

**BOROUGH OF COLLINGSWOOD  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2017**

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## PART I

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Board of Commissioners  
Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Collingswood, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion, on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Collingswood as of December 31, 2017 and 2016, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2017 and 2016, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017, in accordance with the basis of financial reporting 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 of Collingswood's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information listed in the table



of contents are the responsibility of management and were derived from and relates 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 information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2018, on our consideration of the Borough of Collingswood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Collingswood's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

April 4, 2018

## **CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Regular Fund:			
Cash - Treasurer	A-4	\$ 6,175,364.53	\$ 4,533,877.17
Change Fund		275.00	275.00
		<u>6,175,639.53</u>	<u>4,534,152.17</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	11,804.74	13,399.19
Tax Title Liens Receivable	A-7	86,983.02	60,778.47
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	11,658.48	11,775.37
Clean-up Charges Receivable		15,151.21	15,151.21
Mortgage Receivable		1,700.00	4,820.00
Due from Animal Control Trust Fund	B	0.15	0.37
Due from Tax Sale Trust Fund	B	168.30	207.92
Due from Trust Other	B	206.08	72.95
Due from General Capital Fund	C	3,438.74	1,148.65
		<u>211,085.72</u>	<u>187,329.13</u>
		<u>6,386,725.25</u>	<u>4,721,481.30</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	32,498.63	30,747.11
Grants Receivable	A-5	768,165.04	697,658.27
		<u>800,663.67</u>	<u>728,405.38</u>
		<u>\$ 7,187,388.92</u>	<u>\$ 5,449,886.68</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 884,737.38	\$ 519,410.93
Encumbrances Payable	A-11	129,357.29	79,282.36
Reserve for Maintenance of Free Public Library		5.08	116.74
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-12	7,000.00	6,997.49
Construction DCA		3,339.00	2,042.00
Marriage License Fees/Burial Permits		503.00	500.00
Prepaid Taxes		1,199,587.19	188,342.22
Tax Overpayments		38,068.60	52,394.70
Due County for Added & Omitted Taxes	A-6	26,570.78	19,227.48
Special Improvement District Tax Payable		10,555.11	4,906.08
Reserve for Security Deposits		1,850.00	950.00
Due Water Operating Fund	D	2,644.82	
Due Sewer Operating Fund	E	938.74	
Due Payroll Trust	B	5,680.05	
Reserve for Revenue - Unappropriated:			
Susan G. Komen The Cure Donations			1,299.00
Sale of Property Reserved for Debt Service			147.66
JIF Safety Awards		1,250.00	1,250.00
		<u>2,312,087.04</u>	<u>876,866.66</u>
Reserve for Receivables		211,085.72	187,329.13
Fund Balance	A-1	3,863,552.49	3,657,285.51
		<u>6,386,725.25</u>	<u>4,721,481.30</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	A-15	719,515.38	449,712.09
Reserve for Grants - Unappropriated	A-14	14,947.42	
Encumbrances Payable	A-11	66,200.87	278,693.29
		<u>800,663.67</u>	<u>728,405.38</u>
		<u>\$ 7,187,388.92</u>	<u>\$ 5,449,886.68</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2017	Year 2016
Fund Balance Utilized	A-2	\$ 893,431.31	\$ 382,745.78
Miscellaneous Revenue Anticipated	A-2	5,044,106.07	5,767,910.54
Receipts from Delinquent Taxes	A-2	27,505.59	16,599.40
Receipts from Current Taxes	A-2	36,703,674.37	35,703,497.29
Non-Budget Revenue	A-2	289,929.48	266,013.16
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	408,122.69	995,442.91
Encumbrances Payable - Canceled	A-11	15,417.07	241.53
Interfund Loan Returned		1,505.43	32,959.64
Reserve for Grants Appropriated - Canceled	A-15	2,650.00	2,100.00
<b>Total Income</b>		<b>43,386,342.01</b>	<b>43,167,510.25</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	5,421,330.00	5,063,500.00
Other Expenses	A-3	5,313,210.71	5,047,095.24
Deferred Charges and Statutory:			
Expenditures - Municipal	A-3	1,187,774.48	1,162,434.14
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	15,000.00	15,000.00
Other Expenses	A-3	666,009.70	682,554.85
Capital Improvements	A-3	563,000.00	500,000.00
Debt Service	A-3	3,079,654.54	3,786,613.82
Transfer to Board of Education	A-3	222,500.00	222,500.00
County Taxes	A-6	8,730,878.57	8,483,142.50
County Open Space Taxes	A-6	213,586.90	209,766.51
Due County for Added Taxes	A-6	26,570.78	19,227.48
Local District School Tax	A-13	16,566,643.00	15,992,809.00
Special Improvement District Tax	A-6	269,448.66	264,318.57
Prior Year Deductions Disallowed	A-12	4,000.00	4,250.00
Interfund Loan Advanced		7,036.38	780.00
Grants Receivable Canceled			2,100.00
<b>Total Expenditures</b>		<b>42,286,643.72</b>	<b>41,456,092.11</b>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	Ref.	<u>Year 2017</u>	<u>Year 2016</u>
