

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



**BOROUGH OF SOMERDALE****TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>PART 1</u></b>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	5
<b><u>CURRENT FUND</u></b>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance--Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	14
<b><u>TRUST FUND</u></b>		
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	21
<b><u>GENERAL CAPITAL FUND</u></b>		
C	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	23
<b><u>SEWER UTILITY FUND</u></b>		
D	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	24
D-1	Sewer Utility Operating Fund -- Statements of Operations and Changes in Fund Balance-- Regulatory Basis	26
D-2	Sewer Utility Operating Fund -- Statement of Revenues--Regulatory Basis	27
D-3	Sewer Utility Operating Fund -- Statement of Expenditures--Regulatory Basis	28
<b><u>GENERAL FIXED ASSETS GROUP OF ACCOUNTS</u></b>		
G	Statement of General Fixed Assets Group of Accounts	29
	Notes to Financial Statements	30

**BOROUGH OF SOMERDALE**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>SUPPLEMENTAL EXHIBITS</u></b>		
<b><u>CURRENT FUND</u></b>		
SA-1	Statement of Current Cash--Per N.J.S.40A:5-5--Treasurer	63
SA-2	Statement of Current Cash--Per N.J.S.40A:5-5--Collector	64
SA-3	Schedule of Change Funds	65
SA-4	Statement of Petty Cash Funds	65
SA-5	Statement of Maintenance Liens Receivable	66
SA-6	Statement of Taxes Receivable	67
SA-7	Statement of Tax Title Liens Receivable	68
SA-8	Statement of Revenue Accounts Receivable	69
SA-9	Statement of Regional High School Taxes	70
SA-10	Statement of 2016 Appropriation Reserves	71
SA-11	Statement of Accounts Payable	76
SA-12	Statement of Due to State of New Jersey Veterans' and Senior Citizens' Deductions	77
SA-13	Statement of Prepaid Taxes	78
SA-14	Statement of Tax Overpayments	78
SA-15	Statement of County Taxes Payable	79
SA-16	Statement of Due County for Added and Omitted Taxes	79
SA-17	Statement of Local School District Taxes	80
SA-18	Statement of Reserve for Payroll Deductions Payable	81
SA-19	Federal, State and Other Grant Fund -- Statement of Federal, State and Other Grants Receivable	82
SA-20	Federal, State and Other Grant Fund -- Statement of Due from Current Fund	83
SA-21	Federal, State and Other Grant Fund -- Statement of Reserves for Federal, State and Other Grants -- Unappropriated	84
SA-22	Federal, State and Other Grant Fund -- Statement of Reserves for Federal, State and Other Grants -- Appropriated	85
SA-23	Federal, State and Other Grant Fund -- Statement of Contracts Payable	86
<b><u>TRUST FUND</u></b>		
SB-1	Statement of Trust Fund Cash Per N.J.S. 40A:5-5--Treasurer	88
SB-2	Animal Control Fund--Statement of Due from Current Fund	89
SB-3	Animal Control Fund--Statement of Reserve for Animal Control Fund Expenditures	90
SB-4	Animal Control Fund--Statement of Due to State of New Jersey-- Registration Fees	91
SB-5	Trust - Other Fund--Statement of Due from/to Current Fund	92
SB-6	Trust - Other Fund-- Statement of Due to State of New Jersey-- Division of Youth and Family Services	93
SB-7	Trust - Other Fund--Statement of Due to State of New Jersey-- New Construction Surcharge	93
SB-8	Trust - Other Fund--Statement of Miscellaneous Trust Reserves	94

**BOROUGH OF SOMERDALE****TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>GENERAL CAPITAL FUND</u></b>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5--Treasurer	96
SC-2	Analysis of General Capital Cash	97
SC-3	Statement of Deferred Charges to Future Taxation--Funded	98
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	99
SC-5	Statement of Community Development Block Grant Receivable	100
SC-6	Schedule of New Jersey Transportation Trust Fund Authority Act Receivable	100
SC-7	Statement of Due from Current Fund	101
SC-8	Statement of Due from Trust Other Fund	102
SC-9	Statement of Reserve for Community Development Block Grant Receivable	103
SC-10	Statement of Improvement Authorizations	104
SC-11	Statement of Capital Improvement Fund	105
SC-12	Statement of Reserve for Encumbrances	105
SC-13	Statement of Contracts Payable	106
SC-14	Statement of Bond Anticipation Notes	107
SC-15	Statement of General Obligation Bonds	108
SC-16	Statement of Bonds and Notes Authorized but not Issued	109
<b><u>SEWER UTILITY FUND</u></b>		
SD-1	Statement of Sewer Utility Cash Per N.J.S.40A:5-5--Treasurer	111
SD-2	Sewer Utility Operating Fund -- Statement of Sewer Utility Cash Per N.J.S.A.40A:5-5--Collector	112
SD-3	Sewer Utility Capital Fund -- Analysis of Sewer Utility Capital Cash	113
SD-4	Sewer Utility Operating Fund -- Statement of Sewer Consumer Accounts Receivable	114
SD-5	Sewer Utility Operating Fund -- Statement of Sewer Utility Liens	114
SD-6	Sewer Utility Capital Fund -- Statement of Fixed Capital	115
SD-7	Sewer Utility Capital Fund -- Statement of Fixed Capital Authorized and Uncompleted	116
SD-8	Sewer Utility Capital Fund -- Statement of New Jersey Environmental Infrastructure Trust Loan Credits Receivable	117
SD-9	Sewer Utility Capital Fund -- Statement of Due from/to Sewer Utility Operating Fund	118
SD-10	Sewer Utility Operating Fund -- Statement of 2016 Appropriation Reserves	119
SD-11	Sewer Utility Operating Fund -- Statement of Contracts Payable	120
SD-12	Sewer Utility Operating Fund -- Statement of Sewer Rent Overpayments	121
SD-13	Sewer Utility Operating Fund -- Statement of Accrued Interest on Bonds and Notes	122
SD-14	Sewer Utility Capital Fund -- Statement of Reserve for Amortization	123
SD-15	Sewer Utility Capital Fund -- Statement of Reserve for Deferred Amortization	123

**BOROUGH OF SOMERDALE**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>SEWER UTILITY FUND (CONT'D)</u></b>		
SD-16	Sewer Utility Capital Fund -- Statement of Improvement Authorizations	124
SD-17	Sewer Utility Capital Fund -- Statement of Reserve for Encumbrances	125
SD-18	Sewer Utility Capital Fund -- Statement of Contracts Payable	125
SD-19	Sewer Utility Capital Fund -- Statement of New Jersey Environmental Infrastructure Trust Loans Payable	126
SD-20	Sewer Utility Capital Fund -- Statement of United States Department of Agriculture (USDA) Loans Payable	127
SD-21	Sewer Utility Capital Fund -- Statement of Bonds and Notes Authorized but not Issued	130
<b><u>PART 2</u></b>		
	Schedule of Findings and Recommendations	132
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	133
	OFFICIALS IN OFFICE AND SURETY BONDS	134
	APPRECIATION	135

**BOROUGH OF SOMERDALE**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of 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, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough of Somerdale'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 of Somerdale'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 of Somerdale'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.

14100

**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 of Somerdale 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, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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



14100

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Somerdale's 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



Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 25, 2018

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of 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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 25, 2018. 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.

14100

**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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 25, 2018

**BOROUGH OF SOMERDALE**  
CURRENT FUND

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

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Cash	SA-1	\$ 1,927,139.74	\$ 2,299,013.96
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>1,927,354.74</u>	<u>2,299,228.96</u>
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	11,325.50	13,439.66
Delinquent Property Taxes Receivable	SA-6	397,135.89	369,314.93
Tax Title Liens Receivable	SA-7	31,191.77	11,320.19
Revenue Accounts Receivable	SA-8	31,897.98	34,994.42
Property Acquired for Taxes -- Assessed Valuation	A	192,590.00	192,590.00
Prepaid Regional High School Tax	SA-9	2,467.60	
Due from Trust Other Fund	SB-5	<u>5,451.18</u>	<u>20.07</u>
		<u>672,059.92</u>	<u>621,679.27</u>
Total Current Fund		<u>2,599,414.66</u>	<u>2,920,908.23</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-19	213,868.01	245,144.26
Due from Current Fund	SA-20	<u>34,143.47</u>	<u>383,938.78</u>
Total Federal and State Grant Fund		<u>248,011.48</u>	<u>629,083.04</u>
Total Assets		<u>\$ 2,847,426.14</u>	<u>\$ 3,549,991.27</u>

(Continued)

**BOROUGH OF SOMERDALE**  
CURRENT FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-10	\$ 240,616.98	\$ 205,162.51
Reserve for Encumbrances	A-3, SA-10	153,443.17	184,655.36
Accounts Payable	SA-11	2,866.62	561.99
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-12	12,929.83	13,532.95
Prepaid Taxes	SA-13	220,295.03	117,403.30
Tax Overpayments	SA-14	21,077.02	22,439.27
Due to County -- Added and Omitted Taxes	SA-16	9,446.40	3,325.98
Reserve for Payroll Deductions Payable	SA-18	461.45	461.45
Due to Federal and State Grant Fund	SA-20	34,143.47	383,938.78
Due to General Capital Fund	SC-7	1,372.75	14,166.83
		<u>696,652.72</u>	<u>945,648.42</u>
Reserves for Receivables and Other Assets		672,059.92	621,679.27
Fund Balance	A-1	<u>1,230,702.02</u>	<u>1,353,580.54</u>
Total Current Fund		<u>2,599,414.66</u>	<u>2,920,908.23</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-21	12,239.18	26,622.78
Reserve for Federal and State Grants -- Appropriated	SA-22	220,769.12	574,273.07
Reserve for Encumbrances	SA-22	15,003.18	5,017.19
Contracts Payable	SA-23		23,170.00
Total Federal and State Grant Fund		<u>248,011.48</u>	<u>629,083.04</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,847,426.14</u>	<u>\$ 3,549,991.27</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 553,293.69	\$ 364,000.00
Miscellaneous Revenues Anticipated	2,037,087.54	2,394,485.69
Receipts from Delinquent Taxes	364,591.81	444,028.20
Receipts from Current Taxes	13,495,080.39	12,953,460.65
Non-Budget Revenues	179,691.86	144,173.79
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	156,947.49	140,433.06
Cancellation of Tax Overpayments	6.18	4.44
	<u>16,786,698.96</u>	<u>16,440,585.83</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,251,798.55	2,123,099.92
Other Expenses	1,887,525.21	1,858,673.10
Deferred Charges and Regulatory Expenditures Within "CAPS"	579,135.87	555,886.75
Operations Excluded from "CAPS":		
Salaries and Wages	390,454.44	407,209.33
Other Expenses	263,464.75	333,733.48
Capital Improvements Excluded from "CAPS"	60,000.00	15,000.00
Municipal Debt Service Excluded from "CAPS"	722,016.20	761,760.07
Deferred Charges Excluded from "CAPS"		
County Taxes	3,062,528.97	2,972,462.76
County Added and Omitted Taxes	9,446.40	3,325.98
Regional High School Tax	2,527,212.10	2,363,601.00
Local District School Tax	4,592,080.00	4,411,823.00
Deductions Disallowed by Collector -- Prior Year Taxes	1,250.00	2,250.00
Refund of Prior Year Revenue -- Current Year Taxes Receivable		78,196.19
Refund of Prior Year Revenue -- Disbursements	3,940.19	548.53
Creation of Reserves:		
Due from Trust Other Fund	5,431.11	20.07
	<u>16,356,283.79</u>	<u>15,887,590.18</u>
Total Expenditures		
Excess in Revenue	430,415.17	552,995.65
<u>Fund Balance</u>		
Balance Jan. 1	<u>1,353,580.54</u>	<u>1,164,584.89</u>
	1,783,995.71	1,717,580.54
Decreased by:		
Utilization as Anticipated Revenue	<u>553,293.69</u>	<u>364,000.00</u>
Balance December 31	<u>\$ 1,230,702.02</u>	<u>\$ 1,353,580.54</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, 2017

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 553,293.69		\$ 553,293.69	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	18,617.00		19,046.60	\$ 429.60
Other	13,000.00		13,102.00	102.00
Fees and Permits	78,000.00		67,752.78	(10,247.22)
Fines and Costs:				
Municipal Court	200,000.00		164,942.81	(35,057.19)
Interest and Costs on Taxes	80,000.00		74,983.87	(5,016.13)
Cable Television Franchise Fee	20,956.49		20,956.49	
Fire Inspection Revenue	70,000.00		65,875.00	(4,125.00)
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Aid (N.J.S.A. 52:27D-118.35)	12,848.00		12,848.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	508,625.00		508,625.00	
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	132,503.49		112,573.00	(19,930.49)
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	125,195.22		125,195.22	
Park School Shared Service	333,161.25		333,161.25	
Somerdale Board of Education Roof Drain System		\$ 62,246.00	62,246.00	
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services - Public and				
Private Revenues Offset with Appropriations:				
Clean Communities Grant Program		11,302.89	11,302.89	
Recycling Tonnage Grant	10,477.05		10,477.05	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	23,315.00		23,315.00	
Unappropriated Reserves:				
Camden County Open Space Preservation Trust Fund Round 16	25,000.00		25,000.00	
Division of Criminal Justice -- Body Armor Replacement Fund	1,622.78		1,622.78	
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		10,134.80	1,539.85
Payment in Lieu of Taxes - National Realty	332,405.00		340,720.00	8,315.00
Payment in Lieu of Taxes - Other	13,165.92		18,207.00	5,041.08
Delaware River Port Authority Fees	15,000.00		15,000.00	
Total Miscellaneous Revenues	<u>2,022,487.15</u>	<u>73,548.89</u>	<u>2,037,087.54</u>	<u>(58,948.50)</u>
Receipts from Delinquent Taxes	<u>360,000.00</u>		<u>364,591.81</u>	<u>4,591.81</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for				
Uncollected Taxes	<u>3,580,316.37</u>		<u>3,585,413.02</u>	<u>5,096.65</u>
Budget Totals	<u>6,516,097.21</u>	<u>73,548.89</u>	<u>6,540,386.06</u>	<u>(49,260.04)</u>
Non-Budget Revenues			<u>179,691.86</u>	<u>179,691.86</u>
	<u>\$ 6,516,097.21</u>	<u>\$ 73,548.89</u>	<u>\$ 6,720,077.92</u>	<u>\$ 130,431.82</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

