

**BOROUGH OF SOMERDALE**  
**COUNTY OF CAMDEN**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**



*75 YEARS OF SERVICE*

*1939-2014 —*

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**BOROUGH OF SOMERDALE**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Somerdale  
Somerdale, New Jersey 08083

### ***Report on the Financial Statements***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, 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 assets group of accounts for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 Responsibility***

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

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

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, 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, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental financial statements presented for the various funds 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 supplementary financial statements 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

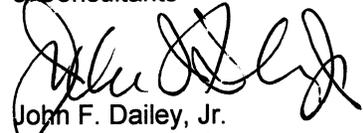
**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2014 on our consideration of the Borough of Somerdale's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Somerdale's internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



John F. Dailey, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 7, 2014

**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 Somerdale  
Somerdale, New Jersey 08083

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 7, 2014. That report indicated that the Borough of Somerdale's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Borough of Somerdale's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Somerdale'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Recommendations that we consider to be significant deficiencies. 2013-1 and 2013-2.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Borough of Somerdale'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Schedule of Findings and Recommendations as items 2013-1 and 2013-2.

**The Borough of Somerdale's Response to Findings**

The Borough of Somerdale's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



John F. Dailey, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 7, 2014

**BOROUGH OF SOMERDALE**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2013 and 2012

ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Cash	SA-1	\$ 1,675,384.04	\$ 1,211,751.92
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>1,675,599.04</u>	<u>1,211,966.92</u>
Receivables and Other Assets with Full Reserves:			
Accounts Receivable	SC-7	\$ 2,442.00	
Maintenance Liens Receivable	SA-5	10,220.33	\$ 10,220.33
Delinquent Property Taxes Receivable	SA-6	309,087.13	409,509.60
Tax Title Liens Receivable	SA-7	115,923.09	99,727.76
Revenue Accounts Receivable	SA-8	33,344.12	39,201.00
Property Acquired for Taxes -- Assessed Valuation	SA-9	66,190.00	66,190.00
Prepaid Regional High School Tax	SA-10	270.00	
Due from Trust Other Fund	SB-5	7,202.64	0.04
Due from Sewer Utility Operating Fund	SD-7	<u>5,239.13</u>	<u>51,849.00</u>
		<u>549,918.44</u>	<u>676,697.73</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-55)	SA-11	<u>-</u>	<u>8,235.03</u>
Total Current Fund		<u>2,225,517.48</u>	<u>1,896,899.68</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-20	291,492.71	118,177.71
Due from Current Fund	SA-21	<u>207,552.19</u>	<u>257,809.90</u>
Total Federal and State Grant Fund		<u>499,044.90</u>	<u>375,987.61</u>
Total Assets		<u>\$ 2,724,562.38</u>	<u>\$ 2,272,887.29</u>

(Continued)

**BOROUGH OF SOMERDALE**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Liabilities:			
Accounts Payable	SA-1	\$ 77.11	
Appropriation Reserves	A-3, SA-12	145,370.00	\$ 161,483.97
Reserve for Encumbrances	A-3, SA-12	76,214.27	51,969.72
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-13	13,291.15	12,916.15
Prepaid Taxes	SA-14	90,074.83	39,458.30
Tax Overpayments	SA-15	4,067.23	8,147.41
Due to County -- Added and Omitted Taxes	SA-17	10,964.57	9,882.52
Reserve for Payroll Deductions Payable	SA-19		214.53
Due to Federal and State Grant Fund	SA-21	207,552.19	257,809.90
Due Animal Control Fund	SB-2	1,985.19	1,985.24
Due to General Capital Fund	SC-7	266,922.19	407,938.50
		<u>816,518.73</u>	<u>951,806.24</u>
Reserves for Receivables and Other Assets		549,918.44	676,697.73
Fund Balance	A-1	859,080.31	268,395.71
		<u>2,225,517.48</u>	<u>1,896,899.68</u>
Total Current Fund			
		<u>2,225,517.48</u>	<u>1,896,899.68</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-22	28,601.71	32,262.86
Reserve for Federal and State Grants -- Appropriated	SA-23	458,342.69	342,690.75
Reserve for Encumbrances	SA-23	12,100.50	1,034.00
		<u>499,044.90</u>	<u>375,987.61</u>
Total Federal and State Grant Fund			
		<u>499,044.90</u>	<u>375,987.61</u>
Total Liabilities, Reserves and Fund Balance			
		<u>\$ 2,724,562.38</u>	<u>\$ 2,272,887.29</u>

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

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 251,959.00	\$ 239,045.00
Miscellaneous Revenues Anticipated	2,314,919.94	1,731,435.56
Receipts from Delinquent Taxes	412,429.15	399,772.63
Receipts from Current Taxes	11,873,313.42	11,733,925.95
Non-Budget Revenues	276,702.91	56,695.89
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	160,884.49	16,713.07
Cancellation of Tax Overpayments	0.80	0.59
Liquidation of Reserve for:		
Due Animal Control Fund		14.76
	<hr/>	<hr/>
Total Income	15,290,209.71	14,177,603.45
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	1,865,443.62	1,839,220.19
Other Expenses	1,672,682.97	1,690,464.09
Deferred Charges and Regulatory Expenditures Within "CAPS"	556,872.00	537,503.00
Operations Excluded from "CAPS":		
Salaries and Wages	264,920.48	148,729.00
Other Expenses	237,032.91	84,684.08
Capital Improvements Excluded from "CAPS"	319,000.00	19,000.00
Municipal Debt Service Excluded from "CAPS"	740,201.70	868,801.17
Deferred Charges Excluded from "CAPS"	8,235.03	13,676.21
Judgements Excluded form "CAPS"		7,000.00
County Taxes	2,767,525.18	2,898,500.35
County Added and Omitted Taxes	10,964.57	9,882.52
Regional High School Tax	2,147,041.87	2,125,153.08
Local District School Tax	3,837,022.00	3,620,999.50
Deductions Disallowed by Collector -- Prior Year Taxes	1,500.00	1,250.00
Refund of Prior Year Revenue		17,125.25
Adjustment to Tax Overpayments	3,970.05	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2013 and 2012

<u>Expenditures (Cont'd)</u>	<u>2013</u>	<u>2012</u>
Creation of Reserves for:		
Prepaid Regional High School Tax	\$ 270.00	
Miscellaneous Accounts Receivable	2,442.00	
Due Trust Other Fund	7,202.60	\$ 0.04
Due Sewer Utility Operating Fund	<u>5,239.13</u>	<u>51,849.00</u>
Total Expenditures	<u>14,447,566.11</u>	<u>13,933,837.48</u>
Excess in Revenue	842,643.60	243,765.97
<u>Fund Balance</u>		
Balance Jan. 1	<u>268,395.71</u>	<u>263,674.74</u>
	1,111,039.31	507,440.71
Decreased by:		
Utilization as Anticipated Revenue	<u>251,959.00</u>	<u>239,045.00</u>
Balance December 31	<u>\$ 859,080.31</u>	<u>\$ 268,395.71</u>

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

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2013

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 251,959.00	-	\$ 251,959.00	-
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	18,617.00		18,617.00	
Other	11,259.00		11,394.00	\$ 135.00
Fees and Permits	11,141.00		5,931.22	(5,209.78)
Fines and Costs:				
Municipal Court	217,171.00		200,669.99	(16,501.01)
Interest and Costs on Taxes	77,621.00		77,142.70	(478.30)
Cable Television Franchise Fee	16,765.00		16,765.08	0.08
Fire Inspection Revenue	62,935.00		73,965.00	11,030.00
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Aid (N.J.S.A. 52:27D-118.35)	26,006.00		26,006.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	495,467.00		495,466.86	(0.14)
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	94,567.00		172,761.00	78,194.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:				
Sterling High School - COPS in Schools	117,440.00		117,441.00	1.00
Park School Shared Service	150,222.00		216,583.00	66,361.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
FEMA Assistance to Fire Fighters Grant Program		\$ 119,700.00	119,700.00	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	23,315.00		23,315.00	
New Jersey DOT Trust Fund Authority Act	200,000.00	100,000.00	300,000.00	
Clean Communities Program		10,257.53	10,257.53	
Unappropriated Reserves:				
Drunk Driving Enforcement	14,662.48		14,662.48	
Division of Criminal Justice -- Body Armor Replacement Fund	1,638.35		1,638.35	
Clean Communities Program	8,736.65		8,736.65	
Recycling Tonnage Grant	7,225.38		7,225.38	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Uniform Fire Safety Act	10,957.00		12,062.70	1,105.70
Payment in Lieu of Taxes - National Realty	298,620.00		302,730.00	4,110.00
Delaware River Port Authority Fees	15,000.00		30,000.00	15,000.00
Reserve for Due from Sewer Utility Operating Fund	51,849.00		51,849.00	
Total Miscellaneous Revenues	<u>1,931,214.86</u>	<u>229,957.53</u>	<u>2,314,919.94</u>	<u>153,747.55</u>
Receipts from Delinquent Taxes	<u>400,000.00</u>	<u>-</u>	<u>412,429.15</u>	<u>12,429.15</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>3,375,658.03</u>	<u>-</u>	<u>3,528,107.67</u>	<u>152,449.64</u>
Budget Totals	<u>5,958,831.89</u>	<u>229,957.53</u>	<u>6,507,415.76</u>	<u>318,626.34</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>276,702.91</u>	<u>276,702.91</u>
	<u>\$ 5,958,831.89</u>	<u>\$ 229,957.53</u>	<u>\$ 6,784,118.67</u>	<u>\$ 595,329.25</u>

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2013

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Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections \$ 11,873,313.42

Allocated to:

Schools and County Taxes 8,795,205.75

Balance for Support of Municipal Budget Appropriations 3,078,107.67

Add: Appropriation "Reserve for Uncollected Taxes" 450,000.00

Amount for Support of Municipal Budget Appropriations \$ 3,528,107.67

Receipts from Delinquent Taxes:

Delinquent Tax Collections \$ 407,975.00

Tax Title Liens 4,454.15

\$ 412,429.15

Licenses -- Other:

Revenue Accounts Receivable:

Clerk:

Business \$ 10,650.00

Home Business 675.00

\$ 11,325.00

Board of Health:

Marriage Licenses 69.00

\$ 11,394.00

Fees and Permits:

Revenue Accounts Receivable:

Clerk:

200 Foot Search \$ 110.00

Borough Clerk Search 10.00

Coin Operated Machines 650.00

Business License Late Fees 450.00

Miscellaneous Copies 7.22

Street Opening 344.00

Tax Search 320.00

Tenant Landlord Applications 1,440.00

\$ 3,331.22

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2013

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Analysis of Realized Revenues (Cont'd)

## Fees and Permits (Cont'd):

## Revenue Accounts Receivable (Cont'd):

## Board of Health:

Vital Statistics	\$	1,320.00
------------------	----	----------

## Police:

Police Reports		1,280.00
----------------	--	----------

	\$	<u>5,931.22</u>
--	----	-----------------

## Uniform Construction Code Fees:

## Revenue Accounts Receivable:

## Fees and Permits:

Building Permits	\$	81,698.00
------------------	----	-----------

Certificate of Occupancy		4,140.00
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Certificate of Occupancy - Resale		11,523.00
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Electrical Permits		20,267.00
--------------------	--	-----------

Fire Safety Permits		17,452.00
---------------------	--	-----------

## Penalties

Plumbing Permits		34,381.00
------------------	--	-----------

Temporary Certificate of Occupancy		100.00
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Zoning Ordinance Permits		<u>3,200.00</u>
--------------------------	--	-----------------

	\$	<u>172,761.00</u>
--	----	-------------------

Analysis of Non-Budget Revenues

## Revenue Accounts Receivable:

## Tax Collector:

Miscellaneous	\$	<u>300.00</u>
---------------	----	---------------

	\$	300.00
--	----	--------

## Clerk:

Appliance Removal		20.00
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Planning and Zoning Applications		<u>2,250.00</u>
----------------------------------	--	-----------------

		2,270.00
--	--	----------

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2013

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Conrail Fees	\$ 2,425.00	
Division of Motor Vehicles Inspections	6,723.42	
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	1,607.50	
Escrow Billing Revenue	865.44	
Public Assistance - Hurricane Sandy	15,938.56	
Interest Earned on Deposits	74.08	
Tower Commissions	20,280.16	
Safety Award	900.00	
Miscellaneous Fees	222,414.00	
Miscellaneous Refunds	<u>2,862.65</u>	
		\$ 274,090.81

Interest Due from Other Funds:

Animal Control Fund	0.05	
Trust Other Fund	17.01	
General Capital Fund	<u>25.04</u>	
		<u>42.10</u>

