

**BOROUGH OF LAUREL SPRINGS
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**



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BOROUGH OF LAUREL SPRINGS
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 Audit of the Financial Statements

Opinions

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, 2021 and 2020, 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, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above 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, 2021 and 2020, 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, 2021, 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.

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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 accompanying 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 accompanying 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplemental statements and schedules 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 June 22, 2022 on our consideration of the Borough of Laurel Springs' 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 Acc

Voorhees, New Jersey
June 22, 2022

**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 statement 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, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 22, 2022. 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's 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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough’s 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 22, 2022

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2021 and 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Regular Fund:			
Cash	SA-1	\$ 837,798.76	\$ 753,374.36
Cash--Change Fund	SA-2	400.00	400.00
		<u>838,198.76</u>	<u>753,774.36</u>
Receivables with Full Reserves:			
Delinquent Property Taxes	SA-3	89,538.17	161,248.21
Tax Title Liens	SA-4		5,767.69
Property Acquired for Taxes - Assessed Valuation	A	123,851.00	123,851.00
Revenue Accounts Receivable	SA-5	4,118.05	1,946.54
Due from Animal Control Fund	SB-5	0.29	0.24
Due from Trust - Other Fund	SB-6	41.90	24.44
Due from General Capital Fund	SC-2	53.57	120.51
Due from Federal and State Grant Fund	A		40,444.58
		<u>217,602.98</u>	<u>333,403.21</u>
Deferred Charges:			
Reserve for Revaluation	SA-6	-	15,000.00
		<u>1,055,801.74</u>	<u>1,102,177.57</u>
Federal and State Grant Fund:			
Cash	SA-1	486,440.89	
Federal and State Grants Receivable	SA-17	425,120.72	635,666.29
		<u>911,561.61</u>	<u>635,666.29</u>
		<u>\$ 1,967,363.35</u>	<u>\$ 1,737,843.86</u>

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BOROUGH OF LAUREL SPRINGS
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2021 and 2020

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Regular Fund:			
Liabilities:			
Special Emergency Note Payable	SA-1		\$ 15,000.00
Appropriation Reserves	A-3;SA-7	\$ 128,614.98	65,054.20
Due to Sewer Utility Operating Fund	SD-3		199.08
PILOT - Due to Camden County	SA-1	174.84	
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	SA-8	4,972.80	3,722.80
Due to Camden County M.U.A.	SA-1		488.08
Due State of New Jersey:			
State Training Fees	SA-9	360.00	316.00
Marriage License Fees	SA-10	125.00	25.00
Prepaid Taxes	SA-11	15,616.75	17,345.26
Due County for Added and Omitted Taxes	SA-13	2,525.02	330.26
Tax Overpayments	SA-15	12,662.71	10,323.24
Reserve for Encumbrances	A-3	11,021.00	
Reserve for Sale of Municipal Assets	SA-1	28,853.41	8,010.00
Reserve for Tax Map Revisions	SA-16	4,061.00	4,061.00
Reserve for Master Plan	SA-16	6,000.00	20,000.00
Reserve for Revaluation	SA-16	9,575.91	9,575.91
		<u>224,563.42</u>	<u>154,450.83</u>
Reserves for Receivables and Other Assets	A	217,602.98	333,403.21
Fund Balance	A-1	<u>613,635.34</u>	<u>614,323.53</u>
		<u>1,055,801.74</u>	<u>1,102,177.57</u>
Federal and State Grant Fund:			
Due to Current Fund	A		40,444.58
Due to General Capital Fund	SC-2	6,930.00	
Reserve for State and Federal Grants:			
Unappropriated	SA-18	97,655.76	
Encumbrances	SA-19	474,090.50	15,121.50
Appropriated	SA-19	332,885.35	580,100.21
		<u>911,561.61</u>	<u>635,666.29</u>
		<u>\$ 1,967,363.35</u>	<u>\$ 1,737,843.86</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, 2021 and 2020

<u>Revenue and Other Income Realized</u>	<u>2021</u>	<u>2020</u>
Fund Balance Utilized	\$ 394,000.00	\$ 337,000.00
Miscellaneous Revenues Anticipated	746,173.92	763,315.94
Receipts from Delinquent Taxes	165,991.09	159,003.81
Receipts from Current Taxes	6,018,234.87	5,861,275.60
Non-Budget Revenue	58,549.47	83,162.70
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	49,414.16	95,976.06
Liquidation of Reserve for:		
Due from Federal and State Grant Fund	40,444.58	119,700.80
Due from Trust - Other Fund		2.14
Due from General Capital Fund	66.94	39.05
	<hr/>	<hr/>
Total Income	7,472,875.03	7,419,476.10
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	940,700.00	948,550.00
Other Expenses	723,700.00	710,450.00
Deferred Charges and Statutory Expenditures - Within "CAPS"	282,526.32	275,522.50
Operations - Excluded from "CAPS":		
Salaries and Wages	51,866.56	127,489.40
Other Expenses	384,664.05	195,047.67
Capital Improvements Excluded from "CAPS"	189,930.00	260,000.00
Municipal Debt Service	440,418.46	430,801.85
Deferred Charges and Statutory Expenditures - Excluded from "CAPS"	15,000.00	19,000.00
Transferred to Board of Education for Use of Local Schools	45,926.00	47,322.00
County Taxes	1,059,735.98	1,058,378.01
Due County for Added Taxes	2,525.02	330.26
Local District School Tax	2,942,270.00	2,914,101.00
Prior Year Senior Citizen Disallowance	283.32	500.00
Reserves Created:		
Due from Trust - Other Fund	17.46	
Due from Animal Control Fund	0.05	0.17
	<hr/>	<hr/>
Total Expenditures	7,079,563.22	6,987,492.86
	<hr/>	<hr/>
Excess in Revenues (Carried Forward)	393,311.81	431,983.24

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For The Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Excess in Revenues (Brought Forward)	\$ 393,311.81	\$ 431,983.24
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	393,311.81	431,983.24
<u>Fund Balance</u>		
Fund Balance Jan. 1	614,323.53	519,340.29
	1,007,635.34	951,323.53
Decreased by:		
Utilized as Revenue	394,000.00	337,000.00
Fund Balance Dec. 31	<u>\$ 613,635.34</u>	<u>\$ 614,323.53</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, 2021

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 394,000.00	\$ -	\$ 394,000.00	\$ -
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	5,000.00		7,500.00	2,500.00
Other	3,000.00		5,982.00	2,982.00
Fines and Costs:				
Municipal Court	50,000.00		38,234.91	(11,765.09)
Interest and Cost on Taxes	38,000.00		34,950.42	(3,049.58)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	307,966.00		307,966.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)	10,244.00		10,244.00	
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	17,000.00		23,192.00	6,192.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Interlocal Municipal Service Agreements Offset with Appropriations Municipal Clerk	35,000.00		35,201.28	201.28
Interlocal Municipal Service Agreements Offset with Appropriations Finance Services	13,100.00		12,985.44	(114.56)
State and Federal Revenues Off-Set with Appropriations:				
Body Armor Replacement Fund	929.68		929.68	
Clean Communities Grant		4,533.04	4,533.04	
NJ DOT Grant	174,930.00		174,930.00	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	13,500.00		13,500.00	
Body Worn Camera Grant		18,342.00	18,342.00	
County Recreation Enhancement Grant		25,000.00	25,000.00	
Sustainable Communities Resiliency Grant		10,000.00	10,000.00	
Recycling Tonnage Grant		2,649.97	2,649.97	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2021

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenue (Cont'd)				
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	\$ 7,000.00		\$ 8,033.18	\$ 1,033.18
Reserve for Payment of Bonds and Notes	4,000.00		4,000.00	
Reserve for Sale of Municipal Assets	8,000.00		8,000.00	
	<u>687,669.68</u>	<u>\$ 60,525.01</u>	<u>746,173.92</u>	<u>(2,020.77)</u>
Receipts from Delinquent Taxes	<u>150,330.32</u>	<u>-</u>	<u>165,991.09</u>	<u>15,660.77</u>
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>2,092,000.00</u>	<u>-</u>	<u>2,286,703.87</u>	<u>194,703.87</u>
Budget Totals	<u>3,324,000.00</u>	<u>60,525.01</u>	<u>3,592,868.88</u>	<u>208,343.87</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>58,549.47</u>	<u>58,549.47</u>
	<u>\$ 3,324,000.00</u>	<u>\$ 60,525.01</u>	<u>\$ 3,651,418.35</u>	<u>\$ 266,893.34</u>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2021

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 6,018,234.87
Allocated to:	
School and County Taxes	4,004,531.00
Balance for Support of Municipal Budget Appropriations	2,013,703.87
Add: Appropriation "Reserve for Uncollected Taxes"	273,000.00
Amount for Support of Municipal Budget Appropriations	\$ 2,286,703.87
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 157,558.10
Tax Title Liens	8,432.99
Delinquent Tax Collections	\$ 165,991.09

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Interest on Bank Accounts	\$ 3,064.64
PILOT	7,603.45
Miscellaneous	3,253.88
Dumpster Permits	225.00
Refund of Prior Year Expenses	1,135.22
Cable T.V. Franchise Taxes	6,298.00
Recycling Fees	3,189.21
Camden County JIF Safety Incentive	2,000.00
Truck Rentals	150.00
NJ DMV Inspections Fees	300.00
Vacant Property Registration	7,200.00
Outside Police Services - Admin Fees	19,725.00
Wedding Ceremony Fees	300.00
Insurance Proceeds	3,664.98
Administrative Fee for Senior Citizen and Veterans Deductions	344.33
	58,453.71
Interest on Bank Accounts:	
Due from Trust - Animal Control Fund	0.29
Due from Trust - Other Fund	41.90
Due from General Capital Fund	53.57
	\$ 58,549.47