Statutory Excess to Fund Balance		1,099,698.29	1,711,418.14
<b>Fund Balance</b>			
Balance January 1	A	<u>3,657,285.51</u>	<u>2,328,613.15</u>
		4,756,983.80	4,040,031.29
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>893,431.31</u>	<u>382,745.78</u>
Balance December 31	A	<u><u>\$ 3,863,552.49</u></u>	<u><u>\$ 3,657,285.51</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Surplus Anticipated	A-1	\$ 893,431.31		\$ 893,431.31	
Miscellaneous Revenues:					
Licenses:					
Other	A-9	1,500.00		2,451.00	\$ 951.00
Fees and Permits	A-9	35,000.00		42,543.62	7,543.62
Fines and Costs:					
Municipal Court	A-9	150,000.00		154,731.97	4,731.97
Interest and Costs on Taxes	A-9	80,000.00		80,647.47	647.47
Interest on Investments	A-9	15,000.00		23,784.11	8,784.11
Department of Recreation Fees	A-9	44,000.00		39,086.16	(4,913.84)
Fire Code Fees	A-9	75,000.00		87,265.00	12,265.00
Delaware River Port Authority	A-9	30,000.00		30,000.00	
Pool Tags	A-9	195,000.00		234,458.15	39,458.15
Rental Inspections	A-9	20,000.00		22,647.00	2,647.00
Resale Inspection Fees	A-9	6,000.00		13,800.00	7,800.00
Third Party Ambulance - Billing	A-9	350,000.00		431,597.35	81,597.35
Water Operating Surplus	A-9	70,000.00		70,000.00	
Sewer Operating Surplus	A-9	70,000.00		70,000.00	
Parking Operating Surplus	A-9	20,000.00		20,000.00	
Collingswood Ambulance Service	A-9	7,500.00		7,800.00	300.00
Housing Inspections	A-9	80,000.00		84,930.00	4,930.00
Senior Community Center Rents	A-9	90,000.00		80,372.75	(9,627.25)
Consolidated Municipal					
Property Tax Relief Act (NJSA 52:27D-118.34)	A-9	142,512.00		142,512.00	
Energy Receipts Tax	A-9	1,052,906.00		1,052,906.00	
Uniform Construction Code	A-9	150,000.00		189,286.00	39,286.00
Shared Services:					
Oaklyn - Construction	A-9	12,000.00		12,000.00	
Haddon - Fire Service	A-9	27,206.50		27,206.52	0.02
Oaklyn - Fire Code	A-9	3,000.00		3,000.00	
Cable Television Franchise Fee	A-9	94,894.83		94,894.83	
Telephone/Internet Franchise Fee	A-9	106,896.40		106,896.40	
Sale of Property	A	147.66		147.66	
Payments in Lieu:					
Parkview Apartments	A-9	743,244.00		749,868.76	6,624.76
Methodist Home	A-9	47,222.00		47,222.00	
Collingswood Housing Authority	A-9	19,906.00		25,991.00	6,085.00
Lumberyard	A-9	124,980.00		179,159.86	54,179.86
Pewter Village	A-9	95,000.00		96,937.20	1,937.20
VOA	A-9	13,500.00		13,782.25	282.25
Zane School	A-9	9,004.07		9,004.06	(0.01)
Tedeschi	A-9	10,200.00		10,200.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Due from Scottish Rite	A-9	150,000.00		150,000.00	
Due from Collingswood Partners	A-9	125,000.00		118,780.00	(6,220.00)
Lease Payments:					
Catelli Parking	A-9	18,000.00		19,500.00	1,500.00
Robert's Pool Concession Stand Sales	A-9	24,000.00		35,365.34	11,365.34
Due from Volunteer Fire Company	A-9	3,000.00		3,659.40	659.40
General Capital Fund Balance	A-9	24,060.39		24,060.39	
JIF Safety Awards	A-9	2,500.00		2,500.00	
Community Development Block Grant	A-5	42,100.00		42,100.00	
Bulletproof Vest Partnership	A-5		\$ 1,584.50	1,584.50	
New Jersey DOT Harrison Avenue	A-5		208,000.00	208,000.00	
Clean Communities Program	A-5		28,756.12	28,756.12	
Police Body Armor	A-5		2,588.97	2,588.97	
NJ State Library Grant	A-5	7,500.00		7,500.00	
Recycling Tonnage Grant	A-5	13,876.20		13,876.20	
Municipal Alliance	A-5	15,665.50		15,665.50	
Safe Routes to Schools	A-5		93,741.53	93,741.53	
Pedestrian Safety Education	A-5		18,000.00	18,000.00	
Susan B Komen - Unappropriated	A	1,299.00		1,299.00	
<b>Total Miscellaneous Revenues</b>		<b>4,418,620.55</b>	<b>352,671.12</b>	<b>5,044,106.07</b>	<b>272,814.40</b>
Receipts from Delinquent Taxes	A-2	10,000.00		27,505.59	17,505.59
Amount to be Raised by Taxation	A-2	10,557,578.00		10,647,862.47	90,284.47
Minimum Library Tax	A-2	354,322.00		354,322.00	
<b>Budget Totals</b>		<b>16,233,951.86</b>	<b>352,671.12</b>	<b>16,967,227.44</b>	<b>380,604.46</b>
Non-Budget Revenue	A-2			289,929.48	
		<b>\$ 16,233,951.86</b>	<b>\$ 352,671.12</b>	<b>\$ 17,257,156.92</b>	
Ref.		A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 36,703,674.37
Allocated to:		
School, County, and Special Improvement Taxes		<u>25,807,127.91</u>
Balance for Support of Municipal Budget Appropriation		10,896,546.46
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>105,638.01</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>\$ 11,002,184.47</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 21,283.36
Tax Title Liens	A-7	<u>6,222.23</u>
	A-2	<u><u>\$ 27,505.59</u></u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	\$ 13,277.95
Recycled Newspapers	A-9	18,373.40
Compost Initiative	A-9	95.00
Ambulance Donations	A-9	410.00
Sale of Borough Property	A-9	191,195.28
Senior Citizen Administration Fee	A-9	1,640.05
DMV Inspection Fines	A-9	2,809.50
Clean up Charges	A-9	8,000.00
Miscellaneous Revenue	A-9	25,570.58
Restitution	A-9	661.00
Other Miscellaneous	A-9	321.00
Other Refunds	A-9	2,264.74
Mortgage Receivable	A-9	3,120.00
Prior Year Refund	A-9	<u>22,190.98</u>
	A-2	<u><u>\$ 289,929.48</u></u>

