

BOROUGH OF SOMERDALE
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2016

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BOROUGH OF SOMERDALE

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of 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, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2017 on our consideration of the Borough of Somerdale, 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 and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 23, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of 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, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 23, 2017. 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 of Somerdale's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 23, 2017

BOROUGH OF SOMERDALE
CURRENT FUND

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

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash	SA-1	\$ 2,299,013.96	\$ 1,793,839.01
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>2,299,228.96</u>	<u>1,794,054.01</u>
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	13,439.66	10,229.66
Delinquent Property Taxes Receivable	SA-6	369,314.93	450,509.15
Tax Title Liens Receivable	SA-7	11,320.19	372.47
Revenue Accounts Receivable	SA-8	34,994.42	37,835.16
Property Acquired for Taxes -- Assessed Valuation	SA-9	192,590.00	386,590.00
Due from Trust Other Fund	SB-5	<u>20.07</u>	<u> </u>
		<u>621,679.27</u>	<u>885,536.44</u>
Total Current Fund		<u>2,920,908.23</u>	<u>2,679,590.45</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-19	245,144.26	266,347.71
Due from Current Fund	SA-20	<u>383,938.78</u>	<u>167,147.48</u>
Total Federal and State Grant Fund		<u>629,083.04</u>	<u>433,495.19</u>
Total Assets		<u>\$ 3,549,991.27</u>	<u>\$ 3,113,085.64</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 205,162.51	\$ 227,866.13
Reserve for Encumbrances	A-3, SA-11	184,655.36	85,397.66
Accounts Payable	SA-11	561.99	
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-12	13,532.95	12,416.15
Prepaid Taxes	SA-13	117,403.30	106,142.66
Tax Overpayments	SA-14	22,439.27	15,724.66
Due to County -- Added and Omitted Taxes	SA-16	3,325.98	2,751.58
Local School Taxes Payable	SA-17		2.00
Regional High School Taxes Payable			
Reserve for Payroll Deductions Payable	SA-18	461.45	2,226.83
Due to Federal and State Grant Fund	SA-20	383,938.78	167,147.48
Due to Trust Other Fund	SB-5		2,658.84
Due to General Capital Fund	SC-8	14,166.83	7,135.13
		<u>945,648.42</u>	<u>629,469.12</u>
Reserves for Receivables and Other Assets		621,679.27	885,536.44
Fund Balance	A-1	<u>1,353,580.54</u>	<u>1,164,584.89</u>
Total Current Fund		<u>2,920,908.23</u>	<u>2,679,590.45</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-21	26,622.78	1,678.72
Reserve for Federal and State Grants -- Appropriated	SA-22	574,273.07	430,780.97
Contracts Payable	SA-22	23,170.00	
Reserve for Encumbrances	SA-22	5,017.19	1,035.50
Total Federal and State Grant Fund		<u>629,083.04</u>	<u>433,495.19</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,549,991.27</u>	<u>\$ 3,113,085.64</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 364,000.00	\$ 289,958.86
Miscellaneous Revenues Anticipated	2,394,485.69	1,929,886.01
Receipts from Delinquent Taxes	444,028.20	400,155.85
Receipts from Current Taxes	12,953,460.65	12,548,862.31
Non-Budget Revenues	144,173.79	441,920.71
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	140,433.06	233,033.35
Cancellation of Tax Overpayments	4.44	2.54
Liquidation of Reserve for:		
Due from Trust Other Fund		6,494.20
Due from Sewer Utility Operating Fund		460.99
	<u>16,440,585.83</u>	<u>15,850,774.82</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,123,099.92	2,016,171.42
Other Expenses	1,858,673.10	1,845,650.24
Deferred Charges and Regulatory Expenditures Within "CAPS"	555,886.75	495,348.92
Operations Excluded from "CAPS":		
Salaries and Wages	407,209.33	365,865.95
Other Expenses	333,733.48	179,837.22
Capital Improvements Excluded from "CAPS"	15,000.00	12,000.00
Municipal Debt Service Excluded from "CAPS"	761,760.07	718,591.08
County Taxes	2,972,462.76	2,914,940.64
County Added and Omitted Taxes	3,325.98	2,751.58
Regional High School Tax	2,363,601.00	2,170,337.50
Local District School Tax	4,411,823.00	4,303,560.00
Deductions Disallowed by Collector -- Prior Year Taxes	2,250.00	1,250.00
Refund of Prior Year Revenue -- Current Year Taxes Receivable	78,196.19	80,000.00
Refund of Prior Year Revenue -- Disbursements	548.53	
Creation of Reserves:		
Due from Trust Other Fund	20.07	
	<u>15,887,590.18</u>	<u>15,106,304.55</u>
Total Expenditures		
Regulatory Excess to Fund Balance	552,995.65	744,470.27

(Continued)

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

	<u>2016</u>	<u>2015</u>
<u>Fund Balance</u>		
Balance Jan. 1	\$ 1,164,584.89	\$ 710,073.48
	1,717,580.54	1,454,543.75
Decreased by:		
Utilization as Anticipated Revenue	<u>364,000.00</u>	<u>289,958.86</u>
Balance December 31	<u>\$ 1,353,580.54</u>	<u>\$ 1,164,584.89</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, 2016

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 364,000.00		\$ 364,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	19,476.00		18,617.00	\$ (859.00)
Other	12,365.00		13,515.00	1,150.00
Fees and Permits	4,707.82		78,262.07	73,554.25
Fines and Costs:				
Municipal Court	215,000.00		201,872.97	(13,127.03)
Interest and Costs on Taxes	71,391.88		85,705.08	14,313.20
Cable Television Franchise Fee	19,546.02		19,546.02	
Fire Inspection Revenue	65,000.00		70,030.00	5,030.00
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Aid (N.J.S.A. 52:27D-118.35)	15,476.00		15,476.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	505,997.00		505,997.00	
Dedicated Uniform Construction Code Fees Offset with				
Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	120,000.00		188,210.00	68,210.00
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	120,576.14		120,576.14	
Park School Shared Service	319,766.53		319,766.00	(0.53)
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services - Public and				
Private Revenues Offset with Appropriations:				
Camden County Open Space Preservation Trust Fund Round 15		\$ 25,000.00	25,000.00	
Clean Communities Grant Program		13,304.36	13,304.36	
Drunk Driving Enforcement Fund:				
Stratford/ Camden County DWI Grant Fund		2,000.00	2,000.00	
State of New Jersey Drunk Driving Enforcement Grant		28,273.53	28,273.53	
Federal Emergency Management Administration:				
Sunset Drive By-Pass Sewer Pump		75,000.00	75,000.00	
Atlantic Avenue Back-Up By-Pass Pump		60,000.00	60,000.00	
Recycling Tonnage Grant	10,429.53		10,429.53	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	23,315.00		23,315.00	
Unappropriated Reserves:				
Division of Criminal Justice -- Body Armor Replacement Fund	1,678.72		1,678.72	
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services -				
Other Special Items:				
Uniform Fire Safety Act	8,594.95		10,903.75	2,308.80
Payment in Lieu of Taxes - National Realty	326,560.00		331,280.00	4,720.00
Payment in Lieu of Taxes - CICI Partners	14,029.00		13,165.92	(863.08)
Settlement on Sale of Borough Property	140,000.00		147,561.60	7,561.60
Delaware River Port Authority Fees	15,000.00		15,000.00	
Total Miscellaneous Revenues	<u>2,028,909.59</u>	<u>203,577.89</u>	<u>2,394,485.69</u>	<u>161,998.21</u>
Receipts from Delinquent Taxes	<u>420,000.00</u>		<u>444,028.20</u>	<u>24,028.20</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for				
Uncollected Taxes	<u>3,521,567.93</u>		<u>3,634,494.65</u>	<u>112,926.72</u>
Budget Totals	<u>6,334,477.52</u>	<u>203,577.89</u>	<u>6,837,008.54</u>	<u>298,953.13</u>
Non-Budget Revenues			<u>144,173.79</u>	<u>144,173.79</u>
	<u>\$ 6,334,477.52</u>	<u>\$ 203,577.89</u>	<u>\$ 6,981,182.33</u>	<u>\$ 443,126.92</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 12,953,460.65
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Allocated to:

Schools and County Taxes	9,801,488.74
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Balance for Support of Municipal Budget Appropriations	3,151,971.91
--	--------------

Add: Appropriation "Reserve for Uncollected Taxes"	482,522.74
--	------------

Amount for Support of Municipal Budget Appropriations	<u>\$ 3,634,494.65</u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 443,864.97
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Tax Title Liens	163.23
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	<u>\$ 444,028.20</u>
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Revenue Accounts Receivable:

Licenses -- Other:

Clerk:

Business	\$ 12,975.00
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Home Business	450.00
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	\$ 13,425.00
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Board of Health:

Marriage Licenses	90.00
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	<u>\$ 13,515.00</u>
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Fees and Permits:

Clerk:

200 Foot Search	\$ 70.00
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Business License Late Fees	1,025.00
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Miscellaneous Copies	342.07
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Street Opening	71,608.00
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Tax Search	40.00
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Tennant Landlord Applications	1,840.00
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Towing Applications	50.00
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	\$ 74,975.07
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Board of Health:

Vital Statistics	1,110.00
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(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Realized Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):
Fees and Permits (Cont'd):

Police:

Police Reports	\$	2,177.00
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\$ 78,262.07

Uniform Construction Code Fees:

Fees and Permits:

Building Permits	\$	117,795.00
Certificate of Occupancy		1,944.00
Certificate of Occupancy - Resale		12,010.00
Electrical Permits		27,438.00
Fire Safety Permits		6,003.00
Penalties		1,000.00
Plumbing Permits		18,970.00
Zoning Ordinance Permits		3,050.00

\$ 188,210.00

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Tax Collector:

Homestead Rebate Administration Fee	\$	492.12
Miscellaneous		2,786.85

\$ 3,278.97

Clerk:

Appliance Removal		50.00
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Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Conrail Fees	\$	2,425.00
Division of Motor Vehicles Inspections		863.33
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee		1,262.50

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated (Cont'd):

Treasurer (Cont'd):

Receipts (Cont'd):

Interest Earned on Deposits:

Current Fund	\$ 3,491.11
Clerk	0.46
Municipal Court	2.69
Uniform Construction Code	0.96
Uniform Fire Code	<u>0.33</u>

\$ 3,495.55

Tower Commissions	22,160.71
Safety Award	6,759.47
Unclaimed Court Fees	910.00
Bad Check Fees	50.00
Sale of Surplus Assets	1,006.76
Planning and Zoning Applications	3,000.00
Miscellaneous Refund	13,838.49
Miscellaneous Fees	<u>84,800.00</u>

\$ 140,571.81

Interest Earned in Other Funds:

Animal Control Fund	0.19
Trust Other Fund	220.57
General Capital Fund	<u>52.25</u>

273.01

\$ 140,844.82

\$ 144,173.79

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, 2016

	<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	\$ 119,889.16	\$ 119,889.16	\$ 119,889.13		\$ 0.03	
Other Expenses	32,275.00	32,275.00	26,092.81	\$ 2,518.27	3,663.92	
Mayor and Council						
Salaries and Wages	41,628.40	41,628.40	41,054.17		574.23	
Other Expenses	2,700.00	2,700.00	2,285.73	305.89	108.38	
Municipal Clerk						
Salaries and Wages	85,691.88	85,691.88	85,691.45		0.43	
Other Expenses	12,350.00	12,350.00	7,771.44	273.75	4,304.81	
Financial Administration						
Salaries and Wages	68,500.00	68,500.00	68,282.05		217.95	
Other Expenses	11,350.00	11,350.00	8,449.65	433.04	2,467.31	
Audit Services	45,000.00	45,000.00	45,000.00			
Computerized Data Processing	12,000.00	12,000.00	6,458.00		5,542.00	
Collection of Taxes						
Salaries and Wages	84,050.00	70,096.56	64,245.61		5,850.95	
Other Expenses	6,650.00	6,650.00		2,479.86	4,170.14	
Assessment of Taxes						
Salaries and Wages	13,175.00	13,175.00	13,170.00		5.00	
Other Expenses	3,000.00	3,000.00	2,389.00	204.00	407.00	
Legal Services and Costs						
Other Expenses	37,000.00	37,000.00	27,769.49	1,179.96	8,050.55	
Engineering Services						
Other Expenses	17,500.00	26,591.61	13,014.78	12,321.21	1,255.62	
Municipal Court						
Salaries and Wages	76,245.00	75,645.00	73,094.29		2,550.71	
Other Expenses	10,770.00	10,770.00	6,636.92	267.63	3,865.45	
Public Defender (P.L. 1997, C.256)						
Other Expenses	5,000.00	5,600.00	5,575.00	25.00		

