

**BOROUGH OF LAUREL SPRINGS  
COUNTY OF CAMDEN  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**BOROUGH OF LAUREL SPRINGS**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## **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, 2017 and 2016, 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, 2017, 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.

**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, 2017 and 2016, 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, 2017 and 2016, 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, 2017, 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 May 29, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Laurel Springs' 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 Springs' internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 29, 2018



**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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 29, 2018. 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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 29, 2018

**BOROUGH OF LAUREL SPRINGS****CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2017 and 2016

| <u>ASSETS</u>                                       | <u>Ref.</u> | <u>2017</u>            | <u>2016</u>            |
|---|-------------|------------------------|------------------------|
| Regular Fund:                                       |             |                        |                        |
| Cash  | SA-1        | \$ 884,391.30          | \$ 790,194.54          |
| Cash--Change Fund                                   | SA-2        | 400.00                 | 400.00                 |
|   |             | <u>884,791.30</u>      | <u>790,594.54</u>      |
| Receivables with Full Reserves:                     |             |                        |                        |
| Delinquent Property Taxes                           | SA-3        | 133,848.49             | 159,331.96             |
| Tax Title Liens                                     | SA-4        | 5,950.04               | 23,826.26              |
| Property Acquired for Taxes -<br>Assessed Valuation | A           | 551.00                 | 551.00                 |
| Revenue Accounts Receivable                         | SA-5        | 2,801.00               | 7,773.63               |
| Due from General Capital Fund                       | A-1         | 23,000.00              |                        |
| Due from Trust - Other Fund                         | SB-5        | 769.60                 | 0.63                   |
|   |             | <u>166,920.13</u>      | <u>191,483.48</u>      |
| Deferred Charges:                                   |             |                        |                        |
| Reserve for Preparation of Tax Maps                 | SA-6        | 5,000.00               | 10,000.00              |
| Reserve for Master Plan                             | SA-6        | 12,000.00              | 16,000.00              |
| Reserve for Revaluation                             | SA-6        | 60,000.00              | 75,000.00              |
|   |             | <u>77,000.00</u>       | <u>101,000.00</u>      |
|   |             | <u>1,128,711.43</u>    | <u>1,083,078.02</u>    |
| Federal and State Grant Fund:                       |             |                        |                        |
| Cash  | SA-1        | 60,903.34              | 58,239.41              |
| Federal and State Grants Receivable                 | SA-17       | 111,499.04             | 165,277.04             |
|   |             | <u>172,402.38</u>      | <u>223,516.45</u>      |
|   |             | <u>\$ 1,301,113.81</u> | <u>\$ 1,306,594.47</u> |

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2017 and 2016

| <u>LIABILITIES, RESERVES<br/>AND FUND BALANCE</u>                         | <u>Ref.</u> | <u>2017</u>            | <u>2016</u>            |
|---|-------------|------------------------|------------------------|
| Regular Fund:   |             |                        |                        |
| Liabilities:  |             |                        |                        |
| Special Emergency Note Payable  | SA-1        | \$ 60,000.00           | \$ 75,000.00           |
| Appropriation Reserves  | A-3;SA-7    | 124,509.33             | 125,728.46             |
| Due to State of New Jersey - Senior<br>Citizens' and Veterans' Deductions | SA-8        | 3,722.80               | 3,722.80               |
| Due State of New Jersey:  |             |                        |                        |
| State Training Fees   | SA-9        | 378.00                 | 341.00                 |
| Marriage License Fees   | SA-10       | 50.00                  | 150.00                 |
| Prepaid Taxes   | SA-11       | 79,783.26              | 9,723.23               |
| Due County for Added and Omitted Taxes                                    | SA-13       | 856.39                 | 164.70                 |
| Tax Overpayments  | SA-15       | 15,471.74              | 20,231.26              |
| Reserve for Sale of Municipal Assets                                      | SA-1        | 6,229.00               | 18,389.00              |
| Reserve for Tax Map Revisions   | SA-16       | 4,061.00               | 5,000.00               |
| Reserve for Master Plan   | SA-16       | 20,000.00              | 20,000.00              |
| Reserve for Revaluation   | SA-16       | 15,493.60              | 48,623.46              |
|   |             | <u>330,555.12</u>      | <u>327,073.91</u>      |
| Reserves for Receivables and Other Assets                                 | A           | 166,920.13             | 191,483.48             |
| Fund Balance  | A-1         | <u>631,236.18</u>      | <u>564,520.63</u>      |
|   |             | <u>1,128,711.43</u>    | <u>1,083,078.02</u>    |
| Federal and State Grant Fund:   |             |                        |                        |
| Reserve for State and Federal Grants:                                     |             |                        |                        |
| Unappropriated  | SA-18       | 2,196.92               |                        |
| Appropriated  | SA-19       | 170,205.46             | 223,516.45             |
|   |             | <u>172,402.38</u>      | <u>223,516.45</u>      |
|   |             | <u>\$ 1,301,113.81</u> | <u>\$ 1,306,594.47</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, 2017 and 2016

| <u>Revenue and Other Income Realized</u>                           | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Fund Balance Utilized  | \$ 320,000.00       | \$ 299,000.00       |
| Miscellaneous Revenues Anticipated                                 | 635,810.84          | 674,141.94          |
| Receipts from Delinquent Taxes                                     | 182,168.22          | 125,501.63          |
| Receipts from Current Taxes  | 5,577,174.69        | 5,651,296.78        |
| Non-Budget Revenue   | 39,117.26           | 37,168.93           |
| Other Credits to Income:   |                     |                     |
| Unexpended Balance of Appropriation Reserves                       | 112,243.29          | 80,121.05           |
| Liquidation of Reserve for:  |                     |                     |
| Due from State of New Jersey - State Training Fees                 |                     | 99.00               |
| <b>Total Income</b>  | <b>6,866,514.30</b> | <b>6,867,329.33</b> |
| <u>Expenditures</u>  |                     |                     |
| Budget and Emergency Appropriations:                               |                     |                     |
| Operations - Within "CAPS":  |                     |                     |
| Salaries and Wages   | 832,500.00          | 832,200.00          |
| Other Expenses   | 743,800.00          | 792,400.00          |
| Deferred Charges and Statutory Expenditures - Within "CAPS"        | 232,351.16          | 201,214.00          |
| Operations - Excluded from "CAPS":                                 |                     |                     |
| Salaries and Wages   | 130,900.00          | 126,800.00          |
| Other Expenses   | 191,070.87          | 241,371.20          |
| Capital Improvements Excluded from "CAPS"                          | 15,000.00           | 15,000.00           |
| Municipal Debt Service   | 427,702.01          | 412,259.33          |
| Deferred Charges and Statutory Expenditures - Excluded from "CAPS" | 24,000.00           | 9,000.00            |
| Transferred to Board of Education for Use of Local Schools         | 48,876.00           | 47,952.00           |
| County Taxes   | 1,005,926.35        | 992,788.57          |
| Due County for Added Taxes   | 856.39              | 164.70              |
| Local District School Tax  | 2,802,547.00        | 2,997,642.00        |
| Prior Year Realized Tax Revenue - Canceled by State Appeal         |                     | 27,210.20           |
| Prior Year Senior Citizen Disallowance                             | 500.00              | 500.00              |
| Reserves Created:  |                     |                     |
| Due from General Capital   | 23,000.00           |                     |
| Due from Trust - Other Fund  | 768.97              | 0.63                |
| <b>Total Expenditures</b>  | <b>6,479,798.75</b> | <b>6,696,502.63</b> |
| Excess in Revenues (Carried Forward)                               | 386,715.55          | 170,826.70          |

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For The Years Ended December 31, 2017 and 2016

|  | <u>2017</u>          | <u>2016</u>          |
|--|----------------------|----------------------|
| Excess in Revenues (Brought Forward)             | \$ 386,715.55        | \$ 170,826.70        |
| Adjustments to Income Before Fund Balance:       |                      |                      |
| Expenditures included above which are by Statute |                      |                      |
| Deferred Charges to Budget of Succeeding Year    | -                    | 75,000.00            |
| Statutory Excess to Fund Balance                 | 386,715.55           | 245,826.70           |
| <u>Fund Balance</u>                              |                      |                      |
| Fund Balance Jan. 1                              | 564,520.63           | 617,693.93           |
|  | 951,236.18           | 863,520.63           |
| Decreased by:                                    |                      |                      |
| Utilized as Revenue                              | 320,000.00           | 299,000.00           |
| Fund Balance Dec. 31                             | <u>\$ 631,236.18</u> | <u>\$ 564,520.63</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, 2017

|   | Anticipated   |                            | Excess or<br>(Deficit) |            |
|---|---------------|----------------------------|------------------------|------------|
|   | Budget        | Special<br>N.J.S. 40A:4-87 |                        |            |
|   | Realized      |                            |                        |            |
| Fund Balance Anticipated  | \$ 320,000.00 | \$ -                       | \$ 320,000.00          | \$ -       |
| Miscellaneous Revenue   |               |                            |                        |            |
| Licenses:   |               |                            |                        |            |
| Alcoholic Beverages   | 5,000.00      |                            | 7,500.00               | 2,500.00   |
| Other   | 2,800.00      |                            | 9,097.94               | 6,297.94   |
| Fines and Costs:  |               |                            |                        |            |
| Municipal Court   | 66,000.00     |                            | 80,573.47              | 14,573.47  |
| Interest and Cost on Taxes  | 32,000.00     |                            | 47,072.18              | 15,072.18  |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)   | 273,975.00    |                            | 273,975.00             |            |
| Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)   | 44,235.00     |                            | 44,235.00              |            |
| 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  | 15,000.00     |                            | 18,440.00              | 3,440.00   |
| Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services: |               |                            |                        |            |
| Interlocal Municipal Service Agreements Offset with Appropriations  | 27,200.00     |                            | 26,596.93              | (603.07)   |
| Municipal Court   |               |                            |                        |            |
| Interlocal Municipal Service Agreements Offset with Appropriations  | 25,700.00     |                            | 24,369.80              | (1,330.20) |
| Finance Services  |               |                            |                        |            |
| Interlocal Municipal Service Agreements Offset with Appropriations  | 500.00        |                            | 500.00                 |            |
| Recycling Services  |               |                            |                        |            |
| State and Federal Revenues Off-Set with Appropriations:   |               |                            |                        |            |
| Body Armor Replacement Fund   |               | 1,062.42                   | 1,062.42               |            |
| Clean Communities Grant   |               | 4,424.61                   | 4,424.61               |            |
| Camden County Recreation Enhancement Grant  |               | 25,000.00                  | 25,000.00              |            |
| Safe and Secure Communities Program - P.L. 1994, Chapter 220  | 25,000.00     |                            | 25,000.00              |            |
| Recycling Tonnage Grant   | 2,283.84      |                            | 2,283.84               |            |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**

Statement of Revenues - Regulatory Basis  
 For The Year Ended December 31, 2017

|   | <u>Anticipated</u>     |   | Excess or<br>(Deficit) |
|---|------------------------|---|------------------------|
|   | <u>Budget</u>          | <u>Special<br/>N.J.S. 40A:4-87<br/>Realized</u> |                        |
| Special Items of General Revenue Anticipated with Prior Written<br>Consent of Director of Local Government Services (Cont'd): |                        |   |                        |
| Other Special Items:  |                        |   |                        |
| Uniform Fire Safety Act   | \$ 5,000.00            | \$ 8,679.65                                     | \$ 3,679.65            |
| Reserve for Payment of Bonds and Notes  | 23,000.00              | 23,000.00                                       |                        |
| Reserve for Sale of Municipal Assets  | 14,000.00              | 14,000.00                                       |                        |
|   | <u>561,693.84</u>      | <u>30,487.03</u>                                | <u>43,629.97</u>       |
| Receipts from Delinquent Taxes  | 145,006.16             | -   | 37,162.06              |
| Amounts to be Raised by Taxes for Support of Municipal Budget:  |                        |   |                        |
| Local Tax for Municipal Purposes including<br>Reserve for Uncollected Taxes   | 1,902,300.00           | 2,050,144.95                                    | 147,844.95             |
| Budget Totals   | 2,929,000.00           | 3,188,124.01                                    | 228,636.98             |
| Non-Budget Revenues   | -                      | 39,117.26                                       | 39,117.26              |
|   | <u>\$ 2,929,000.00</u> | <u>\$ 3,227,241.27</u>                          | <u>\$ 267,754.24</u>   |



**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For The Year Ended December 31, 2017

Analysis of Realized Revenues

|  |                 |
|--|-----------------|
| Allocation of Current Tax Collections:                 |                 |
| Revenue from Collections                               | \$ 5,577,174.69 |
| Allocated to:  |                 |
| School and County Taxes                                | 3,809,329.74    |
| Balance for Support of Municipal Budget Appropriations | 1,767,844.95    |
| Add: Appropriation "Reserve for Uncollected Taxes"     | 282,300.00      |
| Amount for Support of Municipal Budget Appropriations  | \$ 2,050,144.95 |
| Receipts from Delinquent Taxes:                        |                 |
| Delinquent Tax Collections                             | \$ 158,295.03   |
| Tax Title Liens  | 23,873.19       |
|  | \$ 182,168.22   |
| Licenses - Other:                                      |                 |
| Clerk  | \$ 9,097.94     |

Analysis of Non-Budget Revenue

|   |              |
|---|--------------|
| Miscellaneous Revenue Not Anticipated:                        |              |
| Pine Valley Recycling Tonnage Grant                           | \$ 500.00    |
| Dumpster Permits  | 10.00        |
| Refund of Prior Year Expenses                                 | 3,926.91     |
| Cable T.V. Franchise Taxes                                    | 7,521.26     |
| Property Maintenance Fees                                     | 123.30       |
| Recycling Fees  | 4,931.22     |
| Void Stale Checks   | 5.24         |
| Camden County JIF Safety Incentive                            | 1,500.00     |
| Truck Rentals   | 350.00       |
| Wedding Ceremony Fees   | 200.00       |
| NJ DMV Inspections Fees                                       | 1,909.50     |
| Vacant Property Registration                                  | 16,775.03    |
| Administrative Fee for Homestead Rebate Credit                | 100.20       |
| Administrative Fee for Senior Citizen and Veterans Deductions | 495.00       |
|   | 38,347.66    |
| Due from Trust - Other Fund - Payroll Misc.                   | 769.60       |
|   | \$ 39,117.26 |

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, 2017

|                                   | Appropriations |                              | Expended           |          | Unexpended<br>Balance<br>Canceled |
|-----------------------------------|----------------|------------------------------|--------------------|----------|-----------------------------------|
|                                   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved |                                   |
| <b>OPERATIONS - WITHIN "CAPS"</b> |                |                              |                    |          |                                   |
| <u>General Government</u>         |                |                              |                    |          |                                   |
| Borough Administrator             | \$ 11,500.00   | \$ 11,500.00                 | \$ 11,468.08       | \$ 31.92 |                                   |
| Salaries and Wages                | 500.00         | 500.00                       | 218.75             | 281.25   |                                   |
| Other Expenses                    |                |                              |                    |          |                                   |
| Mayor and Council                 | 2,100.00       | 2,100.00                     | 1,505.96           | 594.04   |                                   |
| Other Expenses                    |                |                              |                    |          |                                   |
| Municipal Clerk                   |                |                              |                    |          |                                   |
| Salaries and Wages                | 86,700.00      | 79,500.00                    | 75,043.98          | 4,456.02 | \$ 4,000.00                       |
| Other Expenses                    | 14,800.00      | 14,300.00                    | 9,667.25           | 4,632.75 |                                   |
| Financial Administration          |                |                              |                    |          |                                   |
| Salaries and Wages                | 49,300.00      | 48,300.00                    | 47,906.87          | 393.13   |                                   |
| Other Expenses                    | 15,600.00      | 16,600.00                    | 16,009.85          | 590.15   |                                   |
| Audit Services                    |                |                              |                    |          |                                   |
| Other Expenses                    | 31,000.00      | 31,000.00                    | 30,750.00          | 250.00   |                                   |
| Collection of Taxes               |                |                              |                    |          |                                   |
| Salaries and Wages                | 9,600.00       | 7,600.00                     | 7,041.55           | 558.45   |                                   |
| Other Expenses                    | 2,000.00       | 2,000.00                     | 1,913.12           | 86.88    |                                   |
| Assessment of Taxes               |                |                              |                    |          |                                   |
| Salaries and Wages                | 6,300.00       | 6,300.00                     | 6,242.08           | 57.92    |                                   |
| Other Expenses                    | 2,300.00       | 2,300.00                     | 584.26             | 515.74   | 1,200.00                          |
| Legal Services                    |                |                              |                    |          |                                   |
| Other Expenses                    | 27,600.00      | 26,100.00                    | 25,600.00          | 500.00   |                                   |
| Engineering Services              |                |                              |                    |          |                                   |
| Other Expenses                    | 800.00         | 300.00                       |                    | 300.00   |                                   |
| Economic Development              |                |                              |                    |          |                                   |
| Other Expenses                    | 500.00         | 2,300.00                     | 1,811.50           | 488.50   |                                   |
| <u>Land Use Administration</u>    |                |                              |                    |          |                                   |
| Planning Board                    |                |                              |                    |          |                                   |
| Salaries and Wages                | 4,500.00       | 4,500.00                     | 4,457.12           | 42.88    |                                   |
| Other Expenses                    | 2,600.00       | 2,600.00                     | 2,325.00           | 275.00   |                                   |