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>GENERAL GOVERNMENT FUNCTIONS</b>						
Administrator's Office						
Other Expenses	\$ 750.00	\$ 750.00	\$ 626.79		\$ 123.21	
Mayor and Commissioners						
Salaries and Wages	24,500.00	24,500.00	23,899.72		600.28	
Other Expenses	150.00	150.00	117.38		32.62	
Municipal Clerk						
Salaries and Wages	50,000.00	50,000.00	49,666.58		333.42	
Other Expenses:						
Printing and Advertising	23,000.00	26,000.00	25,751.17	\$ 165.16	83.67	
Stationery and Supplies	500.00	500.00	352.92		147.08	
Miscellaneous Other Expenses	2,500.00	2,500.00	2,244.54	57.59	197.87	
Elections						
Salaries and Wages	2,500.00	2,500.00	1,950.00		550.00	
Other Expenses	60,000.00	58,000.00	33,218.17	450.00	24,331.83	
Financial Administration						
Salaries and Wages	50,000.00	50,000.00	47,059.26		2,940.74	
Other Expenses	50,000.00	50,000.00	47,818.89		2,181.11	
Audit Services						
Other Expenses	30,000.00	30,000.00	30,000.00			
Collection of Taxes						
Salaries and Wages	5,800.00	5,800.00	5,556.20		243.80	
Other Expenses	18,600.00	18,600.00	15,845.28		2,754.72	
Assessment of Taxes						
Salaries and Wages	23,500.00	23,500.00	22,745.84		754.16	
Other Expenses						
Miscellaneous Other Expenses	9,000.00	9,000.00	5,537.49		3,462.51	
Tax Map Maintenance	5,000.00	5,000.00			5,000.00	
Legal Services and Costs						
Other Expenses	300,000.00	228,000.00	129,641.42		98,358.58	
Engineering Services and Costs						
Other Expenses	40,000.00	90,000.00	72,973.00	4,242.50	12,784.50	
Community Development						
Salaries and Wages	36,000.00	36,000.00	32,457.48		3,542.52	
Other Expenses						
Miscellaneous Other Expenses	14,000.00	14,000.00	13,605.36	165.00	229.64	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Community Consultant	60,000.00	60,000.00	29,212.50		30,787.50
Historical Building - Knight Homestead					
Other Expenses	500.00	500.00	266.00		234.00
<b>LAND USE ADMINISTRATION</b>					
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	7,750.00	7,750.00	7,746.68		3.32
Other Expenses	17,500.00	17,500.00	11,181.00		6,319.00
Zoning Commission					
Salaries and Wages	22,500.00	22,500.00	20,243.39		2,256.61
Other Expenses	10,000.00	10,000.00	6,683.50		3,316.50
<b>INSURANCE</b>					
Liability Insurance	298,280.68	298,280.68	298,280.68		
Workers Compensation Insurance	246,600.03	246,600.03	246,600.03		
Group Insurance Plan for Employees	1,772,000.00	1,715,000.00	1,696,474.49		18,525.51
Health Benefit Waiver	15,000.00	15,000.00	13,787.50		1,212.50
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police					
Salaries and Wages	2,725,000.00	2,715,000.00	2,484,808.25		230,191.75
Other Expenses	100,000.00	110,000.00	87,098.98	1,346.73	21,554.29
Police Car Lease	85,000.00	85,000.00	57,707.65		27,292.35
Ambulance					
Other Expenses	43,000.00	49,000.00	44,096.47	2,870.42	2,033.11
Emergency Management Services					
Other Expenses	5,000.00	2,000.00	1,290.00		710.00
Fire					
Salaries and Wages	1,460,000.00	1,460,000.00	1,451,920.45		8,079.55
Other Expenses	80,080.00	77,080.00	55,990.48	8,334.77	12,754.75
Volunteer Fire Company					
Salaries and Wages	3,000.00	4,400.00	4,000.00		400.00
Uniform Fire Safety Act (PL 1983, CH. 383):					
Fire Inspector					
Salaries and Wages	86,380.00	83,380.00	68,030.78		15,349.22
Other Expenses	12,500.00	12,500.00	9,690.55	730.65	2,078.80
Municipal Prosecutor					
Other Expenses	15,000.00	15,000.00	14,959.08		40.92

