

**BOROUGH OF LAUREL SPRINGS  
COUNTY OF CAMDEN  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**BOROUGH OF LAUREL SPRINGS**  
**TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
 <b><u>PART I</u></b>		
	Independent Auditor's Report	2
	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	5
 <b><u>CURRENT FUND</u></b>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance - Regulatory Basis	9
A-2	Statement of Revenues - Regulatory Basis	11
A-3	Statement of Expenditures - Regulatory Basis	14
 <b><u>TRUST FUNDS</u></b>		
B	Statements of Assets, Liabilities and Reserves - Regulatory Basis	21
 <b><u>GENERAL CAPITAL FUND</u></b>		
C	Statements of Assets, Liabilities and Reserves and Fund Balance - Regulatory Basis	22
 <b><u>SEWER UTILITY FUND</u></b>		
D	Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	23
D-1	Statements of Operations and Changes in Fund Balance - Regulatory Basis	24
D-2	Sewer Utility Operating Fund - Statement of Revenues - Regulatory Basis	25
D-3	Sewer Utility Operating Fund - Statement of Expenditures - Regulatory Basis	26
 <b><u>GENERAL FIXED ASSETS ACCOUNT GROUP</u></b>		
E	Statement of General Fixed Asset Group of Accounts - Regulatory Basis	27
	Notes to Financial Statements	28

**BOROUGH OF LAUREL SPRINGS**  
**TABLE OF CONTENTS (CONT'D)**

**Exhibit No.****Page No.****SUPPLEMENTAL EXHIBITS****CURRENT FUND**

SA-1	Statement of Current Cash - Treasurer	65
SA-2	Schedule of Change Funds	66
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	67
SA-4	Statement of Tax Title Liens	68
SA-5	Statement of Revenue Accounts Receivable	69
SA-6	Statement of Deferred Charges - N.J.S. 40A:4-55 Special Emergency Authorizations	70
SA-7	Statement of 2017 Appropriation Reserves	71
SA-8	Statement of Due to State of New Jersey Senior Citizens' and Veterans' Deductions Ch. 73, P.L. 1976	74
SA-9	Statement of Due to State of New Jersey - State Training Fees	74
SA-10	Statement of Due to State of New Jersey - Marriage License Fees	75
SA-11	Statement of Prepaid Taxes	75
SA-12	Statement of County Taxes	76
SA-13	Statement of Due County for Added Taxes	76
SA-14	Statement of Local District School Tax Payable	77
SA-15	Statement of Tax Overpayments	77
SA-16	Statement of Reserve for Tax Map Revisions, Master Plan and Revaluation	78
SA-17	Federal and State Grant Fund – Statement of Federal, State and Other Grants Receivable	79
SA-18	Federal and State Grant Fund - Statement of Reserve for Federal, State and Other Grants - Unappropriated	80
SA-19	Federal and State Grant Fund - Statement of Reserve for Federal, State and Other Grants - Appropriated	81

**TRUST FUND**

SB-1	Statement of Trust Cash - Treasurer	83
SB-2	Trust - Other Fund - Statement of Trust Cash - Collector	84
SB-3	Trust - Animal Control Fund - Statement of Reserve for Animal Control Fund Expenditures	85
SB-4	Trust - Animal Control Fund - Statement of Due to/from State of New Jersey - Dog License Registration Fees	85
SB-5	Trust - Animal Control Fund - Statement of Due to Current Fund	86
SB-6	Trust - Other Fund - Statement of Due to Current Fund	86
SB-7	Trust - Other Fund - Statement of Payroll Deductions Payable	87
SB-8	Trust - Other Fund - Statement of Reserve for Disposal of Forfeited Property	87
SB-9	Trust - Other Fund - Statement of Reserve for New Jersey Unemployment Compensation Insurance	88
SB-10	Trust - Other Fund- Statement of Reserve for Planning Board Escrow Deposits	88
SB-11	Trust - Other Fund- Statement of Reserve for Recreation Commission (N.J.S.A. 40:12-1)	89
SB-12	Trust - Other Fund - Statement of Reserve for Outside Employment of Off Duty Municipal Police Officers	89
SB-13	Trust - Other Fund - Statement of Reserve for Public Defender	90
SB-14	Trust - Other Fund - Statement of Reserve for P.O.A.A	90

**BOROUGH OF LAUREL SPRINGS**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>GENERAL CAPITAL FUND</u></b>		
SC-1	Statement of Capital Cash - Treasurer	92
SC-2	Analysis of General Capital Cash	93
SC-3	Statement of Deferred Charges to Future Taxation - Funded	94
SC-4	Statement of Deferred Charges to Future Taxation - Unfunded	95
SC-5	Statement of Capital Improvement Fund	96
SC-6	Statement of Improvement Authorizations	97
SC-7	Statement of Bond Anticipation Notes	98
SC-8	Statement of General Serial Bonds	99
SC-9	Statement of Bonds and Notes Authorized but not Issued	100
<b><u>SEWER UTILITY FUND</u></b>		
SD-1	Statement of Sewer Utility Cash	102
SD-2	Sewer Utility Capital Fund - Analysis of Sewer Capital Cash	103
SD-3	Sewer Utility Operating Fund - Statement of Sewer Consumer Accounts Receivable	104
SD-4	Sewer Utility Operating Fund - Statement of Appropriation Reserves	105
SD-5	Sewer Utility Operating Fund - Statement of Accrued Interest on Bonds	106
SD-6	Sewer Utility Capital Fund – Statement of Fixed Capital Authorized and Uncompleted	107
SD-7	Sewer Utility Capital Fund - Statement of Capital Improvement Fund	108
SD-8	Sewer Utility Capital Fund - Statement of Reserve for Amortization	108
SD-9	Sewer Utility Capital Fund - Statement of Sewer Serial Bonds	109
SD-10	Sewer Utility Capital Fund - Statement of Bonds and Notes Authorized But not Issued	110
<b><u>PART II</u></b>		
	Schedule of Findings and Recommendations: Schedule of Financial Statement Findings	112
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	113
	<b>OFFICIALS IN OFFICE AND SURETY BONDS</b>	114
	<b>APPRECIATION</b>	115

**BOROUGH OF LAUREL SPRINGS**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

## **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, 2018 and 2017, 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, 2018, 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2018 and 2017, 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, 2018 and 2017, 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, 2018, 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.

**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement note disclosures. Our opinions are not modified with respect to this matter.

**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 July 24, 2019 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  
July 24, 2019



**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, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 24, 2019. 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. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

**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  
July 24, 2019

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash	SA-1	\$ 814,327.90	\$ 884,391.30
Cash--Change Fund	SA-2	400.00	400.00
		<u>814,727.90</u>	<u>884,791.30</u>
Receivables with Full Reserves:			
Delinquent Property Taxes	SA-3	163,637.95	133,848.49
Tax Title Liens	SA-4	12,385.18	5,950.04
Property Acquired for Taxes - Assessed Valuation	A	551.00	551.00
Revenue Accounts Receivable	SA-5	3,396.72	2,801.00
Due from Trust - Other Fund	SB-6	192.27	769.60
Due from General Capital Fund	SC-2	434.23	23,000.00
Due from Sewer Utility Operating Fund	D-1	719.68	
		<u>181,317.03</u>	<u>166,920.13</u>
Deferred Charges:			
Reserve for Preparation of Tax Maps	SA-6		5,000.00
Reserve for Master Plan	SA-6	8,000.00	12,000.00
Reserve for Revaluation	SA-6	45,000.00	60,000.00
		<u>53,000.00</u>	<u>77,000.00</u>
		<u>1,049,044.93</u>	<u>1,128,711.43</u>
Federal and State Grant Fund:			
Cash	SA-1	23,232.40	60,903.34
Federal and State Grants Receivable	SA-17	320,499.04	111,499.04
		<u>343,731.44</u>	<u>172,402.38</u>
		<u>\$ 1,392,776.37</u>	<u>\$ 1,301,113.81</u>

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Special Emergency Note Payable	SA-1	\$ 45,000.00	\$ 60,000.00
Appropriation Reserves	A-3;SA-7	97,226.04	124,509.33
Due to Trust - Animal Control Fund	SB-5	449.81	
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	SA-8	2,972.80	3,722.80
Due to Camden County M.U.A.	SA-1	2,384.24	
Due State of New Jersey:			
State Training Fees	SA-9	598.00	378.00
Marriage License Fees	SA-10	100.00	50.00
Prepaid Taxes	SA-11	13,465.76	79,783.26
Due County for Added and Omitted Taxes	SA-13	2,870.39	856.39
Tax Overpayments	SA-15	9,850.57	15,471.74
Reserve for Sale of Municipal Assets	SA-1	9,725.00	6,229.00
Reserve for Tax Map Revisions	SA-16	4,061.00	4,061.00
Reserve for Master Plan	SA-16	20,000.00	20,000.00
Reserve for Revaluation	SA-16	11,028.58	15,493.60
		<u>219,732.19</u>	<u>330,555.12</u>
Reserves for Receivables and Other Assets	A	181,317.03	166,920.13
Fund Balance	A-1	<u>647,995.71</u>	<u>631,236.18</u>
		<u>1,049,044.93</u>	<u>1,128,711.43</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-18		2,196.92
Appropriated	SA-19	343,731.44	170,205.46
		<u>343,731.44</u>	<u>172,402.38</u>
		<u>\$ 1,392,776.37</u>	<u>\$ 1,301,113.81</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, 2018 and 2017

<u>Revenue and Other Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 332,000.00	\$ 320,000.00
Miscellaneous Revenues Anticipated	789,809.82	635,810.84
Receipts from Delinquent Taxes	133,748.60	182,168.22
Receipts from Current Taxes	5,733,383.50	5,577,174.69
Non-Budget Revenue	60,385.49	39,117.26
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	110,528.37	112,243.29
Liquidation of Reserve for:		
Due from Trust - Other Fund	577.33	
Due from General Capital Fund	22,565.77	
<b>Total Income</b>	<b>7,182,998.88</b>	<b>6,866,514.30</b>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	844,800.00	832,500.00
Other Expenses	740,600.00	743,800.00
Deferred Charges and Statutory Expenditures - Within "CAPS"	256,785.64	232,351.16
Operations - Excluded from "CAPS":		
Salaries and Wages	121,557.69	130,900.00
Other Expenses	203,103.74	191,070.87
Capital Improvements Excluded from "CAPS"	210,000.00	15,000.00
Municipal Debt Service	425,143.48	427,702.01
Deferred Charges and Statutory Expenditures - Excluded from "CAPS"	24,000.00	24,000.00
Transferred to Board of Education for Use of Local Schools	46,602.00	48,876.00
County Taxes	1,045,060.33	1,005,926.35
Due County for Added Taxes	2,870.39	856.39
Local District School Tax	2,902,005.00	2,802,547.00
Prior Year Tax Revenue Refunded	10,991.40	
Prior Year Senior Citizen Disallowance		500.00
Reserves Created:		
Due from Trust - Other Fund		768.97
Due from General Capital		23,000.00
Due from Sewer Utility Operating Fund	719.68	
<b>Total Expenditures</b>	<b>6,834,239.35</b>	<b>6,479,798.75</b>
Excess in Revenues (Carried Forward)	348,759.53	386,715.55