---

Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 13,495,080.39
--------------------------	------------------

## Allocated to:

Schools and County Taxes	10,299,667.37
--------------------------	---------------

Balance for Support of Municipal Budget Appropriations	3,195,413.02
--	--------------

Add: Appropriation "Reserve for Uncollected Taxes"	390,000.00
--	------------

Amount for Support of Municipal Budget Appropriations	\$ 3,585,413.02
---	-----------------

## Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 352,493.47
----------------------------	---------------

Tax Title Liens	12,098.34
-----------------	-----------

	\$ 364,591.81
--	---------------

## Revenue Accounts Receivable:

## Licenses -- Other:

## Clerk:

Business	\$ 13,000.00
----------	--------------

## Board of Health:

Marriage Licenses	102.00
-------------------	--------

	\$ 13,102.00
--	--------------

## Fees and Permits:

## Clerk:

200 Foot Search	\$ 170.00
-----------------	-----------

Business License Late Fees	950.00
----------------------------	--------

Coin Operated Machines	50.00
------------------------	-------

Miscellaneous Copies	132.78
----------------------	--------

Street Opening	61,566.00
----------------	-----------

Tax Search	10.00
------------	-------

Tennant Landlord Applications	1,480.00
-------------------------------	----------

Towing Applications	50.00
---------------------	-------

	\$ 64,408.78
--	--------------

## Board of Health:

Vital Statistics	1,200.00
------------------	----------

(Continued)



**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

Analysis of Realized Revenues (Cont'd)

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

Police:

Police Reports	\$	2,144.00
----------------	----	----------

\$ 67,752.78

Uniform Construction Code Fees:

Fees and Permits:

Building Permits	\$	40,946.00
Certificate of Occupancy		1,714.00
Certificate of Occupancy - Resale		11,812.00
Electrical Permits		30,306.00
Fire Safety Permits		7,731.00
Plumbing Permits		16,729.00
Temporary Certificate of Occupancy		200.00
Zoning Ordinance Permits		3,135.00

\$ 112,573.00

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Tax Collector:

Homestead Rebate Administration Fee	\$	319.20
Miscellaneous		6,901.13

\$ 7,220.33

Clerk:

Appliance Removal		80.00
-------------------	--	-------

Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Interest Earned on Deposits:

Current Fund	\$	632.09
Clerk		0.55
Municipal Court		2.45
Uniform Construction Code		0.47
Uniform Fire Code		0.34

\$ 635.90

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated (Cont'd):

Treasurer (Cont'd):

Receipts (Cont'd):

Bad Check Fees	\$ 100.00
Conrail Fees	4,850.00
Division of Motor Vehicles Inspections	4,508.61
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	1,167.01
Miscellaneous Refund	951.07
Payment in Lieu of Taxes	740.90
Planning and Zoning Applications	3,750.00
Safety Award	34,125.00
Sale of Surplus Assets	462.50
South Jersey Gas Easement	100,000.00
Tower Commissions	<u>20,899.89</u>

\$ 172,190.88

Interest Earned in Other Funds:

Animal Control Fund	0.05
Trust Other Fund	164.76
General Capital Fund	<u>35.84</u>

200.65

\$ 172,391.53

\$ 179,691.86

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, 2017

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 122,890.00	\$ 122,890.00	\$ 122,886.26		\$ 3.74	
Other Expenses	47,675.00	47,655.00	30,703.86	\$ 2,434.75	14,516.39	
Mayor and Council						
Salaries and Wages	42,670.00	42,670.00	42,485.54		184.46	
Other Expenses	2,700.00	2,700.00	1,622.50	491.33	586.17	
Municipal Clerk						
Salaries and Wages	92,331.15	92,331.15	91,626.97		704.18	
Other Expenses	12,600.00	12,600.00	8,263.46	244.28	4,092.26	
Financial Administration						
Salaries and Wages	70,200.00	70,200.00	70,189.25		10.75	
Other Expenses	11,500.00	12,196.58	10,742.42	1,453.60	0.56	
Audit Services	45,000.00	45,000.00	45,000.00			
Computerized Data Processing	14,000.00	14,000.00	6,458.00		7,542.00	
Collection of Taxes						
Salaries and Wages	94,505.00	94,630.30	94,630.30			
Other Expenses	7,350.00	6,548.12	5,125.17	127.62	1,295.33	
Assessment of Taxes						
Salaries and Wages	13,500.00	13,500.00	13,499.52		0.48	
Other Expenses	3,000.00	3,000.00	2,665.00	24.95	310.05	
Legal Services and Costs						
Other Expenses	35,000.00	35,000.00	29,117.63		5,882.37	
Engineering Services						
Other Expenses	17,500.00	17,500.00			17,500.00	
Municipal Court						
Salaries and Wages	77,680.00	77,802.85	77,802.85			
Other Expenses	16,170.00	16,047.15	8,576.49	250.07	7,220.59	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	7,450.00	7,450.00	7,448.82		1.18	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Land Use Administration:						
Planning Board						
Salaries and Wages	\$ 3,785.00	\$ 3,785.00	\$ 3,782.66		\$ 2.34	
Other Expenses	2,400.00	2,400.00	1,969.82		430.18	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	105,000.00	105,000.00	100,650.56		4,349.44	
Other Expenses	1,500.00	1,500.00	730.83		769.17	
Insurance:						
Workers Compensation Insurance	118,875.09	118,875.09	118,875.09			
Employee Group Insurance	549,000.00	547,250.00	467,189.66	\$ 64,999.17	15,061.17	
Liability Insurance	109,666.24	109,666.24	109,666.24			
Health Benefits Waiver	14,000.00	15,750.00	15,750.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	1,233,956.00	1,251,054.09	1,251,054.09			
Other Expenses	108,064.00	100,464.23	60,030.90	40,057.66	375.67	
Office of Emergency Management						
Salaries and Wages	1,500.00	1,500.00	1,400.45		99.55	
Other Expenses	3,655.00	4,391.00	2,460.00	1,931.00		
Aid to Volunteer Fire Companies	66,444.32	66,444.32	58,455.42	1,247.01	6,741.89	
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00			
Fire Department						
Other Expenses	55,750.00	55,750.00	50,714.00		5,036.00	
Fire Prevention						
Salaries and Wages	70,150.00	70,150.00	66,151.36		3,998.64	
Other Expenses	12,798.96	12,798.96	8,913.17	65.00	3,820.79	
Municipal Prosecutor's Office						
Salaries and Wages	13,850.00	13,850.00	13,270.55		579.45	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<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	\$ 6,451.67	\$ 6,451.67			
Other Expenses	75,900.00	74,448.33	50,280.32	\$ 9,161.81	\$ 15,006.20	
Workforce:						
Other Expenses	3,500.00	3,500.00	1,973.42	1,526.58		
Solid Waste Collection						
Salaries and Wages	277,675.00	278,533.49	278,533.49			
Other Expenses	153,050.00	153,050.00	147,940.49	4,200.00	909.51	
Public Buildings and Grounds						
Other Expenses	26,590.00	25,731.51	21,058.31	2,271.90	2,401.30	
Health and Human Services Functions:						
Environmental Health Services						
Other Expenses	2,000.00	2,000.00	2,000.00			
Animal Control Services						
Other Expenses	13,800.00	13,800.00	11,604.42		2,195.58	
Human Relations Commission						
Other Expenses	1,000.00	1,000.00	579.96	239.59	180.45	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	21,250.00	21,250.00	13,372.98	100.00	7,777.02	
Sterling Municipal Alliance Program						
	2,243.00	2,243.00	2,243.00			
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	140,000.00	125,500.00	107,912.21		17,587.79	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<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>	
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
Utility Expenses and Bulk Purchases:						
Electricity	\$ 40,500.00	\$ 40,500.00	\$ 29,852.53	\$ 170.14	\$ 10,477.33	
Street Lighting	78,600.00	69,101.68	63,922.87		5,178.81	
Telephone	26,000.00	33,000.00	30,858.48	148.07	1,993.45	
Water	3,800.00	4,050.00	3,890.13	159.66	0.21	
Gas (Natural or Propane)	5,000.00	5,000.00	3,080.36	348.49	1,571.15	
Fuel Oil	500.00	500.00			500.00	
Sewerage Processing and Disposal	1,000.00	1,000.00	968.39		31.61	
Gasoline	50,000.00	48,814.00	44,454.91	3,810.91	548.18	
UNCLASSIFIED:						
Accumulated Leave Compensation	7,500.00	7,500.00	7,500.00			
<b>Total Operations -- Within "CAPS"</b>	<b>4,147,023.76</b>	<b>4,139,323.76</b>	<b>3,836,386.78</b>	<b>135,463.59</b>	<b>167,473.39</b>	
Detail:						
Salaries and Wages	2,232,142.15	2,251,798.55	2,241,864.34		9,934.21	
Other Expenses	1,914,881.61	1,887,525.21	1,594,522.44	135,463.59	157,539.18	
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>						
Regulatory Expenditures:						
Contribution to:						
Public Employees Retirement System	100,834.62	100,834.62	100,834.62			
New Jersey Supplemental Disability Insurance (SDI)	1,350.00	1,550.00	1,529.66		20.34	
Police and Firemen's Retirement System of NJ	289,671.25	289,671.25	289,671.25			
Unemployment Insurance	10,000.00	10,000.00	2,900.26	7,099.74		
Defined Contribution Retirement Program	180.00	180.00	178.49		1.51	
Social Security System (O.A.S.I.)	169,400.00	176,900.00	176,252.44		647.56	
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>	<b>571,435.87</b>	<b>579,135.87</b>	<b>571,366.72</b>	<b>7,099.74</b>	<b>669.41</b>	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	\$ 4,718,459.63	\$ 4,718,459.63	\$ 4,407,753.50	\$ 142,563.33	\$ 168,142.80	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	78,166.92	78,166.92	78,166.92			
Other Expenses	47,028.30	47,028.30	31,198.08	2,036.00	13,794.22	
Park School Shared Services						
Salaries and Wages	227,373.52	227,373.52	220,346.02		7,027.50	
Other Expenses	105,787.73	105,787.73	76,610.57	8,843.84	20,333.32	
Somerdale Board of Education Roof Drain System -- Other Expense		62,246.00	30,926.86		31,319.14	
Total Interlocal Municipal Service Agreements -- Within "CAPS" Excluded from "CAPS"	458,356.47	520,602.47	437,248.45	10,879.84	72,474.18	
Public and Private Programs :						
Clean Communities Grant Program - (N.J.S.A. 40A:4-87 \$11,302.89+)						
Recycling Tonnage Grant	10,477.05	11,302.89	11,302.89			
Safe and Secure Communities Program	84,914.00	10,477.05	10,477.05			
Unappropriated Reserves:		84,914.00	84,914.00			
Camden County Open Space Preservation Trust Fund Round 16	25,000.00	25,000.00	25,000.00			
Body Armor Replacement	1,622.78	1,622.78	1,622.78			
Total Public and Private Programs -- Excluded from "CAPS"	122,013.83	133,316.72	133,316.72			
Total Operations -- Excluded from "CAPS"	580,370.30	653,919.19	570,565.17	10,879.84	72,474.18	
Detail:						
Salaries and Wages	390,454.44	390,454.44	383,426.94		7,027.50	
Other Expenses	189,915.86	263,464.75	187,138.23	10,879.84	65,446.68	

(Continued)

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<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>	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00			
Total Capital Improvements Excluded from "CAPS"	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	590,000.00	590,000.00	590,000.00			
Interest on Bonds	110,140.00	110,140.00	110,140.00			
Bond Anticipation Notes	45,500.00	45,500.00	309.00			\$ 45,191.00
Interest on Notes	21,627.28	21,627.28	21,567.20			60.08
Total Municipal Debt Service -- Excluded from "CAPS"	<u>767,267.28</u>	<u>767,267.28</u>	<u>722,016.20</u>			<u>45,251.08</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,407,637.58</u>	<u>1,481,186.47</u>	<u>1,352,581.37</u>	<u>\$ 10,879.84</u>	<u>\$ 72,474.18</u>	<u>45,251.08</u>
Subtotal General Appropriations	6,126,097.21	6,199,646.10	5,760,334.87	153,443.17	240,616.98	45,251.08
Reserve for Uncollected Taxes	390,000.00	390,000.00	390,000.00			
Total General Appropriations (Carried Forward)	<u>\$ 6,516,097.21</u>	<u>\$ 6,589,646.10</u>	<u>\$ 6,150,334.87</u>	<u>\$ 153,443.17</u>	<u>\$ 240,616.98</u>	<u>\$ 45,251.08</u>