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>PUBLIC WORKS FUNCTIONS</b>						
Streets and Highways						
Salaries and Wages	230,000.00	230,000.00	227,417.95		2,582.05	
Other Expenses	18,500.00	18,500.00	17,522.20	292.25	685.55	
JIF Safety Equipment						
Other Expenses	2,000.00	2,000.00			2,000.00	
Storm Recovery						
Other Expenses	5,000.00	5,000.00	1,260.00		3,740.00	
Shade Tree Commission						
Other Expenses	35,000.00	35,000.00	34,994.27		5.73	
Solid Waste Collection						
Contractual	564,000.00	564,000.00	517,000.00	47,000.00		
Public Building and Grounds						
Other Expenses						
Miscellaneous Other Expenses	48,000.00	48,000.00	37,765.22	4,526.00	5,708.78	
Licensed Site Remediation Professional	50,000.00	50,000.00	4,196.83	22,403.17	23,400.00	
Lumberyard						
Other Expenses	29,000.00	29,000.00	23,629.78		5,370.22	
Vehicle Maintenance						
Other Expenses	80,000.00	80,000.00	34,958.29	1,879.08	43,162.63	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Other Expenses	1,000.00	4,000.00	1,257.26		2,742.74	
Animal Regulation						
Other Expenses	20,000.00	20,000.00	18,058.99	759.36	1,181.65	
<b>PARK AND RECREATION FUNCTIONS</b>						
Parks and Playgrounds						
Salaries and Wages	41,000.00	41,000.00	35,721.92		5,278.08	
Other Expenses	68,000.00	68,000.00	60,272.99	106.86	7,620.15	
Robert's Park Swimming Pool						
Salaries and Wages	110,000.00	119,000.00	118,707.06		292.94	
Other Expenses	80,000.00	70,600.00	49,709.29		20,890.71	
Senior Center						
Salaries and Wages	58,000.00	58,000.00	43,749.01		14,250.99	
Other Expenses	54,000.00	54,000.00	52,423.01		1,576.99	
Foundation for the Arts						
Salaries and Wages	120,000.00	120,000.00	110,161.40		9,838.60	
Other Expenses	500.00	500.00			500.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Business Improvement District					
Salaries and Wages	100,000.00	100,000.00	76,676.99		23,323.01
Other Expenses	34,000.00	35,000.00	33,681.67		1,318.33
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Community Sponsored Events					
Other Expenses	25,000.00	25,000.00	23,802.32		1,197.68
Accumulated Leave Compensation	50,000.00	50,000.00	50,000.00		
<b>UTILITY AND BULK EXPENSES</b>					
Electricity	80,000.00	80,000.00	78,940.89		1,059.11
Street Lighting	180,000.00	224,000.00	205,315.09		18,684.91
Telephone	50,000.00	54,000.00	51,366.20		2,633.80
Gas (Natural or Propane)	35,000.00	35,000.00	25,936.35		9,063.65
Fuel Oil	21,000.00	21,000.00	17,293.85		3,706.15
Telecommunication Costs	10,000.00	10,000.00	9,039.65	708.64	251.71
Gasoline	65,000.00	65,000.00	42,739.60		22,260.40
<b>SOLID WASTE DISPOSAL COSTS</b>					
Solid Waste Disposal					
Other Expenses	375,000.00	375,000.00	324,902.33	26,949.58	23,148.09
<b>MUNICIPAL COURT</b>					
Salaries and Wages	145,000.00	145,000.00	136,518.97		8,481.03
Other Expenses	32,150.00	32,150.00	20,693.41	4,819.55	6,637.04
Public Defender					
Other Expenses	5,000.00	5,000.00	4,848.90		151.10
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>					
Construction Official					
Salaries and Wages	120,000.00	123,000.00	120,132.94		2,867.06
Other Expenses	7,500.00	7,500.00	4,357.24		3,142.76
Total Operations	10,759,540.71	10,734,540.71	9,786,187.82	127,807.31	820,545.58
Detail:					
Salaries and Wages	5,420,930.00	5,421,330.00	5,089,170.87		332,159.13
Other Expenses	5,338,610.71	5,313,210.71	4,697,016.95	127,807.31	488,386.45