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For The Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Excess in Revenues (Brought Forward)	\$ 348,759.53	\$ 386,715.55
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
Statutory Excess to Fund Balance	348,759.53	386,715.55
<u>Fund Balance</u>		
Fund Balance Jan. 1	631,236.18	564,520.63
	979,995.71	951,236.18
Decreased by:		
Utilized as Revenue	332,000.00	320,000.00
Fund Balance Dec. 31	<u>\$ 647,995.71</u>	<u>\$ 631,236.18</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, 2018

	<u>Anticipated</u>		<u>Realized</u>	Excess or <u>(Deficit)</u>
	<u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 332,000.00	\$ -	\$ 332,000.00	\$ -
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	5,000.00		7,500.00	2,500.00
Other	3,000.00		9,084.25	6,084.25
Fines and Costs:				
Municipal Court	77,000.00		65,064.68	(11,935.32)
Interest and Cost on Taxes	42,000.00		46,910.43	4,910.43
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	282,455.00		282,455.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)	35,755.00		35,755.00	
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		17,208.00	2,208.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Interlocal Municipal Service Agreements Offset with Appropriations				
Municipal Court	31,600.00		34,323.28	2,723.28
Interlocal Municipal Service Agreements Offset with Appropriations Finance Services	12,000.00		12,000.00	
Interlocal Municipal Service Agreements Offset with Appropriations Recycling Services	500.00			(500.00)
State and Federal Revenues Off-Set with Appropriations:				
New Jersey Department of Transportation Grant	195,000.00		195,000.00	
Clean Communities Grant		4,232.91	4,232.91	
Community Development Block Grant	14,000.00		14,000.00	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	25,000.00		25,000.00	
Recycling Tonnage Grant	2,196.92		2,196.92	
Drunk Driving Enforcement Grant		2,500.00	2,500.00	

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For The Year Ended December 31, 2018

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services (Cont'd):				
Other Special Items:				
Uniform Fire Safety Act	\$ 6,000.00		\$ 6,350.35	\$ 350.35
Reserve for Payment of Bonds and Notes	24,000.00		24,000.00	
Reserve for Sale of Municipal Assets	6,229.00		6,229.00	
	<u>776,735.92</u>	<u>\$ 6,732.91</u>	<u>789,809.82</u>	<u>6,340.99</u>
Receipts from Delinquent Taxes	<u>128,264.08</u>	<u>-</u>	<u>133,748.60</u>	<u>5,484.52</u>
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>1,940,000.00</u>	<u>-</u>	<u>2,052,047.78</u>	<u>112,047.78</u>
Budget Totals	<u>3,177,000.00</u>	<u>6,732.91</u>	<u>3,307,606.20</u>	<u>123,873.29</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>60,385.49</u>	<u>60,385.49</u>
	<u>\$ 3,177,000.00</u>	<u>\$ 6,732.91</u>	<u>\$ 3,367,991.69</u>	<u>\$ 184,258.78</u>

(Continued)



**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For The Year Ended December 31, 2018

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 5,733,383.50
Allocated to:	
School and County Taxes	<u>3,949,935.72</u>
Balance for Support of Municipal Budget Appropriations	1,783,447.78
Add: Appropriation "Reserve for Uncollected Taxes"	<u>268,600.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 2,052,047.78</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 133,748.60
Tax Title Liens	<u>-</u>
	<u>\$ 133,748.60</u>
Licenses - Other:	
Clerk	<u>\$ 9,084.25</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Interest on Bank Accounts	\$ 1,001.08
Dumpster Permits	30.00
Refund of Prior Year Expenses	4,465.89
Cable T.V. Franchise Taxes	7,797.80
Tree Removal Permit	25.00
Recycling Fees	2,352.79
Police Outside Services - Administrative Fee	22,328.64
Miscellaneous	401.00
Camden County JIF Safety Incentive	1,000.00
Truck Rentals	350.00
Wedding Ceremony Fees	200.00
NJ DMV Inspections Fees	100.00
Vacant Property Registration	19,200.00
Administrative Fee for Homestead Rebate Credit	410.00
Administrative Fee for Senior Citizen and Veterans Deductions	<u>96.60</u>
	59,758.80
Interest on Bank Accounts:	
Due from Trust - Animal Control Fund	0.19
Due from Trust - Other Fund	192.27
Due from General Capital Fund	<u>434.23</u>
	<u>\$ 60,385.49</u>

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

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>					
<u>General Government</u>					
Borough Administrator					
Salaries and Wages	\$ 15,700.00	\$ 15,700.00	\$ 15,209.72	\$ 490.28	
Other Expenses	500.00	500.00	305.00	195.00	
Mayor and Council					
Salaries and Wages	500.00	500.00	200.00	300.00	
Other Expenses	1,600.00	1,600.00	1,418.55	181.45	
Municipal Clerk					
Salaries and Wages	75,400.00	75,400.00	74,652.31	747.69	
Other Expenses	15,000.00	13,200.00	11,580.07	1,619.93	
Financial Administration					
Salaries and Wages	48,500.00	48,500.00	48,242.04	257.96	
Other Expenses	16,300.00	16,300.00	15,207.53	1,092.47	
Audit Services					
Other Expenses	31,000.00	31,000.00	30,800.00	200.00	
Collection of Taxes					
Salaries and Wages	6,600.00	6,600.00	6,314.79	285.21	
Other Expenses	2,000.00	4,500.00	4,170.53	329.47	
Assessment of Taxes					
Salaries and Wages	6,400.00	6,400.00	6,352.48	47.52	
Other Expenses	1,400.00	900.00	534.15	365.85	
Legal Services					
Other Expenses	27,600.00	27,600.00	25,649.72	1,950.28	
Engineering Services					
Other Expenses	800.00	800.00		800.00	
Economic Development					
Other Expenses	20,800.00	20,800.00	19,569.13	1,230.87	
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages	4,600.00	4,600.00	4,535.84	64.16	
Other Expenses	2,600.00	2,900.00	2,764.32	135.68	

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Code Enforcement and Administration</u>					
Code Enforcement Office					
Salaries and Wages	\$ 6,000.00	\$ 5,700.00	\$ 5,662.32	\$ 37.68	
Other Expenses	100.00	100.00		100.00	
Property Maintenance Officer					
Salaries and Wages	3,200.00	3,200.00	3,150.37	49.63	
Other Expenses	100.00	100.00		100.00	
<u>Insurance</u>					
General Liability Insurance	71,000.00	65,600.00	63,210.21	389.79	\$ 2,000.00
Workers Compensation Insurance	56,000.00	55,000.00	53,769.00	231.00	1,000.00
Employee Group Insurance Plan for Employees	155,000.00	155,000.00	140,819.04	4,180.96	10,000.00
Disability Insurance	3,000.00	2,000.00	492.35	1,507.65	
Health Benefits Waiver	8,000.00	8,000.00	3,758.04	241.96	4,000.00
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	564,300.00	561,300.00	548,319.90	7,980.10	5,000.00
Other Expenses	18,200.00	18,200.00	13,134.32	5,065.68	
Office of Emergency Management					
Salaries and Wages	1,300.00	1,300.00	1,217.39	82.61	
Other Expenses	400.00	400.00	50.00	350.00	
Aid to Volunteer Fire Company	21,500.00	21,500.00	21,050.04	449.96	
Uniform Fire Safety Act					
Salaries and Wages	4,300.00	4,300.00	4,235.45	64.55	
Other Expenses	900.00	900.00	540.00	360.00	
Fire Hydrant Service	29,000.00	29,000.00	27,790.98	1,209.02	
Municipal Court					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	100.00	1,100.00	730.00	370.00	

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>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	68,200.00	75,200.00	\$ 73,924.89	1,275.11	
Other Expenses	9,500.00	8,000.00	3,129.75	4,870.25	
Shade Tree Program					
Other Expenses	8,000.00	8,000.00		3,000.00	\$ 5,000.00
Garbage and Trash Removal					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	700.00	700.00		700.00	
Public Building and Grounds					
Salaries and Wages	22,200.00	10,200.00	3,408.23	1,791.77	5,000.00
Other Expenses	20,800.00	29,800.00	25,021.60	4,778.40	
Vehicle Maintenance					
Other Expenses	25,000.00	26,000.00	22,798.48	3,201.52	
<u>Health and Human Services</u>					
Registrar of Vital Statistics					
Salaries and Wages	1,600.00	1,600.00	1,550.34	49.66	
Other Expenses	800.00	800.00	300.52	499.48	
Animal Control Services					
Other Expenses	3,900.00	3,900.00	3,815.00	85.00	
Board of Health					
Salaries and Wages	3,300.00	3,600.00	3,502.07	97.93	
Other Expenses	200.00	200.00	198.08	1.92	

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Health and Human Services (Cont'd)</u>					
Recreation Services and Programs					
Salaries and Wages	\$ 7,800.00	\$ 8,100.00	\$ 7,958.99	\$ 141.01	
Other Expenses	200.00	200.00	68.44	131.56	
Celebration of Public Events, Anniversary or Holidays					
Other Expenses	1,000.00	1,000.00	78.13	921.87	
Utility Expenses and Bulk Purchases	133,000.00	131,000.00	115,698.66	15,301.34	
Landfill/Solid Waste Disposal Costs	69,100.00	74,100.00	65,218.97	8,881.03	
Accumulated Leave Compensation	16,000.00	17,000.00	16,685.90	314.10	
Uniform Construction Code - Appropriations Offset by Dedicated <u>Revenues (N.J.A.C. 5:23-4.14)</u>					
Construction Code Official					
Salaries and Wages	5,300.00	5,300.00	5,215.08	84.92	
Other Expenses	1,800.00	1,800.00	986.89	813.11	
<b>Total Operations within "CAPS"</b>	<b>1,618,500.00</b>	<b>1,617,400.00</b>	<b>1,504,995.61</b>	<b>80,404.39</b>	<b>\$ 32,000.00</b>
Detail:					
Salaries and Wages	861,500.00	854,800.00	830,338.11	14,461.89	10,000.00
Other Expenses	757,000.00	762,600.00	674,657.50	65,942.50	22,000.00

