34,869.37
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	80,121.05	54,844.60
Cancellation of 2011 Codification Balance		425.21
Liquidation of Reserve for:		
Due from State of New Jersey - State Training Fees	99.00	
Due from Federal and State Grant Fund		5,005.49
Due from Trust - Other Fund		5,010.20
Total Income	6,867,329.33	6,678,013.45
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	832,200.00	771,600.00
Other Expenses	792,400.00	705,732.00
Deferred Charges and Statutory Expenditures - Within "CAPS"	201,214.00	223,800.00
Operations - Excluded from "CAPS":		
Salaries and Wages	126,800.00	120,975.90
Other Expenses	241,371.20	235,140.08
Capital Improvements Excluded from "CAPS"	15,000.00	15,000.00
Municipal Debt Service	412,259.33	296,743.91
Deferred Charges and Statutory Expenditures - Excluded from "CAPS"	9,000.00	5,000.00
Transferred to Board of Education for Use of Local Schools	47,952.00	47,952.00
County Taxes	992,788.57	1,011,338.03
Due County for Added Taxes	164.70	2,466.97
Local District School Tax	2,997,642.00	2,904,716.00
Prior Year Realized Tax Revenue - Canceled by State Appeal	27,210.20	
Prior Year Senior Citizen Disallowance	500.00	
Reserves Created:		
Due from State of New Jersey - State Training Fees		99.00
Due from Trust - Other Fund	0.63	
Total Expenditures	6,696,502.63	6,340,563.89
Excess in Revenues (Brought Forward)	170,826.70	337,449.56

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For The Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Excess in Revenues (Brought Forward)	\$ 170,826.70	\$ 337,449.56
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>75,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance	245,826.70	337,449.56
<u>Fund Balance</u>		
Fund Balance Jan. 1	<u>617,693.93</u>	<u>466,396.37</u>
	863,520.63	803,845.93
Decreased by:		
Utilized as Revenue	<u>299,000.00</u>	<u>186,152.00</u>
Fund Balance Dec. 31	<u><u>\$ 564,520.63</u></u>	<u><u>\$ 617,693.93</u></u>

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 299,000.00	\$ -	\$ 299,000.00	\$ -
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	5,000.00		7,750.00	2,750.00
Other	2,800.00		3,520.00	720.00
Fines and Costs:				
Municipal Court	75,000.00		67,272.16	(7,727.84)
Interest and Cost on Taxes	25,000.00		32,740.83	7,740.83
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	272,277.00		272,277.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)	45,933.00		45,933.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	13,000.00		19,556.00	6,556.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Interlocal Municipal Service Agreements Offset with Appropriations				
Municipal Court	27,200.00		27,763.70	563.70
Interlocal Municipal Service Agreements Offset with Appropriations				
Finance Services	25,679.00		25,679.40	0.40
State and Federal Revenues Off-Set with Appropriations:				
Body Armor Replacement Fund		1,061.39	1,061.39	
Clean Communities Grant		5,208.10	5,208.10	
Drunk Driving Enforcement Grant		2,000.00	2,000.00	
Community Development Block Grant		50,000.00	50,000.00	
Sustainable New Jersey Grant	30,000.00		30,000.00	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	25,000.00		25,000.00	
Recycling Tonnage Grant	2,122.71		2,122.71	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services (Cont'd):				
Other Special Items:				
Uniform Fire Safety Act	\$ 5,000.00		\$ 6,257.65	\$ 1,257.65
Reserve for Payment of Bonds and Notes	50,000.00		50,000.00	
	<u>604,011.71</u>	<u>\$ 58,269.49</u>	<u>674,141.94</u>	<u>11,860.74</u>
Receipts from Delinquent Taxes	120,288.29	-	125,501.63	5,213.34
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	1,833,700.00	-	1,927,701.51	94,001.51
Budget Totals	2,857,000.00	58,269.49	3,026,345.08	111,075.59
Non-Budget Revenues	-	-	37,168.93	37,168.93
	<u>\$ 2,857,000.00</u>	<u>\$ 58,269.49</u>	<u>\$ 3,063,514.01</u>	<u>\$ 148,244.52</u>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2016

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 5,651,296.78
Allocated to:	
School and County Taxes	<u>3,990,595.27</u>
Balance for Support of Municipal Budget Appropriations	1,660,701.51
Add: Appropriation "Reserve for Uncollected Taxes"	<u>267,000.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,927,701.51</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 124,933.31
Tax Title Liens	<u>568.32</u>
	<u>\$ 125,501.63</u>
Licenses - Other:	
Clerk	<u>\$ 3,520.00</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Zoning and Planning Board Fees	\$ 2,920.00
Police Discovery	479.02
Fees and Permits:	
Gun Permits	101.20
Clerk -- Vital Statistics Fees	617.00
Cable T.V. Franchise Taxes	7,241.22
Recycling Fees	2,363.81
Tree Removal Permits	25.00
Sale of Municipal Assets	1,524.99
Tax Title Lien Premiums Redeemed	6,500.00
Void Stale Checks	126.20
Excess Municipal Court Money	87.60
Camden County JIF Safety Incentive	1,425.00
Truck Rentals	500.00
Wedding Ceremony Fees	200.00
NJ DMV Inspections Fees	650.00
Vacant Property Registration	11,761.26
Administrative Fee for Homestead Rebate Credit	126.00
Administrative Fee for Senior Citizen and Veterans Deductions	<u>520.00</u>
	37,168.30
Due from Trust - Other Fund	<u>0.63</u>
	<u>\$ 37,168.93</u>

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>					
<u>General Government</u>					
Borough Administrator					
Salaries and Wages	\$ 11,300.00	\$ 11,300.00	\$ 11,242.64	\$ 57.36	
Other Expenses	100.00	400.00	367.94	32.06	
Mayor and Council					
Other Expenses	2,100.00	2,100.00	1,785.99	314.01	
Municipal Clerk					
Salaries and Wages	81,200.00	83,700.00	83,306.79	393.21	
Other Expenses	20,800.00	16,000.00	14,284.84	1,715.16	
Financial Administration					
Salaries and Wages	48,400.00	46,400.00	46,149.90	250.10	
Other Expenses	13,500.00	16,000.00	15,500.00	500.00	
Audit Services	31,000.00	31,000.00	30,750.00	250.00	
Collection of Taxes					
Salaries and Wages	8,300.00	7,300.00	6,536.02	763.98	
Other Expenses	2,200.00	2,200.00	1,504.29	695.71	
Assessment of Taxes					
Salaries and Wages	6,200.00	6,200.00	6,119.88	80.12	
Other Expenses	1,600.00	2,600.00	2,060.63	539.37	
Revaluation (Special Emergency, \$75,000.00)		75,000.00	75,000.00		
Legal Services					
Other Expenses	26,600.00	27,100.00	16,850.45	249.55	\$ 10,000.00
Engineering Services					
Other Expenses	800.00	800.00		800.00	
Economic Development					
Other Expenses	500.00	500.00	500.00		
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages	4,400.00	4,400.00	4,369.82	30.18	
Other Expenses	2,600.00	2,600.00	2,480.00	120.00	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Code Enforcement and Administration</u>					
Code Enforcement Office					
Salaries and Wages	\$ 8,300.00	\$ 8,300.00	\$ 7,969.06	\$ 330.94	
Other Expenses	100.00	100.00		100.00	
Property Maintenance Officer					
Salaries and Wages	3,100.00	3,100.00	3,090.88	9.12	
Other Expenses	100.00	100.00		100.00	
<u>Insurance</u>					
General Liability Insurance	69,000.00	69,000.00	66,323.93	2,676.07	
Workers Compensation Insurance	55,000.00	55,000.00	52,120.83	2,879.17	
Employee Group Insurance Plan for Employees	146,000.00	146,000.00	139,778.39	6,221.61	
Disability Insurance	4,000.00	3,000.00	2,348.86	651.14	
Health Benefits Waiver	8,000.00	8,000.00	7,516.08	483.92	
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	536,600.00	531,900.00	506,758.95	15,141.05	\$ 10,000.00
Other Expenses	18,700.00	16,700.00	8,414.19	8,285.81	
Office of Emergency Management					
Salaries and Wages	1,200.00	1,200.00	1,173.12	26.88	
Other Expenses	400.00	400.00	166.73	233.27	
Aid to Volunteer Fire Company	21,300.00	21,300.00	21,276.70	23.30	
Uniform Fire Safety Act					
Salaries and Wages	4,100.00	4,100.00	4,080.18	19.82	
Other Expenses	900.00	900.00	558.98	341.02	
Fire Hydrant Service	28,000.00	28,000.00	27,871.80	128.20	
Municipal Court					
Salaries and Wages	22,000.00	22,000.00	18,686.22	3,313.78	
Other Expenses	3,900.00	2,400.00	923.51	1,476.49	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Public Safety Functions (Cont'd)</u>					
Public Defender					
Other Expenses	\$ 100.00	\$ 100.00		\$ 100.00	
Municipal Prosecutor					
Salaries and Wages	100.00	100.00		100.00	
<u>Public Works Functions</u>					
Road Repair and Maintenance					
Salaries and Wages	52,600.00	69,600.00	\$ 67,966.07	1,633.93	
Other Expenses	9,500.00	9,500.00	1,432.83	4,067.17	\$ 4,000.00
Shade Tree Program					
Other Expenses	8,000.00	8,000.00	4,895.00	3,105.00	
Garbage and Trash Removal					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	700.00	700.00	65.00	635.00	
Public Building and Grounds					
Salaries and Wages	32,300.00	15,300.00	9,478.91	1,821.09	4,000.00
Other Expenses	21,800.00	21,800.00	13,993.94	7,806.06	
Vehicle Maintenance					
Other Expenses	26,000.00	29,500.00	25,051.32	4,448.68	
<u>Health and Human Services</u>					
Registrar of Vital Statistics					
Salaries and Wages	1,600.00	1,600.00	1,493.96	106.04	
Other Expenses	800.00	800.00	90.00	710.00	
Animal Control Services					
Other Expenses	3,900.00	3,900.00	3,687.61	212.39	
Board of Health					
Salaries and Wages	1,600.00	1,600.00	886.38	713.62	
Other Expenses	200.00	200.00	145.00	55.00	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Health and Human Services (Cont'd)</u>					
Recreation Services and Programs					
Salaries and Wages	\$ 5,500.00	\$ 5,500.00	\$ 4,750.28	\$ 749.72	
Other Expenses	200.00	200.00		200.00	
Celebration of Public Events, Anniversary or Holidays					
Other Expenses	1,000.00	1,000.00	608.94	391.06	
Utility Expenses and Bulk Purchases	140,000.00	140,000.00	106,246.66	28,753.34	\$ 5,000.00
Landfill/Solid Waste Disposal Costs	63,100.00	66,600.00	59,677.67	6,922.33	
Accumulated Leave Compensation	17,000.00	18,000.00	17,585.58	414.42	
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.14)</u>					
Construction Code Official					
Salaries and Wages	4,100.00	4,100.00	3,865.78	234.22	
Other Expenses	1,400.00	1,900.00	1,556.10	343.90	
Total Operations within "CAPS"	1,584,300.00	1,657,600.00	1,511,344.63	113,255.37	33,000.00
<u>Detail:</u>					
Salaries and Wages	850,400.00	846,200.00	805,510.42	26,689.58	14,000.00
Other Expenses	733,900.00	811,400.00	705,834.21	86,565.79	19,000.00