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>STATUTORY EXPENDITURES:</b>					
Deferred Charges:					
Overexpenditure of Appropriation					
Contribution to:					
Public Employees' Retirement System	201,789.00	201,789.00	199,336.85		2,452.15
Public Employees' Retirement System - Adjustment Bill	11,032.56	11,032.56	11,032.56		
Social Security System (OASI)	190,000.00	190,000.00	172,156.22		17,843.78
Consolidated Police & Firemen's Retirement System	89.92	89.92	89.92		
Police & Firemen's Retirement System	764,863.00	764,863.00	764,863.00		
State Disability Insurance	15,000.00	15,000.00	13,742.43		1,257.57
Defined Contribution Retirement Program	5,000.00	5,000.00	2,752.31		2,247.69
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,187,774.48	1,187,774.48	1,163,973.29		23,801.19
Total General Appropriations for Municipal Purposes within "CAPS"	11,947,315.19	11,922,315.19	10,950,161.11	127,807.31	844,346.77
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
<b>EDUCATION FUNCTIONS</b>					
Maintenance of Free Public Library	392,275.00	392,275.00	365,781.58	1,109.98	25,383.44
<b>SOLID WASTE DISPOSAL COSTS</b>					
Recycling Tax					
Other Expenses	17,500.00	17,500.00	17,500.00		
Total Other Operations - Excluded from "CAPS"	409,775.00	409,775.00	383,281.58	1,109.98	25,383.44
<b>SHARED SERVICE AGREEMENTS</b>					
Construction Code -Shared Service Agreements:					
Construction Official - Salaries & Wages:					
Borough of Oaklyn	12,000.00	12,000.00	9,980.60		2,019.40
Fire Services - Interlocal Service Agreements:					
Township of Haddon	27,206.50	27,206.50	24,410.41	440.00	2,356.09
Borough of Oaklyn	3,000.00	3,000.00	2,999.88		0.12
Total Interlocal Municipal Service Agreements Excluded	42,206.50	42,206.50	37,390.89	440.00	4,375.61