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 32,500.00	\$ 32,600.00	\$ 32,551.56		\$ 48.44
Police and Firemen's Retirement System of NJ	141,300.00	141,300.00	141,233.00		67.00
Defined Contribution Plan	100.00	100.00		\$ 100.00	
Social Security System (O.A.S.I.)	78,901.08	78,901.08	63,698.73	15,202.35	
Unemployment Insurance	3,000.00	4,000.00	3,447.13	552.87	
Total Statutory Expenditures	<u>255,801.08</u>	<u>256,901.08</u>	<u>240,930.42</u>	<u>15,855.22</u>	<u>115.44</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>1,874,301.08</u>	<u>1,874,301.08</u>	<u>1,745,926.03</u>	<u>96,259.61</u>	<u>32,115.44</u>
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Landfill Recycling Fees (P.L.2007,c. 311)	2,700.00	2,700.00	2,318.52	381.48	
<u>Interlocal Municipal Service Agreements:</u>					
Municipal Court					
Other Expenses	53,100.00	53,100.00	52,615.86	484.14	
Tax Collector Services					
Other Expenses	17,500.00	17,500.00	17,425.08		74.92
Construction Code Official					
Other Expenses	17,000.00	17,000.00	8,953.83		8,046.17
Finance Services					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
Other Expenses	2,000.00	2,000.00	2,000.00		
Garbage and Trash Removal					
Other Expenses	89,900.00	89,900.00	89,895.00		5.00
Recycling Services					
Salaries and Wages	500.00	500.00	57.69		442.31
Municipal Clerk Services					
Salaries and Wages	25,500.00	25,500.00	25,399.19	100.81	
Other Expenses	6,100.00	6,100.00	6,100.00		
Total Other Operations - Excluded from "CAPS"	<u>224,300.00</u>	<u>224,300.00</u>	<u>214,765.17</u>	<u>966.43</u>	<u>8,568.40</u>

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Public and Private Programs Offset by Revenues</u>					
Community Development Block Grant	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00		
Clean Communities Act (40A:4-87, \$4,232.91+)		4,232.91	4,232.91		
Drunk Driving Enforcement Grant (40A:4-87, \$2,500.00+)		2,500.00	2,500.00		
Safe and Secure Communities Program	86,000.00	86,000.00	86,000.00		
Recycling Tonnage Grant	2,196.92	2,196.92	2,196.92		
Total Public and Private Programs Offset by Revenues	102,196.92	108,929.83	108,929.83	\$ -	\$ -
Total Operations - Excluded from "CAPS"	326,496.92	333,229.83	323,695.00	966.43	8,568.40
Detail:					
Salaries and Wages	122,000.00	122,000.00	121,456.88	100.81	442.31
Other Expenses	204,496.92	211,229.83	202,238.12	865.62	8,126.09
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Public and Private Programs Offset by Revenues					
New Jersey DOT Trust Fund Authority Act Arch & Washington Avenues - Phase 2	195,000.00	195,000.00	195,000.00		
Total Capital Improvements - Excluded from "CAPS"	210,000.00	210,000.00	210,000.00	-	-
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	351,000.00	351,000.00	350,350.00		650.00
Interest on Bonds	69,000.00	69,000.00	68,458.83		541.17
Interest on Notes	7,000.00	7,000.00	6,334.65		665.35
Total Municipal Debt Service - Excluded from "CAPS"	427,000.00	427,000.00	425,143.48	-	1,856.52
<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	-	-

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For The Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	\$ 46,602.00	\$ 46,602.00	\$ 46,602.00	\$ -	\$ -
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,034,098.92	1,040,831.83	1,029,440.48	966.43	10,424.92
Subtotal General Appropriations	2,908,400.00	2,915,132.91	2,775,366.51	97,226.04	42,540.36
Reserve for Uncollected Taxes	268,600.00	268,600.00	268,600.00	-	-
Total General Appropriations	<u>\$ 3,177,000.00</u>	<u>\$ 3,183,732.91</u>	<u>\$ 3,043,966.51</u>	<u>\$ 97,226.04</u>	<u>\$ 42,540.36</u>
Budget		\$ 3,177,000.00			
Appropriation by 40A:4-87		<u>6,732.91</u>			
		<u>\$ 3,183,732.91</u>			
Cash Disbursements			\$ 2,446,986.68		
Due from Trust - Animal Control Fund			450.00		
Deferred Charge - Special Emergency Authorizations			24,000.00		
Reserve for Federal and State Grants--Appropriated			303,929.83		
Reserve for Uncollected Taxes			<u>268,600.00</u>		
			<u>\$ 3,043,966.51</u>		

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



**BOROUGH OF LAUREL SPRINGS**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash	SB-1		\$ 352.17
Accounts Receivable	SB-1	\$ 35.00	
Due from State of New Jersey	SB-4	2.80	
Due from Current Fund	SB-5	449.81	
		<u>487.61</u>	<u>352.17</u>
Other Funds:			
Cash--Treasurer	SB-1	140,909.64	72,029.54
Cash--Collector	SB-2	86,348.30	127,700.19
Due from General Capital Fund	SC-2	6,945.00	
		<u>234,202.94</u>	<u>199,729.73</u>
		<u>\$ 234,690.55</u>	<u>\$ 200,081.90</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Cash (Overdraft)	SB-1	\$ 482.83	
Reserve for Animal Control Expenditures	SB-3	4.78	\$ 346.17
Due to State of New Jersey	SB-4		6.00
		<u>487.61</u>	<u>352.17</u>
Other Funds:			
Reserve for Tax Title Lien Redemption	SB-2	86,286.10	127,700.19
Due to Current Fund	SB-6	192.27	769.60
Payroll Deductions Payable	SB-7	24,062.84	18,322.32
Reserve for Disposal of Forfeited Property	SB-8	2,296.11	2,293.12
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-9	3,869.64	5,086.45
Reserve for Planning Board Escrow Deposits	SB-10	9,580.43	513.67
Reserve for Recreation Commission	SB-11	8,741.61	5,506.03
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-12	98,616.77	37,779.18
Reserve for Public Defender	SB-13	456.17	1,666.17
Reserve for Parking Offenses Adjudication Act	SB-14	101.00	93.00
		<u>234,202.94</u>	<u>199,729.73</u>
		<u>\$ 234,690.55</u>	<u>\$ 200,081.90</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, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	SC-1	\$ 579,710.27	\$ 475,406.43
Deferred Charges to Future Taxation:			
Funded	SC-3	1,691,000.00	2,041,350.00
Unfunded	SC-4	675,015.00	515,890.00
New Jersey Transportation Trust Fund Receivable	C	65,202.50	65,202.50
		<u>\$ 3,010,927.77</u>	<u>\$ 3,097,848.93</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Payment of Bonds	SC-2	\$ 18,825.59	\$ 42,630.59
Due to Current Fund	SC-2	434.23	23,000.00
Due to Trust Other Fund	SC-2	6,945.00	
Capital Improvement Fund	SC-5	17,230.00	10,605.00
Improvement Authorizations:			
Funded	SC-6	116,766.61	163,297.58
Unfunded	SC-6	484,229.72	419,469.14
Bond Anticipation Notes	SC-7	675,000.00	397,000.00
General Serial Bonds	SC-8	1,691,000.00	2,041,350.00
Fund Balance	C	496.62	496.62
		<u>\$ 3,010,927.77</u>	<u>\$ 3,097,848.93</u>

There were bonds and notes authorized but not issued on December 31, 2018 totaling \$15.00 and on December 31, 2017 totaling \$118,890.00.

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, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 175,334.69	\$ 169,860.03
Due from Sewer Utility Capital fund	SD-2	12.09	
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	12,264.80	13,742.10
Total Operating Fund		<u>187,611.58</u>	<u>183,602.13</u>
Capital Fund:			
Cash - Treasurer	SD-1&2	16,655.97	15,643.88
Fixed Capital	D	504,027.89	504,027.89
Fixed Capital Authorized and Uncompleted	D	36,400.00	36,400.00
Total Capital Fund		<u>557,083.86</u>	<u>556,071.77</u>
		<u>\$ 744,695.44</u>	<u>\$ 739,673.90</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Due to Current Fund	D-1	\$ 719.68	
Appropriation Reserves	D-3/SD-4	7,800.06	\$ 4,744.40
Prepaid Rents	SD-1	417.75	1,155.03
Rent Overpayments	SD-1	957.75	
Accrued Interest on Bonds and Notes	SD-5	79.26	81.65
		9,974.50	5,981.08
Reserve for Receivables	D	12,264.80	13,742.10
Fund Balance	D-1	165,372.28	163,878.95
Total Operating Fund		<u>187,611.58</u>	<u>183,602.13</u>
Capital Fund:			
Due to Sewer Utility Operating Fund Improvement Authorizations:	SD-2	12.09	
Funded	D	10,398.00	10,398.00
Unfunded	D	630.00	630.00
Capital Improvement Fund	SD-7	6,230.00	5,230.00
Reserve for Amortization	SD-8	513,027.89	510,027.89
Reserve for Deferred Amortization	D	2,770.00	2,770.00
Serial Bonds	SD-9	24,000.00	27,000.00
Fund Balance	D	15.88	15.88
Total Capital Fund		<u>557,083.86</u>	<u>556,071.77</u>
		<u>\$ 744,695.44</u>	<u>\$ 739,673.90</u>

There were bonds and notes authorized but not issued totaling \$630.00 as of December 31, 2018 and 2017

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, 2018 and 2017

<u>Revenue and Other Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 31,000.00	\$ 24,000.00
Sewer Rents	178,950.70	154,372.20
Miscellaneous	2,780.60	2,162.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,125.38	9,319.57
 Total Income	 <u>216,856.68</u>	 <u>189,854.15</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operating	176,000.00	167,300.00
Capital Improvements	1,000.00	1,000.00
Debt Service	3,643.67	3,687.50
Statutory Expenditures	3,000.00	2,700.00
Refund of Prior Year Revenue (Due to Current Fund)	719.68	
 Total Expenditures	 <u>184,363.35</u>	 <u>174,687.50</u>
Statutory Excess to Fund Balance	32,493.33	15,166.65
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<u>32,493.33</u>	<u>15,166.65</u>
<u>Fund Balance</u>		
Balance Jan. 1	<u>163,878.95</u>	<u>172,712.30</u>
	196,372.28	187,878.95
Utilization in Budget	<u>31,000.00</u>	<u>24,000.00</u>
Balance Dec. 31	<u>\$ 165,372.28</u>	<u>\$ 163,878.95</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, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 31,000.00	\$ 31,000.00	
Rents	152,000.00	178,950.70	\$ 26,950.70
Miscellaneous Revenues	1,000.00	2,780.60	1,780.60
	<u>\$ 184,000.00</u>	<u>\$ 212,731.30</u>	<u>\$ 28,731.30</u>

Analysis of Miscellaneous Revenues:

Cash Receipts	\$ 2,768.51
Due from Utility Capital Fund - Interest Earned	<u>12.09</u>
	<u>\$ 2,780.60</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, 2018

	Appropriations		<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>			
<b>Operating</b>					
Salaries and Wages	\$ 20,600.00	\$ 20,600.00	\$ 20,136.46	\$ 463.54	
Other Expenses	155,400.00	155,400.00	149,570.33	5,829.67	
Total Operating	176,000.00	176,000.00	169,706.79	6,293.21	\$ -
<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	643.67		356.33
Total Debt Service	4,000.00	4,000.00	3,643.67	-	356.33
<b>Deferred Charges and Statutory Expenditures</b>					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	3,000.00	3,000.00	1,493.15	1,506.85	-
	<u>\$ 184,000.00</u>	<u>\$ 184,000.00</u>	<u>\$ 175,843.61</u>	<u>\$ 7,800.06</u>	<u>\$ 356.33</u>
Cash Disbursements			\$ 175,199.94		
Interest on Bonds and Notes			643.67		
			<u>\$ 175,843.61</u>		

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

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 1,082,900.00			\$ 1,082,900.00
Buildings and Improvements	2,279,397.98			2,279,397.98
Vehicles and Equipment	2,140,088.85	\$ 76,282.67	\$ 34,708.00	2,181,663.52
Total General Fixed Assets	<u>\$ 5,502,386.83</u>	<u>\$ 76,282.67</u>	<u>\$ 34,708.00</u>	<u>\$ 5,543,961.50</u>
Total Investment in General Fixed Assets	<u>\$ 5,502,386.83</u>			<u>\$ 5,543,961.50</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, 2018

---

**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 over-expenditures 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.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Borough adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement note disclosures. There exists no impact on the financial statements of the Borough.