(Continued)

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|   | Appropriations |                              | Expended           |           | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| <u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>   |                |                              |                    |           |                                   |
| <u>Code Enforcement and Administration</u>  |                |                              |                    |           |                                   |
| Code Enforcement Office                     |                |                              |                    |           |                                   |
| Salaries and Wages                          | \$ 7,100.00    | \$ 7,100.00                  | \$ 5,995.23        | \$ 104.77 | \$ 1,000.00                       |
| Other Expenses                              | 100.00         | 100.00                       |                    | 100.00    |                                   |
| Property Maintenance Officer                |                |                              |                    |           |                                   |
| Salaries and Wages                          | 3,200.00       | 3,200.00                     | 3,123.13           | 76.87     |                                   |
| Other Expenses                              | 100.00         | 100.00                       |                    | 100.00    |                                   |
| <u>Insurance</u>                            |                |                              |                    |           |                                   |
| General Liability Insurance                 | 71,000.00      | 71,000.00                    | 66,997.03          | 2,002.97  | 2,000.00                          |
| Workers Compensation Insurance              | 56,000.00      | 56,000.00                    | 54,105.19          | 894.81    | 1,000.00                          |
| Employee Group Insurance Plan for Employees | 153,000.00     | 161,000.00                   | 155,969.20         | 5,030.80  |                                   |
| Disability Insurance                        | 4,000.00       | 2,600.00                     | 2,457.86           | 142.14    |                                   |
| Health Benefits Waiver                      | 8,000.00       | 8,000.00                     | 6,504.30           | 95.70     | 1,400.00                          |
| <u>Public Safety Functions</u>              |                |                              |                    |           |                                   |
| <u>Police</u>                               |                |                              |                    |           |                                   |
| Salaries and Wages                          | 537,700.00     | 537,700.00                   | 528,607.55         | 4,092.45  | 5,000.00                          |
| Other Expenses                              | 18,700.00      | 18,700.00                    | 9,771.65           | 8,928.35  |                                   |
| <u>Office of Emergency Management</u>       |                |                              |                    |           |                                   |
| Salaries and Wages                          | 1,200.00       | 1,200.00                     | 1,196.06           | 3.94      |                                   |
| Other Expenses                              | 400.00         | 400.00                       | 139.96             | 260.04    |                                   |
| Aid to Volunteer Fire Company               | 21,500.00      | 21,500.00                    | 21,050.04          | 449.96    |                                   |
| <u>Uniform Fire Safety Act</u>              |                |                              |                    |           |                                   |
| Salaries and Wages                          | 4,200.00       | 4,200.00                     | 4,162.08           | 37.92     |                                   |
| Other Expenses                              | 900.00         | 900.00                       | 606.53             | 293.47    |                                   |
| Fire Hydrant Service                        | 29,000.00      | 29,000.00                    | 27,871.80          | 1,128.20  |                                   |
| <u>Municipal Court</u>                      |                |                              |                    |           |                                   |
| Salaries and Wages                          | 22,400.00      | 22,400.00                    | 15,289.54          | 3,110.46  | 4,000.00                          |
| Other Expenses                              | 2,900.00       | 2,900.00                     | 885.00             | 2,015.00  |                                   |

(Continued)

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|  | Appropriations |                              | Expended           |           | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| <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                         | 57,800.00      | 61,800.00                    | \$ 59,352.23       | 447.77    | \$ 2,000.00                       |
| Other Expenses                             | 9,500.00       | 8,000.00                     | 3,308.44           | 4,691.56  |                                   |
| Shade Tree Program                         |                |                              |                    |           |                                   |
| Other Expenses                             | 8,000.00       | 8,000.00                     | 7,465.89           | 534.11    |                                   |
| Garbage and Trash Removal                  |                |                              |                    |           |                                   |
| Salaries and Wages                         | 100.00         | 100.00                       |                    | 100.00    |                                   |
| Other Expenses                             | 700.00         | 700.00                       | 478.86             | 221.14    |                                   |
| Public Building and Grounds                |                |                              |                    |           |                                   |
| Salaries and Wages                         | 29,900.00      | 25,400.00                    | 17,243.47          | 3,156.53  | 5,000.00                          |
| Other Expenses                             | 20,800.00      | 22,800.00                    | 18,097.98          | 4,702.02  |                                   |
| Vehicle Maintenance                        |                |                              |                    |           |                                   |
| Other Expenses                             | 26,000.00      | 26,000.00                    | 14,669.77          | 11,330.23 |                                   |
| <u>Health and Human Services</u>           |                |                              |                    |           |                                   |
| Registrar of Vital Statistics              |                |                              |                    |           |                                   |
| Salaries and Wages                         | 1,600.00       | 1,600.00                     | 1,524.12           | 75.88     |                                   |
| Other Expenses                             | 800.00         | 800.00                       | 386.00             | 414.00    |                                   |
| Animal Control Services                    |                |                              |                    |           |                                   |
| Other Expenses                             | 3,900.00       | 3,900.00                     | 3,900.00           |           |                                   |
| Board of Health                            |                |                              |                    |           |                                   |
| Salaries and Wages                         | 3,200.00       | 3,200.00                     | 2,482.59           | 717.41    |                                   |
| Other Expenses                             | 200.00         | 200.00                       | 50.00              | 150.00    |                                   |

(Continued)

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|   | Appropriations |                              | Expended           |           | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| <u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>             |                |                              |                    |           |                                   |
| <u>Health and Human Services (Cont'd)</u>             |                |                              |                    |           |                                   |
| Recreation Services and Programs                      |                |                              |                    |           |                                   |
| Salaries and Wages                                    | \$ 7,700.00    | \$ 7,700.00                  | \$ 6,939.82        | \$ 760.18 |                                   |
| Other Expenses  | 200.00         | 200.00                       |                    | 200.00    |                                   |
| Celebration of Public Events, Anniversary or Holidays |                |                              |                    |           |                                   |
| Other Expenses  | 1,000.00       | 1,000.00                     | 564.03             | 435.97    |                                   |
| Utility Expenses and Bulk Purchases                   | 137,000.00     | 135,500.00                   | 115,642.09         | 19,857.91 |                                   |
| Landfill/Solid Waste Disposal Costs                   | 67,100.00      | 68,100.00                    | 61,277.66          | 6,822.34  |                                   |
| Accumulated Leave Compensation                        | 18,000.00      | 18,000.00                    | 12,938.70          | 1,061.30  | \$ 4,000.00                       |
| Uniform Construction Code -                           |                |                              |                    |           |                                   |
| Appropriations Offset by Dedicated                    |                |                              |                    |           |                                   |
| Revenues (N.J.A.C. 5:23-4.14)                         |                |                              |                    |           |                                   |
| Construction Code Official                            |                |                              |                    |           |                                   |
| Salaries and Wages                                    | 5,300.00       | 6,100.00                     | 5,927.26           | 172.74    |                                   |
| Other Expenses  | 1,800.00       | 1,800.00                     | 630.43             | 1,169.57  |                                   |
| Total Operations within "CAPS"                        | 1,609,900.00   | 1,606,900.00                 | 1,480,156.86       | 96,143.14 | 30,600.00                         |
| Detail:   |                |                              |                    |           |                                   |
| Salaries and Wages                                    | 867,400.00     | 857,500.00                   | 816,941.46         | 15,558.54 | 25,000.00                         |
| Other Expenses  | 742,500.00     | 749,400.00                   | 663,215.40         | 80,584.60 | 5,600.00                          |

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|   | Appropriations |                              | Expended           |           | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| <u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u> |                |                              |                    |           |                                   |
| Statutory Expenditures:   |                |                              |                    |           |                                   |
| Contribution to:  |                |                              |                    |           |                                   |
| Public Employees Retirement System  | \$ 33,300.00   | \$ 33,300.00                 | \$ 33,282.00       |           | \$ 18.00                          |
| Police and Firemen's Retirement System of NJ                                  | 123,000.00     | 123,000.00                   | 122,929.00         |           | 71.00                             |
| Defined Contribution Plan   | 100.00         | 100.00                       | \$ 100.00          |           |                                   |
| Social Security System (O.A.S.I.)   | 73,540.16      | 73,540.16                    | 63,366.30          | 10,173.86 |                                   |
| Unemployment Insurance  | 1,000.00       | 2,500.00                     | 2,081.23           | 418.77    |                                   |
| Total Statutory Expenditures  | 230,940.16     | 232,440.16                   | 221,658.53         | 10,692.63 | 89.00                             |
| 1,840,840.16  | 1,839,340.16   | 1,701,815.39                 | 106,835.77         | 30,689.00 |                                   |
| <u>OPERATIONS - EXCLUDED FROM "CAPS"</u>                                      |                |                              |                    |           |                                   |
| Landfill Recycling Fees (P.L.2007, c. 311)                                    | 2,600.00       | 3,100.00                     | 2,277.33           | 822.67    |                                   |
| <u>Interlocal Municipal Service Agreements:</u>                               |                |                              |                    |           |                                   |
| Municipal Court   |                |                              |                    |           |                                   |
| Salaries and Wages  | 25,200.00      | 26,200.00                    | 25,785.12          | 414.88    |                                   |
| Other Expenses  | 27,800.00      | 26,800.00                    | 11,072.44          | 15,727.56 |                                   |
| Tax Collector Services  |                |                              |                    |           |                                   |
| Other Expenses  | 17,100.00      | 17,100.00                    | 17,085.00          | 15.00     |                                   |
| Construction Code Official  |                |                              |                    |           |                                   |
| Other Expenses  | 16,000.00      | 17,000.00                    | 16,603.84          | 396.16    |                                   |
| Finance Services  |                |                              |                    |           |                                   |
| Salaries and Wages  | 19,900.00      | 19,900.00                    | 19,835.75          | 64.25     |                                   |
| Other Expenses  | 6,100.00       | 6,100.00                     | 5,934.88           | 165.12    |                                   |
| Garbage and Trash Removal   |                |                              |                    |           |                                   |
| Other Expenses  | 88,200.00      | 88,200.00                    | 88,132.08          | 67.92     |                                   |
| Recycling Services  |                |                              |                    |           |                                   |
| Salaries and Wages  | 500.00         | 500.00                       | 500.00             |           |                                   |
| Total Other Operations - Excluded from "CAPS"                                 | 203,400.00     | 204,900.00                   | 187,226.44         | 17,673.56 | -                                 |

(Continued)

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|   | Appropriations |                              | Expended           |           | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>                            |                |                              |                    |           |                                   |
| <u>Public and Private Programs Offset by Revenues</u>               |                |                              |                    |           |                                   |
| Camden County Recreation Enhancement Grant (40A:4-87, \$25,000.00+) | \$             | 25,000.00                    | \$ 25,000.00       |           |                                   |
| Clean Communities Act (40A:4-87, \$4,424.61+)                       |                | 4,424.61                     | 4,424.61           |           |                                   |
| Body Armor Replacement Grant (40A:4-87, \$1,062.42+)                |                | 1,062.42                     | 1,062.42           |           |                                   |
| Safe and Secure Communities Program                                 | 84,300.00      | 84,300.00                    | 84,300.00          |           |                                   |
| Recycling Tonnage Grant   | 2,283.84       | 2,283.84                     | 2,283.84           |           |                                   |
| <b>Total Public and Private Programs Offset by Revenues</b>         | 86,583.84      | 117,070.87                   | 117,070.87         | \$ -      | \$ -                              |
| <b>Total Operations - Excluded from "CAPS"</b>                      | 289,983.84     | 321,970.87                   | 304,297.31         | 17,673.56 | -                                 |
| <b>Detail:</b>  |                |                              |                    |           |                                   |
| Salaries and Wages  | 129,900.00     | 130,900.00                   | 130,420.87         | 479.13    | -                                 |
| Other Expenses  | 160,083.84     | 191,070.87                   | 173,876.44         | 17,194.43 | -                                 |
| <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   | 342,000.00     | 342,000.00                   | 342,000.00         |           |                                   |
| Interest on Bonds   | 80,000.00      | 80,000.00                    | 79,818.41          |           | 181.59                            |
| Interest on Notes   | 6,000.00       | 6,000.00                     | 5,883.60           |           | 116.40                            |
| <b>Total Municipal Debt Service - Excluded from "CAPS"</b>          | 428,000.00     | 428,000.00                   | 427,702.01         | -         | 297.99                            |
| <u>Deferred Charges - Municipal - Excluded from "CAPS"</u>          |                |                              |                    |           |                                   |
| Special Emergency Authorization - Five Years (N.J.S.A. 40A:4-55)    | 24,000.00      | 24,000.00                    | 24,000.00          | -         | -                                 |

**BOROUGH OF LAUREL SPRINGS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2017

|  | Appropriations  |                              | Expended           |               | Unexpended<br>Balance<br>Canceled |
|--|-----------------|------------------------------|--------------------|---------------|-----------------------------------|
|  | Budget          | Budget After<br>Modification | Paid or<br>Charged | Reserved      |                                   |
| Transferred to Board of Education for Use of Local Schools<br>(N.J.S.A. 40:48-17.1 & 17.3) | \$ 48,876.00    | \$ 48,876.00                 | \$ 48,876.00       | \$ -          | \$ -                              |
| Total General Appropriations for Municipal Purposes<br>Excluded from "CAPS"                | 805,859.84      | 837,846.87                   | 819,875.32         | 17,673.56     | 297.99                            |
| Subtotal General Appropriations  | 2,646,700.00    | 2,677,187.03                 | 2,521,690.71       | 124,509.33    | 30,986.99                         |
| Reserve for Uncollected Taxes  | 282,300.00      | 282,300.00                   | 282,300.00         | -             | -                                 |
| Total General Appropriations   | \$ 2,929,000.00 | \$ 2,959,487.03              | \$ 2,803,990.71    | \$ 124,509.33 | \$ 30,986.99                      |
| Budget   | \$ 2,929,000.00 |                              |                    |               |                                   |
| Appropriation by 40A:4-87  |                 | 30,487.03                    |                    |               |                                   |
|  |                 | \$ 2,959,487.03              |                    |               |                                   |
| Cash Disbursements   |                 |                              | \$ 2,380,619.84    |               |                                   |
| Deferred Charge - Special Emergency Authorizations   |                 |                              | 24,000.00          |               |                                   |
| Reserve for Federal and State Grants--Appropriated   |                 |                              | 117,070.87         |               |                                   |
| Reserve for Uncollected Taxes  |                 |                              | 282,300.00         |               |                                   |
|  |                 |                              | \$ 2,803,990.71    |               |                                   |