(Continued)



**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<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>\$ 6,516,097.21</u>	<u>\$ 6,589,646.10</u>	<u>\$ 6,150,334.87</u>	<u>\$ 153,443.17</u>	<u>\$ 240,616.98</u>	<u>\$ 45,251.08</u>
Appropriation by 40A:4-87		\$ 73,548.89				
Budget		<u>6,516,097.21</u>				
		<u>\$ 6,589,646.10</u>				
Refunds			\$ (54,587.28)			
Reserve for Federal and State Grants -- Appropriated			133,316.72			
Reserve for Uncollected Taxes			390,000.00			
Due Dog License Fund			11,604.42			
Due Trust Other Fund			7,500.00			
Due General Capital Fund			61,372.75			
Disbursements			<u>5,601,128.26</u>			
			<u>\$ 6,150,334.87</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, 2017 and 2016

---

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 29.74	\$ 53.73
Total Animal Control Fund		<u>29.74</u>	<u>53.73</u>
Other Funds:			
Cash	SB-1	889,577.49	708,383.12
Community Development Block Grant Receivable	B	<u>26,200.00</u>	<u>26,200.00</u>
Total Other Funds		<u>915,777.49</u>	<u>734,583.12</u>
Total Assets		<u>\$ 915,807.23</u>	<u>\$ 734,636.85</u>

(Continued)

**BOROUGH OF SOMERDALE**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2017 and 2016

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 19.54	\$ 49.93
Due to State of New Jersey -- Registration Fees	SB-4	<u>10.20</u>	<u>3.80</u>
Total Animal Control Fund		<u>29.74</u>	<u>53.73</u>
Other Funds:			
Due to Current Fund	SB-5	5,451.18	20.07
Due to General Capital Fund	C	26,200.00	26,200.00
Due to State of New Jersey -- Division of Youth and Family Services	SB-6	250.00	325.00
Due to State of New Jersey -- New Construction Surcharge	SB-7	1,121.00	3,886.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-8	40,500.00	33,000.00
Beautification Programs	SB-8	84,277.76	76,367.23
Developer's Escrow Fund	SB-8	289,327.13	235,476.12
Disposal of Forfeited Property	SB-8	10,920.85	10,919.78
Municipal Public Defender	SB-8		206.82
New Jersey Unemployment Compensation	SB-8	10,141.35	
Outside Employment of Off-Duty Police Officers	SB-8	117,276.01	23,723.88
Parking Offense Adjudication Act	SB-8	1,528.05	1,422.05
Board of Recreation Commission	SB-8	15,254.01	8,561.91
Recycling Program	SB-8	3,855.35	1,286.39
Tax Title Lien Redemption	SB-8	271,489.79	283,502.86
Uniform Fire Safety Act Penalty Monies	SB-8	<u>38,185.01</u>	<u>29,685.01</u>
Total Other Funds		<u>915,777.49</u>	<u>734,583.12</u>
Total Liabilities and Reserves		<u>\$ 915,807.23</u>	<u>\$ 734,636.85</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, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1	\$ 533,833.09	\$ 424,550.88
Camden County Open Space Trust Fund Grant Receivable	C	25,000.00	25,000.00
Deferred Charges to Future Taxation:			
Funded	SC-3	4,730,000.00	2,140,000.00
Unfunded	SC-4	1,140,000.00	2,040,309.00
Community Development Block Grant Receivable	SC-5	78,247.00	54,947.00
New Jersey Transportation Trust Fund Authority Act Receivable	SC-6	498,099.34	498,099.34
Due from Current Fund	SC-7	1,372.75	14,166.83
Due from Trust Other Fund	SC-8	26,200.00	26,200.00
		<u>26,200.00</u>	<u>26,200.00</u>
 Total Assets		 <u>\$ 7,032,752.18</u>	 <u>\$ 5,223,273.05</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Reserve for Community Development Block Grant Receivable	SC-9	\$ 46,600.00	\$ 23,300.00
Improvement Authorizations:			
Funded	SC-10	698,422.05	371,873.11
Unfunded	SC-10		532,679.78
Capital Improvement Fund	SC-11	129.00	129.00
Reserve for Encumbrances	SC-12	140,220.00	90,793.97
Contracts Payable	SC-13	277,381.13	24,188.19
Bond Anticipation Notes	SC-14	1,140,000.00	2,040,309.00
General Obligation Bonds	SC-15	4,730,000.00	2,140,000.00
		<u>4,730,000.00</u>	<u>2,140,000.00</u>
 Total Liabilities and Reserves		 <u>\$ 7,032,752.18</u>	 <u>\$ 5,223,273.05</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, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash	SD-1	\$ 534,830.73	\$ 407,789.94
Due from Sewer Utility Capital Fund	SD-9	<u>160,923.89</u>	<u>501,100.96</u>
		<u>695,754.62</u>	<u>908,890.90</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	61,832.11	77,542.99
Sewer Utility Liens	SD-5	<u>1,001.06</u>	<u>864.86</u>
		<u>62,833.17</u>	<u>78,407.85</u>
Total Operating Fund		<u>758,587.79</u>	<u>987,298.75</u>
Capital Fund:			
Fixed Capital	SD-6	6,914,242.79	2,018,937.79
Fixed Capital Authorized but Uncompleted	SD-7		4,600,300.00
New Jersey Environmental Infrastructure Trust			
Loan Credits Receivable	SD-8	<u>13,282.00</u>	<u>27,135.76</u>
Total Capital Fund		<u>6,927,524.79</u>	<u>6,646,373.55</u>
Total Assets		<u>\$ 7,686,112.58</u>	<u>\$ 7,633,672.30</u>

(Continued)

**BOROUGH OF SOMERDALE**  
SEWER UTILITY FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Appropriation Reserves	D-3, SD-10	\$ 64,350.36	\$ 66,552.37
Reserve for Encumbrances	D-3, SD-10	21,065.08	20,308.71
Contracts Payable	SD-11	58,739.88	115,551.22
Sewer Rent Overpayments	SD-12	2,868.77	1,824.01
Accrued Interest on Bonds and Notes	SD-13	2,271.96	2,681.97
		<u>149,296.05</u>	<u>206,918.28</u>
Reserve for Receivables		62,833.17	78,407.85
Fund Balance	D-1	546,458.57	701,972.62
		<u>758,587.79</u>	<u>987,298.75</u>
Total Operating Fund			
		<u>758,587.79</u>	<u>987,298.75</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-9	160,923.89	501,100.96
Reserve for Amortization	SD-14	3,261,612.93	1,951,802.03
Reserve for Deferred Amortization	SD-15		400,000.00
Improvement Authorization - Funded	SD-16		53,664.57
Improvement Authorization - Unfunded	SD-16		254,914.37
Reserve for Encumbrances	SD-17		6,755.86
Contracts Payable	SD-18	118,658.11	
New Jersey Environmental Infrastructure Trust Loans Payable	SD-19	33,282.00	67,135.76
United States Department of Agriculture (USDA) Loans Payable	SD-20	3,353,047.86	3,411,000.00
		<u>6,927,524.79</u>	<u>6,646,373.55</u>
Total Capital Fund		<u>6,927,524.79</u>	<u>6,646,373.55</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,686,112.58</u>	<u>\$ 7,633,672.30</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 380,754.23	\$ 471,343.67
Rents	499,440.56	479,952.69
Miscellaneous	26,314.03	21,621.95
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	62,330.59	78,841.49
Prior Year Contracts Payable Cancelled	115,551.22	
	<u>1,084,390.63</u>	<u>1,051,759.80</u>
<u>Expenditures</u>		
Operating	359,809.16	359,050.00
Debt Service	155,735.29	67,040.40
Capital Improvements	300,000.00	166,596.33
Regulatory Expenditures	43,606.00	35,104.71
Refund of Prior Year Revenue		254.46
	<u>859,150.45</u>	<u>628,045.90</u>
Total Expenditures	<u>859,150.45</u>	<u>628,045.90</u>
Regulatory Excess to Surplus	225,240.18	423,713.90
<u>Fund Balance</u>		
Balance January 1	<u>701,972.62</u>	<u>749,602.39</u>
	927,212.80	1,173,316.29
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>380,754.23</u>	<u>471,343.67</u>
Balance December 31	<u>\$ 546,458.57</u>	<u>\$ 701,972.62</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, 2017

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 380,754.23	\$ 380,754.23	
Rents	479,952.69	499,440.56	\$ 19,487.87
Miscellaneous		<u>26,314.03</u>	<u>26,314.03</u>
	<u>\$ 860,706.92</u>	<u>\$ 906,508.82</u>	<u>\$ 45,801.90</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable:			
Receipts -- Collector:			
Liens		\$ 1,033.45	
Rents		496,583.10	
Overpayments Applied		<u>1,824.01</u>	
			<u>\$ 499,440.56</u>
 Miscellaneous:			
Collector - Receipts:			
Sewer Connections		\$ 6,000.00	
Special Sewer Charges		15,000.00	
Interest and Costs on Delinquent Rents		<u>5,261.40</u>	
			\$ 26,261.40
 Treasurer:			
Receipts -- Interest Earned on Deposits			<u>52.63</u>
			<u>\$ 26,314.03</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, 2017

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Sewer Operating:						
Salaries and Wages	\$ 211,900.00	\$ 211,900.00	\$ 161,124.35		\$ 50,775.65	
Other Expenses	147,909.16	147,909.16	122,587.16	\$ 16,070.08	9,251.92	
Total Operating	<u>359,809.16</u>	<u>359,809.16</u>	<u>283,711.51</u>	<u>16,070.08</u>	<u>60,027.57</u>	
Capital Improvements						
Capital Outlay	<u>300,000.00</u>	<u>300,000.00</u>	<u>295,005.00</u>	<u>4,995.00</u>		
Debt Service:						
Payment of Bond Principal	91,805.90	91,805.90	91,805.90			
Interest on Bonds	<u>65,485.86</u>	<u>65,485.86</u>	<u>63,929.39</u>			\$ 1,556.47
Total Debt Service	<u>157,291.76</u>	<u>157,291.76</u>	<u>155,735.29</u>			<u>1,556.47</u>
Regulatory Expenditures:						
Contribution to:						
Public Employees' Retirement System	27,356.00	27,356.00	27,356.00			
Social Security System (O.A.S.I.)	<u>16,250.00</u>	<u>16,250.00</u>	<u>11,927.21</u>		4,322.79	
Total Regulatory Expenditures	<u>43,606.00</u>	<u>43,606.00</u>	<u>39,283.21</u>		<u>4,322.79</u>	
Total Appropriations	<u>\$ 860,706.92</u>	<u>\$ 860,706.92</u>	<u>\$ 773,735.01</u>	<u>\$ 21,065.08</u>	<u>\$ 64,350.36</u>	<u>\$ 1,556.47</u>
Disbursements			\$ 554,592.98			
Contracts Payable			155,212.64			
Accrued Interest on Bonds and Notes			<u>63,929.39</u>			
			<u>\$ 773,735.01</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, 2017

	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2017</u>
Fixed Assets:				
Land and Buildings	\$ 4,337,702.18	\$ 1,259,667.37		\$ 5,597,369.55
Public Works Equipment	384,616.10	123,479.00		508,095.10
Police Equipment	160,853.79	6,495.00		167,348.79
Office Equipment	64,635.32		\$ 19,800.00	44,835.32
Fire Equipment	83,901.00			83,901.00
Vehicles	2,741,973.74	66,424.00	27,316.00	2,781,081.74
	<hr/>			
Total Fixed Assets	\$ 7,773,682.13	\$ 1,456,065.37	47,116.00	\$ 9,182,631.50
	<hr/>			
Total Investment in Fixed Assets	7,773,682.13	\$ 1,456,065.37	47,116.00	\$ 9,182,631.50
	<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, 2017

---

**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 Boroughs 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, No. 61 and No. 80.

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

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

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

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

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

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

**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):

**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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

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

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

**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 to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, 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, 2016 and decreased by the amount deferred at December 31, 2017.