**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, 2018, the Borough's bank balances of \$2,101,760.02 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>2018</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ 5.098	\$ 4.946	\$ 7.508	\$ 7.335	\$ 7.222
Apportionment of Tax Rate:					
Municipal	\$ 1.679	\$ 1.647	\$ 2.363	\$ 2.309	\$ 2.278
County	.906	.872	1.281	1.299	1.298
Local School	2.513	2.427	3.864	3.727	3.646

(1) Revaluation

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 115,479,100.00
2017 (1)	115,469,300.00
2016	77,578,374.00
2015	77,925,781.00
2014	78,163,196.00

(1) Revaluation

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 5,903,316.22	\$ 5,733,383.50	97.12%
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%

**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>
2018	\$ 12,385.18	\$ 163,637.95	\$ 176,023.13	2.98%
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%

**Note 3: PROPERTY TAXES (CONT'D)**

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>
2018	2
2017	1
2016	2
2015	2
2014	1

**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>
2018	\$ 551.00
2017	551.00
2016	551.00
2015	551.00
2014	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>			
2018	\$ 13,742.10	\$ -	\$ 178,000.00	\$ 191,742.10	\$ 178,950.70
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

**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>
2018	\$ 647,995.71	\$ 376,000.00	58.03%
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%

**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 165,372.28	\$ 30,000.00	18.14%
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%

**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, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,346.18	\$ 449.81
Trust - Animal Control	449.81	
Trust - Other	6,945.00	192.27
General Capital		7,379.23
Sewer Utility - Operating	12.09	719.68
Sewer Utility - Capital		12.09
	<u>\$ 8,753.08</u>	<u>\$ 8,753.08</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 2019, 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, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

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>

**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' 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' 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' 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' 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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.



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

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

Service retirement benefits of 1/55<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.

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. 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 7.34% in State fiscal year 2018. 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 (P.L. 2001, C. 366) was 10% in State fiscal year 2018. 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, 2018 was 16.02% 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, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$40,597.00, and was payable by April 1, 2019. 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, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$32,500.00, which was paid by April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$18,600.65.

**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 P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and 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) - *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, 2018 was 28.43% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$154,557.00, and was payable by April 1, 2019. 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, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$141,233.00, which was paid by April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$54,359.60.

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, 2018 was 3.17% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2018 is \$17,209.00, and was payable by April 1, 2019. Based on the 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 was \$13,799.00, which was paid by April 1, 2018.

**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 Plan (DCRP).

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

**Public Employees' Retirement System** - At December 31, 2018, the Borough's proportionate share of the PERS net pension liability was \$803,612.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Borough's proportion was 0.0040814258%, which was an increase of 0.0005731963% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$22,998.00. 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, 2018, the Borough's contribution to PERS was \$32,500.00, and was paid on April 1, 2018.

**Police and Firemen's Retirement System** - At December 31, 2018, 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	\$ 2,139,228.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>290,579.00</u>
	<u>\$ 2,429,807.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Borough's proportion was 0.0158090750%, which was a decrease of 0.0001491232% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0158090750%, which was a decrease of 0.0001491232% from its proportion, on-behalf of the Borough, measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$253,479.00. 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, 2018, the Borough's contribution to PFRS was \$141,233.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date is \$34,419.00. 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, 2018, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 15,325.00	\$ 21,764.00	\$ 37,089.00	\$ 4,144.00	\$ 8,853.00	\$ 12,997.00
Changes of Assumptions	132,422.00	183,624.00	316,046.00	256,953.00	548,247.00	805,200.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	7,538.00	11,704.00	19,242.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	106,319.00	387,081.00	493,400.00	99,076.00	139,903.00	238,979.00
Borough Contributions Subsequent to the Measurement Date	20,299.00	77,279.00	97,578.00	-	-	-
	<u>\$ 274,365.00</u>	<u>\$ 669,748.00</u>	<u>\$ 944,113.00</u>	<u>\$ 367,711.00</u>	<u>\$ 708,707.00</u>	<u>\$ 1,076,418.00</u>

Deferred outflows of resources totaling \$20,299.00 and \$77,279.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Borough's year end of December 31, 2018.

**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	-
June 30, 2018	-	5.63	5.73	-
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
June 30, 2018	-	5.63	-	5.73
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
June 30, 2018	-	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
June 30, 2018	5.63	5.63	5.73	5.73

**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>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2019	\$ (15,973.00)	\$ 105,958.00	\$ 89,985.00
2020	(18,244.00)	17,308.00	(936.00)
2021	(48,941.00)	(100,290.00)	(149,231.00)
2022	(29,584.00)	(101,300.00)	(130,884.00)
2023	(903.00)	(37,914.00)	(38,817.00)
	<u>\$ (113,645.00)</u>	<u>\$ (116,238.00)</u>	<u>\$ (229,883.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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%
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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) 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' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	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, 2018 was 5.66% for PERS and 6.51% 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 3.87% as of June 30, 2018, 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 50% 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 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 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, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, 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% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 1,010,450.00</u>	<u>\$ 803,612.00</u>	<u>\$ 630,089.00</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, 2018, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.51%, 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% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,863,091.00	\$ 2,139,228.00	\$ 1,542,173.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>388,903.93</u>	<u>290,579.00</u>	<u>209,478.84</u>
	<u>\$ 3,251,994.93</u>	<u>\$ 2,429,807.00</u>	<u>\$ 1,751,651.84</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 <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 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 Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0040814258%	0.0035082295%	0.0037463457%
Borough's Proportionate Share of the Net Pension Liability	\$ 803,612.00	\$ 816,660.00	\$ 1,109,560.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 287,840.00	\$ 244,576.00	\$ 263,640.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.19%	333.91%	420.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0040934859%	0.0042698467%	0.0048334422%
Borough's Proportionate Share of the Net Pension Liability	\$ 918,906.00	\$ 799,432.00	\$ 923,767.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 284,792.00	\$ 297,344.00	\$ 335,920.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	322.66%	268.86%	275.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	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 Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 40,597.00	\$ 32,500.00	\$ 33,282.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(40,597.00)</u>	<u>(32,500.00)</u>	<u>(33,282.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 253,418.00	\$ 270,191.00	\$ 246,315.00
Borough's Contributions as a Percentage of Covered Payroll	16.02%	12.03%	13.51%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 35,193.00	\$ 35,200.00	\$ 36,419.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(35,193.00)</u>	<u>(35,200.00)</u>	<u>(36,419.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 259,495.00	\$ 288,545.00	\$ 299,899.00
Borough's Contributions as a Percentage of Covered Payroll	13.56%	12.20%	12.14%

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0158090750%	0.0159581982%	0.0150770121%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,139,228.00	\$ 2,463,637.00	\$ 2,880,095.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	290,579.00	275,948.00	241,857.00
Total	<u>\$ 2,429,807.00</u>	<u>\$ 2,739,585.00</u>	<u>\$ 3,121,952.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 524,476.00	\$ 516,560.00	\$ 481,900.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	476.93%	597.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0114191922%	0.0146718576%	0.0121414065%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,902,039.00	\$ 1,845,584.00	\$ 1,614,090.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	166,802.00	198,738.00	150,453.00
Total	<u>\$ 2,068,841.00</u>	<u>\$ 2,044,322.00</u>	<u>\$ 1,764,543.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 361,624.00	\$ 412,544.00	\$ 435,040.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	447.37%	371.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	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 Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 154,557.00	\$ 141,233.00	\$ 122,929.00
Borough's Contribution in Relation to the Contractually Required Contribution	(154,557.00)	(141,233.00)	(122,929.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 543,596.00	\$ 525,086.00	\$ 499,583.00
Borough's Contributions as a Percentage of Covered Payroll	28.43%	26.90%	24.61%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 92,821.00	\$ 112,690.00	\$ 88,581.00
Borough's Contribution in Relation to the Contractually Required Contribution	(92,821.00)	(112,690.00)	(88,581.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 462,551.00	\$ 364,734.00	\$ 400,393.00
Borough's Contributions as a Percentage of Covered Payroll	20.07%	30.90%	22.12%

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

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, 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 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.

***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

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, 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, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Borough does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Borough, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.



**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Borough is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Borough is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Borough,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Borough, and
- c) the State's proportionate share of the OPEB expense that is associated with the Borough.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Borough, is \$66,194.00 for the year ended December 31, 2018 representing 12.18% of the Borough's covered payroll.

**OPEB Liability and OPEB Expense**

**OPEB Liability** - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Borough is \$2,186,714.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability and OPEB Expense (Cont'd)**

**OPEB Liability (Cont'd)** - The State's proportion of the net OPEB liability, on-behalf of the Borough, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Borough was 0.035191% which was a decrease of 0.000735% from its proportion measured as of the June 30, 2017 measurement date.

**OPEB Expense** - At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date, is \$66,194.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

\* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS). The PFRS experience studies were prepared for the periods July 1, 2010 to June 30, 2013.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Borough's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 2,565,593.69</u>	<u>\$ 2,186,714.00</u>	<u>\$ 1,884,074.97</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 1,824,070.01</u>	<u>\$ 2,186,714.00</u>	<u>\$ 2,656,029.18</u>

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (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 the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. 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 State's Proportionate Share of the net OPEB Liability Associated with the Borough (Last 2 Years)***

	<b><u>Measurement Date Ended June 30,</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the Borough	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	2,186,714.00	3,123,914.00
Total	<u>\$ 2,186,714.00</u>	<u>\$ 3,123,914.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 533,157.00	\$ 505,880.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	410.144%	617.521%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Contributions Associated with the Borough (Last 2 Years)***

The amount of actual contributions that the State made on-behalf of the Borough is not known.

**Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None

Changes in Assumptions

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

**Note 10: 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. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$25,525.94.

**Note 11: 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 12: 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 was 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>	
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>\$ 1,691,000.00</u>	<u>\$ 205,911.37</u>	<u>\$ 24,000.00</u>	<u>\$ 2,235.53</u>	<u>\$ 1,923,146.90</u>

**Note 12: CAPITAL DEBT (CONT'D)**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 2,366,000.00	\$ 2,438,350.00	\$ 2,780,350.00
Sewer Utility:			
Bonds	24,000.00	27,000.00	30,000.00
Total Issued	<u>2,390,000.00</u>	<u>2,465,350.00</u>	<u>2,810,350.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	15.00	118,890.00	1,090.00
Sewer Utility:			
Bonds and Notes	630.00	630.00	630.00
Total Authorized but not Issued	<u>645.00</u>	<u>119,520.00</u>	<u>1,720.00</u>
Total Issued and Authorized but not Issued	<u>2,390,645.00</u>	<u>2,584,870.00</u>	<u>2,812,070.00</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds	18,825.59	42,630.59	33,417.17
Sewer Utility:			
Self-Liquidating	24,630.00	27,630.00	30,630.00
Total Deductions	<u>43,455.59</u>	<u>70,260.59</u>	<u>64,047.17</u>
<b>Net Debt</b>	<u>\$ 2,347,189.41</u>	<u>\$ 2,514,609.41</u>	<u>\$ 2,748,022.83</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 2.020%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 1,705,000.00	\$ 1,705,000.00	
Self-Liquidating	24,630.00	24,630.00	
General	2,366,015.00	18,825.59	\$ 2,347,189.41
	<u>\$ 4,095,645.00</u>	<u>\$ 1,748,455.59</u>	<u>\$ 2,347,189.41</u>

Net debt \$2,347,189.41 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$116,202,776.33, equals 2.020%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 4,067,097.17
Less: Net Debt	<u>2,347,189.41</u>
Remaining Borrowing Power	<u>\$ 1,719,907.76</u>

**Note 12: CAPITAL DEBT (CONT'D)**

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

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	212,731.30
Deductions:		
Operating and Maintenance Costs	\$	179,000.00
Debt Service		<u>3,643.67</u>
Total Deductions		<u>182,643.67</u>
Excess in Revenue	\$	<u>30,087.63</u>

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

**Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	<u>\$ 53,000.00</u>	<u>\$ 19,000.00</u>

The appropriations in the 2019 Budget as adopted are not less than that required by the statutes.

**Note 14: 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.



**Note 14: RISK MANAGEMENT (CONT'D)**

**New Jersey Unemployment Compensation Insurance (Cont'd)** - 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>
2018	\$ -	\$ 1,229.52	\$ 3.22	\$ 2,449.55	\$ 3,869.64
2017	-	914.67	-	4,040.44	5,086.45
2016	-	756.85	-	709.94	8,212.22

**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, 2018, which can be obtained from:

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

**Note 15: 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 16: 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.

**Note 17: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Improvements to the Cord Mansion and Other Borough Buildings and Grounds	02/25/19	\$ 892,500.00

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For The Year Ended December 31, 2018

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2017	\$ 884,391.30	\$ 60,903.34
Increased by Receipts:		
Taxes Receivable	\$ 5,759,086.28	
Interest and Costs on Taxes	46,910.43	
Prepaid Taxes	13,465.76	
Tax Overpayments	10,093.75	
Miscellaneous Revenue Not Anticipated	59,758.80	
Revenue Accounts Receivable	105,207.28	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	282,455.00	
Consolidated Municipal Property Tax Relief Aid	35,755.00	
Interlocal Service Agreement - Municipal Court	34,323.28	
Interlocal Service Agreement - Finance Services	12,000.00	
Due to Camden County MUA	10,152.24	
Reserve for Payment of Bonds & Notes	24,000.00	
Reserve for Sale of Municipal Assets	9,725.00	
Petty Cash	400.00	
Due from Trust Other Fund	769.60	
Due from General Capital Fund	23,000.00	
Due State of New Jersey--Senior Citizens' and Veterans' Deductions	20,500.00	
Due State of New Jersey:		
Marriage License Fees	325.00	
State Training Fees	1,221.00	
Reserve for Federal and State Grants		\$ 61,000.00
Federal and State Grants Receivable		31,732.91
	<u>6,449,148.42</u>	<u>92,732.91</u>
	7,333,539.72	153,636.25
Decreased by Disbursements:		
2018 Appropriations	2,446,986.68	
2017 Appropriation Reserves	13,980.96	
Due from Sewer Utility Operating Fund	719.68	
Due State of New Jersey:		
State Training Fees	1,001.00	
Marriage License Fees	275.00	
County Taxes	1,045,060.33	
Due to County--Added and Omitted Taxes	856.39	
Local District School Taxes	2,902,005.00	
Tax Overpayments	19,693.76	
Special Emergency Note Payable	15,000.00	
Petty Cash (Contra)	400.00	
Due to Camden County MUA	7,768.00	
Reserve for Revaluation	4,465.02	
Reserve for Federal and State Grants	61,000.00	
Federal and State Grants - Appropriated		130,403.85
	<u>6,519,211.82</u>	<u>130,403.85</u>
Balance Dec. 31, 2018	<u>\$ 814,327.90</u>	<u>\$ 23,232.40</u>

**BOROUGH OF LAUREL SPRINGS**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2018

---

Balance Dec. 31, 2018	\$ 400.00
	<hr/>
<u>Office</u>	
Tax Collector--Treasurer	\$ 150.00
Municipal Court	50.00
Police Department	200.00
	<hr/>
	\$ 400.00
	<hr/>

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For The Year Ended December 31, 2018

Year	Balance Dec. 31, 2017	2018 Levy	Added Taxes	2017 Collections	2018 Collections	Overpayments Applied	Due to State of New Jersey	Canceled	Transfer to Tax Title Liens	Balance Dec. 31, 2018
2016	\$ 1,536.93				\$ 1,286.93		\$ 250.00			
2017	132,311.56				131,957.52	\$ 4.15	250.00	\$ 0.04	\$ 97.30	\$ 2.55
	133,848.49	\$ -	\$ -	\$ -	133,244.45	4.15	500.00	0.04	97.30	2.55
2018	-	5,903,316.22		79,783.26	5,625,841.83	7,008.41	20,750.00	11.49	6,285.83	163,635.40
	\$ 133,848.49	\$ 5,903,316.22	\$ -	\$ 79,783.26	\$ 5,759,086.28	\$ 7,012.56	\$ 21,250.00	\$ 11.53	\$ 6,383.13	\$ 163,637.95

Analysis of 2018 Tax LevyTax Yield

General Purpose Tax	\$ 5,887,124.62
Added Taxes (54:4-63.1 et seq.)	<u>16,191.60</u>
	<u><u>\$ 5,903,316.22</u></u>

Tax Levy

Local District School Tax	\$ 2,902,005.00
County Taxes:	
County Tax	\$ 960,997.72
County Library Tax	60,669.30
County Open Space Tax	23,393.31
Due County for Added Taxes (54:4-63.1 et seq.)	<u>2,870.39</u>
Total County Taxes	1,047,930.72
Local Tax for Municipal Purposes	1,940,000.00
Add: Additional Tax Levied	<u>13,380.50</u>
Local Tax for Municipal Purposes Levied	<u>1,953,380.50</u>
	<u><u>\$ 5,903,316.22</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
 Statement of Tax Title Liens  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 5,950.04
Increased by:		
Transferred from 2018 Taxes Receivable	\$ 6,285.83	
Transferred from 2017 Taxes Receivable	<u>97.30</u>	
	6,383.13	
Interest and Costs to Date of Sale	<u>52.01</u>	
		<u>6,435.14</u>
Balance Dec. 31, 2018		<u><u>\$ 12,385.18</u></u>



**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u> <u>in 2018</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 7,500.00	\$ 7,500.00		
Other		9,359.25	9,084.25		
Construction Code Official:					
Fees and Permits		18,331.00	17,208.00		
Municipal Court:					
Fines and Costs	\$ 2,798.77	65,637.68	65,043.95	\$ 3,392.50	Dec. 2018
Interest on Bank Accounts	2.23	22.72	20.73	4.22	Dec. 2018
Uniform Fire Safety Act		6,350.35	6,350.35		
	<u>\$ 2,801.00</u>	<u>\$ 107,201.00</u>	<u>\$ 105,207.28</u>	<u>\$ 3,396.72</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, 2018

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
Dec. 9, 2013	Preparation of Tax Map	\$ 25,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Jul. 14, 2015	Preparation of Master Plan	20,000.00	4,000.00	12,000.00	4,000.00	\$ 8,000.00
Sep. 19, 2016	Revaluation	75,000.00	15,000.00	60,000.00	15,000.00	45,000.00
		<u>\$ 120,000.00</u>	<u>\$ 24,000.00</u>	<u>\$ 77,000.00</u>	<u>\$ 24,000.00</u>	<u>\$ 53,000.00</u>

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<b><u>OPERATIONS - WITHIN "CAPS"</u></b>				
<b><u>General Government</u></b>				
Borough Administrator				
Salaries and Wages	\$ 31.92	\$ 31.92		\$ 31.92
Other Expenses	281.25	281.25		281.25
Mayor and Council				
Other Expenses	594.04	594.04		594.04
Municipal Clerk				
Salaries and Wages	456.02	456.02		456.02
Other Expenses	4,632.75	4,632.75	\$ 21.99	4,610.76
Financial Administration				
Salaries and Wages	393.13	393.13		393.13
Other Expenses	590.15	590.15		590.15
Audit Services	250.00	250.00		250.00
Collection of Taxes				
Salaries and Wages	558.45	558.45		558.45
Other Expenses	86.88	86.88		86.88
Assessment of Taxes				
Salaries and Wages	57.92	57.92		57.92
Other Expenses	515.74	515.74		515.74
Legal Services				
Other Expenses	500.00	500.00		500.00
Engineering Services				
Other Expenses	300.00	300.00		300.00
Economic Development				
Other Expenses	488.50	488.50		488.50
Panning Board				
Salaries and Wages	42.88	42.88		42.88
Other Expenses	275.00	275.00		275.00
<b><u>Code Enforcement and Administration</u></b>				
Code Enforcement Office				
Salaries and Wages	104.77	104.77		104.77
Other Expenses	100.00	100.00		100.00
Property Maintenance Officer				
Salaries and Wages	76.87	76.87		76.87
Other Expenses	100.00	100.00		100.00
<b><u>Insurance</u></b>				
General Liability Insurance	2,002.97	2,002.97		2,002.97
Workers Compensation Insurance	894.81	894.81		894.81
Group Insurance Plan for Employees	5,030.80	5,030.80		5,030.80
Disability Insurance	142.14	142.14		142.14
Health Benefits Waiver	95.70	95.70		95.70