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, 2017 and 2016

| <u>ASSETS</u>   | <u>Ref.</u> | <u>2017</u>          | <u>2016</u>          |
|---|-------------|----------------------|----------------------|
| Animal Control Fund:  |             |                      |                      |
| Cash  | SB-1        | \$ 352.17            | \$ -                 |
| Other Funds:  |             |                      |                      |
| Cash--Treasurer   | SB-1        | 72,029.54            | 72,984.81            |
| Cash--Collector   | SB-2        | 127,700.19           | 84,737.43            |
|   |             | <u>199,729.73</u>    | <u>157,722.24</u>    |
|   |             | <u>\$ 200,081.90</u> | <u>\$ 157,722.24</u> |
| <br><u>LIABILITIES AND RESERVES</u>                                   |             |                      |                      |
| Animal Control Fund:  |             |                      |                      |
| Reserve for Animal Control Fund Expenditures                          | SB-3        | \$ 346.17            |                      |
| Due to State  | SB-4        | 6.00                 |                      |
|   |             | <u>352.17</u>        | <u>\$ -</u>          |
| Other Funds:  |             |                      |                      |
| Reserve for Tax Title Lien Redemption                                 | SB-2        | 127,700.19           | 84,737.43            |
| Due to Current Fund   | SB-5        | 769.60               | 0.63                 |
| Payroll Deductions Payable  | SB-6        | 18,322.32            | 15,626.41            |
| Reserve for Disposal of Forfeited Property                            | SB-7        | 2,293.12             | 3,735.92             |
| Reserve for New Jersey Unemployment Compensation Insurance Trust Fund | SB-8        | 5,086.45             | 8,212.22             |
| Reserve for Planning Board Escrow Deposits                            | SB-9        | 513.67               | 312.67               |
| Reserve for Recreation Commission                                     | SB-10       | 5,506.03             | 7,736.11             |
| Reserve for Outside Employment of Off-Duty Municipal Police Officers  | SB-11       | 37,779.18            | 35,471.68            |
| Reserve for Public Defender   | SB-12       | 1,666.17             | 1,796.17             |
| Reserve for Parking Offenses Adjudication Act                         | B           | 93.00                | 93.00                |
|   |             | <u>199,729.73</u>    | <u>157,722.24</u>    |
|   |             | <u>\$ 200,081.90</u> | <u>\$ 157,722.24</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, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2017 and 2016

| <u>ASSETS</u>                                     | <u>Ref.</u> | <u>2017</u>            | <u>2016</u>            |
|---|-------------|------------------------|------------------------|
| Cash  | SC-1        | \$ 475,406.43          | \$ 647,354.90          |
| Deferred Charges to Future Taxation:              |             |                        |                        |
| Funded  | SC-3        | 2,041,350.00           | 2,383,350.00           |
| Unfunded  | SC-4        | 515,890.00             | 398,090.00             |
| New Jersey Transportation Trust Fund Receivable   | SC-5        | 65,202.50              | 200,000.00             |
|   |             | <u>\$ 3,097,848.93</u> | <u>\$ 3,628,794.90</u> |
| <br><u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |                        |                        |
| Reserve for Payment of Bonds                      | SC-2        | \$ 42,630.59           | \$ 33,417.17           |
| Due to Current Fund                               | SC-2        | 23,000.00              |                        |
| Capital Improvement Fund                          | SC-6        | 10,605.00              | 1,805.00               |
| Improvement Authorizations:                       |             |                        |                        |
| Funded  | SC-7        | 163,297.58             | 422,400.37             |
| Unfunded  | SC-7        | 419,469.14             | 390,325.74             |
| Bond Anticipation Notes                           | SC-8        | 397,000.00             | 397,000.00             |
| General Serial Bonds                              | SC-9        | 2,041,350.00           | 2,383,350.00           |
| Fund Balance                                      | C           | 496.62                 | 496.62                 |
|   |             | <u>\$ 3,097,848.93</u> | <u>\$ 3,628,794.90</u> |

There were bonds and notes authorized but not issued on December 31, 2017 totaling \$118,890.00 and on December 31, 2016 totaling \$1,090.00.

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, 2017 and 2016

| <u>ASSETS</u>                                 | <u>Ref.</u> | <u>2017</u>          | <u>2016</u>          |
|---|-------------|----------------------|----------------------|
| Operating Fund:                               |             |                      |                      |
| Cash--Treasurer                               | SD-1        | \$ 169,860.03        | \$ 183,138.87        |
| Receivables with Full Reserves:               |             |                      |                      |
| Sewer Rents                                   | SD-3        | 13,742.10            | 12,947.56            |
| Total Operating Fund                          |             | <u>183,602.13</u>    | <u>196,086.43</u>    |
| Capital Fund:                                 |             |                      |                      |
| Cash - Treasurer                              | SD-1&2      | 15,643.88            | 14,838.88            |
| 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                            |             | <u>556,071.77</u>    | <u>555,266.77</u>    |
|   |             | <u>\$ 739,673.90</u> | <u>\$ 751,353.20</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |                      |                      |
| Operating Fund:                               |             |                      |                      |
| Liabilities:                                  |             |                      |                      |
| Appropriation Reserves                        | D-3         | \$ 4,744.40          | \$ 9,319.57          |
| Prepaid Rents                                 | SD-1        | 1,155.03             | 1,020.12             |
| Accrued Interest on Bonds and Notes           | SD-4        | 81.65                | 86.88                |
|   |             | 5,981.08             | 10,426.57            |
| Reserve for Receivables                       | D           | 13,742.10            | 12,947.56            |
| Fund Balance                                  | D-1         | 163,878.95           | 172,712.30           |
| Total Operating Fund                          |             | <u>183,602.13</u>    | <u>196,086.43</u>    |
| Capital Fund:                                 |             |                      |                      |
| Improvement Authorizations:                   |             |                      |                      |
| Funded  | SD-6        | 10,398.00            | 10,593.00            |
| Unfunded                                      | SD-6        | 630.00               | 630.00               |
| Capital Improvement Fund                      | SD-7        | 5,230.00             | 4,230.00             |
| Reserve for Amortization                      | SD-8        | 510,027.89           | 507,027.89           |
| Reserve for Deferred Amortization             | D           | 2,770.00             | 2,770.00             |
| Serial Bonds                                  | SD-9        | 27,000.00            | 30,000.00            |
| Fund Balance                                  | D           | 15.88                | 15.88                |
| Total Capital Fund                            |             | <u>556,071.77</u>    | <u>555,266.77</u>    |
|   |             | <u>\$ 739,673.90</u> | <u>\$ 751,353.20</u> |

There were bonds and notes authorized but not issued totaling \$630.00 as of December 31, 2017 and 2016.

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, 2017 and 2016

| <u>Revenue and Other<br/>Income Realized</u>     | <u>2017</u>           | <u>2016</u>           |
|--|-----------------------|-----------------------|
| Fund Balance Utilized                            | \$ 24,000.00          | \$ 14,000.00          |
| Sewer Rents                                      | 154,372.20            | 153,450.68            |
| Miscellaneous                                    | 2,162.38              | 1,729.38              |
| Other Credits to Income:                         |                       |                       |
| Unexpended Balance of Appropriation Reserves     | 9,319.57              | 2,885.77              |
| <br>Total Income                                 | <br><u>189,854.15</u> | <br><u>172,065.83</u> |
| <u>Expenditures</u>                              |                       |                       |
| Budget Appropriations:                           |                       |                       |
| Operating  | 167,300.00            | 157,500.00            |
| Capital Improvements                             | 1,000.00              | 1,000.00              |
| Debt Service                                     | 3,687.50              | 3,721.19              |
| Statutory Expenditures                           | 2,700.00              | 2,500.00              |
| <br>Total Expenditures                           | <br><u>174,687.50</u> | <br><u>164,721.19</u> |
| Statutory Excess to Fund Balance                 | 15,166.65             | 7,344.64              |
| Adjustments to Income Before Fund Balance:       |                       |                       |
| Expenditures included above which are by Statute |                       |                       |
| Deferred Charges to Budget of Succeeding Year    | -                     | -                     |
|  | <u>15,166.65</u>      | <u>7,344.64</u>       |
| <u>Fund Balance</u>                              |                       |                       |
| Balance Jan. 1                                   | <u>172,712.30</u>     | <u>179,367.66</u>     |
|  | 187,878.95            | 186,712.30            |
| Utilization in Budget                            | <u>24,000.00</u>      | <u>14,000.00</u>      |
| Balance Dec. 31                                  | <u>\$ 163,878.95</u>  | <u>\$ 172,712.30</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, 2017

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|                          | <u>Budget</u>        | <u>Realized</u>      | <u>Excess</u>      |
|--------------------------|----------------------|----------------------|--------------------|
| Fund Balance Anticipated | \$ 24,000.00         | \$ 24,000.00         |                    |
| Rents                    | 150,000.00           | 154,372.20           | \$ 4,372.20        |
| Miscellaneous Revenues   | 1,000.00             | 2,162.38             | 1,162.38           |
|                          | <u>\$ 175,000.00</u> | <u>\$ 180,534.58</u> | <u>\$ 5,534.58</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, 2017

|  | Appropriations     |                              | Paid or Charged | Reserved    | Unexpended<br>Balance<br>Canceled |
|--|--------------------|------------------------------|-----------------|-------------|-----------------------------------|
|  | Original<br>Budget | Budget After<br>Modification |                 |             |                                   |
| <b>Operating</b>                                   |                    |                              |                 |             |                                   |
| Salaries and Wages                                 | \$ 17,300.00       | \$ 17,300.00                 | \$ 17,213.88    | \$ 86.12    |                                   |
| Other Expenses                                     | 150,000.00         | 150,000.00                   | 146,722.53      | 3,277.47    |                                   |
| Total Operating                                    | 167,300.00         | 167,300.00                   | 163,936.41      | 3,363.59    | \$ -                              |
| <b>Capital Improvements</b>                        |                    |                              |                 |             |                                   |
| Capital Improvement Fund                           | 1,000.00           | 1,000.00                     | 1,000.00        | -           | -                                 |
| <b>Debt Service</b>                                |                    |                              |                 |             |                                   |
| Payment of Bond Principal                          | 3,000.00           | 3,000.00                     | 3,000.00        |             |                                   |
| Interest on Bonds                                  | 1,000.00           | 1,000.00                     | 687.50          |             | 312.50                            |
| Total Debt Service                                 | 4,000.00           | 4,000.00                     | 3,687.50        | -           | 312.50                            |
| <b>Deferred Charges and Statutory Expenditures</b> |                    |                              |                 |             |                                   |
| Statutory Expenditures:                            |                    |                              |                 |             |                                   |
| Social Security System (O.A.S.I.)                  | 2,700.00           | 2,700.00                     | 1,319.19        | 1,380.81    | -                                 |
|  | \$ 175,000.00      | \$ 175,000.00                | \$ 169,943.10   | \$ 4,744.40 | \$ 312.50                         |
| Cash Disbursements                                 |                    |                              | \$ 169,255.60   |             |                                   |
| Interest on Bonds and Notes                        |                    |                              | 687.50          |             |                                   |
|  |                    |                              | \$ 169,943.10   |             |                                   |

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, 2017

|  | Balance<br><u>Dec. 31, 2016</u> | <u>Additions</u>     | <u>Deletions</u>    | Balance<br><u>Dec. 31, 2017</u> |
|--|---------------------------------|----------------------|---------------------|---------------------------------|
| General Fixed Assets:                    |                                 |                      |                     |                                 |
| Land                                     | \$ 1,082,900.00                 |                      |                     | \$ 1,082,900.00                 |
| Buildings and Improvements               | 2,240,297.98                    | \$ 39,100.00         |                     | 2,279,397.98                    |
| Vehicles and Equipment                   | 2,075,971.85                    | 74,562.00            | \$ 10,445.00        | 2,140,088.85                    |
| Total General Fixed Assets               | <u>\$ 5,399,169.83</u>          | <u>\$ 113,662.00</u> | <u>\$ 10,445.00</u> | <u>\$ 5,502,386.83</u>          |
| Total Investment in General Fixed Assets | <u>\$ 5,399,169.83</u>          |                      |                     | <u>\$ 5,502,386.83</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, 2017

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of Laurel Springs (hereafter referred to as 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, No. 61 and No. 80.

**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* (the "*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 and an account group 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 to 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.

**Pensions** - 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 fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, 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.

**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, 2017, all of the Borough's bank balances of \$1,759,457.94 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:

**Comparative Schedule of Tax Rates**

|                            | <u>Year Ended</u> |             |             |             |             |
|----------------------------|-------------------|-------------|-------------|-------------|-------------|
|                            | <u>2017 (1)</u>   | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| Tax Rate                   | \$ 4.946          | \$ 7.508    | \$ 7.335    | \$ 7.222    | \$ 6.984    |
| Apportionment of Tax Rate: |                   |             |             |             |             |
| Municipal                  | \$ 1.647          | \$ 2.363    | \$ 2.309    | \$ 2.278    | \$ 2.216    |
| County                     | .872              | 1.281       | 1.299       | 1.298       | 1.324       |
| Local School               | 2.427             | 3.864       | 3.727       | 3.646       | 3.444       |

(1) Revaluation

**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>     |
|-------------|-------------------|
| 2017 (1)    | \$ 115,469,300.00 |
| 2016        | 77,578,374.00     |
| 2015        | 77,925,781.00     |
| 2014        | 78,163,196.00     |
| 2013        | 81,497,148.00     |

(1) Revaluation

**Comparison of Tax Levies and Collections**

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|--------------------|----------------------------------|
| 2017        | \$ 5,715,968.94 | \$ 5,577,174.69    | 97.57%                           |
| 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%                           |

**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> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2017        | \$ 5,950.04            | \$ 133,848.49           | \$ 139,798.53           | 2.45%                         |
| 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%                         |

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> |
|-------------|---------------|
| 2017        | 1             |
| 2016        | 2             |
| 2015        | 2             |
| 2014        | 1             |
| 2013        | -             |

**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> |
|-------------|---------------|
| 2017        | \$ 551.00     |
| 2016        | 551.00        |
| 2015        | 551.00        |
| 2014        | 551.00        |
| 2013        | 551.00        |

**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> |               |               |                         |
| 2017        | \$ 12,947.56                     | \$ -         | \$ 155,750.00 | \$ 168,697.56 | \$ 154,372.20           |
| 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              |

**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> |
|-------------|-----------------------------|--|--|
| 2017        | \$ 631,236.18               | \$ 332,000.00                                | 52.60%                                 |
| 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%                                 |

**Note 6: FUND BALANCES APPROPRIATED (CONT'D)****Sewer Utility Fund**

| <u>Year</u> | <u>Balance<br/>December 31,</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|-------------|---------------------------------|--|--|
| 2017        | \$ 163,878.95                   | \$ 31,000.00   | 18.92%   |
| 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%  |

**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, 2017:

| <u>Fund</u>     | <u>Interfunds<br/>Receivable</u> | <u>Interfunds<br/>Payable</u> |
|-----------------|----------------------------------|-------------------------------|
| Current         | \$ 23,769.60                     |                               |
| General Capital |                                  | \$ 23,000.00                  |
| Trust - Other   |                                  | 769.60                        |
|                 | <u>\$ 23,769.60</u>              | <u>\$ 23,769.60</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 2018, 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/financial-reports.shtml>

**Note 8: PENSION PLANS (CONT'D)****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 and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**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



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

**Public Employees' Retirement System (Cont'd)** - Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 with 25 years or more of service credit before age 62, 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.

**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 10 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 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.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****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 7.20% in State fiscal year 2017. 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) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 12.03% 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.

Based on the most recent PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$32,500.00, and is payable by April 1, 2018. 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, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$33,282.00.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$19,980.54.

**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 was 10% in State fiscal year 2017. 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 non-employer 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, 2017 was 26.90% 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.