\$	<u>274,132.91</u>
\$	<u><u>276,702.91</u></u>

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

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 6,037.00	\$ 6,037.00	\$ 6,036.21		\$ 0.79	
Other Expenses	40,265.00	36,365.00	32,182.89	\$ 4,155.00	27.11	
Mayor and Council						
Salaries and Wages	144,270.00	141,370.00	141,361.32		8.68	
Other Expenses	3,185.00	3,085.00	1,608.71	143.48	132.81	\$ 1,200.00
Municipal Clerk						
Salaries and Wages	48,803.00	49,218.26	49,218.26			
Other Expenses	8,585.00	6,585.00	5,592.86	654.62	337.52	
Financial Administration						
Salaries and Wages	91,006.00	80,299.00	80,298.31		0.69	
Other Expenses	20,920.00	15,570.00	12,366.32	1,610.67	1,593.01	
Audit Services	45,000.00	45,000.00	45,000.00			
Computerized Data Processing	6,458.00	6,458.00	6,458.00			
Collection of Taxes						
Salaries and Wages	56,658.00	57,178.41	57,178.41			
Other Expenses	4,375.00	3,513.00	3,112.32	19.00	381.68	
Assessment of Taxes						
Salaries and Wages	12,536.00	12,289.68	12,289.68			
Other Expenses	4,524.00	11,603.38	11,563.37		40.01	
Legal Services and Costs						
Other Expenses	35,000.00	33,400.00	32,598.92	160.00	641.08	
Engineering Services						
Other Expenses	27,500.00	12,500.00	4,556.60	4,931.20	3,012.20	
Municipal Court						
Salaries and Wages	66,165.00	64,849.92	63,510.60		1,339.32	
Other Expenses	11,120.00	11,120.00	9,712.33	569.84	837.83	
Public Defender (P.L. 1997, C.256)						
Other Expenses	9,680.00	9,680.00	9,490.08		189.92	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Land Use Administration:						
Planning Board						
Salaries and Wages	\$ 3,444.00	\$ 3,444.00	\$ 3,443.79		\$ 0.21	
Other Expenses	4,150.00	2,650.00	1,800.00	\$ 267.75	582.25	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	117,567.00	117,567.00	116,600.77		966.23	
Other Expenses	1,000.00	1,000.00	992.86		7.14	
Insurance:						
Workers Compensation Insurance	101,602.00	101,602.00	101,225.52		376.48	
Employee Group Insurance	556,967.00	586,035.00	533,487.59			\$ 52,547.41
Liability Insurance	97,341.00	97,341.00	92,015.43	3,284.00	2,041.57	
Public Safety Functions:						
Police Department						
Salaries and Wages	1,087,894.00	1,087,894.00	1,071,770.43	2,281.50	12,042.07	1,800.00
Other Expenses	87,482.00	87,482.00	56,401.85	23,882.64	3,702.51	3,495.00
Office of Emergency Management						
Salaries and Wages	1,561.00	1,300.58	1,300.58			
Other Expenses	3,375.00	150.00	150.00			
Aid to Volunteer Fire Companies	40,810.00	40,810.00	24,543.57	40.01	6,226.42	10,000.00
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00			
Fire Department						
Other Expenses	53,892.00	53,892.00	49,398.80	4,490.80	2.40	
Fire Prevention						
Salaries and Wages	58,153.00	58,153.00	57,489.07		663.93	
Other Expenses	10,738.00	10,738.00	8,179.65	1,008.12	1,550.23	
Municipal Prosecutor's Office						
Salaries and Wages	12,860.00	12,607.20	12,607.20			

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Work Functions:						
Streets and Road Maintenance						
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$ 2,725.56		\$ 2,274.44	
Other Expenses	30,600.00	30,600.00	25,296.14	\$ 1,426.48	3,877.38	
Solid Waste Collection						
Salaries and Wages	145,200.00	170,035.57	168,996.79		1,038.78	
Other Expenses	123,274.00	123,274.00	116,927.76	2,926.00	3,420.24	
Public Buildings and Grounds						
Other Expenses	17,700.00	17,700.00	12,589.29	959.02	4,151.69	
Health and Human Services Functions:						
Environmental Health Services						
Other Expenses	2,000.00	2,000.00	2,000.00			
Animal Control Services						
Other Expenses	12,500.00	10,000.00	7,500.00		2,500.00	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	10,600.00	4,100.00	3,718.15	17.76	364.09	
Sterling Municipal Alliance Program	2,300.00	2,300.00	2,243.00		57.00	
Utility Expenses and Bulk Purchases:						
Electricity	36,500.00	36,500.00	33,933.43		2,566.57	
Street Lighting	65,072.00	65,072.00	60,535.76	563.40	3,972.84	
Telephone	28,000.00	28,000.00	23,170.22	1,031.17	3,798.61	
Water	6,500.00	6,500.00	1,219.84	144.62	135.54	\$ 5,000.00
Gas (Natural or Propane)	6,000.00	6,000.00	4,517.94		1,482.06	
Fuel Oil	1,000.00					
Sewerage Processing and Disposal	1,300.00	1,300.00	749.25		550.75	
Gasoline	80,000.00	73,202.22	69,280.67	3,291.53	630.02	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	\$ 152,500.00	\$ 148,797.78	\$ 122,571.28	\$ 18,190.20	\$ 8,036.30	
Total Operations - within "CAPS"	<u>3,614,969.00</u>	<u>3,607,169.00</u>	<u>3,381,517.38</u>	<u>76,048.81</u>	<u>75,560.40</u>	<u>\$ 74,042.41</u>
Contingent	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>
Total Operations -- Within "CAPS"	<u>3,619,969.00</u>	<u>3,612,169.00</u>	<u>3,381,517.38</u>	<u>76,048.81</u>	<u>80,560.40</u>	<u>74,042.41</u>
Detail:						
Salaries and Wages	1,857,154.00	1,867,243.62	1,844,826.98	2,281.50	18,335.14	1,800.00
Other Expenses	<u>1,762,815.00</u>	<u>1,744,925.38</u>	<u>1,536,690.40</u>	<u>73,767.31</u>	<u>62,225.26</u>	<u>72,242.41</u>
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
Public Employees Retirement System	111,568.00	111,568.00	111,568.00			
New Jersey Supplemental Disability Insurance (SDI)	2,000.00	2,000.00	1,227.27		772.73	
Police and Firemen's Retirement System of NJ	269,829.00	269,829.00	255,900.75		13,928.25	
Unemployment Insurance	10,000.00	17,800.00	3,814.41	165.46	13,820.13	
Defined Contribution Retirement Program	675.00	675.00	178.44		496.56	
Social Security System (O.A.S.I.)	<u>155,000.00</u>	<u>155,000.00</u>	<u>139,143.43</u>		<u>15,856.57</u>	
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	<u>549,072.00</u>	<u>556,872.00</u>	<u>511,832.30</u>	<u>165.46</u>	<u>44,874.24</u>	<u>-</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>4,169,041.00</u>	<u>4,169,041.00</u>	<u>3,893,349.68</u>	<u>76,214.27</u>	<u>125,434.64</u>	<u>74,042.41</u>

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Employee Group Health	\$ 27,278.00	\$ 27,278.00	\$ 27,278.00			
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	72,743.00	72,743.00	72,743.00			
Other Expenses	44,697.00	44,697.00	41,947.21		\$ 2,749.79	
Park School Shared Services						
Salaries and Wages	96,693.00	96,693.00	92,518.19		4,174.81	
Other Expenses	17,500.00	17,500.00	4,489.24		13,010.76	
Public and Private Programs :						
Safe and Secure Communities Program	80,822.00	80,822.00	80,822.00			
Clean Communities Program-- (N.J.S.A. 40A:4-87 \$10,257.53+)		10,257.53	10,257.53			
FEMA Assistance for Fire Fighters Program-- (N.J.S.A. 40A:4-87 \$119,700.00+)		119,700.00	119,700.00			
Unappropriated Reserves:						
Recycling Tonnage Grant	7,225.38	7,225.38	7,225.38			
Drunk Driving Enforcement Fund	14,662.48	14,662.48	14,662.48			
Body Armor Replacement	1,638.35	1,638.35	1,638.35			
Clean Communities Program	8,736.65	8,736.65	8,736.65			
Total Operations -- Excluded from "CAPS"	<u>371,995.86</u>	<u>501,953.39</u>	<u>482,018.03</u>	<u>-</u>	<u>19,935.36</u>	<u>-</u>
Detail:						
Salaries and Wages	264,920.48	264,920.48	260,745.67		4,174.81	
Other Expenses	107,075.38	237,032.91	221,272.36		15,760.55	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)						
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00			
Public and Private Programs Offset by Revenues						
New Jersey DOT Trust Fund Authority Act (N.J.S.A. 40A:4-87 \$100,000+)	200,000.00	300,000.00	300,000.00			
Total Capital Improvements Excluded from "CAPS"	<u>219,000.00</u>	<u>319,000.00</u>	<u>319,000.00</u>	-	-	-
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	500,000.00	500,000.00	500,000.00			
Interest on Bonds	221,279.00	221,279.00	221,278.76			\$ 0.24
New Jersey Environmental Infrastructure Trust Loans:						
Principal	17,181.00	17,181.11	17,181.11			
Interest	2,100.00	2,099.89	1,741.83			358.06
Total Municipal Debt Service -- Excluded from "CAPS"	<u>740,560.00</u>	<u>740,560.00</u>	<u>740,201.70</u>	-	-	358.30
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	8,235.03	8,235.03	8,235.03			
Total Deferred Charges - Excluded from "CAPS"	<u>8,235.03</u>	<u>8,235.03</u>	<u>8,235.03</u>	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,339,790.89</u>	<u>1,569,748.42</u>	<u>1,549,454.76</u>	-	19,935.36	358.30

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Subtotal General Appropriations	\$ 5,508,831.89	\$ 5,738,789.42	\$ 5,442,804.44	\$ 76,214.27	\$ 145,370.00	\$ 74,400.71
Reserve for Uncollected Taxes	450,000.00	450,000.00	450,000.00	-	-	-
Total General Appropriations	<u>\$ 5,958,831.89</u>	<u>\$ 6,188,789.42</u>	<u>\$ 5,892,804.44</u>	<u>\$ 76,214.27</u>	<u>\$ 145,370.00</u>	<u>\$ 74,400.71</u>
Appropriation by 40A:4-87		\$ 229,957.53				
Budget		<u>5,958,831.89</u>				
		<u>\$ 6,188,789.42</u>				
Refunds			\$ (43,282.51)			
Reserve for Federal and State Grants -- Appropriated			543,042.39			
Reserve for Uncollected Taxes			450,000.00			
Deferred Charges			8,235.03			
Due Dog License Fund			7,500.00			
Due Trust Other Fund			3,814.41			
Due General Capital Fund			19,000.00			
Disbursements			<u>4,904,495.12</u>			
			<u>\$ 5,892,804.44</u>			

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

**BOROUGH OF SOMERDALE**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2013 and 2012

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ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:			
Cash	SB-1	\$ 1,385.15	\$ 780.32
Due from Current Fund	SB-2	1,985.19	1,985.24
Due from State of New Jersey -- Health Benefits	B	<u>10.20</u>	<u>10.20</u>
		<u>3,380.54</u>	<u>2,775.76</u>
Other Funds:			
Cash	SB-1	<u>362,701.77</u>	<u>176,361.75</u>
Total Other Funds		<u>362,701.77</u>	<u>176,361.75</u>
Total Assets		<u><u>\$ 366,082.31</u></u>	<u><u>\$ 179,137.51</u></u>

(Continued)

**BOROUGH OF SOMERDALE**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2013 and 2012

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 3,375.74	\$ 2,775.76
Due to State of New Jersey -- Registration Fees	SB-4	<u>4.80</u>	<u>          </u>
Total Dog License Fund		<u>3,380.54</u>	<u>2,775.76</u>
Other Funds:			
Due to Bank	SB-1	1.00	
Due to Current Fund	SB-5	7,202.64	0.04
Due to State of New Jersey -- Division of Youth and Family Services	SB-6	275.00	125.00
Due to State of New Jersey -- New Construction Surcharge	SB-7	1,904.00	467.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-8	8,000.00	8,000.00
Beautification Programs	SB-8	1,947.85	600.00
Developer's Escrow Fund	SB-8	135,585.13	72,254.74
Disposal of Forfeited Property	SB-8	9,690.16	8,274.54
Municipal Public Defender	SB-8	7,136.99	
Outside Employment of Off-Duty Police Officers	SB-8	41,304.40	27,921.11
New Jersey Unemployment Compensation	SB-8		6,774.79
Parking Offense Adjudication Act	SB-8	922.05	738.05
Board of Recreation Commission	SB-8	5,416.07	5,684.65
Recycling Program	SB-8	7,763.66	6,432.77
Tax Title Lien Redemption	SB-8	124,749.61	29,700.27
Uniform Fire Safety Act Penalty Monies	SB-8	<u>10,803.21</u>	<u>9,388.79</u>
Total Other Funds		<u>362,701.77</u>	<u>176,361.75</u>
Total Liabilities and Reserves		<u>\$ 366,082.31</u>	<u>\$ 179,137.51</u>