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, 2021

	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	\$ 34,700.00	\$ 34,700.00	\$ 34,658.00	\$ 42.00	
Other Expenses	800.00	800.00	604.98	195.02	
Mayor and Council					
Salaries and Wages	500.00	500.00	300.00	200.00	
Other Expenses	1,600.00	1,600.00	1,255.00	345.00	
Municipal Clerk					
Salaries and Wages	79,500.00	78,000.00	77,205.56	794.44	
Other Expenses	17,300.00	17,300.00	13,326.60	3,973.40	
Financial Administration					
Salaries and Wages	57,300.00	58,300.00	57,601.68	698.32	
Other Expenses	16,400.00	16,400.00	13,052.87	3,347.13	
Audit Services					
Other Expenses	33,000.00	33,000.00	32,750.00	250.00	
Collection of Taxes					
Salaries and Wages	7,500.00	7,500.00	4,546.60	53.40	\$ 2,900.00
Other Expenses	2,600.00	2,600.00	1,113.66	1,486.34	
Assessment of Taxes					
Salaries and Wages	6,800.00	6,800.00	6,756.80	43.20	
Other Expenses	2,400.00	2,400.00	2,063.32	336.68	
Legal Services					
Other Expenses	17,600.00	17,600.00	15,600.00	2,000.00	
Engineering Services					
Other Expenses	3,000.00	3,000.00	1,711.00	1,289.00	
Economic Development					
Other Expenses	1,800.00	1,800.00	150.00	1,650.00	
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages	4,900.00	4,900.00	4,823.78	76.22	
Other Expenses	2,900.00	3,400.00	2,886.34	513.66	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	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	\$ 6,000.00	\$ 2,799.16	\$ 100.84	\$ 3,100.00
Other Expenses	100.00	100.00		100.00	
Property Maintenance Officer					
Salaries and Wages	3,300.00	3,300.00	3,250.85	49.15	
Other Expenses	100.00	100.00		100.00	
<u>Insurance</u>					
General Liability Insurance	69,000.00	69,000.00	67,576.00	1,424.00	
Workers Compensation Insurance	50,000.00	50,000.00	47,163.00	2,837.00	
Employee Group Insurance Plan for Employees	131,200.00	131,200.00	123,555.02	3,644.98	4,000.00
Disability Insurance	1,500.00	1,500.00	525.10	974.90	
Health Benefits Waiver	100.00	100.00		100.00	
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	600,200.00	600,200.00	594,980.91	219.09	5,000.00
Other Expenses	21,700.00	20,200.00	11,538.13	8,661.87	
Office of Emergency Management					
Salaries and Wages	1,300.00	1,300.00	1,294.97	5.03	
Other Expenses	400.00	400.00	272.62	127.38	
Aid to Volunteer Fire Company	21,500.00	21,500.00	21,050.00	450.00	
Uniform Fire Safety Act					
Salaries and Wages	4,600.00	4,600.00	4,504.93	95.07	
Other Expenses	1,000.00	1,000.00		1,000.00	
Fire Hydrant Service	29,000.00	30,500.00	30,377.76	122.24	
Municipal Court					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	3,600.00	4,600.00	4,416.27	183.73	
Public Defender					
Other Expenses	100.00	100.00		100.00	
Municipal Prosecutor					
Salaries and Wages	100.00	100.00		100.00	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	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 Works Functions</u>					
Road Repair and Maintenance					
Salaries and Wages	\$ 98,000.00	\$ 97,000.00	\$ 82,226.51	\$ 4,073.49	\$ 10,700.00
Other Expenses	6,600.00	7,600.00	4,542.04	3,057.96	
Shade Tree Program					
Other Expenses	2,500.00	2,500.00	1,150.00	1,350.00	
Garbage and Trash Removal					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	300.00	300.00		300.00	
Public Building and Grounds					
Salaries and Wages	18,200.00	18,200.00	17,254.00	946.00	
Other Expenses	19,000.00	19,000.00	16,026.17	2,973.83	
Vehicle Maintenance					
Other Expenses	22,000.00	22,000.00	13,526.50	8,473.50	
<u>Health and Human Services</u>					
Registrar of Vital Statistics					
Salaries and Wages	1,800.00	1,800.00	1,647.88	152.12	
Other Expenses	600.00	600.00	206.50	393.50	
Animal Control Services					
Other Expenses	4,900.00	4,900.00	3,400.00	1,500.00	
Board of Health					
Salaries and Wages	5,100.00	5,100.00	4,721.60	378.40	
Other Expenses	300.00	300.00	50.00	250.00	
Recreation Services and Programs					
Salaries and Wages	9,300.00	9,300.00	9,276.26	23.74	
Other Expenses	200.00	200.00		200.00	
Celebration of Public Events, Anniversary or Holidays					
Other Expenses	1,000.00	1,000.00		1,000.00	
Utility Expenses and Bulk Purchases	124,000.00	125,000.00	112,759.56	12,240.44	
Landfill/Solid Waste Disposal Costs	117,000.00	117,000.00	76,498.57	35,501.43	5,000.00
Accumulated Leave Compensation	19,000.00	19,000.00	18,085.70	914.30	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	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>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.14)</u>					
Construction Code Official					
Salaries and Wages	\$ 5,600.00	\$ 5,600.00	\$ 5,533.84	\$ 66.16	
Other Expenses	2,100.00	2,100.00	1,458.34	641.66	
	<hr/>				
Total Operations within "CAPS"	1,693,100.00	1,695,100.00	1,552,074.38	112,325.62	\$ 30,700.00
	<hr/>				
Detail:					
Salaries and Wages	963,900.00	962,400.00	931,469.03	9,230.97	21,700.00
Other Expenses	729,200.00	732,700.00	620,605.35	103,094.65	9,000.00
	<hr/>				
<u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	40,800.00	40,800.00	40,723.00	77.00	
Police and Firemen's Retirement System of NJ	160,700.00	160,700.00	160,612.00		88.00
Defined Contribution Plan	100.00	100.00		100.00	
Social Security System (O.A.S.I.)	81,514.32	79,514.32	73,545.65	5,968.67	
Unemployment Insurance	1,500.00	1,500.00	6.54	1,493.46	
	<hr/>				
Total Statutory Expenditures	284,614.32	282,614.32	274,887.19	7,639.13	88.00
	<hr/>				
Total General Appropriations for Municipal Purposes within "CAPS"	1,977,714.32	1,977,714.32	1,826,961.57	119,964.75	30,788.00
	<hr/>				

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Landfill Recycling Fees (P.L.2007,c. 311)	\$ 3,500.00	\$ 3,500.00	\$ 2,233.29	\$ 1,266.71	
<u>Interlocal Municipal Service Agreements:</u>					
Municipal Court					
Other Expenses	53,100.00	53,100.00	45,716.48	7,383.52	
Tax Collector Services					
Other Expenses	18,500.00	18,500.00	18,490.08		\$ 9.92
Construction Code Official					
Other Expenses	17,000.00	17,000.00	14,069.25		2,930.75
Finance Services					
Salaries and Wages	11,100.00	11,100.00	10,926.76		173.24
Other Expenses	2,200.00	2,200.00	2,200.00		
Garbage and Trash Removal					
Other Expenses	95,400.00	95,400.00	95,400.00		
Recycling Services					
Salaries and Wages	500.00	500.00	500.00		
Municipal Clerk Services					
Salaries and Wages	28,100.00	28,100.00	27,789.83		310.17
Other Expenses	6,700.00	6,700.00	6,700.00		
Total Other Operations - Excluded from "CAPS"	236,100.00	236,100.00	224,025.69	8,650.23	3,424.08

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Public and Private Programs Offset by Revenues</u>					
Body Armor Replacement Grant	\$ 929.68	\$ 929.68	\$ 929.68		
Clean Communities Act (40A:4-87, \$4,533.04+)		4,533.04	4,533.04		
Safe and Secure Communities Program	142,400.00	142,400.00	142,400.00		
Body Worn Camera Grant (40A:4-87, \$18,342.00+)		18,342.00	18,342.00		
Sustainable Communities Resiliency Grant (40A:4-87, \$10,000.00+)		10,000.00	10,000.00		
Recycling Tonnage Grant (40A:4-87, \$2,649.97+)		2,649.97	2,649.97		
Recreation Enhancement Grant (40A:4-87, \$25,000.00+)		25,000.00	25,000.00		
Total Public and Private Programs Offset by Revenues	143,329.68	203,854.69	203,854.69	\$ -	\$ -
Total Operations - Excluded from "CAPS"	379,429.68	439,954.69	427,880.38	8,650.23	3,424.08
Detail:					
Salaries and Wages	39,700.00	52,349.97	51,866.56	-	483.41
Other Expenses	339,729.68	387,604.72	376,013.82	8,650.23	2,940.67
<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 Trenton and Virginia Avenues	174,930.00	174,930.00	174,930.00		
Total Capital Improvements - Excluded from "CAPS"	189,930.00	189,930.00	189,930.00	-	-
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	271,000.00	271,000.00	271,000.00		
Payment of Bond Anticipation Notes and Capital Notes	121,000.00	121,000.00	120,300.00		700.00
Interest on Bonds	41,000.00	41,000.00	40,132.47		867.53
Interest on Notes	10,000.00	10,000.00	8,985.99		1,014.01
Total Municipal Debt Service - Excluded from "CAPS"	443,000.00	443,000.00	440,418.46	-	2,581.54

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2021

	Appropriations		Expended		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>					
Special Emergency Authorization - Five Years (N.J.S.A. 40A:4-55)	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	45,926.00	45,926.00	45,926.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,073,285.68	1,133,810.69	1,119,154.84	8,650.23	6,005.62
Subtotal General Appropriations	3,051,000.00	3,111,525.01	2,946,116.41	128,614.98	36,793.62
Reserve for Uncollected Taxes	273,000.00	273,000.00	273,000.00	-	-
Total General Appropriations	<u>\$ 3,324,000.00</u>	<u>\$ 3,384,525.01</u>	<u>\$ 3,219,116.41</u>	<u>\$ 128,614.98</u>	<u>\$ 36,793.62</u>
Budget		\$ 3,324,000.00			
Appropriation by 40A:4-87		<u>60,525.01</u>			
		<u>\$ 3,384,525.01</u>			
Cash Disbursements			\$ 2,541,310.72		
Deferred Charge - Special Emergency Authorizations			15,000.00		
Reserve for Encumbrances			11,021.00		
Reserve for Federal and State Grants--Appropriated			378,784.69		
Reserve for Uncollected Taxes			<u>273,000.00</u>		
			<u>\$ 3,219,116.41</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, 2021 and 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Cash	SB-1	\$ 1,532.11	\$ 1,164.62
Accounts Receivable	SB-3	15.00	
		1,547.11	1,164.62
Other Funds:			
Cash--Treasurer	SB-1	58,165.61	92,272.29
Cash--Collector	SB-2	240,171.70	159,201.04
		298,337.31	251,473.33
		\$ 299,884.42	\$ 252,637.95
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	\$ 1,543.82	\$ 1,164.38
Due to State of New Jersey	SB-4	3.00	
Due to Current Fund	SB-5	0.29	0.24
		1,547.11	1,164.62
Other Funds:			
Reserve for Tax Title Lien Redemption	SB-2	240,141.78	159,190.15
Due to Current Fund	SB-6	41.90	24.44
Payroll Deductions Payable	SB-7	4,228.66	13,045.84
Reserve for Disposal of Forfeited Property	SB-8	2,882.03	4,185.05
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-9	6,280.68	5,590.03
Reserve for Planning Board Escrow Deposits	SB-10	15,672.40	15,672.40
Reserve for Recreation Commission	SB-11	5,983.15	13,099.71
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-12	22,260.54	39,173.04
Due to Criminal Disposition & Review Collection Fund	SB-13	731.17	1,381.67
Reserve for Parking Offenses Adjudication Act	SB-14	115.00	111.00
		298,337.31	251,473.33
		\$ 299,884.42	\$ 252,637.95

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, 2021 and 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	SC-1	\$ 420,308.90	\$ 842,482.41
Due from Federal and State Grant Fund	SC-2	6,930.00	
Deferred Charges to Future Taxation:			
Funded	SC-3	927,000.00	1,198,000.00
Unfunded	SC-4	1,729,325.00	1,730,875.00
		<u>\$ 3,083,563.90</u>	<u>\$ 3,771,357.41</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Payment of Bonds	SC-2	\$ 2,957.26	\$ 6,437.26
Due to Current Fund	SC-2	53.57	120.51
Capital Improvement Fund	SC-5	15,255.00	6,505.00
Contracts Payable	SC-6	89,968.90	271,119.90
Improvement Authorizations:			
Funded	SC-7	607.81	8,305.94
Unfunded	SC-7	434,249.74	550,372.18
Bond Anticipation Notes	SC-8	1,610,575.00	1,730,000.00
General Serial Bonds	SC-9	927,000.00	1,198,000.00
Fund Balance	C-1	2,896.62	496.62
		<u>\$ 3,083,563.90</u>	<u>\$ 3,771,357.41</u>

There were bonds and notes authorized but not issued on December 31, 2021 totaling \$118,750.00 and on December 31, 2020 totaling \$875.00.