**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, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$141,233.00, and is payable by April 1, 2018. 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, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$122,929.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$52,508.60.

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, 2017 was 2.63% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$13,799.00, and is payable by April 1, 2018. Based on the 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 was \$9,267.00, which was paid on April 1, 2017.

**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, 2017, the Borough's proportionate share of the PERS net pension liability was \$816,660.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the Borough's proportion was 0.0035082295%, which was a decrease of 0.0002381162% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$14,391.00. 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, 2017, the Borough's contribution to PERS was \$33,282.00, and was paid on April 1, 2017.

**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** - At December 31, 2017, 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   | \$ 2,463,637.00        |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough | 275,948.00             |
|  | <u>\$ 2,739,585.00</u> |

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the Borough's proportion was 0.0159581982%, which was an increase of 0.0008811861% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0159581982%, which was an increase of 0.0008811861% from its proportion, on-behalf of the Borough, measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$315,096.00. 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, 2017, the Borough's contribution to PFRS was \$122,929.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2017 measurement date is \$3,755.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**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** - At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred Outflows of Resources</u> |                      |                        | <u>Deferred Inflows of Resources</u> |                      |                      |
|--|---------------------------------------|----------------------|------------------------|--------------------------------------|----------------------|----------------------|
|  | <u>PERS</u>                           | <u>PFRS</u>          | <u>Total</u>           | <u>PERS</u>                          | <u>PFRS</u>          | <u>Total</u>         |
| Differences between Expected and Actual Experience   | \$ 19,230.00                          | \$ 15,983.00         | \$ 35,213.00           | \$ -                                 | \$ 14,460.00         | \$ 14,460.00         |
| Changes of Assumptions   | 164,529.00                            | 303,794.00           | 468,323.00             | 163,926.00                           | 403,472.00           | 567,398.00           |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                             | 5,561.00                              | 47,012.00            | 52,573.00              | -                                    | -                    | -                    |
| Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions | -                                     | 557,503.00           | 557,503.00             | 143,589.00                           | 199,265.00           | 342,854.00           |
| Borough Contributions Subsequent to the Measurement Date   | 16,250.00                             | 70,617.00            | 86,867.00              | -                                    | -                    | -                    |
|  | <u>\$ 205,570.00</u>                  | <u>\$ 994,909.00</u> | <u>\$ 1,200,479.00</u> | <u>\$ 307,515.00</u>                 | <u>\$ 617,197.00</u> | <u>\$ 924,712.00</u> |

Deferred outflows of resources totaling \$16,250.00 and \$70,617.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 to the Borough's year end of December 31, 2017.

**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)** - 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:

|  | PERS                                  |                                      | PFRS                                  |                                      |
|--|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|  | <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                                 |
| June 30, 2017  | 5.48                                  | -                                    | 5.59                                  | -                                    |
| 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                                  | -                                    |
| June 30, 2017  | -                                     | 5.48                                 | -                                     | 5.59                                 |
| 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                                  | -                                    |
| June 30, 2017  | 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                                 |
| June 30, 2017  | 5.48                                  | 5.48                                 | 5.59                                  | 5.59                                 |

**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:

| <b><u>Year Ending<br/>Dec 31,</u></b> | <b><u>PERS</u></b>     | <b><u>PFRS</u></b>   | <b><u>Total</u></b>  |
|---------------------------------------|------------------------|----------------------|----------------------|
| 2018                                  | \$ (25,288.00)         | \$ 121,639.00        | \$ 96,351.00         |
| 2019                                  | (15,502.00)            | 172,851.00           | 157,349.00           |
| 2020                                  | (15,906.00)            | 83,443.00            | 67,537.00            |
| 2021                                  | (39,910.00)            | (35,207.00)          | (75,117.00)          |
| 2022                                  | (21,589.00)            | (35,631.00)          | (57,220.00)          |
|                                       | <u>\$ (118,195.00)</u> | <u>\$ 307,095.00</u> | <u>\$ 188,900.00</u> |

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                                | <b><u>PERS</u></b>           | <b><u>PFRS</u></b>           |
|--------------------------------|------------------------------|------------------------------|
| Inflation Rate                 | 2.25%                        | 2.25%                        |
| 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      | 7.00%                        | 7.00%                        |
| 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 |

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, 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. Postretirement 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).

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

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement 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 three years using the Plan actuary's modified 2014 projection scales and 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 on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the Plan actuary's modified 2014 projection scales and 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|-----------------------------------|------------------------------|---|
| Absolute Return/Risk Mitigation   | 5.00%                        | 5.51%   |
| Cash Equivalents                  | 5.50%                        | 1.00%   |
| U.S. Treasuries                   | 3.00%                        | 1.87%   |
| Investment Grade Credit           | 10.00%                       | 3.78%   |
| Public High Yield                 | 2.50%                        | 6.82%   |
| Global Diversified Credit         | 5.00%                        | 7.10%   |
| Credit Oriented Hedge Funds       | 1.00%                        | 6.60%   |
| Debt Related Private Equity       | 2.00%                        | 10.63%  |
| Debt Related Real Estate          | 1.00%                        | 6.61%   |
| Private Real Estate               | 2.50%                        | 11.83%  |
| Equity Related Real Estate        | 6.25%                        | 9.23%   |
| U.S. Equity                       | 30.00%                       | 8.19%   |
| Non-U.S. Developed Markets Equity | 11.50%                       | 9.00%   |
| Emerging Markets Equity           | 6.50%                        | 11.64%  |
| Buyouts/Venture Capital           | 8.25%                        | 13.08%  |
|                                   | <u>100.00%</u>               |   |



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

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% 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 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 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, 2017, the plans measurement date, calculated using a discount rate of 5.00%, 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:

|   | <b>PERS</b>                        |  |                                    |
|---|------------------------------------|--|------------------------------------|
|   | <b>1%<br/>Decrease<br/>(4.00%)</b> | <b>Current<br/>Discount Rate<br/>(5.00%)</b> | <b>1%<br/>Increase<br/>(6.00%)</b> |
| Borough's Proportionate Share<br>of the Net Pension Liability | <u>\$ 1,013,122.00</u>             | <u>\$ 816,660.00</u>                         | <u>\$ 652,982.00</u>               |

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**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, 2017, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

|  | <b>PFRS</b>                               |   |   |
|--|---|---|---|
|  | <b>1%<br/>Decrease<br/><u>(5.14%)</u></b> | <b>Current<br/>Discount Rate<br/><u>(6.14%)</u></b> | <b>1%<br/>Increase<br/><u>(7.14%)</u></b> |
| Borough's Proportionate Share<br>of the Net Pension Liability  | \$ 3,246,045.00                           | \$ 2,463,637.00                                     | \$ 1,820,800.00                           |
| State of New Jersey's Proportionate<br>Share of Net Pension Liability<br>associated with the Borough | <u>363,584.22</u>                         | <u>275,948.00</u>                                   | <u>203,944.88</u>                         |
|  | <u>\$ 3,609,629.22</u>                    | <u>\$ 2,739,585.00</u>                              | <u>\$ 2,024,744.88</u>                    |

**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 <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Note 8: PENSION PLANS (CONT'D)****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 Five Years)***

|   | <u>Measurement Date Ended June 30,</u> |                 |               |
|---|--|-----------------|---------------|
|   | <u>2017</u>                            | <u>2016</u>     | <u>2015</u>   |
| Borough's Proportion of the Net Pension Liability   | 0.0035082295%                          | 0.0037463457%   | 0.0040934859% |
| Borough's Proportionate Share of the Net Pension Liability                                    | \$ 816,660.00                          | \$ 1,109,560.00 | \$ 918,906.00 |
| Borough's Covered Payroll (Plan Measurement Period)   | \$ 244,576.00                          | \$ 263,640.00   | \$ 284,792.00 |
| Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 333.91%                                | 420.86%         | 322.66%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 48.10%                                 | 40.14%          | 47.93%        |
|   | <u>Measurement Date Ended June 30,</u> |                 |               |
|   | <u>2014</u>                            | <u>2013</u>     |               |
| Borough's Proportion of the Net Pension Liability   | 0.0042698467%                          | 0.0048334422%   |               |
| Borough's Proportionate Share of the Net Pension Liability                                    | \$ 799,432.00                          | \$ 923,767.00   |               |
| Borough's Covered Payroll (Plan Measurement Period)   | \$ 297,344.00                          | \$ 335,920.00   |               |
| Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 268.86%                                | 275.00%         |               |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 52.08%                                 | 48.72%          |               |

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

|   | <u>Year Ended December 31,</u> |                    |                    |
|---|--------------------------------|--------------------|--------------------|
|   | <u>2017</u>                    | <u>2016</u>        | <u>2015</u>        |
| Borough's Contractually Required Contribution                                 | \$ 32,500.00                   | \$ 33,282.00       | \$ 35,193.00       |
| Borough's Contribution in Relation to the Contractually Required Contribution | <u>(32,500.00)</u>             | <u>(33,282.00)</u> | <u>(35,193.00)</u> |
| Borough's Contribution Deficiency (Excess)                                    | <u>\$ -</u>                    | <u>\$ -</u>        | <u>\$ -</u>        |
| Borough's Covered Payroll (Calendar Year)                                     | \$ 270,191.00                  | \$ 246,315.00      | \$ 259,495.00      |
| Borough's Contributions as a Percentage of Covered Payroll                    | 12.03%                         | 13.51%             | 13.56%             |
|   | <u>Year Ended December 31,</u> |                    |                    |
|   | <u>2014</u>                    | <u>2013</u>        |                    |
| Borough's Contractually Required Contribution                                 | \$ 35,200.00                   | \$ 36,419.00       |                    |
| Borough's Contribution in Relation to the Contractually Required Contribution | <u>(35,200.00)</u>             | <u>(36,419.00)</u> |                    |
| Borough's Contribution Deficiency (Excess)                                    | <u>\$ -</u>                    | <u>\$ -</u>        |                    |
| Borough's Covered Payroll (Calendar Year)                                     | \$ 288,545.00                  | \$ 299,899.00      |                    |
| Borough's Contributions as a Percentage of Covered Payroll                    | 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 Five Years)***

|   | <u>Measurement Date Ended June 30,</u> |                        |                        |
|---|--|------------------------|------------------------|
|   | <u>2017</u>                            | <u>2016</u>            | <u>2015</u>            |
| Borough's Proportion of the Net Pension Liability   | 0.0159581982%                          | 0.0150770121%          | 0.0114191922%          |
| Borough's Proportionate Share of the Net Pension Liability                                    | \$ 2,463,637.00                        | \$ 2,880,095.00        | \$ 1,902,039.00        |
| State's Proportionate Share of the Net Pension Liability associated with the Borough          | 275,948.00                             | 241,857.00             | 166,802.00             |
| Total   | <u>\$ 2,739,585.00</u>                 | <u>\$ 3,121,952.00</u> | <u>\$ 2,068,841.00</u> |
| Borough's Covered Payroll (Plan Measurement Period)   | \$ 516,560.00                          | \$ 481,900.00          | \$ 361,624.00          |
| Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 476.93%                                | 597.65%                | 525.97%                |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 58.60%                                 | 52.01%                 | 56.31%                 |
|   | <u>Measurement Date Ended June 30,</u> |                        |                        |
|   | <u>2014</u>                            | <u>2013</u>            |                        |
| Borough's Proportion of the Net Pension Liability   | 0.0146718576%                          | 0.0121414065%          |                        |
| Borough's Proportionate Share of the Net Pension Liability                                    | \$ 1,845,584.00                        | \$ 1,614,090.00        |                        |
| State's Proportionate Share of the Net Pension Liability associated with the Borough          | 198,738.00                             | 150,453.00             |                        |
| Total   | <u>\$ 2,044,322.00</u>                 | <u>\$ 1,764,543.00</u> |                        |
| Borough's Covered Payroll (Plan Measurement Period)   | \$ 412,544.00                          | \$ 435,040.00          |                        |
| Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 447.37%                                | 371.02%                |                        |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 62.41%                                 | 58.70%                 |                        |

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

|   | <u>Year Ended December 31,</u> |                     |                    |
|---|--------------------------------|---------------------|--------------------|
|   | <u>2017</u>                    | <u>2016</u>         | <u>2015</u>        |
| Borough's Contractually Required Contribution                                 | \$ 141,233.00                  | \$ 122,929.00       | \$ 92,821.00       |
| Borough's Contribution in Relation to the Contractually Required Contribution | <u>(141,233.00)</u>            | <u>(122,929.00)</u> | <u>(92,821.00)</u> |
| Borough's Contribution Deficiency (Excess)                                    | <u>\$ -</u>                    | <u>\$ -</u>         | <u>\$ -</u>        |
| Borough's Covered Payroll (Calendar Year)                                     | \$ 525,086.00                  | \$ 499,583.00       | \$ 462,551.00      |
| Borough's Contributions as a Percentage of Covered Payroll                    | 26.90%                         | 24.61%              | 20.07%             |
|   | <u>Year Ended December 31,</u> |                     |                    |
|   | <u>2014</u>                    | <u>2013</u>         |                    |
| Borough's Contractually Required Contribution                                 | \$ 112,690.00                  | \$ 88,581.00        |                    |
| Borough's Contribution in Relation to the Contractually Required Contribution | <u>(112,690.00)</u>            | <u>(88,581.00)</u>  |                    |
| Borough's Contribution Deficiency (Excess)                                    | <u>\$ -</u>                    | <u>\$ -</u>         |                    |
| Borough's Covered Payroll (Calendar Year)                                     | \$ 364,734.00                  | \$ 400,393.00       |                    |
| Borough's Contributions as a Percentage of Covered Payroll                    | 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 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, 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 \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 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 - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, 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 Improvement 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 to fund 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 to fund 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>    |                        |
| 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>\$ 2,041,350.00</u> | <u>\$ 274,370.20</u> | <u>\$ 27,000.00</u>  | <u>\$ 2,881.59</u> | <u>\$ 2,345,601.79</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>2017</u>            | <u>2016</u>            | <u>2015</u>            |
|---|------------------------|------------------------|------------------------|
| <b><u>Issued</u></b>                          |                        |                        |                        |
| General:                                      |                        |                        |                        |
| Bonds and Notes                               | \$ 2,438,350.00        | \$ 2,780,350.00        | \$ 2,705,350.00        |
| Sewer Utility:                                |                        |                        |                        |
| Bonds   | 27,000.00              | 30,000.00              | 33,000.00              |
| Total Issued                                  | <u>2,465,350.00</u>    | <u>2,810,350.00</u>    | <u>2,738,350.00</u>    |
| <b><u>Authorized but not Issued</u></b>       |                        |                        |                        |
| General:                                      |                        |                        |                        |
| Bonds and Notes                               | 118,890.00             | 1,090.00               | 990.00                 |
| Sewer Utility:                                |                        |                        |                        |
| Bonds and Notes                               | 630.00                 | 630.00                 | 630.00                 |
| Total Authorized but not Issued               | <u>119,520.00</u>      | <u>1,720.00</u>        | <u>1,620.00</u>        |
| Total Issued and Authorized<br>but not Issued | <u>2,584,870.00</u>    | <u>2,812,070.00</u>    | <u>2,739,970.00</u>    |
| <b><u>Deductions</u></b>                      |                        |                        |                        |
| General:                                      |                        |                        |                        |
| Reserve for Payment of Bonds                  | 42,630.59              | 33,417.17              | 83,157.17              |
| Sewer Utility:                                |                        |                        |                        |
| Self-Liquidating                              | 27,630.00              | 30,630.00              | 33,630.00              |
| Total Deductions                              | <u>70,260.59</u>       | <u>64,047.17</u>       | <u>116,787.17</u>      |
| <b>Net Debt</b>                               | <u>\$ 2,514,609.41</u> | <u>\$ 2,748,022.83</u> | <u>\$ 2,623,182.83</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 2.214%.

|                  | <u>Gross Debt</u>      | <u>Deductions</u>      | <u>Net Debt</u>        |
|------------------|------------------------|------------------------|------------------------|
| School Purposes  | \$ 1,880,000.00        | \$ 1,880,000.00        |                        |
| Self-Liquidating | 27,630.00              | 27,630.00              |                        |
| General          | 2,557,240.00           | 42,630.59              | \$ 2,514,609.41        |
|                  | <u>\$ 4,464,870.00</u> | <u>\$ 1,950,260.59</u> | <u>\$ 2,514,609.41</u> |

Net debt \$2,514,609.41 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$113,594,238.33, equals 2.214%.