**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.

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

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

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

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

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

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

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2: CASH AND CASH EQUIVALENTS**

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

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of December 31, 2017, the Borough's bank balances of \$3,804,073.20 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,057,979.35
Uninsured and Uncollateralized	<u>746,093.85</u>
Total	<u>\$ 3,804,073.20</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 *</u>	<u>2013</u>
Tax Rate	<u>\$ 4.259</u>	<u>\$ 4.141</u>	<u>\$ 4.082</u>	<u>\$ 3.912</u>	<u>\$ 3.376</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.099	\$ 1.094	\$ 1.090	\$ 1.084	\$ .937
County	.942	.925	.916	.870	.769
Local School	1.409	1.372	1.351	1.316	1.065
Regional High School	.809	.750	.725	.642	.605

\* Reassessment

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 325,739,600.00
2016	321,669,800.00
2015	318,691,200.00
2014 *	315,585,500.00
2013	360,205,434.00

\* Reassessment



**Note 3: PROPERTY TAXES (CONT'D)****Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 13,915,960.08	\$ 13,495,080.39	96.98%
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%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 31,191.77	\$ 397,135.89	\$ 428,327.66	3.08%
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%

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

<u>Year</u>	<u>Number</u>
2017	6
2016	6
2015	1
2014	12
2013	12

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2017	\$ 192,590.00
2016	192,590.00
2015	386,590.00
2014	66,190.00
2013	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:

Year	Balance Beginning of Year		Levy	Total	Cash Collections
	Receivable	Liens			
2017	\$ 77,542.99	\$ 864.86	\$ 483,836.91	\$ 562,244.76	\$ 499,440.56
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

**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, 2017 is \$13,282.00 and is expected to be collected in 2018.

**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
2017	\$ 1,230,702.02	\$ 503,748.49	40.93%
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%

**Sewer Utility Fund**

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2017	\$ 546,458.57	\$ 166,878.55	30.54%
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%

**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, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 5,451.18	\$ 35,516.22
Federal and State Grant	34,143.47	
Trust - Other		31,651.18
General Capital	27,572.75	
Sewer Utility - Operating	160,923.89	
Sewer Utility - Capital		160,923.89
	<u>\$ 228,091.29</u>	<u>\$ 228,091.29</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 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, some Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

**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 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 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 12.92% 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, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$157,961.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$139,545.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$89,570.66.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a 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, 2017 was 26.87% 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, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$327,873.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$295,222.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$122,014.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2017 was 2.63% of the Borough's covered payroll.

**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, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$32,033.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 was \$22,256.00, which was paid on April 1, 2017.

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

For the year ended December 31, 2017, employee contributions totaled \$327.09, and the Borough's contributions were \$178.49. 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, 2017, the Borough's proportionate share of the PERS net pension liability was \$3,969,243.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was 0.017511830%, which was an increase of 0.0013434789% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$435,537.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PERS was \$157,961.00, and was paid on April 1, 2017.

**Police and Firemen's Retirement System** - At December 31, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 5,719,344.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	640,615.00
	<u>\$ 6,359,959.00</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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was 0.0370470239%, which was an increase of 0.0008385973% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0370470239%, which was an increase of 0.0008385973% from its proportion, on-behalf of the Borough, measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$634,533.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PFRS was \$295,222.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2017 measurement date is \$78,362.00. 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, 2017, 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	\$ 93,462.00	\$ 37,104.00	\$ 130,566.00		\$ 33,568.00	\$ 33,568.00
Changes of Assumptions	799,666.00	705,259.00	1,504,925.00	\$ 796,734.00	936,661.00	1,733,395.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	27,028.00	109,138.00	136,166.00			
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	672,104.00	454,161.00	1,126,265.00	182,821.00	27,347.00	210,168.00
Borough Contributions Subsequent to the Measurement Date	78,981.00	163,937.00	242,918.00			
	<u>\$ 1,671,241.00</u>	<u>\$ 1,469,599.00</u>	<u>\$ 3,140,840.00</u>	<u>\$ 979,555.00</u>	<u>\$ 997,576.00</u>	<u>\$ 1,977,131.00</u>

\$78,981.00 and \$163,937.00 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, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Borough's year end of December 31, 2017.



**Note 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:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

**Note 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:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2018	\$ 242,682.00	\$ 185,421.00	\$ 428,103.00
2019	290,245.00	304,310.00	594,555.00
2020	211,484.00	107,826.00	319,310.00
2021	(74,534.00)	(187,334.00)	(261,868.00)
2022	(57,172.00)	(102,137.00)	(159,309.00)
	<u>\$ 612,705.00</u>	<u>\$ 308,086.00</u>	<u>\$ 920,791.00</u>

**Actuarial Assumptions**

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

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

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

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 4,924,115.00	\$ 3,969,243.00	\$ 3,173,716.00

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

	<b>PFRS</b>		
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 7,535,707.00	\$ 5,719,344.00	\$ 4,226,995.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	844,063.02	640,615.00	473,459.32
	<u>\$ 8,379,770.02</u>	<u>\$ 6,359,959.00</u>	<u>\$ 4,700,454.32</u>

**Pension Plan Fiduciary Net Position**

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

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0170511830%	0.0157077041%	0.0164134907%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,969,243.00	\$ 4,652,171.00	\$ 3,684,500.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,133,084.00	\$ 1,071,284.00	\$ 1,149,972.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	350.30%	434.26%	320.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0116870070%	0.0129708891%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,188,127.00	\$ 2,478,995.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 787,492.00	\$ 898,680.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	277.86%	275.85%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 157,961.00	\$ 139,545.00	\$ 141,112.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(157,961.00)</u>	<u>(139,545.00)</u>	<u>(141,112.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,222,201.00	\$ 1,159,325.00	\$ 1,049,920.00
Borough's Contributions as a Percentage of Covered Payroll	12.92%	12.04%	13.44%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 96,346.00	\$ 97,733.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(96,346.00)</u>	<u>(97,733.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 1,111,193.00	\$ 856,953.00	
Borough's Contributions as a Percentage of Covered Payroll	8.67%	11.40%	

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0370470239%	0.0362084266%	0.0327063694%
Borough's Proportionate Share of the Net Pension Liability	\$ 5,719,344.00	\$ 6,916,736.00	\$ 5,447,741.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	640,615.00	580,834.00	477,749.00
Total	<u>\$ 6,359,959.00</u>	<u>\$ 7,497,570.00</u>	<u>\$ 5,925,490.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,199,204.00	\$ 1,157,312.00	\$ 1,093,148.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	498.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0331527477%	0.0324190261%	
Borough's Proportionate Share of the Net Pension Liability	\$ 4,170,308.00	\$ 4,309,817.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	449,072.00	40,127.00	
Total	<u>\$ 4,619,380.00</u>	<u>\$ 4,349,944.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,047,124.00	\$ 1,050,540.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	398.26%	410.25%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	



**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 327,873.00	\$ 295,222.00	\$ 265,854.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(327,873.00)</u>	<u>(295,222.00)</u>	<u>(265,854.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,220,142.00	\$ 1,203,499.00	\$ 1,160,483.00
Borough's Contributions as a Percentage of Covered Payroll	26.87%	24.53%	22.91%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 254,636.00	\$ 236,522.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(254,636.00)</u>	<u>(236,522.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 1,083,954.00	\$ 1,058,110.00	
Borough's Contributions as a Percentage of Covered Payroll	23.49%	22.35%	

**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

At December 31, 2017, 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, 2017, the balance of the fund was \$40,500.00. It is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$515,104.00.

**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, 2017, 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
- Three (3) Xerox Copiers

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

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2017</u>	<u>2016</u>
Vehicles	\$ 32,165.79	\$ 61,851.09

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>
2018	\$ 24,193.99	\$ 1,130.37	\$ 25,324.36
2019	7,971.80	204.97	8,176.77
	<u>\$ 32,165.79</u>	<u>\$ 1,335.34</u>	<u>\$ 33,501.13</u>

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

<u>Year</u>	<u>Amount</u>
2018	\$ 4,794.00
2019	4,377.00
2020	3,126.00
2021	3,126.00
2022	2,605.00

Rental payments under operating leases for the year 2017 were \$5,159.00.

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

General Obligation Bonds, Series 2002 - On March 1, 2002, the Borough issued \$2,190,000.00 of general obligation 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 was March 1, 2017.

General Obligation Bonds, Series 2008 - On October 1, 2008, the Borough issued \$4,280,000.00 of general obligation 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.

General Obligation Bonds, Series 2017 - On October 24, 2017, the Borough issued \$3,180,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 2.75%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is May 1, 2028.

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>
2018	\$ 550,000.00	\$ 154,100.00	\$ 704,100.00
2019	555,000.00	129,925.00	684,925.00
2020	580,000.00	105,700.00	685,700.00
2021	595,000.00	79,950.00	674,950.00
2022	350,000.00	52,500.00	402,500.00
2023-2027	1,750,000.00	150,062.50	1,900,062.50
2028	350,000.00	4,812.50	354,812.50
	<u>\$ 4,730,000.00</u>	<u>\$ 677,050.00</u>	<u>\$ 5,407,050.00</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 loans:

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 33,282.00	\$ 900.00	\$ 34,182.00

**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, 2017, 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>	
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	63,620.18	58,017.82	121,638.00
2023-2027	336,535.88	271,654.12	608,190.00
2028-2032	369,450.99	238,739.01	608,190.00
2033-2037	405,585.34	202,604.66	608,190.00
2038-2042	445,253.86	162,936.14	608,190.00
2043-2047	488,802.20	119,387.80	608,190.00
2048-2052	536,609.78	71,580.22	608,190.00
2053-5056	464,256.55	19,715.56	483,972.11
	<u>\$ 3,353,047.86</u>	<u>\$ 1,388,254.25</u>	<u>\$ 4,741,302.11</u>

**Note 14: CAPITAL DEBT (CONT'D)**

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

**Summary of Debt**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 5,870,000.00	\$ 4,180,309.00	\$ 4,402,998.01
Sewer Utility:			
Notes and Loans	3,386,329.86	3,478,135.76	3,514,561.46
Total Issued	<u>9,256,329.86</u>	<u>7,658,444.76</u>	<u>7,917,559.47</u>
<b><u>Authorized but not Issued</u></b>			
Sewer Utility:			
Notes and Loans	266,300.00	789,300.00	1,187,300.00
Total Authorized but not Issued	<u>266,300.00</u>	<u>789,300.00</u>	<u>1,187,300.00</u>
Total Issued and Authorized but not Issued	<u>9,522,629.86</u>	<u>8,447,744.76</u>	<u>9,104,859.47</u>
<b><u>Deductions</u></b>			
Sewer Utility:			
Self-Liquidating	3,652,629.86	4,267,435.76	4,701,861.46
Total Deductions	<u>3,652,629.86</u>	<u>4,267,435.76</u>	<u>4,701,861.46</u>
<b>Net Debt</b>	<u>\$ 5,870,000.00</u>	<u>\$ 4,180,309.00</u>	<u>\$ 4,402,998.01</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.734%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 4,258,000.00	\$ 4,258,000.00	
Local School District	505,000.00	505,000.00	
Self-Liquidating	3,652,629.86	3,652,629.86	
General	5,870,000.00		\$ 5,870,000.00
	<u>\$ 14,285,629.86</u>	<u>\$ 8,415,629.86</u>	<u>\$ 5,870,000.00</u>

Net debt \$5,870,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$338,580,135.33, equals 1.734%.

**Note 14: CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 11,850,304.74
Less: Net Debt	<u>5,870,000.00</u>
Remaining Borrowing Power	<u><u>\$ 5,980,304.74</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 906,508.82
Deductions:	
Operating and Maintenance Costs \$ 403,415.16	
Debt Service <u>155,735.29</u>	
Total Deductions	<u>559,150.45</u>
Excess in Revenue	<u><u>\$ 347,358.37</u></u>

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 prepaid school taxes set forth in the current fund assets as follows:

	<b><u>Balance December 31,</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Balance of Tax	\$ 1,315,338.40	\$ 1,206,938.50
Deferred	<u>1,317,806.00</u>	<u>1,206,938.50</u>
Prepaid Taxes	<u><u>\$ (2,467.60)</u></u>	<u><u>\$ -</u></u>

**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)**

**New Jersey Unemployment Compensation Insurance (Cont'd)** - The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Refunds From State</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 2,900.26	\$ 4,703.73	\$ 0.57	\$ 6,394.79 (a)	\$ 3,858.00 (b)	\$ 10,141.35
2016	14,566.28	7,155.34	0.88		26,051.31	
2015		4,191.23	0.95		1,812.76	4,328.81

(a) Amount represents a refund of an overpayment made in 2016

(b) Includes \$2,900.26 paid by the Current Fund Budget

It is estimated that unreimbursed payments on behalf of the Borough at December 31, 2017 are \$7,099.74 and are included in the Current Fund Reserve for Encumbrances.