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

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 496.62
Increased by:	
Permanently Funded Improvement Authorizations Canceled	<u>2,400.00</u>
Balance December 31, 2021	<u><u>\$ 2,896.62</u></u>

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, 2021 and 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 156,459.52	\$ 164,358.68
Due from Current Fund	SD-1		199.08
Due from Sewer Utility Capital Fund	SD-2	5.27	5.22
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	15,228.22	15,170.26
Total Operating Fund		<u>171,693.01</u>	<u>179,733.24</u>
Capital Fund:			
Cash - Treasurer	SD-1&2	41,342.33	40,417.28
Fixed Capital	SD-6	538,773.40	504,027.89
Fixed Capital Authorized and Uncompleted	SD-7	32,000.00	68,400.00
Total Capital Fund		<u>612,115.73</u>	<u>612,845.17</u>
		<u>\$ 783,808.74</u>	<u>\$ 792,578.41</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4/SD-4	\$ 9,626.09	\$ 12,140.64
Prepaid Rents	SD-1	579.27	1,320.42
Rent Overpayments	D-1		2,250.45
Accrued Interest on Bonds and Notes	SD-5	72.36	102.42
		<u>10,277.72</u>	<u>15,813.93</u>
Reserve for Receivables	D	15,228.22	15,170.26
Fund Balance	D-1	146,187.07	148,749.05
Total Operating Fund		<u>171,693.01</u>	<u>179,733.24</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-2	5.27	5.22
Improvement Authorizations:			
Funded	SD-8	241.69	1,766.18
Unfunded	SD-8	30,400.00	31,030.00
Capital Improvement Fund	SD-9	9,630.00	8,630.00
Reserve for Amortization	SD-10	525,773.40	520,027.89
Reserve for Deferred Amortization	SD-11	1,600.00	4,370.00
Serial Bonds	SD-12	13,000.00	17,000.00
Bond Anticipation Note Payable	SD-13	30,425.00	30,000.00
Fund Balance	D-2	1,040.37	15.88
Total Capital Fund		<u>612,115.73</u>	<u>612,845.17</u>
		<u>\$ 783,808.74</u>	<u>\$ 792,578.41</u>

There were bonds and notes authorized but not issued totaling \$400.00 and \$1,030.00 as of December 31, 2021 and December 31, 2020, respectively.

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, 2021 and 2020

<u>Revenue and Other Income Realized</u>	<u>2021</u>	<u>2020</u>
Fund Balance Utilized	\$ 24,000.00	\$ 26,000.00
Sewer Rents	180,842.04	178,520.31
Miscellaneous	2,743.86	3,098.27
Other Credits to Income:		
Cancellation of Prior Year Rent Overpayments	2,250.45	
Unexpended Balance of Appropriation Reserves	10,676.09	11,003.67
Total Income	220,512.44	218,622.25
<u>Expenditures</u>		
Budget Appropriations:		
Operating	190,300.00	188,800.00
Capital Improvements	1,000.00	3,000.00
Debt Service	4,574.42	4,564.77
Statutory Expenditures	3,200.00	3,200.00
Total Expenditures	199,074.42	199,564.77
Statutory Excess to Fund Balance	21,438.02	19,057.48
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	21,438.02	19,057.48
<u>Fund Balance</u>		
Balance Jan. 1	148,749.05	155,691.57
	170,187.07	174,749.05
Utilization in Budget	24,000.00	26,000.00
Balance Dec. 31	\$ 146,187.07	\$ 148,749.05

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Statement of Capital Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$	15.88
Increased by:		
Cancellation of Funded Improvement Authorizations:		
Ordinance No.:		
705-2008	\$	400.00
771-2014		<u>624.49</u>
		<u>1,024.49</u>
Balance Dec. 31, 2021	\$	<u><u>1,040.37</u></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, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 24,000.00	\$ 24,000.00	
Rents	175,000.00	180,842.04	\$ 5,842.04
Miscellaneous Revenues	1,000.00	2,743.86	1,743.86
	<u>\$ 200,000.00</u>	<u>\$ 207,585.90</u>	<u>\$ 7,585.90</u>

Analysis of Miscellaneous Revenues:

Cash Receipts	\$ 2,738.59
Due from Sewer Utility Capital Fund - Interest Earned	<u>5.27</u>
	<u>\$ 2,743.86</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, 2021

	Appropriations		<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>			
Operating					
Salaries and Wages	\$ 27,500.00	\$ 27,500.00	\$ 27,308.27	\$ 191.73	
Other Expenses	162,800.00	162,800.00	154,468.43	8,331.57	
Total Operating	190,300.00	190,300.00	181,776.70	8,523.30	\$ -
Capital Improvements					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00	-	-
Debt Service					
Payment of Bond Principal	4,000.00	4,000.00	4,000.00		
Interest on Bonds	1,000.00	1,000.00	439.77		560.23
Interest on Notes	500.00	500.00	134.65		365.35
Total Debt Service	5,500.00	5,500.00	4,574.42	-	925.58
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	3,200.00	3,200.00	2,097.21	1,102.79	-
	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 189,448.33</u>	<u>\$ 9,626.09</u>	<u>\$ 925.58</u>
Cash Disbursements			\$ 188,873.91		
Interest on Bonds and Notes			574.42		
			<u>\$ 189,448.33</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, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</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	2,829,663.52	\$ 102,196.13		2,931,859.65
Total General Fixed Assets	<u>\$ 6,191,961.50</u>	<u>\$ 102,196.13</u>	<u>\$ -</u>	<u>\$ 6,294,157.63</u>
Total Investment in General Fixed Assets	<u>\$ 6,191,961.50</u>			<u>\$ 6,294,157.63</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, 2021

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. According to the latest census, the population is 1,978.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Borough of Laurel Springs School. 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 immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2021, the Borough's bank balances of \$2,543,693.73 were insured by FDIC or GUDPA.

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 5.257</u>	<u>\$ 5.194</u>	<u>\$ 5.250</u>	<u>\$ 5.098</u>	<u>\$ 4.946</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.805	\$ 1.769	\$ 1.721	\$ 1.679	\$ 1.647
County	.914	.913	.913	.906	.872
Local School	2.538	2.512	2.616	2.513	2.427

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 115,940,692.00
2020	116,029,593.00
2019	115,546,595.00
2018	115,479,100.00
2017	115,469,300.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 6,109,486.01	\$ 6,018,234.87	98.51%
2020	6,028,456.02	5,861,275.60	97.23%
2019	6,066,875.24	5,904,241.67	97.32%
2018	5,903,316.22	5,733,383.50	97.12%
2017	5,715,968.94	5,577,174.69	97.57%

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>
2021	\$ -	\$ 89,538.17	\$ 89,538.17	1.47%
2020	5,767.69	161,248.21	167,015.90	2.77%
2019	31,167.16	154,877.41	186,044.57	3.07%
2018	12,385.18	163,637.95	176,023.13	2.98%
2017	5,950.04	133,848.49	139,798.53	2.45%

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>
2021	-
2020	1
2019	3
2018	2
2017	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>
2021	\$ 123,851.00
2020	123,851.00
2019	551.00
2018	551.00
2017	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 Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2021	\$ 15,170.26	\$ 181,300.00	\$ 196,470.26	\$ 180,842.04
2020	15,488.91	178,800.00	194,288.91	178,520.31
2019	12,264.80	178,800.00	191,064.80	175,575.89
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

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>
2021	\$ 613,635.34	\$ 413,000.00	67.30%
2020	614,323.53	394,000.00	64.14%
2019	519,340.29	337,000.00	64.89%
2018	647,995.71	376,000.00	58.03%
2017	631,236.18	332,000.00	52.60%

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>
2021	\$ 146,187.07	\$ 24,000.00	16.42%
2020	148,749.05	24,000.00	16.13%
2019	155,691.57	26,000.00	16.70%
2018	165,372.28	30,000.00	18.14%
2017	163,878.95	31,000.00	18.92%

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, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 95.76	
Federal and State Grant		\$ 6,930.00
Trust - Animal Control		0.29
Trust - Other		41.90
General Capital	6,930.00	53.57
Sewer Utility - Operating	5.27	
Sewer Utility - Capital		5.27
Totals	<u>\$ 7,031.03</u>	<u>\$ 7,031.03</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 2022, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In June 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021 was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

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 plans' 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

<https://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.

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

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.

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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 P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions 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, 2020 was 12.55% 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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$40,723.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$34,923.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$24,332.69.

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

Police and Firemen's Retirement System - The contribution policy for PFRS 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 member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 34.89% 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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$188,020.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$162,890.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$54,671.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2020 was 4.82% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$25,970.00, and was payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 was \$20,996.00, which was paid by April 1, 2020.

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

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).

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$607,053.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Borough's proportion was 0.0037225665%, which was an increase of 0.0001322709% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was (\$11,599.00). This (benefit) 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, 2020, the Borough's contribution to PERS was \$34,923.00, and was paid by April 1, 2020.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2020, 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	\$ 2,174,660.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	337,497.00
	<u>\$ 2,512,157.00</u>

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

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Borough's proportion was 0.0168300130%, which was an increase of 0.0007040560% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0168300130%, which was an increase of 0.0007040560% from its proportion, on-behalf of the Borough, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$227,112.00. This (benefit) 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, 2020, the Borough's contribution to PFRS was \$162,890.00, and was paid by April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2020 measurement date, was \$38,249.00. This on-behalf (benefit) 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 (Benefit) 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 - As of December 31, 2020, 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 11,053.00	\$ 21,924.00	\$ 32,977.00	\$ 2,147.00	\$ 7,805.00	\$ 9,952.00
Changes of Assumptions	19,693.00	5,473.00	25,166.00	254,179.00	583,013.00	837,192.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,750.00	127,510.00	148,260.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	84,401.00	217,757.00	302,158.00	89,620.00	11,197.00	100,817.00
Borough Contributions Subsequent to the Measurement Date	20,362.00	94,010.00	114,372.00	-	-	-
	<u>\$ 156,259.00</u>	<u>\$ 466,674.00</u>	<u>\$ 622,933.00</u>	<u>\$ 345,946.00</u>	<u>\$ 602,015.00</u>	<u>\$ 947,961.00</u>

Deferred outflows of resources in the amounts of \$20,362.00 and \$94,010.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Borough's year end of December 31, 2020.