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

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2013 and 2012

ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	SC-1, SC-2	\$ 405,302.75	\$ 564,564.93
New Jersey Environmental Infrastructure Trust			
Loan Credits Receivable	C	5,051.00	5,051.00
Camden County Open Space			
Trust Fund Grant Receivable	C	25,000.00	25,000.00
Deferred Charges:			
Expenditure Without An Appropriation	SC-2	33,225.04	
Deferred Charges to Future Taxation:			
Funded	SC-3	3,829,916.51	4,347,097.62
Unfunded	SC-4	860,093.00	475,000.00
Community Development Block Grant Receivable	SC-5	38,464.11	91,895.12
New Jersey Transportation Trust Fund Authority			
Act Receivable	SC-6	486,994.29	356,994.29
Due from Current Fund	SC-7	266,922.19	407,938.50
Due from Sewer Utility Capital Fund	SD-13	96,360.80	11,275.00
		<u>                    </u>	<u>                    </u>
Total Assets		<u>\$ 6,047,329.69</u>	<u>\$ 6,284,816.46</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-8	\$ 1,301,475.72	1,217,083.84
Unfunded	SC-8	768,577.43	\$ 475,000.00
Reserve for Encumbrances	SC-8	79,693.03	
Capital Improvement Fund	SC-9	17,767.00	19,035.00
Reserve for Community Development Block Grant Receivable	SC-10	49,900.00	26,600.00
Reserve for New Jersey Transportation Trust Fund Receivable	SC-11		200,000.00
General Serial Bonds	SC-12	3,780,000.00	4,280,000.00
New Jersey Environmental Infrastructure Trust			
Loans Payable	SC-13	49,916.51	67,097.62
		<u>                    </u>	<u>                    </u>
Total Liabilities and Reserves		<u>\$ 6,047,329.69</u>	<u>\$ 6,284,816.46</u>

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

**BOROUGH OF SOMERDALE**  
GENERAL CAPITAL FUND  
Statement of Capital Surplus -- Regulatory Basis  
For the Year Ended December 31, 2013

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Improvement Authorizations Cancelled	\$ 539,639.18
Decreased by:	
Appropriation to Fund Improvement Authorizations	<u>\$ 539,639.18</u>

**BOROUGH OF SOMERDALE**  
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2013 and 2012

ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Cash	SD-1	\$ 426,324.32	\$ 284,635.53
Due from Sewer Utility Capital Fund	D	<u>32,537.00</u>	<u>32,537.00</u>
		<u>458,861.32</u>	<u>\$ 317,172.53</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	28,877.52	27,716.21
Sewer Utility Liens	D	<u>657.94</u>	<u>657.94</u>
		<u>29,535.46</u>	<u>28,374.15</u>
Total Operating Fund		<u>488,396.78</u>	<u>345,546.68</u>
Capital Fund:			
Fixed Capital	SD-5	1,852,341.46	1,852,341.46
Fixed Capital Authorized but Uncompleted	SD-6	4,600,300.00	1,630,000.00
New Jersey Environmental Infrastructure Trust Loan Credits Receivable	D	<u>32,537.00</u>	<u>32,537.00</u>
Total Capital Fund		<u>6,485,178.46</u>	<u>3,514,878.46</u>
Total Assets		<u>\$ 6,973,575.24</u>	<u>\$ 3,860,425.14</u>

(Continued)

**BOROUGH OF SOMERDALE**  
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Due to Current Fund	SD-7	\$ 5,239.13	\$ 51,849.00
Appropriation Reserves	D-3, SD-8	71,310.56	62,952.61
Reserve for Encumbrances	D-3, SD-8	4,973.95	396.57
Sewer Rent Overpayments	SD-9	694.43	1,228.24
Accrued Interest on Bonds and Notes	SD-10	1,886.30	2,263.56
		<u>84,104.37</u>	<u>118,689.98</u>
Reserve for Receivables		29,535.46	28,374.15
Fund Balance	D-1	374,756.95	198,482.55
		<u>488,396.78</u>	<u>345,546.68</u>
Total Operating Fund			
		<u>488,396.78</u>	<u>345,546.68</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	D	32,537.00	32,537.00
Reserve for Amortization	SD-11	1,680,212.76	1,644,071.22
Improvement Authorization - Unfunded	SD-12	4,171,778.93	1,618,725.00
Reserve for Encumbrances	SD-12	332,160.27	
Due to General Capital Fund	SD-13	96,360.80	11,275.00
New Jersey Environmental Infrastructure Trust Loans Payable	SD-14	172,128.70	208,270.24
		<u>6,485,178.46</u>	<u>3,514,878.46</u>
Total Capital Fund		<u>6,485,178.46</u>	<u>3,514,878.46</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,973,575.24</u>	<u>\$ 3,860,425.14</u>

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

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized		\$ 5,000.00
Rents	\$ 406,932.06	387,042.30
Miscellaneous	73,802.63	21,679.94
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	61,850.25	58,157.38
Total Income	542,584.94	471,879.62
<u>Expenditures</u>		
Operating	309,420.00	242,368.00
Debt Service	40,742.54	84,128.14
Regulatory Expenditures	16,148.00	11,500.00
Total Expenditures	366,310.54	337,996.14
Regulatory Excess to Surplus	176,274.40	133,883.48
<u>Fund Balance</u>		
Balance January 1	198,482.55	69,599.07
	374,756.95	203,482.55
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget		5,000.00
Balance December 31	\$ 374,756.95	\$ 198,482.55

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

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2013

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Rents	\$ 385,733.00	\$ 406,932.06	\$ 21,199.06
Miscellaneous		73,802.63	73,802.63
	<u>\$ 385,733.00</u>	<u>\$ 480,734.69</u>	<u>\$ 95,001.69</u>

Analysis of Realized Revenues:

Rents:

Consumer Accounts Receivable:

Receipts -- Collector:

Rents

\$ 405,703.33

Overpayments Applied

1,228.73

\$ 406,932.06

Miscellaneous:

Collector - Receipts:

Sewer Connections

\$ 60,400.00

Sanitary Permits

9,600.00

Interest and Costs on Delinquent Rents

3,775.34

73,775.34

Treasurer:

Receipts -- Interest Earned on Deposits

27.29

\$ 73,802.63

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

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Sewer Operating:						
Salaries and Wages	\$ 211,062.00	\$ 211,062.00	\$ 168,366.00		\$ 42,696.00	
Other Expenses	98,358.00	98,358.00	68,542.71	\$ 4,973.95	24,841.34	
<b>Total Operating</b>	<b>309,420.00</b>	<b>309,420.00</b>	<b>236,908.71</b>	<b>4,973.95</b>	<b>67,537.34</b>	
Debt Service:						
Payment of Bond Principal	36,142.00	36,142.00	36,141.54			\$ 0.46
Interest on Bonds	5,023.00	5,023.00	4,601.00			422.00
Interest on Notes	19,000.00	19,000.00				19,000.00
<b>Total Debt Service</b>	<b>60,165.00</b>	<b>60,165.00</b>	<b>40,742.54</b>			<b>19,422.46</b>
Regulatory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	16,148.00	16,148.00	12,374.78		3,773.22	
<b>Total Regulatory Expenditures</b>	<b>16,148.00</b>	<b>16,148.00</b>	<b>12,374.78</b>	<b>-</b>	<b>3,773.22</b>	
<b>Total Appropriations</b>	<b>\$ 385,733.00</b>	<b>\$ 385,733.00</b>	<b>\$ 290,026.03</b>	<b>\$ 4,973.95</b>	<b>\$ 71,310.56</b>	<b>\$ 19,422.46</b>
Disbursements			\$ 283,267.37			
Accrued Interest on Bonds and Notes			4,601.00			
Due Current Fund			5,239.13			
Refunds			(3,081.47)			
			<u>\$ 290,026.03</u>			

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

**BOROUGH OF SOMERDALE**  
**GENERAL FIXED ASSETS GROUP OF ACCOUNTS**  
Statement of General Fixed Assets Group of Accounts  
For the Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2013</u>
Fixed Assets:				
Land and Buildings	\$ 3,587,306.69			\$ 3,587,306.69
Public Works Equipment	308,215.00			308,215.00
Police Equipment	119,985.32			119,985.32
Office Equipment	64,635.32			64,635.32
Fire Equipment	72,351.00			72,351.00
Vehicles	2,377,804.90	\$ 28,174.25		2,405,979.15
	<hr/>			
Total Fixed Assets	\$ 6,530,298.23	\$ 28,174.25	-	\$ 6,558,472.48
	<hr/>			
Total Investment in Fixed Assets	\$ 6,530,298.23	\$ 28,174.25	-	\$ 6,558,472.48
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The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SOMERDALE**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2013**

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

**Description of Financial Reporting Entity** - The Borough of Somerdale was incorporated in January, 1929 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 5,151.

The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk.

**Component Units** - The Borough of Somerdale had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough of Somerdale contain all funds and account groups in accordance with the "Requirements of Audit" 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 of Audit 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 of Somerdale accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

**Sewer Utility Operating and Capital Funds** - The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

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

**Budgets and Budgetary Accounting** - The Borough of Somerdale 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 of Somerdale 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.

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

**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.

**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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, 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 their estimated fair market value on the acquisition date. 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 Assets, 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 includes 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 and 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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**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.

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

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

**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 are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Somerdale School District and the Sterling Regional High 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 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2012 and decreased by the amount deferred at December 31, 2013.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

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

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

**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 fiscal year. Lapsed appropriation reserves are recorded as income.

**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 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 trust 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 shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2013, the Borough's bank balances of \$3,008,735.33 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	<u>\$ 196,111.03</u>
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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 years.

**Comparative Schedule of Tax Rates**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$3.376</u>	<u>\$3.318</u>	<u>\$3.274</u>	<u>\$3.211</u>	<u>\$3.071</u>
Apportionment of Tax Rate:					
Municipal	.937	.905	.875	.839	.813
County	.769	.812	.740	.662	.618
Local School	1.065	1.011	1.038	1.024	.999
Regional High School	.605	.590	.621	.686	.641

**Assessed Valuation**

2013	\$ 360,205,434.00
2012	357,967,150.00
2011	343,689,977.00
2010	344,821,311.00
2009	346,121,513.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 12,208,375.99	\$ 11,873,313.42	97.26%
2012	12,156,009.43	11,733,925.95	96.53%
2011	11,762,266.29	11,337,444.74	96.39%
2010	11,092,052.64	10,641,268.27	95.94%
2009	10,643,462.95	10,236,751.84	96.18%

As a result of a billing error in 2012, the Borough has established an agreement with a property owner to refund an overbilled amount of \$238,196.59 over three years.

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2013	12
2012	11
2011	10
2010	11
2009	10

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>
2013	\$ 66,190.00
2012	66,190.00
2011	66,190.00
2010	65,915.00
2009	65,915.00

Note 5: **SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year</u>			<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>	<u>Levy</u>		
2013	\$ 27,716.21	\$ 657.94	\$ 408,480.37	\$ 436,854.52	\$ 406,932.06
2012	31,455.45	657.94	383,820.06	415,933.45	385,917.30
2011	24,783.89	330.94	390,618.16	415,732.99	383,619.60
2010	19,421.59	330.61	325,560.36	345,312.56	319,838.06
2009	18,604.01		327,569.35	346,173.36	326,421.16

Note 6: **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN CREDITS RECEIVABLE**

There are receivables in the General Capital Fund and Sewer Utility Fund from the New Jersey Environmental Infrastructure Trust. These receivables represent project fund credits which will be received during the final years of the loans. The receivables as of December 31, 2013 are as follows:

<u>Anticipated Year of Receipt</u>	<u>General Capital Fund</u>	<u>Sewer Utility Capital Fund</u>
2016	\$5,051.00	\$5,401.24
2017		13,853.76
2018		13,282.00
Receivable Balance	<u>\$5,051.00</u>	<u>\$32,537.00</u>

Note 7: **FUND BALANCES APPROPRIATED**

The following schedule details 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.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2013	\$ 859,080.31	\$ 475,756.00	55.38%
2012	268,395.71	251,959.00	93.83%
2011	263,674.74	239,045.00	90.61%
2010	270,514.33	239,045.00	88.37%
2009	265,298.44	100,000.00	37.69%

**Sewer Utility Operating Fund**

2013	\$ 374,756.95	None	0.00%
2012	198,482.55	None	0.00%
2011	69,599.07	\$ 5,000.00	7.18%
2010	78,415.63	72,853.00	92.91%
2009	16,279.70	None	0.00%

Note 8: **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, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 12,441.77	\$ 476,459.57
Federal and State Grant Fund	207,552.19	
Animal Control Fund	1,985.19	
Trust - Other Fund		7,202.64
General Capital Fund	363,282.99	
Sewer Utility Operating Fund	32,537.00	5,239.13
Sewer Utility Capital Fund		128,897.80
	<u>\$ 617,799.14</u>	<u>\$ 617,799.14</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: **PENSION PLANS**

The Borough of Somerdale contributes to two cost-sharing multiple-employer 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 participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Public Employees' Retirement System** - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Chapter 19, P.L. 2009</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2013	\$ 35,574.00	\$ 70,774.00	\$ 5,220.00	\$ 111,568.00	\$ 111,568.00
2012	46,699.00	78,410.00	5,153.00	130,262.00	130,262.00
2011	52,121.00	69,385.00		121,506.00	121,506.00

**Police and Firemen's Retirement System** - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 9: **PENSION PLANS (CONT'D)**

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Chapter 19, P.L. 2009</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2013	\$ 116,060.00	\$ 140,143.00	\$ 13,626.00	\$ 269,829.00	\$ 269,829.00 (1)
2012	115,471.00	120,568.00	13,527.00	249,566.00	249,566.00 (1)
2011	153,210.00	113,921.00		267,131.00	267,131.00 (1)

(1) Partially funded by interlocal agreement with Sterling Regional High School District

**Pension Deferral** – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The payments were due on April 1, 2009 (with a grace period until April 30).