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

Public Employees and Public Officials Bonds  
Automobile Liability and Automobile Physical Damage  
Workers' Compensation including Employer's Liability  
Longshore and Harbor Workers Compensation (USL & H)  
Property Including Flood and Boiler and Machinery  
General Liability including Public Officials and Employment Practices Liability  
Environmental Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Public Employees and Public Officials Bonds  
Excess Automobile Liability  
Excess Workers' Compensation and Employers' Liability  
Excess Longshore and Harbor Workers Compensation (USL & H)  
Excess Harbor Marine/Jones Act  
Excess General Liability  
Excess Property including Boiler and Machinery

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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 Banking and 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 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, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

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

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>
<b>General Improvements</b>		
Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	3/8/2018	\$ 1,330,000.00

**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, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2016	\$ 2,299,013.96	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 172,190.88	
2017 Budget Appropriation Refunds	54,587.28	
Collector	13,999,699.90	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	1,890,465.95	
2016 Appropriation Reserves Refunds	2,658.12	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	58,350.41	
Reserve for Payroll Deductions Payable	3,569,397.96	
Due Current Fund		\$ 411,394.31
Due Trust - Other Fund	4,727.48	
Federal and State Grants Receivable		82,560.37
Reserve for Federal and State Grants -- Appropriated		<u>18,100.00</u>
	<u>19,752,127.98</u>	<u>\$ 512,054.68</u>
	22,051,141.94	512,054.68
Decreased by Disbursements:		
Refund of Prior Year Revenue	3,940.19	
Petty Cash Funds	50.00	
2017 Appropriations	5,601,128.26	
2016 Appropriation Reserves	232,661.88	
Accounts Payable	561.99	
Tax Overpayments	1,369.71	
County Taxes Payable	3,062,528.97	
Due County for Added and Omitted Taxes	3,325.98	
Local School District Taxes Payable	4,592,080.00	
Regional High School Tax	2,527,212.10	
Reserve for Payroll Deductions Payable	3,569,397.96	
Due Federal and State Grant Fund	411,394.31	
Due Dog License Fund	11,604.37	
Due Trust -- Other Fund	32,615.49	
Due General Capital Fund	74,130.99	200,000.00
Reserve for Federal and State Grants -- Appropriated		154,972.18
Contracts Payable		<u>157,082.50</u>
	<u>20,124,002.20</u>	<u>512,054.68</u>
Balance December 31, 2017	<u>\$ 1,927,139.74</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, 2017

---

Increased by:		
Maintenance Liens		\$ 15,121.66
Taxes Receivable		13,655,429.58
Tax Title Liens		12,098.34
Prepaid Taxes		220,295.03
Tax Overpayments		14,551.09
Due to Camden County Municipal Utility Authority		711.45
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 74,983.87	
Miscellaneous	<u>7,220.33</u>	
		<u>82,204.20</u>
		14,000,411.35
Decreased by:		
Disbursed to CCMUA	711.45	
Payments to Treasurer	<u>13,999,699.90</u>	
		<u><u>\$ 14,000,411.35</u></u>

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

---

<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, 2017

---

<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, 2017

---

Balance December 31, 2016	\$ 13,439.66
Increased by:	
2017 Charges	<u>13,007.50</u>
	26,447.16
Decreased by:	
Receipts -- Collector (Due Trust Other Fund Reserve for Beautification)	<u>15,121.66</u>
Balance December 31, 2017	<u><u>\$ 11,325.50</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2017

Year	Balance	2017 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	Dec. 31, 2016			2016	2017					Dec. 31, 2017
2014	\$ 1,755.20				\$ 1,755.20					
2015	6,405.50				3,502.81					\$ 2,902.69
2016	361,154.23		\$ 1,250.00		347,235.46		\$ 10,231.53			4,937.24
	369,314.93		1,250.00		352,493.47		10,231.53			7,839.93
2017		\$ 13,915,960.08		\$ 117,403.30	13,302,936.11	\$ 60,203.53	17,046.67	\$ 14,537.45	\$ 14,537.06	389,295.96
	<u>\$ 369,314.93</u>	<u>\$ 13,915,960.08</u>	<u>\$ 1,250.00</u>	<u>\$ 117,403.30</u>	<u>\$ 13,655,429.58</u>	<u>\$ 60,203.53</u>	<u>\$ 27,278.20</u>	<u>\$ 14,537.45</u>	<u>\$ 14,537.06</u>	<u>\$ 397,135.89</u>

Senior Citizens Disallowed by Collector \$ 1,250.00

Analysis of 2017 Property Taxes

Tax Yield:

General Purpose Tax	\$ 13,873,250.83
Added Taxes (54:4-63.1 et seq.)	<u>42,709.25</u>
	<u>\$ 13,915,960.08</u>

Tax Levy:

Regional High School Tax	\$ 2,635,612.00
Local District School Tax	4,592,080.00
County Taxes:	
Net County Taxes	\$ 2,815,843.85
County Library Tax	177,938.46
County Open Space Taxes	68,746.66
Due County for Added and Omitted Taxes	<u>9,446.40</u>
Total County Taxes	3,071,975.37
Local Tax for Municipal Purposes	3,580,316.37
Add: Additional Tax Levied	<u>35,976.34</u>
	<u>3,616,292.71</u>
	<u>\$ 13,915,960.08</u>



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

Balance December 31, 2016		\$ 11,320.19
Increased by:		
Interest and Costs Accrued by Sale of September 20, 2017	\$ 4,369.22	
Camden County Municipal Utility Authority Charges	1,033.95	
Transfers from Taxes Receivable:		
2016 Taxes	\$ 10,231.53	
2017 Taxes	<u>17,046.67</u>	
	<u>27,278.20</u>	
		<u>32,681.37</u>
		44,001.56
Decreased by:		
Due to Camen County Municipal Utility Authority -- Receipts Collector	711.45	
Receipts -- Collector	<u>12,098.34</u>	
		<u>12,809.79</u>
Balance December 31, 2017		<u><u>\$ 31,191.77</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
			<u>Collector</u> <u>Treasurer</u>	
Clerk:				
Licenses:				
Alcohol Beverages		\$ 19,046.60		\$ 19,046.60
Other		13,000.00		13,000.00
Fees and Permits		64,408.78		64,408.78
Non Budgeted Revenue		80.00		80.00
Municipal Court:				
Fines and Costs	\$ 14,037.93	160,787.70		\$ 164,942.81
Tax Collector:				
Interest and Costs on Taxes		74,983.87	\$ 74,983.87	
Non Budgeted Revenue		7,220.33	7,220.33	
Board of Health:				
Licenses Other		102.00		102.00
Fees and Permits		1,200.00		1,200.00
Police:				
Fees and Permits		2,144.00		2,144.00
Treasurer:				
Cable Television Franchise Tax	20,956.49	22,015.16		20,956.49
Consolidated Municipal Property Tax Relief Aid		12,848.00		12,848.00
Energy Receipts Tax		508,625.00		508,625.00
Interlocal Service Agreements		520,602.47		520,602.47
Uniform Fire Safety Act		10,134.80		10,134.80
Payment in Lieu of Taxes - National Realty		340,720.00		340,720.00
Payment in Lieu of Taxes - Other		18,207.00		18,207.00
Delaware River Port Authority Fees		15,000.00		15,000.00
Uniform Construction Code:				
Fees and Permits		112,573.00		112,573.00
Uniform Fire Code:				
Local Fees & Permits		65,875.00		65,875.00
	<u>\$ 34,994.42</u>	<u>\$ 1,969,573.71</u>	<u>\$ 82,204.20</u>	<u>\$ 1,890,465.95</u>
			<u>\$ 1,890,465.95</u>	<u>\$ 31,897.98</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Regional High School Taxes  
For the Year Ended December 31, 2017

---

Balance December 31, 2016		
School Tax Deferred		\$ 1,206,938.50
Increased by:		
Levy School Year July 1, 2017 to June 30, 2018		<u>2,635,612.00</u>
		3,842,550.50
Decreased by:		
Disbursements		<u>2,527,212.10</u>
Balance December 31, 2017		
School Tax Deferred	\$ 1,317,806.00	
Prepaid Tax	<u>(2,467.60)</u>	
		<u>\$ 1,315,338.40</u>
2017 Regional High School Tax		
Amount Charged to 2017 Operations		<u>\$ 2,527,212.10</u>

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

	Balance December 31, 2016		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages		\$ 0.03	\$ 0.03			\$ 0.03
Other Expenses	\$ 2,518.27	3,663.92	6,182.19	\$ 2,976.90		3,205.29
Mayor and Council						
Salaries and Wages		574.23	574.23			574.23
Other Expenses	305.89	108.38	414.27	300.89		113.38
Municipal Clerk						
Salaries and Wages		0.43	0.43			0.43
Other Expenses	273.75	4,304.81	4,578.56	322.15	\$ 1,110.22	5,366.63
Financial Administration						
Salaries and Wages		217.95	217.95			217.95
Other Expenses	433.04	2,467.31	2,900.35	537.22		2,363.13
Audit Services						
Computerized Data Processing		5,542.00	5,542.00			5,542.00
Collection of Taxes						
Salaries and Wages		5,850.95	5,850.95			5,850.95
Other Expenses	2,479.86	4,170.14	6,650.00	2,479.86		4,170.14
Assessment of Taxes						
Salaries and Wages		5.00	5.00			5.00
Other Expenses	204.00	407.00	611.00	204.00		407.00
Legal Services and Costs						
Other Expenses	1,179.96	8,050.55	9,230.51	1,179.96		8,050.55
Engineering Services						
Other Expenses	12,321.21	1,255.62	13,576.83	10,699.72		2,877.11
Municipal Court						
Salaries and Wages		2,550.71	2,550.71			2,550.71
Other Expenses	267.63	3,865.45	4,133.08	265.35		3,867.73
Public Defender (P.L. 1997, C.256)						
Other Expenses	25.00		25.00	25.00		

(Continued)

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

	Balance December 31, 2016		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Land Use Administration:						
Planning Board						
Salaries and Wages		\$ 9.52	\$ 9.52			\$ 9.52
Other Expenses		493.50	493.50			493.50
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages		2,064.42	2,064.42			2,064.42
Other Expenses		233.92	233.92			233.92
Insurance:						
Employee Group Insurance	\$ 43,264.88	18,233.57	61,498.45	\$ 43,264.88		18,233.57
Liability Insurance		500.00	500.00			500.00
Public Safety Functions:						
Police Department						
Salaries and Wages		9,004.02	9,004.02	3,191.08		5,812.94
Other Expenses	54,422.72	12,742.56	67,165.28	65,211.68		1,953.60
Office of Emergency Management						
Salaries and Wages		268.68	268.68			268.68
Other Expenses	4,124.00		4,124.00	4,124.00		
Aid to Volunteer Fire Companies	3,465.01	4,128.31	7,593.32	6,755.02		838.30
Fire Department						
Other Expenses		4,827.51	4,827.51	4,645.30		182.21
Fire Prevention						
Salaries and Wages		3,698.16	3,698.16			3,698.16
Other Expenses	259.03	2,438.21	2,697.24	259.03		2,438.21
Municipal Prosecutor's Office						
Salaries and Wages		0.16	0.16			0.16

(Continued)

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

	Balance December 31, 2016		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
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	\$ 19,581.65	5,534.11	25,115.76	\$ 18,098.60		7,017.16
Workforce:						
Other Expenses	1,145.28	738.87	1,884.15	1,145.28		738.87
Solid Waste Collection						
Salaries and Wages		90.02	90.02			90.02
Other Expenses	0.02	1,344.71	1,344.73	0.02		1,344.71
Public Buildings and Grounds						
Other Expenses	11,890.38	396.80	12,287.18	11,918.97		368.21
Health and Human Services Functions:						
Animal Control Services						
Other Expenses		350.00	350.00			350.00
Human Relations Commission						
Other Expenses		872.86	872.86			872.86
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	686.54	2,872.08	3,558.62	697.29		2,861.33
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	4,500.00	24,054.80	27,992.23	23,504.92		4,487.31

(Continued)

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

	Balance December 31, 2016		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases:						
Electricity	\$ 3,604.75	\$ 2,328.46	\$ 6,083.21	\$ 6,076.01		\$ 7.20
Street Lighting	7,458.32	3,339.40	16,497.72	14,437.47		2,060.25
Telephone	113.68	2,239.33	2,353.01	1,976.72		376.29
Water	460.10		1,022.67	640.71		381.96
Gas (Natural or Propane)	738.18	3,103.39	3,841.57	1,658.26		2,183.31
Sewerage Processing and Disposal		30.30	30.30			30.30
Gasoline	3,079.63	13,461.43	10,691.06	3,079.63	\$ 1,547.90	9,159.33
Total Operations - within "CAPS"	<u>178,802.78</u>	<u>167,433.58</u>	<u>346,236.36</u>	<u>229,675.92</u>	<u>2,658.12</u>	<u>119,218.56</u>
Contingent		5,000.00	5,000.00			5,000.00
Total Operations -- Within "CAPS"	<u>178,802.78</u>	<u>172,433.58</u>	<u>351,236.36</u>	<u>229,675.92</u>	<u>2,658.12</u>	<u>124,218.56</u>
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
New Jersey Supplemental Disability Insurance (SDI)		17.04	17.04			17.04
Unemployment Insurance		973.97	973.97			973.97
Defined Contribution Retirement Program		6.68	6.68			6.68
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"		<u>997.69</u>	<u>997.69</u>			<u>997.69</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>178,802.78</u>	<u>173,431.27</u>	<u>352,234.05</u>	<u>229,675.92</u>	<u>2,658.12</u>	<u>125,216.25</u>

(Continued)

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

	Balance December 31, 2016		Balance After Modification	Expended	Refunded	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- EXCLUDED FROM "CAPS"						
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages						
Other Expenses	\$ 1,179.81	\$ 11,465.94	\$ 12,645.75	\$ 1,179.81		\$ 11,465.94
Park School Shared Services						
Salaries and Wages		4,160.93	4,160.93			4160.93
Other Expenses	4,672.77	16,104.37	20,777.14	4672.77		16104.37
Total Interlocal Municipal Service Agreements -- Within "CAPS"						
Excluded from "CAPS"	5,852.58	31,731.24	37,583.82	5,852.58		31,731.24
Total Operations -- Excluded from "CAPS"						
	5,852.58	31,731.24	37,583.82	5,852.58		31,731.24
Total General Appropriations						
	<u>\$ 184,655.36</u>	<u>\$ 205,162.51</u>	<u>\$ 389,817.87</u>	<u>\$ 235,528.50</u>	<u>\$ 2,658.12</u>	<u>\$ 156,947.49</u>
				\$ 232,661.88		
				2,866.62		
				<u>\$ 235,528.50</u>		



**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 561.99
Increased by:	
2016 Appropriation Reserves	<u>2,866.62</u>
	3,428.61
Decreased by:	
Disbursements	<u>561.99</u>
Balance December 31, 2017	<u><u>\$ 2,866.62</u></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, 2017