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>				
<u>Public Safety Functions</u>				
Police				
Salaries and Wages	\$ 4,092.45	\$ 4,092.45		\$ 4,092.45
Other Expenses	8,928.35	8,928.35		8,928.35
Office of Emergency Management				
Salaries and Wages	3.94	3.94		3.94
Other Expenses	260.04	260.04		260.04
Aid to Volunteer Fire Company	449.96	449.96		449.96
Uniform Fire Safety Act				
Salaries and Wages	37.92	37.92		37.92
Other Expenses	293.47	293.47		293.47
Fire Hydrant Service	1,128.20	1,128.20		1,128.20
Municipal Court				
Salaries and Wages	3,110.46	3,110.46		3,110.46
Other Expenses	2,015.00	2,015.00		2,015.00
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	447.77	447.77		447.77
Other Expenses	4,691.56	4,691.56		4,691.56
Shade Tree Program				
Other Expenses	534.11	534.11		534.11
Garbage and Trash Removal				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	221.14	221.14		221.14
Public Building and Grounds				
Salaries and Wages	3,156.53	3,156.53		3,156.53
Other Expenses	4,702.02	4,702.02		4,702.02
Vehicle Maintenance				
Other Expenses	11,330.23	11,330.23	\$ 121.98	11,208.25
<u>Health and Human Services</u>				
Registrar of Vital Statistics				
Salaries and Wages	75.88	75.88		75.88
Other Expenses	414.00	414.00		414.00
Board of Health				
Salaries and Wages	717.41	717.41		717.41
Other Expenses	150.00	150.00		150.00

(Continued)

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	<u>Reserved</u>	<u>Balances After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<b>OPERATIONS - WITHIN "CAPS" (CONT'D)</b>				
<u>Recreation Functions</u>				
Recreation Services and Programs				
Salaries and Wages	\$ 760.18	\$ 760.18		\$ 760.18
Other Expenses	200.00	200.00		200.00
Celebrations of Public Events				
Other Expenses	435.97	435.97	\$ 225.54	210.43
Utility Expenses and Bulk Purchases	19,857.91	19,857.91	2,616.74	17,241.17
Landfill/Solid Waste Disposal Costs	6,822.34	6,822.34	4,389.81	2,432.53
Accumulated Leave Compensation	1,061.30	1,061.30		1,061.30
Construction Code Official				
Salaries and Wages	172.74	172.74		172.74
Other Expenses	1,169.57	1,169.57		1,169.57
<b>Total Operations within "CAPS"</b>	<b>96,143.14</b>	<b>96,143.14</b>	<b>7,376.06</b>	<b>88,767.08</b>
<b>Deferred Charges and Statutory Expenditures</b>				
<b>-- Municipal Within "CAPS"</b>				
Statutory Expenditures:				
Contribution to:				
Defined Contribution Plan	100.00	100.00		100.00
Social Security System (O.A.S.I.)	10,173.86	10,173.86		10,173.86
Unemployment Insurance	418.77	418.77		418.77
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<b>106,835.77</b>	<b>106,835.77</b>	<b>7,376.06</b>	<b>99,459.71</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>				
Landfill Recycling Fees	822.67	822.67	203.64	619.03
<u>Interlocal Municipal Service Agreements</u>				
Municipal Court				
Salaries and Wages	414.88	414.88		414.88
Other Expenses	15,727.56	15,727.56	6,401.26	9,326.30
Tax Collector Services				
Other Expenses	15.00	15.00		15.00
Construction Code Official				
Other Expenses	396.16	396.16		396.16
Finance Services				
Salaries and Wages	64.25	64.25		64.25
Other Expenses	165.12	165.12		165.12
Garbage and Trash Removal				
Other Expenses	67.92	67.92		67.92
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>17,673.56</b>	<b>17,673.56</b>	<b>6,604.90</b>	<b>11,068.66</b>
<b>Total General Appropriations</b>	<b>\$ 124,509.33</b>	<b>\$ 124,509.33</b>	<b>\$ 13,980.96</b>	<b>\$ 110,528.37</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, 2018

Balance Dec. 31, 2017		\$	3,722.80
Increased by:			
Collections			20,500.00
			24,222.80
Decreased by:			
Accrued in 2018:			
Senior Citizens' Deductions per Billings	\$	4,250.00	
Veterans' Deductions per Billings		16,000.00	
		20,250.00	
Deductions Allowed by Tax Collector:			
2016	\$	250.00	
2017		250.00	
2018		500.00	
		1,000.00	
Subtotal - 2018 Taxes			21,250.00
Balance Dec. 31, 2018		\$	2,972.80

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, 2018

Balance Dec. 31, 2017		\$	378.00
Increased by:			
Training Fees Received			1,221.00
			1,599.00
Decreased by:			
Disbursements			1,001.00
Balance Dec. 31, 2018		\$	598.00

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 50.00
Increased by:	
Marriage Licenses Fees Collected	325.00
	375.00
Decreased by:	
Disbursements	275.00
	100.00
Balance Dec. 31, 2018	\$ 100.00

Exhibit SA-11

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017 (2018 Taxes)	\$ 79,783.26
Increased by:	
Collections--2019 Taxes	13,465.76
	93,249.02
Decreased by:	
Application to 2018 Taxes Receivable	79,783.26
	13,465.76
Balance Dec. 31, 2018 (2019 Taxes)	\$ 13,465.76

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of County Taxes  
For the Year Ended December 31, 2018

---

2018 Tax Levy:		
County Tax		\$ 960,997.72
County Library Tax		60,669.30
County Open Space Tax		<u>23,393.31</u>
		1,045,060.33
Decreased by:		
Disbursements		<u>\$ 1,045,060.33</u>

Exhibit SA-13

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Due County for Added Taxes  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017 (Added Taxes 2017)		\$ 856.39
Increased by County Share of 2018 Levy:		
2017 Omitted & Added Taxes	\$ 1,982.69	
2018 Added Taxes (R.S.54:4-63.1 and seq.)	<u>887.70</u>	
		<u>2,870.39</u>
		3,726.78
Decreased by:		
Disbursements		<u>856.39</u>
Balance Dec. 31, 2018:		
2017 Omitted & Added Taxes	1,982.69	
2018 Added Taxes (R.S.54:4-63.1 and seq.)	<u>887.70</u>	
		<u>\$ 2,870.39</u>



**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Local District School Tax Payable  
For the Year Ended December 31, 2018

---

2018 Tax Levy:		
School Tax		\$ 2,902,005.00
Decreased by:		
Disbursements		<u>\$ 2,902,005.00</u>

Exhibit SA-15

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 15,471.74
Increased by:		
Cash Receipts	\$ 10,093.75	
Fund Balance	<u>10,991.40</u>	
		<u>21,085.15</u>
		36,556.89
Decreased by:		
Cash Disbursements	19,693.76	
Applied to Taxes	<u>7,012.56</u>	
		<u>26,706.32</u>
Balance Dec. 31, 2018		<u>\$ 9,850.57</u>

**BOROUGH OF LAUREL SPRINGS**  
**CURRENT FUND**  
 Statement of Reserve for Tax Map Revisions, Master Plan and Revaluation  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017:		
Tax Map Revisions	\$	4,061.00
Master Plan		20,000.00
Revaluation		15,493.60
		39,554.60
Decreased by:		
Cash Disbursed:		
Revaluation		4,465.02
Balance Dec. 31, 2018	\$	35,089.58

Analysis of Balance - Dec. 31, 2018

Tax Map Revisions	\$	4,061.00
Master Plan		20,000.00
Revaluation		11,028.58
	\$	35,089.58

**BOROUGH OF LAUREL SPRINGS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Other Grants Receivable  
For The Year Ended December 31, 2018

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal:				
Community Development Block Grant	\$ 27,505.25	\$ 14,000.00	\$ -	\$ 41,505.25
State:				
Drunk Driving Enforcement Grant		2,500.00	2,500.00	
Clean Communities Program		4,232.91	4,232.91	
New Jersey Department of Transportation Grant		195,000.00		195,000.00
Municipal Stormwater Regulation Grant	5,117.00			5,117.00
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
Total State Grants	36,783.67	226,732.91	31,732.91	231,783.67
Other Grants:				
Camden County Recreation Enhancement Grant	32,122.02			32,122.02
Camden County Historic Preservation Grant	660.00			660.00
Camden County Open Space Preservation:				
Improvements to Walt Whitman Farmhouse	6,885.00			6,885.00
Jack H. Hagen Recreation Complex	5,689.00			5,689.00
Crystal Springs Park	241.44			241.44
Roof Repair to the Whitman Stafford House	1,612.66			1,612.66
Total Other Grants	47,210.12	-	-	47,210.12
Total All Grants	\$ 111,499.04	\$ 240,732.91	\$ 31,732.91	\$ 320,499.04

**BOROUGH OF LAUREL SPRINGS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Federal and</u> <u>State Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2018 Budget</u>
Federal Grants:			
Community Development Block Grant	\$ -	\$ 14,000.00	\$ 14,000.00
State Grants:			
Clean Communities Program		4,232.91	4,232.91
Drunk Driving Enforcement Grant		2,500.00	2,500.00
New Jersey Department of Transportation Grant		195,000.00	195,000.00
Safe and Secure Communities Program		25,000.00	25,000.00
Recycling Tonnage Grant	2,196.92		2,196.92
Total State Grants	2,196.92	226,732.91	228,929.83
Total All Grants	\$ 2,196.92	\$ 240,732.91	\$ 242,929.83

**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, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Transferred</u> <u>from 2018</u> <u>Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal:				
Community Development Block Grant	\$ 37,181.20	\$ 14,000.00	\$ 1,280.00	\$ 49,901.20
State Grants:				
Drunk Driving Enforcement Grant	11,031.41	2,500.00	899.10	12,632.31
Clean Communities Grant	9,253.99	4,232.91	6,212.59	7,274.31
N.J. Green Communities Grant	222.23		44.72	177.51
Safe and Secure Communities Program	27,153.46	86,000.00	85,988.54	27,164.92
Recycling Tonnage Grant	8,267.99	2,196.92	627.90	9,837.01
New Jersey Department of Transportation Grant		195,000.00		195,000.00
Body Armor Replacement Grant	1,367.26		783.00	584.26
Municipal Storm Water Regulation Grant Program	5,117.00			5,117.00
Sustainable New Jersey Grant	29,950.01		9,568.00	20,382.01
Alcohol Education and Rehabilitation Grant	409.27			409.27
Total State Grants	92,772.62	289,929.83	104,123.85	278,578.60
Other Grants:				
Camden County Poetry Grant	125.00			125.00
Camden County Historic Preservation Grant	11,671.50			11,671.50
Camden County Recreation Facilities Enhancement Grant:				
Improvements to Jack H. Hagen Recreation Complex	314.42			314.42
Camden County Open Space Preservation Trust:				
Improvements to Walt Whitman Farmhouse	3,140.72			3,140.72
Lighting at Recreation Complex	25,000.00		25,000.00	
Total Other Grants	40,251.64		25,000.00	15,251.64
Total All Grants	\$ 170,205.46	\$ 303,929.83	\$ 130,403.85	\$ 343,731.44