The amount will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

The Borough applied for and received approval from the Local Finance Board to defer a portion of the 2009 liability due for both PERS and PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 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.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough's contributions were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2013	\$ 505.68	\$ 178.44
2012	441.75	155.91
2011	1,438.96	430.64

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**Note 9: PENSION PLANS (CONT'D)**

**Early Retirement Incentive Program** – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Borough's governing body, were available to employees who met certain minimum requirements. The governing body of the Borough approved the program on January 14, 1992, March 17, 1992 and November 9, 1993 for eligible members of the PERS. Six employees applied for early retirement during the 1993 program. Program costs are billed annually by the Division of Pensions. As of September 30, 2004, the accrued liability to the PERS for the 1991 program was \$604,176.00 payable in annual installments of \$37,761.00 to April 1, 2021 and for the 1993 program the accrued liability was \$252,756.00 payable in annual installments of \$9,027.00 to April 1, 2033.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

**Note 10: OTHER POST EMPLOYMENT BENEFITS**

At December 31, 2013, the Borough does not have a policy for the provision of postemployment benefits.

**Note 11: COMPENSATED ABSENCES**

Full-time employees covered under Civil Service Law are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward for an unlimited amount of time; however must be surrendered without compensation upon termination. Vacation days not used during the year may be accumulated and carried forward to the subsequent year. Upon termination, unused vacation days and compensated hours may be surrendered for compensation based upon the employee's daily wage rate. Part-time Borough employees are not entitled to compensated absences. The Borough's contract with the Police Benevolent Association Local No. 30 entitles contracted employees to \$100 per day for up to 200 sick days.

The Borough has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2013 the balance of the fund was \$8,000.00. It is estimated that, at December 31, 2013, accrued benefits for compensated absences are valued at \$264,125.19.

**Note 12: 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 13: **LEASE OBLIGATIONS**

At December 31, 2013, the Borough had lease agreements in effect for the following:

Capital:

- One (1) 2012 Dodge Charger
- Two (2) 2013 Dodge Chargers

Operating:

- One (1) Xerox 7545 Copier

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<b><u>Balance</u></b>	
	<b><u>Dec. 31, 2013</u></b>	<b><u>Dec. 31, 2012</u></b>
Vehicles	\$ 58,698.81	\$ 50,340.09

Future minimum lease payments under capital lease agreements are as follows:

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2014	28,102.33	2,826.59	30,928.92
2015	22,984.30	1,105.62	24,089.92
2016	7,612.18	196.38	7,808.56
	<b><u>\$ 58,698.81</u></b>	<b><u>\$ 4,128.59</u></b>	<b><u>\$ 62,827.40</u></b>

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>
2014	\$ 3,960.00
2015	3,960.00
2016	3,960.00
2017	2,310.00

Rental payments under operating leases for the year 2013 were \$3,960.00

Note 14: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 3,829,916.51	\$ 4,347,097.62	\$ 4,961,590.31
Sewer Utility:			
Bonds, Notes and Loans	172,128.70	208,270.24	285,663.27
Total Issued	<u>4,002,045.21</u>	<u>4,555,367.86</u>	<u>5,247,253.58</u>
Deductions:			
Funds Temporarily Held to Pay Notes:			
General			
Self-liquidating Debt	4,772,428.70	1,838,270.24	285,663.27
Total Deductions	<u>4,772,428.70</u>	<u>1,838,270.24</u>	<u>285,663.27</u>
Net Debt Issued	<u>(770,383.49)</u>	<u>2,717,097.62</u>	<u>4,961,590.31</u>

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 860,093.00	\$ 475,000.00	\$ 475,000.00
Sewer Utility:			
Bonds, Notes and Loans	4,600,300.00	1,630,000.00	
Total Authorized but not Issued	<u>5,460,393.00</u>	<u>2,105,000.00</u>	<u>475,000.00</u>
Total Net Debt	<u>\$ 4,690,009.51</u>	<u>\$ 4,822,097.62</u>	<u>\$ 5,436,590.31</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.409%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 887,722.77	\$ 887,722.77	
Local School District	1,540,000.00	1,540,000.00	
Sewer Utility	4,772,428.70	4,772,428.70	
General	4,690,009.51		\$ 4,690,009.51
	<u>\$ 11,890,160.98</u>	<u>\$ 7,200,151.47</u>	<u>\$ 4,690,009.51</u>

Note 14: **CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)**

Net Debt \$4,690,009.51 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$332,758,042.67 equals 1.409%

**Borrowing Power under N.J.S.A. 40A:2-6 as Amended**

3.5% of Equalized Valuation Basis (Municipal)	\$ 11,646,531.49
Net Debt	<u>4,690,009.51</u>
Remaining Borrowing Power	<u><u>\$ 6,956,521.98</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 480,734.69
Deductions:	
Operating and Maintenance Cost	\$ 325,568.00
Debt Service	<u>40,742.54</u>
Total Deductions	<u>366,310.54</u>
Excess in Revenue	<u><u>\$ 114,424.15</u></u>

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<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>	
2014	\$ 541,869.54	\$ 197,328.76	\$ 35,569.60	\$ 4,500.00	\$ 779,267.90
2015	541,557.96	169,935.00	34,997.64	3,600.00	750,090.60
2016	606,489.01	141,195.00	34,425.70	2,700.00	784,809.71
2017	590,000.00	110,140.00	33,853.76	1,800.00	735,793.76
2018	375,000.00	85,250.00	33,282.00	900.00	494,432.00
2019-21	1,175,000.00	130,625.00			1,305,625.00

Note 15: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>2014 Budget Appropriation</u></b>
General Capital Fund:		
Expenditure Without An Appropriation	\$33,225.04	\$33,225.04

The appropriation in the 2013 Budget as adopted is not less than that required by the statutes.

Note 16: **SCHOOL TAXES**

Sterling Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<b><u>Balance Dec. 31,</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance of Tax	\$1,089,577.00	\$1,057,194.87
Deferred	1,089,847.00	1,057,194.87
Prepaid	(\$270.00)	-

Note 17: **JOINT INSURANCE POOL**

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

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

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

The Fund provides the Borough with the following coverage:

- Property - Blanket Building and Grounds
- General and Automobile Liability
- Public Employees' and Public Official Dishonesty Bonds
- Boiler and Machinery
- Environmental Liability
- Workers Compensation

Note 17: **JOINT INSURANCE POOL (CONT'D)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

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

Note 18: **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 Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 7,496.80	\$ 14,271.59	
2012	3,359.75	None	\$ 6,774.79
2011	3,253.63	13.71	3,415.04

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2013.

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of Current Cash  
 Per N.J.S. 40A:5-5 -- Treasurer  
 For the Year Ended December 31, 2013

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2012	\$ 1,211,751.92	-
Increased by Receipts:		
Accounts Payable	\$ 77.11	
Miscellaneous Revenue not Anticipated	274,090.81	
2013 Budget Appropriation Refunds	43,282.51	
Collector	12,324,821.76	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	1,702,662.85	
2012 Appropriation Reserves Refunds	990.00	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	80,375.00	
Reserve for Payroll Deductions Payable	1,157,899.65	
Due Current Fund		\$ 257,764.71
Due General Capital Fund	60,943.76	
Due Sewer Utility Operating Fund	51,849.00	
Federal and State Grants Receivable		158,559.24
Reserve for Federal and State Grants -- Appropriated		<u>13,125.00</u>
	<u>15,697,042.45</u>	<u>\$ 429,448.95</u>
	16,908,794.37	429,448.95
Decreased by Disbursements:		
2013 Appropriations	4,904,495.12	
2012 Appropriation Reserves	53,559.20	
Petty Cash Funds	50.00	
Tax Overpayments	569.39	
County Taxes Payable	2,767,525.18	
Due County for Added and Omitted Taxes	9,882.52	
Local School District Taxes Payable	3,837,022.00	
Regional High School Tax	2,147,311.87	
Reserve for Payroll Deductions Payable	1,158,114.18	
Due Federal and State Grant Fund	257,764.71	
Due Dog License Fund	7,500.00	
Due Trust -- Other Fund	11,000.00	
Due General Capital Fund	73,377.03	
Due Sewer Utility Operating Fund	5,239.13	
Reserve for Federal and State Grants -- Appropriated		<u>429,448.95</u>
	<u>15,233,410.33</u>	<u>429,448.95</u>
Balance December 31, 2013	<u><u>\$ 1,675,384.04</u></u>	<u><u>-</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Current Cash  
Per N.J.S. 40A:5-5 - Collector  
For the Year Ended December 31, 2013

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Increased by:		
Taxes Receivable		\$ 12,148,325.67
Tax Title Liens		4,454.15
Prepaid Taxes		90,074.83
Tax Overpayments		4,524.41
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 77,142.70	
Miscellaneous	<u>300.00</u>	
		<u>77,442.70</u>
		12,324,821.76
Decreased by:		
Payments to Treasurer		<u><u>\$ 12,324,821.76</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Schedule of Change Funds  
 For the Year Ended December 31, 2013

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<u>Office</u>	<u>Amount</u>
Treasurer	\$ 15.00
Municipal Court	100.00
Collector	100.00
	\$ 215.00
	\$ 215.00

**Exhibit SA-4**

Statement of Petty Cash Funds  
 For the Year Ended December 31, 2013

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<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Treasurer	\$ 50.00	\$ 50.00
	\$ 50.00	\$ 50.00

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Schedule of Maintenance Liens Receivable  
For the Year Ended December 31, 2013

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Balance December 31, 2013

\$ 10,220.33

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2013

Year	Balance	2013 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	Dec. 31, 2012			2012	2013					Dec. 31, 2013
2007			\$ 250.00		\$ 250.00					
2009	\$ 2,173.90		250.00		2,423.90					
2011	9,880.62				9,880.62					
2012	397,455.08		1,000.00		395,420.48		\$ 3,034.60			
	409,509.60	-	1,500.00	-	407,975.00	-	3,034.60	-	-	-
2013		\$ 12,208,375.99		\$ 39,458.30	11,740,350.67	\$ 81,500.00	16,127.15	\$ 12,004.45	\$ 9,848.29	\$ 309,087.13
	<u>\$ 409,509.60</u>	<u>\$ 12,208,375.99</u>	<u>\$ 1,500.00</u>	<u>\$ 39,458.30</u>	<u>\$ 12,148,325.67</u>	<u>\$ 81,500.00</u>	<u>\$ 19,161.75</u>	<u>\$ 12,004.45</u>	<u>\$ 9,848.29</u>	<u>\$ 309,087.13</u>

Senior Citizens Disallowed by Collector \$ 1,500.00

Analysis of 2013 Property Taxes

Tax Yield:

General Purpose Tax	\$ 12,160,535.76
Added Taxes (54:4-63.1 et seq.)	<u>47,840.23</u>
	<u>\$ 12,208,375.99</u>

Tax Levy:

Regional High School Tax	\$ 2,179,694.00
Local District School Tax	3,837,022.00
County Taxes:	
Net County Taxes	\$ 2,542,509.57
County Library Tax	158,477.79
County Open Space Taxes	66,537.82
Due County for Added and Omitted Taxes	<u>10,964.57</u>
Total County Taxes	2,778,489.75
Local Tax for Municipal Purposes	3,375,658.03
Add: Additional Tax Levied	<u>37,512.21</u>
	<u>3,413,170.24</u>