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Matching Funds for Grants	12,500.00	12,500.00			\$ 12,500.00
Recycling Tonnage Grant	13,876.20	13,876.20	13,876.20		
Clean Communities Program		28,756.12	28,756.12		
Municipal Alliance on Alcoholism and Drug Abuse	19,581.88	19,581.88	19,581.88		
Community Development Block Grant	42,100.00	42,100.00	42,100.00		
Police Body Armor Grant		2,588.97	2,588.97		
State Library Grant	7,500.00	7,500.00	7,500.00		
Bulletproof Vest Fund		1,584.50	1,584.50		
Safe Routes to Schools		93,741.53	93,741.53		
Pedestrian Safety Grant		18,000.00	18,000.00		
Susan B Komen - The Cure	1,299.00	1,299.00	1,299.00		
Total Public and Private Programs Excluded from "CAPS"	96,857.08	241,528.20	229,028.20		12,500.00
Total Operations Excluded from "CAPS"	548,838.58	693,509.70	649,700.67	1,549.98	29,759.05
Detail:					
Salaries and Wages	15,000.00	15,000.00	12,980.48		2,019.52
Other Expenses	533,838.58	678,509.70	636,720.19	1,549.98	27,739.53
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	300,000.00	325,000.00	325,000.00		
AV on the Avenue	15,000.00	15,000.00	4,368.44		10,631.56
AV System at the Senior Center	15,000.00	15,000.00	15,000.00		
NJ Transportation Trust Fund -Harrison Avenue		208,000.00	208,000.00		
Capital Improvements Excluded from "CAPS"	330,000.00	563,000.00	552,368.44		10,631.56
<b>DEBT SERVICE</b>					
Payment of Bond Principal	1,979,000.00	1,979,000.00	1,979,000.00		
Payment of Bond Anticipation Notes	221,500.00	221,500.00	221,499.99		0.01
Interest on Bonds	830,830.08	830,830.08	830,829.16		0.92
Interest on Notes	48,330.00	48,330.00	48,325.39		4.61
Total Debt Service	3,079,660.08	3,079,660.08	3,079,654.54		5.54