Balance December 31, 2016		\$ 13,532.95
Increased by:		
Receipts	\$ 58,350.41	
Prior Year Deductions Disallowed by Tax Collector	1,250.00	
		59,600.41
		73,133.36
Decreased by:		
Accrued in 2017:		
Deductions per Tax Billing	61,000.00	
Less:		
Deductions Disallowed by Tax Collector	796.47	
		60,203.53
Balance December 31, 2017		\$ 12,929.83

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

---

Balance December 31, 2016 (2017 Taxes)	\$ 117,403.30
Increased by:	
Receipts -- Collector	220,295.03
	337,698.33
Decreased by:	
Application to Taxes Receivable	117,403.30
Balance December 31, 2017 (2018 Taxes)	\$ 220,295.03

## Exhibit SA-14

**BOROUGH OF SOMERDALE**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 22,439.27
Increased by:	
Receipts -- Collector	14,551.09
	36,990.36
Decreased by:	
Refunded -- Disbursements	\$ 1,369.71
Canceled	6.18
Application to Taxes Receivable: 2017	14,537.45
	15,913.34
Balance December 31, 2017	\$ 21,077.02

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

---

2017 Levy:		
Net County Taxes	\$ 2,815,843.85	
County Library Tax	177,938.46	
County Open Space Tax	<u>68,746.66</u>	
		\$ 3,062,528.97
Decreased by:		
Disbursements		<u>\$ 3,062,528.97</u>

**Exhibit SA-16**

**BOROUGH OF SOMERDALE**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016		\$ 3,325.98
Increased by:		
County Share of 2017 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)		<u>9,446.40</u>
		12,772.38
Decreased by:		
Disbursements		<u>3,325.98</u>
Balance December 31, 2017		<u>\$ 9,446.40</u>

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Statement of Local School District Taxes  
For the Year Ended December 31, 2017

---

2017 Levy -- Calendar Year	\$ 4,592,080.00
Decreased by:	
Disbursements	<u>\$ 4,592,080.00</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 461.45
Increased by:	
Receipts	3,569,397.96
	3,569,859.41
Decreased by:	
Disbursements	3,569,397.96
Balance December 31, 2017	\$ 461.45
<u>Analysis of Balance December 31, 2017</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, 2017

	Balance <u>Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2017</u>
<b>Federal Grants:</b>					
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>142,518.95</u>				<u>142,518.95</u>
<b>State Grants:</b>					
Body Armor Replacement		\$ 1,705.18	\$ 1,705.18		
Clean Communities Program		11,302.89	11,302.89		
Drunk Driving Enforcement Grants	6,050.00			\$ 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
Recycling Tonnage Grant		21,011.05	21,011.05		
Safe and Secure Communities Program		23,315.00	23,315.00		
Stormwater Grant	4,234.00				4,234.00
Total State Programs	<u>76,373.94</u>	<u>57,334.12</u>	<u>57,334.12</u>	<u>6,050.00</u>	<u>70,323.94</u>
Total Federal & State Programs	<u>218,892.89</u>	<u>57,334.12</u>	<u>57,334.12</u>	<u>6,050.00</u>	<u>212,842.89</u>
<b>Other Grants:</b>					
Camden County Open Space Preservation Trust Fund -- Recreation Grant	1,025.12				1,025.12
Round 14-Recreational Facility	226.25		226.25		
Round 16-Recreational Facility	25,000.00		25,000.00		
	<u>26,251.37</u>		<u>25,226.25</u>		<u>1,025.12</u>
Total All Grants	<u>\$ 245,144.26</u>	<u>\$ 57,334.12</u>	<u>\$ 82,560.37</u>	<u>\$ 6,050.00</u>	<u>\$ 213,868.01</u>
Cash Receipts			<u>\$ 82,560.37</u>		

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Federal, State and Other Grant Fund  
Statement of Due from Current Fund  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 383,938.78
Increased by:	
Budgeted Match for Safe and Secure Communities Grant	<u>61,599.00</u>
	445,537.78
Decreased by:	
Receipts	<u>411,394.31</u>
Balance December 31, 2017	<u><u>\$ 34,143.47</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, 2017

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>Federal, State and Other Grants Receivable</u>	<u>Realized as Revenue in 2017</u>	<u>Balance Dec. 31, 2017</u>
State Grants:				
Body Armor Replacement Fund	\$ 1,622.78	\$ 1,705.18	\$ 1,622.78	\$ 1,705.18
Clean Communities Program		11,302.89	11,302.89	
Recycling Tonnage Grant		21,011.05	10,477.05	10,534.00
Safe and Secure Communities Program		23,315.00	23,315.00	
	<u>1,622.78</u>	<u>57,334.12</u>	<u>46,717.72</u>	<u>12,239.18</u>
Total State Programs				
Other Grants:				
Camden County Open Space Preservation Trust Fund: Round 16-Recreational Facility	<u>25,000.00</u>		<u>25,000.00</u>	
	<u>25,000.00</u>		<u>25,000.00</u>	
	<u>\$ 26,622.78</u>	<u>\$ 57,334.12</u>	<u>\$ 71,717.72</u>	<u>\$ 12,239.18</u>
Total All Grants				

**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, 2017

Grant	Balance Dec. 31, 2016		Transferred - 2017 Budget Appropriations	Expenditures	Encumbered	Canceled	Balance Dec. 31, 2017
	Appropriated	Reserve for Encumbrances					
<b>Federal Grants:</b>							
US Department of Law and Public Safety -- Division of Highway Traffic Safety: Over the Limit, Under Arrest							
Impaired Driving Crackdown Grant	\$ 6,125.00						\$ 6,125.00
Occupant Protection - Click It or Ticket	10,254.76						10,254.76
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			
<b>Total Federal Grants</b>	<b>151,379.76</b>			<b>135,000.00</b>			<b>16,379.76</b>
<b>State Grants:</b>							
Alcohol Education and Rehabilitation Grant	4,224.13						4,224.13
Body Armor Replacement Fund	11,974.57	\$ 1,479.00	\$ 1,622.78	1,479.00	\$ 1,705.00		11,892.35
Buckle Up South Jersey	4,000.00						4,000.00
Clean Communities Program	69,185.63	3,280.75	11,302.89	8,246.78	13,288.90		62,233.59
Domestic Violence Program	1,415.75						1,415.75
Drunk Driving Enforcement Grant	33,410.64	257.44		11,096.60	9.28	\$ 6,050.00	16,512.20
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: 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	40,220.46		10,477.05	5,048.30			45,649.21
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
<b>Total State Grants</b>	<b>416,055.07</b>	<b>5,017.19</b>	<b>108,316.72</b>	<b>310,784.68</b>	<b>15,003.18</b>	<b>6,050.00</b>	<b>197,551.12</b>
<b>Other Grants:</b>							
Camden County Open Space Preservation Trust Fund: Red Fox Run	6,370.26						6,370.26
Round 14-Recreational Facility	226.25						226.25
Round 16-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
	<b>6,838.24</b>		<b>25,000.00</b>	<b>25,000.00</b>			<b>6,838.24</b>
<b>Total All Grants</b>	<b>\$ 574,273.07</b>	<b>\$ 5,017.19</b>	<b>\$ 133,316.72</b>	<b>\$ 470,784.68</b>	<b>\$ 15,003.18</b>	<b>\$ 6,050.00</b>	<b>\$ 220,769.12</b>
Federal and State Grant Fund Receivable Disbursements				\$ 154,972.18		\$ 6,050.00	
Contracts Payable				133,912.50			
Due General Capital Fund				200,000.00			
Refunds				(18,100.00)			
				<b>\$ 470,784.68</b>		<b>\$ 6,050.00</b>	

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Federal, State and Other Grant Fund  
Statement of Contracts Payable  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 23,170.00
Increased by:	
2017 Contracts Awarded	<u>133,912.50</u>
	157,082.50
Decreased by:	
Disbursements	<u><u>\$ 157,082.50</u></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, 2017

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2016	\$ 53.73	\$ 708,383.12
Increased by Receipts:		
Due Current Fund	\$ 11,053.34	\$ 22,786.42
Due Bank		
Reserve for Animal Control Fund Expenditures	1,876.00	
State Registration Fees	244.20	
Due State of New Jersey -- Division of Youth and Family Services		850.00
Due State of New Jersey -- New Construction Surcharge		5,295.00
Miscellaneous Trust Reserves:		
Beautification Program		143,848.24
Developer's Escrow Fund		138,278.40
Disposal of Forfeited Property		1.07
Municipal Public Defender		3,002.50
New Jersey Unemployment Compensation		11,099.09
Outside Employment of Off-Duty Police Officers		566,928.10
Parking Offense Adjudication Act		106.00
Board of Recreation Commission		9,050.00
Recycling Program		5,742.42
Tax Title Lien Redemption		945,815.25
Uniform Fire Safety Act Penalty Monies		8,500.00
	<u>13,173.54</u>	<u>1,861,302.49</u>
	13,227.27	2,569,685.61
Decreased by Disbursements:		
Due Current Fund		4,727.48
Due General Capital Fund		60,000.00
Reserve for Animal Control Fund Expenditures	12,962.33	
State Registration Fees	235.20	
Due State of New Jersey -- Division of Youth and Family Services		925.00
Due State of New Jersey -- New Construction Surcharge		8,060.00
Miscellaneous Trust Reserves:		
Beautification Program		91,059.37
Developer's Escrow Fund		84,427.39
Municipal Public Defender		3,209.32
New Jersey Unemployment Compensation		957.74
Outside Employment of Off-Duty Police Officers		463,382.14
Board of Recreation Commission		2,357.90
Recycling Program		3,173.46
Tax Title Lien Redemption		957,828.32
	<u>13,197.53</u>	<u>1,680,108.12</u>
Balance December 31, 2017	<u>\$ 29.74</u>	<u>\$ 889,577.49</u>

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2017

---

Increased by:		
2017 Budget Appropriation		\$ 11,604.42
Decreased by:		
Payments made by the Current Fund	\$	551.08
Receipts:		
Interest Earned on Deposits	\$	0.05
Interfunds Received		<u>11,053.29</u>
		<u>11,053.34</u>
		<u>\$ 11,604.42</u>

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

Balance December 31, 2016		\$ 49.93
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 1,581.00	
Cat License Fees Collected	220.00	
Late Fees	75.00	
		\$ 1,876.00
Due from Current Fund:		
2017 Budget Appropriation		11,604.42
Cancellations:		
Due to State of New Jersey -- Registration Fees		2.60
		13,483.02
		13,532.95
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Paid by the Current Fund		551.08
Disbursements		12,962.33
		13,513.41
Balance December 31, 2017		\$ 19.54
Fees Collected:		
<u>Year</u>		
2015		\$ 1,777.80
2016		1,839.20
		\$ 3,617.00

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2017

---

Balance December 31, 2016		\$ 3.80
Increased by:		
Receipts		<u>244.20</u>
		248.00
Decreased by:		
Cancelled -- Reserve for Animal Control Expenditures	\$ 2.60	
Disbursements	<u>235.20</u>	
		<u>237.80</u>
Balance December 31, 2017		<u><u>\$ 10.20</u></u>



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

	<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>Recreation Commission</u>	<u>SFD Penalty</u>
Balance December 31, 2016 (Due To)	\$ (20.07)			\$ (20.07)				
Increased by:								
Receipts:								
Interfunds Received	22,621.66	\$ 22,621.66						
Interest Earned on Deposits	164.76	14.03	\$ 24.14	114.52	\$ 0.35	\$ 7.33	\$ 1.15	\$ 3.24
Payments made by Current Fund	<u>9,993.83</u>					<u>9,993.83</u>		
	<u>32,780.25</u>	<u>22,635.69</u>	<u>24.14</u>	<u>114.52</u>	<u>0.35</u>	<u>10,001.16</u>	<u>1.15</u>	<u>3.24</u>
	(32,800.32)	(22,635.69)	(24.14)	(134.59)	(0.35)	(10,001.16)	(1.15)	(3.24)
Decreased by:								
Disbursements:								
Interfunds Liquidated	4,727.48	14.03	24.14	134.59	0.35	4,549.98	1.15	3.24
2017 Budget Appropriation	7,500.00	7,500.00						
Reserve for Maintenance Liens Receivable - Reserve for Beautification Program Donations	<u>15,121.66</u>	<u>15,121.66</u>						
	<u>27,349.14</u>	<u>22,635.69</u>	<u>24.14</u>	<u>134.59</u>	<u>0.35</u>	<u>4,549.98</u>	<u>1.15</u>	<u>3.24</u>
Balance December 31, 2017 (Due To)	<u>\$ (5,451.18)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(5,451.18)</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, 2017

---

Balance December 31, 2016	\$ 325.00
Increased by:	
Receipts	<u>850.00</u>
	1,175.00
Decreased by:	
Disbursements	<u>925.00</u>
Balance December 31, 2017	<u><u>\$ 250.00</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, 2017

---

Balance December 31, 2016	\$ 3,886.00
Increased by:	
Receipts	<u>5,295.00</u>
	9,181.00
Decreased by:	
Disbursements	<u>8,060.00</u>
Balance December 31, 2017	<u><u>\$ 1,121.00</u></u>