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<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	\$ 3,700.00	\$ 3,700.00	\$ 3,690.48		\$ 9.52	
Other Expenses	2,400.00	2,400.00	1,906.50		493.50	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	100,000.00	100,000.00	97,935.58		2,064.42	
Other Expenses	1,500.00	1,500.00	1,266.08		233.92	
Insurance:						
Workers Compensation Insurance	113,275.09	113,275.09	113,275.09			
Employee Group Insurance	548,345.00	548,345.00	486,846.55	\$ 43,264.88	18,233.57	
Liability Insurance	110,384.89	110,384.89	109,884.89		500.00	
Health Benefits Waiver	10,500.00	10,500.00	10,500.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	1,195,249.00	1,195,249.00	1,186,244.98		9,004.02	
Other Expenses	102,011.00	102,011.00	34,845.72	54,422.72	12,742.56	
Office of Emergency Management						
Salaries and Wages	1,635.00	1,635.00	1,366.32		268.68	
Other Expenses	5,000.00	5,354.00	1,230.00	4,124.00		
Aid to Volunteer Fire Companies	65,671.44	65,671.44	58,078.12	3,465.01	4,128.31	
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00			
Fire Department						
Other Expenses	55,750.00	55,750.00	50,922.49		4,827.51	
Fire Prevention						
Salaries and Wages	68,435.00	68,435.00	64,736.84		3,698.16	
Other Expenses	10,197.93	10,197.93	7,500.69	259.03	2,438.21	
Municipal Prosecutor's Office						
Salaries and Wages	13,510.00	13,510.00	13,509.84		0.16	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<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			\$ 5,000.00	
Other Expenses	60,600.00	60,600.00	\$ 35,484.24	\$ 19,581.65	5,534.11	
Workforce:						
Other Expenses	3,500.00	3,500.00	1,615.85	1,145.28	738.87	
Solid Waste Collection						
Salaries and Wages	240,000.00	250,344.92	250,254.90		90.02	
Other Expenses	146,550.00	146,550.00	145,205.27	0.02	1,344.71	
Public Buildings and Grounds						
Other Expenses	37,240.00	37,240.00	24,952.82	11,890.38	396.80	
Health and Human Services Functions:						
Environmental Health Services						
Other Expenses	2,000.00	2,000.00	2,000.00			
Animal Control Services						
Other Expenses	12,600.00	12,600.00	12,250.00		350.00	
Human Relations Commission						
Other Expenses	1,000.00	1,000.00	127.14		872.86	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	16,750.00	16,750.00	13,191.38	686.54	2,872.08	
Sterling Municipal Alliance Program						
	2,243.00	2,243.00	2,243.00			
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	150,000.00	134,805.57	106,250.77	4,500.00	24,054.80	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<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)						
Utility Expenses and Bulk Purchases:						
Electricity	\$ 39,500.00	\$ 34,500.00	\$ 28,566.79	\$ 3,604.75	\$ 2,328.46	
Street Lighting	69,100.00	79,100.00	68,302.28	7,458.32	3,339.40	
Telephone	24,000.00	24,000.00	21,646.99	113.68	2,239.33	
Water	3,500.00	4,062.57	3,602.47	460.10		
Gas (Natural or Propane)	6,000.00	6,000.00	2,158.43	738.18	3,103.39	
Sewerage Processing and Disposal	1,000.00	1,000.00	969.70		30.30	
Gasoline	60,000.00	54,646.00	38,104.94	3,079.63	13,461.43	
UNCLASSIFIED:						
Accumulated Leave Compensation	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>			
Total Operations - within "CAPS"	<u>3,985,921.79</u>	<u>3,976,773.02</u>	<u>3,630,536.66</u>	<u>178,802.78</u>	<u>167,433.58</u>	
Contingent	<u>5,000.00</u>	<u>5,000.00</u>			<u>5,000.00</u>	
Total Operations -- Within "CAPS"	<u>3,990,921.79</u>	<u>3,981,773.02</u>	<u>3,630,536.66</u>	<u>178,802.78</u>	<u>172,433.58</u>	
Detail:						
Salaries and Wages	2,126,708.44	2,123,099.92	2,093,740.64	25.00	29,334.28	
Other Expenses	<u>1,864,213.35</u>	<u>1,858,673.10</u>	<u>1,536,796.02</u>	<u>178,777.78</u>	<u>143,099.30</u>	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 113,026.27	\$ 113,026.27	\$ 113,026.27			
New Jersey Supplemental Disability Insurance (SDI)	1,000.00	1,350.00	1,332.96		\$ 17.04	
Police and Firemen's Retirement System of NJ	260,531.71	260,531.71	260,531.71			
Unemployment Insurance	10,000.00	15,540.25	14,566.28		973.97	
Defined Contribution Retirement Program	180.00	180.00	173.32		6.68	
Social Security System (O.A.S.I.)	162,000.00	165,258.52	165,258.52			
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	546,737.98	555,886.75	554,889.06		997.69	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	4,537,659.77	4,537,659.77	4,185,425.72	\$ 178,802.78	173,431.27	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	76,500.00	76,500.00	76,500.00			
Other Expenses	44,076.14	44,076.14	31,430.39	1,179.81	11,465.94	
Park School Shared Services						
Salaries and Wages	215,521.80	215,521.80	211,360.87		4,160.93	
Other Expenses	104,244.73	104,244.73	83,467.59	4,672.77	16,104.37	
Total Interlocal Municipal Service Agreements -- Within "CAPS" Excluded from "CAPS"	440,342.67	440,342.67	402,758.85	5,852.58	31,731.24	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<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)						
Public and Private Programs :						
Camden County Open Space Preservation Trust Fund Round 15 (N.J.S.A. 40A:4-87 \$25,000.00+)		\$ 25,000.00	\$ 25,000.00			
Clean Communities Grant Program - (N.J.S.A. 40A:4-87 \$13,304.36+)		13,304.36	13,304.36			
Drunk Driving Enforcement Fund:						
Stratford/ Camden County DWI Grant Fund - (N.J.S.A. 40A:4-87 \$2,000.00+)		2,000.00	2,000.00			
State of New Jersey Drunk Driving Enforcement Fund - (N.J.S.A. 40A:4-87 \$28,273.53+)		28,273.53	28,273.53			
Federal Emergency Management Administration:						
Sunset Drive By-Pass Sewer Pump (N.J.S.A. 40A:4-87 \$75,000.00+)		75,000.00	75,000.00			
Atlantic Avenue Back-Up By-Pass Pump (N.J.S.A. 40A:4-87 \$60,000.00+)		60,000.00	60,000.00			
Recycling Tonnage Grant	\$ 10,429.53	10,429.53	10,429.53			
Safe and Secure Communities Program	84,914.00	84,914.00	84,914.00			
Unappropriated Reserves:						
Body Armor Replacement	1,678.72	1,678.72	1,678.72			
Total Public and Private Programs -- Excluded from "CAPS"	<u>97,022.25</u>	<u>300,600.14</u>	<u>300,600.14</u>			
Total Operations -- Excluded from "CAPS"	<u>537,364.92</u>	<u>740,942.81</u>	<u>703,358.99</u>	<u>\$ 5,852.58</u>	<u>\$ 31,731.24</u>	
Detail:						
Salaries and Wages	376,935.80	407,209.33	403,048.40		4,160.93	
Other Expenses	160,429.12	333,733.48	300,310.59	5,852.58	27,570.31	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>			
Total Capital Improvements Excluded from "CAPS"	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>			

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	\$ 590,000.00	\$ 590,000.00	\$ 590,000.00			
Interest on Bonds	140,670.00	140,670.00	140,670.00			
Interest on Notes	14,245.98	14,245.98	14,166.83			\$ 79.15
New Jersey Environmental Infrastructure Trust Loans:						
Principal	16,489.11	16,489.11	16,489.01			0.10
Interest	525.00	525.00	434.23			90.77
Total Municipal Debt Service -- Excluded from "CAPS"	<u>761,930.09</u>	<u>761,930.09</u>	<u>761,760.07</u>			<u>170.02</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,314,295.01</u>	<u>1,517,872.90</u>	<u>1,480,119.06</u>	<u>\$ 5,852.58</u>	<u>\$ 31,731.24</u>	<u>170.02</u>
Subtotal General Appropriations	5,851,954.78	6,055,532.67	5,665,544.78	184,655.36	205,162.51	170.02
Reserve for Uncollected Taxes	482,522.74	482,522.74	482,522.74			
Total General Appropriations (Carried Forward)	<u><u>\$ 6,334,477.52</u></u>	<u><u>\$ 6,538,055.41</u></u>	<u><u>\$ 6,148,067.52</u></u>	<u><u>\$ 184,655.36</u></u>	<u><u>\$ 205,162.51</u></u>	<u><u>\$ 170.02</u></u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<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>	
Total General Appropriations (Brought Forward)	<u>\$ 6,334,477.52</u>	<u>\$ 6,538,055.41</u>	<u>\$ 6,148,067.52</u>	<u>\$ 184,655.36</u>	<u>\$ 205,162.51</u>	<u>\$ 170.02</u>
Appropriation by 40A:4-87		\$ 203,577.89				
Budget		<u>6,334,477.52</u>				
		<u>\$ 6,538,055.41</u>				
Refunds			\$ (231,506.36)			
Reserve for Federal and State Grants -- Appropriated			300,600.14			
Reserve for Uncollected Taxes			482,522.74			
Due Dog License Fund			12,250.00			
Due Trust Other Fund			5,000.00			
Due General Capital Fund:						
Interest on Notes		\$ 14,166.83				
Capital Improvement Fund		15,000.00				
Downpayment on Improvements		<u>5,200.00</u>				
			34,366.83			
Disbursements			<u>5,544,834.17</u>			
			<u>\$ 6,148,067.52</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, 2016 and 2015

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Cash	SB-1	\$ 53.73	\$ 448.96
Total Animal Control Fund		<u>53.73</u>	<u>448.96</u>
Other Funds:			
Cash	SB-1	708,383.12	782,646.49
Due from Current Fund	SB-5		2,658.84
Community Development Block Grant Receivable	SB-8	26,200.00	
Total Other Funds		<u>734,583.12</u>	<u>785,305.33</u>
Total Assets		<u>\$ 734,636.85</u>	<u>\$ 785,754.29</u>

(Continued)

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

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 49.93	\$ 446.36
Due to State of New Jersey -- Registration Fees	SB-4	<u>3.80</u>	<u>2.60</u>
Total Animal Control Fund		<u>53.73</u>	<u>448.96</u>
Other Funds:			
Due to Current Fund	SB-5	20.07	
Due to General Capital Fund	SC-2	26,200.00	
Due to State of New Jersey -- Division of Youth and Family Services	SB-6	325.00	175.00
Due to State of New Jersey -- New Construction Surcharge	SB-7	3,886.00	1,412.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-9	33,000.00	28,000.00
Beautification Programs	SB-9	76,367.23	29,510.96
Developer's Escrow Fund	SB-9	235,476.12	353,404.79
Disposal of Forfeited Property	SB-9	10,919.78	10,606.51
Municipal Public Defender	SB-9	206.82	1,439.93
New Jersey Unemployment Compensation	SB-9		4,328.81
Outside Employment of Off-Duty Police Officers	SB-9	23,723.88	49,967.80
Parking Offense Adjudication Act	SB-9	1,422.05	1,234.05
Board of Recreation Commission	SB-9	8,561.91	7,282.59
Recycling Program	SB-9	1,286.39	705.61
Tax Title Lien Redemption	SB-9	283,502.86	267,052.27
Uniform Fire Safety Act Penalty Monies	SB-9	<u>29,685.01</u>	<u>30,185.01</u>
Total Other Funds		<u>734,583.12</u>	<u>785,305.33</u>
Total Liabilities and Reserves		<u>\$ 734,636.85</u>	<u>\$ 785,754.29</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
 As of December 31, 2016 and 2015

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SC-1	\$ 424,550.88	\$ 989,625.25
Camden County Open Space Trust Fund Grant Receivable	C	25,000.00	25,000.00
Due from Trust Other Fund	SC-2	26,200.00	
Deferred Charges to Future Taxation:			
Funded	SC-3	2,140,000.00	2,746,489.01
Unfunded	SC-4	2,040,309.00	1,656,509.00
Community Development Block Grant Receivable	SC-5	54,947.00	31,647.00
New Jersey Transportation Trust Fund Authority Act Receivable	SC-6	498,099.34	502,150.94
New Jersey Environmental Infrastructure Trust Loan Credits Receivable	SC-7		5,051.00
Due from Current Fund	SC-8	14,166.83	7,135.13
		<u>14,166.83</u>	<u>7,135.13</u>
Total Assets		<u>\$ 5,223,273.05</u>	<u>\$ 5,963,607.33</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Reserve for Community Development Block Grant Receivable Improvement Authorizations:	SC-5	\$ 23,300.00	
Funded	SC-9	371,873.11	\$ 761,920.45
Unfunded	SC-9	532,679.78	790,556.71
Capital Improvement Fund	SC-10	129.00	129.00
Reserve for Encumbrances	SC-11	90,793.97	600.00
Contracts Payable	SC-12	24,188.19	7,403.16
Bond Anticipation Notes	SC-13	2,040,309.00	1,656,509.00
General Serial Bonds	SC-14	2,140,000.00	2,730,000.00
New Jersey Environmental Infrastructure Trust Loans Payable	SC-15		16,489.01
		<u>16,489.01</u>	
Total Liabilities and Reserves		<u>\$ 5,223,273.05</u>	<u>\$ 5,963,607.33</u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

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

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash	SD-1	\$ 407,789.94	\$ 3,061,416.41
Due from Sewer Utility Capital Fund	SD-9	<u>501,100.96</u>	<u> </u>
		<u>908,890.90</u>	<u>3,061,416.41</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	77,542.99	77,133.51
Sewer Utility Liens	SD-5	<u>864.86</u>	<u> </u>
		<u>78,407.85</u>	<u>77,133.51</u>
Total Operating Fund		<u>987,298.75</u>	<u>3,138,549.92</u>
Capital Fund:			
Fixed Capital	SD-6	2,018,937.79	1,852,341.46
Fixed Capital Authorized but Uncompleted	SD-7	4,600,300.00	4,600,300.00
New Jersey Environmental Infrastructure Trust			
Loan Credits Receivable	SD-8	27,135.76	32,537.00
Due from Sewer Utility Operating Fund	SD-9	<u> </u>	<u>2,209,933.67</u>
Total Capital Fund		<u>6,646,373.55</u>	<u>8,695,112.13</u>
Total Assets		<u>\$ 7,633,672.30</u>	<u>\$ 11,833,662.05</u>

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Due to Sewer Utility Capital Fund	SD-9		\$ 2,209,933.67
Appropriation Reserves	D-3, SD-10	\$ 66,552.37	81,191.03
Reserve for Encumbrances	D-3, SD-10	20,308.71	13,324.08
Contracts Payable	D-3	115,551.22	
Sewer Rent Overpayments	SD-11	1,824.01	1,749.16
Accrued Interest on Bonds and Notes	SD-12	2,681.97	5,616.08
		<u>206,918.28</u>	<u>2,311,814.02</u>
Reserve for Receivables		78,407.85	77,133.51
Fund Balance	D-1	<u>701,972.62</u>	<u>749,602.39</u>
Total Operating Fund		<u>987,298.75</u>	<u>3,138,549.92</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-9	501,100.96	
Reserve for Amortization	SD-13	1,951,802.03	1,750,780.00
Reserve for Deferred Amortization	SD-14	400,000.00	
Improvement Authorization - Funded	SD-16	53,664.57	
Improvement Authorization - Unfunded	SD-16	254,914.37	3,429,770.67
Reserve for Encumbrances	SD-16	6,755.86	
Bond Anticipation Notes	SD-17		3,413,000.00
New Jersey Environmental Infrastructure Trust Loans Payable	SD-18	67,135.76	101,561.46
United States Department of Agriculture (USDA) Loans Payable	SD-19	<u>3,411,000.00</u>	
Total Capital Fund		<u>6,646,373.55</u>	<u>8,695,112.13</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,633,672.30</u>	<u>\$ 11,833,662.05</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 471,343.67	\$ 20,132.32
Rents	479,952.69	487,159.48
Miscellaneous	21,621.95	58,336.90
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	78,841.49	48,807.25
Total Income	<u>1,051,759.80</u>	<u>614,435.95</u>
<u>Expenditures</u>		
Operating	359,050.00	336,100.00
Debt Service	67,040.40	47,409.65
Capital Improvements	166,596.33	
Regulatory Expenditures	35,104.71	19,000.00
Refund of Prior Year Revenue	254.46	
Total Expenditures	<u>628,045.90</u>	<u>402,509.65</u>
Regulatory Excess to Surplus	423,713.90	211,926.30
<u>Fund Balance</u>		
Balance January 1	<u>749,602.39</u>	<u>557,808.41</u>
	1,173,316.29	769,734.71
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>471,343.67</u>	<u>20,132.32</u>
Balance December 31	<u>\$ 701,972.62</u>	<u>\$ 749,602.39</u>