Local Tax for Municipal Purposes Levied \$ 12,208,375.99

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 99,727.76
Increased by:		
Interest and Costs Accrued by Sale of June 12, 2013	\$ 862.98	
Camden County Municipal Utility Authority Charges	802.11	
Transfers from Taxes Receivable:		
2012 Taxes	\$ 3,034.60	
2013 Taxes	<u>16,127.15</u>	
	<u>19,161.75</u>	
		<u>20,826.84</u>
		120,554.60
Decreased by:		
Cancelled -- Correction	177.36	
Receipts -- Collector	<u>4,454.15</u>	
		<u>4,631.51</u>
Balance December 31, 2013		<u><u>\$ 115,923.09</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued in</u> <u>2013</u>	<u>Collections</u>		<u>Balance</u> <u>Dec. 31, 2013</u>
			<u>Collector</u>	<u>Treasurer</u>	
Clerk:					
Licenses:					
Alcohol Beverages		\$ 18,617.00		\$ 18,617.00	
Other		11,325.00		11,325.00	
Fees and Permits	\$ 108.00	3,387.22		3,331.22	\$ 164.00
Municipal Court:					
Fines and Costs	14,173.92	202,569.79		200,669.99	16,073.72
Tax Collector:					
Miscellaneous		300.00	\$ 300.00		
Interest and Costs on Taxes		77,142.70	77,142.70		
Board of Health:					
Licenses Other	3.00	78.00		69.00	12.00
Fees and Permits	30.00	1,400.00		1,320.00	110.00
Police:					
Fees and Permits		1,281.00		1,280.00	1.00
Treasurer:					
Cable Television Franchise Tax	16,765.08	16,983.40		16,765.08	16,983.40
Consolidated Municipal Property Tax Relief Aid		26,006.00		26,006.00	
Energy Receipts Tax		495,466.86		495,466.86	
Interlocal Service Agreements		334,024.00		334,024.00	
Uniform Fire Safety Act		12,062.70		12,062.70	
Payment in Lieu of Taxes - National Realty		302,730.00		302,730.00	
Delaware River Port Authority Fees		30,000.00		30,000.00	
Uniform Construction Code:					
Fees and Permits	2,551.00	170,210.00		172,761.00	
Uniform Fire Code:					
Locals & Permits	5,570.00	68,395.00		73,965.00	
Non Budgeted Revenue:					
Clerk:					
Other		2,270.00		2,270.00	
	<u>\$ 39,201.00</u>	<u>\$ 1,774,248.67</u>	<u>\$ 77,442.70</u>	<u>\$ 1,702,662.85</u>	<u>\$ 33,344.12</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Schedule of Property Acquired for Taxes (Assessed Valuation)  
For the Year Ended December 31, 2013

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Balance December 31, 2013	<u>\$ 66,190.00</u>
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**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Regional High School Taxes  
For the Year Ended December 31, 2013

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Balance December 31, 2012		
School Tax Deferred	\$	1,057,194.87
Increased by:		
Levy -- School Year July 1, 2013 to June 30, 2014		<u>2,179,694.00</u>
		3,236,888.87
Decreased by:		
Disbursements		<u>2,147,311.87</u>
Balance December 31, 2013		
School Tax Deferred	\$	1,089,847.00
Prepaid Tax		<u>(270.00)</u>
		<u>\$ 1,089,577.00</u>
2013 Regional High School Tax		
Tax Paid	\$	2,147,311.87
Prepaid Tax		<u>(270.00)</u>
		2,147,041.87
Less: Prepaid Tax December 31, 2012		<u>-</u>
Amount Charged to 2013 Operations	\$	<u><u>2,147,041.87</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Deferred Charges  
N.J.S. 40A:4-55 Special Emergency - Revaluation Program  
For the Year Ended December 31, 2013

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<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2012</u>	<u>Reduced in 2013</u>
12/11/2008	Revaluation Costs	\$ 41,176.06	\$ 8,235.21	\$ 8,235.03	\$ 8,235.03
		<u>\$ 41,176.06</u>	<u>\$ 8,235.21</u>	<u>\$ 8,235.03</u>	<u>\$ 8,235.03</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of 2012 Appropriation Reserves  
 For the Year Ended December 31, 2013

	Balance December 31, 2012		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages		\$ 0.07	\$ 0.07		\$ 0.07
Other Expenses	\$ 484.36	299.60	1,084.36	\$ 1,084.36	
Mayor and Council					
Salaries and Wages		0.63	0.63		0.63
Other Expenses	360.00	721.85	(98.85)	(330.00)	231.15
Municipal Clerk					
Salaries and Wages		0.07	0.07		0.07
Other Expenses	259.05	748.66	1,007.71	209.05	798.66
Financial Administration					
Salaries and Wages		78.07	78.07		78.07
Other Expenses		788.19	788.19	587.75	200.44
Collection of Taxes					
Other Expenses	767.90		767.90	717.90	50.00
Assessment of Taxes					
Salaries and Wages		0.93	0.93		0.93
Other Expenses	40.01	9.99	244.01	244.01	
Legal Services and Costs					
Other Expenses		132.01	132.01		132.01
Engineering Services					
Other Expenses	399.55	62.52	462.07	399.55	62.52
Municipal Court					
Salaries and Wages		711.06	711.06		711.06
Other Expenses	50.00		122.79	122.79	
Public Defender (P.L. 1997, C.256)					
Other Expenses		184.71	184.71		184.71

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of 2012 Appropriation Reserves  
 For the Year Ended December 31, 2013

	Balance December 31, 2012		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Land Use Administration					
Planning Board					
Salaries and Wages		\$ 0.06	\$ 0.06		\$ 0.06
Other Expenses		100.00	100.00		100.00
Code Enforcement and Administration					
Construction Code Official					
Other Expenses		951.79	951.79		951.79
Insurance:					
Worker's Compensation Insurance		1,807.26	1,807.26		1,807.26
Employee Group Insurance		52,520.96	52,520.96		52,520.96
Unemployment Insurance		4,543.30	4,543.30		4,543.30
Liability Insurance		2,779.32	2,779.32		2,779.32
Public Safety Functions:					
Police Department					
Salaries and Wages		8,469.73	8,469.73		8,469.73
Other Expenses	\$ 8,110.63	5,688.39	13,799.02	\$ 7,764.03	6,034.99
Office of Emergency Management					
Salaries and Wages		53.08	53.08		53.08
Other Expenses		1,095.08	1,095.08		1,095.08
Aid to Volunteer Fire Companies	4,167.13	1,908.31	6,075.44	2,077.13	3,998.31
Fire Department					
Other Expenses		7,736.36	7,736.36		7,736.36
Fire Prevention					
Salaries and Wages		1,061.18	1,061.18		1,061.18
Other Expenses	37.80	4,092.71	4,130.51	37.80	4,092.71

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of 2012 Appropriation Reserves  
For the Year Ended December 31, 2013

	Balance December 31, 2012		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Public Work Functions:					
Streets and Road Maintenance					
Other Expenses	\$ 1,203.61	\$ 35.41	\$ 1,635.27	\$ 1,635.27	
Solid Waste Collection					
Salaries and Wages		1,491.18	1,491.18		\$ 1,491.18
Other Expenses	20,089.00		20,089.00	13,949.00	6,140.00
Public Buildings and Grounds					
Other Expenses	440.00	671.25	1,111.25	290.00	821.25
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses		6,594.34	6,594.34		6,594.34
Sterling Municipal Alliance Program		57.00	57.00		57.00
Utility Expenses and Bulk Purchases:					
Electricity	831.64	2,585.89	3,417.53	1,994.01	1,423.52
Street Lighting		12,996.67	12,996.67	6,807.76	6,188.91
Telephone	968.12	89.50	1,057.62	968.12	89.50
Water	79.66		79.66	79.66	
Gas (Natural or Propane)	-	3,513.17	3,513.17		3,513.17
Fuel Oil		1,000.00	1,000.00		1,000.00
Sewerage Processing and Disposal	-	32.50	249.75	249.75	
Gasoline	5,960.58	2,733.12	8,693.70	5,960.58	2,733.12
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	<u>7,720.68</u>	<u>13,808.57</u>	<u>21,529.25</u>	<u>7,720.68</u>	<u>13,808.57</u>
Total Operations -- Within "CAPS"	<u>51,969.72</u>	<u>142,154.49</u>	<u>194,124.21</u>	<u>52,569.20</u>	<u>141,555.01</u>

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of 2012 Appropriation Reserves  
 For the Year Ended December 31, 2013

	Balance December 31, 2012		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>					
Regulatory Expenditures:					
Contribution to:					
Public Employees Retirement System		\$ 416.19	\$ 416.19		\$ 416.19
New Jersey Supplemental Disability Insurance (SDI)		880.10	880.10		880.10
Police and Firemen's Retirement System of NJ		13,928.25	13,928.25		13,928.25
Defined Contribution Retirement Program		519.09	519.09		519.09
Social Security System (O.A.S.I.)		3,585.36	3,585.36		3,585.36
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	-	19,328.99	19,328.99	-	19,328.99
 Total General Appropriations for Municipal Purposes -- Within "CAPS"	 \$ 51,969.72	 161,483.48	 213,453.20	 \$ 52,569.20	 160,884.00
 <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Interlocal Municipal Service Agreements:					
Sterling High School -- COPS in Schools:					
Salaries and Wages		0.32	0.32		0.32
Other Expenses		0.17	0.17		0.17
Total Operations -- Excluded from "CAPS"	-	0.49	0.49	-	0.49
 Total General Appropriations	 <u>\$ 51,969.72</u>	 <u>\$ 161,483.97</u>	 <u>\$ 213,453.69</u>	 <u>\$ 52,569.20</u>	 <u>\$ 160,884.49</u>
Disbursements				\$ 53,559.20	
Refunds				(990.00)	
				<u>\$ 52,569.20</u>	

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 12,916.15
Increased by:		
Receipts	\$ 80,375.00	
Prior Year Deductions Disallowed by Tax Collector	1,500.00	
		81,875.00
		94,791.15
Decreased by:		
Accrued in 2013		
Deductions per Tax Billing	\$ 82,000.00	
Deductions Allowed by Tax Collector:		
2013 Taxes	500.00	
		82,500.00
Less:		
Deductions Disallowed by Tax Collector	1,000.00	
		81,500.00
Balance December 31, 2013		\$ 13,291.15

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2013

Balance December 31, 2012 (2013 Taxes)		\$ 39,458.30
Increased by:		
Receipts -- Collector		90,074.83
		129,533.13
Decreased by:		
Application to Taxes Receivable		39,458.30
Balance December 31, 2013 (2014 Taxes)		\$ 90,074.83

## Exhibit SA-15

Statement of Tax Overpayments  
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 8,147.41
Increased by:		
Receipts -- Collector	\$ 4,524.41	
Adjustment -- Operations	3,970.05	
		8,494.46
		16,641.87
Decreased by:		
Refunded -- Disbursements	569.39	
Canceled	0.80	
Application to Taxes Receivable: 2013 Taxes Receivable	12,004.45	
		12,574.64
Balance December 31, 2013		\$ 4,067.23

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2013

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2013 Levy:		
Net County Taxes	\$ 2,542,509.57	
County Library Tax	158,477.79	
County Open Space Tax	<u>66,537.82</u>	
		\$ 2,767,525.18
Decreased by:		
Disbursements		<u><u>\$ 2,767,525.18</u></u>

**Exhibit SA-17**

Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 9,882.52
Increased by:	
County Share of 2013 Levy:	
Added Assessments (R.S. 54:4-63.1 et seq.)	<u>10,964.57</u>
	20,847.09
Decreased by:	
Disbursements	<u>9,882.52</u>
Balance December 31, 2013	<u><u>\$ 10,964.57</u></u>

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Statement of Local School District Taxes  
For the Year Ended December 31, 2013

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Increased by:	
2013 Levy -- Calendar Year	\$ 3,837,022.00
Disbursements	<u>\$ 3,837,022.00</u>