**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) | \$ 3,975,798.34               |
| Less: Net Debt                                  | <u>2,514,609.41</u>           |
| Remaining Borrowing Power                       | <u><u>\$ 1,461,188.93</u></u> |

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

|  |                           |
|--|---------------------------|
| Cash Receipts from Fees, Rents, Fund Balance<br>Anticipated, Interest and Other Investment<br>Income, and Other Charges for the Year | \$ 180,534.58             |
| Deductions:  |                           |
| Operating and Maintenance Costs  | \$ 170,000.00             |
| Debt Service   | <u>3,687.50</u>           |
| Total Deductions   | <u>173,687.50</u>         |
| Excess in Revenue  | <u><u>\$ 6,847.08</u></u> |

The foregoing debt information is in agreement with the Annual Debt Statement 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, 2017, 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<br/>December 31, 2017</u> | <u>2018<br/>Budget<br/>Appropriation</u> |
|---------------------------------|--------------------------------------|--|
| Current Fund:                   |                                      |  |
| Special Emergency Authorization | <u>\$ 77,000.00</u>                  | <u>\$ 24,000.00</u>                      |

The appropriations in the 2018 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> |
|-------------|------------------------------|-------------------------------|--------------------------|--------------------------|-----------------------|
| 2017        | \$ -                         | \$ 914.67                     | \$ -                     | \$ 4,040.44              | \$ 5,086.45           |
| 2016        | -                            | 756.85                        | -                        | 709.94                   | 8,212.22              |
| 2015        | 5,000.00                     | 920.05                        | -                        | 5,048.90                 | 8,165.31              |

The Borough has no estimated unreimbursed payments at December 31, 2017.

**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, 2017, 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, 2017

|   | <u>Regular</u>       | <u>Federal and State<br/>Grant Fund</u> |
|---|----------------------|---|
| Balance Dec. 31, 2016   | \$ 790,194.54        | \$ 58,239.41                            |
| Increased by Receipts:  |                      |   |
| Taxes Receivable  | \$ 5,681,488.56      |   |
| Tax Title Liens   | 23,873.19            |   |
| Interest and Costs on Taxes   | 47,072.18            |   |
| Prepaid Taxes   | 79,783.26            |   |
| Tax Overpayments  | 14,748.41            |   |
| Miscellaneous Revenue Not Anticipated                                 | 38,347.66            |   |
| Revenue Accounts Receivable   | 124,291.06           |   |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)                   | 273,975.00           |   |
| Consolidated Municipal Property Tax Relief Aid                        | 44,235.00            |   |
| Interlocal Service Agreement - Municipal Court                        | 26,596.93            |   |
| Interlocal Service Agreement - Finance Services                       | 24,369.80            |   |
| Interlocal Service Agreement - Recycling Services                     | 500.00               |   |
| Due to Camden County MUA  | 17,525.43            |   |
| Reserve for Sale of Municipal Assets                                  | 1,840.00             |   |
| Petty Cash  | 400.00               |   |
| Due from Payroll Trust  | 0.63                 |   |
| Due State of New Jersey--Senior Citizens'<br>and Veterans' Deductions | 24,250.00            |   |
| Due State of New Jersey:  |                      |   |
| Marriage License Fees   | 300.00               |   |
| State Training Fees   | 1,641.00             |   |
| Reserve for Federal and State Grants                                  |                      | \$ 59,300.00                            |
| Federal and State Grants Receivable                                   |                      | <u>113,745.79</u>                       |
|   | <u>6,425,238.11</u>  | <u>173,045.79</u>                       |
|   | 7,215,432.65         | 231,285.20                              |
| Decreased by Disbursements:   |                      |   |
| 2017 Appropriations   | 2,380,619.84         |   |
| 2016 Appropriation Reserves   | 13,485.17            |   |
| Due State of New Jersey:  |                      |   |
| State Training Fees   | 1,604.00             |   |
| Marriage License Fees   | 400.00               |   |
| County Taxes  | 1,005,926.35         |   |
| Due to County--Added and Omitted Taxes                                | 164.70               |   |
| Local District School Taxes   | 2,802,547.00         |   |
| Special Emergency Note Payable  | 15,000.00            |   |
| Petty Cash (Contra)   | 400.00               |   |
| Due to Camden County MUA  | 17,525.43            |   |
| Reserve for Tax Map Revisions   | 939.00               |   |
| Reserve for Revaluation   | 33,129.86            |   |
| Reserve for Federal and State Grants                                  | 59,300.00            |   |
| Federal and State Grants - Appropriated                               |                      | <u>170,381.86</u>                       |
|   | <u>6,331,041.35</u>  |   |
| Balance Dec. 31, 2017   | <u>\$ 884,391.30</u> | <u>\$ 60,903.34</u>                     |

**BOROUGH OF LAUREL SPRINGS**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2017

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|                          |                  |
|--------------------------|------------------|
| Balance Dec. 31, 2017    | <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, 2017

| Year | Balance<br>Dec. 31, 2016 | 2017 Levy       | Added<br>Taxes | 2016<br>Collections | 2017<br>Collections | Overpayments<br>Applied | Due to<br>State of<br>New Jersey | Canceled  | Transfer to<br>Tax Title<br>Liens | Balance<br>Dec. 31, 2017 |
|------|--------------------------|-----------------|----------------|---------------------|---------------------|-------------------------|----------------------------------|-----------|-----------------------------------|--------------------------|
| 2015 | \$ 4,941.02              |                 |                |                     | \$ 4,941.02         |                         |                                  |           |                                   |                          |
| 2016 | 154,390.94               |                 | 500.00         |                     | 153,354.01          |                         |                                  |           |                                   | \$ 1,536.93              |
|      | 159,331.96               | \$ -            | 500.00         | \$ -                | 158,295.03          | \$ -                    | \$ -                             | \$ -      | \$ -                              | 1,536.93                 |
| 2017 | -                        | 5,715,968.94    |                | 9,723.23            | 5,523,193.53        | 19,507.93               | 24,750.00                        | 485.72    | 5,996.97                          | 132,311.56               |
|      | \$ 159,331.96            | \$ 5,715,968.94 | \$ 500.00      | \$ 9,723.23         | \$ 5,681,488.56     | \$ 19,507.93            | \$ 24,750.00                     | \$ 485.72 | \$ 5,996.97                       | \$ 133,848.49            |

Analysis of 2017 Tax Levy

|  |                     |
|--|---------------------|
| Tax Yield                                      |                     |
| General Purpose Tax                            | \$ 5,711,111.53     |
| Added Taxes (54:4-63.1 et seq.)                | <u>4,857.41</u>     |
|  | \$ 5,715,968.94     |
| Tax Levy                                       |                     |
| Local District School Tax                      |                     |
| County Taxes:                                  | \$ 2,802,547.00     |
| County Tax                                     |                     |
| County Library Tax                             | \$ 924,761.90       |
| County Open Space Tax                          | 58,545.39           |
| Due County for Added Taxes (54:4-63.1 et seq.) | <u>22,619.06</u>    |
|  | 856.39              |
| Total County Taxes                             | 1,006,782.74        |
| Local Tax for Municipal Purposes               | 1,902,300.00        |
| Add: Additional Tax Levied                     | <u>4,339.20</u>     |
| Local Tax for Municipal Purposes Levied        | <u>1,906,639.20</u> |
|  | \$ 5,715,968.94     |

**BOROUGH OF LAUREL SPRINGS**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2017

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|  |                           |
|--|---------------------------|
| Balance Dec. 31, 2016                  | \$ 23,826.26              |
| Increased by:                          |                           |
| Transferred from 2017 Taxes Receivable | <u>5,996.97</u>           |
|  | 29,823.23                 |
| Decreased by:                          |                           |
| Collections                            | <u>23,873.19</u>          |
| Balance Dec. 31, 2017                  | <u><u>\$ 5,950.04</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**

Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2017

|                             | Balance<br>Dec. 31, 2016 | Accrued<br>in 2017   | Collected by<br>Treasurer | Balance<br>Dec. 31, 2017 |
|-----------------------------|--------------------------|----------------------|---------------------------|--------------------------|
| Clerk:                      |                          |                      |                           |                          |
| Licenses:                   |                          |                      |                           |                          |
| Alcoholic Beverages         | \$ 7,500.00              | \$ 7,500.00          | 7,500.00                  |                          |
| Other                       |                          | 9,097.94             | 9,097.94                  |                          |
| Construction Code Official: |                          | 18,440.00            | 18,440.00                 |                          |
| Fees and Permits            |                          |                      |                           |                          |
| Municipal Court:            |                          |                      |                           |                          |
| Fines and Costs             | \$ 7,769.50              | 75,562.42            | 80,533.15                 | \$ 2,798.77              |
| Interest on Bank Accounts   | 4.13                     | 38.42                | 40.32                     | 2.23                     |
| Uniform Fire Safety Act     |                          | 8,679.65             | 8,679.65                  |                          |
|                             | <u>\$ 7,773.63</u>       | <u>\$ 119,318.43</u> | <u>\$ 124,291.06</u>      | <u>\$ 2,801.00</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, 2017

| <u>Date Authorized</u> | <u>Purpose</u>             | <u>Net Amount Authorized</u> | <u>1/5 of Net Amount Authorized</u> | <u>2017</u>                  |                             |                              |
|------------------------|----------------------------|------------------------------|-------------------------------------|------------------------------|-----------------------------|------------------------------|
|                        |                            |                              |                                     | <u>Balance Dec. 31, 2016</u> | <u>Budget Appropriation</u> | <u>Balance Dec. 31, 2017</u> |
| Dec. 9, 2013           | Preparation of Tax Map     | \$ 25,000.00                 | \$ 5,000.00                         | \$ 10,000.00                 | \$ 5,000.00                 | \$ 5,000.00                  |
| Jul. 14, 2015          | Preparation of Master Plan | 20,000.00                    | 4,000.00                            | 16,000.00                    | 4,000.00                    | 12,000.00                    |
| Sep. 19, 2016          | Revaluation                | 75,000.00                    | 15,000.00                           | 75,000.00                    | 15,000.00                   | 60,000.00                    |
|                        |                            | <u>\$ 120,000.00</u>         | <u>\$ 24,000.00</u>                 | <u>\$ 101,000.00</u>         | <u>\$ 24,000.00</u>         | <u>\$ 77,000.00</u>          |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

| <u>OPERATIONS - WITHIN "CAPS"</u>          | <u>Reserved</u> | <u>Balances After<br/>Modification</u> | <u>Disbursed</u> | <u>Balance<br/>Lapsed</u> |
|--|-----------------|--|------------------|---------------------------|
| <u>General Government</u>                  |                 |  |                  |                           |
| Borough Administrator                      |                 |  |                  |                           |
| Salaries and Wages                         | \$ 57.36        | \$ 57.36                               |                  | \$ 57.36                  |
| Other Expenses                             | 32.06           | 32.06                                  |                  | 32.06                     |
| Mayor and Council                          |                 |  |                  |                           |
| Other Expenses                             | 314.01          | 314.01                                 |                  | 314.01                    |
| Municipal Clerk                            |                 |  |                  |                           |
| Salaries and Wages                         | 393.21          | 393.21                                 |                  | 393.21                    |
| Other Expenses                             | 1,715.16        | 1,715.16                               | \$ 76.74         | 1,638.42                  |
| Financial Administration                   |                 |  |                  |                           |
| Salaries and Wages                         | 250.10          | 250.10                                 |                  | 250.10                    |
| Other Expenses                             | 500.00          | 500.00                                 |                  | 500.00                    |
| Audit Services                             | 250.00          | 250.00                                 |                  | 250.00                    |
| Collection of Taxes                        |                 |  |                  |                           |
| Salaries and Wages                         | 763.98          | 763.98                                 |                  | 763.98                    |
| Other Expenses                             | 695.71          | 695.71                                 | 19.50            | 676.21                    |
| Assessment of Taxes                        |                 |  |                  |                           |
| Salaries and Wages                         | 80.12           | 80.12                                  |                  | 80.12                     |
| Other Expenses                             | 539.37          | 539.37                                 | 19.50            | 519.87                    |
| Legal Services                             |                 |  |                  |                           |
| Other Expenses                             | 249.55          | 249.55                                 |                  | 249.55                    |
| Engineering Services                       |                 |  |                  |                           |
| Other Expenses                             | 800.00          | 800.00                                 |                  | 800.00                    |
| Panning Board                              |                 |  |                  |                           |
| Salaries and Wages                         | 30.18           | 30.18                                  |                  | 30.18                     |
| Other Expenses                             | 120.00          | 120.00                                 |                  | 120.00                    |
| <u>Code Enforcement and Administration</u> |                 |  |                  |                           |
| Code Enforcement Office                    |                 |  |                  |                           |
| Salaries and Wages                         | 330.94          | 330.94                                 |                  | 330.94                    |
| Other Expenses                             | 100.00          | 100.00                                 |                  | 100.00                    |
| Property Maintenance Officer               |                 |  |                  |                           |
| Salaries and Wages                         | 9.12            | 9.12                                   |                  | 9.12                      |
| Other Expenses                             | 100.00          | 100.00                                 |                  | 100.00                    |
| <u>Insurance</u>                           |                 |  |                  |                           |
| General Liability Insurance                | 2,676.07        | 2,676.07                               |                  | 2,676.07                  |
| Workers Compensation Insurance             | 2,879.17        | 2,879.17                               |                  | 2,879.17                  |
| Group Insurance Plan for Employees         | 6,221.61        | 6,221.61                               |                  | 6,221.61                  |
| Disability Insurance                       | 651.14          | 651.14                                 |                  | 651.14                    |
| Health Benefits Waiver                     | 483.92          | 483.92                                 |                  | 483.92                    |

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

|  | <u>Reserved</u> | <u>Balances After<br/>Modification</u> | <u>Disbursed</u> | <u>Balance<br/>Lapsed</u> |
|--|-----------------|--|------------------|---------------------------|
| <u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u> |                 |  |                  |                           |
| <u>Public Safety Functions</u>             |                 |  |                  |                           |
| Police                                     |                 |  |                  |                           |
| Salaries and Wages                         | \$ 15,141.05    | \$ 15,141.05                           |                  | \$ 15,141.05              |
| Other Expenses                             | 8,285.81        | 8,285.81                               | \$ 68.87         | 8,216.94                  |
| Office of Emergency Management             |                 |  |                  |                           |
| Salaries and Wages                         | 26.88           | 26.88                                  |                  | 26.88                     |
| Other Expenses                             | 233.27          | 233.27                                 |                  | 233.27                    |
| Aid to Volunteer Fire Company              | 23.30           | 23.30                                  |                  | 23.30                     |
| Uniform Fire Safety Act                    |                 |  |                  |                           |
| Salaries and Wages                         | 19.82           | 19.82                                  |                  | 19.82                     |
| Other Expenses                             | 341.02          | 341.02                                 |                  | 341.02                    |
| Fire Hydrant Service                       | 128.20          | 128.20                                 |                  | 128.20                    |
| Municipal Court                            |                 |  |                  |                           |
| Salaries and Wages                         | 3,313.78        | 3,313.78                               |                  | 3,313.78                  |
| Other Expenses                             | 1,476.49        | 1,476.49                               |                  | 1,476.49                  |
| 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 Repairs and Maintenance               |                 |  |                  |                           |
| Salaries and Wages                         | 1,633.93        | 1,633.93                               |                  | 1,633.93                  |
| Other Expenses                             | 4,067.17        | 4,067.17                               | 20.00            | 4,047.17                  |
| Shade Tree Program                         |                 |  |                  |                           |
| Other Expenses                             | 3,105.00        | 3,105.00                               | 1,200.00         | 1,905.00                  |
| Garbage and Trash Removal                  |                 |  |                  |                           |
| Salaries and Wages                         | 500.00          | 500.00                                 |                  | 500.00                    |
| Other Expenses                             | 635.00          | 635.00                                 |                  | 635.00                    |
| Public Building and Grounds                |                 |  |                  |                           |
| Salaries and Wages                         | 1,821.09        | 1,821.09                               |                  | 1,821.09                  |
| Other Expenses                             | 7,806.06        | 7,806.06                               | 273.02           | 7,533.04                  |
| Vehicle Maintenance                        |                 |  |                  |                           |
| Other Expenses                             | 4,448.68        | 4,448.68                               | 3,412.98         | 1,035.70                  |
| <u>Health and Human Services</u>           |                 |  |                  |                           |
| Registrar of Vital Statistics              |                 |  |                  |                           |
| Salaries and Wages                         | 106.04          | 106.04                                 |                  | 106.04                    |
| Other Expenses                             | 710.00          | 710.00                                 |                  | 710.00                    |
| Animal Control Service                     |                 |  |                  |                           |
| Other Expenses                             | 212.39          | 212.39                                 |                  | 212.39                    |
| Board of Health                            |                 |  |                  |                           |
| Salaries and Wages                         | 713.62          | 713.62                                 |                  | 713.62                    |
| Other Expenses                             | 55.00           | 55.00                                  |                  | 55.00                     |