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 35,200.00	\$ 35,200.00	\$ 35,193.00		\$ 7.00
Police and Firemen's Retirement System of NJ	92,900.00	92,900.00	92,821.00		79.00
Defined Contribution Plan	100.00	100.00		\$ 100.00	
Social Security System (O.A.S.I.)	74,100.00	73,100.00	65,711.06	7,388.94	
Unemployment Insurance	10,000.00	10,000.00			10,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Statutory Expenditures	212,300.00	211,300.00	193,725.06	7,488.94	10,086.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Appropriations for Municipal Purposes within "CAPS"	1,796,600.00	1,868,900.00	1,705,069.69	120,744.31	43,086.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Landfill Recycling Fees (P.L.2007,c. 311)	2,500.00	3,000.00	2,272.23	727.77	
<u>Interlocal Municipal Service Agreements:</u>					
Municipal Court					
Salaries and Wages	24,800.00	24,800.00	24,685.64	114.36	
Other Expenses	21,300.00	22,800.00	19,311.66	3,488.34	
Tax Collector Services					
Other Expenses	16,800.00	16,800.00	16,750.00	50.00	
Construction Code Official					
Other Expenses	15,100.00	15,800.00	15,741.00	59.00	
Finance Services					
Salaries and Wages	19,600.00	19,600.00	19,257.16	342.84	
Other Expenses	6,079.00	6,079.00	5,973.18	105.82	
Garbage and Trash Removal					
Other Expenses	86,500.00	86,500.00	86,403.98	96.02	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Operations - Excluded from "CAPS"	192,679.00	195,379.00	190,394.85	4,984.15	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Public and Private Programs Offset by Revenues</u>					
Clean Communities Act (40A:4-87, \$5,208.10+)		\$ 5,208.10	\$ 5,208.10		
Community Development Block Grant (40A:4-87, \$50,000.00+)		50,000.00	50,000.00		
Drunk Driving Enforcement Grant (40A:4-87, \$2,000.00+)		2,000.00	2,000.00		
Sustainable New Jersey Grant	\$ 30,000.00	30,000.00	30,000.00		
Body Armor Replacement Grant (40A:4-87, \$1,061.39+)		1,061.39	1,061.39		
Safe and Secure Communities Program	82,400.00	82,400.00	82,400.00		
Recycling Tonnage Grant	2,122.71	2,122.71	2,122.71		
Total Public and Private Programs Offset by Revenues	114,522.71	172,792.20	172,792.20	\$ -	\$ -
Total Operations - Excluded from "CAPS"	307,201.71	368,171.20	363,187.05	4,984.15	-
Detail:					
Salaries and Wages	126,800.00	126,800.00	126,342.80	457.20	-
Other Expenses	180,401.71	241,371.20	236,844.25	4,526.95	-
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	-	-
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	323,000.00	323,000.00	322,000.00		1,000.00
Interest on Bonds	91,246.29	91,246.29	90,259.33		986.96
Total Municipal Debt Service - Excluded from "CAPS"	414,246.29	414,246.29	412,259.33	-	1,986.96
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>					
Special Emergency Authorization-Five Years (N.J.S.A. 40A:4-55)	9,000.00	9,000.00	9,000.00	-	-

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	\$ 47,952.00	\$ 47,952.00	\$ 47,952.00	\$ -	\$ -
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	793,400.00	854,369.49	847,398.38	4,984.15	1,986.96
Subtotal General Appropriations	2,590,000.00	2,723,269.49	2,552,468.07	125,728.46	45,072.96
Reserve for Uncollected Taxes	267,000.00	267,000.00	267,000.00	-	-
Total General Appropriations	<u>\$ 2,857,000.00</u>	<u>\$ 2,990,269.49</u>	<u>\$ 2,819,468.07</u>	<u>\$ 125,728.46</u>	<u>\$ 45,072.96</u>
Budget		\$ 2,857,000.00			
Special Emergency - Revaluation (N.J.S.A. 40A:4-55)		75,000.00			
Appropriation by 40A:4-87		<u>58,269.49</u>			
		<u>\$ 2,990,269.49</u>			
Cash Disbursements			\$ 2,295,675.87		
Deferred Charge - Special Emergency Authorizations			9,000.00		
Reserve for Revaluation			75,000.00		
Reserve for Federal and State Grants--Appropriated			172,792.20		
Reserve for Uncollected Taxes			<u>267,000.00</u>		
			<u>\$ 2,819,468.07</u>		

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

BOROUGH OF LAUREL SPRINGS
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Cash	SB-1	\$ -	\$ 954.78
Other Funds:			
Cash--Treasurer	SB-1	72,984.81	57,532.73
Cash--Collector	SB-2	84,737.43	112,306.80
		<u>157,722.24</u>	<u>169,839.53</u>
		<u>\$ 157,722.24</u>	<u>\$ 170,794.31</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3		\$ 946.98
Due to State	SB-4		7.80
			<u>\$ -</u>
Other Funds:			
Reserve for Tax Title Lien Redemption	SB-2	84,737.43	112,306.80
Due to Current Fund	SB-5	0.63	
Payroll Deductions Payable	SB-6	15,626.41	1,467.89
Reserve for Disposal of Forfeited Property	SB-7	3,735.92	3,510.43
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-8	8,212.22	8,165.31
Reserve for Planning Board Escrow Deposits	SB-9	312.67	1,175.64
Reserve for Recreation Commission	SB-10	7,736.11	11,082.31
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-11	35,471.68	27,733.98
Reserve for Public Defender	SB-12	1,796.17	1,500.00
Due to Criminal Disposition & Review Collection Fund	SB-12		2,806.17
Reserve for Parking Offenses Adjudication Act	SB-13	93.00	91.00
		<u>157,722.24</u>	<u>169,839.53</u>
		<u>\$ 157,722.24</u>	<u>\$ 170,794.31</u>

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

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SC-1	\$ 647,354.90	\$ 360,425.18
Deferred Charges to Future Taxation:			
Funded	SC-3	2,383,350.00	2,705,350.00
Unfunded	SC-4	398,090.00	990.00
New Jersey Transportation Trust Fund Receivable	SC-5	200,000.00	
		<u>\$ 3,628,794.90</u>	<u>\$ 3,066,765.18</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Payment of Bonds	SC-2	\$ 33,417.17	\$ 83,157.17
Capital Improvement Fund	SC-6	1,805.00	7,705.00
Improvement Authorizations:			
Funded	SC-7	422,400.37	269,066.39
Unfunded	SC-7	390,325.74	990.00
Bond Anticipation Notes	SC-8	397,000.00	
General Serial Bonds	SC-9	2,383,350.00	2,705,350.00
Fund Balance	C	496.62	496.62
		<u>\$ 3,628,794.90</u>	<u>\$ 3,066,765.18</u>

There were bonds and notes authorized but not issued on December 31, 2016 totaling \$1,090.00 and on December 31, 2015 totaling \$990.00.