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 214.53
Increased by:	
Receipts	<u>1,157,899.65</u>
	1,158,114.18
Decreased by:	
Disbursements	<u><u>\$ 1,158,114.18</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Federal, State and Other Grants Receivable  
 For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2013</u>
<b>Federal Grants:</b>				
FEMA Assistance to Fire Fighters Grant Program		\$119,700.00	\$119,700.00	
New Jersey Department of Transportation Authority Act -- Pipe Collapse	\$ 62,479.70			\$ 62,479.70
New Jersey Department of Transportation Authority Act -- Sunset Drive Phase 3		200,000.00	150,000.00	50,000.00
New Jersey Department of Transportation Authority Act -- Red Fox Run		100,000.00		100,000.00
New Jersey Department of Transportation Authority Act -- Safe Routes to School	<u>7,518.95</u>			<u>7,518.95</u>
	<u>69,998.65</u>	<u>419,700.00</u>	<u>269,700.00</u>	<u>219,998.65</u>
<b>State Grants:</b>				
Body Armor Replacement		1,984.15	1,984.15	
Clean Communities Program		10,257.53	10,257.53	
Drunk Driving Enforcement Grant		19,786.65	19,786.65	
New Jersey Department of Community Affairs -- Statewide Livable Communities Grant -- Pilot Program	25,000.00			25,000.00
ADA Grant	17,919.94			17,919.94
Recycling Tonnage Grant		6,830.91	6,830.91	
Safe and Secure Communities Program		23,315.00		23,315.00
Stormwater Grant	<u>4,234.00</u>			<u>4,234.00</u>
Total State Programs	<u>47,153.94</u>	<u>62,174.24</u>	<u>38,859.24</u>	<u>70,468.94</u>
Total Federal & State Programs	<u>117,152.59</u>	<u>481,874.24</u>	<u>308,559.24</u>	<u>290,467.59</u>
<b>Other Grants:</b>				
Camden County Open Space Trust Fund -- Recreation Grant	<u>1,025.12</u>			<u>1,025.12</u>
	<u>1,025.12</u>	-	-	<u>1,025.12</u>
Total All Grants	<u>\$ 118,177.71</u>	<u>\$481,874.24</u>	<u>\$308,559.24</u>	<u>\$ 291,492.71</u>
Cash Receipts			\$158,559.24	
Due General Capital Fund			<u>150,000.00</u>	
			<u>\$308,559.24</u>	

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Federal, State and Other Grant Fund  
Statement of Due from Current Fund  
For the Year Ended December 31, 2013

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Balance December 31, 2012		\$ 257,809.90
Increased by:		
Due General Capital Fund	\$ 150,000.00	
Budgeted Match for Safe and Secure Communities Grant	<u>57,507.00</u>	
		<u>207,507.00</u>
		465,316.90
Decreased by:		
Receipts		<u>257,764.71</u>
Balance December 31, 2013		<u><u>\$ 207,552.19</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Reserves for Federal, State and Other Grants - Unappropriated  
 For the Year Ended December 31, 2013

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Federal, State and Other Grants Receivable</u>	<u>Realized as Revenue in 2013</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:				
FEMA Assistance to Fire Fighters Program		\$ 119,700.00	\$ 119,700.00	
New Jersey Department of Transportation Authority Act -- Red Fox Run		100,000.00	100,000.00	
New Jersey Department of Transportation Authority Act -- Sunset Drive Phase 3		200,000.00	200,000.00	
	<u>-</u>	<u>419,700.00</u>	<u>419,700.00</u>	<u>-</u>
State Grants:				
Body Armor Replacement Fund	\$ 1,638.35	1,984.15	1,638.35	\$ 1,984.15
Clean Communities Program	8,736.65	10,257.53	18,994.18	
Drunk Driving Enforcment Grant	14,662.48	19,786.65	14,662.48	19,786.65
Recycling Tonnage Grant	7,225.38	6,830.91	7,225.38	6,830.91
Safe and Secure Communities Program		23,315.00	23,315.00	
Total State Programs	<u>32,262.86</u>	<u>62,174.24</u>	<u>65,835.39</u>	<u>28,601.71</u>
Total All Grants	<u>\$ 32,262.86</u>	<u>\$ 481,874.24</u>	<u>\$ 485,535.39</u>	<u>\$ 28,601.71</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Reserves for Federal, State and Other Grants - Appropriated  
 For the Year Ended December 31, 2013

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Reserve for Encumbrances</u>	<u>Transferred - 2013 Budget Appropriations</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2013</u>
<u>Appropriated</u>						
<b>Federal Grants:</b>						
US Department of Law and Public Safety -- Division of Highway Traffic Safety: Over the Limit, Under Arrest Impaired Driving Crackdown Grant	\$ 6,125.00					\$ 6,125.00
Occupant Protection - Click It or Ticket	10,254.76					10,254.76
FEMA Assistance for Fire Fighter Program			\$ 119,700.00	\$ 119,700.00		
New Jersey Department of Transportation Authority Act - Red Fox Run			100,000.00	6,604.00	\$ 12,100.50	81,295.50
New Jersey Department of Transportation Authority Act - Pipe Collapse	200,000.00			190,718.90		9,281.10
New Jersey Department of Transportation Authority Act - Sunset Drive Phase 3			200,000.00			200,000.00
<b>Total Federal Grants</b>	<b>216,379.76</b>	<b>-</b>	<b>419,700.00</b>	<b>317,022.90</b>	<b>12,100.50</b>	<b>306,956.36</b>
<b>State Grants:</b>						
Alcohol Education and Rehabilitation Grant	6,295.10			575.00		5,720.10
Body Armor Replacement Fund	7,815.43	\$ 1,034.00	1,638.35	1,035.50		9,452.28
Buckle Up South Jersey	4,000.00					4,000.00
Clean Communities Program	36,958.85		18,994.18	4,675.88		51,277.15
Domestic Violence Program	1,415.75					1,415.75
Drunk Driving Enforcement Grant	4,100.48		14,662.48	12,192.67		6,570.29
New Jersey Department of Community Affairs -- State Wide Livable Communities Program -- Building Expansion	11,170.24					11,170.24
ADA Improvements	17,919.94					17,919.94
New Jersey Department of Treasury -- Expansion of Borough Hall	4,926.21					4,926.21
Recycling Tonnage Grant	12,763.76		7,225.38			19,989.14
Safe and Secure Communities Program	1,646.00		80,822.00	80,822.00		1,646.00
Stormwater Grant	17,057.50					17,057.50
<b>Total State Grants</b>	<b>126,069.26</b>	<b>1,034.00</b>	<b>123,342.39</b>	<b>99,301.05</b>	<b>-</b>	<b>151,144.60</b>
<b>Other Grants:</b>						
Camden County Shared Service Agreement -- Pedestrian Safety Improvements at East Atlantic Avenue and Somerdale Road	241.73					241.73
<b>Total All Grants</b>	<b>342,690.75</b>	<b>\$ 1,034.00</b>	<b>\$ 543,042.39</b>	<b>\$ 416,323.95</b>	<b>\$ 12,100.50</b>	<b>\$ 458,342.69</b>
Federal and State Grant Fund Receivable						
Disbursements				\$ 429,448.95		
Refunds				(13,125.00)		
				<b>\$ 416,323.95</b>		

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF SOMERDALE**  
**TRUST FUNDS**  
Statement of Trust Fund Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2013

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2012	\$ 780.32	\$ 176,361.75
Increased by Receipts:		
Reserve for Animal Control Fund Expenditures	\$ 9,804.60	
State Registration Fees	293.40	
Due Bank		\$ 1.00
Due Current Fund	0.05	17.01
Due State of New Jersey -- Division of Youth and Family Services		575.00
Due State of New Jersey -- New Construction Surcharge		8,527.00
Miscellaneous Trust Reserves:		
Beautification Program		1,552.00
Escrow Deposits		83,271.66
Forfeited Property		1,415.62
Off-Duty Police Officers		205,808.64
New Jersey Unemployment Compensation		3,682.39
Parking Offense Adjudication Act		184.00
Public Defender		7,136.99
Recreation Commission		3,932.05
Recycling Program		5,647.65
Tax Title Lien Redemption		792,964.62
Uniform Fire Safety Act Penalty Monies		5,000.42
	10,098.05	1,119,716.05
	10,878.37	1,296,077.80
Decreased by Disbursements:		
Reserve for Animal Control Fund Expenditures	9,204.62	
State Registration Fees	288.60	
Due Current Fund		
Due State of New Jersey -- Health Benefits		
Due State of New Jersey -- Division of Youth and Family Services		425.00
Due State of New Jersey -- New Construction Surcharge		7,090.00
Miscellaneous Trust Reserves:		
Beautification Program		204.15
Developer's Escrow Fund		19,941.27
Outside Employment of Off-Duty Municipal Police Officers		191,425.35
New Jersey Unemployment Compensation		4,271.59
Board of Recreation Commission		4,200.63
Recycling Program		4,316.76
Tax Title Lien Redemption		697,915.28
Uniform Fire Safety Act Penalty Monies		3,586.00
	9,493.22	933,376.03
Balance December 31, 2013	\$ 1,385.15	\$ 362,701.77

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2013

---

Balance December 31, 2012		\$ 1,985.24
Increased by:		
2013 Budget Appropriation	<u>7,500.00</u>	
		<u>7,500.00</u>
		9,485.24
Decreased by:		
Receipts :		
Interest	0.05	
Interfund Loans Received	<u>7,500.00</u>	
		<u>7,500.05</u>
Balance December 31, 2013		<u><u>\$ 1,985.19</u></u>

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Fund Expenditures  
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 2,775.76
Receipts:		
Dog License Fees Collected	\$ 1,829.60	
Cat License Fees Collected	350.00	
Late Fees	125.00	
		\$ 2,304.60
Due from Current Fund:		
2013 Budget Appropriation		7,500.00
		9,804.60
		12,580.36
Decreased by:		
Expenditures under R.S. 4:19-15.11: Disbursements		9,204.62
		9,204.62
Balance December 31, 2013		\$ 3,375.74
Fees Collected:		
<u>Year</u>		
2011		\$ 4,498.60
2012		4,377.00
		\$ 8,875.60

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2013

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Increased by:		
Receipts		\$ 293.40
Decreased by:		
Disbursements		<u>288.60</u>
Balance December 31, 2013		<u><u>\$ 4.80</u></u>

**BOROUGH OF SOMERDALE**  
**TRUST - OTHER FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2013

	<u>Total</u>	<u>Trust Account</u>	<u>Tax Title Lien Redemption</u>	<u>Escrow Direct</u>	<u>Recycling Commission</u>	<u>Off-Duty Police</u>	<u>Unemployment Trust Fund</u>	<u>Recreation Commission</u>
Balance December 31, 2012	\$ (0.04)	-	-	\$ (0.04)	-	-	-	-
Decreased by:								
Receipts :								
Interest Earned on Deposits	17.01	\$ 1.15	\$ 10.13	1.63	\$ 0.57	\$ 3.28		\$ 0.25
Payments made by Current Fund	<u>11,000.00</u>					1,000.00	\$ 10,000.00	
	<u>11,017.01</u>	<u>1.15</u>	<u>10.13</u>	<u>1.63</u>	<u>0.57</u>	<u>1,003.28</u>	<u>10,000.00</u>	<u>0.25</u>
	<u>(11,017.05)</u>	<u>(1.15)</u>	<u>(10.13)</u>	<u>(1.67)</u>	<u>(0.57)</u>	<u>(1,003.28)</u>	<u>(10,000.00)</u>	<u>(0.25)</u>
Increased by:								
2013 Budget Appropriations	<u>3,814.41</u>						3,814.41	
	<u>3,814.41</u>	-	-	-	-	-	3,814.41	-
Balance December 31, 2013	<u><u>\$ (7,202.64)</u></u>	<u><u>(1.15)</u></u>	<u><u>(10.13)</u></u>	<u><u>\$ (1.67)</u></u>	<u><u>(0.57)</u></u>	<u><u>(1,003.28)</u></u>	<u><u>(6,185.59)</u></u>	<u><u>(0.25)</u></u>

**BOROUGH OF SOMERDALE**  
**TRUST - OTHER FUND**

Statement of Due to State of New Jersey -- Division of Youth and Family Services  
 For the Year Ended December 31, 2013

---

Balance December 31, 2012	\$ 125.00
Increased by:	
Receipts	<u>575.00</u>
	700.00
Decreased by:	
Disbursements	<u>425.00</u>
Balance December 31, 2013	<u><u>\$ 275.00</u></u>

Exhibit SB-7

**BOROUGH OF SOMERDALE**  
**TRUST - OTHER FUND**

Statement of Due to State of New Jersey -- New Construction Surcharge  
 For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 467.00
Increased by:	
Receipts	<u>8,527.00</u>
	8,994.00
Decreased by:	
Disbursements	<u>7,090.00</u>
Balance December 31, 2013	<u><u>\$ 1,904.00</u></u>

**BOROUGH OF SOMERDALE**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased by</u>  <u>Receipts</u>	<u>Due</u> <u>Current</u> <u>Fund</u>	<u>Decreased by</u>  <u>Disbursements</u>	<u>Due</u> <u>Current</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Accumulated Absences	\$ 8,000.00					\$ 8,000.00
Beautification Program Donations	600.00	\$ 1,552.00		\$ 204.15		1,947.85
Developer's Escrow Fund	72,254.74	83,271.66		19,941.27		135,585.13
Disposal of Forfeited Property	8,274.54	1,415.62				9,690.16
Outside Employment of Off-Duty Municipal Police Officers	27,921.11	205,808.64		191,425.35	\$ 1,000.00	41,304.40
New Jersey Unemployment Compensation	6,774.79	3,682.39	\$ 3,814.41	4,271.59	10,000.00	
Parking Offense Adjudication Act	738.05	184.00				922.05
Municipal Public Defender		7,136.99				7,136.99
Board of Recreation Commission	5,684.65	3,932.05		4,200.63		5,416.07
Recycling Program	6,432.77	5,647.65		4,316.76		7,763.66
Tax Title Lien Redemption	29,700.27	792,964.62		697,915.28		124,749.61
Uniform Fire Safety Act Penalty Monies	9,388.79	5,000.42		3,586.00		10,803.21
	<u>\$ 175,769.71</u>	<u>\$ 1,110,596.04</u>	<u>\$ 3,814.41</u>	<u>\$ 925,861.03</u>	<u>\$ 11,000.00</u>	<u>\$ 353,319.13</u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2013