Note 8: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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 other deferred outflows 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, 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	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
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
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	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
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (85,323.00)	\$ (102,748.00)	\$ (188,071.00)
2022	(66,615.00)	(99,747.00)	(166,362.00)
2023	(40,803.00)	(31,421.00)	(72,224.00)
2024	(14,761.00)	5,671.00	(9,090.00)
2025	(2,547.00)	(1,106.00)	(3,653.00)
	<u>\$ (210,049.00)</u>	<u>\$ (229,351.00)</u>	<u>\$ (439,400.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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 as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 764,179.00	\$ 607,053.00	\$ 473,728.00

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 the June 30, 2020 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 2,891,850.00	\$ 2,174,660.00	\$ 1,578,979.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	448,802.00	337,497.00	245,050.00
	<u>\$ 3,340,652.00</u>	<u>\$ 2,512,157.00</u>	<u>\$ 1,824,029.00</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 (benefit) 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.

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 Eight Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0037225665%	0.0035902956%	0.0040814258%	0.0035082295%
Borough's Proportionate Share of the Net Pension Liability	\$ 607,053.00	\$ 646,917.00	\$ 803,612.00	\$ 816,660.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 270,612.00	\$ 256,332.00	\$ 287,840.00	\$ 244,576.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	224.33%	252.37%	279.19%	333.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0037463457%	0.0040934859%	0.0042698467%	0.0048334422%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,109,560.00	\$ 918,906.00	\$ 799,432.00	\$ 923,767.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 263,640.00	\$ 284,792.00	\$ 297,344.00	\$ 335,920.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	420.86%	322.66%	268.86%	275.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 40,723.00	\$ 34,923.00	\$ 40,597.00	\$ 32,500.00
Borough's Contribution in Relation to the Contractually Required Contribution	\$ (40,723.00)	\$ (34,923.00)	(40,597.00)	(32,500.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 324,435.00	\$ 269,913.00	\$ 253,418.00	\$ 270,191.00
Borough's Contributions as a Percentage of Covered Payroll	12.55%	12.94%	16.02%	12.03%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 33,282.00	\$ 35,193.00	\$ 35,200.00	\$ 36,419.00
Borough's Contribution in Relation to the Contractually Required Contribution	(33,282.00)	(35,193.00)	(35,200.00)	(36,419.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 246,315.00	\$ 259,495.00	\$ 288,545.00	\$ 299,899.00
Borough's Contributions as a Percentage of Covered Payroll	13.51%	13.56%	12.20%	12.14%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0168300130%	0.0161259570%	0.0158090750%	0.0159581982%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,174,660.00	\$ 1,973,465.00	\$ 2,139,228.00	\$ 2,463,637.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	337,497.00	311,614.00	290,579.00	275,948.00
Total	<u>\$ 2,512,157.00</u>	<u>\$ 2,285,079.00</u>	<u>\$ 2,429,807.00</u>	<u>\$ 2,739,585.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 580,716.00	\$ 546,556.00	\$ 524,476.00	\$ 516,560.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	361.07%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0150770121%	0.0114191922%	0.0146718576%	0.0121414065%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,880,095.00	\$ 1,902,039.00	\$ 1,845,584.00	\$ 1,614,090.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	241,857.00	166,802.00	198,738.00	150,453.00
Total	<u>\$ 3,121,952.00</u>	<u>\$ 2,068,841.00</u>	<u>\$ 2,044,322.00</u>	<u>\$ 1,764,543.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 481,900.00	\$ 361,624.00	\$ 412,544.00	\$ 435,040.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.65%	525.97%	447.37%	371.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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 Eight Years)***

	Year Ended December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 188,020.00	\$ 162,890.00	\$ 154,557.00	\$ 141,233.00
Borough's Contribution in Relation to the Contractually Required Contribution	(188,020.00)	(162,890.00)	(154,557.00)	(141,233.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 538,891.00	\$ 579,283.00	\$ 543,596.00	\$ 525,086.00
Borough's Contributions as a Percentage of Covered Payroll	34.89%	28.12%	28.43%	26.90%
	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 122,929.00	\$ 92,821.00	\$ 112,690.00	\$ 88,581.00
Borough's Contribution in Relation to the Contractually Required Contribution	(122,929.00)	(92,821.00)	(112,690.00)	(88,581.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 499,583.00	\$ 462,551.00	\$ 364,734.00	\$ 400,393.00
Borough's Contributions as a Percentage of Covered Payroll	24.61%	20.07%	30.90%	22.12%

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

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In June 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021 was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees 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, 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>.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating 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.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Special Funding Situation Component (Cont'd) - Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 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, 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 notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State under the special funding situation.

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 (benefit) expense, on-behalf of the Borough, is (\$111,926.00) for the year ended December 31, 2020, representing (20.77%) of the Borough's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2020, the State's proportionate share of the net OPEB liability associated with the Borough was \$2,248,393.00. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportion of the net OPEB liability, associated with 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, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the State's proportion on-behalf of the Borough was 0.041162%, which was an increase of 0.007618% from its proportion measured as of the June 30, 2019 measurement date.

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, 2020 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

* salary increases are based on years of service within the respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

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 (the "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.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2020 was 2.21%. 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 medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 2,658,076.00	\$ 2,248,393.00	\$ 1,924,092.00

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 1,860,548.00	\$ 2,248,393.00	\$ 2,756,282.00

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 (benefit) 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.

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 Four Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	2,248,393.00	1,853,547.00	2,186,714.00	3,123,914.00
Total	\$ 2,248,393.00	\$ 1,853,547.00	\$ 2,186,714.00	\$ 3,123,914.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 555,849.00	\$ 561,372.00	\$ 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%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	404.50%	330.18%	410.14%	617.52%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - The actuarial valuation as of June 30, 2019 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend, repealment of the excise tax, and updated mortality improvement assumptions.

Changes in Assumptions (Cont'd) - The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

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, 2021, accrued benefits for compensated absences are valued at \$57,217.01.

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 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>	
2022	\$ 296,000.00	\$ 30,998.31	\$ 4,000.00	\$ 351.69	\$ 326,998.31
2023	306,000.00	20,722.26	4,000.00	227.74	326,722.26
2024	325,000.00	9,270.99	5,000.00	79.01	334,270.99
Totals	<u>\$ 927,000.00</u>	<u>\$ 60,991.56</u>	<u>\$ 13,000.00</u>	<u>\$ 658.44</u>	<u>\$ 987,991.56</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>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 2,537,575.00	\$ 2,928,000.00	\$ 2,880,000.00
Sewer Utility:			
Bonds and Notes	43,425.00	47,000.00	21,000.00
Total Issued	<u>2,581,000.00</u>	<u>2,975,000.00</u>	<u>2,901,000.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	118,750.00	875.00	375.00
Sewer Utility:			
Bonds and Notes	400.00	1,030.00	630.00
Total Authorized but not Issued	<u>119,150.00</u>	<u>1,905.00</u>	<u>1,005.00</u>
Total Issued and Authorized but not Issued	<u>2,700,150.00</u>	<u>2,976,905.00</u>	<u>2,902,005.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	2,957.26	6,437.28	15,202.26
Sewer Utility:			
Self-Liquidating	43,825.00	48,030.00	21,630.00
Total Deductions	<u>46,782.26</u>	<u>54,467.28</u>	<u>36,832.26</u>
Net Debt	<u>\$ 2,653,367.74</u>	<u>\$ 2,922,437.72</u>	<u>\$ 2,865,172.74</u>

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 2.098%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 1,195,000.00	\$ 1,195,000.00	
Self-Liquidating	43,825.00	43,825.00	
General	2,656,325.00	2,957.26	\$ 2,653,367.74
	<u>\$ 3,895,150.00</u>	<u>\$ 1,241,782.26</u>	<u>\$ 2,653,367.74</u>

Net debt \$2,653,367.74 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$126,470,822.00 equals 2.098%.

Note 12: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	4,426,478.77
Less: Net Debt		<u>2,653,367.74</u>
Remaining Borrowing Power	\$	<u><u>1,773,111.03</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	207,585.90
Deductions:		
Operating and Maintenance Costs	\$	194,500.00
Debt Service		<u>4,574.42</u>
Total Deductions		<u>199,074.42</u>
Excess in Revenue	\$	<u><u>8,511.48</u></u>

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

Note 13: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 1,083.63	\$ 9.25	\$ 402.23	\$ 6,280.68
2020	-	802.68	8.47	452.29	5,590.03
2019	-	1,343.54	23.30	5.31	5,231.17

There are no estimated unreimbursed payments on behalf of the Borough at December 31, 2021.

Note 13: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Borough is a member of the Camden County Municipal Insurance 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.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, NJ 08034

Note 14: CONTINGENCIES

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

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

Note 15: CONCENTRATIONS

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

Note 16: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2022.

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

<u>Purpose</u>	<u>Authorization</u>
Completion of Improvements to Various Municipal Buildings and Grounds	\$ 511,100.00
Acquisition of Various Vehicles And Equipment	136,800.00
Reconstruction and/or Restoration of Various Roads	79,800.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Current Cash - Treasurer
For The Year Ended December 31, 2021

	<u>Regular</u>	<u>Federal and State</u> <u>Grant Fund</u>
Balance Dec. 31, 2020	\$ 753,374.36	\$ -
Increased by Receipts:		
Taxes Receivable	\$ 6,140,052.69	
Tax Title Liens	8,432.99	
Interest and Costs on Taxes	34,950.42	
Prepaid Taxes	15,616.75	
Tax Overpayments	6,827.68	
Miscellaneous Revenue Not Anticipated	58,453.71	
Revenue Accounts Receivable	82,942.09	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	307,966.00	
Consolidated Municipal Property Tax Relief Aid	10,244.00	
Interlocal Service Agreement - Municipal Court	35,201.28	
Interlocal Service Agreement - Finance Services	12,985.44	
Reserve for Payment of Bonds & Notes	4,000.00	
Reserve for Sale of Municipal Assets	28,843.41	
Petty Cash (Contra)	300.00	
Due from Animal Control Fund	0.24	
Due from Trust Other Fund	24.44	
Due from General Capital Fund	120.51	
PILOT - Due to Camden County	174.84	
Due State of New Jersey--Senior Citizens' and Veterans' Deductions	17,216.68	
Due State of New Jersey:		
Marriage License Fees	200.00	
State Training Fees	2,102.00	
Reserve for Federal and State Grants		\$ 88,455.42
Federal and State Grants Receivable		<u>558,086.02</u>
	<u>6,766,655.17</u>	<u>646,541.44</u>
	7,520,029.53	646,541.44
Decreased by Disbursements:		
2021 Appropriations	2,541,310.72	
2020 Appropriation Reserves	15,640.04	
Tax Overpayments	2,343.19	
Due to Sewer Utility Operating Fund	199.08	
Due State of New Jersey:		
State Training Fees	2,058.00	
Marriage License Fees	100.00	
County Taxes	1,059,735.98	
Due to County--Added and Omitted Taxes	330.26	
Local District School Taxes	2,942,270.00	
Petty Cash (Contra)	300.00	
Special Emergency Note Payable	15,000.00	
Due to CCMUA	488.08	
Reserve for Master Plan	14,000.00	
Reserve for Federal and State Grants	88,455.42	
Federal and State Grants - Appropriated		<u>160,100.55</u>
	<u>6,682,230.77</u>	<u>160,100.55</u>
Balance Dec. 31, 2021	<u>\$ 837,798.76</u>	<u>\$ 486,440.89</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Schedule of Change Funds
As of December 31, 2021