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 183,138.87	\$ 182,366.07
Due from Sewer Utility Capital Fund	SD-1		630.00
Receivables with Full Reserves:			
Sewer Rents	SD-3	12,947.56	10,823.24
Total Operating Fund		196,086.43	193,819.31
Capital Fund:			
Cash - Treasurer	SD-1&2	14,838.88	19,995.88
Fixed Capital	D	504,027.89	504,027.89
Fixed Capital Authorized and Uncompleted	SD-5	36,400.00	36,400.00
Total Capital Fund		555,266.77	560,423.77
		\$ 751,353.20	\$ 754,243.08
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 9,319.57	\$ 2,885.77
Prepaid Rents	SD-1	1,020.12	650.14
Accrued Interest on Bonds and Notes	SD-4	86.88	92.50
		10,426.57	3,628.41
Reserve for Receivables	D	12,947.56	10,823.24
Fund Balance	D-1	172,712.30	179,367.66
Total Operating Fund		196,086.43	193,819.31
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-1		630.00
Improvement Authorizations:			
Funded	SD-6	10,593.00	16,120.00
Unfunded	SD-6	630.00	630.00
Capital Improvement Fund	SD-7	4,230.00	3,230.00
Reserve for Amortization	SD-8	507,027.89	504,027.89
Reserve for Deferred Amortization	D	2,770.00	2,770.00
Serial Bonds	SD-9	30,000.00	33,000.00
Fund Balance	D	15.88	15.88
Total Capital Fund		555,266.77	560,423.77
		\$ 751,353.20	\$ 754,243.08

There were bonds and notes authorized but not issued totaling \$630.00 as of December 31, 2016 and 2015

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2016 and 2015

<u>Revenue and Other Income Realized</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	\$ 14,000.00	\$ 9,000.00
Sewer Rents	153,450.68	156,462.48
Miscellaneous	1,729.38	2,151.71
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,885.77	6,555.45
 Total Income	 <u>172,065.83</u>	 <u>174,169.64</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operating	157,500.00	153,200.00
Capital Improvements	1,000.00	2,000.00
Debt Service	3,721.19	615.68
Statutory Expenditures	2,500.00	1,800.00
 Total Expenditures	 <u>164,721.19</u>	 <u>157,615.68</u>
Statutory Excess to Fund Balance	7,344.64	16,553.96
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<u>7,344.64</u>	<u>16,553.96</u>
<u>Fund Balance</u>		
Balance Jan. 1	<u>179,367.66</u>	<u>171,813.70</u>
	186,712.30	188,367.66
Utilization in Budget	<u>14,000.00</u>	<u>9,000.00</u>
Balance Dec. 31	<u>\$ 172,712.30</u>	<u>\$ 179,367.66</u>

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 14,000.00	\$ 14,000.00	
Rents	150,000.00	153,450.68	\$ 3,450.68
Miscellaneous Revenues	1,000.00	1,729.38	729.38
	<u>\$ 165,000.00</u>	<u>\$ 169,180.06</u>	<u>\$ 4,180.06</u>

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>			
Operating					
Salaries and Wages	\$ 17,000.00	\$ 17,000.00	\$ 16,906.50	\$ 93.50	
Other Expenses	140,500.00	140,500.00	132,478.45	8,021.55	
Total Operating	157,500.00	157,500.00	149,384.95	8,115.05	\$ -
Capital Improvements					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00	-	-
Debt Service					
Payment of Bond Principal	3,000.00	3,000.00	3,000.00		
Interest on Bonds	1,000.00	1,000.00	721.19		278.81
Total Debt Service	4,000.00	4,000.00	3,721.19	-	278.81
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	2,500.00	2,500.00	1,295.48	1,204.52	
	<u>\$ 165,000.00</u>	<u>\$ 165,000.00</u>	<u>\$ 155,401.62</u>	<u>\$ 9,319.57</u>	<u>\$ 278.81</u>
Cash Disbursements			\$ 154,680.43		
Interest on Bonds and Notes			721.19		
			<u>\$ 155,401.62</u>		

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

BOROUGH OF LAUREL SPRINGS
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land	\$ 1,082,900.00			\$ 1,082,900.00
Buildings and Improvements	2,240,297.98			2,240,297.98
Vehicles and Equipment	2,084,428.07		\$ 8,456.22	2,075,971.85
Total General Fixed Assets	<u>\$ 5,407,626.05</u>	\$ -	<u>\$ 8,456.22</u>	<u>\$ 5,399,169.83</u>
Total Investment in General Fixed Assets	<u>\$ 5,407,626.05</u>			<u>\$ 5,399,169.83</u>

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

BOROUGH OF LAUREL SPRINGS
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Laurel Springs (the "Borough") was incorporated in 1913 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the latest census is 1,908.

The Borough has a Mayor-Council form of government where the Mayor is separately elected to a four year term. The six member council is the legislative body of the Borough with the members serving for three years. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Administrator and Borough Clerk.

Component Units - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* ("Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

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

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

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

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

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2016, all of the Borough's bank balances totaling \$1,857,599.75 were insured by FDIC or GUDPA.

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ 7.508	\$ 7.335	\$ 7.222	\$ 6.984	\$ 6.724
Apportionment of Tax Rate:					
Municipal	\$ 2.363	\$ 2.309	\$ 2.278	\$ 2.216	\$ 2.156
County	1.281	1.299	1.298	1.324	1.348
Local School	3.864	3.727	3.646	3.444	3.220

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 77,578,374.00
2015	77,925,781.00
2014	78,163,196.00
2013	81,497,148.00
2012	81,873,125.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 5,825,537.52	\$ 5,652,047.58	97.02%
2015	5,729,696.69	5,589,872.48	97.56%
2014	5,646,950.46	5,505,947.38	97.50%
2013	5,694,626.23	5,503,868.97	96.65%
2012	5,507,737.79	5,372,748.87	97.55%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 23,826.26	\$ 159,331.96	\$ 183,158.22	3.14%
2015	14,824.17	130,442.16	145,266.33	2.54%
2014	388.02	121,252.97	121,640.99	2.15%
2013	-	174,893.19	174,893.19	3.07%
2012	-	121,590.09	121,590.09	2.21%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2016	2
2015	2
2014	1
2013	-
2012	-

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 1,316,300.00
2015	1,316,300.00
2014	1,316,300.00
2013	1,316,300.00
2012	731,500.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2016	\$ 10,823.24	\$ -	\$ 155,575.00	\$ 166,398.24	\$ 153,450.68
2015	12,060.72	-	155,225.00	167,285.72	156,462.48
2014	10,179.09	-	155,260.00	165,439.09	153,378.37
2013	10,071.07	-	155,260.00	165,331.07	155,097.35
2012	9,172.91	-	157,470.04	166,642.95	156,571.88

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 564,520.63	\$ 320,000.00	56.69%
2015	612,688.44	299,000.00	48.80%
2014	466,396.37	186,152.00	39.91%
2013	239,410.71	224,000.00	93.56%
2012	299,396.19	224,000.00	74.82%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 172,712.30	\$ 24,000.00	13.90%
2015	179,367.66	14,000.00	7.81%
2014	171,813.70	9,000.00	5.24%
2013	158,098.12	9,000.00	5.69%
2012	138,680.90	12,000.00	8.65%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 0.63	
Trust - Other		\$ 0.63
	<u>\$ 0.63</u>	<u>\$ 0.63</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Borough employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Borough's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 13.51% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$33,282.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$35,193.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$17,564.60.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 24.61% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$122,929.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$92,821.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$50,341.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2016 was 1.85% of the Borough's covered payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 is \$9,267.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 was \$8,683.00, which was paid on April 1, 2016.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

No Borough employees participated in the Defined Contribution Retirement Program (DCRP).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2016, the Borough's proportionate share of the PERS net pension liability was \$1,109,560.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0037463457%, which was a decrease of 0.0003471402 from its proportion measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$70,892.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PERS was \$35,193.00, and was paid on April 1, 2016.

Police and Firemen's Retirement System - At December 31, 2016, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,880,095.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	241,857.00
	<u>\$ 3,121,952.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0150770121%, which was an increase of 0.0036578199% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0150770121%, which was an increase of 0.0036578199% from its proportion, on-behalf of the Borough, measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$375,793.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PFRS was \$92,821.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2016 measurement date is \$241,857.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 20,634.00	\$ -	\$ 20,634.00	\$ -	\$ 18,879.00	\$ 18,879.00
Changes of Assumptions	229,842.00	398,917.00	628,759.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	42,309.00	201,802.00	244,111.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	-	593,603.00	593,603.00	136,189.00	278,026.00	414,215.00
Borough Contributions Subsequent to the Measurement Date	16,641.00	61,465.00	78,106.00	-	-	-
	<u>\$ 309,426.00</u>	<u>\$ 1,255,787.00</u>	<u>\$ 1,565,213.00</u>	<u>\$ 136,189.00</u>	<u>\$ 296,905.00</u>	<u>\$ 433,094.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) -**

Deferred outflows of resources totaling \$16,641.00 and \$61,465.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Borough's year end of December 31, 2016.