<hr/>		
Balance December 31, 2012		\$ 564,564.93
Increased by Receipts:		
Community Development Block Grant Receivable	\$ 15,787.25	
Due Current Fund	19,025.04	
		34,812.29
		599,377.22
Decreased by Disbursements:		
Deferred Charge - Expenditures Without An Appropriation	33,225.04	
Due Current Fund	2,442.00	
Improvement Authorizations	73,321.63	
Due Sewer Utility Capital Fund	85,085.80	
		194,074.47
Balance December 31, 2013		\$ 405,302.75

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2013

	Balance (Overdraft) <u>Dec. 31, 2012</u>	<u>Receipts</u>  <u>Miscellaneous</u>
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (356,994.29)	
New Jersey Environmental Infrastructure Trust Fund		
Loan Credits Receivable	(5,051.00)	
Deferred Charges - Expenditure Without An Appropriation		
Community Development Block Grant Receivable	(91,895.12)	\$ 15,787.25
Camden County Open Space Preservation Trust Fund Receivable	(25,000.00)	
Due Current Fund	(407,938.50)	19,025.04
Due Sewer Utility Capital Fund	(11,275.00)	
Capital Improvement Fund	19,035.00	
Reserve for Encumbrances		
Reserve for Community Development Block Grant Receivable	26,600.00	
Reserve for New Jersey Transportation Trust Fund		
Authority Act Receivable	200,000.00	
Capital Surplus		
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
94-15 Acquisition of Certain Equipment	5,761.98	
99-03; Replacement of Sanitary Sewer Mains and Laterals		
99-15 on a Portion of Somerdale Road	4,477.01	
00-03 Reconstruction of a Portion of Grace Street	167.80	
00-08 Acquisition of Various Pieces of Equipment	202.52	
03-06 Construction of a Bicycle and Pedestrian Way	274,140.75	
04-08 Construction of Various Capital Improvements and the		
Acquisition of Equipment	316,529.70	
06-07; Acquisition of Various Equipment and the Completion of		
07-09 Various Improvements	4,466.24	
07-08 Acquisition of Various Equipment and the Completion of		
Various Capital and Utility Improvements	247,327.79	
08-08		
09-17		
11-01 Acquisition of Various Equipment and the Completion of		
12-01 Various Capital and Utility Improvements	87,201.43	
11-03 Acquisition and Installation of Photovoltaic Cells	25,000.00	
11-09 Various Capital Improvements	157,437.50	
12-02 Various Capital Improvements	94,371.12	
13-06 Various Capital Improvements		
13-07 Acquisition of Various Equipment and the Completion		
of Various Capital Improvements		
	<u>\$ 564,564.93</u>	<u>\$ 34,812.29</u>

<u>Disbursements</u>				
<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>Transfers</u>		<u>Balance (Overdraft) Dec. 31, 2013</u>
		<u>From</u>	<u>To</u>	
		\$ 180,000.00	\$ 50,000.00	\$ (486,994.29)
				(5,051.00)
	\$ 33,225.04	23,300.00	60,943.76	(33,225.04)
				(38,464.11)
	2,442.00	79,943.76	204,377.03	(25,000.00)
	85,085.80			(266,922.19)
		45,268.00	44,000.00	(96,360.80)
			79,693.03	17,767.00
			23,300.00	79,693.03
				49,900.00
		200,000.00		
		539,639.18	539,639.18	
		5,761.98		
		4,477.01		167.80
		202.52		
				274,140.75
\$ 14,010.75		241,530.00		60,988.95
		4,466.24		
		199,540.92		47,786.87
		87,201.43		
		25,000.00		
12,216.76		2,611.04		142,609.70
		31,491.00		62,880.12
4,083.77		4,463.51	539,639.18	531,091.90
43,010.35		91,963.59	225,268.00	90,294.06
<u>\$ 73,321.63</u>	<u>\$ 120,752.84</u>	<u>\$ 1,766,860.18</u>	<u>\$ 1,766,860.18</u>	<u>\$ 405,302.75</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2013

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Balance December 31, 2012		\$ 4,347,097.62
Decreased by:		
2013 Budget Appropriation to Pay Bonds and Loans:		
General Serial Bonds	\$ 500,000.00	
New Jersey Environmental Infrastructure Trust Loans Payable	<u>17,181.11</u>	
		<u>517,181.11</u>
Balance December 31, 2013		<u><u>\$ 3,829,916.51</u></u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Authorizations Canceled	Balance Dec. 31, 2013	Analysis of Balance December 31, 2013	
						Bond Anticipation Notes	Unexpended Improvement Authorizations
	General Improvements:						
11-03	Acquisition and Installation of Photovoltaic Cells	\$ 475,000.00		\$ 475,000.00			
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements		\$ 860,093.00		\$ 860,093.00	\$ 91,515.57	\$ 768,577.43
		<u>\$ 475,000.00</u>	<u>860,093.00</u>	<u>475,000.00</u>	<u>\$ 860,093.00</u>	<u>-</u>	<u>\$ 768,577.43</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Community Development Block Grant Receivable  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 91,895.12
Increased by:		
Accrued in 2013:		
Year XXXV		23,300.00
		115,195.12
Decreased by:		
Receipts	\$ 15,787.25	
Collected by Current Fund	60,943.76	
		76,731.01
Balance December 31, 2013		\$ 38,464.11
<u>Analysis of Balance December 31, 2013</u>		
Year XXX		\$ 2,415.00
Year XXXIII		5,932.00
Year XXXIV		6,817.11
Year XXXV		23,300.00
		\$ 38,464.11

## Exhibit SC-6

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Schedule of New Jersey Transportation Trust Fund Authority Act Receivable  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 356,994.29
Increased by:		
Accrued in 2013 -- Improvement Autorizations		180,000.00
		536,994.29
Decreased by:		
Cancelled -- Reserve for New Jersey Transportation Trust Fund Receivable		50,000.00
		486,994.29
Balance December 31, 2013		\$ 486,994.29

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2013

Balance December 31, 2012			\$ 407,938.50
Increased by:			
Collections made by the Current Fund:			
Community Development Block Grant Receivable	\$ 60,943.76		
2013 Budget Appropriation -- Capital Improvement Fund	<u>19,000.00</u>		
		\$ 79,943.76	
Disbursements made on behalf of the Current Fund --			
Accounts Receivable		<u>2,442.00</u>	
			<u>82,385.76</u>
			490,324.26
Decreased by:			
Disbursements made by Current Fund on behalf of the			
General Capital Fund -- Improvement Authorizations		54,377.03	
Reserve for New Jersey Department of Transportation Receivable		150,000.00	
Receipts:			
Interest Earned on Deposits	\$ 25.04		
Interfund Loans Received	<u>19,000.00</u>		
		<u>19,025.04</u>	
			<u>223,402.07</u>
Balance December 31, 2013			<u><u>\$ 266,922.19</u></u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2013

Ordinance Number	Improvement Descriptions	Date	Ordinance		Balance December 31, 2012		
			Amount		Funded	Unfunded	
General Improvements:							
94-15	Various Capital Improvements and Acquisition of Certain Equipment	11/9/94	\$ 500,000.00	\$	5,761.98		
99-15	Replacement of Sanitary Sewer Mains and Laterals on a Portion of Somerdale Road	12/8/99	600,000.00		4,477.01		
00-03	Reconstruction of a Portion of Grace Street	2/9/00	100,000.00		167.80		
00-08	Acquisition of Various Pieces of Equipment	5/10/00	140,000.00		202.52		
03-06	Construction of a Bicycle and Pedestrian Way	4/9/03	291,445.00		274,140.75		
04-08; 07-03	Construction of Various Capital Improvements and the Acquisition of Equipment	12/8/04	2,100,000.00		316,529.70		
06-07; 07-09	Acquisition of Various Equipment and the Completion of Various Improvements	5/11/06	865,000.00		4,466.24		
07-08	Acquisition of Various Equipment and the Completion of Various Capital and Utility Improvements	7/12/07	1,210,146.00		247,327.79		
08-08; 09-17;11-01 12-01	Acquisition of Various Equipment and the Completion of Various Capital and Utility Improvements	8/25/08; 12/28/09; 3/10/11; 3/8/12	1,914,108.00		87,201.43		
11-03	Acquisition and Installation of Photovoltaic Cells	6/9/11	500,000.00		25,000.00	\$ 475,000.00	
11-09	Various Capital Improvements	10/13/11	484,530.00		157,437.50		
12-02	Various Capital Improvements	3/8/12	94,646.12		94,371.12		
13-06	Various Capital Improvements	6/13/13	539,639.18				
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/13/13	1,085,361.00				
					\$	1,217,083.84	\$ 475,000.00

New Jersey Department of Transportation Trust Fund Receivable  
Capital Surplus  
Capital Improvement Fund  
Deferred Charges to Future Taxation - Unfunded  
Paid by Current Fund  
Reserve for Encumbrances  
Disbursements

2013 Authorizations				Paid or Charged	Canceled Improvement Authorizations	Balance December 31, 2013	
Capital Improvement Fund	Grants	Capital Surplus	to Future Taxation - Unfunded			Funded	Unfunded
					\$ 5,761.98		
					4,477.01		
						\$ 167.80	
					202.52		
						274,140.75	
				\$ 14,010.75	241,530.00	60,988.95	
					4,466.24		
				3,540.92	196,000.00	47,786.87	
					87,201.43		
					500,000.00		
				14,827.80		142,609.70	
				31,491.00		62,880.12	
		\$ 539,639.18		8,547.28		531,091.90	
<u>\$ 45,268.00</u>	<u>180,000.00</u>		<u>\$ 860,093.00</u>	<u>134,973.94</u>		<u>181,809.63</u>	<u>768,577.43</u>
<u>45,268.00</u>	<u>\$ 180,000.00</u>	<u>\$ 539,639.18</u>	<u>860,093.00</u>	<u>\$ 207,391.69</u>	<u>\$ 1,039,639.18</u>	<u>\$ 1,301,475.72</u>	<u>\$ 768,577.43</u>
	\$ 180,000.00	\$ 539,639.18			\$ 539,639.18		
					25,000.00		
					475,000.00		
				\$ 54,377.03			
				79,693.03			
				73,321.63			
	<u>\$ 180,000.00</u>	<u>\$ 539,639.18</u>		<u>\$ 207,391.69</u>	<u>\$ 1,039,639.18</u>		

**BOROUGH OF SOMERDALE**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2013

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Balance December 31, 2012		\$ 19,035.00
Increased by:		
2013 Budget Appropriations -- Due Current Fund	\$ 19,000.00	
Improvement Authorizations Cancelled	<u>25,000.00</u>	
		<u>44,000.00</u>
		63,035.00
Decreased by:		
Appropriation to Fund Improvement Authorizations		<u>45,268.00</u>
Balance December 31, 2013		<u><u>\$ 17,767.00</u></u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Community Development Block Grant Receivable  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 26,600.00
Increased by:		
Year XXXV		23,300.00
Balance December 31, 2013		\$ 49,900.00
 <u>Analysis of Balance December 31, 2013</u>		
Year XXXIV		\$ 26,600.00
Year XXXV		23,300.00
		\$ 49,900.00

## Exhibit SC-11

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for New Jersey Transportation Trust Fund Receivable  
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 200,000.00
Decreased by:		
Cancellations - New Jersey Transportation Trust Fund Receivable	\$ 50,000.00	
Due Current Fund -- Federal and State Grant Fund Receivable	150,000.00	
Cancellations		\$ 200,000.00

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds of 2002	3/1/02	\$ 2,190,000.00	3-1-14/15 3-1-16/17	\$ 200,000.00 240,000.00	4.70%	\$ 1,080,000.00	\$ 200,000.00	\$ 880,000.00
General Improvement Bonds of 2008	10/1/08	4,280,000.00	10-1-14/15 10-1-16/17 10-1-18/19 10-1-20/21	325,000.00 350,000.00 375,000.00 400,000.00	Varies	<u>3,200,000.00</u>	<u>300,000.00</u>	<u>2,900,000.00</u>
						<u>\$ 4,280,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 3,780,000.00</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Trust Loan Payable  
For the Year Ended December 31, 2013