**BOROUGH OF SOMERDALE**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased by		Decreased by		Balance Dec. 31, 2017
		Receipts	Due Current Fund	Disbursements	Due General Capital Other	
Accumulated Absences	\$ 33,000.00		\$ 7,500.00			\$ 40,500.00
Beautification Program Donations	76,367.23	\$ 143,848.24	15,121.66	\$ 91,059.37	\$ 60,000.00	84,277.76
Developer's Escrow Fund	235,476.12	138,278.40		84,427.39		289,327.13
Disposal of Forfeited Property	10,919.78	1.07				10,920.85
Municipal Public Defender	206.82	3,002.50		3,209.32		
New Jersey Unemployment Compensation		11,099.09		957.74		10,141.35
Outside Employment of Off-Duty Municipal Police Officers	23,723.88	566,928.10		463,382.14	9,993.83	117,276.01
Parking Offense Adjudication Act	1,422.05	106.00				1,528.05
Board of Recreation Commission	8,561.91	9,050.00		2,357.90		15,254.01
Recycling Program	1,286.39	5,742.42		3,173.46		3,855.35
Tax Title Lien Redemption	283,502.86	945,815.25		957,828.32		271,489.79
Uniform Fire Safety Act Penalty Monies	29,685.01	8,500.00				38,185.01
	<u>\$ 704,152.05</u>	<u>\$ 1,832,371.07</u>	<u>\$ 22,621.66</u>	<u>\$ 1,606,395.64</u>	<u>\$ 69,993.83</u>	<u>\$ 882,755.31</u>
Due Current Fund					\$ 9,993.83	
Due General Capital Fund					<u>60,000.00</u>	
					<u>\$ 69,993.83</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, 2017

Balance December 31, 2016		\$ 424,550.88
Increased by Receipts:		
Due Current Fund	\$ 274,166.83	
Due Trust Other Fund	60,000.00	
Improvement Authorizations	354,456.04	
Bond Anticipation Notes	1,140,000.00	
General Obligation Bonds	3,180,000.00	
		5,008,622.87
		5,433,173.75
Decreased by Disbursements:		
Due Current Fund	1,372.75	
Improvement Authorizations	2,092,174.72	
Contracts Payable	765,793.19	
Bond Anticipation Notes	2,040,000.00	
		4,899,340.66
Balance December 31, 2017		\$ 533,833.09

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2017

	Balance (Overdraft) <u>Dec. 31, 2016</u>	Receipts				Disbursements			Transfers		Balance (Overdraft) <u>Dec. 31, 2017</u>	
		Miscellaneous	Improvement Authorizations	General Obligation Bonds	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (498,099.34)										\$ (498,099.34)	
Community Development Block Grant Receivable	(54,947.00)							\$ 23,300.00			(78,247.00)	
Camden County Open Space Preservation Trust Fund Receivable	(25,000.00)										(25,000.00)	
Due Current Fund	(14,166.83)	\$ 274,166.83									(1,372.75)	
Due Trust Other Fund	(26,200.00)	60,000.00						60,000.00			(26,200.00)	
Reserve for Community Development Block Grant Receivable	23,300.00								\$ 23,300.00		46,600.00	
Capital Improvement Fund	129.00							60,000.00	60,000.00		129.00	
Reserve for Encumbrances	90,793.97							90,793.97	140,220.00		140,220.00	
Contracts Payable	24,188.19									1,018,986.13	277,381.13	
							765,793.19					
Improvement Authorizations:												
Ordinance												
Number												
03-06	Construction of a Bicycle and Pedestrian Way	274,140.75									274,140.75	
12-02	Various Capital Improvements	62,880.12									62,880.12	
13-06	Various Capital Improvements	11,850.70	\$ 13,990.00			\$ 39,969.84		7,667.20	21,922.16		125.82	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	174,208.11		\$ 860,093.00		61,095.07	\$ 860,093.00	264,403.54	201,711.00		50,420.50	
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	29,303.67	20,542.46	314,691.00		49,286.83	314,691.00		8,999.93		9,559.23	
15-02; 15-10	Completion of Various Capital Improvements	320,168.10	315,312.02	481,416.00		70,960.72	481,416.00	320,168.10	4,260.88		248,612.18	
15-06	Acquisition of Utility Vehicle and Equipment For the Fire Department	5,709.09									5,709.09	
16-02	Acquisition of Certain Real Property in the Borough	17,292.45	31.56			23,677.95			8,900.00		2,546.06	
16-05	Completion of Various Improvements to the Senior Center	5,052.00		285,000.00		45,000.00	285,000.00		45,000.00		5,052.00	
16-06	Acquisition of Garbage Containers	3,947.90	4,580.00	98,800.00		7,981.00	98,800.00				546.90	
17-01;	Acquisition of Various Equipment and the											
17-06	Completion of Various Capital Improvements			1,140,000.00		594,203.31		566,967.29	60,000.00		38,829.40	
17-09	Acquisition of Certain Real Property in the Borough				\$ 1,140,000.00	1,200,000.00			60,000.00			
		<u>\$ 424,550.88</u>	<u>\$ 334,166.83</u>	<u>\$ 354,456.04</u>	<u>\$ 3,180,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 2,092,174.72</u>	<u>\$ 2,040,000.00</u>	<u>\$ 767,165.94</u>	<u>\$ 1,653,300.10</u>	<u>\$ 1,653,300.10</u>	<u>\$ 533,833.09</u>

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

---

Balance December 31, 2016	\$ 2,140,000.00
Increased by:	
General Obligation Bonds Issued	<u>3,180,000.00</u>
	5,320,000.00
Decreased by:	
2017 Budget Appropriation to Pay Bonds and Loans:	
General Obligation Bonds	<u>590,000.00</u>
Balance December 31, 2017	<u><u>\$ 4,730,000.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Funded by Budget Appropriation	Transferred to Deferred Taxation -- Funded	Balance Dec. 31, 2017	Analysis of Balance December 31, 2017		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	\$ 860,093.00				\$ 860,093.00			
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	315,000.00		\$ 309.00		314,691.00			
15-02	Completion of Various Capital Improvements	481,416.00				481,416.00			
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			
17-01;	Acquisition of Various Equipment and the		\$ 1,140,000.00			1,140,000.00			
17-06	Completion of Various Capital Improvements		1,140,000.00						
17-09	Acquisition of Certain Real Property in the Borough					\$ 1,140,000.00	\$ 1,140,000.00		
		<u>\$ 2,040,309.00</u>	<u>2,280,000.00</u>	<u>309.00</u>	<u>3,180,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ -</u>	<u>\$ -</u>



**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Community Development Block Grant Receivable  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 54,947.00
Increased by:	
Accrued in 2017:	
Reserve for Community Development Block Grant Receivable:	
Year XXXIV	23,300.00
Balance December 31, 2017	\$ 78,247.00
 <u>Analysis of Balance December 31, 2017</u>	
Year XXX	\$ 2,415.00
Year XXXIII	5,932.00
Year XXXVI	23,300.00
Year XXXVIII	23,300.00
Year XXXIV	23,300.00
	\$ 78,247.00

## Exhibit SC-6

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Schedule of New Jersey Transportation Trust Fund Authority Act Receivable  
As of December 31, 2017

---

Balance December 31, 2017	\$ 498,099.34
---------------------------	---------------

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 14,166.83
Increased by:		
2017 Budget Appropriations:		
Disbursements:		
Paid on Behalf of the Current Fund	\$ 1,063.75	
Deferred Charges to Future Taxation - Unfunded:		
Bond Anticipation Notes Paid	<u>309.00</u>	
		\$ 1,372.75
Capital Improvement Fund		60,000.00
Refund to Improvement Authorizations --		
Reserve for Federal and State Grants Appropriated		<u>200,000.00</u>
		<u>261,372.75</u>
		275,539.58
Decreased by:		
Receipts:		
Interest Earned on Deposits	35.84	
Interfund Received	<u>274,130.99</u>	
		<u>274,166.83</u>
Balance December 31, 2017		<u><u>\$ 1,372.75</u></u>

**BOROUGH OF SOMERDALE**  
GENERAL CAPITAL FUND  
Statement of Due from Trust Other Fund  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	26,200.00
Increased by:		
Reserve for Beautification Programs Donations --		
Downpayment on Improvements		<u>60,000.00</u>
		86,200.00
Decreased by:		
Receipts		<u>60,000.00</u>
Balance December 31, 2017	\$	<u><u>26,200.00</u></u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Community Development Block Grant Receivable  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 23,300.00
Increased by:	
Accrued in 2017:	<u>23,300.00</u>
Balance December 31, 2017	<u><u>\$ 46,600.00</u></u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Descriptions	Ordinance		Balance December 31, 2016		2017 Authorizations		Transferred from Reserve for Encumbrances	Paid or Charged	Refunds	Balance December 31, 2017	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	to Future Taxation - 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
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	11,850.70				\$ 21,922.16	\$ 47,637.04	\$ 13,990.00		125.82
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/13/13	1,085,361.00	\$ 174,208.11				1,711.00	325,498.61	200,000.00		50,420.50
14-05; 16-08	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/12/14	331,300.00		29,303.67			8,999.93	49,286.83	20,542.46		9,559.23
15-02; 15-10	Completion of Various Capital Improvements	3/12/15	696,754.00		320,168.10			4,260.88	391,128.82	315,312.02		248,612.18
15-06	Acquisition of Utility Vehicle and Equipment For the Fire Department	6/11/15	141,514.30		5,709.09							5,709.09
16-02	Acquisition of Certain Real Property in the Borough	2/11/16	69,308.12		17,292.45			8,900.00	23,677.95	31.56		2,546.06
16-05	Completion of Various Improvements to the Senior Center	5/12/16	300,000.00		5,052.00			45,000.00	45,000.00			5,052.00
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00		3,947.90				7,981.00	4,580.00		546.90
17-01; 17-06	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/9/17; 6/8/17	1,200,000.00			\$ 60,000.00	\$ 1,140,000.00		1,161,170.60			38,829.40
17-09	Acquisition of Certain Real Property in the Borough	9/12/17	1,200,000.00			60,000.00	1,140,000.00		1,200,000.00			
				<u>\$ 371,873.11</u>	<u>\$ 532,679.78</u>	<u>\$ 120,000.00</u>	<u>\$ 2,280,000.00</u>	<u>\$ 90,793.97</u>	<u>\$ 3,251,380.85</u>	<u>\$ 554,456.04</u>	<u>\$ 698,422.05</u>	<u>\$ -</u>
Downpayment on Improvements -- Trust Other Fund						\$ 60,000.00						
Capital Improvement Fund						60,000.00						
Due Federal and State Grant Fund -- Reserve for Federal and State Grants Appropriated												
Receipts												
Contracts Payable												
Reserve for Encumbrances												
Disbursements												
									\$ 1,018,986.13	\$ 200,000.00	\$ 354,456.04	
									140,220.00			
									<u>2,092,174.72</u>			
						<u>\$ 120,000.00</u>			<u>\$ 3,251,380.85</u>	<u>\$ 554,456.04</u>		

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	129.00
Increased by:		
2017 Budget Appropriation -- Due Current Fund		60,000.00
		60,129.00
Decreased by:		
Appropriation to Fund Improvement Authorizations		60,000.00
Balance December 31, 2017	\$	129.00

## Exhibit SC-12

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	90,793.97
Increased by:		
2017 Encumbrances Charged to Improvement Authorizations		140,220.00
		231,013.97
Decreased by:		
Transferred to Improvement Authorizations		90,793.97
Balance December 31, 2017	\$	140,220.00

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
**Statement of Contracts Payable**  
**For the Year Ended December 31, 2017**

Balance December 31, 2016		\$ 24,188.19
Increased by:		
Contracts Payable Charged to Improvement Authorizations		1,018,986.13
		1,043,174.32
Decreased by:		
Disbursements		765,793.19
Balance December 31, 2017		\$ 277,381.13
 <u>Analysis of Balance December 31, 2017</u>		
Charles Marandino, LLC	Ordinance 2015:2	\$ 11,858.19
Perna Construction, LLC	Ordinance 2013:6	2,885.60
Lexa Concrete	Ordinance 2015:2	29,327.42
Gerald Barrett, LLC	Ordinance 2017:1;6	233,309.92
		\$ 277,381.13

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2017

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, 2016	Issued For Cash	Decreased	Balance Dec. 31, 2017
General Improvements:										
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	\$ 585,000.00	11/10/2014	11/3/2016	11/2/2017	1.060%	\$ 860,093.00		\$ 860,093.00	
		<u>275,093.00</u>	11/6/2015	11/3/2016	11/2/2017	1.060%				
		<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	11/3/2016	11/2/2017	1.060%	315,000.00			315,000.00
15-02; 15-10 16-05	Reconstruction and/ or Repaving of Various Road Completion of Various Improvements to the Senior Center	481,416.00	11/6/2015	11/3/2016	11/2/2017	1.060%	481,416.00			481,416.00
		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
17-09	Acquisition of Certain Real Property in the Borough	* 1,140,000.00	12/1/2017	12/1/2017	11/30/2018	1.940%	<u>                    </u>	<u>\$ 1,140,000.00</u>		<u>\$ 1,140,000.00</u>
							<u>\$ 2,040,309.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 2,040,309.00</u>	<u>\$ 1,140,000.00</u>
	* Taxable									
	Due from Current Fund								\$ 309.00	
	Paid by Cash								<u>2,040,000.00</u>	
									<u>\$ 2,040,309.00</u>	