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

|  | <u>Reserved</u>      | <u>Balances After<br/>Modification</u> | <u>Disbursed</u>    | <u>Balance<br/>Lapsed</u> |
|--|----------------------|--|---------------------|---------------------------|
| <b><u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u></b>                        |                      |  |                     |                           |
| <b><u>Recreation Functions</u></b>                                       |                      |  |                     |                           |
| Recreation Services and Programs   |                      |  |                     |                           |
| Salaries and Wages   | \$ 749.72            | \$ 749.72                              |                     | \$ 749.72                 |
| Other Expenses   | 200.00               | 200.00                                 |                     | 200.00                    |
| Celebrations of Public Events  |                      |  |                     |                           |
| Other Expenses   | 391.06               | 391.06                                 | \$ 85.80            | 305.26                    |
| Utility Expenses and Bulk Purchases                                      | 28,753.34            | 28,753.34                              | 3,218.79            | 25,534.55                 |
| Landfill/Solid Waste Disposal Costs                                      | 6,922.33             | 6,922.33                               | 4,925.66            | 1,996.67                  |
| Accumulated Leave Compensation   | 414.42               | 414.42                                 |                     | 414.42                    |
| Construction Code Official   |                      |  |                     |                           |
| Salaries and Wages   | 234.22               | 234.22                                 |                     | 234.22                    |
| Other Expenses   | 343.90               | 343.90                                 |                     | 343.90                    |
| <b>Total Operations within "CAPS"</b>                                    | <b>113,255.37</b>    | <b>113,255.37</b>                      | <b>13,320.86</b>    | <b>99,934.51</b>          |
| <b><u>Deferred Charges and Statutory Expenditures</u></b>                |                      |  |                     |                           |
| <b><u>-- Municipal Within "CAPS"</u></b>                                 |                      |  |                     |                           |
| <b>Statutory Expenditures:</b>   |                      |  |                     |                           |
| <b>Contribution to:</b>  |                      |  |                     |                           |
| Defined Contribution Plan  | 100.00               | 100.00                                 |                     | 100.00                    |
| Social Security System (O.A.S.I.)  | 7,388.94             | 7,388.94                               |                     | 7,388.94                  |
| <b>Total General Appropriations for Municipal Purposes within "CAPS"</b> | <b>120,744.31</b>    | <b>120,744.31</b>                      | <b>13,320.86</b>    | <b>107,423.45</b>         |
| <b><u>OPERATIONS - EXCLUDED FROM "CAPS"</u></b>                          |                      |  |                     |                           |
| Landfill Recycling Fees  | 727.77               | 727.77                                 | 164.31              | 563.46                    |
| <b><u>Interlocal Municipal Service Agreements</u></b>                    |                      |  |                     |                           |
| Municipal Court  |                      |  |                     |                           |
| Salaries and Wages   | 114.36               | 114.36                                 |                     | 114.36                    |
| Other Expenses   | 3,488.34             | 3,488.34                               |                     | 3,488.34                  |
| Tax Collector Services   |                      |  |                     |                           |
| Other Expenses   | 50.00                | 50.00                                  |                     | 50.00                     |
| Construction Code Official   |                      |  |                     |                           |
| Other Expenses   | 59.00                | 59.00                                  |                     | 59.00                     |
| Finance Services   |                      |  |                     |                           |
| Salaries and Wages   | 342.84               | 342.84                                 |                     | 342.84                    |
| Other Expenses   | 105.82               | 105.82                                 |                     | 105.82                    |
| Garbage and Trash Removal  |                      |  |                     |                           |
| Other Expenses   | 96.02                | 96.02                                  |                     | 96.02                     |
| <b>Total Other Operations - Excluded from "CAPS"</b>                     | <b>4,984.15</b>      | <b>4,984.15</b>                        | <b>164.31</b>       | <b>4,819.84</b>           |
| <b>Total General Appropriations</b>                                      | <b>\$ 125,728.46</b> | <b>\$ 125,728.46</b>                   | <b>\$ 13,485.17</b> | <b>\$ 112,243.29</b>      |

**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, 2017

|   |             |             |
|---|-------------|-------------|
| Balance Dec. 31, 2016                               |             | \$ 3,722.80 |
| Increased by:                                       |             |             |
| Collections   |             | 24,250.00   |
|   |             | 27,972.80   |
| Decreased by:                                       |             |             |
| Accrued in 2017:                                    |             |             |
| Senior Citizens' Deductions per Billings            | \$ 6,000.00 |             |
| Veterans' Deductions per Billings                   | 20,000.00   |             |
|   | 26,000.00   |             |
| Deductions Disallowed by Tax Collector - 2017 Taxes | 1,250.00    |             |
| Subtotal - 2017 Taxes                               | 24,750.00   |             |
| Deductions Disallowed by Tax Collector - 2016 Taxes | 500.00      |             |
|   |             | 24,250.00   |
| Balance Dec. 31, 2017                               |             | \$ 3,722.80 |

Exhibit SA-9

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Due To State of New Jersey - State Training Fees  
For the Year Ended December 31, 2017

|                        |  |           |
|------------------------|--|-----------|
| Balance Dec. 31, 2016  |  | \$ 341.00 |
| Increased by:          |  |           |
| Training Fees Received |  | 1,641.00  |
|                        |  | 1,982.00  |
| Decreased by:          |  |           |
| Disbursements          |  | 1,604.00  |
| Balance Dec. 31, 2017  |  | \$ 378.00 |



**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2017

---

|                                  |                        |
|----------------------------------|------------------------|
| Balance Dec. 31, 2016            | \$ 150.00              |
| Increased by:                    |                        |
| Marriage Licenses Fees Collected | <u>300.00</u>          |
|                                  | 450.00                 |
| Decreased by:                    |                        |
| Disbursements                    | <u>400.00</u>          |
| Balance Dec. 31, 2017            | <u><u>\$ 50.00</u></u> |

Exhibit SA-11

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2017

---

|                                      |                            |
|--------------------------------------|----------------------------|
| Balance Dec. 31, 2016 (2017 Taxes)   | \$ 9,723.23                |
| Increased by:                        |                            |
| Collections--2018 Taxes              | <u>79,783.26</u>           |
|                                      | 89,506.49                  |
| Decreased by:                        |                            |
| Application to 2017 Taxes Receivable | <u>9,723.23</u>            |
| Balance Dec. 31, 2017 (2018 Taxes)   | <u><u>\$ 79,783.26</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of County Taxes  
For the Year Ended December 31, 2017

---

|                       |                        |
|-----------------------|------------------------|
| 2017 Tax Levy:        |                        |
| County Tax            | \$ 924,761.90          |
| County Library Tax    | 58,545.39              |
| County Open Space Tax | <u>22,619.06</u>       |
|                       | 1,005,926.35           |
| Decreased by:         |                        |
| Disbursements         | <u>\$ 1,005,926.35</u> |

Exhibit SA-13

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Due County for Added Taxes  
For the Year Ended December 31, 2017

---

|   |                  |
|---|------------------|
| Balance Dec. 31, 2016 (Added Taxes 2016)  | \$ 164.70        |
| Increased by County Share of 2017 Levy:   |                  |
| 2017 Added Taxes (R.S.54:4-63.1 and seq.) | <u>856.39</u>    |
|   | 1,021.09         |
| Decreased by:                             |                  |
| Disbursements                             | <u>164.70</u>    |
| Balance Dec. 31, 2017 (Added Taxes 2017)  | <u>\$ 856.39</u> |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Local District School Tax Payable  
For the Year Ended December 31, 2017

---

|                |                        |
|----------------|------------------------|
| 2017 Tax Levy: |                        |
| School Tax     | \$ 2,802,547.00        |
|                |                        |
| Decreased by:  |                        |
| Disbursements  | <u>\$ 2,802,547.00</u> |

Exhibit SA-15

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

---

|                       |                     |
|-----------------------|---------------------|
| Balance Dec. 31, 2016 | \$ 20,231.26        |
|                       |                     |
| Increased by:         |                     |
| Cash Receipts         | <u>14,748.41</u>    |
|                       | 34,979.67           |
|                       |                     |
| Decreased by:         |                     |
| Applied to Taxes      | <u>19,507.93</u>    |
| Balance Dec. 31, 2017 | <u>\$ 15,471.74</u> |

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Reserve for Tax Map Revisions, Master Plan and Revaluation  
For the Year Ended December 31, 2017

|  |                  |                            |
|--|------------------|----------------------------|
| <hr/>  |                  |                            |
| Balance Dec. 31, 2016:                         |                  |                            |
| Tax Map Revisions                              |                  | \$ 5,000.00                |
| Master Plan                                    |                  | 20,000.00                  |
| Revaluation                                    |                  | <u>48,623.46</u>           |
|  |                  | 73,623.46                  |
| Decreased by:                                  |                  |                            |
| Cash Disbursed:                                |                  |                            |
| Tax Map Revisions                              | \$ 939.00        |                            |
| Revaluation                                    | <u>33,129.86</u> |                            |
|  |                  | <u>34,068.86</u>           |
| Balance Dec. 31, 2017                          |                  | <u><u>\$ 39,554.60</u></u> |
| <br><u>Analysis of Balance - Dec. 31, 2017</u> |                  |                            |
| Tax Map Revisions                              |                  | \$ 4,061.00                |
| Master Plan                                    |                  | 20,000.00                  |
| Revaluation                                    |                  | <u>15,493.60</u>           |
|  |                  | <u><u>\$ 39,554.60</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, 2017

| <u>Program</u>   | <u>Balance</u><br>Dec. 31, 2016 | <u>Accrued</u>      | <u>Receipts</u>      | <u>Balance</u><br>Dec. 31, 2017 |
|--|---------------------------------|---------------------|----------------------|---------------------------------|
| Federal:   |                                 |                     |                      |                                 |
| Community Development Block Grant  | \$ 55,981.25                    | \$ -                | \$ 28,476.00         | \$ 27,505.25                    |
| State:   |                                 |                     |                      |                                 |
| Body Armor Replacement Grant   |                                 | 1,062.42            | 1,062.42             |                                 |
| Clean Communities Program  |                                 | 4,424.61            | 4,424.61             |                                 |
| Municipal Stormwater Regulation Grant  | 5,117.00                        |                     |                      | 5,117.00                        |
| Recycling Tonnage Grant  |                                 | 4,480.76            | 4,480.76             |                                 |
| Sustainable New Jersey Grant   | 15,000.00                       |                     |                      | 15,000.00                       |
| Safe and Secure Communities Program  | 16,666.67                       | 25,000.00           | 25,000.00            | 16,666.67                       |
| <b>Total State Grants</b>  | <b>36,783.67</b>                | <b>34,967.79</b>    | <b>34,967.79</b>     | <b>36,783.67</b>                |
| Other Grants:  |                                 |                     |                      |                                 |
| Camden County Recreation Enhancement Grant                                       | 7,122.02                        | 25,000.00           |                      | 32,122.02                       |
| Camden County Historic Preservation Grant  | 50,000.00                       |                     | 49,340.00            | 660.00                          |
| Camden County Open Space Preservation:<br>Improvements to Walt Whitman Farmhouse | 6,885.00                        |                     |                      | 6,885.00                        |
| Jack H. Hagen Recreation Complex   | 5,689.00                        |                     |                      | 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                        |
| <b>Total Other Grants</b>  | <b>72,512.12</b>                | <b>25,000.00</b>    | <b>50,302.00</b>     | <b>47,210.12</b>                |
| <b>Total All Grants</b>  | <b>\$ 165,277.04</b>            | <b>\$ 59,967.79</b> | <b>\$ 113,745.79</b> | <b>\$ 111,499.04</b>            |

**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, 2017

| <u>Program</u>                      | <u>Federal and<br/>State Grants<br/>Receivable</u> | <u>Realized as<br/>Miscellaneous<br/>Revenue in<br/>2017 Budget</u> | <u>Balance<br/>Dec. 31, 2017</u> |
|-------------------------------------|--|---|----------------------------------|
| State Grants:                       |  |   |                                  |
| Drunk Driving Enforcement Grant     |  |   |                                  |
| Clean Communities Program           | \$ 4,424.61  | \$ 4,424.61   |                                  |
| Body Armor Replacement Grant        | 1,062.42   | 1,062.42  |                                  |
| Safe and Secure Communities Program | 25,000.00  | 25,000.00   |                                  |
| Recycling Tonnage Grant             | 4,480.76   | 2,283.84  | \$ 2,196.92                      |
|                                     | <hr/>  | <hr/>   |                                  |
| Total State Grants                  | 34,967.79  | 32,770.87   | 2,196.92                         |
| Other Grants:                       |  |   |                                  |
| Camden County Enhancement Grant     | 25,000.00  | 25,000.00   |                                  |
|                                     | <hr/>  | <hr/>   |                                  |
| Total All Grants                    | \$ 59,967.79                                       | \$ 57,770.87  | \$ 2,196.92                      |
|                                     | <hr/> <hr/>  | <hr/> <hr/>   |                                  |