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Transfer to Board of Education	222,500.00	222,500.00	222,500.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,180,998.66	4,558,669.78	4,504,223.65	1,549.98 40,390.61	12,505.54
Subtotal General Appropriations	16,128,313.85	16,480,984.97	15,454,384.76	129,357.29	12,505.54
Reserve for Uncollected Taxes	105,638.01	105,638.01	105,638.01		
Total General Appropriations	<u>\$ 16,233,951.86</u>	<u>\$ 16,586,622.98</u>	<u>\$ 15,560,022.77</u>	<u>\$ 129,357.29</u> <u>\$ 884,737.38</u>	<u>\$ 12,505.54</u>
Ref.	A-2			A-11 A	
Budget	Ref. A-3	\$ 16,233,951.86			
Budget Amendments per NJSA 40A:4-87	A-2	352,671.12			
		<u>\$ 16,586,622.98</u>			
Reserve for Uncollected Taxes	Ref. A-2	\$ 105,638.01			
Reserve for Federal & State Grants - Appropriated	A-15	435,729.20			
Disbursed	A-4	15,018,655.56			
			<u>\$ 15,560,022.77</u>		

The accompanying notes to the financial statements are an integral part of this statement.



## TRUST FUND

## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Animal Control Trust Fund			
Cash - Treasurer	B-1	\$ 145.35	\$ 967.74
Payroll Trust Fund			
Cash - Treasurer	B-1	64,657.07	55,486.48
Due from Current Fund	A	5,680.05	
		<u>70,337.12</u>	<u>55,486.48</u>
Trust Other Fund			
Cash - Treasurer	B-1	433,648.83	404,896.77
Commodity Resale Receivable		16,034.40	7,344.70
Accounts Receivable Off-Duty Police		17,519.25	11,034.59
Due from Inspection Escrow		337.00	
		<u>467,539.48</u>	<u>423,276.06</u>
Tax Sale Premium			
Cash - Collector	B-2	746,060.34	925,271.77
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	44,205.86	39,542.64
Due from Payroll Agency	B	2,490.53	854.45
		<u>46,696.39</u>	<u>40,397.09</u>
		<u>\$ 1,330,778.68</u>	<u>\$ 1,445,399.14</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Animal Control Trust Fund			
Due Current Fund	A	\$ 0.15	\$ 0.37
Due State of New Jersey		1.20	
Reserve for Dog Fund Expenditures	B-3	144.00	967.37
		<u>145.35</u>	<u>967.74</u>
Payroll Trust Fund			
Payroll Taxes Payable		67,846.59	54,632.03
Due Unemployment Trust Fund	B	2,490.53	854.45
		<u>70,337.12</u>	<u>55,486.48</u>
Trust Other Fund			
Encumbrances Payable		10,006.00	230.00
Reserve for:			
Zoning Board Escrow		7,293.25	6,236.50
Planning Board Escrow		32,788.22	39,121.05
Rooming House Escrow			1,400.00
Performance Bond Escrow		30,933.60	30,927.25
Street Opening Escrow		957.00	957.00
Storm Recovery Trust Fund		8,494.95	4,912.55
Public Defender		1,770.00	1,190.90
Parking Offense Adjudication Act		1,931.69	847.69
Uniform Fire Safety - Penalty Money		15,993.00	8,009.00
Municipal Alliance Program Income		935.66	935.66
Law Enforcement Forfeiture		12,920.80	12,431.12
Donations - Police Equipment		3,172.25	3,172.25
Donations - Fire Equipment		1,340.46	840.46
Donations - Bike Share Program		1,545.49	4,599.59
Donations - Community Events and Activities		96,582.25	87,600.77
Recreation Trust Fund		1,249.69	1,249.69