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, 2016

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 471,343.67	\$ 471,343.67	
Rents	487,159.48	479,952.69	\$ (7,206.79)
Miscellaneous		<u>21,621.95</u>	<u>21,621.95</u>
	<u>\$ 958,503.15</u>	<u>\$ 972,918.31</u>	<u>\$ 14,415.16</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable:			
Receipts -- Collector:			
Liens		\$ 64.94	
Rents		478,138.59	
Overpayments Applied		<u>1,749.16</u>	
			<u>\$ 479,952.69</u>
 Miscellaneous:			
Collector - Receipts:			
Special Sewer Charges		\$ 15,000.00	
Interest and Costs on Delinquent Rents		<u>6,518.32</u>	
			21,518.32
 Treasurer:			
Receipts -- Interest Earned on Deposits			<u>103.63</u>
			<u>\$ 21,621.95</u>

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, 2016

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Sewer Operating:						
Salaries and Wages	\$ 206,650.00	\$ 206,650.00	\$ 167,033.95		\$ 39,616.05	
Other Expenses	152,400.00	152,400.00	108,406.90	\$ 20,308.71	23,684.39	
Total Operating	<u>359,050.00</u>	<u>359,050.00</u>	<u>275,440.85</u>	<u>20,308.71</u>	<u>63,300.44</u>	
Capital Improvements						
Capital Outlay	490,000.00	490,000.00	166,596.33			\$ 323,403.67
Debt Service:						
Payment of Bond Principal	34,425.70	34,425.70	34,425.70			
Interest on Bonds	2,322.74	3,189.82	3,189.82			
Interest on Notes	37,600.00	36,732.92	29,424.88			7,308.04
Total Debt Service	<u>74,348.44</u>	<u>74,348.44</u>	<u>67,040.40</u>			<u>7,308.04</u>
Regulatory Expenditures:						
Contribution to:						
Public Remployees' Retirement System	19,294.71	19,294.71	19,294.71			
Social Security System (O.A.S.I.)	15,810.00	15,810.00	12,558.07		3,251.93	
Total Regulatory Expenditures	<u>35,104.71</u>	<u>35,104.71</u>	<u>31,852.78</u>		<u>3,251.93</u>	
Total Appropriations	<u>\$ 958,503.15</u>	<u>\$ 958,503.15</u>	<u>\$ 540,930.36</u>	<u>\$ 20,308.71</u>	<u>\$ 66,552.37</u>	<u>\$ 330,711.71</u>
Disbursements			\$ 398,138.84			
Contracts Payable			115,551.22			
Accrued Interest on Bonds and Notes			32,614.70			
Refunds			(5,374.40)			
			<u>\$ 540,930.36</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 -- Regulatory Basis
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2016</u>
Fixed Assets:				
Land and Buildings	\$ 3,861,873.87	\$ 475,828.31		\$ 4,337,702.18
Public Works Equipment	300,564.00	100,052.10	\$ 16,000.00	384,616.10
Police Equipment	160,853.79			160,853.79
Office Equipment	64,635.32			64,635.32
Fire Equipment	83,901.00			83,901.00
Vehicles	2,922,890.28	39,209.97	220,126.51	2,741,973.74
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fixed Assets	\$ 7,394,718.26	\$ 615,090.38	236,126.51	\$ 7,773,682.13
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Investment in Fixed Assets	7,394,718.26	\$ 615,090.38	236,126.51	\$ 7,773,682.13
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Somerdale (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on April 23, 1929 as one of seven municipalities created from the now-defunct Clementon Borough. The Borough, located in Camden County, New Jersey, has a total area of approximately 1.387 square miles, and is located approximately sixteen miles from the City of Philadelphia. The Borough borders the Townships of Cherry Hill, Gloucester and Voorhees and the Boroughs of Hi-Nella, Lawnside, Lindenwold, Magnolia and Stratford. According to the 2010 census, the population is 5,151.

The Borough is governed under 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 governing body consists of a Mayor and a Borough Council comprising six council members, with all positions elected at-large on a partisan basis as part of the November general election. A Mayor is elected directly by the voters to a four-year term of office. The Borough Council consists of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year in a three-year cycle. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk.

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that 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.

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

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

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

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

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of 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. For the regional high school district, operations is charged for 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, 2015 and decreased by the amount deferred at December 31, 2016.

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

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

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

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

Expenditures (Cont'd) - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2016, the Borough's bank balances of \$3,924,982.30 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,390,226.36
Uninsured and Uncollateralized	<u>534,755.94</u>
Total	<u>\$ 3,924,982.30</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014 *</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 4.141</u>	<u>\$ 4.082</u>	<u>\$ 3.912</u>	<u>\$ 3.376</u>	<u>\$ 3.318</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.094	\$ 1.090	\$ 1.084	\$.937	\$.905
County	.925	.916	.870	.769	.812
Local School	1.372	1.351	1.316	1.065	1.011
Regional High School	.750	.725	.642	.605	.590

* Reassessment

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 321,669,800.00
2015	318,691,200.00
2014 *	315,585,500.00
2013	360,205,434.00
2012	357,967,150.00

* Reassessment

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 13,335,236.52	\$ 12,953,460.65	97.14%
2015	13,021,250.33	12,548,862.31	96.37%
2014	12,368,326.93	11,963,589.35	96.73%
2013	12,208,375.99	11,873,313.42	97.26%
2012	12,156,009.43	11,733,925.95	96.53%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 11,320.19	\$ 369,314.93	\$ 380,635.12	2.85%
2015	372.47	450,509.15	450,881.62	3.46%
2014	137,712.09	382,544.73	520,256.82	4.21%
2013	115,923.09	309,087.13	425,010.22	3.48%
2012	99,727.76	409,509.60	509,237.36	4.19%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2016	6
2015	1
2014	12
2013	12
2012	11

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 192,590.00
2015	386,590.00
2014	66,190.00
2013	66,190.00
2012	66,190.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2016	\$ 77,133.51		\$ 481,178.98	\$ 558,312.49	\$ 479,952.69
2015	102,905.16	\$ 657.94	461,387.83	564,950.93	487,159.48
2014	28,877.52	657.94	456,902.92	486,438.38	382,875.28
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	387,042.30

Note 6: NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN CREDITS RECEIVABLE

There is a receivable balance in the Sewer Utility Capital Fund from the New Jersey Environmental Infrastructure Trust. This receivable balance represents project fund credits which will be received during the final years of the loan. The receivable balance as of December 31, 2016 is as follows:

Anticipated Year of Receipt	Sewer Utility Capital Fund
2017	\$ 13,853.76
2018	<u>13,282.00</u>
	<u>\$ 27,135.76</u>

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2016	\$ 1,353,580.54	\$ 553,293.69	40.88%
2015	1,164,584.89	364,000.00	31.26%
2014	710,073.48	289,958.86	40.84%
2013	859,080.31	508,981.04	59.25%
2012	268,395.71	251,959.00	93.88%

Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2016	\$ 701,972.62	\$ 380,754.23	54.24%
2015	749,602.39	471,343.67	62.88%
2014	557,808.41	20,132.32	3.61%
2013	374,756.95	None	0.00%
2012	198,482.55	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, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 20.07	\$ 398,105.61
Federal and State Grant	383,938.78	
Trust - Other		26,220.07
General Capital	40,366.83	
Sewer Utility - Operating	501,100.96	
Sewer Utility - Capital		501,100.96
	<u>\$ 925,426.64</u>	<u>\$ 925,426.64</u>

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

Note 9: PENSION PLANS

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 12.04% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$139,545.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$141,112.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$86,538.54.

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

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 24.53% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$295,222.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$265,854.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$120,349.90.

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

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 is \$22,256.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 was \$24,869.00, which was paid on April 1, 2016.

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

For the year ended December 31, 2016, employee contributions totaled \$317.60, and the Borough's contributions were \$173.15. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2016, the Borough's proportionate share of the PERS net pension liability was \$4,652,171.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0157077041%, which was a decrease of (0.0007057866%) from its proportion measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$539,945.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PERS was \$141,112.00, and was paid on April 1, 2016.

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

Borough's Proportionate Share of Net Pension Liability	\$ 6,916,736.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>580,834.00</u>
	<u>\$ 7,497,570.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0362084266%, which was an increase of 0.0035020572% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0362084266%, which was an increase of 0.0035020572% from its proportion, on-behalf of the Borough, measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$833,028.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PFRS was \$265,854.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2016 measurement date is \$74,186.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 86,516.00		\$ 86,516.00		\$ 45,340.00	\$ 45,340.00
Changes of Assumptions	963,681.00	\$ 958,025.00	1,921,706.00			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	177,392.00	484,642.00	662,034.00			
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	591,712.00	452,965.00	1,044,677.00	\$ 246,091.00	38,155.00	284,246.00
Borough Contributions Subsequent to the Measurement Date	69,773.00	147,611.00	217,384.00			
	<u>\$ 1,889,074.00</u>	<u>\$ 2,043,243.00</u>	<u>\$ 3,932,317.00</u>	<u>\$ 246,091.00</u>	<u>\$ 83,495.00</u>	<u>\$ 329,586.00</u>

\$69,773.00 and \$147,611.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Borough's year end of December 31, 2016.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

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

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 372,173.00	\$ 427,445.00	\$ 799,618.00
2018	372,173.00	427,445.00	799,618.00
2019	415,988.00	543,643.00	959,631.00
2020	341,605.00	351,425.00	693,030.00
2021	71,271.00	62,179.00	133,450.00
	<u>\$ 1,573,210.00</u>	<u>\$ 1,812,137.00</u>	<u>\$ 3,385,347.00</u>

Actuarial Assumptions

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

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Note 9: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

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

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

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Borough's Proportionate Share of the Net Pension Liability	\$ 5,700,693.00	\$ 4,652,171.00	\$ 3,786,526.00

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

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,918,624.00	\$ 6,916,736.00	\$ 5,284,317.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	748,942.85	580,834.00	443,751.34
	<u>\$ 9,667,566.85</u>	<u>\$ 7,497,570.00</u>	<u>\$ 5,728,068.34</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0157077041%	0.0164134907%	0.0116870070%	0.0129708891%
Borough's Proportionate Share of the Net Pension Liability	\$ 4,652,171.00	\$ 3,684,500.00	\$ 2,188,127.00	\$ 2,478,995.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,071,284.00	\$ 1,149,972.00	\$ 787,492.00	\$ 898,680.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	434.26%	320.40%	277.86%	275.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 139,545.00	\$ 141,112.00	\$ 96,346.00	\$ 97,733.00
Borough's Contribution in Relation to the Contractually Required Contribution	(139,545.00)	(141,112.00)	(96,346.00)	(97,733.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 1,159,325.00	\$ 1,049,920.00	\$ 1,111,193.00	\$ 856,953.00
Borough's Contributions as a Percentage of its Covered Payroll	12.04%	13.44%	8.67%	11.40%

Note 9: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

At December 31, 2016, the Borough does not have a policy for the provision of postemployment benefits.

Note 11: COMPENSATED ABSENCES

Under the existing policy of the Borough, 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 be compensated for 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, 2016, the balance of the fund was \$33,000.00. It is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$265,842.44.

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, 2016, the Borough had lease agreements in effect for the following:

Capital:

- Two (2) 2015 Dodge Chargers
- One (1) 2017 Ford Police Inceptor Utility

Operating:

- One (1) Postage Machine
- One (1) Xerox Copier

Capital leases - The following is an analysis of the Borough's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Vehicles	\$ 61,851.09	\$ 61,047.64

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 29,685.30	\$ 2,850.06	\$ 32,535.36
2018	24,193.99	1,130.37	25,324.36
2019	7,971.80	204.97	8,176.77
	<u>\$ 61,851.09</u>	<u>\$ 4,185.40</u>	<u>\$ 66,036.49</u>

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

<u>Year</u>	<u>Amount</u>
2017	\$ 3,978.00
2018	1,668.00
2019	1,251.00

Rental payments under operating leases for the year 2016 were \$5,628.00.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2002 - On March 1, 2002, the Borough issued \$2,190,000.00 of general improvement bonds, with a net interest cost of 4.70%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is March 1, 2017.

General Improvement Bonds, Series 2008 - On October 1, 2008, the Borough issued \$4,280,000.00 of general improvement bonds, with interest rates ranging from 3.0% to 5.5%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is October 1, 2021.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 590,000.00	\$ 110,140.00	\$ 700,140.00
2018	375,000.00	85,250.00	460,250.00
2019	375,000.00	64,625.00	439,625.00
2020	400,000.00	44,000.00	444,000.00
2021	400,000.00	22,000.00	422,000.00
	<u>\$ 2,140,000.00</u>	<u>\$ 326,015.00</u>	<u>\$ 2,466,015.00</u>

Sewer Utility Debt - New Jersey Environmental Infrastructure Loan

On November 5, 1998, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$283,317.00, at no interest, from the fund loan, and \$290,000.00 at interest rates ranging from 4.0% to 4.5% from the trust loan. The proceeds were used to fund capital improvements to the Borough's sewer system. Semiannual debt payments are due February 1st and August 1st through 2018.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loan:

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 33,853.76	\$ 1,800.00	\$ 35,653.76
2018	33,282.00	900.00	34,182.00
	<u>\$ 67,135.76</u>	<u>\$ 2,700.00</u>	<u>\$ 69,835.76</u>

Note 14: CAPITAL DEBT (CONT'D)**Sewer Utility Debt – United States Department of Agriculture (USDA) Loans**

On December 20, 2016, the Borough entered into a loan agreement with the United States Department of Agriculture to provide funding in the amount of \$3,411,000.00 for three phases in the Borough's improvements to its sewer system. Each loan requires semi-annual principal and interest payments over forty-years at an interest rate of 1.875% which will begin on June 20, 2017. The loans for phase 1, 2 and 3 were for \$1,230,000.00, \$1,383,000.00 and \$798,000.00 respectively. As of December 31, 2016, the funding for phase 1 also included a grant in the amount of \$400,000.00.