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
Series 1996A	10/15/96	\$ 290,000.00	8/1/14-16	\$ 10,000.00	5.25%	\$ 40,000.00	\$ 10,000.00	\$ 30,000.00
Series 1996B	10/15/96	127,211.00	2/1/14	467.37				
			8/1/14	6,402.17				
			2/1/15	311.58				
			8/1/15	6,246.38				
			2/1/16	155.79				
			8/1/16	6,333.22	None	<u>27,097.62</u>	<u>7,181.11</u>	<u>19,916.51</u>
						<u>\$ 67,097.62</u>	<u>\$ 17,181.11</u>	<u>\$ 49,916.51</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2013

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Authorizations Canceled</u>	<u>Balance Dec. 31, 2013</u>
General Improvements:					
11-03	Acquisition and Installation of Photovoltaic Cells	\$ 475,000.00		\$ 475,000.00	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements		\$ 860,093.00		\$ 860,093.00
		<u>\$ 475,000.00</u>	<u>\$ 860,093.00</u>	<u>\$ 475,000.00</u>	<u>\$ 860,093.00</u>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2013

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		<u>Operating</u>
Balance December 31, 2012		\$ 284,635.53
Increased by Receipts:		
2013 Appropriation Refunds	\$ 3,081.47	
Collector	<u>480,200.88</u>	
		<u>483,282.35</u>
		767,917.88
Decreased by Disbursements:		
2013 Appropriations	\$ 283,267.37	
2012 Appropriation Reserves	1,498.93	
Accrued Interest on Bonds and Notes	4,978.26	
Due to Current Fund	<u>51,849.00</u>	
		<u>341,593.56</u>
Balance December 31, 2013		<u><u>\$ 426,324.32</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Utility Cash  
 Per N.J.S.A. 40A:5-5 Collector  
 For the Year Ended December 31, 2013

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Receipts:		
Consumer Accounts Receivable	\$ 405,703.33	
Sewer Rent Overpayments	694.92	
Miscellaneous Revenue:		
Sewer Connection Fees	60,400.00	
Sanitary Permits	9,600.00	
Interest and Costs on Delinquent Rents	3,775.34	
Interest on Deposits	<u>27.29</u>	
		\$ 480,200.88
Decreased by:		
Payments to Treasurer		<u><u>\$ 480,200.88</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Utility Capital Cash  
 For the Year Ended December 31, 2013

	Balance (Overdraft) <u>Dec. 31, 2012</u>	T r a n s f e r s		Balance (Overdraft) <u>Dec. 31, 2013</u>
		<u>From</u>	<u>To</u>	
New Jersey Environmental Infrastructure Trust Loan				
Credits Receivable	\$ (32,537.00)			\$ (32,537.00)
Due Sewer Utility Operating Fund	32,537.00			32,537.00
Due General Capital Fund	11,275.00		\$ 85,085.80	96,360.80
Reserve for Encumbrances			332,160.27	332,160.27
Improvement Authorizations:				
12-06 Various Improvements to the Sanitary Sewer System	(11,275.00)	\$ 400,661.07		(411,936.07)
13-11 Various Improvements to the Sanitary Sewer System		12,395.00		(12,395.00)
13-12 Various Improvements to the Sanitary Sewer System		4,190.00		(4,190.00)
	<u>-</u>	<u>\$ 417,246.07</u>	<u>\$ 417,246.07</u>	<u>-</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Sewer Consumer Accounts Receivable  
For the Year Ended December 31, 2013

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Balance December 31, 2012		\$ 27,716.21
Increased by:		
Sewer Rents Levied		<u>408,480.37</u>
		436,196.58
Decreased by:		
Receipts -- Collector	\$ 405,703.33	
Canceled	387.00	
Overpayments Applied	<u>1,228.73</u>	
		<u>407,319.06</u>
Balance December 31, 2013		<u><u>\$ 28,877.52</u></u>

**BOROUGH OF SOMERDALE**  
SEWER UTILITY CAPITAL FUND  
Schedule of Fixed Capital  
For the Year Ended December 31, 2013

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<u>Description</u>	<u>Balance</u> <u>December 31, 2013</u>
Unallocated	\$ 115,137.92
Sewer Extension Main	234,594.09
Fencing	3,435.00
Pumping Equipment	3,046.27
General Equipment	6,180.12
Sewage Treatment Plan	195,294.24
Miscellaneous	156.16
Improvements	<u>1,294,497.66</u>
	<u>\$ 1,852,341.46</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations Deferred Charges to Future Revenue</u>	<u>Balance Dec. 31, 2013</u>
General Improvements:						
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 1,630,000.00	\$ 1,630,000.00		\$ 1,630,000.00
13-11	Various Improvements to the Sanitary Sewer System	9/12/13	1,906,000.00		\$ 1,906,000.00	1,906,000.00
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,604,300.00		1,064,300.00	1,064,300.00
				<u>\$ 1,630,000.00</u>	<u>\$ 2,970,300.00</u>	<u>\$ 4,600,300.00</u>

**BOROUGH OF SOMERDALE**  
SEWER UTILITY OPERATING FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 51,849.00
Increased by:	
Sewer Utility FICA paid for by the Current Fund	<u>5,239.13</u>
	57,088.13
Decreased by:	
Interfund Loans Returned	<u>51,849.00</u>
Balance December 31, 2013	<u><u>\$ 5,239.13</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2013**

	Balance December 31, 2012		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Sewer Operating:					
Salaries and Wages		\$ 37,070.40	\$ 37,070.40		\$ 37,070.40
Other Expenses	\$ 396.57	22,817.21	23,213.78	\$ 1,498.93	21,714.85
Total Operating	<u>396.57</u>	<u>59,887.61</u>	<u>60,284.18</u>	<u>1,498.93</u>	<u>58,785.25</u>
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	-	3,065.00	3,065.00	-	3,065.00
Total Regulatory Expenditures	<u>-</u>	<u>3,065.00</u>	<u>3,065.00</u>	<u>-</u>	<u>3,065.00</u>
Total Appropriations	<u>\$ 396.57</u>	<u>\$ 62,952.61</u>	<u>\$ 63,349.18</u>	<u>\$ 1,498.93</u>	<u>\$ 61,850.25</u>

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

**BOROUGH OF SOMERDALE**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Rent Overpayments  
For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 1,228.24
Increased by:	
Receipts -- Collector	<u>694.92</u>
	1,923.16
Decreased by:	
Overpayments Applied	<u>1,228.73</u>
Balance December 31, 2013	<u><u>\$ 694.43</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds and Notes  
 For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 2,263.56
Increased by:	
Budget Appropriation	4,601.00
	6,864.56
Decreased by:	
Interest Paid:	
Disbursed	4,978.26
Balance December 31, 2013	\$ 1,886.30

<u>Principal</u> <u>Outstanding</u> <u>December 31, 2013</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u> <u>(Days)</u>	<u>Amount</u>
New Jersey Environmental Infrastructure Trust Loan:					
\$ 100,000.00	Varies	8-1-13	12-31-13	153 Days	\$ 1,886.30

**BOROUGH OF SOMERDALE**  
SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 1,644,071.22
Increased by:	
Loans Paid by:	
Budget Appropriation	<u>36,141.54</u>
Balance December 31, 2013	<u><u>\$ 1,680,212.76</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2013

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance Dec. 31, 2012 Unfunded	2013 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2013 Unfunded
General Improvements:							
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 1,630,000.00	\$ 1,618,725.00		\$ 400,661.07	\$ 1,218,063.93
13-11	Various Improvements to the Sanitary Sewer System	9/12/13	1,906,000.00		\$ 1,906,000.00	12,395.00	1,893,605.00
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,064,300.00		1,064,300.00	4,190.00	1,060,110.00
				<u>\$ 1,618,725.00</u>	<u>\$ 2,970,300.00</u>	<u>\$ 417,246.07</u>	<u>\$ 4,171,778.93</u>
	Reserve for Encumbrances Paid by General Capital Fund					\$ 332,160.27 85,085.80	
						<u>\$ 417,246.07</u>	

**BOROUGH OF SOMERDALE**  
SEWER UTILITY CAPITAL FUND  
Statement of Due to General Capital Fund  
For the Year Ended December 31, 2013

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Balance December 31, 2012	\$ 11,275.00
Increased by:	
Improvement Authorizations Paid by General Capital Fund	<u>85,085.80</u>
Balance December 31, 2013	<u><u>\$ 96,360.80</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of New Jersey Environmental Infrastructure Trust Loans Payable  
 For the Year Ended December 31, 2013

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Loans Outstanding December 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
Series 1998A	11/5/98	\$ 290,000.00	8-1-14/18	\$ 20,000.00	4.50%	\$ 120,000.00	\$ 20,000.00	\$ 100,000.00
Series 1998B	11/5/98	283,317.00	2/1/14	1,429.86				
			8/1/14	14,139.74				
			2/1/15	1,143.88				
			8/1/15	13,853.76				
			2/1/16	857.91				
			8/1/16	13,567.79				
			2/1/17	571.94				
			8/1/17	13,281.82				
			2/1/18	285.97				
			8/1/18	12,996.03				
					None	88,270.24	16,141.54	72,128.70
						<u>\$ 208,270.24</u>	<u>\$ 36,141.54</u>	<u>\$ 172,128.70</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Balance Dec. 31, 2013</u>
General Improvements:				
12-06	Various Improvements to the Sanitary Sewer System	\$ 1,630,000.00		\$ 1,630,000.00
13-11	Various Improvements to the Sanitary Sewer System		\$ 1,906,000.00	1,906,000.00
13-12	Various Improvements to the Sanitary Sewer System		1,064,300.00	1,064,300.00
		<u>\$ 1,630,000.00</u>	<u>\$ 2,970,300.00</u>	<u>\$ 4,600,300.00</u>

**BOROUGH OF SOMERDALE**

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF SOMERDALE**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2013**

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***Schedule of Financial Statement Findings***

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

**Finding No. 2013-1**

**Criteria or Specific Requirement**

In order to expend funds in the General Capital Fund, there must be a legal appropriation of funds by way of a budget appropriation or an improvement authorization through the adoption of an ordinance.

**Condition**

In the General Capital Fund, there were expenditures for a project without the benefit of a legal appropriation.

**Context**

The Borough was awarded Community Development Block Grants and expenditures in the amount of \$33,225.04 were made without including the grants in its adopted budget or by authorizing an improvement authorization through the adoption of an ordinance.

**Effect**

It is unlawful to make expenditures without a legal appropriation.

**Cause**

Borough personnel failed to realize that the projects for the Community Development Block Grants were not part of any existing improvement authorization.

**Recommendation**

That no expenditures of grant funds in the General Capital Fund be made without first appropriating such funds by way of a budget appropriation or the adoption of an ordinance creating an improvement authorization.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BOROUGH OF SOMERDALE**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2013**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2013-2**

**Criteria or Specific Requirement**

Good internal control practices require that cash be reconciled monthly and the general ledger for all funds be reviewed for accuracy and in agreement with the cash reconciliation.

**Condition**

The bank accounts for all funds were not reconciled until the end of the year and as a result, recording errors in the general ledger were not prevented or detected.

**Context**

For the entire year, the bank accounts were not reconciled and the general ledger was not properly reviewed for accuracy.

**Effect**

Under this weakness in controls, monies not deposited and disbursements not recorded or not authorized would not be detected.

**Cause**

The established controls over cash and the general ledger were not maintained.

**Recommendation**

That the bank accounts maintained by the Borough be reconciled monthly and be in agreement with a properly maintained general ledger.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BOROUGH OF SOMERDALE**  
**Summary Schedule of Prior Year Audit Findings**  
**And Questioned Costs as Prepared by Management**

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

Not applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not applicable.

**BOROUGH OF SOMERDALE**  
**Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Gary J. Passanante	Mayor	
David Alexander	President of Council	
George Ehrmam	Councilman	
Edward Kain	Councilman	
Jennifer McQuaid	Councilwoman	
James J. Perry	Councilman	
Larry Sefchick	Councilman	
Kevin Foley	Chief Financial Officer (Appointed April 11, 2013)	(A)
Virginia Knecht	Tax Collector, Collector of Utilities	(A)
Alyson Heriegel	Court Administrator, Violations Clerk	(A)
Michele D. Miller	Borough Clerk, Officer for Searches Municipal Improvement and Registrar	(A)
Thomas C. Davis	Tax Assessor	
Nicholas Trabosh	Judge of the Municipal Court	(A)
John Kearney	Solicitor	
Charles J. Riebel, Jr.	Engineer	
M. Joey Garufi	Zoning Officer	(A)
Mike DePalma	Construction Code Official	(A)

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

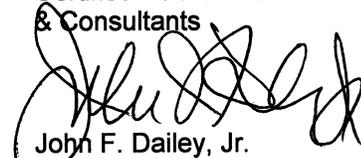
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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



John F. Dailey, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