**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, 2017

|  | <u>Balance</u><br><u>Dec. 31, 2016</u> | <u>Transferred</u><br><u>from 2017</u><br><u>Budget</u><br><u>Appropriation</u> | <u>Disbursed</u>     | <u>Balance</u><br><u>Dec. 31, 2017</u> |
|--|--|---|----------------------|--|
| <b>Federal:</b>  |  |   |                      |  |
| Community Development Block Grant                      | \$ 75,897.20                           | \$ -  | \$ 38,716.00         | \$ 37,181.20                           |
| <b>State Grants:</b>                                   |  |   |                      |  |
| Drunk Driving Enforcement Grant                        | 11,271.41                              |   | 240.00               | 11,031.41                              |
| Clean Communities Grant                                | 11,956.18                              | 4,424.61  | 7,126.80             | 9,253.99                               |
| N.J. Green Communities Grant                           | 222.23                                 |   |                      | 222.23                                 |
| Safe and Secure Communities Program                    | 26,209.28                              | 84,300.00   | 83,355.82            | 27,153.46                              |
| Recycling Tonnage Grant                                | 6,821.75                               | 2,283.84  | 837.60               | 8,267.99                               |
| Body Armor Replacement Grant                           | 1,087.84                               | 1,062.42  | 783.00               | 1,367.26                               |
| Municipal Storm Water Regulation Grant Program         | 5,117.00                               |   |                      | 5,117.00                               |
| Sustainable New Jersey Grant                           | 30,000.00                              |   | 49.99                | 29,950.01                              |
| Alcohol Education and Rehabilitation Grant             | 409.27                                 |   |                      | 409.27                                 |
| <b>Total State Grants</b>                              | <b>93,094.96</b>                       | <b>92,070.87</b>  | <b>92,393.21</b>     | <b>92,772.62</b>                       |
| <b>Other Grants:</b>                                   |  |   |                      |  |
| Camden County Poetry Grant                             | 125.00                                 |   |                      | 125.00                                 |
| Camden County Historic Preservation Grant              | 50,771.50                              |   | 39,100.00            | 11,671.50                              |
| Camden County Recreation Facilities Enhancement Grant: |  |   |                      |  |
| Improvements to Jack H. Hagen Recreation Complex       | 314.42                                 |   |                      | 314.42                                 |
| Improvements to Crystal Springs Park                   | 172.65                                 |   | 172.65               |  |
| Camden County Open Space Preservation Trust:           |  |   |                      |  |
| Improvements to Walt Whitman Farmhouse                 | 3,140.72                               | 25,000.00   |                      | 3,140.72                               |
| Lighting at Recreation Complex                         |  |   |                      | 25,000.00                              |
| <b>Total Other Grants</b>                              | <b>54,524.29</b>                       | <b>25,000.00</b>  | <b>39,272.65</b>     | <b>40,251.64</b>                       |
| <b>Total All Grants</b>                                | <b>\$ 223,516.45</b>                   | <b>\$ 117,070.87</b>  | <b>\$ 170,381.86</b> | <b>\$ 170,205.46</b>                   |

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



**BOROUGH OF LAUREL SPRINGS**  
**TRUST FUNDS**  
Statement of Trust Cash - Treasurer  
For the Year Ended December 31, 2017

|  | <u>Animal Control</u> | <u>Other</u>  |
|--|-----------------------|---------------|
| Balance Dec. 31, 2016  | \$ -                  | \$ 72,984.81  |
| Increased by Receipts:   |                       |               |
| Animal Control Fees  | \$ 4,554.00           |               |
| Budget Appropriation   | 300.00                |               |
| State Registration Fees  | 339.00                |               |
| Payroll Deductions Payable   |                       | \$ 461,295.39 |
| Due to Current Fund  |                       | 769.60        |
| Reserve for Recreation Commission  |                       | 34,590.35     |
| Statement of Reserve for Outside Employment<br>of Off-Duty Municipal Police Officers |                       | 11,732.50     |
| Unemployment Compensation Insurance  |                       | 914.67        |
| Reserve for Planning Board Escrow  |                       | 484.80        |
| Reserve for Disposal of Forfeited Property   |                       | 828.42        |
| Reserve for Public Defender  |                       | 2,270.00      |
|  | 5,193.00              | 512,885.73    |
|  | 5,193.00              | 585,870.54    |
| Decreased by Disbursements:  |                       |               |
| Expenditures Under R.S.4:19-15.11  | 4,507.83              |               |
| State Registration Fees  | 333.00                |               |
| Due to Current Fund  |                       | 0.63          |
| Payroll Deductions Payable   |                       | 458,599.48    |
| Statement of Reserve for Outside Employment<br>of Off-Duty Municipal Police Officers |                       | 9,425.00      |
| Reserve for Unemployment Compensation Insurance                                      |                       | 4,040.44      |
| Reserve for Recreation Commission  |                       | 36,820.43     |
| Reserve for Planning Board Escrow  |                       | 283.80        |
| Reserve for Disposal of Forfeited Property   |                       | 2,271.22      |
| Reserve for Public Defender  |                       | 2,400.00      |
|  | 4,840.83              | 513,841.00    |
| Balance Dec. 31, 2017  | \$ 352.17             | \$ 72,029.54  |

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Trust Cash - Collector  
For the Year Ended December 31, 2017

---

|  |    |            |
|--|----|------------|
| Balance Dec. 31, 2016                            | \$ | 84,737.43  |
| Increased by:                                    |    |            |
| Receipts for Tax Title Lien Redemptions          |    | 217,822.34 |
|  |    | 302,559.77 |
| Decreased by:                                    |    |            |
| Disbursements for Tax Title Lien Redemptions     |    | 174,859.58 |
| Balance Dec. 31, 2017                            | \$ | 127,700.19 |
| <br><u>Analysis of Balance December 31, 2017</u> |    |            |
| Tax Title Lien Redemptions                       | \$ | 127,700.19 |

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Fund Expenditures  
 For the Year Ended December 31, 2017

|                                     |  |                 |                         |
|-------------------------------------|--|-----------------|-------------------------|
| Increased by:                       |  |                 |                         |
| Dog License Fees Collected          |  | \$ 3,102.00     |                         |
| Cat License Fees Collected          |  | 372.00          |                         |
| Late Fees                           |  | <u>1,080.00</u> |                         |
|                                     |  | 4,554.00        |                         |
| Current Fund - Budget Appropriation |  | <u>300.00</u>   |                         |
|                                     |  |                 | \$ 4,854.00             |
| Decreased by:                       |  |                 |                         |
| Expenditures Under R.S.4:19-15.1    |  |                 | <u>4,507.83</u>         |
| Balance Dec. 31, 2017               |  |                 | <u><u>\$ 346.17</u></u> |

License Fees Collected

| <u>Year</u> | <u>Amount</u>             |
|-------------|---------------------------|
| 2016        | \$ 3,135.60               |
| 2015        | <u>3,247.80</u>           |
|             | <u><u>\$ 6,383.40</u></u> |

**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, 2017

|   |  |                       |
|---|--|-----------------------|
| Dog License Registration Fees Collected |  | \$ 339.00             |
| Decreased by:                           |  |                       |
| Disbursed to State Treasurer            |  | <u>333.00</u>         |
| Balance Dec. 31, 2017                   |  | <u><u>\$ 6.00</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
TRUST - OTHER FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2017

---

|   |                         |
|---|-------------------------|
| Balance Dec. 31, 2016   | \$ 0.63                 |
| Increased by:   |                         |
| Miscellaneous Receipts - Realized as Miscellaneous Revenue<br>Not Anticipated in Current Fund | <u>769.60</u>           |
|   | 770.23                  |
| Decreased by:   |                         |
| Interfund Returned  | <u>0.63</u>             |
| Balance Dec. 31, 2017   | <u><u>\$ 769.60</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2017

---

|                       |    |            |
|-----------------------|----|------------|
| Balance Dec. 31, 2016 | \$ | 15,626.41  |
| Increased by:         |    |            |
| Payroll Deductions    |    | 461,295.39 |
|                       |    | 476,921.80 |
| Decreased by:         |    |            |
| Payments              |    | 458,599.48 |
| Balance Dec. 31, 2017 | \$ | 18,322.32  |

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, 2017

---

|                       |    |          |
|-----------------------|----|----------|
| Balance Dec. 31, 2016 | \$ | 3,735.92 |
| Increased by:         |    |          |
| Receipts              |    | 828.42   |
|                       |    | 4,564.34 |
| Decreased by:         |    |          |
| Disbursements         |    | 2,271.22 |
| Balance Dec. 31, 2017 | \$ | 2,293.12 |

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for New Jersey Unemployment Compensation Insurance  
For the Year Ended December 31, 2017

---

|                       |             |
|-----------------------|-------------|
| Balance Dec. 31, 2016 | \$ 8,212.22 |
| Increased by:         |             |
| Receipts:             |             |
| Employee Withholdings | 914.67      |
|                       | 9,126.89    |
| Decreased by:         |             |
| Claims Paid           | 4,040.44    |
| Balance Dec. 31, 2017 | \$ 5,086.45 |

## Exhibit SB-9

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for Planning Board Escrow Deposits  
For the Year Ended December 31, 2017

---

|  |           |
|--|-----------|
| Balance Dec. 31, 2016                        | \$ 312.67 |
| Increased by:                                |           |
| Escrow Receipts                              | 484.80    |
|  | 797.47    |
| Decreased by:                                |           |
| Disbursements--Professional Fees and Refunds | 283.80    |
| Balance Dec. 31, 2017                        | \$ 513.67 |

**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, 2017

---

|                       |             |
|-----------------------|-------------|
| Balance Dec. 31, 2016 | \$ 7,736.11 |
| Increased by:         |             |
| Receipts              | 34,590.35   |
|                       | 42,326.46   |
| Decreased by:         |             |
| Disbursements         | 36,820.43   |
| Balance Dec. 31, 2017 | \$ 5,506.03 |

## 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, 2017

---

|                       |              |
|-----------------------|--------------|
| Balance Dec. 31, 2016 | \$ 35,471.68 |
| Increased by:         |              |
| Receipts              | 11,732.50    |
|                       | 47,204.18    |
| Decreased by:         |              |
| Disbursements         | 9,425.00     |
| Balance Dec. 31, 2017 | \$ 37,779.18 |

**BOROUGH OF LAUREL SPRINGS**  
TRUST - OTHER FUND  
Statement of Reserve for Public Defender  
For the Year Ended December 31, 2017

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|                       |                           |
|-----------------------|---------------------------|
| Balance Dec. 31, 2016 | \$ 1,796.17               |
| Increased by:         |                           |
| Receipts              | <u>2,270.00</u>           |
|                       | 4,066.17                  |
| Decreased by:         |                           |
| Disbursements         | <u>2,400.00</u>           |
| Balance Dec. 31, 2017 | <u><u>\$ 1,666.17</u></u> |



**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
Statement of Capital Cash--Treasurer  
For the Year Ended December 31, 2017

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|   |            |               |
|---|------------|---------------|
| Balance Dec. 31, 2016                           |            | \$ 647,354.90 |
| Increased by Receipts:                          |            |               |
| Reserve to Pay Debt                             | \$ 260.00  |               |
| New Jersey Transportation Trust Fund Receivable | 134,797.50 |               |
| Budget Appropriation - Capital Improvement Fund | 15,000.00  |               |
|   |            | 150,057.50    |
|   |            | 797,412.40    |
| Decreased by Disbursements:                     |            |               |
| Improvement Authorizations                      |            | 322,005.97    |
| Balance Dec. 31, 2017                           |            | \$ 475,406.43 |

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For The Year Ended December 31, 2017

|   | Receipts                 |                               |               | Disbursements                 |               |                   | Balance<br>Dec. 31, 2017 |
|---|--------------------------|-------------------------------|---------------|-------------------------------|---------------|-------------------|--------------------------|
|   | Balance<br>Dec. 31, 2016 | Bond<br>Anticipation<br>Notes | Miscellaneous | Improvement<br>Authorizations | Miscellaneous | Transfers<br>From |                          |
| Capital Improvement Fund  | \$ 1,805.00              | \$ 15,000.00                  |               | \$ 6,200.00                   |               | \$ 6,200.00       | \$ 10,605.00             |
| New Jersey Transportation Trust Fund Receivable   | (200,000.00)             | 134,797.50                    |               |                               |               |                   | (65,202.50)              |
| Reserve to Pay Bonds and Notes  | 33,417.17                | 260.00                        |               |                               |               | 23,000.00         | 42,630.59                |
| Due Current Fund  |                          |                               |               |                               |               |                   | 23,000.00                |
| Fund Balance  | 496.62                   |                               |               |                               |               |                   | 496.62                   |
| Improvement Authorizations:   |                          |                               |               |                               |               |                   |                          |
| Ordinance   |                          |                               |               |                               |               |                   |                          |
| Number  |                          |                               |               |                               |               |                   |                          |
| 720-2009 Construction of New Fire House   | 90.15                    |                               |               |                               |               | 90.15             |                          |
| 754-2013 Construction and Reconstruction of Various Streets and Roads                   | 52,456.12                |                               |               | \$ 25,963.29                  |               | 26,492.83         |                          |
| 755-2013 Improvements to Recreation Center and Cord Mansion                             | 3,866.43                 |                               |               | 3,866.43                      |               |                   |                          |
| 756-2013 Acquisition and Installation of Office Equipment                               | 1,739.02                 |                               |               | 68.58                         |               | 1,670.44          |                          |
| 773-2014 Construction and Reconstruction of Various Streets and Roads                   | 20,862.44                |                               |               |                               |               |                   | 20,862.44                |
| 774-2014 Improvements to Borough Hall and Cord Mansion                                  | 7,025.20                 |                               |               | 4,400.77                      |               |                   | 2,624.43                 |
| 784-2015 Improvements to Cord Mansion   | 77,604.34                |                               |               |                               |               |                   | 77,604.34                |
| 785-2015 Acquisition of Various Items of Capital Equipment                              | 15,730.28                |                               |               | 4,173.11                      |               | 3,700.00          | 7,857.17                 |
| 786-2015 Improvements to Buildings and Grounds  | 21,556.87                |                               |               | 2,733.57                      |               |                   | 18,823.30                |
| 787-2015 Construction and Reconstruction of Various Streets and Roads                   | 21,538.23                |                               |               |                               |               |                   | 21,538.23                |
| 801-2016 Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements | 313,903.56               |                               |               | 665.89                        |               |                   | 313,237.67               |
| 802-2016 Acquisition of Various Office, Public Works and Fire Equipment                 | 51,135.74                |                               |               | 4,023.39                      |               |                   | 47,112.35                |
| 803-2016 Reconstruction of Washington Avenue  | 224,127.73               |                               |               | 191,251.88                    |               |                   | 32,875.85                |
| 812-2017 Acquisition of Various Equipment   |                          |                               |               | 84,859.06                     |               | 6,200.00          | (78,659.06)              |
|   | \$ 647,354.90            | \$ -                          | \$ 150,057.50 | \$ 322,005.97                 | \$ -          | \$ 61,153.42      | \$ 475,406.43            |

**BOROUGH OF LAUREL SPRINGS**  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation - Funded  
For The Year Ended December 31, 2017

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|  |                               |
|--|-------------------------------|
| Balance Dec. 31, 2016                  | \$ 2,383,350.00               |
| Decreased by:                          |                               |
| 2017 Budget Appropriation to Pay Bonds | <u>342,000.00</u>             |
| Balance Dec. 31, 2017                  | <u><u>\$ 2,041,350.00</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
 GENERAL CAPITAL FUND  
 Statement of Deferred Charges to Future Taxation - Unfunded  
 For The Year Ended December 31, 2017

| Ordinance Number   | Improvement Description  | Ordinance Date | Balance Dec. 31, 2016 | 2017 Authorizations  | Balance Dec. 31, 2017 | Bond Anticipation Note | Analysis of Balance December 31, 2017 |                                       |
|--|--|----------------|-----------------------|----------------------|-----------------------|------------------------|---------------------------------------|---------------------------------------|
|  |  |                |                       |                      |                       |                        | Expenditures                          | Unexpended Improvement Authorizations |
| 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             | 38,850.00              |                                       | 100.00                                |
| 812-2017   | Acquisition of Various Equipment   | 9/11/2017      |                       | \$ 117,800.00        | 117,800.00            |                        | \$ 78,659.06                          | 39,140.94                             |
|  |  |                | <u>\$ 398,090.00</u>  | <u>\$ 117,800.00</u> | <u>\$ 515,890.00</u>  | <u>\$ 397,000.00</u>   | <u>\$ 78,659.06</u>                   | <u>\$ 40,230.94</u>                   |
|  |  |                |                       |                      |                       |                        | Improvement Authorizations - Unfunded |                                       |
|  |  |                |                       |                      |                       |                        |                                       | \$ 419,469.14                         |
| Less: Unexpended Proceeds of Bond Anticipation Notes Issued: |  |                |                       |                      |                       |                        |                                       |                                       |
| Ord. 801-2016  |  |                |                       |                      |                       |                        | \$ 299,250.00                         |                                       |
| Ord. 802-2016  |  |                |                       |                      |                       |                        | 47,112.35                             |                                       |
| Ord. 803-2016  |  |                |                       |                      |                       |                        | <u>32,875.85</u>                      |                                       |
|  |  |                |                       |                      |                       |                        | <u>379,238.20</u>                     |                                       |
|  |  |                |                       |                      |                       |                        |                                       | <u>\$ 40,230.94</u>                   |