The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 30,878.00	\$ 206,910.00	\$ 237,788.00
2018	30,878.00	206,910.00	237,788.00
2019	41,328.00	255,295.00	296,623.00
2020	40,148.00	170,368.00	210,516.00
2021	13,364.00	57,934.00	71,298.00
	<u>\$ 156,596.00</u>	<u>\$ 897,417.00</u>	<u>\$ 1,054,013.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 1,359,636.00</u>	<u>\$ 1,109,560.00</u>	<u>\$ 903,100.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<u>PFRS</u>		
	1% Decrease <u>(4.55%)</u>	Current Discount Rate <u>(5.55%)</u>	1% Increase <u>(6.55%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,713,671.00	\$ 2,880,095.00	\$ 2,200,364.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>311,856.87</u>	<u>241,857.00</u>	<u>184,776.32</u>
	<u>\$ 4,025,527.87</u>	<u>\$ 3,121,952.00</u>	<u>\$ 2,385,140.32</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Four Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0037463457%	0.0040934859%	0.0042698467%	0.0048334422%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,109,560.00	\$ 918,906.00	\$ 799,432.00	\$ 923,767.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 263,640.00	\$ 284,792.00	\$ 297,344.00	\$ 335,920.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	420.86%	322.66%	268.86%	275.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 33,282.00	\$ 35,193.00	\$ 35,200.00	\$ 36,419.00
Borough's Contribution in Relation to the Contractually Required Contribution	(33,282.00)	(35,193.00)	(35,200.00)	(36,419.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 246,315.00	\$ 259,495.00	\$ 288,545.00	\$ 299,899.00
Borough's Contributions as a Percentage of its Covered Payroll	13.51%	13.56%	12.20%	12.14%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0150770121%	0.0114191922%	0.0146718576%	0.0121414065%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,880,095.00	\$ 1,902,039.00	\$ 1,845,584.00	\$ 1,614,090.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	241,857.00	166,802.00	198,738.00	150,453.00
Total	<u>\$ 3,121,952.00</u>	<u>\$ 2,068,841.00</u>	<u>\$ 2,044,322.00</u>	<u>\$ 1,764,543.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 481,900.00	\$ 361,624.00	\$ 412,544.00	\$ 435,040.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.65%	525.97%	447.37%	371.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 122,929.00	\$ 92,821.00	\$ 112,690.00	\$ 88,581.00
Borough's Contribution in Relation to the Contractually Required Contribution	(122,929.00)	(92,821.00)	(112,690.00)	(88,581.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 499,583.00	\$ 462,551.00	\$ 364,734.00	\$ 400,393.00
Borough's Contributions as a Percentage of its Covered Payroll	24.61%	20.07%	30.90%	22.12%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: COMPENSATED ABSENCES

Under the existing policy of the Borough, full-time employees are entitled to six paid sick leave days per year. Unused sick leave may be accumulated and carried forward to the subsequent year by police officers only, for sick time use, but not for compensation upon termination or retirement. The Borough does not buy back unused sick leave at year end from other full-time employees. The maximum amount of vacation time that may be carried forward at year end is one week. The police contract stipulates that vacation time must be used prior to the police officers' employment anniversary in the subsequent year, while all other full-time employees' vacation time must be used prior to March 31, of the subsequent year.

The Borough does not record accrued expenses related to compensated absences.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: CAPITAL DEBT**General Obligation Bonds**

General Obligation Bonds, Series 2006 - On December 7, 2006, the Borough issued \$1,133,350.00 of general obligation bonds, with interest rates ranging from 4.0% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is December 15, 2018.

General Obligation Bonds, Series 2009 - On December 10, 2009, the Borough issued \$1,840,000.00 of general obligation bonds, with interest rates ranging from 3.0% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is December 1, 2024.

General Obligation Bonds, Series 2015 - On May 15, 2015, the Borough issued \$1,065,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 3.0%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is May 1, 2024.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 342,000.00	\$ 79,818.41	\$ 3,000.00	\$ 692.73	\$ 425,511.14
2018	350,350.00	68,458.83	3,000.00	646.06	422,454.89
2019	237,000.00	56,150.57	3,000.00	593.19	296,743.76
2020	256,000.00	48,636.77	4,000.00	531.99	309,168.76
2021	271,000.00	40,132.47	4,000.00	451.91	315,584.38
2022	296,000.00	30,998.31	4,000.00	351.69	331,350.00
2023	306,000.00	20,722.26	4,000.00	227.74	330,950.00
2024	325,000.00	9,270.99	5,000.00	79.01	339,350.00
	<u>\$ 2,383,350.00</u>	<u>\$ 354,188.61</u>	<u>\$ 30,000.00</u>	<u>\$ 3,574.32</u>	<u>\$ 2,771,112.93</u>

Note 11: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,780,350.00	\$ 2,705,350.00	\$ 2,768,720.00
Sewer Utility:			
Bonds	30,000.00	33,000.00	33,630.00
Total Issued	<u>2,810,350.00</u>	<u>2,738,350.00</u>	<u>2,802,350.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,090.00	990.00	25.00
Sewer Utility:			
Bonds and Notes	630.00	630.00	
Total Authorized but not Issued	<u>1,720.00</u>	<u>1,620.00</u>	<u>25.00</u>
Total Issued and Authorized but not Issued	<u>2,812,070.00</u>	<u>2,739,970.00</u>	<u>2,802,375.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	33,417.17	83,157.17	81,723.11
Sewer Utility:			
Self-Liquidating	30,630.00	33,630.00	33,630.00
Total Deductions	<u>64,047.17</u>	<u>116,787.17</u>	<u>115,353.11</u>
Net Debt	<u><u>\$ 2,748,022.83</u></u>	<u><u>\$ 2,623,182.83</u></u>	<u><u>\$ 2,687,021.89</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.426%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,030,000.00	\$ 2,030,000.00	
Self-Liquidating	30,630.00	30,630.00	
General	2,781,440.00	33,417.17	\$ 2,748,022.83
	<u><u>\$ 4,842,070.00</u></u>	<u><u>\$ 2,094,047.17</u></u>	<u><u>\$ 2,748,022.83</u></u>

Net debt \$2,748,022.83 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$113,256,543.33, equals 2.426%.

Note 11: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 3,963,979.02
Less: Net Debt	<u>2,748,022.83</u>
Remaining Borrowing Power	<u><u>\$ 1,215,956.19</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 169,180.06
Deductions:	
Operating and Maintenance Costs	\$ 157,500.00
Debt Service	<u>3,721.19</u>
Total Deductions	<u>161,221.19</u>
Excess in Revenue	<u><u>\$ 7,958.87</u></u>

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

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	<u>\$ 101,000.00</u>	<u>\$ 24,000.00</u>

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

Note 13: 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.

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ 756.85	\$ -	\$ 709.94	\$ 8,212.22
2015	5,000.00	920.05	-	5,048.90	8,165.31
2014	10,000.00	1,627.78	-	5,005.33	7,294.16

The Borough has no estimated unreimbursed payments at December 31, 2016.

Joint Insurance Pool - The Borough is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

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

Contributions to the Fund are based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$500,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 14: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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

Note 15: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Current Cash - Treasurer
For The Year Ended December 31, 2016

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2015	\$ 760,407.16	\$ 14,265.40
Increased by Receipts:		
Taxes Receivable	\$ 5,708,393.82	
Tax Title Liens	568.32	
Interest and Costs on Taxes	32,740.83	
Prepaid Taxes	9,723.23	
Tax Overpayments	2,799.21	
Due from State - D.C.A Prior Year Overpaid Training Fees	99.00	
Miscellaneous Revenue Not Anticipated	37,168.30	
Revenue Accounts Receivable	104,355.81	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	272,277.00	
Consolidated Municipal Property Tax Relief Aid	45,933.00	
Interlocal Service Agreement - Municipal Court	27,763.70	
Interlocal Service Agreement - Finance	25,679.40	
Due to Camden County MUA	16,899.06	
Reserve for Payment of Bonds & Notes	50,000.00	
Petty Cash	400.00	
Due State of New Jersey--Senior Citizens' and Veterans' Deductions	26,000.00	
Due State of New Jersey:		
Marriage License Fees	350.00	
State Training Fees	1,274.45	
Special Emergency Note Payable	75,000.00	
Reserve for Federal and State Grants		\$ 57,400.00
Federal and State Grants Receivable		<u>73,080.49</u>
	<u>6,437,425.13</u>	<u>130,480.49</u>
	7,197,832.29	144,745.89
Decreased by Disbursements:		
2016 Appropriations	2,295,675.87	
2015 Appropriation Reserves	8,836.09	
Due State of New Jersey:		
State Training Fees	933.45	
Marriage License Fees	250.00	
County Taxes	992,788.57	
Due to County--Added and Omitted Taxes	2,466.97	
Local District School Taxes	2,997,642.00	
Tax Overpayments	1,619.20	
Petty Cash (Contra)	400.00	
Due to Camden County MUA	16,899.06	
Reserve for Tax Map Revisions	6,350.00	
Reserve for Revaluation	26,376.54	
Reserve for Federal and State Grants	57,400.00	
Federal and State Grants - Appropriated		86,506.48
	<u>6,407,637.75</u>	<u>86,506.48</u>
Balance Dec. 31, 2016	<u>\$ 790,194.54</u>	<u>\$ 58,239.41</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Schedule of Change Funds
As of Ended December 31, 2016