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF LAUREL SPRINGS**  
**TRUST FUNDS**  
Statement of Trust Cash - Treasurer  
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2017	\$ 352.17	\$ 72,029.54
Increased by Receipts:		
Animal Control Fees	\$ 4,737.00	
State Registration Fees	336.00	
Due to Current Fund	0.19	\$ 130.07
Payroll Deductions Payable		542,088.68
Reserve for Recreation Commission		32,139.15
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		482,600.00
Unemployment Compensation Insurance		1,232.74
Reserve for P.O.A.A.		8.00
Reserve for Planning Board Escrow		21,600.00
Reserve for Disposal of Forfeited Property		2.99
Reserve for Public Defender		590.00
	<u>5,073.19</u>	<u>1,080,391.63</u>
	5,425.36	1,152,421.17
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	5,078.39	
State Registration Fees	344.80	
Accounts Receivable	35.00	
Due to Current Fund	450.00	769.60
Due from General Capital Fund		6,945.00
Payroll Deductions Payable		536,348.16
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		421,762.41
Reserve for Unemployment Compensation Insurance		2,449.55
Reserve for Recreation Commission		28,903.57
Reserve for Planning Board Escrow		12,533.24
Reserve for Public Defender		1,800.00
	<u>5,908.19</u>	<u>1,011,511.53</u>
Balance (Overdraft) Dec. 31, 2018	<u>\$ (482.83)</u>	<u>\$ 140,909.64</u>

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Trust Cash - Collector  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 127,700.19
Increased by:		
Receipts for Tax Title Lien Redemptions	\$ 157,527.05	
Interest Earned on Deposits	62.20	
		157,589.25
		285,289.44
Decreased by:		
Disbursements for Tax Title Lien Redemptions		198,941.14
Balance Dec. 31, 2018		\$ 86,348.30
 <u>Analysis of Balance December 31, 2018</u>		
Tax Title Lien Redemptions		\$ 86,286.10
Due to Current Fund		62.20
		\$ 86,348.30



**BOROUGH OF LAUREL SPRINGS**  
**TRUST - ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	346.17
Increased by:			
Dog License Fees Collected	\$	3,206.00	
Cat License Fees Collected		303.00	
Late Fees		<u>1,228.00</u>	
			<u>4,737.00</u>
			5,083.17
Decreased by:			
Expenditures Under R.S.4:19-15.1			<u>5,078.39</u>
Balance Dec. 31, 2018		\$	<u><u>4.78</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2017	\$ 3,102.00
2016	<u>3,135.60</u>
	<u><u>\$ 6,237.60</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - ANIMAL CONTROL FUND**  
Statement of Due to/from State of New Jersey - Dog License Registration Fees  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017 (Due to)		\$	6.00
Increased by:			
Dog License Registration Fees Collected			<u>336.00</u>
			342.00
Decreased by:			
Disbursed to State Treasurer			<u>344.80</u>
Balance Dec. 31, 2018 (Due from)		\$	<u><u>(2.80)</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - ANIMAL CONTROL FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

---

Budget Appropriation - Expenses Paid by Trust - Animal Control Fund	\$	450.00
Decreased by:		
Interest Earned on Deposits		0.19
Balance Dec. 31, 2018	\$	449.81

## Exhibit SB-6

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	769.60
Increased by:		
Interest Earned on Deposits - Treasurer Account	\$	130.07
Interest Earned on Deposits - Tax Collector Account		62.20
		192.27
		961.87
Decreased by:		
Interfund Returned		769.60
Balance Dec. 31, 2018	\$	192.27
 <u>Analysis of Balance - Dec. 31, 2018</u>		
Treasurer Account	\$	130.07
Tax Collector Account		62.20
	\$	192.27

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
 Statement of Payroll Deductions Payable  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 18,322.32
Increased by:		
Payroll Deductions		542,088.68
		560,411.00
Decreased by:		
Payments		536,348.16
Balance Dec. 31, 2018		\$ 24,062.84

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, 2018

---

Balance Dec. 31, 2017		\$ 2,293.12
Increased by:		
Receipts		2.99
Balance Dec. 31, 2018		\$ 2,296.11

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for New Jersey Unemployment Compensation Insurance  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 5,086.45
Increased by:		
Receipts:		
Employee Withholdings	\$ 1,229.52	
Interest Earned on Investments	<u>3.22</u>	
		<u>1,232.74</u>
		6,319.19
Decreased by:		
Claims Paid		<u>2,449.55</u>
Balance Dec. 31, 2018		<u><u>\$ 3,869.64</u></u>

Exhibit SB-10

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for Planning Board Escrow Deposits  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 513.67
Increased by:		
Escrow Receipts		<u>21,600.00</u>
		22,113.67
Decreased by:		
Disbursements--Professional Fees and Refunds		<u>12,533.24</u>
Balance Dec. 31, 2018		<u><u>\$ 9,580.43</u></u>

**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, 2018

---

Balance Dec. 31, 2017	\$ 5,506.03
Increased by:	
Receipts	32,139.15
	37,645.18
Decreased by:	
Disbursements	28,903.57
Balance Dec. 31, 2018	\$ 8,741.61

## Exhibit SB-12

**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, 2018

---

Balance Dec. 31, 2017	\$ 37,779.18
Increased by:	
Receipts	482,600.00
	520,379.18
Decreased by:	
Disbursements	421,762.41
Balance Dec. 31, 2018	\$ 98,616.77

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for Public Defender  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 1,666.17
Increased by:	
Receipts	590.00
	2,256.17
Decreased by:	
Disbursements	1,800.00
Balance Dec. 31, 2018	\$ 456.17

## Exhibit SB-14

**BOROUGH OF LAUREL SPRINGS**  
**TRUST - OTHER FUND**  
Statement of Reserve for P.O.A.A.  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 93.00
Increased by:	
Receipts	8.00
Balance Dec. 31, 2018	\$ 101.00

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
Statement of Capital Cash--Treasurer  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 475,406.43
Increased by Receipts:		
Bond Anticipation Note Proceeds	\$ 278,000.00	
Reserve to Pay Debt	195.00	
Due to Current Fund - Interest on Deposits	434.23	
Budget Appropriation - Capital Improvement Fund	15,000.00	
		293,629.23
		769,035.66
Decreased by Disbursements:		
Improvement Authorizations	142,325.39	
Due to Current Fund	23,000.00	
Reserve to Pay Debt- Anticipated as Revenue in Current Fund	24,000.00	
		189,325.39
Balance Dec. 31, 2018		\$ 579,710.27



**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For The Year Ended December 31, 2018

	<u>Receipts</u>			<u>Disbursements</u>				<u>Balance Dec. 31, 2018</u>
	<u>Balance Dec. 31, 2017</u>	<u>Bond Anticipation Notes</u>	<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>Transfers</u>		
						<u>From</u>	<u>To</u>	
Capital Improvement Fund	\$ 10,605.00		\$ 15,000.00			\$ 8,375.00		\$ 17,230.00
New Jersey Transportation Trust Fund Receivable	(65,202.50)							(65,202.50)
Reserve to Pay Bonds and Notes	42,630.59		195.00		\$ 24,000.00			18,825.59
Due Current Fund	23,000.00		434.23		23,000.00			434.23
Due Trust Other Fund							\$ 6,945.00	6,945.00
Fund Balance	496.62							496.62
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
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	2,624.43	\$ 25.00		1,376.66			1,272.77
784-2015	Improvements to Cord Mansion	77,604.34			8,576.00			69,028.34
785-2015	Acquisition of Various Items of Capital Equipment	7,857.17			6,183.67			1,673.50
786-2015	Improvements to Buildings and Grounds	18,823.30			4,594.19			14,229.11
787-2015	Construction and Reconstruction of Various Streets and Roads	21,538.23	950.00		4,870.81			17,617.42
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	313,237.67			67.20			313,170.47
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	47,112.35			6,785.42	6,700.00		33,626.93
803-2016	Reconstruction of Washington Avenue	32,875.85	100.00		2,255.00			30,720.85
812-2017	Acquisition of Various Equipment	(78,659.06)	117,800.00		33,738.94	5,400.00		2.00
822-2018	Completion of Improvements to Borough Buildings and Grounds		25,175.00		1,940.40		1,325.00	24,559.60
823-2018	Reconstruction of Various Roads		88,825.00		9,312.34	6,945.00	4,675.00	77,242.66
824-2018	Acquisition of Various Equipment		45,125.00		41,762.32		2,375.00	5,737.68
829-2018	Acquisition of Fire Department Equipment						12,100.00	12,100.00
		<u>\$ 475,406.43</u>	<u>\$ 278,000.00</u>	<u>\$ 15,629.23</u>	<u>\$ 142,325.39</u>	<u>\$ 47,000.00</u>	<u>\$ 27,420.00</u>	<u>\$ 27,420.00</u>
								<u>\$ 579,710.27</u>

**BOROUGH OF LAUREL SPRINGS**  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation - Funded  
For The Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 2,041,350.00
Decreased by:	
2018 Budget Appropriation to Pay Bonds	<u>350,350.00</u>
Balance Dec. 31, 2018	<u><u>\$ 1,691,000.00</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation - Unfunded  
 For The Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2017	2018 Authorizations	Reallocated	Balance Dec. 31, 2018	Analysis of Balance December 31, 2018		
							Bond Anticipation Note	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	950.00		\$ 15.00
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		\$ (6,700.00)	52,200.00	52,200.00		
803-2016	Reconstruction of Washington Avenue	7/11/2016	38,950.00			38,950.00	38,950.00		
812-2017	Acquisition of Various Equipment	9/11/2017	117,800.00		(5,400.00)	112,400.00	112,400.00		
822-2018	Completion of Improvements to Borough Buildings and Grounds	8/13/2018		\$ 25,175.00		25,175.00	25,175.00		
823-2018	Reconstruction of Various Roads	8/13/2018		88,825.00		88,825.00	88,825.00		
824-2018	Acquisition of Various Equipment	8/13/2018		45,125.00		45,125.00	45,125.00		
829-2018	Acquisition of Fire Department Equipment	12/10/2018			12,100.00	12,100.00	12,100.00		
			<u>\$ 515,890.00</u>	<u>\$ 159,125.00</u>	<u>\$ -</u>	<u>\$ 675,015.00</u>	<u>\$ 675,000.00</u>	<u>\$ -</u>	<u>\$ 15.00</u>
Improvement Authorizations - Unfunded									\$ 484,229.72
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
							Ord. 774-2014	\$ 25.00	
							Ord. 787-2015	950.00	
							Ord. 801-2016	299,250.00	
							Ord. 802-2016	33,626.93	
							Ord. 803-2016	30,720.85	
							Ord. 812-2017	2.00	
							Ord. 822-2018	24,559.60	
							Ord. 823-2018	77,242.66	
							Ord. 824-2018	5,737.68	
							Ord. 829-2018	12,100.00	
									<u>484,214.72</u>
									<u>\$ 15.00</u>