**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statement of General Obligation Bonds  
 For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued for Cash</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds of 2002	3/1/02	\$ 2,190,000.00				\$ 240,000.00		\$ 240,000.00	
General Obligation Bonds of 2008	10/1/08	4,280,000.00	10/1/2018-19 10/1/2020-21	\$ 375,000.00 400,000.00	5.50% 5.50%	1,900,000.00		350,000.00	\$ 1,550,000.00
General Obligation Bonds of 2017	10/24/17	3,180,000.00	5/1/2018 5/1/2019-20 5/1/2021 5/1/2022-23 5/1/2024-26 5/1/2027 5/1/2028	175,000.00 180,000.00 195,000.00 350,000.00 350,000.00 350,000.00 350,000.00	2.00% 2.00% 2.00% 2.00% 2.25% 2.50% 2.75%		\$ 3,180,000.00		3,180,000.00
						<u>\$ 2,140,000.00</u>	<u>\$ 3,180,000.00</u>	<u>\$ 590,000.00</u>	<u>\$ 4,730,000.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by</u>		<u>Decreased by</u>		<u>Balance Dec. 31, 2017</u>
			<u>2017 Authorizations</u>	<u>Bonds Issued</u>	<u>Notes Issued</u>		
General Improvements:							
17-01;	Acquisition of Various Equipment and the						
17-06	Completion of Various Capital Improvements		\$ 1,140,000.00	\$ 1,140,000.00			
17-09	Acquisition of Certain Real Property in the Borough		1,140,000.00		\$ 1,140,000.00		
		<u>\$ -</u>	<u>\$ 2,280,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 1,140,000.00</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, 2017

---

		<u>Operating</u>
Balance December 31, 2016		\$ 407,789.94
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	\$ 52.63	
Collector	526,746.72	
Due Sewer Utility Capital Fund	<u>536,853.76</u>	
		<u>1,063,653.11</u>
		1,471,443.05
Decreased by Disbursements:		
2017 Appropriations	554,592.98	
2016 Appropriation Reserves	24,530.49	
Contracts Payable	96,472.76	
Accrued Interest on Bonds and Notes	64,339.40	
Due Sewer Utility Capital Fund	<u>196,676.69</u>	
		<u>936,612.32</u>
Balance December 31, 2017		<u><u>\$ 534,830.73</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, 2017

---

Receipts:

Consumer Accounts Receivable	\$ 496,583.10	
Sewer Liens	1,033.45	
Sewer Rent Overpayments	2,868.77	
Miscellaneous Revenue:		
Sewer Connection Fees	6,000.00	
Special Sewer Charges	15,000.00	
Interest and Costs on Delinquent Rents	5,261.40	
		\$ 526,746.72
Decreased by:		
Payments to Treasurer		\$ 526,746.72

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

	Balance (Overdraft) <u>Dec. 31, 2016</u>	T r a n s f e r s		Balance (Overdraft) <u>Dec. 31, 2017</u>
		<u>From</u>	<u>To</u>	
New Jersey Environmental Infrastructure Trust Loan Credits Receivable	\$ (27,135.76)		\$ 13,853.76	\$ (13,282.00)
Due Sewer Utility Operating Fund	501,100.96	\$ 536,853.76	196,676.69	160,923.89
Reserve for Encumbrances	6,755.86	6,755.86		
Contracts Payable		160,934.75	279,592.86	118,658.11
Improvement Authorizations:				
12-06 Various Improvements to the Sanitary Sewer System	53,664.57	56,032.13	2,367.56	
13-11 Various Improvements to the Sanitary Sewer System	(375,666.05)	150,000.75	525,666.80	
13-12 Various Improvements to the Sanitary Sewer System	<u>(158,719.58)</u>	<u>109,301.92</u>	<u>1,721.50</u>	<u>(266,300.00)</u>
	<u>\$ -</u>	<u>\$ 1,019,879.17</u>	<u>\$ 1,019,879.17</u>	<u>\$ -</u>

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

---

Balance December 31, 2016		\$ 77,542.99
Increased by:		
Sewer Rents Levied		483,766.91
		561,309.90
Decreased by:		
Transferred to Lien	\$ 1,070.68	
Receipts -- Collector	496,583.10	
Overpayments Applied	1,824.01	
		499,477.79
Balance December 31, 2017		\$ 61,832.11

## Exhibit SD-5

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Sewer Utility Liens  
For the Year Ended December 31, 2017

---

Balance December 31, 2016		\$ 864.86
Increased by:		
Interest and Costs from Tax Sale dated September 20, 2017	\$ 98.97	
Transferred from Sewer Rents Receivable	1,070.68	
		1,169.65
		2,034.51
Decreased by:		
Receipts -- Collector		1,033.45
Balance December 31, 2017		\$ 1,001.06

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital  
 For the Year Ended December 31, 2017

<u>Description</u>	Balance <u>Dec. 31, 2016</u>	Capital <u>Outlay</u>	Transfer from Fixed Capital Authorized and <u>Uncompleted</u>	Balance <u>Dec. 31, 2017</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>1,461,093.99</u>	<u>\$ 295,005.00</u>	<u>\$ 4,600,300.00</u>	<u>6,356,398.99</u>
	<u>\$ 2,018,937.79</u>	<u>\$ 295,005.00</u>	<u>\$ 4,600,300.00</u>	<u>\$ 6,914,242.79</u>



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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital</u>	<u>Balance Dec. 31, 2017</u>
General Improvements:						
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 1,630,000.00	\$ 1,630,000.00	\$ 1,630,000.00	
13-11	Various Improvements to the Sanitary Sewer System	9/12/13	1,906,000.00	1,906,000.00	1,906,000.00	
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,604,300.00	1,064,300.00	1,064,300.00	
				<u>\$ 4,600,300.00</u>	<u>\$ 4,600,300.00</u>	<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, 2017

---

Balance December 31, 2016	\$ 27,135.76
Decreased by:	
Receipts Collected by Operating Fund	<u>13,853.76</u>
Balance December 31, 2017	<u><u>\$ 13,282.00</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Due to Sewer Utility Operating Fund  
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 501,100.96
Increased by:		
Payments made by the Operating Fund:		
Contracts Payable	\$ 160,934.75	
Improvement Authorizations	<u>35,741.94</u>	
		<u>196,676.69</u>
		697,777.65
Decreased by:		
Grant Collected by the Operating Fund --		
Reserve for Deferred Amortization	523,000.00	
New Jersey Environmental Infrastructure Trust		
Loan Credits Receivable	<u>13,853.76</u>	
		<u>536,853.76</u>
Balance December 31, 2017		<u><u>\$ 160,923.89</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance December 31, 2016		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Sewer Operating:					
Salaries and Wages		\$ 39,616.05	\$ 39,616.05		\$ 39,616.05
Other Expenses	\$ 20,308.71	23,684.39	43,993.10	\$ 24,530.49	19,462.61
Total Operating	<u>20,308.71</u>	<u>63,300.44</u>	<u>83,609.15</u>	<u>24,530.49</u>	<u>59,078.66</u>
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		3,251.93	3,251.93		3,251.93
Total Regulatory Expenditures		<u>3,251.93</u>	<u>3,251.93</u>		<u>3,251.93</u>
Total Appropriations	<u>\$ 20,308.71</u>	<u>\$ 66,552.37</u>	<u>\$ 86,861.08</u>	<u>\$ 24,530.49</u>	<u>\$ 62,330.59</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Contracts Payable**  
**For the Year Ended December 31, 2017**

Balance December 31, 2016		\$ 115,551.22
Increased by:		
Contracts Awarded		<u>155,212.64</u>
		270,763.86
Decreased by:		
Cancelled -- Fund Balance	\$ 115,551.22	
Disbursements	<u>96,472.76</u>	
		<u>212,023.98</u>
Balance December 31, 2017		<u><u>\$ 58,739.88</u></u>
 <u>Analysis of Balance December 31, 2017</u>		
DiMeglio Construction Company		\$ 17,007.14
C. Stevenson & Sons, Inc.		<u>41,732.74</u>
		<u><u>\$ 58,739.88</u></u>

**BOROUGH OF SOMERDALE**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Rent Overpayments  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 1,824.01
Increased by:	
Receipts -- Collector	<u>2,868.77</u>
	4,692.78
Decreased by:	
Overpayments Applied	<u>1,824.01</u>
Balance December 31, 2017	<u><u>\$ 2,868.77</u></u>

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

Balance December 31, 2016	\$ 2,681.97
Increased by:	
Charged to Budget Appropriation - Interest on Notes and Loans	63,929.39
	66,611.36
Decreased by:	
Interest Paid:	
Disbursed	64,339.40
Balance December 31, 2017	\$ 2,271.96

Analysis of Accrued Interest December 31, 2017

<u>Principal Outstanding December 31, 2017</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
New Jersey Environmental Infrastructure Trust Loan:					
\$ 20,000.00	Varies	8-1-17	12-31-17	153 Days	\$ 377.26
United States Department of Agriculture Loans:					
3,353,047.86	1.875%	12-20-17	12-31-17	11 Days	1,894.70
					\$ 2,271.96

**BOROUGH OF SOMERDALE**  
SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2017

---

Balance December 31, 2016		\$	1,951,802.03
Increased by:			
Capital Outlay -- Operating Budget	\$ 295,005.00		
Transferred from Reserve for Deferred Amortization	923,000.00		
Loans Paid by:			
Budget Appropriation	91,805.90		
			1,309,810.90
Balance December 31, 2017		\$	3,261,612.93

Exhibit SD-15

**BOROUGH OF SOMERDALE**  
SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Deferred Amortization  
For the Year Ended December 31, 2017

---

Balance December 31, 2016		\$	400,000.00
Increased by:			
Grant Collected by the Operating Fund -- Ordinance 2013:11			523,000.00
			923,000.00
Decreased by:			
Transferred to Deferred Reserve for Amortization		\$	923,000.00



**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2017

Ordinance Number	Improvement Descriptions	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2016		Transferred from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
12-06	Various Improvements to the Sanitary Sewer System	9/13/12	\$ 1,630,000.00	\$ 53,664.57		\$ 2,367.56	\$ 56,032.13		
13-11	Various Improvements to the Sanitary Sewer System	9/12/13	1,906,000.00		\$ 147,333.95	2,666.80	150,000.75		
13-12	Various Improvements to the Sanitary Sewer System	9/12/13	1,064,300.00		107,580.42	1,721.50	109,301.92		
				<u>\$ 53,664.57</u>	<u>\$ 254,914.37</u>	<u>\$ 6,755.86</u>	<u>\$ 315,334.80</u>	<u>\$ -</u>	<u>\$ -</u>
	Contracts Payable						\$ 279,592.86		
	Paid by Sewer Utility Operating Fund						35,741.94		
							<u>\$ 315,334.80</u>		

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	6,755.86
Decreased by:		
Transferred to Improvement Authorizations	\$	6,755.86
		6,755.86

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Contracts Payable  
 For the Year Ended December 31, 2017

---

Increased by:		
2017 Contracts Charged to Improvement Authorizations	\$	279,592.86
Decreased by:		
Disbursed by the Operating Fund		160,934.75
		160,934.75
Balance December 31, 2017	\$	118,658.11
		118,658.11
<u>Analysis of Balance December 31, 2017</u>		
DiMeglio Construction Company	Ordinance 2013:11	\$ 104,974.85
DiMeglio Construction Company	Ordinance 2013:12	13,683.26
		13,683.26
		118,658.11

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Trust Loans Payable  
For the Year Ended December 31, 2017

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Series 1998A	11/5/98	\$ 290,000.00	8/1/18	\$ 20,000.00	4.50%	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00
Series 1998B	11/5/98	283,317.00	2/1/18	285.97	N/A	27,135.76	13,853.76	13,282.00
			8/1/18	12,996.03	N/A			
						<u>\$ 67,135.76</u>	<u>\$ 33,853.76</u>	<u>\$ 33,282.00</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of United States Department of Agriculture (USDA) Loans Payable  
For the Year Ended December 31, 2017

Balance December 31, 2016	\$	3,411,000.00
Decreased by:		
Principal Paid by Operating Fund		57,952.14
Balance December 31, 2017	\$	3,353,047.86

Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2017

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2017</u>
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, 2017

Schedule of United States Department of Agriculture Loans Payable December 31, 2017 (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, 2017</u>
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, 2017

---

Schedule of United States Department of Agriculture Loans Payable December 31, 2017 (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, 2017</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>\$ 1,209,103.00</u>	<u>\$ 1,359,503.62</u>	<u>\$ 784,441.24</u>	<u>\$ 3,353,047.86</u>

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

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Funded by Grants</u>	<u>Balance Dec. 31, 2017</u>
General Improvements:				
13-11	Various Improvements to the Sanitary Sewer System	\$ 523,000.00	\$ 523,000.00	
13-12	Various Improvements to the Sanitary Sewer System	<u>266,300.00</u>	<u>                    </u>	<u>\$ 266,300.00</u>
		<u>\$ 789,300.00</u>	<u>\$ 523,000.00</u>	<u>\$ 266,300.00</u>

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**



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

---

***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.

14100

**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 that are required to be reported in accordance with *Government Auditing Standards*, and the Uniform Guidance.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**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 Ehrman	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)
Jacquelyn Vicari	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.

14100

**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. Baum". The signature is written in a cursive style with a large initial 'S' and a distinct 'P'.

Certified Public Accountant  
Registered Municipal Accountant