Balance Dec. 31, 2016		<u>\$ 400.00</u>
	<u>Office</u>	
Tax Collector--Treasurer		\$ 150.00
Municipal Court		50.00
Police Department		<u>200.00</u>
		<u>\$ 400.00</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For The Year Ended December 31, 2016

Year	Balance Dec. 31, 2015	2016 Levy	Added Taxes	2015 Collections	2016 Collections	Overpayments Applied	Due to State of New Jersey	Canceled	Transfer to Tax Title Liens	Balance Dec. 31, 2016
2014	\$ 4,148.56				\$ 3,080.73			\$ 1,067.83		
2015	126,293.60		\$ 500.00		121,852.58					\$ 4,941.02
	130,442.16	\$ -	500.00	\$ -	124,933.31	\$ -	\$ -	1,067.83	\$ -	4,941.02
2016	-	5,825,537.52		32,703.99	5,583,460.51	8,882.28	26,250.00	10,296.66	9,553.14	154,390.94
	\$ 130,442.16	\$ 5,825,537.52	\$ 500.00	\$ 32,703.99	\$ 5,708,393.82	\$ 8,882.28	\$ 26,250.00	\$ 11,364.49	\$ 9,553.14	\$ 159,331.96

Analysis of 2016 Tax LevyTax Yield

General Purpose Tax	\$ 5,824,584.26
Added Taxes (54:4-63.1 et seq.)	953.26
	\$ 5,825,537.52

Tax Levy

Local District School Tax	\$ 2,997,642.00
County Taxes:	
County Tax	\$ 912,165.26
County Library Tax	57,965.13
County Open Space Tax	22,658.18
Due County for Added Taxes (54:4-63.1 et seq.)	164.70
Total County Taxes	992,953.27
Local Tax for Municipal Purposes	1,833,700.00
Add: Additional Tax Levied	1,242.25
Local Tax for Municipal Purposes Levied	1,834,942.25
	\$ 5,825,537.52

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 14,824.17
Increased by:		
Transferred from 2016 Taxes Receivable	\$ 9,553.14	
Interest and Costs to Date of Sale	<u>17.27</u>	
		<u>9,570.41</u>
		24,394.58
Decreased by:		
Collections		<u>568.32</u>
Balance Dec. 31, 2016		<u><u>\$ 23,826.26</u></u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u> <u>in 2016</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 7,750.00	\$ 7,750.00		
Other		3,520.00	3,520.00		
Construction Code Official:					
Fees and Permits		19,556.00	19,556.00		
Municipal Court:					
Fines and Costs	\$ 5,196.98	69,813.31	67,240.79	\$ 7,769.50	Dec. 2016
Interest on Bank Accounts	2.27	33.23	31.37	4.13	
Uniform Fire Safety Act		6,257.65	6,257.65		
	<u>\$ 5,199.25</u>	<u>\$ 106,930.19</u>	<u>\$ 104,355.81</u>	<u>\$ 7,773.63</u>	

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statement of Deferred Charges
 N.J.S.A. 40A:4-55 Special Emergency Authorizations
 For the Year Ended December 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Added in 2016</u>	<u>2016 Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
Dec. 9, 2013	Preparation of Tax Map	\$ 25,000.00	\$ 5,000.00	\$ 15,000.00		\$ 5,000.00	\$ 10,000.00
Jul. 14, 2015	Preparation of Master Plan	20,000.00	4,000.00	20,000.00		4,000.00	16,000.00
Sep. 19, 2016	Revaluation	75,000.00	15,000.00		\$ 75,000.00		75,000.00
		<u>\$ 120,000.00</u>	<u>\$ 24,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 9,000.00</u>	<u>\$ 101,000.00</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

<u>OPERATIONS - WITHIN "CAPS"</u>	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<u>General Government</u>				
Mayor and Council				
Other Expenses	\$ 673.04	\$ 673.04		\$ 673.04
Municipal Clerk				
Salaries and Wages	783.06	783.06		783.06
Other Expenses	3,989.22	3,989.22	\$ 92.57	3,896.65
Financial Administration				
Salaries and Wages	125.18	125.18		125.18
Other Expenses	1,158.27	1,158.27	22.59	1,135.68
Audit Services	300.00	300.00		300.00
Collection of Taxes				
Salaries and Wages	780.59	780.59		780.59
Other Expenses	371.47	371.47	19.50	351.97
Assessment of Taxes				
Salaries and Wages	99.98	99.98		99.98
Other Expenses	560.17	560.17		560.17
Legal Services				
Other Expenses	453.40	1,453.40	1,221.08	232.32
Engineering Services				
Other Expenses	800.00	800.00		800.00
Economic Development				
Other Expenses	417.04	417.04		417.04
Panning Board				
Salaries and Wages	15.98	15.98		15.98
Other Expenses	210.08	210.08		210.08
Municipal Court				
Salaries and Wages	155.48	155.48		155.48
Other Expenses	130.44	130.44	130.44	
<u>Code Enforcement and Administration</u>				
Code Enforcement Office				
Salaries and Wages	121.24	121.24		121.24
Other Expenses	100.00	100.00		100.00
Property Maintenance Officer				
Salaries and Wages	39.80	39.80		39.80
Other Expenses	100.00	100.00		100.00
<u>Insurance</u>				
General Liability Insurance	2,361.39	2,361.39		2,361.39
Workers Compensation Insurance	2,205.61	2,205.61		2,205.61
Group Insurance Plan for Employees	3,497.64	3,497.64		3,497.64
Disability Insurance	1,734.85	734.85		734.85
Health Benefits Waiver	483.92	483.92		483.92

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
OPERATIONS - WITHIN "CAPS" (CONT'D)				
<u>Public Safety Functions</u>				
Police				
Salaries and Wages	\$ 5,983.05	\$ 5,983.05		\$ 5,983.05
Other Expenses	5,102.79	5,102.79	\$ 14.20	5,088.59
Office of Emergency Management				
Salaries and Wages	50.02	50.02		50.02
Other Expenses	226.22	226.22		226.22
Aid to Volunteer Fire Company				
Uniform Fire Safety Act	249.96	249.96		249.96
Fire Hydrant Service				
Salaries and Wages	99.90	99.90		99.90
Other Expenses	808.25	808.25		808.25
Road Repairs and Maintenance				
Salaries and Wages	878.98	878.98		878.98
Other Expenses	323.20	323.20		323.20
Other Expenses	3,524.73	3,524.73	120.90	3,403.83
Shade Tree Program				
Other Expenses	80.00	80.00		80.00
Garbage and Trash Removal				
Other Expenses	238.55	238.55		238.55
Public Building and Grounds				
Salaries and Wages	815.94	815.94		815.94
Other Expenses	7,032.06	7,032.06	326.21	6,705.85
Vehicle Maintenance				
Other Expenses	6,623.69	6,623.69	339.68	6,284.01
<u>Health and Human Services</u>				
Registrar of Vital Statistics				
Salaries and Wages	135.68	135.68		135.68
Other Expenses	800.00	800.00		800.00
Animal Control Service				
Other Expenses	300.00	300.00		300.00
Board of Health				
Salaries and Wages	1,446.15	1,446.15		1,446.15
Other Expenses	150.00	150.00		150.00
<u>Recreation Functions</u>				
Recreation Services and Programs				
Salaries and Wages	148.74	148.74		148.74
Other Expenses	200.00	200.00		200.00
Celebrations of Public Events				
Other Expenses	455.44	455.44		455.44
Utility Expenses and Bulk Purchases	12,376.91	12,376.91	3,020.29	9,356.62
Landfill/Solid Waste Disposal Costs	4,990.55	4,990.55	1,231.76	3,758.79
Accumulated Leave Compensation	22.54	22.54		22.54

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>				
Construction Code Official				
Salaries and Wages	\$ 448.48	\$ 448.48		\$ 448.48
Other Expenses	41.35	41.35		41.35
Plumbing Inspections				
Salaries and Wages	150.00	150.00		150.00
Electrical Inspections				
Salaries and Wages	140.00	140.00		140.00
Fire Inspections				
Salaries and Wages	160.00	160.00		160.00
	<hr/>	<hr/>		<hr/>
Total Operations within "CAPS"	75,671.03	75,671.03	\$ 6,539.22	69,131.81
<u>Deferred Charges and Statutory Expenditures</u>				
<u>-- Municipal Within "CAPS"</u>				
Statutory Expenditures:				
Contribution to:				
Police and Fireman's Retirement System of New Jersey	10.00	10.00		10.00
Social Security System (O.A.S.I.)	8,590.49	6,990.49	10.62	6,979.87
Defined Contribution Plan	100.00	100.00		100.00
	<hr/>	<hr/>		<hr/>
Total General Appropriations for Municipal Purposes within "CAPS"	84,371.52	82,771.52	6,549.84	76,221.68
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>				
Landfill Recycling Fees	716.16	716.16		716.16
<u>Interlocal Municipal Service Agreements</u>				
Municipal Court				
Salaries and Wages	156.62	156.62		156.62
Other Expenses	2,480.86	2,480.86		2,480.86
Tax Collector Services				
Other Expenses	75.00	75.00		75.00
Construction Code Official				
Other Expenses	715.37	2,315.37	2,286.25	29.12
Finance Services				
Salaries and Wages	295.74	295.74		295.74
Other Expenses	55.67	55.67		55.67
Garbage and Trash Removal				
Other Expenses	90.20	90.20		90.20
	<hr/>	<hr/>		<hr/>
Total Other Operations - Excluded from "CAPS"	4,585.62	6,185.62	2,286.25	3,899.37
	<hr/>	<hr/>		<hr/>
Total General Appropriations	\$ 88,957.14	\$ 88,957.14	\$ 8,836.09	\$ 80,121.05