Balance Dec. 31, 2021	\$ 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, 2021

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>2021 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>2020</u> <u>Collections</u>	<u>2021</u> <u>Collections</u>	<u>Overpayments</u> <u>Applied</u>	<u>Due to</u> <u>State of</u> <u>New Jersey</u>	<u>Canceled</u>	<u>Transfer to</u> <u>Tax Title</u> <u>Liens</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2018	\$ 4,266.67				\$ 3,329.89			\$ 250.00		\$ 686.78
2019	1,753.91				250.00					1,503.91
2020	155,227.63		\$ 283.32		153,978.21			1,527.29		5.45
	161,248.21	\$ -	283.32	\$ -	157,558.10	\$ -	\$ -	1,777.29	\$ -	2,196.14
2021	-	6,109,486.01		17,345.26	5,982,494.59	2,145.02	16,250.00	1,243.81	2,665.30	87,342.03
	\$ 161,248.21	\$ 6,109,486.01	\$ 283.32	\$ 17,345.26	\$ 6,140,052.69	\$ 2,145.02	\$ 16,250.00	\$ 3,021.10	\$ 2,665.30	\$ 89,538.17

Analysis of 2021 Tax Levy

Tax Yield

General Purpose Tax	\$ 6,095,002.52
Added Taxes (54:4-63.1 et seq.)	<u>14,483.49</u>
	<u>\$ 6,109,486.01</u>

Tax Levy

Local District School Tax	\$ 2,942,270.00
County Taxes:	
County Tax	\$ 971,692.94
County Library Tax	62,943.82
County Open Space Tax	25,099.22
Due County for Added Taxes (54:4-63.1 et seq.)	<u>2,525.02</u>
Total County Taxes	1,062,261.00
Local Tax for Municipal Purposes	2,092,000.00
Add: Additional Tax Levied	<u>12,955.01</u>
Local Tax for Municipal Purposes Levied	<u>2,104,955.01</u>
	<u>\$ 6,109,486.01</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 5,767.69
Increased by:	
Transferred from 2021 Taxes Receivable	<u>2,665.30</u>
	8,432.99
Decreased by:	
Collections	<u>\$ 8,432.99</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued</u> <u>in 2021</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 7,500.00	\$ 7,500.00		
Other		5,982.00	5,982.00		
Construction Code Official:					
Fees and Permits		23,192.00	23,192.00		
Municipal Court:					
Fines and Costs	\$ 1,946.02	40,396.34	38,225.22	\$ 4,117.14	Dec. 2021
Interest on Bank Accounts	0.52	10.08	9.69	0.91	Dec. 2021
Uniform Fire Safety Act		8,033.18	8,033.18		
	<u>\$ 1,946.54</u>	<u>\$ 85,113.60</u>	<u>\$ 82,942.09</u>	<u>\$ 4,118.05</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, 2021

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Budget Appropriation</u>	<u>Balance Dec. 31, 2021</u>
Sep. 19, 2016	Revaluation	\$ 75,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Dec. 31, 2020		Disbursed	Balance Lapsed
	Reserved	Balances After Modification		
<u>OPERATIONS - WITHIN "CAPS"</u>				
<u>General Government</u>				
Borough Administrator				
Salaries and Wages	\$ 281.01	\$ 281.01		\$ 281.01
Other Expenses	622.28	622.28		622.28
Mayor and Council				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	560.13	560.13		560.13
Municipal Clerk				
Salaries and Wages	216.98	216.98		216.98
Other Expenses	2,741.97	2,741.97	\$ 170.15	2,571.82
Financial Administration				
Salaries and Wages	370.96	370.96		370.96
Other Expenses	1,065.58	1,065.58	210.35	855.23
Collection of Taxes				
Salaries and Wages	293.30	293.30		293.30
Other Expenses	263.21	263.21		263.21
Assessment of Taxes				
Salaries and Wages	76.09	76.09		76.09
Other Expenses	404.59	404.59		404.59
Legal Services				
Other Expenses	448.00	448.00	937.15	(489.15)
Engineering Services				
Other Expenses	695.50	695.50		695.50
Economic Development				
Other Expenses	1,150.00	1,150.00		1,150.00
Planning Board				
Salaries and Wages	70.14	70.14		70.14
Other Expenses	494.32	494.32		494.32
<u>Code Enforcement and Administration</u>				
Code Enforcement Office				
Salaries and Wages	1,200.89	1,200.89		1,200.89
Other Expenses	100.00	100.00		100.00
Property Maintenance Officer				
Salaries and Wages	30.79	30.79		30.79
Other Expenses	50.00	50.00		50.00
<u>Insurance</u>				
General Liability Insurance	802.40	802.40		802.40
Group Insurance Plan for Employees	3,815.69	3,815.69		3,815.69
Disability Insurance	12.05	12.05		12.05
Health Benefits Waiver	100.00	100.00		100.00

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Dec. 31, 2020		Disbursed	Balance Lapsed
	Reserved	Balances After Modification		
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>				
<u>Public Safety Functions</u>				
Police				
Salaries and Wages	\$ 842.42	\$ 842.42		\$ 842.42
Other Expenses	2,880.74	2,880.74		2,880.74
Office of Emergency Management				
Salaries and Wages	30.19	30.19		30.19
Other Expenses	96.63	96.63		96.63
Aid to Volunteer Fire Company	449.96	449.96		449.96
Uniform Fire Safety Act				
Salaries and Wages	83.61	83.61		83.61
Other Expenses	425.62	425.62		425.62
Fire Hydrant Service	470.32	470.32		470.32
Municipal Court				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	201.45	201.45		201.45
Public Defender				
Other Expenses	100.00	100.00		100.00
Municipal Prosecutor				
Salaries and Wages	100.00	100.00		100.00
Road Repairs and Maintenance				
Salaries and Wages	1,164.56	1,164.56		1,164.56
Other Expenses	2,120.70	2,120.70	\$ 202.29	1,918.41
Shade Tree Program				
Other Expenses	584.07	584.07		584.07
Garbage and Trash Removal				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	500.00	500.00		500.00
Public Building and Grounds				
Salaries and Wages	260.00	260.00		260.00
Other Expenses	2,400.45	2,400.45	54.97	2,345.48
Vehicle Maintenance				
Other Expenses	3,049.21	3,049.21	437.35	2,611.86
<u>Health and Human Services</u>				
Registrar of Vital Statistics				
Salaries and Wages	183.78	183.78		183.78
Other Expenses	525.00	525.00		525.00
Animal Control Service				
Other Expenses	1,500.00	1,500.00		1,500.00
Board of Health				
Salaries and Wages	110.65	110.65		110.65
Other Expenses	211.00	211.00		211.00

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Dec. 31, 2020</u>		<u>Disbursed</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Balances After Modification</u>		
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>				
<u>Recreation Functions</u>				
Recreation Services and Programs				
Salaries and Wages	\$ 148.67	\$ 148.67		\$ 148.67
Other Expenses	200.00	200.00		200.00
Celebrations of Public Events				
Other Expenses	1,000.00	1,000.00		1,000.00
Utility Expenses and Bulk Purchases	13,755.41	13,755.41	\$ 3,796.54	9,958.87
Landfill/Solid Waste Disposal Costs	10,453.71	10,453.71	9,623.10	830.61
Accumulated Leave Compensation	293.60	293.60		293.60
Construction Code Official				
Salaries and Wages	74.35	74.35		74.35
Other Expenses	434.93	434.93		434.93
Total Operations within "CAPS"	<u>61,216.91</u>	<u>61,216.91</u>	<u>15,431.90</u>	<u>45,785.01</u>
<u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u>				
Statutory Expenditures:				
Contribution to:				
Defined Contribution Plan	100.00	100.00		100.00
Social Security System (O.A.S.I.)	1,387.44	1,387.44		1,387.44
Unemployment Insurance	1,900.00	1,900.00		1,900.00
Total General Appropriations for Municipal Purposes within "CAPS"	<u>64,604.35</u>	<u>64,604.35</u>	<u>15,431.90</u>	<u>49,172.45</u>
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>				
Landfill Recycling Fees	449.85	449.85	208.14	241.71
Total Other Operations - Excluded from "CAPS"	<u>449.85</u>	<u>449.85</u>	<u>208.14</u>	<u>241.71</u>
Total General Appropriations	<u>\$ 65,054.20</u>	<u>\$ 65,054.20</u>	<u>\$ 15,640.04</u>	<u>\$ 49,414.16</u>

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, 2021

Balance Dec. 31, 2020		\$ 3,722.80
Increased by:		
Collections		<u>17,216.68</u>
		20,939.48
Decreased by:		
Accrued in 2021:		
Senior Citizens' Deductions per Billings	\$ 3,500.00	
Veterans' Deductions per Billings	<u>13,000.00</u>	
	16,500.00	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>250.00</u>	
	16,750.00	
Deductions Disallowed by Tax Collector - 2021 Taxes	<u>500.00</u>	
Subtotal 2020 Tax Accrual		<u>16,250.00</u>
		4,689.48
Prior Year Senior Citizens' Deductions: Disallowed by Tax Collector		<u>283.32</u>
Balance Dec. 31, 2021		<u><u>\$ 4,972.80</u></u>

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, 2021

Balance Dec. 31, 2020		\$ 316.00
Increased by:		
Training Fees Received		<u>2,102.00</u>
		2,418.00
Decreased by:		
Disbursements		<u>2,058.00</u>
Balance Dec. 31, 2021		<u><u>\$ 360.00</u></u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 25.00
Increased by:	
Marriage Licenses Fees Collected	200.00
	225.00
Decreased by:	
Disbursements	100.00
Balance Dec. 31, 2021	\$ 125.00

Exhibit SA-11

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020 (2021 Taxes)	\$ 17,345.26
Increased by:	
Collections--2022 Taxes	15,616.75
	32,962.01
Decreased by:	
Application to 2021 Taxes Receivable	17,345.26
Balance Dec. 31, 2021 (2022 Taxes)	\$ 15,616.75