**BOROUGH OF LAUREL SPRINGS**  
GENERAL CAPITAL FUND  
Statement of New Jersey Transportation Trust Fund Receivable  
For The Year Ended December 31, 2017

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|                       |                            |
|-----------------------|----------------------------|
| Balance Dec. 31, 2016 | \$ 200,000.00              |
| Decreased by:         |                            |
| Cash Received         | <u>134,797.50</u>          |
| Balance Dec. 31, 2017 | <u><u>\$ 65,202.50</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For The Year Ended December 31, 2017

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|  |                            |
|--|----------------------------|
| Balance Dec. 31, 2016                              | \$ 1,805.00                |
| Increased by:                                      |                            |
| Budget Appropriation                               | <u>15,000.00</u>           |
|  | 16,805.00                  |
| Decreased by:                                      |                            |
| Appropriated to Finance Improvement Authorizations | <u>6,200.00</u>            |
| Balance Dec. 31, 2017                              | <u><u>\$ 10,605.00</u></u> |

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For The Year Ended December 31, 2017

| Ordinance Number      | Improvement Description  | Ordinance Date | Ordinance Amount | Balance Dec. 31, 2016 |               | 2017 Authorization       |  | Improvement Authorization Canceled/ Reallocated | Disbursed     | Balance Dec. 31, 2017 |               |  |
|-----------------------|--|----------------|------------------|-----------------------|---------------|--------------------------|--|---|---------------|-----------------------|---------------|--|
|                       |  |                |                  | 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             |               |                          |  | 29,487.12                                       | \$ 22,969.00  |                       |               |  |
| 755-2013              | Improvements to Recreation Center and Cord Mansion                             | 06/10/13       | 35,000.00        | 3,866.43              |               |                          |  | 603.93  | 3,262.50      |                       |               |  |
| 756-2013              | Acquisition of Various Items of Capital Equipment                              | 06/10/13       | 130,000.00       | 1,739.02              |               |                          |  | 1,739.02  |               |                       |               |  |
| 773-2014              | Construction and Reconstruction of Various Streets and Roads                   | 04/28/14       | 255,000.00       | 20,862.44             |               |                          |  | (2,994.29)                                      | 2,994.29      | \$ 20,862.44          |               |  |
| 774-2014              | Improvements to Borough Hall and Cord Mansion                                  | 04/28/14       | 25,500.00        | 7,025.20              | \$ 25.00      |                          |  | (603.93)  | 5,004.70      | 2,624.43              | \$ 25.00      |  |
| 784-2015              | Improvements to Cord Mansion   | 04/13/15       | 106,000.00       | 77,604.34             |               |                          |  |   |               | 77,604.34             |               |  |
| 785-2015              | Acquisition of Various Items of Capital Equipment                              | 04/13/15       | 87,100.00        | 15,730.28             |               |                          |  | 3,631.42  | 4,241.69      | 7,857.17              |               |  |
| 786-2015              | Improvements to Buildings and Grounds  | 04/13/15       | 31,500.00        | 21,556.87             |               |                          |  |   | 2,733.57      | 18,823.30             |               |  |
| 787-2015              | Construction and Reconstruction of Various Streets and Roads                   | 04/13/15       | 31,500.00        | 21,538.23             | 965.00        |                          |  |   |               | 21,538.23             | 965.00        |  |
| 801-2016              | Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements | 07/11/16       | 315,000.00       | 14,653.56             | 299,250.00    |                          |  |   | 665.89        | 13,987.67             | 299,250.00    |  |
| 802-2016              | Acquisition of Various Office, Public Works and Fire Equipment                 | 07/11/16       | 62,000.00        | 51,135.74             |               |                          |  |   | 4,023.39      |                       | 47,112.35     |  |
| 803-2016              | Reconstruction of Washington Avenue  | 07/11/16       | 241,000.00       | 185,277.73            | 38,950.00     |                          |  |   | 191,251.88    |                       | 32,975.85     |  |
| 812-2017              | Acquisition of Various Equipment   | 08/14/17       | 124,000.00       |                       |               | \$ 6,200.00              | \$ 117,800.00                                |   | 84,859.06     |                       | 39,140.94     |  |
|                       |  |                |                  | \$ 422,400.37         | \$ 390,325.74 | \$ 6,200.00              | \$ 117,800.00                                | \$ 31,953.42                                    | \$ 322,005.97 | \$ 163,297.58         | \$ 419,469.14 |  |



**BOROUGH OF LAUREL SPRINGS**  
 GENERAL CAPITAL FUND  
 Statement of Bond Anticipation Notes  
 For The Year Ended December 31, 2017

| <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>Balance Dec. 31, 2016</u> | <u>Increased</u>     | <u>Decreased</u>     | <u>Balance Dec. 31, 2017</u> |
|-------------------------|--|---------------------------------------|------------------------|-------------------------|----------------------|------------------------------|----------------------|----------------------|------------------------------|
|                         |  |                                       |                        |                         |                      |                              |                      |                      |                              |
| 801-2016                | Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements | 9/29/2016                             | 9/29/2016<br>9/27/2017 | 9/28/2017<br>9/26/2018  | 1.25%<br>1.39%       | \$ 299,250.00                | \$ 299,250.00        | \$ 299,250.00        | \$ 299,250.00                |
| 802-2016                | Acquisition of Various Office, Public Works and Fire Equipment                 | 9/29/2016                             | 9/29/2016<br>9/27/2017 | 9/28/2017<br>9/26/2018  | 1.25%<br>1.39%       | 58,900.00                    | 58,900.00            | 58,900.00            | 58,900.00                    |
| 803-2016                | Reconstruction of Washington Avenue  | 9/29/2016                             | 9/29/2016<br>9/27/2017 | 9/28/2017<br>9/26/2018  | 1.25%<br>1.39%       | 38,850.00                    | 38,850.00            | 38,850.00            | 38,850.00                    |
|                         |  |                                       |                        |                         |                      | <u>\$ 397,000.00</u>         | <u>\$ 397,000.00</u> | <u>\$ 397,000.00</u> | <u>\$ 397,000.00</u>         |
|                         |  |                                       |                        |                         |                      | Renewal                      | <u>\$ 397,000.00</u> | <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, 2017

| <u>Purpose</u>               | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Maturities of Bonds Outstanding</u> |                          |               | <u>Interest Rate</u>   | <u>Bonds Issued</u> | <u>Paid by Budget</u> | <u>Balance Dec. 31, 2017</u> |
|------------------------------|----------------------|-----------------------|--|--------------------------|---------------|------------------------|---------------------|-----------------------|------------------------------|
|                              |                      |                       | <u>Date</u>                            | <u>December 31, 2017</u> | <u>Amount</u> |                        |                     |                       |                              |
| General Improvements of 2006 | 12-7-06              | \$ 1,133,350.00       | 12-15-18                               | \$ 128,350.00            | 4.250%        | \$ 258,350.00          | \$ 130,000.00       | \$ 128,350.00         |                              |
| General Improvements of 2009 | 12-1-18              | 1,840,000.00          | 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%                |  | 1,175,000.00             |               | 125,000.00             | 1,050,000.00        |                       |                              |
| General Improvements of 2015 | 5-1-18               | 1,032,000.00          | 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%                |  | 950,000.00               |               | 87,000.00              | 863,000.00          |                       |                              |
|                              |                      |                       |  |                          |               | <u>\$ 2,383,350.00</u> | <u>\$ -</u>         | <u>\$ 342,000.00</u>  | <u>\$ 2,041,350.00</u>       |

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For The Year Ended December 31, 2017

| <u>Ordinance Number</u> | <u>Improvement Description</u>                               | <u>Ordinance Date</u> | <u>Balance Dec. 31, 2016</u> | <u>2017 Authorizations</u> | <u>Balance Dec. 31, 2017</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                       |
| 803-2016                | Reconstruction of Washington Avenue                          | 9/29/2016             | 100.00                       |                            | 100.00                       |
| 812-2017                | Acquisition of Various Equipment                             | 9/11/2017             |                              | \$ 117,800.00              | 117,800.00                   |
|                         |  |                       | <u>\$ 1,090.00</u>           | <u>\$ 117,800.00</u>       | <u>\$ 118,890.00</u>         |

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY FUND**  
 Statement of Sewer Utility Cash  
 For the Year Ended December 31, 2017

|   | <u>Operating</u>     | <u>Capital</u>      |
|---|----------------------|---------------------|
| Balance Dec. 31, 2016   | \$ 183,138.87        | \$ 14,838.88        |
| Increased by Receipts:  |                      |                     |
| Sewer Rents   | \$ 153,352.08        |                     |
| Prepaid Rents   | 1,155.03             |                     |
| Miscellaneous Revenue   | 2,162.38             |                     |
| Capital Improvement Fund  | <u>\$ 1,000.00</u>   |                     |
|   | <u>156,669.49</u>    | <u>1,000.00</u>     |
|   | 339,808.36           | 15,838.88           |
| Decreased by Disbursements:                                       |                      |                     |
| 2017 Appropriations   | 169,255.60           |                     |
| Accrued Interest on Bonds and Notes<br>Improvement Authorizations | <u>692.73</u>        | <u>195.00</u>       |
|   | <u>169,948.33</u>    | <u>195.00</u>       |
| Balance Dec. 31, 2017   | <u>\$ 169,860.03</u> | <u>\$ 15,643.88</u> |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Capital Cash  
 For the Year Ended December 31, 2017

|                          | <u>Receipts</u>  |                                       | <u>Disbursements</u>                        |   | <u>Balance</u><br>Dec. 31, 2017 |
|--------------------------|--|---------------------------------------|---|---|---------------------------------|
|                          | <u>Balance</u><br>Dec. 31, 2016                                | <u>Budget</u><br><u>Appropriation</u> | <u>Improvement</u><br><u>Authorizations</u> | <u>Transfers</u><br><u>From</u> <u>To</u> |                                 |
| Fund Balance             | \$ 15.88   |                                       |   |   | \$ 15.88                        |
| Capital Improvement Fund | 4,230.00   | \$ 1,000.00                           |   |   | 5,230.00                        |
| Due Sewer Operating Fund |  |                                       |   |   |                                 |
| <u>Ordinance Number</u>  |  |                                       |   |   |                                 |
| General Improvements:    |  |                                       |   |   |                                 |
| 705-2008                 | Various Improvements to and for the<br>Borough's Sewer Utility |                                       |   |   | 400.00                          |
| 771-2014                 | Various Improvements to and for the<br>Borough's Sewer Utility |                                       | \$ 195.00                                   |   | 9,998.00                        |
|                          |  | \$ 1,000.00                           | \$ 195.00                                   | \$ -                                      | \$ 15,643.88                    |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY OPERATING FUND**  
Statement of Sewer Consumer Accounts Receivable  
For the Year Ended December 31, 2017

|                       |               |              |
|-----------------------|---------------|--------------|
| Balance Dec. 31, 2016 |               | \$ 12,947.56 |
| Increased by:         |               |              |
| Sewer Rents Levied    |               | 155,750.00   |
|                       |               | 168,697.56   |
| Decreased by:         |               |              |
| Payments Received     | \$ 153,352.08 |              |
| Prepaid Rents Applied | 1,020.12      |              |
|                       | 154,372.20    |              |
| Canceled              | 583.26        |              |
|                       |               | 154,955.46   |
| Balance Dec. 31, 2017 |               | \$ 13,742.10 |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds  
 For the Year Ended December 31, 2017

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|                       |          |
|-----------------------|----------|
| Balance Dec. 31, 2016 | \$ 86.88 |
| Increased by:         |          |
| Budget Appropriation: |          |
| Interest on Bonds     | 687.50   |
|                       | 774.38   |
| Decreased by:         |          |
| Disbursements         | 692.73   |
| Balance Dec. 31, 2017 | \$ 81.65 |

Analysis of Accrued Interest December 31, 2017

| Principal Outstanding<br><u>Dec. 31, 2017</u> | Interest<br><u>Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u> |
|---|-------------------------|-------------|-----------|---------------|---------------|
| Serial Bonds:<br>\$27,000.00                  | 2.42%                   | 11/16/17    | 12/31/17  | 45 Days       | \$ 81.65      |



**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2017

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| <u>Ordinance</u><br><u>Number</u> | <u>Improvement Description</u>                              | <u>Ordinance</u><br><u>Date</u> | <u>Amount</u> | <u>Balance</u><br><u>Dec. 31, 2016</u><br><u>and 2017</u> |
|-----------------------------------|---|---------------------------------|---------------|---|
| 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><u>\$ 36,400.00</u></u>                                |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For The Year Ended December 31, 2017

| <u>Ordinance Number</u> | <u>Improvement Description</u>                              | <u>Ordinance Date</u> | <u>Ordinance Amount</u> | <u>Balance Dec. 31, 2016</u> |                  | <u>Balance Dec. 31, 2017</u> |                  |  |
|-------------------------|---|-----------------------|-------------------------|------------------------------|------------------|------------------------------|------------------|--|
|                         |   |                       |                         | <u>Funded</u>                | <u>Unfunded</u>  | <u>Funded</u>                | <u>Unfunded</u>  |  |
| General Improvements:   |   |                       |                         |                              |                  |                              |                  |  |
| 705-2008                | Various Improvements to and for the Borough's Sewer Utility | 7/1/2008              | \$ 60,000.00            | \$ 400.00                    |                  | \$ 400.00                    |                  |  |
| 771-2014                | Various Improvements to and for the Borough's Sewer Utility | 5/12/2014             | 35,400.00               | 10,193.00                    | \$ 630.00        | \$ 9,998.00                  | \$ 630.00        |  |
|                         |   |                       |                         | <u>\$ 10,593.00</u>          | <u>\$ 630.00</u> | <u>\$ 10,398.00</u>          | <u>\$ 630.00</u> |  |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Capital Improvement Fund  
 For The Year Ended December 31, 2017

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|                       |             |
|-----------------------|-------------|
| Balance Dec. 31, 2016 | \$ 4,230.00 |
| Increased by:         |             |
| Budget Appropriation  | 1,000.00    |
| Balance Dec. 31, 2017 | \$ 5,230.00 |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Reserve for Amortization  
 For The Year Ended December 31, 2017

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|  |               |
|--|---------------|
| Balance Dec. 31, 2016                      | \$ 507,027.89 |
| Increased by:                              |               |
| Funded by Operating Budget<br>Serial Bonds | 3,000.00      |
| Balance Dec. 31, 2017                      | \$ 510,027.89 |

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Sewer Serial Bonds  
 For The Year Ended December 31, 2017

| <u>Purpose</u>                            | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Date</u> | <u>Maturities of Bonds Outstanding</u> |               | <u>Interest Rate</u> | <u>Paid by Budget Appropriation</u> | <u>Balance Dec. 31, 2017</u> |
|---|----------------------|-----------------------|-------------|--|---------------|----------------------|-------------------------------------|------------------------------|
|   |                      |                       |             | <u>Dec. 31, 2016</u>                   | <u>Amount</u> |                      |                                     |                              |
| Various Sewer Utility Improvements - 2015 | 5-15-15              | \$ 33,000.00          | 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%        |                      |                                     |                              |
|   |                      |                       |             |  |               | \$ 30,000.00         | \$ 3,000.00                         | \$ 27,000.00                 |

**BOROUGH OF LAUREL SPRINGS**  
SEWER UTILITY CAPITAL FUND  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2017

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| <u>Ordinance<br/>Number</u> | <u>Improvement Description</u>                              | Balance<br>Dec. 31, 2016<br><u>and 2017</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, 2017**

**BOROUGH OF LAUREL SPRINGS**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2017

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***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

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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

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

| <u>Name</u>              | <u>Title</u>  | <u>Amount of<br/>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<br>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