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey Senior Citizens' and
Veterans' Deductions Ch. 73, P.L. 1976
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 3,472.80
Increased by:		
Collections		<u>26,000.00</u>
		29,472.80
Decreased by:		
Accrued in 2016:		
Senior Citizens' Deductions per Billings	\$ 6,250.00	
Veterans' Deductions per Billings	<u>20,250.00</u>	
	26,500.00	
Deductions Disallowed by Tax Collector - 2016 Taxes	<u>250.00</u>	
Subtotal - 2016 Taxes	26,250.00	
Deductions Disallowed by Tax Collector - 2015 Taxes	<u>500.00</u>	
		<u>25,750.00</u>
Balance Dec. 31, 2016		<u><u>\$ 3,722.80</u></u>

Exhibit SA-9

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due From / To State of New Jersey - State Training Fees
For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (Due from)		\$ 99.00
Training Fees Received		<u>1,274.45</u>
		1,373.45
Decreased by:		
Received	\$ 99.00	
Disbursements	<u>933.45</u>	
		<u>1,032.45</u>
Balance Dec. 31, 2016 (Due to)		<u><u>\$ 341.00</u></u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 50.00
Increased by:	
Marriage Licenses Fees Collected - 2016	350.00
	400.00
Decreased by:	
Disbursements	250.00
	150.00
Balance Dec. 31, 2016	\$ 150.00

Exhibit SA-11

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (2016 Taxes)	\$ 32,703.99
Increased by:	
Collections--2017 Taxes	9,723.23
	42,427.22
Decreased by:	
Application to 2016 Taxes Receivable	32,703.99
	9,723.23
Balance Dec. 31, 2016 (2017 Taxes)	\$ 9,723.23

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statement of County Taxes
 For the Year Ended December 31, 2016

2016 Tax Levy:	
County Tax	\$ 912,165.26
County Library Tax	57,965.13
County Open SpaceTax	<u>22,658.18</u>
	992,788.57
Decreased by:	
Disbursements	<u>\$ 992,788.57</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statement of Due County for Added Taxes
 For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (Added Taxes 2015)	\$ 2,466.97
Increased by County Share of 2016 Levy:	
2016 Added Taxes (R.S.54:4-63.1 and seq.)	<u>164.70</u>
	2,631.67
Decreased by:	
Disbursements	<u>2,466.97</u>
Balance Dec. 31, 2016 (Added Taxes 2016)	<u>\$ 164.70</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2016

2016 Tax Levy:		
School Tax		\$ 2,997,642.00
Decreased by:		
Disbursements		<u>\$ 2,997,642.00</u>

Exhibit SA-15

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 723.33
Increased by:		
Transfer from Fund Balance - State Appeals	\$ 27,210.20	
Cash Receipts	<u>2,799.21</u>	
		<u>30,009.41</u>
		30,732.74
Decreased by:		
Cash Disbursements	1,619.20	
Applied to Taxes	<u>8,882.28</u>	
		<u>10,501.48</u>
Balance Dec. 31, 2016		<u>\$ 20,231.26</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Reserve for Tax Map Revisions, Master Plan and Revaluation
For the Year Ended December 31, 2016

<hr/>		
Balance Dec. 31, 2015:		
Tax Map Revisions	\$	11,350.00
Master Plan		<u>20,000.00</u>
		31,350.00
Increased by:		
Authorized in 2016 - Revaluation		<u>75,000.00</u>
		106,350.00
Decreased by:		
Cash Disbursed:		
Tax Map Revisions	\$	6,350.00
Revaluation		<u>26,376.54</u>
		<u>32,726.54</u>
Balance Dec. 31, 2016	\$	<u><u>73,623.46</u></u>
 <u>Analysis of Balance - Dec. 31, 2016</u>		
Tax Map Revisions	\$	5,000.00
Master Plan		20,000.00
Revaluation		<u>48,623.46</u>
	\$	<u><u>73,623.46</u></u>

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For The Year Ended December 31, 2016

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal:				
Community Development Block Grant	\$ 23,306.25	\$ 50,000.00	\$ 17,325.00	\$ 55,981.25
State:				
Body Armor Replacement Grant		1,061.39	1,061.39	
Clean Communities Program		5,208.10	5,208.10	
Municipal Stormwater Regulation Grant	5,117.00			5,117.00
Sustainable New Jersey Grant		30,000.00	15,000.00	15,000.00
Drunk Driving Enforcement Grant		2,000.00	2,000.00	
Safe and Secure Communities Program	16,666.67	25,000.00	25,000.00	16,666.67
Total State Grants	21,783.67	63,269.49	48,269.49	36,783.67
Other Grants:				
Camden County Recreation Enhancement Grant	7,122.02			7,122.02
Camden County Historic Preservation Grant	50,000.00			50,000.00
Camden County Open Space Preservation:				
Improvements to Walt Whitman Farmhouse	6,885.00			6,885.00
Jack H. Hagen Recreation Complex	13,175.00		7,486.00	5,689.00
Cord Mansion	962.00			962.00
Crystal Springs Park	241.44			241.44
Roof Repair to the Whitman Stafford House	1,612.66			1,612.66
Total Other Grants	79,998.12	-	7,486.00	72,512.12
Total All Grants	\$ 125,088.04	\$ 113,269.49	\$ 73,080.49	\$ 165,277.04

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Federal and</u> <u>State Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2016 Budget</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal Grants:				
Community Development Block Grant	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -
State Grants:				
Drunk Driving Enforcement Grant		2,000.00	2,000.00	
Clean Communities Program		5,208.10	5,208.10	
Body Armor Replacement Grant		1,061.39	1,061.39	
Safe and Secure Communities Program		25,000.00	25,000.00	
Sustainable New Jersey Grant		30,000.00	30,000.00	
Recycling Tonnage Grant	2,122.71		2,122.71	
Total State Grants	2,122.71	63,269.49	65,392.20	-
Total All Grants	\$ 2,122.71	\$ 113,269.49	\$ 115,392.20	\$ -

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Transferred</u> <u>from 2016</u> <u>Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal:				
Community Development Block Grant	\$ 25,897.20	\$ 50,000.00	\$ -	\$ 75,897.20
State Grants:				
Drunk Driving Enforcement Grant	9,609.41	2,000.00	338.00	11,271.41
Clean Communities Grant	11,097.83	5,208.10	4,349.75	11,956.18
N.J. Green Communities Grant	222.23			222.23
Safe and Secure Communities Program	21,425.11	82,400.00	77,615.83	26,209.28
Recycling Tonnage Grant	5,603.29	2,122.71	904.25	6,821.75
Body Armor Replacement Grant	1,809.25	1,061.39	1,782.80	1,087.84
Municipal Storm Water Regulation Grant Program	5,117.00			5,117.00
Sustainable New Jersey Grant		30,000.00		30,000.00
Alcohol Education and Rehabilitation Grant	409.27			409.27
Total State Grants	55,293.39	122,792.20	84,990.63	93,094.96
Other Grants:				
Camden County Poetry Grant	125.00			125.00
Camden County Historic Preservation Grant	50,771.50			50,771.50
Camden County Recreation Facilities Enhancement Grant:				
Improvements to Jack H. Hagen Recreation Complex	314.42			314.42
Improvements to Crystal Springs Park	1,688.50		1,515.85	172.65
Camden County Open Space Preservation Trust:				
Improvements to Walt Whitman Farmhouse	3,140.72			3,140.72
Total Other Grants	56,040.14	-	1,515.85	54,524.29
Total All Grants	\$ 137,230.73	\$ 172,792.20	\$ 86,506.48	\$ 223,516.45

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF LAUREL SPRINGS
TRUST FUNDS
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2016

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2015	\$ 954.78	\$ 57,532.73
Increased by Receipts:		
Animal Control Fees	\$ 4,464.21	
State Registration Fees	350.40	
Payroll Deductions Payable		\$ 462,308.22
Due to Current Fund		0.63
Reserve for Recreation Commission		28,733.00
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		51,381.17
Unemployment Compensation Insurance		756.85
Reserve for P.O.A.A.		2.00
Reserve for Planning Board Escrow		400.00
Reserve for Disposal of Forfeited Property		225.49
Reserve for Public Defender		890.00
	4,814.61	544,697.36
	5,769.39	602,230.09
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	5,411.19	
State Registration Fees	358.20	
Due to Current Fund		
Payroll Deductions Payable		448,149.70
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		43,643.47
Reserve for Unemployment Compensation Insurance		709.94
Reserve for Recreation Commission		32,079.20
Reserve for Planning Board Escrow		1,262.97
Reserve for Public Defender		3,400.00
	5,769.39	529,245.28
Balance Dec. 31, 2016	\$ -	\$ 72,984.81