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of County Taxes
For the Year Ended December 31, 2021

2021 Tax Levy:	
County Tax	\$ 971,692.94
County Library Tax	62,943.82
County Open Space Tax	<u>25,099.22</u>
	1,059,735.98
 Decreased by:	
Disbursements	<u>\$ 1,059,735.98</u>

Exhibit SA-13

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due County for Added Taxes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020 (Added Taxes 2020)	\$ 330.26
 Increased by County Share of 2021 Levy:	
2021 Added Taxes (R.S.54:4-63.1 and seq.)	<u>2,525.02</u>
	2,855.28
 Decreased by:	
Disbursements	<u>330.26</u>
 Balance Dec. 31, 2021	<u>\$ 2,525.02</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2021

2021 Tax Levy:		
School Tax		\$ 2,942,270.00
Decreased by:		
Disbursements		<u>\$ 2,942,270.00</u>

Exhibit SA-15

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 10,323.24
Increased by:		
Cash Receipts		<u>6,827.68</u>
		17,150.92
Decreased by:		
Cash Disbursements	\$ 2,343.19	
Applied to Taxes	<u>2,145.02</u>	
		<u>4,488.21</u>
Balance Dec. 31, 2021		<u>\$ 12,662.71</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Reserve for Tax Map Revisions, Master Plan and Revaluation
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 33,636.91
Decreased by:	
Cash Disbursed:	
Master Plan	14,000.00
Balance Dec. 31, 2021	\$ 19,636.91
 <u>Analysis of Balance - Dec. 31, 2021</u>	
Tax Map Revisions	\$ 4,061.00
Master Plan	6,000.00
Revaluation	9,575.91
	\$ 19,636.91

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For The Year Ended December 31, 2021

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Federal:				
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act Community Development Block Grant	\$ 10,240.00	\$ 97,655.76	\$ 97,655.76	\$ 10,240.00
	<u>10,240.00</u>	<u>97,655.76</u>	<u>97,655.76</u>	<u>10,240.00</u>
State:				
Clean Communities Program		4,533.04	4,533.04	
New Jersey Department of Transportation Grant	537,982.50	174,930.00	422,482.50	290,430.00
Municipal Stormwater Regulation Grant	5,117.00			5,117.00
Recycling Tonnage Grant		2,649.97	2,649.97	
Body Worn Camera Grant		18,342.00	3,668.40	14,673.60
Body Armor Replacement Grant		929.68	929.68	
Sustainable New Jersey Grant	15,000.00	10,000.00	5,000.00	20,000.00
Safe and Secure Communities Program	16,666.67	13,500.00	21,166.67	9,000.00
Total State Grants	<u>574,766.17</u>	<u>224,884.69</u>	<u>460,430.26</u>	<u>339,220.60</u>
Other Grants:				
Camden County Recreation Enhancement Grant	32,122.02	25,000.00		57,122.02
Camden County Historic Preservation Grant	4,110.00			4,110.00
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	<u>50,660.12</u>	<u>25,000.00</u>	<u>-</u>	<u>75,660.12</u>
Total All Grants	<u>\$ 635,666.29</u>	<u>\$ 347,540.45</u>	<u>\$ 558,086.02</u>	<u>\$ 425,120.72</u>

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2021

<u>Program</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2021 Budget</u>	<u>Balance Dec. 31, 2021</u>
Federal Grants:			
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act	\$ 97,655.76	\$ -	\$ 97,655.76
State Grants:			
Clean Communities Program	4,533.04	4,533.04	
Body Worn Camera Grant	18,342.00	18,342.00	
Body Armor Replacement Grant	929.68	929.68	
New Jersey Department of Transportation Grant	174,930.00	174,930.00	
Safe and Secure Communities Program	13,500.00	13,500.00	
Sustainable Jersey Grant	10,000.00	10,000.00	
Recycling Tonnage Grant	2,649.97	2,649.97	
Total State Grants	224,884.69	224,884.69	-
Other Grants:			
Camden County Enhancement Grant	25,000.00	25,000.00	
Total All Grants	\$ 347,540.45	\$ 249,884.69	\$ 97,655.76

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, 2021

	Balance Dec. 31, 2020	Transferred from 2021 Budget Appropriation	Decreased	Balance Dec. 31, 2021
State Grants:				
Drunk Driving Enforcement Grant	\$ 10,963.35		\$ 816.95	\$ 10,146.40
Clean Communities Grant	5,716.05	\$ 4,533.04	4,280.13	5,968.96
Body Worn Camera Grant		18,342.00	11,237.50	7,104.50
N.J. Green Communities Grant	177.51			177.51
Safe and Secure Communities Program	27,758.64	142,400.00	143,797.97	26,360.67
Recycling Tonnage Grant	11,522.20	2,649.97	482.00	13,690.17
New Jersey Department of Transportation Grant				
Arch & Washington Aves - Phase I	6,386.50			6,386.50
Hemlock & Madison Ave.	240,000.00		240,000.00	
W. Atlantic, Glen & Sycamore	222,000.00		222,000.00	
Trenton & Virginia Aves		174,930.00		174,930.00
Body Armor Replacement Grant	1,087.54	929.68	2,000.00	17.22
Municipal Storm Water Regulation Grant Program	5,117.00			5,117.00
Sustainable New Jersey Grant	20,382.01	10,000.00		30,382.01
Alcohol Education and Rehabilitation Grant	409.27			409.27
Total State Grants	551,520.07	353,784.69	624,614.55	280,690.21
Other Grants:				
Camden County Poetry Grant	125.00			125.00
Camden County Recreation Facilities Enhancement Grant -				
Improvements to Jack H. Hagen Recreation Complex	314.42			314.42
Field Lighting	25,000.00			25,000.00
Volleyball Court		25,000.00		25,000.00
Camden County Open Space Preservation Trust:				
Improvements to Walt Whitman Farmhouse	3,140.72		1,385.00	1,755.72
Total Other Grants	28,580.14	25,000.00	1,385.00	52,195.14
Total All Grants	\$ 580,100.21	\$ 378,784.69	\$ 625,999.55	\$ 332,885.35
		Cash Disbursed	\$ 160,100.55	
		Encumbrance	458,969.00	
		Due to General Capital Fund	6,930.00	
			<u>\$ 625,999.55</u>	

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF LAUREL SPRINGS
TRUST FUNDS
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2021

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2020	\$ 1,164.62	\$ 92,272.29
Increased by Receipts:		
Animal Control Fees	\$ 4,493.00	
State Registration Fees	369.00	
Due to Current Fund	3.85	\$ 11.98
Budget Appropriation	1,000.00	
Payroll Deductions Payable		1,184,975.41
Reserve for Recreation Commission		4,750.00
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		16,577.50
Unemployment Compensation Insurance		1,092.88
Reserve for P.O.A.A.		4.00
Reserve for Planning Board Escrow		1,000.00
Reserve for Disposal of Forfeited Property		4.98
Reserve for Public Defender		312.00
	<u>5,865.85</u>	<u>1,208,728.75</u>
	7,030.47	1,301,001.04
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	5,128.56	
State Registration Fees	366.00	
Due to Current Fund	3.80	13.55
Payroll Deductions Payable		1,193,792.59
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		33,490.00
Reserve for Unemployment Compensation Insurance		402.23
Reserve for Recreation Commission		11,866.56
Reserve for Planning Board Escrow		1,000.00
Reserve for Disposal of Forfeited Property		1,308.00
Reserve for Public Defender		962.50
	<u>5,498.36</u>	<u>1,242,835.43</u>
Balance Dec. 31, 2021	<u>\$ 1,532.11</u>	<u>\$ 58,165.61</u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Trust Cash - Collector
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 159,201.04
Increased by:		
Receipts for Tax Title Lien Redemptions	\$ 334,337.97	
Interest Earned on Deposits	<u>29.92</u>	
		<u>334,367.89</u>
		493,568.93
Decreased by:		
Disbursements for Tax Title Lien Redemptions	253,386.34	
Interfund Returned	<u>10.89</u>	
		<u>253,397.23</u>
Balance Dec. 31, 2021		<u><u>\$ 240,171.70</u></u>
 <u>Analysis of Balance December 31, 2021</u>		
Tax Title Lien Redemptions		\$ 240,141.78
Due to Current Fund		<u>29.92</u>
		<u><u>\$ 240,171.70</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$	1,164.38
Increased by:			
Dog License Fees:			
Collected	\$		3,287.00
Cat License Fees: Collected			258.00
Late Fees			948.00
			4,493.00
Accounts Receivable - Dog License Fee			15.00
			4,508.00
Budget Appropriation			1,000.00
			5,508.00
			6,672.38
Decreased by:			
Expenditures Under R.S.4:19-15.1			5,128.56
			5,128.56
Balance Dec. 31, 2021			\$ 1,543.82

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 3,218.60
2019	3,315.00
	6,533.60
	\$ 6,533.60

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey - Dog License Registration Fees
 For the Year Ended December 31, 2021

Dog License Registration Fees Collected		\$	369.00
Decreased by:			
Disbursed to State Treasurer			366.00
			366.00
Balance Dec. 31, 2021			\$ 3.00

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 0.24
Increased by:		
Interest Earned on Deposits		3.85
		4.09
Decreased by:		
Interest Transferred to Current Fund - Realized as Miscellaneous Revenue Anticipated	\$ 3.56	
Interfund Returned	0.24	
		3.80
Balance Dec. 31, 2021		\$ 0.29

Exhibit SB-6

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 24.44
Increased by:		
Interest Earned on Deposits - Treasurer Account	\$ 11.98	
Interest Earned on Deposits - Tax Collector Account	29.92	
		41.90
		66.34
Decreased by:		
Interfund Returned - Treasurer Account	13.55	
Interfund Returned - Tax Collector Account	10.89	
		24.44
Balance Dec. 31, 2021		\$ 41.90
<u>Analysis of Balance - Dec. 31, 2021</u>		
Treasurer Account		\$ 11.98
Tax Collector Account		29.92
		\$ 41.90

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 13,045.84
Increased by:	
Payroll Deductions	1,184,975.41
	1,198,021.25
Decreased by:	
Payments	1,193,792.59
Balance Dec. 31, 2021	\$ 4,228.66

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, 2021

Balance Dec. 31, 2020	\$ 4,185.05
Increased by:	
Receipts	4.98
	4,190.03
Decreased by:	
Disbursements	1,308.00
Balance Dec. 31, 2021	\$ 2,882.03

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for New Jersey Unemployment Compensation Insurance
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$	5,590.03
Increased by:			
Receipts:			
Employee Withholdings	\$ 1,083.63		
Interest Earned on Investments	<u>9.25</u>		
			<u>1,092.88</u>
			6,682.91
Decreased by:			
Claims Paid			<u>402.23</u>
Balance Dec. 31, 2021		\$	<u><u>6,280.68</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, 2021