The following schedule represents the remaining debt service, through maturity, for the United States Department of Agriculture (USDA) Loans:

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 57,952.14	\$ 63,685.86	\$ 121,638.00
2018	59,043.82	62,594.18	121,638.00
2019	60,156.09	61,481.91	121,638.00
2020	61,289.31	60,348.69	121,638.00
2021	62,443.86	59,194.14	121,638.00
2022-2026	330,313.48	277,876.52	608,190.00
2027-2031	362,619.99	245,570.01	608,190.00
2032-2036	398,086.24	210,103.76	608,190.00
2037-2041	437,021.31	171,168.69	608,190.00
2042-2046	479,764.43	128,425.57	608,190.00
2047-2051	526,688.10	81,501.90	608,190.00
2052-5056	575,621.23	29,988.88	605,610.11
	<u>\$ 3,411,000.00</u>	<u>\$ 1,451,940.11</u>	<u>\$ 4,862,940.11</u>

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

Summary of Debt**Issued**

General:

Bonds, Loans and Notes	\$ 4,180,309.00	\$ 4,402,998.01	\$ 4,188,046.97
------------------------	-----------------	-----------------	-----------------

Sewer Utility:

Notes and Loans	3,478,135.76	3,514,561.46	836,559.10
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Total Issued

	<u>7,658,444.76</u>	<u>7,917,559.47</u>	<u>5,024,606.07</u>
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Note 14: CAPITAL DEBT (CONT'D)**Summary of Debt (Cont'd)****Authorized but not Issued**

General:

Bonds, Loans and Notes			\$ 275,093.00
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Sewer Utility:

Notes and Loans	\$ 789,300.00	\$ 1,187,300.00	3,900,300.00
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Total Authorized but not Issued	789,300.00	1,187,300.00	4,175,393.00
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Total Issued and Authorized but not Issued	8,447,744.76	9,104,859.47	9,199,999.07
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Deductions

Sewer Utility:

Self-Liquidating	4,267,435.76	4,701,861.46	4,736,859.10
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Total Deductions	4,267,435.76	4,701,861.46	4,736,859.10
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Net Debt	\$ 4,180,309.00	\$ 4,402,998.01	\$ 4,463,139.97
-----------------	------------------------	------------------------	------------------------

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 1.257%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 1,557,528.12	\$ 1,557,528.12	
Local School District	765,000.00	765,000.00	
Self-Liquidating	4,267,435.76	4,267,435.76	
General	4,180,309.00		\$ 4,180,309.00
	<u>\$ 10,770,272.88</u>	<u>\$ 6,589,963.88</u>	<u>\$ 4,180,309.00</u>

Net debt \$4,180,309.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$332,596,627.00, equals 1.257%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 11,640,871.45
Less: Net Debt	<u>4,180,309.00</u>
Remaining Borrowing Power	<u>\$ 7,460,562.45</u>

Note 14: CAPITAL DEBT (CONT'D)

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

Cash Receipts from Fees, Rents, Fund Balance		
Anticipated, Interest and Other Investment		
Income, and Other Charges for the Year		\$ 972,918.31
Deductions:		
Operating and Maintenance Costs	\$ 394,154.71	
Debt Service	67,040.40	
Total Deductions		461,195.11
Excess in Revenue		\$ 511,723.20

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

Note 15: 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:

	<u>Balance December 31,</u>	
	<u>0</u>	
Balance of Tax	\$ 1,206,938.50	\$ 1,156,662.50
Deferred	1,206,938.50	1,156,662.50
	\$ -	\$ -

Note 16: RISK MANAGEMENT

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

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

Note 16: RISK MANAGEMENT (CONT'D)

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 14,566.28	\$ 7,155.34	\$ 0.88	\$ 26,051.31	
2015		4,191.23	0.95	1,812.76	\$ 4,328.81
2014		4,066.53	0.74	2,117.88	1,949.39

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2016.

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

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

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 (MEL) for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

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

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

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

Note 17: CONTINGENCIES

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

Note 18: CONCENTRATIONS

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

Note 19: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	March 9, 2017	\$ 1,140,000.00

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, 2016

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2015	\$ 1,793,839.01	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 140,571.81	
2016 Budget Appropriation Refunds	231,506.36	
Collector	13,370,399.19	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	2,069,829.47	
2015 Appropriation Reserves Refunds	707.05	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	63,125.00	
Reserve for Payroll Deductions Payable	3,128,167.26	
Due Federal and State Grant Fund	155,192.30	
Due Dog License Fund	0.19	
Due Trust - Other Fund	200.50	
Federal and State Grants Receivable		\$ 285,148.65
Reserve for Federal and State Grants -- Appropriated		<u>17,350.00</u>
	<u>19,159,749.13</u>	<u>\$ 302,498.65</u>
	20,953,588.14	302,498.65
Decreased by Disbursements:		
Refund of Prior Year Revenue	548.53	
2016 Appropriations	5,544,834.17	
2015 Appropriation Reserves	172,975.79	
Petty Cash Funds	50.00	
Tax Overpayments	3,133.99	
County Taxes Payable	2,972,462.76	
Due County for Added and Omitted Taxes	2,751.58	
Local School District Taxes Payable	4,411,825.00	
Regional High School Tax	2,363,601.00	
Reserve for Payroll Deductions Payable	3,129,932.64	
Due Current Fund		155,192.30
Due Dog License Fund	12,250.00	
Due Trust -- Other Fund	12,925.84	
Due General Capital Fund	27,282.88	
Reserve for Federal and State Grants -- Appropriated		<u>147,306.35</u>
	<u>18,654,574.18</u>	<u>302,498.65</u>
Balance December 31, 2016	<u>\$ 2,299,013.96</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, 2016

Increased by:		
Maintenance Liens		\$ 5,267.00
Taxes Receivable		13,141,674.66
Tax Title Liens		163.23
Prepaid Taxes		117,403.30
Tax Overpayments		16,906.95
Due to Camden County Municipal Utility Authority		3,329.12
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 85,705.08	
Miscellaneous	<u>3,278.97</u>	
		<u>88,984.05</u>
		13,373,728.31
Decreased by:		
Due to Camden County Municipal Utility Authority	3,329.12	
Payments to Treasurer	<u>13,370,399.19</u>	
		<u><u>\$ 13,373,728.31</u></u>

BOROUGH OF SOMERDALE
 CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2016

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

Exhibit SA-4

BOROUGH OF SOMERDALE
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2016

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

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 10,229.66
Increased by:	
2016 Charges	<u>8,477.00</u>
	18,706.66
Decreased by:	
Receipts -- Collector (Due Trust Other Fund Reserve for Beautification)	<u>5,267.00</u>
Balance December 31, 2016	<u><u>\$ 13,439.66</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Taxes Receivable
 For the Year Ended December 31, 2016

Year	Balance	2016 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	Dec. 31, 2015			2015	2016					Dec. 31, 2016
2014	\$ 7,137.00				\$ 5,381.80					\$ 1,755.20
2015	443,372.15		\$ 2,250.00		438,483.17		\$ 733.48			6,405.50
	450,509.15		2,250.00		443,864.97		733.48			8,160.70
2016		\$ 13,335,236.52		\$ 106,142.66	12,776,005.88	\$ 64,258.20	9,320.37	\$ 7,053.91	\$ 11,301.27	361,154.23
	<u>\$ 450,509.15</u>	<u>\$ 13,335,236.52</u>	<u>\$ 2,250.00</u>	<u>\$ 106,142.66</u>	<u>\$ 13,219,870.85</u>	<u>\$ 64,258.20</u>	<u>\$ 10,053.85</u>	<u>\$ 7,053.91</u>	<u>\$ 11,301.27</u>	<u>\$ 369,314.93</u>

Senior Citizens Disallowed by Collectc	<u>\$ 2,250.00</u>	
Receipts		\$ 13,141,674.66
Fund Balance -- Refund of Prior Year Revenue		<u>78,196.19</u>
		<u>\$ 13,219,870.85</u>

Analysis of 2016 Property Taxes

Tax Yield:	
General Purpose Tax	\$ 13,320,346.89
Added Taxes (54:4-63.1 et seq.)	<u>14,889.63</u>
	<u>\$ 13,335,236.52</u>

Tax Levy:	
Regional High School Tax	\$ 2,413,877.00
Local District School Tax	4,411,823.00
County Taxes:	
Net County Taxes	\$ 2,733,613.34
County Library Tax	171,723.75
County Open Space Taxes	67,125.67
Due County for Added and Omitted Taxes	<u>3,325.98</u>
Total County Taxes	2,975,788.74
Local Tax for Municipal Purposes	3,521,567.93
Add: Additional Tax Levied	<u>12,179.85</u>
	<u>3,533,747.78</u>
	<u>\$ 13,335,236.52</u>

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

Balance December 31, 2015		\$ 372.47
Increased by:		
Interest and Costs Accrued by Sale of October 19, 2016	\$ 417.59	
Camden County Municipal Utility Authority Charges	3,968.63	
Transfers from Taxes Receivable:		
2015 Taxes	\$ 733.48	
2016 Taxes	<u>9,320.37</u>	
	<u>10,053.85</u>	
		<u>14,440.07</u>
		14,812.54
Decreased by:		
Due to Camen County Municipal Utility Authority -- Receipts Collector	3,329.12	
Receipts -- Collector	<u>163.23</u>	
		<u>3,492.35</u>
Balance December 31, 2016		<u><u>\$ 11,320.19</u></u>

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

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued in</u> <u>2016</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
			<u>Collector</u> <u>Treasurer</u>	
Clerk:				
Licenses:				
Alcohol Beverages		\$ 18,617.00		\$ 18,617.00
Other		13,425.00		13,425.00
Fees and Permits		74,975.07		74,975.07
Municipal Court:				
Fines and Costs	\$ 18,289.14	197,621.76		\$ 201,872.97
Tax Collector:				
Miscellaneous		3,278.97	\$ 3,278.97	
Interest and Costs on Taxes		85,705.08	85,705.08	
Board of Health:				
Licenses Other		90.00		90.00
Fees and Permits		1,110.00		1,110.00
Police:				
Fees and Permits		2,177.00		2,177.00
Treasurer:				
Cable Television Franchise Tax	19,546.02	20,956.49		19,546.02
Consolidated Municipal Property Tax Relief Aid		15,476.00		15,476.00
Energy Receipts Tax		505,997.00		505,997.00
Interlocal Service Agreements		440,342.14		440,342.14
Uniform Fire Safety Act		10,903.75		10,903.75
Payment in Lieu of Taxes - National Realty		331,280.00		331,280.00
Payment in Lieu of Taxes - CICI Partners		13,165.92		13,165.92
Settlement on Sale of Borough Property		147,561.60		147,561.60
Delaware River Port Authority Fees		15,000.00		15,000.00
Uniform Construction Code:				
Fees and Permits		188,210.00		188,210.00
Uniform Fire Code:				
Local Fees & Permits		70,030.00		70,030.00
Non Budgeted Revenue:				
Clerk:				
Other		50.00		50.00
	<u>\$ 37,835.16</u>	<u>\$ 2,155,972.78</u>	<u>\$ 88,984.05</u>	<u>\$ 2,069,829.47</u>
			<u>\$ 2,069,829.47</u>	<u>\$ 34,994.42</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Property Acquired for Taxes (Assessed Valuation)
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 386,590.00
Decreased by:		
Sale of Property:		
Revenue Accounts Receivable -- Treasurer	\$ 147,561.60	
Add: Loss on Sale	<u>46,438.40</u>	
		<u>194,000.00</u>
Balance December 31, 2016		<u><u>\$ 192,590.00</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Regional High School Taxes
 For the Year Ended December 31, 2016

Balance December 31, 2015		
School Tax Deferred	\$	1,156,662.50
Increased by:		
Levy School Year July 1, 2016 to June 30, 2017		<u>2,413,877.00</u>
		3,570,539.50
Decreased by:		
Disbursements		<u>2,363,601.00</u>
Balance December 31, 2016		
School Tax Deferred	\$	<u><u>1,206,938.50</u></u>
2016 Regional High School Tax		
Tax Paid	\$	2,363,601.00
Amount Charged to 2016 Operations	\$	<u><u>2,363,601.00</u></u>

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

	Balance December 31, 2015		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Other Expenses	\$ 1,569.30	\$ 2,079.56	\$ 3,648.86	\$ 2,053.32	\$ 1,595.54
Mayor and Council					
Salaries and Wages		2.60	2.60		2.60
Other Expenses	318.68	1,535.85	1,854.53	318.68	1,535.85
Municipal Clerk					
Other Expenses	50.45	2,342.62	2,543.07	2,526.07	17.00
Financial Administration					
Salaries and Wages		0.18	0.18		0.18
Other Expenses	636.40	564.26	1,200.66	650.07	550.59
Audit Services					
Computerized Data Processing		11,725.00	11,725.00		11,725.00
Collection of Taxes					
Other Expenses	119.57	1,134.27	1,253.84	119.57	1,134.27
Assessment of Taxes					
Salaries and Wages		1.13	1.13		1.13
Other Expenses		1,707.00	1,707.00	39.90	1,667.10
Legal Services and Costs					
Other Expenses		6,765.10	6,765.10	1,151.00	5,614.10
Engineering Services					
Other Expenses	2,656.20	1,729.99	4,386.19	2,656.20	1,729.99
Municipal Court					
Salaries and Wages	311.25	2,863.45	3,174.70	311.25	2,863.45
Other Expenses	346.01	378.92	724.93	495.46	229.47

(Continued)

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

	Balance December 31, 2015		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		\$ 18.82	\$ 18.82		\$ 18.82
Other Expenses		504.00	504.00	\$ 9.00	495.00
Code Enforcement and Administration:					
Construction Code Official					
Salaries and Wages		26.07	26.07		26.07
Other Expenses		808.86	808.86		808.86
Insurance:					
Employee Group Insurance		57,445.56	57,445.56	53,443.22	4,002.34
Liability Insurance	\$ 897.35		897.35	897.35	
Public Safety Functions:					
Police Department					
Salaries and Wages	2,397.24	21,559.39	23,956.63	2,990.24	20,966.39
Other Expenses	37,476.67	3,012.50	40,489.17	37,827.29	2,661.88
Office of Emergency Management					
Salaries and Wages		267.02	267.02		267.02
Other Expenses	1,812.00	489.64	2,301.64	1,812.00	489.64
Aid to Volunteer Fire Companies	13,738.98	5,256.96	18,995.94	14,085.00	4,910.94
Fire Department					
Other Expenses	4,645.30		4,645.30	4,645.30	
Fire Prevention					
Salaries and Wages		313.36	313.36		313.36
Other Expenses		402.30	402.30		402.30
Municipal Prosecutor's Office					
Salaries and Wages		19.68	19.68		19.68