**BOROUGH OF LAUREL SPRINGS**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For The Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 10,605.00
Increased by:	
Budget Appropriation	<u>15,000.00</u>
	25,605.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>8,375.00</u>
Balance Dec. 31, 2018	<u><u>\$ 17,230.00</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For The Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2017		2018 Authorization		Improvement Authorization Canceled/ Reallocated	Disbursed	Balance Dec. 31, 2018	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
General Improvements:										
773-2014	Construction and Reconstruction of Various Streets and Roads	04/28/14	\$ 255,000.00	\$ 20,862.44				\$ 20,862.44		
774-2014	Improvements to Borough Hall and Cord Mansion	04/28/14	25,500.00	2,624.43	\$ 25.00			1,376.66	\$ 1,247.77	\$ 25.00
784-2015	Improvements to Cord Mansion	04/13/15	106,000.00	77,604.34				8,576.00	69,028.34	
785-2015	Acquisition of Various Items of Capital Equipment	04/13/15	87,100.00	7,857.17				6,183.67	1,673.50	
786-2015	Improvements to Buildings and Grounds	04/13/15	31,500.00	18,823.30				4,594.19	14,229.11	
787-2015	Construction and Reconstruction of Various Streets and Roads	04/13/15	31,500.00	21,538.23	965.00			4,870.81	16,667.42	965.00
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	07/11/16	315,000.00	13,987.67	299,250.00			67.20	13,920.47	299,250.00
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	07/11/16	62,000.00		47,112.35		\$ (6,700.00)	6,785.42		33,626.93
803-2016	Reconstruction of Washington Avenue	07/11/16	241,000.00		32,975.85			2,255.00		30,720.85
812-2017	Acquisition of Various Equipment	08/14/17	124,000.00		39,140.94		(5,400.00)	33,738.94		2.00
822-2018	Completion of Improvements to Borough Buildings and Grounds	08/13/18	26,500.00			\$ 1,325.00	\$ 25,175.00	1,940.40		24,559.60
823-2018	Reconstruction of Various Roads	08/13/18	93,500.00			4,675.00	88,825.00	16,257.34		77,242.66
824-2018	Acquisition of Various Equipment	08/13/18	47,500.00			2,375.00	45,125.00	41,762.32		5,737.68
829-2018	Acquisition of Fire Department Equipment	12/10/18	12,100.00					12,100.00		12,100.00
			<u>\$ 163,297.58</u>	<u>\$ 419,469.14</u>	<u>\$ 8,375.00</u>	<u>\$ 159,125.00</u>	<u>\$ -</u>	<u>\$ 149,270.39</u>	<u>\$ 116,766.61</u>	<u>\$ 484,229.72</u>
								Disbursed	\$ 142,325.39	
								Due Trust Other Fund	6,945.00	
									<u>\$ 149,270.39</u>	

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
 Statement of Bond Anticipation Notes  
 For The Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
774-2014	Improvements to Borough Hall and Cord Mansion	9/26/2018	9/26/2018	9/25/2019	2.25%		\$ 25.00		\$ 25.00
787-2015	Construction and Reconstruction of Various Streets and Roads	9/26/2018	9/26/2018	9/25/2019	2.25%		950.00		950.00
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	9/29/2016	9/27/2017 9/26/2018	9/26/2018 9/25/2019	1.39% 2.25%	\$ 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	9/27/2017 9/26/2018	9/26/2018 9/25/2019	1.39% 2.25%	58,900.00	52,200.00	58,900.00	52,200.00
803-2016	Reconstruction of Washington Avenue	9/29/2016	9/27/2017 9/26/2018	9/26/2018 9/25/2019	1.39% 2.25%	38,850.00	38,950.00	38,850.00	38,950.00
812-2017	Acquisition of Various Equipment	9/26/2018	9/26/2018	9/25/2019	2.25%		112,400.00		112,400.00
822-2018	Improvements to Various Borough Buildings and Grounds	9/26/2018	9/26/2018	9/25/2019	2.25%		25,175.00		25,175.00
823-2018	Reconstruction of Various Roads	9/26/2018	9/26/2018	9/25/2019	2.25%		88,825.00		88,825.00
824-2018	Acquisition of Various Equipment	9/26/2018	9/26/2018	9/25/2019	2.25%		45,125.00		45,125.00
829-2018	Acquisition of Fire Department Equipment	9/26/2018	9/26/2018	9/25/2019	2.25%		12,100.00		12,100.00
						<u>\$ 397,000.00</u>	<u>\$ 675,000.00</u>	<u>\$ 397,000.00</u>	<u>\$ 675,000.00</u>
							Renewal Issued for Cash	\$ 397,000.00 278,000.00	\$ 397,000.00
							<u>\$ 675,000.00</u>	<u>\$ 397,000.00</u>	

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For The Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Bonds Issued</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements of 2006	12-7-06	\$ 1,133,350.00				\$ 128,350.00		\$ 128,350.00	
General Improvements of 2009	12-10-09	1,840,000.00	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%	1,050,000.00		130,000.00	\$ 920,000.00
General Improvements of 2015	5-15-15	1,032,000.00	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%	863,000.00		92,000.00	771,000.00
						<u>\$ 2,041,350.00</u>	<u>\$ -</u>	<u>\$ 350,350.00</u>	<u>\$ 1,691,000.00</u>

**BOROUGH OF LAUREL SPRINGS**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For The Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance Dec. 31, 2018</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		950.00	\$ 15.00
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	
822-2018	Improvements to Various Borough Buildings and Grounds	8/13/2018		\$ 25,175.00	25,175.00	
823-2018	Reconstruction of Various Roads	8/13/2018		88,825.00	88,825.00	
824-2018	Acquisition of Various Equipment	8/13/2018		45,125.00	45,125.00	-
			<u>\$ 118,890.00</u>	<u>\$ 159,125.00</u>	<u>\$ 278,000.00</u>	<u>\$ 15.00</u>



**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash  
For the Year Ended December 31, 2018

	Operating	Capital
Balance Dec. 31, 2017	\$ 169,860.03	\$ 15,643.88
Increased by Receipts:		
Sewer Rents	\$ 177,795.67	
Prepaid Rents	417.75	
Rent Overpayments	957.75	
Miscellaneous Revenue	2,768.51	\$ 12.09
Capital Improvement Fund		1,000.00
	<u>181,939.68</u>	<u>1,012.09</u>
	351,799.71	16,655.97
Decreased by Disbursements:		
2018 Appropriations	175,199.94	
2017 Appropriations	619.02	
Accrued Interest on Bonds and Notes	<u>646.06</u>	
	<u>176,465.02</u>	<u>-</u>
Balance Dec. 31, 2018	<u><u>\$ 175,334.69</u></u>	<u><u>\$ 16,655.97</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Capital Cash  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts		Transfers		Balance Dec. 31, 2018	
		Budget Appropriation	Miscellaneous	From	To		
Fund Balance	\$ 15.88					\$ 15.88	
Capital Improvement Fund	5,230.00	\$ 1,000.00				6,230.00	
Due Sewer Utility Operating Fund			\$ 12.09			12.09	
<u>Ordinance Number</u>							
General Improvements:							
705-2008	Various Improvements to and for the Borough's Sewer Utility	400.00				400.00	
771-2014	Various Improvements to and for the Borough's Sewer Utility	9,998.00				9,998.00	
		<u>\$ 15,643.88</u>	<u>\$ 1,000.00</u>	<u>\$ 12.09</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,655.97</u>

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY OPERATING FUND**  
Statement of Sewer Consumer Accounts Receivable  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 13,742.10
Increased by:		
Sewer Rents Levied		<u>178,000.00</u>
		191,742.10
Decreased by:		
Payments Received	\$ 177,795.67	
Prepaid Rents Applied	<u>1,155.03</u>	
	178,950.70	
Canceled	<u>526.60</u>	
		<u>179,477.30</u>
Balance Dec. 31, 2018		<u><u>\$ 12,264.80</u></u>

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2018**

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
<b>Operating</b>				
Salaries and Wages	\$ 86.12	\$ 86.12		\$ 86.12
Other Expenses	3,277.47	3,277.47	\$ 568.29	2,709.18
Total Operating	3,363.59	3,363.59	568.29	2,795.30
<b>Deferred Charges and Statutory Expenditures</b>				
Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,380.81	1,380.81	50.73	1,330.08
	<u>\$ 4,744.40</u>	<u>\$ 4,744.40</u>	<u>\$ 619.02</u>	<u>\$ 4,125.38</u>

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 81.65
Increased by:	
Budget Appropriation:	
Interest on Bonds	643.67
	725.32
Decreased by:	
Disbursements	646.06
Balance Dec. 31, 2018	\$ 79.26

Analysis of Accrued Interest December 31, 2018

Principal Outstanding <u>Dec. 31, 2018</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds: \$24,000.00	2.58%	11/15/18	12/31/18	46 Days	\$ 79.26

**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital Authorized and Uncompleted  
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2017 and 2018</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>\$ 36,400.00</u>

**BOROUGH OF LAUREL SPRINGS**  
SEWER UTILITY CAPITAL FUND  
Statement of Capital Improvement Fund  
For The Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 5,230.00
Increased by:	
Budget Appropriation	<u>1,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 6,230.00</u></u>

**BOROUGH OF LAUREL SPRINGS**  
SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For The Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 510,027.89
Increased by:	
Funded by Operating Budget	
Serial Bonds	<u>3,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 513,027.89</u></u>



**BOROUGH OF LAUREL SPRINGS**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Sewer Serial Bonds  
 For The Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Various Sewer Utility Improvements - 2015	5-15-15	\$ 33,000.00	5-1-19	\$ 3,000.00	1.750%			
			5-1-20	4,000.00	2.000%			
			5-1-21	4,000.00	2.375%			
			5-1-22	4,000.00	2.500%			
			5-1-23	4,000.00	3.000%			
			5-1-24	5,000.00	3.000%			
						<u>\$ 27,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ 24,000.00</u>

**BOROUGH OF LAUREL SPRINGS**  
SEWER UTILITY CAPITAL FUND  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2018

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, 2017 <u>and 2018</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, 2018**

**BOROUGH OF LAUREL SPRINGS**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2018

---

***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.

12600

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

---

This section identifies the status of prior year findings related to the financial statements [and Federal Awards and State Financial Assistance] that are required to be reported in accordance with *Government Auditing Standards*.

N/A – None.

**BOROUGH OF LAUREL SPRINGS**  
Officials in Office and Surety Bonds

---

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

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

\* 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.

12600

**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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Kirk N. Applegate*

Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