Balance Dec. 31, 2020		\$	15,672.40
Increased by:			
Escrow Receipts			<u>1,000.00</u>
			16,672.40
Decreased by:			
Disbursements--Professional Fees and Refunds			<u>1,000.00</u>
Balance Dec. 31, 2021		\$	<u><u>15,672.40</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, 2021

Balance Dec. 31, 2020	\$ 13,099.71
Increased by:	
Receipts	4,750.00
	17,849.71
Decreased by:	
Disbursements	11,866.56
Balance Dec. 31, 2021	\$ 5,983.15

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, 2021

Balance Dec. 31, 2020	\$ 39,173.04
Increased by:	
Receipts	16,577.50
	55,750.54
Decreased by:	
Disbursements	33,490.00
Balance Dec. 31, 2021	\$ 22,260.54

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Public Defender
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 1,381.67
Increased by:	
Receipts	312.00
	1,693.67
Decreased by:	
Disbursements	962.50
Balance Dec. 31, 2021	\$ 731.17
 <u>Analysis of Balance December 31, 2021</u>	
Reserve for Public Defender	\$ -
Due to Criminal Disposition and Review Collection Fund	731.17
	\$ 731.17

Exhibit SB-14

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for P.O.A.A.
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 111.00
Increased by:	
Receipts	4.00
Balance Dec. 31, 2021	\$ 115.00

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Capital Cash--Treasurer
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 842,482.41
Increased by Receipts:		
Bond Anticipation Note Proceeds	\$ 875.00	
Reserve to Pay Debt	520.00	
Due to Current Fund - Interest on Deposits	1,042.19	
Budget Appropriation - Capital Improvement Fund	15,000.00	
		17,437.19
		859,919.60
Decreased by Disbursements:		
Improvement Authorizations	230,376.57	
Due from Federal and State Grant Fund	6,930.00	
Due to Current Fund:		
Interest Transferred to Current Fund - Realized as		
Miscellaneous Revenue Anticipated	988.62	
Interfund Returned	120.51	
Contracts Payable	197,195.00	
Reserve to Pay Debt- Anticipated as Revenue in Current Fund	4,000.00	
		439,610.70
Balance Dec. 31, 2021		\$ 420,308.90

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For The Year Ended December 31, 2021

	<u>Receipts</u>			<u>Disbursements</u>			<u>Balance Dec. 31, 2021</u>		
	<u>Balance Dec. 31, 2020</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	\$ 6,505.00		\$ 15,000.00			\$ 6,250.00		\$ 15,255.00	
Contracts Payable	271,119.90				\$ 197,195.00		\$ 16,044.00	89,968.90	
Reserve to Pay Bonds and Notes	6,437.26		520.00		4,000.00			2,957.26	
Due Current Fund	120.51		1,042.19		1,109.13			53.57	
Due Grant Fund					6,930.00			(6,930.00)	
Fund Balance	496.62						2,400.00	2,896.62	
Improvement Authorizations:									
Ordinance									
<u>Number</u>									
803-2016	Reconstruction of Washington Avenue	5,475.00			\$ 3,075.00	2,400.00			
823-2018	Reconstruction of Various Roads	36,906.25			1,000.00			35,906.25	
824-2018	Acquisition of Various Equipment	2,331.75			2,331.75				
832-2019	Improvements to the Cord Mansion and Other Borough Buildings and Grounds	110,393.05	\$ 375.00		80,321.24			30,446.81	
844-2020	Improvements to Buildings and Grounds	220,941.69	500.00		8,674.94			212,766.75	
845-2020	Reconstruction of Various Roads	70,941.13			18,876.25			52,064.88	
847-2020	Acquisition of Vehicles and Equipment	110,814.25			110,098.84			715.41	
857-2021	Reconstruction of Various Roads				1,890.66	16,044.00	2,500.00	(15,434.66)	
858-2021	Completion of Improvements. to Various Buildings and Grounds				1,892.19		2,500.00	607.81	
859-2021	Acquisition of Various Equipment				2,215.70		1,250.00	(965.70)	
		<u>\$ 842,482.41</u>	<u>\$ 875.00</u>	<u>\$ 16,562.19</u>	<u>\$ 230,376.57</u>	<u>\$ 209,234.13</u>	<u>\$ 24,694.00</u>	<u>\$ 24,694.00</u>	<u>\$ 420,308.90</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For The Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 1,198,000.00
Decreased by:	
2021 Budget Appropriation to Pay Bonds	<u>271,000.00</u>
Balance Dec. 31, 2021	<u><u>\$ 927,000.00</u></u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For The Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021			
							Bond Anticipation Note	Expenditures	Unexpended Improvement Authorizations	
General Improvements:										
801-2016	Elevator Repair/Replacement, HVAC Repair/ Replacement and Lighting Improvements	7/11/2016	\$ 213,900.00		\$ 42,700.00	\$ 171,200.00	\$ 171,200.00			
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	7/11/2016	30,975.00		14,100.00	16,875.00	16,875.00			
812-2017	Acquisition of Various Equipment	9/11/2017	101,200.00		16,600.00	84,600.00	84,600.00			
822-2018	Completion of Improvements to Borough Buildings and Grounds	8/13/2018	21,475.00		3,700.00	17,775.00	17,775.00			
823-2018	Reconstruction of Various Roads	8/13/2018	75,925.00		12,900.00	63,025.00	63,025.00			
824-2018	Acquisition of Various Equipment	8/13/2018	38,625.00		6,500.00	32,125.00	32,125.00			
832-2019	Improvements to the Cord Mansion and Other Borough Buildings and Grounds	2/25/2019	847,875.00		23,800.00	824,075.00	824,075.00			
844-2020	Improvements to Buildings and Grounds	7/13/20	213,750.00			213,750.00	213,750.00			
845-2020	Reconstruction of Various Roads	7/13/20	76,950.00			76,950.00	76,950.00			
847-2020	Acquisition of Vehicles and Equipment	7/13/20	110,200.00			110,200.00	110,200.00			
857-2021	Reconstruction of Various Roads	08/23/21		\$ 47,500.00		47,500.00		\$ 15,434.66	\$ 32,065.34	
858-2021	Completion of Improvements. to Various Buildings and Grounds	08/23/21		47,500.00		47,500.00			47,500.00	
859-2021	Acquisition of Various Equipment	08/23/21		23,750.00		23,750.00		965.70	22,784.30	
			<u>\$ 1,730,875.00</u>	<u>\$ 118,750.00</u>	<u>\$ 120,300.00</u>	<u>\$ 1,729,325.00</u>	<u>\$ 1,610,575.00</u>	<u>\$ 16,400.36</u>	<u>\$ 102,349.64</u>	
Improvement Authorizations - Unfunded									\$ 434,249.74	
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:										
Ord. 823-2018								\$ 35,906.25		
Ord. 832-2019								30,446.81		
Ord. 844-2020								212,766.75		
Ord. 845-2020								52,064.88		
Ord. 847-2020								715.41		
									<u>331,900.10</u>	
									<u>\$ 102,349.64</u>	

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of Capital Improvement Fund
 For The Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 6,505.00
Increased by:	
Budget Appropriation	15,000.00
	21,505.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	6,250.00
Balance Dec. 31, 2021	\$ 15,255.00

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For The Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 271,119.90	
Increased by:		
Contract Awarded	16,044.00	
	287,163.90	
Decreased by:		
Disbursed	197,195.00	
Balance Dec. 31, 2021	\$ 89,968.90	
<u>Analysis of Balance</u>		
W.J. Gross Inc.	Ord. 832-2019	\$ 73,924.90
American Asphalt	Ord 857-2021	16,044.00
		\$ 89,968.90

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For The Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorization		Improvement Authorization Canceled	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
General Improvements:											
803-2016	Reconstruction of Washington Avenue	7/11/2016	\$ 241,000.00		\$ 5,475.00			\$ 2,400.00	\$ 3,075.00		
823-2018	Reconstruction of Various Roads	8/13/2018	93,500.00		36,906.25				1,000.00		\$ 35,906.25
824-2018	Acquisition of Various Equipment	8/13/2018	47,500.00		2,331.75				2,331.75		
832-2019	Improvements to the Cord Mansion and Other Borough Buildings and Grounds	2/25/2019	892,500.00		110,768.05				80,321.24		30,446.81
844-2020	Improvements to Buildings and Grounds	7/13/2020	225,000.00	\$ 7,691.69	213,750.00				8,674.94		212,766.75
845-2020	Reconstruction of Various Roads	7/13/2020	81,000.00		70,941.13				18,876.25		52,064.88
847-2020	Acquisition of Vehicles and Equipment	7/13/2020	116,000.00	614.25	110,200.00				110,098.84		715.41
857-2021	Reconstruction of Various Roads	08/23/21	50,000.00			\$ 2,500.00	\$ 47,500.00		17,934.66		32,065.34
858-2021	Completion of Improvements. to Various Buildings and Grounds	08/23/21	50,000.00			2,500.00	47,500.00		1,892.19	\$ 607.81	47,500.00
859-2021	Acquisition of Various Equipment	08/23/21	25,000.00			1,250.00	23,750.00		2,215.70		22,784.30
				\$ 8,305.94	\$ 550,372.18	\$ 6,250.00	\$ 118,750.00	\$ 2,400.00	\$ 246,420.57	\$ 607.81	\$ 434,249.74
									Cash Disbursed	\$ 230,376.57	
									Contracts Payable	16,044.00	
										<u>\$ 246,420.57</u>	

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For The Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of	Date of	Date of	Interest Rate	Balance		Decreased	Balance Dec. 31, 2021
		Original Note	Issue	Maturity		Dec. 31, 2020	Increased		
801-2016	Elevator Repair/Replacement, HVAC Repair/Replacement and Lighting Improvements	9/29/2016	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	\$ 213,900.00	\$ 171,200.00	\$ 213,900.00	\$ 171,200.00
802-2016	Acquisition of Various Office, Public Works and Fire Equipment	9/29/2016	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	30,975.00	16,875.00	30,975.00	16,875.00
812-2017	Acquisition of Various Equipment	9/26/2018	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	101,200.00	84,600.00	101,200.00	84,600.00
822-2018	Improvements to Various Borough Buildings and Grounds	9/26/2018	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	21,475.00	17,775.00	21,475.00	17,775.00
823-2018	Reconstruction of Various Roads	9/26/2018	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	75,925.00	63,025.00	75,925.00	63,025.00
824-2018	Acquisition of Various Equipment	9/26/2018	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	38,625.00	32,125.00	38,625.00	32,125.00
832-2019	Improvements to the Cord Mansion and Other Borough Buildings and Grounds	9/23/2019	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	847,500.00	824,075.00	847,500.00	824,075.00
844-2020	Improvements to Buildings and Grounds	9/21/2020	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	213,250.00	213,750.00	213,250.00	213,750.00
845-2020	Reconstruction of Various Roads	9/21/2020	9/21/2020 9/16/2021	9/30/2021 9/15/2022	0.51% 0.28%	76,950.00	76,950.00	76,950.00	76,950.00
847-2020	Acquisition of Vehicles and Equipment	9/21/2020	9/21/2020 9/16/2021	9/30/2021 9/15/2022	0.51% 0.28%	110,200.00	110,200.00	110,200.00	110,200.00
						<u>\$ 1,730,000.00</u>	<u>\$ 1,610,575.00</u>	<u>\$ 1,730,000.00</u>	<u>\$ 1,610,575.00</u>
Renewal Paid by Budget Appropriation Issued for Cash							\$ 1,609,700.00 875.00	\$ 1,609,700.00 120,300.00	
							<u>\$ 1,610,575.00</u>	<u>\$ 1,730,000.00</u>	