(Continued)

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

	Balance December 31, 2015		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	\$ 9,222.49	\$ 669.70	\$ 10,292.19	\$ 10,289.51	\$ 2.68
Workforce:					
Other Expenses		2,034.80	2,034.80		2,034.80
Solid Waste Collection					
Salaries and Wages		11,018.30	6,218.30		6,218.30
Other Expenses	150.50	282.60	433.10	20.00	413.10
Public Buildings and Grounds					
Other Expenses	2,240.79	2,878.92	5,119.71	2,614.23	2,505.48
Health and Human Services Functions:					
Animal Control Services					
Other Expenses		2,600.00	2,600.00		2,600.00
Human Relations Commission					
Other Expenses		1,046.97	1,046.97	106.99	939.98
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses	787.38	3,269.88	4,057.26	1,202.38	2,854.88
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	1,065.00	12,986.00	14,051.00	12,926.10	1,124.90

(Continued)

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

	Balance December 31, 2015		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Utility Expenses and Bulk Purchases:					
Electricity	\$ 83.03	\$ 819.76	\$ 2,902.79	\$ 2,798.91	\$ 103.88
Street Lighting	118.40	6,558.59	8,776.99	6,794.11	1,982.88
Telephone	241.51	2,531.62	2,773.13	2,424.54	348.59
Water	169.01	180.31	349.32	203.01	146.31
Gas (Natural or Propane)		753.21	753.21	196.29	556.92
Sewerage Processing and Disposal		30.27	30.27		30.27
Gasoline	1,766.15	4,267.10	6,033.25	1,061.20	4,972.05
Total Operations - within "CAPS"	<u>82,819.66</u>	<u>174,882.12</u>	<u>257,551.78</u>	<u>166,668.19</u>	<u>90,883.59</u>
Contingent		<u>5,000.00</u>	<u>5,000.00</u>	<u>1,647.07</u>	<u>3,352.93</u>
Total Operations -- Within "CAPS"	<u>82,819.66</u>	<u>179,882.12</u>	<u>262,551.78</u>	<u>168,315.26</u>	<u>94,236.52</u>
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
New Jersey Supplemental Disability Insurance (SDI)		302.56	302.56		302.56
Unemployment Insurance		1,505.30	1,655.30	1,643.47	11.83
Defined Contribution Retirement Program		10.93	10.93		10.93
Social Security System (O.A.S.I.)		35.61	35.61		35.61
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"		<u>1,854.40</u>	<u>2,004.40</u>	<u>1643.47</u>	<u>360.93</u>

(Continued)

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

	Balance December 31, 2015		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Total General Appropriations for Municipal Purposes -- Within "CAPS"	\$ 82,819.66	\$ 181,736.52	\$ 264,556.18	\$ 169,958.73	\$ 94,597.45
OPERATIONS -- EXCLUDED FROM "CAPS"					
Interlocal Municipal Service Agreements:					
Sterling High School -- COPS in Schools:					
Other Expenses		4,943.94	4,943.94		4,943.94
Park School Shared Services					
Other Expenses	<u>2,578.00</u>	<u>41,185.67</u>	<u>43,763.67</u>	<u>2,872.00</u>	<u>40,891.67</u>
Total Operations -- Excluded from "CAPS"	<u>2,578.00</u>	<u>46,129.61</u>	<u>48,707.61</u>	<u>2,872.00</u>	<u>45,835.61</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,578.00</u>	<u>46,129.61</u>	<u>48,707.61</u>	<u>2,872.00</u>	<u>45,835.61</u>
Total General Appropriations	<u>\$ 85,397.66</u>	<u>\$ 227,866.13</u>	<u>\$ 313,263.79</u>	<u>\$ 172,830.73</u>	<u>\$ 140,433.06</u>
Disbursements				\$ 172,975.79	
Accounts Payable				561.99	
Refunds				<u>(707.05)</u>	
				<u>\$ 172,830.73</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, 2016

Balance December 31, 2015		\$ 12,416.15
Increased by:		
Receipts	\$ 63,125.00	
Prior Year Deductions Disallowed by Tax Collector	<u>2,250.00</u>	
		<u>65,375.00</u>
		77,791.15
Decreased by:		
Accrued in 2016:		
Deductions per Tax Billing	\$ 66,000.00	
Deductions Allowed by Tax Collector:		
2016 Taxes	<u>500.00</u>	
		66,500.00
Less:		
Deductions Disallowed by Tax Collector	<u>2,241.80</u>	
		<u>64,258.20</u>
Balance December 31, 2016		<u><u>\$ 13,532.95</u></u>

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

Balance December 31, 2015 (2016 Taxes)		\$ 106,142.66
Increased by:		
Receipts -- Collector		117,403.30
		223,545.96
Decreased by:		
Application to Taxes Receivable		106,142.66
Balance December 31, 2016 (2017 Taxes)		\$ 117,403.30

Exhibit SA-14

BOROUGH OF SOMERDALE
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 15,724.66
Increased by:		
Receipts -- Collector		16,906.95
		32,631.61
Decreased by:		
Refunded -- Disbursements	\$ 3,133.99	
Canceled	4.44	
Application to Taxes Receivable: 2016	7,053.91	
		10,192.34
Balance December 31, 2016		\$ 22,439.27

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

2016 Levy		
Net County Taxes	\$	2,733,613.34
County Library Tax		171,723.75
County Open Space Tax		<u>67,125.67</u>
		\$ 2,972,462.76
Decreased by:		
Disbursements		<u><u>\$ 2,972,462.76</u></u>

Exhibit SA-16

BOROUGH OF SOMERDALE
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 2,751.58
Increased by:		
County Share of 2016 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)		<u>3,325.98</u>
		6,077.56
Decreased by:		
Disbursements		<u>2,751.58</u>
Balance December 31, 2016		<u><u>\$ 3,325.98</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Local School District Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	2.00
Increased by:		
2016 Levy -- Calendar Year		<u>4,411,823.00</u>
		4,411,825.00
Decreased by:		
Disbursements	\$	<u><u>4,411,825.00</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 2,226.83
Increased by:	
Receipts	3,128,167.26
	3,130,394.09
Decreased by:	
Disbursements	3,129,932.64
Balance December 31, 2016	\$ 461.45
<u>Analysis of Balance December 31, 2016</u>	
NJ SUI/DBI	\$ 371.38
Garnishment	90.07
	\$ 461.45

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, 2016

	Balance Dec. 31, 2015	Accrued	Received	Balance Dec. 31, 2016
Federal Grants:				
New Jersey Department of Transportation Authority Act -- Safe Routes to School	\$ 7,518.95			\$ 7,518.95
Federal Emergency Management Administration:				
Sunset Drive By-Pass Sewer Pump		\$ 75,000.00		75,000.00
Atlantic Avenue Back-Up By-Pass Sewer Pump		60,000.00		60,000.00
	<u>7,518.95</u>	<u>135,000.00</u>		<u>142,518.95</u>
State Grants:				
Body Armor Replacement		1,622.78	\$ 1,622.78	
Clean Communities Program		13,304.36	13,304.36	
Drunk Driving Enforcement Grants		30,273.53	24,223.53	6,050.00
New Jersey Department of Community Affairs --				
Statewide Livable Communities Grant --				
Building Expansion	25,000.00			25,000.00
ADA Grant	17,919.94			17,919.94
New Jersey Department of Transportation				
Authority Act -- Kennedy Boulevard Cross Drain Project	23,170.00			23,170.00
New Jersey Department of Transportation				
Authority Act -- Pipe Collapse	62,479.70		62,479.70	
Recycling Tonnage Grant		10,429.53	10,429.53	
Safe and Secure Communities Program		23,315.00	23,315.00	
Stormwater Grant	4,234.00			4,234.00
	<u>132,803.64</u>	<u>78,945.20</u>	<u>135,374.90</u>	<u>76,373.94</u>
Total State Programs				
	<u>132,803.64</u>	<u>78,945.20</u>	<u>135,374.90</u>	<u>76,373.94</u>
Total Federal & State Programs	<u>140,322.59</u>	<u>213,945.20</u>	<u>135,374.90</u>	<u>218,892.89</u>
Other Grants:				
Camden County Open Space Preservation Trust Fund --				
Red Fox Run	100,000.00		100,000.00	
Recreation Grant	1,025.12			1,025.12
Round 14-Recreational Facility	25,000.00		24,773.75	226.25
Round 15-Recreational Facility		25,000.00	25,000.00	
Round 16-Recreational Facility		25,000.00		25,000.00
	<u>126,025.12</u>	<u>50,000.00</u>	<u>149,773.75</u>	<u>26,251.37</u>
Total All Grants	<u>\$ 266,347.71</u>	<u>\$ 263,945.20</u>	<u>\$ 285,148.65</u>	<u>\$ 245,144.26</u>
Cash Receipts			<u>\$ 285,148.65</u>	

BOROUGH OF SOMERDALE
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Due from Current Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$	167,147.48
Increased by:			
Disbursements	\$		155,192.30
Budgeted Match for Safe and Secure Communities Grant			<u>61,599.00</u>
			<u>216,791.30</u>
Balance December 31, 2016		\$	<u><u>383,938.78</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, 2016

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Federal, State and Other Grants Receivable</u>	<u>Realized as Revenue in 2016</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:				
Federal Emergency Management Administration:				
Sunset Drive By-Pass Sewer Pump		\$ 75,000.00	\$ 75,000.00	
Atlantic Avenue Back-Up By-Pass Sewer Pump		60,000.00	60,000.00	
		<u>135,000.00</u>	<u>135,000.00</u>	
State Grants:				
Body Armor Replacement Fund	\$ 1,678.72	1,622.78	1,678.72	\$ 1,622.78
Clean Communities Program		13,304.36	13,304.36	
Drunk Driving Enforcement Grants		30,273.53	30,273.53	
Recycling Tonnage Grant		10,429.53	10,429.53	
Safe and Secure Communities Program		23,315.00	23,315.00	
Total State Programs	<u>1,678.72</u>	<u>78,945.20</u>	<u>79,001.14</u>	<u>1,622.78</u>
Other Grants:				
Camden County Open Space Preservation Trust Fund:				
Round 15-Recreational Facility		25,000.00	25,000.00	
Round 16-Recreational Facility		25,000.00		25,000.00
		<u>50,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>
Total All Grants	<u>\$ 1,678.72</u>	<u>\$ 263,945.20</u>	<u>\$ 239,001.14</u>	<u>\$ 26,622.78</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, 2016

Grant	Balance Dec. 31, 2015		Transferred - 2016 Budget Appropriations	Expenditures	Encumbered	Balance Dec. 31, 2016
	Appropriated	Reserve for Encumbrances				
Federal Grants:						
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
Federal Emergency Management Administration: Sunset Drive By-Pass Sewer Pump			\$ 75,000.00			75,000.00
Atlantic Avenue Back-Up By-Pass Sewer Pump			60,000.00			60,000.00
Total Federal Grants	16,379.76		135,000.00			151,379.76
State Grants:						
Alcohol Education and Rehabilitation Grant	4,224.13					4,224.13
Body Armor Replacement Fund	11,951.85	\$ 1,035.50	1,678.72	\$ 1,212.50	\$ 1,479.00	11,974.57
Buckle Up South Jersey	4,000.00					4,000.00
Clean Communities Program	65,225.87		13,304.36	6,063.85	3,280.75	69,185.63
Domestic Violence Program	1,415.75					1,415.75
Drunk Driving Enforcement Grant	8,604.97		30,273.53	5,210.42	257.44	33,410.64
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 Transportation Authority Act: Kennedy Boulevard Cross Drain Project	23,170.00			23,170.00		
Sunset Drive Phase 3	200,000.00					200,000.00
New Jersey Department of Treasury -- Expansion of Borough Hall	4,926.21					4,926.21
Recycling Tonnage Grant	33,836.12		10,429.53	4,045.19		40,220.46
Safe and Secure Communities Program			84,914.00	84,914.00		
Stormwater Grant	17,057.50					17,057.50
Sustainable New Jersey Small Grant	550.00					550.00
Total State Grants	404,052.58	1,035.50	140,600.14	124,615.96	5,017.19	416,055.07
Other Grants:						
Camden County Open Space Preservation Trust Fund: Red Fox Run	9,880.65			3,510.39		6,370.26
Round 14-Recreational Facility	226.25					226.25
Round 15-Recreational Facility			25,000.00	25,000.00		
Camden County Shared Service Agreement -- Pedestrian Safety Improvements at East Atlantic Avenue and Somerdale Road	241.73					241.73
	10,348.63		25,000.00	28,510.39		6,838.24
Total All Grants	\$430,780.97	\$ 1,035.50	\$ 300,600.14	\$ 153,126.35	\$ 5,017.19	\$ 574,273.07
Disbursements				\$ 147,306.35		
Contracts Payable				23,170.00		
Refunds				(17,350.00)		
				<u>\$ 153,126.35</u>		

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, 2016

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2015	\$ 448.96	\$ 782,646.49
Increased by Receipts:		
Due Current Fund	\$ 12,250.19	\$ 13,146.41
Due Bank		
Reserve for Animal Control Fund Expenditures	1,839.20	
State Registration Fees	217.80	
Due State of New Jersey -- Division of Youth and Family Services		750.00
Due State of New Jersey -- New Construction Surcharge		10,268.00
Miscellaneous Trust Reserves:		
Beautification Program		78,549.81
Developer's Escrow Fund		91,237.43
Disposal of Forfeited Property		313.27
Municipal Public Defender		3,690.00
New Jersey Unemployment Compensation		21,722.50
Outside Employment of Off-Duty Police Officers		155,915.75
Parking Offense Adjudication Act		188.00
Board of Recreation Commission		1,400.00
Recycling Program		1,373.50
Tax Title Lien Redemption		550,003.47
Uniform Fire Safety Act Penalty Monies		3,500.00
	14,307.19	932,058.14
	14,756.15	1,714,704.63
Decreased by Disbursements:		
Due Current Fund	0.19	200.50
Reserve for Animal Control Fund Expenditures	14,485.63	
State Registration Fees	216.60	
Due State of New Jersey -- Division of Youth and Family Services		600.00
Due State of New Jersey -- New Construction Surcharge		7,794.00
Miscellaneous Trust Reserves:		
Beautification Program		36,960.54
Developer's Escrow Fund		209,166.10
Municipal Public Defender		4,923.11
New Jersey Unemployment Compensation		26,051.31
Outside Employment of Off-Duty Police Officers		182,159.67
Board of Recreation Commission		120.68
Recycling Program		792.72
Tax Title Lien Redemption		533,552.88
Uniform Fire Safety Act Penalty Monies		4,000.00
	14,702.42	1,006,321.51
Balance December 31, 2016	\$ 53.73	\$ 708,383.12