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Trust Cash - Collector
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$	112,306.80
Increased by:		
Receipts for Tax Title Lien Redemptions		86,420.74
		198,727.54
Decreased by:		
Disbursements for Tax Title Lien Redemptions		113,990.11
Balance Dec. 31, 2016	\$	84,737.43
 <u>Analysis of Balance December 31, 2016</u>		
Tax Title Lien Redemptions	\$	84,737.43

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$	946.98
Increased by:			
Dog License Fees Collected	\$	3,135.60	
Cat License Fees Collected		393.00	
Late Fees		848.00	
		4,376.60	
Current Fund - Budget Appropriation		87.61	
			4,464.21
			5,411.19
Decreased by:			
Expenditures Under R.S.4:19-15.1			\$ 5,411.19

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 3,247.80
2014	3,216.60
	\$ 6,464.40

Exhibit SB-4

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
Statement of Due to State of New Jersey - Dog License Registration Fees
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$	7.80
Dog License Registration Fees Collected			350.40
			358.20
Decreased by:			
Disbursed to State Treasurer			\$ 358.20

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2016

Miscellaneous Receipt Realized as Revenue in the Current Fund	<u>\$ 0.63</u>
Balance Dec. 31, 2016	<u><u>\$ 0.63</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$	1,467.89
Increased by:		
Payroll Deductions		462,308.22
		463,776.11
Decreased by:		
Payments		448,149.70
Balance Dec. 31, 2016	\$	15,626.41

An analysis of the Payroll Deductions Payable balance is on file in the Treasurer's office.

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Disposal of Forfeited Property
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$	3,510.43
Increased by:		
Receipts		225.49
Balance Dec. 31, 2016	\$	3,735.92

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for New Jersey Unemployment Compensation Insurance
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 8,165.31
Increased by:	
Receipts:	
Employee Withholdings	756.85
	8,922.16
Decreased by:	
Claims Paid	709.94
Balance Dec. 31, 2016	\$ 8,212.22

Exhibit SB-9

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Planning Board Escrow Deposits
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 1,175.64
Increased by:	
Escrow Receipts	400.00
	1,575.64
Decreased by:	
Disbursements--Professional Fees and Refunds	1,262.97
Balance Dec. 31, 2016	\$ 312.67

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Recreation Commission (N.J.S.A. 40:12-1)
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 11,082.31
Increased by:	
Receipts	28,733.00
	39,815.31
Decreased by:	
Disbursements	32,079.20
Balance Dec. 31, 2016	\$ 7,736.11

Exhibit SB-11

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Outside Employment of
Off Duty Municipal Police Officers
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 27,733.98
Increased by:	
Receipts	51,381.17
	79,115.15
Decreased by:	
Disbursements	43,643.47
Balance Dec. 31, 2016	\$ 35,471.68

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Public Defender
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 4,306.17
Increased by:	
Receipts	890.00
	5,196.17
Decreased by:	
Disbursements	3,400.00
Balance Dec. 31, 2016	\$ 1,796.17
 <u>Analysis of Balance December 31, 2016</u>	
Reserve for Public Defender	\$ 1,796.17
Due to Criminal Disposition and Review Collection Fund	-
	\$ 1,796.17

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for P.O.A.A.
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 91.00
Increased by:	
Receipts	2.00
Balance Dec. 31, 2016	\$ 93.00

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Capital Cash--Treasurer
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 360,425.18
Increased by Receipts:		
Bond Anticipation Note Proceeds	\$ 397,000.00	
Reserve to Pay Debt	260.00	
Budget Appropriation - Capital Improvement Fund	15,000.00	
		412,260.00
		772,685.18
Decreased by Disbursements:		
Improvement Authorizations	75,330.28	
Reserve to Pay Debt- Anticipated as Revenue in Current Fund	50,000.00	
		125,330.28
Balance Dec. 31, 2016		\$ 647,354.90

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For The Year Ended December 31, 2016

	<u>Receipts</u>			<u>Disbursements</u>				<u>Balance Dec. 31, 2016</u>
	<u>Balance Dec. 31, 2015</u>	<u>Bond Anticipation Notes</u>	<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>Transfers</u>		
						<u>From</u>	<u>To</u>	
Capital Improvement Fund	\$ 7,705.00		\$ 15,000.00			\$ 20,900.00		\$ 1,805.00
New Jersey Transportation Trust Fund Receivable						200,000.00		(200,000.00)
Reserve to Pay Bonds and Notes	83,157.17		260.00		\$ 50,000.00			33,417.17
Fund Balance	496.62							496.62
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
720-2009 Construction of New Fire House	90.15							90.15
754-2013 Construction and Reconstruction of Various Streets and Roads	52,456.12							52,456.12
755-2013 Improvements to Recreation Center and Cord Mansion	3,866.43							3,866.43
756-2013 Acquisition and Installation of Office Equipment	8,596.27			\$ 6,857.25				1,739.02
773-2014 Construction and Reconstruction of Various Streets and Roads	36,205.96			15,343.52				20,862.44
774-2014 Improvements to Borough Hall and Cord Mansion	7,769.20			744.00				7,025.20
784-2015 Improvements to Cord Mansion	96,270.00			18,665.66				77,604.34
785-2015 Acquisition of Various Items of Capital Equipment	19,715.60			3,985.32				15,730.28
786-2015 Improvements to Buildings and Grounds	22,308.43			751.56				21,556.87
787-2015 Construction and Reconstruction of Various Streets and Roads	21,788.23			250.00				21,538.23
801-2016 Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements		\$ 299,250.00		1,096.44			\$ 15,750.00	313,903.56
802-2016 Acquisition of Various Office, Public Works and Fire Equipment		58,900.00		10,864.26			3,100.00	51,135.74
803-2016 Reconstruction of Washington Avenue		38,850.00		16,772.27			202,050.00	224,127.73
	<u>\$ 360,425.18</u>	<u>\$ 397,000.00</u>	<u>\$ 15,260.00</u>	<u>\$ 75,330.28</u>	<u>\$ 50,000.00</u>	<u>\$ 220,900.00</u>	<u>\$ 220,900.00</u>	<u>\$ 647,354.90</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For The Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 2,705,350.00
Decreased by:	
2016 Budget Appropriation to Pay Bonds	<u>322,000.00</u>
Balance Dec. 31, 2016	<u><u>\$ 2,383,350.00</u></u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For The Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Balance Dec. 31, 2016</u>	<u>Bond Anticipation Note</u>	<u>Unexpended Improvement Authorizations</u>
General Improvements:							
774-2014	Improvements to Borough Hall and Cord Mansion	5/12/2014	\$ 25.00		\$ 25.00		\$ 25.00
787-2015	Construction and Reconstruction of Various Streets and Roads	4/13/2015	965.00		965.00		965.00
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	7/11/2016		\$ 299,250.00	299,250.00	\$ 299,250.00	
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	7/11/2016		58,900.00	58,900.00	58,900.00	
803-2016	Reconstruction of Washington Avenue	7/11/2016		38,950.00	38,950.00	38,950.00	
			<u>\$ 990.00</u>	<u>\$ 397,100.00</u>	<u>\$ 398,090.00</u>	<u>\$ 397,100.00</u>	<u>\$ 990.00</u>
Improvement Authorizations - Unfunded							\$ 390,325.74
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
					Ord. 801-2016	\$ 299,250.00	
					Ord. 802-2016	51,135.74	
					Ord. 803-2016	<u>38,950.00</u>	
							<u>389,335.74</u>
							<u>\$ 990.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of New Jersey Transportation Trust Fund Receivable
For The Year Ended December 31, 2016

Increased by:	
New Jersey Transportation Trust Funds Awarded	<u>\$ 200,000.00</u>
Balance Dec. 31, 2016	<u><u>\$ 200,000.00</u></u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For The Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 7,705.00
Increased by:	
Budget Appropriation	<u>15,000.00</u>
	22,705.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>20,900.00</u>
Balance Dec. 31, 2016	<u><u>\$ 1,805.00</u></u>