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For The Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Bonds Issued</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements of 2009	12-10-09	\$ 1,840,000.00	12-1-22	\$ 160,000.00	4.000%	\$ 630,000.00		\$ 150,000.00	\$ 480,000.00
			12-1-23	160,000.00	4.250%				
			12-1-24	160,000.00	4.250%				
General Improvements of 2015	5-15-15	1,032,000.00	5-1-22	136,000.00	2.500%	568,000.00		121,000.00	447,000.00
			5-1-23	146,000.00	3.000%				
			5-1-24	165,000.00	3.000%				
						<u>\$ 1,198,000.00</u>	<u>\$ -</u>	<u>\$ 271,000.00</u>	<u>\$ 927,000.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For The Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance Dec. 31, 2021</u>
General Improvements:						
832-2019	Improvements to the Cord Mansion and Other Borough Buildings and Grounds	2/25/2019	\$ 375.00		\$ 375.00	
844-2020	Improvements to Buildings and Grounds	7/13/2020	500.00		500.00	
857-2021	Reconstruction of Various Roads	8/23/2021		\$ 47,500.00		\$ 47,500.00
858-2021	Completion of Improvements. to Various Buildings and Grounds	8/23/2021		47,500.00		47,500.00
859-2021	Acquisition of Various Equipment	8/23/2021		23,750.00		23,750.00
			<u>\$ 875.00</u>	<u>\$ 118,750.00</u>	<u>\$ 875.00</u>	<u>\$ 118,750.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
Statement of Sewer Utility Cash
For the Year Ended December 31, 2021

	Operating	Capital
Balance Dec. 31, 2020	\$ 164,358.68	\$ 40,417.28
Increased by Receipts:		
Sewer Rents	\$ 179,521.62	
Prepaid Rents	579.27	
Due from Current Fund	199.08	
Due from Sewer Utility Capital Fund	5.22	
Miscellaneous Revenue	2,738.59	
Bond Anticipation Note Proceeds		\$ 425.00
Budget Appropriation		1,000.00
Due to Sewer Utility Operating Fund - Realized as Miscellaneous Revenue		61.96
	183,043.78	1,486.96
	347,402.46	41,904.24
Decreased by Disbursements:		
2021 Appropriations	188,873.91	
2020 Appropriations	1,464.55	
Accrued Interest on Bonds and Notes	604.48	
Improvement Authorizations		500.00
Due to Sewer Utility Operating Fund		61.91
	190,942.94	561.91
Balance Dec. 31, 2021	\$ 156,459.52	\$ 41,342.33

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash
 For the Year Ended December 31, 2021

	Receipts				Disbursements		Transfers		Balance Dec. 31, 2021
	Balance Dec. 31, 2020	Bond Anticipation Note	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 15.88							\$ 1,024.49	\$ 1,040.37
Excess Note Proceeds		\$ 425.00							425.00
Capital Improvement Fund	8,630.00		\$ 1,000.00						9,630.00
Due Sewer Utility Operating Fund	5.22			\$ 61.96		\$ 61.91			5.27
<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	1,124.49				\$ 500.00		624.49		
846-2020 Various Improvements to and for the Borough's Sewer Utility	30,241.69								30,241.69
	<u>\$ 40,417.28</u>	<u>\$ 425.00</u>	<u>\$ 1,000.00</u>	<u>\$ 61.96</u>	<u>\$ 500.00</u>	<u>\$ 61.91</u>	<u>\$ 1,024.49</u>	<u>\$ 1,024.49</u>	<u>\$ 41,342.33</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Sewer Consumer Accounts Receivable
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 15,170.26
Increased by:		
Sewer Rents Levied		181,300.00
		196,470.26
Decreased by:		
Payments Received	\$ 179,521.62	
Prepaid Rents Applied	1,320.42	
	180,842.04	
Canceled	400.00	
		181,242.04
Balance Dec. 31, 2021		\$ 15,228.22

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 194.40	\$ 194.40		\$ 194.40
Other Expenses	10,803.91	10,803.91	\$ 1,464.55	9,339.36
	<hr/>			
Total Operating	10,998.31	10,998.31	1,464.55	9,533.76
	<hr/>			
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,142.33	1,142.33		1,142.33
	<hr/>			
	\$ 12,140.64	\$ 12,140.64	\$ 1,464.55	\$ 10,676.09
	<hr/> <hr/>			

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 102.42
Increased by:		
Budget Appropriation:		
Interest on Bonds	\$ 439.77	
Interest on Notes	134.65	
		574.42
		676.84
Decreased by:		
Disbursements		604.48
Balance Dec. 31, 2021		\$ 72.36

Analysis of Accrued Interest December 31, 2021

Principal Outstanding <u>Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$13,000.00	2.85%	11/15/21	12/31/21	46 Days	\$ 47.28
Bond Anticipation Notes:					
\$30,425.00	0.28%	09/16/21	12/31/21	106 Days	25.07
					\$ 72.36

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
Sewer Utility Capital Fund
Statement of Fixed Capital
For the Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Ordinance</u>	Balance <u>Dec. 31, 2021</u>
Various Improvements to and for the Borough's Sewer Utility	<u>\$ 504,027.89</u>	<u>\$ 34,745.51</u>	<u>\$ 538,773.40</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2020</u>	<u>Costs to Fixed Capital</u>	<u>Authorizations Canceled</u>	<u>Balance Dec. 31, 2021</u>
General Improvements:							
705-2008	Various Improvements to and for the Borough's Sewer Utility	7/1/2008	\$ 60,000.00	\$ 1,000.00	\$ 600.00	\$ 400.00	
771-2014	Various Improvements to and for the Borough's Sewer Utility	5/12/2014	35,400.00	35,400.00	34,145.51	1,254.49	
846-2020	Various Improvements to and for the Borough's Sewer Utility	7/13/2020	32,000.00	32,000.00			\$ 32,000.00
				<u>\$ 68,400.00</u>	<u>\$ 34,745.51</u>	<u>\$ 1,654.49</u>	<u>\$ 32,000.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For The Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2020		Cash Disbursed	Improvement Authorizations Canceled	Balance Dec. 31, 2021	
			Amount		Funded	Unfunded			Funded	Unfunded
General Improvements:										
705-2008	Various Improvements to and for the Borough's Sewer Utility	7/1/2008	\$ 60,000.00		\$ 400.00			\$ 400.00		
771-2014	Various Improvements to and for the Borough's Sewer Utility	5/12/2014	35,400.00		1,124.49	\$ 630.00	\$ 500.00	1,254.49		
846-2020	Various Improvements to and for the Borough's Sewer Utility	7/13/2020	32,000.00		241.69	30,400.00			\$ 241.69	\$ 30,400.00
					<u>\$ 1,766.18</u>	<u>\$ 31,030.00</u>	<u>\$ 500.00</u>	<u>\$ 1,654.49</u>	<u>\$ 241.69</u>	<u>\$ 30,400.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For The Year Ended December 31, 2021

Balance Dec. 31, 2020	\$	8,630.00
Increased by:		
Budget Appropriation		1,000.00
Balance Dec. 31, 2021	\$	9,630.00

Exhibit SD-10

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For The Year Ended December 31, 2021

Balance Dec. 31, 2020	\$	520,027.89
Increased by:		
Funded by Operating Budget		
Serial Bonds	\$	4,000.00
Transfer from Deferred Reserve for Amortization		1,745.51
		5,745.51
Balance Dec. 31, 2021	\$	525,773.40

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Amortization Fixed Capital</u>	<u>Authorizations Canceled to Surplus</u>	<u>Balance Dec. 31, 2021</u>
General Improvements:						
705-2008	Various Improvements to and for the Borough's Sewer Utility	7/1/2008	\$ 1,000.00	\$ 600.00	\$ 400.00	
771-2014	Various Improvements to and for the Borough's Sewer Utility	5/12/2014	1,770.00	1,145.51	624.49	
846-2020	Various Improvements to and for the Borough's Sewer Utility	7/13/2020	1,600.00			\$ 1,600.00
			<u>\$ 4,370.00</u>	<u>\$ 1,745.51</u>	<u>\$ 1,024.49</u>	<u>\$ 1,600.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Statement of Sewer Serial Bonds
 For The Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Various Sewer Utility Improvements - 2015	5-15-15	\$ 33,000.00	5-15-22	\$ 4,000.00	2.500%	<u>\$ 17,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ 13,000.00</u>
			5-15-23	4,000.00	3.000%			
			5-15-24	5,000.00	3.000%			

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Sewer Capital Bond Anticipation Notes
For The Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increase	Decrease	Balance Dec. 31, 2021
771-2014	Various Improvements to and for the Borough's Sewer Utility	9/16/2021	9/16/2021	9/15/2022	0.28%		\$ 425.00		\$ 425.00
846-2020	Various Improvements to and for the Borough's Sewer Utility	9/21/2020	9/21/2020 9/16/2021	9/20/2021 9/15/2022	0.51% 0.28%	\$ 30,000.00	30,000.00	\$ 30,000.00	30,000.00
						<u>\$ 30,000.00</u>	<u>\$ 30,425.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,425.00</u>
						Renewal \$ 30,000.00	\$ 30,000.00		
						Issued for Cash 425.00	<u>425.00</u>		
							<u>\$ 30,425.00</u>	<u>\$ 30,000.00</u>	

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Notes Issued</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2021</u>
771-2014	Various Improvements to and for the Borough's Sewer Utility	\$ 630.00	\$ 425.00	\$ 205.00	
846-2020	Various Improvements to and for the Borough's Sewer Utility	400.00			\$ 400.00
		<u>\$ 1,030.00</u>	<u>\$ 425.00</u>	<u>\$ 205.00</u>	<u>\$ 400.00</u>

BOROUGH OF LAUREL SPRINGS

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

BOROUGH OF LAUREL SPRINGS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2021

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

N/A – None.

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

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

N/A – None.

BOROUGH OF LAUREL SPRINGS
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Thomas Barbera	Mayor	(A)
James Redstreak	Council President	(A)
Susan DiGregorio	Councilwoman	(A)
Sarah Bolam Di-Marco	Councilwoman	(A)
Marc Riondino	Councilman	(A)
Joseph Cruz	Councilman	(A)
Samuel 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.

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APPRECIATION

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