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015

Increased by:

Disbursements -- Interfund Liquidated
2016 Budget Appropriation

\$ 0.19
12,250.00

\$ 12,250.19

Decreased by:

Receipts :

Interest Earned on Deposits
Interfunds Received

0.19
12,250.00

\$ 12,250.19

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

Balance December 31, 2015		\$ 446.36
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 1,359.20	
Cat License Fees Collected	230.00	
Late Fees	250.00	
	\$ 1,839.20	
Due from Current Fund:		
2016 Budget Appropriation	12,250.00	
		14,089.20
		14,535.56
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Disbursements		14,485.63
Balance December 31, 2016		\$ 49.93
Fees Collected:		
<u>Year</u>		
2014		\$ 2,813.60
2015		1,777.80
		\$ 4,591.40

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 2.60
Increased by:	
Receipts	<u>217.80</u>
	220.40
Decreased by:	
Disbursements	<u>216.60</u>
Balance December 31, 2016	<u><u>\$ 3.80</u></u>

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

	<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>	<u>SFD Penalty</u>
Balance December 31, 2015 (Due From)	\$ 2,658.84	\$ 354.00					\$ 2,304.84		
Increased by:									
Disbursements:									
Interfunds Liquidated	200.50	9.32	\$ 21.63	\$ 161.03	\$ 0.07	\$ 4.62		\$ 0.82	\$ 3.01
2016 Budget Appropriation	5,000.00	5,000.00							
Reserve for Maintenance Liens Receivable - Reserve for Beautification Program Donations	5,267.00	5,267.00							
	<u>10,467.50</u>	<u>10,276.32</u>	<u>21.63</u>	<u>161.03</u>	<u>0.07</u>	<u>4.62</u>		<u>0.82</u>	<u>3.01</u>
	13,126.34	10,630.32	21.63	161.03	0.07	4.62	2,304.84	0.82	3.01
Decreased by:									
Receipts:									
Interfunds Received	12,925.84	10,621.00					2,304.84		
Interest Earned on Deposits	220.57	9.32	21.63	181.10	0.07	\$ 4.62		0.82	3.01
	<u>13,146.41</u>	<u>10,630.32</u>	<u>21.63</u>	<u>181.10</u>	<u>0.07</u>	<u>4.62</u>	<u>2,304.84</u>	<u>0.82</u>	<u>3.01</u>
Balance December 31, 2016 (Due To)	<u>\$ 20.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2016

Balance December 31, 2015	\$ 175.00
Increased by:	
Receipts	<u>750.00</u>
	925.00
Decreased by:	
Disbursements	<u>600.00</u>
Balance December 31, 2016	<u><u>\$ 325.00</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, 2016

Balance December 31, 2015	\$ 1,412.00
Increased by:	
Receipts	<u>10,268.00</u>
	11,680.00
Decreased by:	
Disbursements	<u>7,794.00</u>
Balance December 31, 2016	<u><u>\$ 3,886.00</u></u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
Statement of Reserve for Community Development Block Grant
For the Year Ended December 31, 2016

Increased by:	
Community Development Block Grant Receivable -- Year XXXVII	\$ 26,200.00
Decreased by:	
Expenditures made by the General Capital Fund	<u>\$ 26,200.00</u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Increased by		Decreased by		Balance <u>Dec. 31, 2016</u>
		<u>Receipts</u>	Due Current <u>Fund</u>	<u>Disbursements</u>		
Accumulated Absences	\$ 28,000.00		\$ 5,000.00			\$ 33,000.00
Beautification Program Donations	29,510.96	\$ 78,549.81	5,267.00	\$ 36,960.54		76,367.23
Developer's Escrow Fund	353,404.79	91,237.43		209,166.10		235,476.12
Disposal of Forfeited Property	10,606.51	313.27				10,919.78
Municipal Public Defender	1,439.93	3,690.00		4,923.11		206.82
New Jersey Unemployment Compensation	4,328.81	21,722.50		26,051.31		
Outside Employment of Off-Duty Municipal Police Officers	49,967.80	155,915.75		182,159.67		23,723.88
Parking Offense Adjudication Act	1,234.05	188.00				1,422.05
Board of Recreation Commission	7,282.59	1,400.00		120.68		8,561.91
Recycling Program	705.61	1,373.50		792.72		1,286.39
Tax Title Lien Redemption	267,052.27	550,003.47		533,552.88		283,502.86
Uniform Fire Safety Act Penalty Monies	30,185.01	3,500.00		4,000.00		29,685.01
	<u>\$ 783,718.33</u>	<u>\$ 907,893.73</u>	<u>\$ 10,267.00</u>	<u>\$ 997,727.01</u>		<u>\$ 704,152.05</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, 2016

Balance December 31, 2015		\$ 989,625.25
Increased by Receipts:		
New Jersey Environmental Infrastructure Trust Fund		
Loan Credits Receivable	\$ 5,051.00	
Due Current Fund	27,335.13	
Improvement Authorizations	14,330.54	
Bond Anticipation Notes	<u>383,800.00</u>	
		<u>430,516.67</u>
		1,420,141.92
Decreased by Disbursements:		
Due Current Fund	14,166.83	
Due Trust Other Fund	26,200.00	
Improvement Authorizations	687,572.74	
Contracts Payable	<u>267,651.47</u>	
		<u>995,591.04</u>
Balance December 31, 2016		<u><u>\$ 424,550.88</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2016

	Balance (Overdraft) Dec. 31, 2015	Receipts			Disbursements			Transfers		Balance (Overdraft) Dec. 31, 2016	
		Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (502,150.94)								\$ 4,051.60	(498,099.34)	
Community Development Block Grant Receivable	(31,647.00)						\$ 23,300.00			(54,947.00)	
Camden County Open Space Preservation Trust Fund Receivable	(25,000.00)									(25,000.00)	
New Jersey Environmental Infrastructure Trust Fund											
Loan Credits Receivable	(5,051.00)	\$ 5,051.00									
Due Current Fund	(7,135.13)	27,335.13					\$ 14,166.83	20,200.00		(14,166.83)	
Due Trust Other Fund							26,200.00			(26,200.00)	
Reserve for Community Development Block Grant Receivable									23,300.00	23,300.00	
Capital Improvement Fund	129.00							15,000.00	15,000.00	129.00	
Reserve for Encumbrances	600.00							600.00	90,793.97	90,793.97	
Contracts Payable	7,403.16								284,436.50	24,188.19	
Note Renewals				\$ 1,656,509.00		\$ 1,656,509.00					
Improvement Authorizations:											
Ordinance											
<u>Number</u>											
03-06	Construction of a Bicycle and Pedestrian Way	274,140.75								274,140.75	
04-08	Construction of Various Capital Improvements and the Acquisition of Equipment	25,579.49						25,579.49			
07-08	Acquisition of Various Equipment and the Completion of Various Capital and Utility Improvements	47,780.23						47,780.23			
12-02	Various Capital Improvements	62,880.12								62,880.12	
13-06	Various Capital Improvements	158,054.64	\$ 6,285.00		\$ 32,340.78			120,148.16		11,850.70	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	252,984.00						66,232.00		174,208.11	
14-03	Various Capital Improvements	23,300.00									
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	56,156.71	4,457.54		22,310.65			8,999.93		29,303.67	
15-02; 15-10	Completion of Various Capital Improvements	636,688.16			190,569.68			125,950.38		320,168.10	
15-06	Acquisition of Utility Vehicle and Equipment For the Fire Department	14,913.06							600.00	5,709.09	
16-02	Acquisition of Certain Real Property in the Borough				43,115.67			8,900.00	69,308.12	17,292.45	
16-05	Completion of Various Improvements to the Senior Center		52.00	285,000.00	250,000.00			45,000.00	15,000.00	5,052.00	
16-06	Acquisition of Garbage Containers		3,536.00	98,800.00	103,588.10				5,200.00	3,947.90	
		<u>\$ 989,625.25</u>	<u>\$ 32,386.13</u>	<u>\$ 14,330.54</u>	<u>\$ 2,040,309.00</u>	<u>\$ 687,572.74</u>	<u>\$ 1,656,509.00</u>	<u>\$ 308,018.30</u>	<u>\$ 507,690.19</u>	<u>\$ 507,690.19</u>	<u>\$ 424,550.88</u>

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

Balance December 31, 2015		\$ 2,746,489.01
Decreased by:		
2016 Budget Appropriation to Pay Bonds and Loans:		
General Serial Bonds	\$ 590,000.00	
New Jersey Environmental Infrastructure Trust Loans Payable	<u>16,489.01</u>	
		<u>606,489.01</u>
Balance December 31, 2016		<u><u>\$ 2,140,000.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Balance Dec. 31, 2016	Analysis of Balance December 31, 2016		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
General Improvements:							
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	\$ 860,093.00		\$ 860,093.00	\$ 860,093.00		
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	315,000.00		315,000.00	315,000.00		
15-02	Completion of Various Capital Improvements	481,416.00		481,416.00	481,416.00		
16-05	Completion of Various Improvements to the Senior Center		\$ 285,000.00	285,000.00	285,000.00		
16-06	Acquisition of Garbage Containers		98,800.00	98,800.00	98,800.00		
		<u>\$ 1,656,509.00</u>	<u>383,800.00</u>	<u>\$ 2,040,309.00</u>	<u>\$ 2,040,309.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded							\$ 532,679.78
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
	Ordinance 13-07					\$ 174,208.11	
	Ordinance 14-05; 16-08					29,303.67	
	Ordinance 15-02					320,168.10	
	Ordinance 16-05					5,052.00	
	Ordinance 16-06					<u>3,947.90</u>	
							<u>\$ 532,679.78</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Community Development Block Grant Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 31,647.00
Increased by:	
Accrued in 2016:	
Reserve for Community Development Block Grant Receivable:	
Year XXXVIII	23,300.00
Balance December 31, 2016	\$ 54,947.00
 <u>Analysis of Balance December 31, 2016</u>	
Year XXX	\$ 2,415.00
Year XXXIII	5,932.00
Year XXXVI	23,300.00
Year XXXVIII	23,300.00
	\$ 54,947.00

Exhibit SC-6

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of New Jersey Transportation Trust Fund Authority Act Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 502,150.94
Decreased by:	
Improvement Authorizations Canceled	4,051.60
Balance December 31, 2016	\$ 498,099.34

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loan Credits Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	5,051.00
Decreased by:		
Receipts	\$	<u>5,051.00</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 7,135.13
Increased by:		
2016 Budget Appropriations:		
Disbursements --		
Interest on Notes Paid by the General Capital Fund	\$ 14,166.83	
Down Payment on Improvements	\$ 5,200.00	
Capital Improvement Fund	<u>15,000.00</u>	
	<u>20,200.00</u>	
		<u>34,366.83</u>
		41,501.96
Decreased by:		
Receipts:		
Interest Earned on Deposits	52.25	
Interfund Received	<u>27,282.88</u>	
		<u>27,335.13</u>
Balance December 31, 2016		<u><u>\$ 14,166.83</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Descriptions	Ordinance Date	Ordinance Amount	Balance December 31, 2015		2016 Authorizations to Future Taxation -		Transfer	Transferred from Reserve for Encumbrances	Paid or Charged	Canceled Improvement Authorizations	Refunds	Balance December 31, 2016		
				Funded	Unfunded	Funded	Unfunded						Funded	Unfunded	
General Improvements:															
03-06	Construction of a Bicycle and Pedestrian Way	4/9/03	\$ 291,445.00	\$	274,140.75									\$ 274,140.75	
04-08; 07-03	Construction of Various Capital Improvements and the Acquisition of Equipment	12/8/04	2,100,000.00		25,579.49			\$ (25,579.49)							
07-08	Acquisition of Various Equipment and the Completion of Various Capital and Utility Improvements	7/12/07	1,210,146.00		47,780.23			(43,728.63)			\$ 4,051.60				
12-02	Various Capital Improvements	3/8/12	94,646.12		62,880.12									62,880.12	
13-06	Various Capital Improvements	6/13/13	539,639.18		158,054.64					\$ 152,488.94		\$ 6,285.00		11,850.70	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/13/13	1,085,361.00		\$ 252,984.00					78,775.89				\$ 174,208.11	
14-03	Various Capital Improvements	3/13/14	73,200.00		23,300.00					23,300.00					
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/12/14	331,300.00							31,310.58		4,457.54		29,303.67	
15-02; 15-10	Completion of Various Capital Improvements	3/12/15	696,754.00		155,272.16		481,416.00			316,520.06				320,168.10	
15-06	Acquisition of Utility Vehicle and Equipment For the Fire Department	6/11/15	141,514.30		14,913.06				\$ 600.00	9,803.97				5,709.09	
16-02	Acquisition of Certain Real Property in the Borough	2/11/16	69,308.12					69,308.12		52,015.67				17,292.45	
16-05	Completion of Various Improvements to the Senior Center	5/12/16	300,000.00				\$ 15,000.00	\$ 285,000.00		295,000.00		52.00		5,052.00	
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00				5,200.00	\$ 98,800.00		103,588.10		3,536.00		3,947.90	
					<u>\$ 761,920.45</u>	<u>\$ 790,556.71</u>	<u>\$ 20,200.00</u>	<u>\$ 383,800.00</u>	<u>\$ -</u>	<u>\$ 600.00</u>	<u>\$ 1,062,803.21</u>	<u>\$ 4,051.60</u>	<u>\$ 14,330.54</u>	<u>\$ 371,873.11</u>	<u>\$ 532,679.78</u>
	Downpayment on Improvements -- Due Current Fund							\$ 5,200.00							
	Capital Improvement Fund							15,000.00							
	New Jersey Transportation Trust Fund Authority Act Receivable										\$ 4,051.60				
	Contracts Payable									\$ 284,436.50					
	Reserve for Encumbrances									90,793.97					
	Disbursements									<u>687,572.74</u>					
							<u>\$ 20,200.00</u>			<u>\$ 1,062,803.21</u>		<u>\$ 4,051.60</u>			

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	129.00
Increased by:		
2016 Budget Appropriation -- Due Current Fund		15,000.00
		15,129.00
Decreased by:		
Appropriation to Fund Improvement Authorizations		15,000.00
Balance December 31, 2016	\$	129.00

Exhibit SC-11

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	600.00
Increased by:		
2016 Encumbrances Charged to Improvement Authorizations		90,793.97
		91,393.97
Decreased by:		
Transferred to Improvement Authorizations		600.00
Balance December 31, 2016	\$	90,793.97