BOROUGH OF LAUREL SPRINGS
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For The Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2015		2016 Authorization		Department of Transportation Grant	Disbursed	Balance Dec. 31, 2016	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
General Improvements:											
720-2009	Construction of New Fire House	10/19/09	\$ 740,000.00	\$ 90.15						\$ 90.15	
754-2013	Construction and Reconstruction of Various Streets and Roads	06/10/13	277,000.00	52,456.12						52,456.12	
755-2013	Improvements to Recreation Center and Cord Mansion	06/10/13	35,000.00	3,866.43						3,866.43	
756-2013	Acquisition of Various Items of Capital Equipment	06/10/13	130,000.00	8,596.27				\$ 6,857.25		1,739.02	
773-2014	Construction and Reconstruction of Various Streets and Roads	04/28/14	255,000.00	36,205.96					15,343.52	20,862.44	
774-2014	Improvements to Borough Hall and Cord Mansion	04/28/14	25,500.00	7,769.20	\$ 25.00				744.00	7,025.20	\$ 25.00
784-2015	Improvements to Cord Mansion	04/13/15	106,000.00	96,270.00					18,665.66	77,604.34	
785-2015	Acquisition of Various Items of Capital Equipment	04/13/15	87,100.00	19,715.60					3,985.32	15,730.28	
786-2015	Improvements to Buildings and Grounds	04/13/15	31,500.00	22,308.43					751.56	21,556.87	
787-2015	Construction and Reconstruction of Various Streets and Roads	04/13/15	31,500.00	21,788.23	965.00				250.00	21,538.23	965.00
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	07/11/16	315,000.00			\$ 15,750.00	\$ 299,250.00		1,096.44	14,653.56	299,250.00
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	07/11/16	62,000.00			3,100.00	58,900.00		10,864.26		51,135.74
803-2016	Reconstruction of Washington Avenue	07/11/16	241,000.00			2,050.00	38,950.00	\$ 200,000.00	16,772.27	185,277.73	38,950.00
				<u>\$ 269,066.39</u>	<u>\$ 990.00</u>	<u>\$ 20,900.00</u>	<u>\$ 397,100.00</u>	<u>\$ 200,000.00</u>	<u>\$ 75,330.28</u>	<u>\$ 422,400.37</u>	<u>\$ 390,325.74</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For The Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued for Cash</u>	<u>Balance Dec. 31, 2016</u>
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	9/29/2016	9/29/2016	9/28/2017	1.25%	\$ 299,250.00	\$ 299,250.00
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	9/29/2016	9/29/2016	9/28/2017	1.25%	58,900.00	58,900.00
803-2016	Reconstruction of Washington Avenue	9/29/2016	9/29/2016	9/28/2017	1.25%	38,850.00	38,850.00
						<u>\$ 397,000.00</u>	<u>\$ 397,000.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For The Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Bonds Issued</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements of 2006	12-7-06	\$ 1,133,350.00	12-15-17	\$ 130,000.00	4.250%	\$ 388,350.00		\$ 130,000.00	\$ 258,350.00
			12-15-18	128,350.00	4.250%				
General Improvements of 2009	12-10-09	1,840,000.00	12-1-17	125,000.00	3.500%	1,285,000.00		110,000.00	1,175,000.00
			12-1-18	130,000.00	4.000%				
			12-1-19	140,000.00	4.000%				
			12-1-20	150,000.00	4.000%				
			12-1-21	150,000.00	4.000%				
			12-1-22	160,000.00	4.000%				
			12-1-23	160,000.00	4.250%				
			12-1-24	160,000.00	4.250%				
General Improvements of 2015	5-15-15	1,032,000.00	5-1-17	87,000.00	1.500%	1,032,000.00		82,000.00	950,000.00
			5-1-18	92,000.00	1.750%				
			5-1-19	97,000.00	1.750%				
			5-1-20	106,000.00	2.000%				
			5-1-21	121,000.00	2.375%				
			5-1-22	136,000.00	2.500%				
			5-1-23	146,000.00	3.000%				
			5-1-24	165,000.00	3.000%				
						<u>\$ 2,705,350.00</u>	<u>\$ -</u>	<u>\$ 322,000.00</u>	<u>\$ 2,383,350.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For The Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance Dec. 31, 2016</u>
General Improvements:						
774-2014	Improvements to Borough Hall and Cord Mansion	4/28/2014	\$ 25.00			\$ 25.00
787-2015	Construction and Reconstruction of Various Streets and Roads	4/13/2015	965.00			965.00
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	9/29/2016		\$ 299,250.00	\$ 299,250.00	
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	9/29/2016		58,900.00	58,900.00	
803-2016	Reconstruction of Washington Avenue	9/29/2016		38,950.00	38,850.00	100.00
			<u>\$ 990.00</u>	<u>\$ 397,100.00</u>	<u>\$ 397,000.00</u>	<u>\$ 1,090.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
Statement of Sewer Utility Cash
For the Year Ended December 31, 2016

	Operating	Capital
Balance Dec. 31, 2015	\$ 182,366.07	\$ 19,995.88
Increased by Receipts:		
Sewer Rents	\$ 152,800.54	
Prepaid Rents	1,020.12	
Miscellaneous Revenue	1,729.38	
Due from/to Sewer Capital Fund	630.00	
Capital Improvement Fund		\$ 1,000.00
	156,180.04	1,000.00
	338,546.11	20,995.88
Decreased by Disbursements:		
2016 Appropriations	154,680.43	
Due from/to Sewer Operating Fund		630.00
Accrued Interest on Bonds and Notes	726.81	
Improvement Authorizations		5,527.00
	155,407.24	6,157.00
Balance Dec. 31, 2016	\$ 183,138.87	\$ 14,838.88

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash
 For the Year Ended December 31, 2016

	<u>Receipts</u>		<u>Disbursements</u>			<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2016</u>
	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Budget</u> <u>Appropriation</u>	<u>Improvement</u> <u>Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>		
Fund Balance	\$ 15.88							\$ 15.88
Capital Improvement Fund	3,230.00	\$ 1,000.00						4,230.00
Due Sewer Operating Fund	630.00			\$ 630.00				
<u>Ordinance Number</u>								
General Improvements:								
705-2008 Various Improvements to and for the Borough's Sewer Utility	1,000.00		\$ 600.00					400.00
771-2014 Various Improvements to and for the Borough's Sewer Utility	15,120.00		4,927.00					10,193.00
	<u>\$ 19,995.88</u>	<u>\$ 1,000.00</u>	<u>\$ 5,527.00</u>	<u>\$ 630.00</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 14,838.88</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Sewer Consumer Accounts Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 10,823.24
Increased by:		
Sewer Rents Levied		155,575.00
		166,398.24
Decreased by:		
Payments Received	\$ 152,800.54	
Prepaid Rents Applied	650.14	
		153,450.68
Balance December 31, 2016		\$ 12,947.56

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds
 For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 92.50
Increased by:	
Budget Appropriation:	
Interest on Bonds	721.19
	813.69
Decreased by:	
Disbursements	726.81
Balance Dec. 31, 2016	\$ 86.88

Analysis of Accrued Interest December 31, 2016

Principal Outstanding <u>Dec. 31, 2016</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds: \$30,000.00	2.32%	11/16/16	12/31/16	45 Days	\$ 86.88

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2015 and 2016
			Date	Amount	
General Improvements:					
705-2008	Various Improvements to and for the Borough's Sewer Utility	7/1/2008	\$	60,000.00	\$ 1,000.00
771-2014	Various Improvements to and for the Borough's Sewer Utility	5/12/2014		35,400.00	<u>35,400.00</u>
					<u>\$ 36,400.00</u>

Exhibit SD-6

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For The Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2015		Paid or Charged	Balance Dec. 31, 2016	
			Date	Amount	Funded	Unfunded		Funded	Unfunded
General Improvements:									
705-2008	Various Improvements to and for the Borough's Sewer Utility	7/1/2008	\$	60,000.00	\$	1,000.00	\$	600.00	\$ 400.00
771-2014	Various Improvements to and for the Borough's Sewer Utility	5/12/2014		35,400.00		15,120.00	\$	630.00	4,927.00
								10,193.00	\$ 630.00
									<u>\$ 630.00</u>
									<u>\$ 630.00</u>
									<u>\$ 630.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For The Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 3,230.00
Increased by:	
Budget Appropriation	<u>1,000.00</u>
Balance Dec. 31, 2016	<u><u>\$ 4,230.00</u></u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For The Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 504,027.89
Increased by:	
Funded by Operating Budget	
Serial Bonds	<u>3,000.00</u>
Balance Dec. 31, 2016	<u><u>\$ 507,027.89</u></u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For The Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Various Sewer Utility Improvements - 2015	5-15-15	\$ 33,000.00	5-1-17	\$ 3,000.00	1.500%			
			5-1-18	3,000.00	1.750%			
			5-1-19	3,000.00	1.750%			
			5-1-20	4,000.00	2.000%			
			5-1-21	4,000.00	2.375%			
			5-1-22	4,000.00	2.500%			
			5-1-23	4,000.00	3.000%			
			5-1-24	5,000.00	3.000%			
						<u>\$ 33,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ 30,000.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2016

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	Balance Dec. 31, 2015 <u>and 2016</u>
771-2014	Various Improvements to and for the Borough's Sewer Utility	\$ <u>630.00</u>

BOROUGH OF LAUREL SPRINGS

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

BOROUGH OF LAUREL SPRINGS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2016

Schedule of Financial Statement Findings

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

N/A – None.

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BOROUGH OF LAUREL SPRINGS
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

N/A - None.

BOROUGH OF LAUREL SPRINGS
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Thomas Barbera	Mayor	(A)
James Redstreak	Council President	(A)
Richard J. McCunney, II	Councilman	(A)
Kendra Mochel	Councilwoman	(A)
Eugene S. Letts	Councilman	(A)
Joseph Cruz	Councilman	(A)
Susan DiGregorio	Councilwoman	(A)
Kenneth J. Cheeseman	Borough Administrator	(A)
Dawn Amadio	Municipal Clerk, Municipal Improvement Search and Deputy Treasurer	(A)
Dean Ciminera	Chief Financial Officer	(A)
Jennifer Dukelow *	Tax Collector and Tax Search Officer	(A)
George J. Botcheos, Esq.	Solicitor	

* Shared Service Agreement with the Township of Voorhees

(A) These officials were covered by the Camden County Joint Insurance Fund for \$50,000.00. Amounts in excess of \$50,000.00 are covered under the Municipal Excess Liability Joint Insurance Fund to \$950,000.00 less the amount of individual bond coverage where applicable.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