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 7,403.16
Increased by:		
Contracts Payable Charged to Improvement Authorizations		284,436.50
		291,839.66
Decreased by:		
Disbursements		267,651.47
Balance December 31, 2016		\$ 24,188.19
 <u>Analysis of Balance December 31, 2016</u>		
Charles Marandino, LLC	Ordinance 2015:2	\$ 11,858.19
Perna Construction, LLC	Ordinance 2013:6	12,330.00
		\$ 24,188.19

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
General Improvements:										
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	\$ 585,000.00	11/10/2014	11/6/2015	11/4/2016	0.860%	\$ 860,093.00		\$ 860,093.00	\$ 860,093.00
		<u>275,093.00</u>	11/6/2015	11/3/2016	11/2/2017	1.060%		\$ 860,093.00		\$ 860,093.00
		<u>860,093.00</u>								
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	315,000.00	11/10/2014	11/6/2015	11/4/2016	0.860%	315,000.00		315,000.00	315,000.00
				11/3/2016	11/2/2017	1.060%		315,000.00		
15-02; 15-10	Reconstruction and/ or Repaving of Various Road	481,416.00	11/6/2015	11/6/2015	11/4/2016	0.860%	481,416.00		481,416.00	481,416.00
				11/3/2016	11/2/2017	1.060%		481,416.00		
16-05	Completion of Various Improvements to the Senior Center	285,000.00	11/3/2016	11/3/2016	11/2/2017	1.060%		285,000.00		285,000.00
16-06	Acquisition of Garbage Containers	98,800.00	11/3/2016	11/3/2016	11/2/2017	1.060%		98,800.00		98,800.00
							<u>\$ 1,656,509.00</u>	<u>\$ 2,040,309.00</u>	<u>\$ 1,656,509.00</u>	<u>\$ 2,040,309.00</u>
								\$ 1,656,509.00	\$ 1,656,509.00	
						Renewals Issued for Cash		<u>383,800.00</u>		
								<u>\$ 2,040,309.00</u>	<u>\$ 1,656,509.00</u>	

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds of 2002	3/1/02	\$ 2,190,000.00	3-1-17	\$ 240,000.00	4.70%	\$ 480,000.00	\$ 240,000.00	\$ 240,000.00
General Improvement Bonds of 2008	10/1/08	4,280,000.00	10-1-17	350,000.00	5.50%	<u>2,250,000.00</u>	<u>350,000.00</u>	<u>1,900,000.00</u>
			10-1-18/19	375,000.00	5.50%			
			10-1-20/21	400,000.00	5.50%			
						<u>\$ 2,730,000.00</u>	<u>\$ 590,000.00</u>	<u>\$ 2,140,000.00</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loan Payable
For the Year Ended December 31, 2016

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decreased</u>
Series 1996A	10/15/96	\$ 290,000.00	5.25%	\$ 10,000.00	\$ 10,000.00
Series 1996B	10/15/96	127,211.00	n/a n/a	<u>6,489.01</u>	<u>6,489.01</u>
				<u>\$ 16,489.01</u>	<u>\$ 16,489.01</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased by 2016 Authorizations</u>	<u>Decreased by Notes Issued</u>	<u>Balance Dec. 31, 2016</u>
General Improvements:					
16-05	Completion of Various Improvements to the Senior Center		\$ 285,000.00	\$ 285,000.00	
16-06	Acquisition of Garbage Containers		98,800.00	98,800.00	
		<u>\$ -</u>	<u>\$ 383,800.00</u>	<u>\$ 383,800.00</u>	<u>\$ -</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, 2016

	<u>Operating</u>	<u>Capital Fund</u>
Balance December 31, 2015	\$ 3,061,416.41	
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	\$ 103.63	
Collector	501,545.86	
2016 Appropriations	5,374.40	
Proceeds from USDA Loans		\$ 3,411,000.00
Due Sewer Utility Capital Fund	<u>405,401.24</u>	
	<u>912,425.13</u>	<u>\$ 3,411,000.00</u>
	3,973,841.54	3,411,000.00
Decreased by Disbursements:		
2016 Appropriations	398,138.84	
2015 Appropriation Reserves	15,673.62	
Accrued Interest on Bonds and Notes	35,548.81	
Refund of Prior Year Revenue	254.46	
Bond Anticipation Notes		3,411,000.00
Due Current Fund		
Due Sewer Utility Capital Fund	<u>3,116,435.87</u>	
	<u>3,566,051.60</u>	<u>3,411,000.00</u>
Balance December 31, 2016	<u>\$ 407,789.94</u>	<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, 2016

Receipts:

Consumer Accounts Receivable	\$ 478,138.59	
Sewer Liens	64.94	
Sewer Rent Overpayments	1,824.01	
Miscellaneous Revenue:		
Special Sewer Charges	15,000.00	
Interest and Costs on Delinquent Rents	<u>6,518.32</u>	
		\$ 501,545.86
Decreased by:		
Payments to Treasurer		<u>\$ 501,545.86</u>

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

	Balance (Overdraft) <u>Dec. 31, 2015</u>	Receipts <u>USDA</u> <u>Loans</u>	Disbursements <u>Bond Anticipation</u> <u>Notes</u>	T r a n s f e r s		Balance (Overdraft) <u>Dec. 31, 2016</u>
				<u>From</u>	<u>To</u>	
New Jersey Environmental Infrastructure Trust Loan						
Credits Receivable	\$ (32,537.00)				\$ 5,401.24	\$ (27,135.76)
Due Sewer Utility Operating Fund	(2,209,933.67)			\$ 405,401.24	3,116,435.87	501,100.96
Reserve for Encumbrances					6,755.86	6,755.86
Contracts Payable				2,946,085.00	2,946,085.00	
Improvement Authorizations:						
12-06 Various Improvements to the Sanitary Sewer System	292,667.00	\$ 1,230,000.00	\$ 1,230,000.00	639,002.43	400,000.00	53,664.57
13-11 Various Improvements to the Sanitary Sewer System	1,229,975.80	1,383,000.00	1,383,000.00	1,605,641.85		(375,666.05)
13-12 Various Improvements to the Sanitary Sewer System	719,827.87	798,000.00	798,000.00	878,547.45		(158,719.58)
	<u>\$ -</u>	<u>\$ 3,411,000.00</u>	<u>\$ 3,411,000.00</u>	<u>\$ 6,474,677.97</u>	<u>\$ 6,474,677.97</u>	<u>\$ -</u>

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

Balance December 31, 2015		\$ 77,133.51
Increased by:		
Sewer Rents Levied		481,178.98
		558,312.49
Decreased by:		
Transferred to Lien	\$ 881.75	
Receipts -- Collector	478,138.59	
Overpayments Applied	1,749.16	
		480,769.50
Balance December 31, 2016		\$ 77,542.99

Exhibit SD-5

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Liens
For the Year Ended December 31, 2016

Increased by:		
Interest and Costs from Tax Sale dated October 19, 2016	\$ 48.05	
Transferred from Sewer Rents Receivable	881.75	
		\$ 929.80
Decreased by:		
Receipts -- Collector		64.94
Balance December 31, 2016		\$ 864.86

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2016

<u>Description</u>	Balance <u>Dec. 31, 2015</u>	Capital <u>Outlay</u>	Balance <u>Dec. 31, 2016</u>
Unallocated	\$ 115,137.92		\$ 115,137.92
Sewer Extension Main	234,594.09		234,594.09
Fencing	3,435.00		3,435.00
Pumping Equipment	3,046.27		3,046.27
General Equipment	6,180.12		6,180.12
Sewage Treatment Plan	195,294.24		195,294.24
Miscellaneous	156.16		156.16
Improvements	<u>1,294,497.66</u>	<u>\$ 166,596.33</u>	<u>1,461,093.99</u>
	<u>\$ 1,852,341.46</u>	<u>\$ 166,596.33</u>	<u>\$ 2,018,937.79</u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016</u>
General Improvements:				
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 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
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,604,300.00	<u>1,064,300.00</u>
				<u><u>\$ 4,600,300.00</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loan Credits Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 32,537.00
Decreased by:	
Receipts Collected by Operating Fund	<u>5,401.24</u>
Balance December 31, 2016	<u><u>\$ 27,135.76</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Due from/ to Sewer Utility Operating Fund
For the Year Ended December 31, 2016

Balance December 31, 2015 (Due from)		\$ 2,209,933.67
Increased by:		
Grant Collected by the Operating Fund --		
Reserve for Deferred Amortization	\$ 400,000.00	
New Jersey Environmental Infrastructure Trust		
Loan Credits Receivable	<u>5,401.24</u>	
		<u>405,401.24</u>
		2,615,334.91
Decreased by:		
Payments made by the Operating Fund:		
Contracts Payable	2,946,085.00	
Improvement Authorizations	168,350.87	
Bond Anticipation Notes	<u>2,000.00</u>	
		<u>3,116,435.87</u>
Balance December 31, 2016 (Due to)		<u>\$ 501,100.96</u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Sewer Operating:					
Salaries and Wages		\$ 61,256.64	\$ 61,256.64		\$ 61,256.64
Other Expenses	\$ 13,324.08	14,738.03	28,062.11	\$ 15,673.62	12,388.49
Total Operating	<u>13,324.08</u>	<u>75,994.67</u>	<u>89,318.75</u>	<u>15,673.62</u>	<u>73,645.13</u>
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		5,196.36	5,196.36		5,196.36
Total Regulatory Expenditures		<u>5,196.36</u>	<u>5,196.36</u>		<u>5,196.36</u>
Total Appropriations	<u>\$ 13,324.08</u>	<u>\$ 81,191.03</u>	<u>\$ 94,515.11</u>	<u>\$ 15,673.62</u>	<u>\$ 78,841.49</u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 1,749.16
Increased by:	
Receipts -- Collector	<u>1,824.01</u>
	3,573.17
Decreased by:	
Overpayments Applied	<u>1,749.16</u>
Balance December 31, 2016	<u><u>\$ 1,824.01</u></u>

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

Balance December 31, 2015	\$ 5,616.08
Increased by:	
Charged to Budget Appropriation - Interest on Notes and Loans	32,614.70
	38,230.78
Decreased by:	
Interest Paid:	
Disbursed	35,548.81
Balance December 31, 2016	\$ 2,681.97

Analysis of Accrued Interest December 31, 2016

<u>Principal Outstanding December 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
New Jersey Environmental Infrastructure Trust Loan:					
\$ 40,000.00	Varies	8-1-16	12-31-16	153 Days	\$ 754.52
United States Department of Agriculture Loans:					
3,411,000.00	1.875%	12-20-16	12-31-16	11 Days	1,927.45
					\$ 2,681.97

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,750,780.00
Increased by:		
Capital Outlay -- Operating Budget	\$ 166,596.33	
Loans Paid by:		
Budget Appropriation	<u>34,425.70</u>	
		<u>201,022.03</u>
Balance December 31, 2016		<u><u>\$ 1,951,802.03</u></u>

Exhibit SD-14

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Deferred Amortization
For the Year Ended December 31, 2016

Increased by:		
Grant Collected by the Operating Fund -- Ordinance 2012:06	<u>\$ 400,000.00</u>	
Balance December 31, 2016		<u><u>\$ 400,000.00</u></u>

Exhibit SD-15

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Increased by:		
Improvement Authorizations	\$ 2,946,085.00	
Decreased by:		
Paid by Sewer Utility Operating Fund	<u>\$ 2,946,085.00</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance	Charges to	Paid or	Balance	
				Dec. 31, 2015 Unfunded	Future Revenue	Charged	Dec. 31, 2016 Funded	Unfunded
General Improvements:								
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 1,630,000.00	\$ 692,667.00		\$ 639,002.43	\$ 53,664.57	
13-11	Various Improvements to the Sanitary Sewer System	9/12/13	1,906,000.00	1,752,975.80		1,605,641.85		\$ 147,333.95
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,064,300.00	984,127.87		876,547.45		107,580.42
				<u>\$ 3,429,770.67</u>	<u>\$ -</u>	<u>\$ 3,121,191.73</u>	<u>\$ 53,664.57</u>	<u>\$ 254,914.37</u>
Reserve for Encumbrances						\$ 6,755.86		
Contracts Payable						2,946,085.00		
Paid by Sewer Utility Operating Fund						168,350.87		
						<u>\$ 3,121,191.73</u>		

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
Sewer Utility Improvements:										
12-06	Various Improvements to the Sanitary Sewer System	\$ 1,230,000.00	11/10/2014	11/6/2015	11/4/2016	0.860%	\$ 1,230,000.00		\$ 1,230,000.00	
				11/3/2016	11/2/2017	1.060%		\$ 1,230,000.00	1,230,000.00	
13-11	Various Improvements to the Sanitary Sewer System	1,383,000.00	11/6/2015	11/6/2015	11/4/2016	0.860%	1,383,000.00		1,383,000.00	
				11/3/2016	11/2/2017	1.060%		1,383,000.00	1,383,000.00	
13-12	Various Improvements to the Sanitary Sewer System	800,000.00	11/6/2015	11/6/2015	11/4/2016	0.860%	800,000.00		800,000.00	
				11/3/2016	11/2/2017	1.060%		798,000.00	798,000.00	
							<u>\$ 3,413,000.00</u>	<u>\$ 3,411,000.00</u>	<u>\$ 6,824,000.00</u>	<u>\$ -</u>
						Renewals		\$ 3,411,000.00	\$ 3,411,000.00	
						Paid by Operating Fund			2,000.00	
						Paid from Loan Proceeds			3,411,000.00	
								<u>\$ 3,411,000.00</u>	<u>\$ 6,824,000.00</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loans Payable
For the Year Ended December 31, 2016

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Series 1998A	11/5/98	\$ 290,000.00	8-1-17/18	\$ 20,000.00	4.50%	\$ 60,000.00	\$ 20,000.00	\$ 40,000.00
Series 1998B	11/5/98	283,317.00	2/1/17	571.94	n/a			
			8/1/17	13,281.82	n/a			
			2/1/18	285.97	n/a			
			8/1/18	12,996.03	n/a	41,561.46	14,425.70	27,135.76
						<u>\$ 101,561.46</u>	<u>\$ 34,425.70</u>	<u>\$ 67,135.76</u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2016

Increased by:

Loans Issued:

Phase 1	\$ 1,230,000.00
Phase 2	1,383,000.00
Phase 3	<u>798,000.00</u>

Balance December 31, 2016

\$ 3,411,000.00Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2016

Interest Rate:

1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2016</u>
June 20, 2017	\$ 10,399.75	\$ 11,693.38	\$ 6,747.75	\$ 28,840.88
December 20, 2017	10,497.25	11,803.00	6,811.01	29,111.26
June 20, 2018	10,595.66	11,913.65	6,874.86	29,384.17
December 20, 2018	10,694.99	12,025.34	6,939.32	29,659.65
June 20, 2019	10,795.26	12,138.08	7,004.37	29,937.71
December 20, 2019	10,896.46	12,251.88	7,070.04	30,218.38
June 20, 2020	10,998.62	12,366.74	7,136.32	30,501.68
December 20, 2020	11,101.73	12,482.68	7,203.22	30,787.63
June 20, 2021	11,205.81	12,599.70	7,270.75	31,076.26
December 20, 2021	11,310.86	12,717.82	7,338.92	31,367.60
June 20, 2022	11,416.90	12,837.05	7,407.72	31,661.67
December 20, 2022	11,523.94	12,957.40	7,477.17	31,958.51
June 20, 2023	11,631.97	13,078.88	7,547.26	32,258.11
December 20, 2023	11,741.02	13,201.49	7,618.02	32,560.53
June 20, 2024	11,851.10	13,325.25	7,689.44	32,865.79
December 20, 2024	11,962.20	13,450.18	7,761.53	33,173.91
June 20, 2025	12,074.35	13,576.27	7,834.29	33,484.91
December 20, 2025	12,187.54	13,703.55	7,907.74	33,798.83
June 20, 2026	12,301.80	13,832.02	7,981.87	34,115.69
December 20, 2026	12,417.13	13,961.70	8,056.70	34,435.53
June 20, 2027	12,533.54	14,092.59	8,132.23	34,758.36
December 20, 2027	12,651.04	14,224.71	8,208.47	35,084.22
June 20, 2028	12,769.65	14,358.06	8,285.43	35,413.14
December 20, 2028	12,889.36	14,492.67	8,363.10	35,745.13
June 20, 2029	13,010.20	14,628.54	8,441.51	36,080.25
December 20, 2029	13,132.17	14,765.68	8,520.65	36,418.50
June 20, 2030	13,255.28	14,904.11	8,600.53	36,759.92
December 20, 2030	13,379.55	15,043.84	8,681.16	37,104.55
June 20, 2031	13,504.99	15,184.87	8,762.54	37,452.40
December 20, 2031	13,631.60	15,327.23	8,844.69	37,803.52
June 20, 2032	13,759.39	15,470.92	8,927.61	38,157.92
December 20, 2032	13,888.39	15,615.96	9,011.31	38,515.66

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2016

Schedule of United States Department of Agriculture Loans Payable December 31, 2016 (Cont'd)

Interest Rate: 1.875%

Due Date	Phase 1	Phase 2	Phase 3	Balance Dec. 31, 2016
June 20, 2033	\$ 14,018.59	\$ 15,762.36	\$ 9,095.79	\$ 38,876.74
December 20, 2033	14,150.01	15,910.13	9,181.06	39,241.20
June 20, 2034	14,282.67	16,059.29	9,267.13	39,609.09
December 20, 2034	14,416.57	16,209.85	9,354.01	39,980.43
June 20, 2035	14,551.73	16,361.81	9,441.71	40,355.25
December 20, 2035	14,688.15	16,515.21	9,530.22	40,733.58
June 20, 2036	14,825.85	16,670.04	9,619.57	41,115.46
December 20, 2036	14,964.84	16,826.32	9,709.75	41,500.91
June 20, 2037	15,105.14	16,984.06	9,800.78	41,889.98
December 20, 2037	15,246.75	17,143.29	9,892.66	42,282.70
June 20, 2038	15,389.69	17,304.01	9,985.41	42,679.11
December 20, 2038	15,533.96	17,466.23	10,079.02	43,079.21
June 20, 2039	15,679.59	17,629.98	10,173.51	43,483.08
December 20, 2039	15,826.59	17,795.26	10,268.89	43,890.74
June 20, 2040	15,974.97	17,962.09	10,365.16	44,302.22
December 20, 2040	16,124.73	18,130.49	10,462.33	44,717.55
June 20, 2041	16,275.90	18,300.46	10,560.42	45,136.78
December 20, 2041	16,428.49	18,472.03	10,659.42	45,559.94
June 20, 2042	16,582.50	18,645.20	10,759.35	45,987.05
December 20, 2042	16,737.96	18,820.00	10,860.22	46,418.18
June 20, 2043	16,894.88	18,996.44	10,962.04	46,853.36
December 20, 2043	17,053.27	19,174.53	11,064.81	47,292.61
June 20, 2044	17,213.15	19,354.29	11,168.54	47,735.98
December 20, 2044	17,374.52	19,535.74	11,273.24	48,183.50
June 20, 2045	17,537.41	19,718.88	11,378.93	48,635.22
December 20, 2045	17,701.82	19,903.75	11,485.61	49,091.18
June 20, 2046	17,867.77	20,090.35	11,593.29	49,551.41
December 20, 2046	18,035.28	20,278.69	11,701.97	50,015.94
June 20, 2047	18,204.37	20,468.81	11,811.68	50,484.86
December 20, 2047	18,375.03	20,660.70	11,922.41	50,958.14
June 20, 2048	18,547.30	20,854.40	12,034.19	51,435.89
December 20, 2048	18,721.18	21,049.91	12,147.01	51,918.10
June 20, 2049	18,896.69	21,247.25	12,260.88	52,404.82
December 20, 2049	19,073.85	21,446.44	12,375.83	52,896.12
June 20, 2050	19,252.66	21,647.50	12,491.85	53,392.01
December 20, 2050	19,433.16	21,850.45	12,608.96	53,892.57
June 20, 2051	19,615.34	22,055.29	12,727.17	54,397.80
December 20, 2051	19,799.24	22,262.06	12,846.49	54,907.79
June 20, 2052	19,984.85	22,470.77	12,966.93	55,422.55
December 20, 2052	20,172.21	22,681.43	13,088.49	55,942.13

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2016

Schedule of United States Department of Agriculture Loans Payable December 31, 2016 (Cont'd)

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2016</u>
June 20, 2053	\$ 20,361.33	\$ 22,894.07	\$ 13,211.20	\$ 56,466.60
December 20, 2053	20,552.21	23,108.70	13,335.05	56,995.96
June 20, 2054	20,744.89	23,325.35	13,460.07	57,530.31
December 20, 2054	20,939.37	23,544.02	13,586.26	58,069.65
June 20, 2055	21,135.68	23,764.75	13,713.63	58,614.05
December 20, 2055	21,333.83	23,987.54	13,842.19	59,163.55
June 20, 2056	21,533.83	24,212.43	13,971.96	59,718.21
December 20, 2056	20,830.70	23,422.11	13,445.38	57,698.18
	<u>\$ 1,230,000.00</u>	<u>\$ 1,383,000.00</u>	<u>\$ 798,000.00</u>	<u>\$ 3,411,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Increased by		Decreased by		Balance Dec. 31, 2016
			Notes Paid from Operating Fund Cash	Notes Paid from Loans Issued	Loans Issued	Funded by Grants	
General Improvements:							
12-06	Various Improvements to the Sanitary Sewer System	\$ 400,000.00		\$ 1,230,000.00	\$ 1,230,000.00	\$ 400,000.00	
13-11	Various Improvements to the Sanitary Sewer System	523,000.00		1,383,000.00	1,383,000.00		\$ 523,000.00
13-12	Various Improvements to the Sanitary Sewer System	264,300.00	\$ 2,000.00	798,000.00	798,000.00		266,300.00
		<u>\$ 1,187,300.00</u>	<u>\$ 2,000.00</u>	<u>\$ 3,411,000.00</u>	<u>\$ 3,411,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 789,300.00</u>

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2016

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the Borough of Somerdale's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Borough of Somerdale's major federal program for the year ended December 31, 2016. The Borough of Somerdale's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal award applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Borough of Somerdale's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Somerdale's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Borough of Somerdale's compliance.

Opinion on the Major Federal Program

In our opinion, the Borough of Somerdale, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the Borough of Somerdale is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Somerdale's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Somerdale's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 23, 2017

BOROUGH OF SOMERDALE
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2016

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Other Identification Number	Program or Award Amount	Matching Contribution	Grant Period		Balance Dec 31, 2015
					From	To	
<u>U.S. Department of Homeland Security:</u>							
Passed through New Jersey State Police: Public Assistance Grants	97.036	100-066-1200-B80	\$ 20,572.65	N/A	1/22/2016	1/22/2016	
Federal Emergency Management Agency: Hazard Mitigation Grant (HMGP)							
Sunset Drive By-Pass Sewer Pump	97.039	451-R	75,000.00	\$ 22,000.00	8/29/2015	8/29/2018	
Atlantic Avenue Back-Up By-Pass Sewer Pump	97.039	584-R	60,000.00	90,000.00	8/29/2015	8/29/2018	
Total Federal Emergency Management Agency							
Total U.S. Department of Homeland Security							
<u>U.S. Department of Transportation:</u>							
Division of Highway Traffic Safety:							
Over the Limit, Under Arrest Impaired Driving Crackdown Grant	20.601	100-066-1160-132	5,000.00	N/A	7/1/2006	6/30/2007	\$ 125.00
Over the Limit, Under Arrest Impaired Driving Crackdown Grant	20.601	100-066-1160-132	6,000.00	N/A	7/1/2008	6/30/2009	6,000.00
Total Over the Limit, Under Arrest Impaired Driving Crackdown Grant							6,125.00
Occupant Protection - Click It or Ticket	20.602	100-066-1160-113	4,000.00	N/A	7/1/2006	6/30/2007	2,254.76
Occupant Protection - Click It or Ticket	20.602	100-066-1160-113	4,000.00	N/A	7/1/2007	6/30/2008	4,000.00
Occupant Protection - Click It or Ticket	20.602	100-066-1160-113	4,000.00	N/A	7/1/2008	6/30/2009	4,000.00
Total Occupant Protection - Click It or Ticket							10,254.76
Total U.S. Department of Transportation							16,379.76
<u>U.S. Department of Housing and Urban Development</u>							
Passed through County of Camden: Community Development Block Grant:							
Year XXXVI	14.218	N/A	23,300.00	N/A	07/01/13	Completion	23,300.00
Year XXXVII	14.218	N/A	26,200.00	N/A	07/01/14	Completion	
Year XXXVIII	14.218	N/A	23,300.00	N/A	07/01/15	Completion	
Total Department of Housing and Urban Development							23,300.00
<u>U.S. Department of Agriculture</u>							
Water and Waste Disposal Systems for Rural Communities:							
Phase 1 Grant	10.760	35-004-021600119	400,000.00	N/A	9/13/2012	Completion	
Phase 1 Loan	10.760	35-004-021600119	1,230,000.00	N/A	9/13/2012	Completion	
Phase 2 Loan	10.760	35-004-021600119	1,383,000.00	523,000.00	9/12/2013	Completion	
Phase 3 Loan	10.760	35-004-021600119	798,000.00	266,300.00	9/12/2013	Completion	
Total U.S. Department of Agriculture							
Total Federal Financial Assistance							\$ 39,679.76

(A) Adjustments represent the expenditure of the award and/or match in a prior year.

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Receipts or Revenues Realized	Adjustments (A)	Passed - Through to Subrecipients	Total Federal		Balance Dec 31, 2016	(Memo Only)	
			Disbursements / Expenditures	Encumbrances		Cash Receipts	Accumulated Expenditures
\$ 20,572.65			\$ (20,572.65)			\$ 20,572.65	\$ 20,572.65
75,000.00					\$ 75,000.00		
60,000.00					60,000.00		
135,000.00					135,000.00		
155,572.65			(20,572.65)		135,000.00	20,572.65	20,572.65
					125.00		4,875.00
					6,000.00		
					6,125.00		4,875.00
					2,254.76		1,745.24
					4,000.00		
					4,000.00		
					10,254.76		1,745.24
					16,379.76		6,620.24
			(23,300.00)				23,300.00
26,200.00			(26,200.00)				26,200.00
23,300.00					23,300.00		
49,500.00			(49,500.00)		23,300.00		49,500.00
400,000.00			(400,000.00)			400,000.00	400,000.00
1,230,000.00	\$ (937,333.00)		(236,634.87)	\$ (2,367.56)	53,664.57	1,230,000.00	1,173,967.87
1,906,000.00	(153,024.20)		(1,602,975.05)	(2,666.80)	147,333.95	1,383,000.00	1,755,999.25
1,064,300.00	(80,172.13)		(874,825.95)	(1,721.50)	107,580.42	798,000.00	954,998.08
4,600,300.00	(1,170,529.33)		(3,114,435.87)	(6,755.86)	308,578.94	3,811,000.00	4,284,965.20
\$ 4,805,372.65	\$ (1,170,529.33)	\$ -	\$ (3,184,508.52)	\$ (6,755.86)	\$ 483,258.70	\$ 3,831,572.65	\$ 4,361,658.09

BOROUGH OF SOMERDALE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of the Borough of Somerdale (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2016. The Borough is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

<u>Fund</u>	<u>Federal</u>
Current	\$ 20,572.65
Trust - Other	26,200.00
General Capital	23,300.00
Sewer Utility Capital	<u>3,114,435.87</u>
Total Awards	<u>\$ 3,184,508.52</u>

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent expenditures in prior years under the U.S. Department of Agriculture Water and Waste Disposal System for Rural Communities, which were temporarily funded by local sources until the final award of loans and a grant in 2016.

Note 6: FEDERAL LOANS OUTSTANDING

In 2016, the Borough received proceeds for three loans from the U.S. Department of Agriculture under the Water and Waste Disposal System for Rural Communities Grant and Loan Program. The payment of the loans will begin in 2017. At December 31, 2016, the following balances were outstanding for these loans:

	<u>Balance</u>
Phase 1	\$ 1,230,000.00
Phase 2	1,383,000.00
Phase 3	<u>798,000.00</u>
	<u>\$ 3,411,000.00</u>

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

BOROUGH OF SOMERDALE
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	_____ yes <u> X </u> no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.760

United States Department of Agriculture - Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to determine Type A programs	\$ <u>750,000.00</u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

BOROUGH OF SOMERDALE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance Not applicable

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

BOROUGH OF SOMERDALE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 2 - 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.

None.

BOROUGH OF SOMERDALE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

BOROUGH OF SOMERDALE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Not Applicable.

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable.

BOROUGH OF SOMERDALE
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety 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	(A)
Virginia Knect	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)
Salvatore Arena	Tax Assessor	
Charles Shimberg	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

A handwritten signature in black ink that reads "Scott P. Barron". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