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES. AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>(CONTINUED)</b>			
Trust Other Fund			
Domestic Violence Program Income		283.39	283.39
Accumulated Absences		101,859.06	102,157.51
Commodity Resale		37,223.73	24,285.34
Off-Duty Police		97,014.83	88,733.31
Bequest - Ambulance Donations		3,038.08	3,082.08
Due Current Fund	A	206.08	72.95
		467,539.48	423,276.06
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B-4	83,392.04	34,063.85
Reserve for Tax Sale Premiums	B-5	662,500.00	891,000.00
Due Current Fund	A	168.30	207.92
		746,060.34	925,271.77
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		46,696.39	40,397.09
		\$ 1,330,778.68	\$ 1,445,399.14

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL CAPITAL FUND**

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Cash - Treasurer	C-2	\$ 1,140,578.51	\$ 1,934,505.05
Deferred Charges to Future Taxation:			
Funded	C-4	19,394,000.00	21,373,000.00
Unfunded	C-6	5,620,000.00	4,342,425.00
Amount to be Provided by Capital Lease	C-10	71,836.63	74,231.96
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>\$ 27,526,415.14</u>	<u>\$ 29,024,162.01</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-9	\$ 4,120,000.00	\$ 2,423,000.00
Serial Bonds Payable	C-8	20,694,000.00	22,673,000.00
Improvement Authorizations:			
Funded	C-7	163,260.62	449,406.64
Unfunded	C-7	2,266,842.94	1,051,446.20
Encumbrances Payable		120,920.24	2,305,979.65
Capital Improvement Fund	C-5	30,206.67	12,741.22
Due from Current Fund	A	3,438.74	1,148.65
Capital Lease Payable	C-10	71,836.63	74,231.96
Fund Balance	C-1	55,909.30	33,207.69
		<u>\$ 27,526,415.14</u>	<u>\$ 29,024,162.01</u>

EXHIBIT C-1

## SCHEDULE OF FUND BALANCE

	Ref.		
Balance December 31, 2016	C		\$ 33,207.69
Increased by:			
Premium on Bonds and Notes	C-2	\$ 46,762.00	
Improvement Authorizations Canceled	C-7	175,000.00	
		<u>221,762.00</u>	221,762.00
			<u>254,969.69</u>
Decreased by:			
Current Fund Budget Appropriation	A-2	24,060.39	
Financed Improvement Authorizations	C-7	175,000.00	
		<u>199,060.39</u>	199,060.39
Balance December 31, 2017	C		<u>\$ 55,909.30</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **WATER UTILITY FUND**

## EXHIBIT D

## COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>Operating Fund</b>			
Cash - Treasurer	D-5	\$ 1,080,958.01	\$ 812,048.33
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund	D	3,268.82	426.02
Due from Current Fund	A	2,644.82	
		<u>1,087,021.65</u>	<u>812,624.35</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	139,892.47	137,964.36
Water Liens	D-8	825.00	396.18
		<u>140,717.47</u>	<u>138,360.54</u>
Deferred Charges:			
Overexpenditure of Appropriation			3,750.00
Total Operating Fund		<u>1,227,739.12</u>	<u>954,734.89</u>
<b>Capital Fund</b>			
Cash - Treasurer	D-5	2,331,949.45	1,840,050.00
Fixed Capital	D-9	11,306,714.80	11,306,714.80
Fixed Capital Authorized and Uncompleted	D-10	4,100,719.00	4,100,719.00
Total Capital Fund		<u>17,739,383.25</u>	<u>17,247,483.80</u>
		<u>\$ 18,967,122.37</u>	<u>\$ 18,202,218.69</u>

The accompanying notes to the financial statements are an integral part of this statement.



EXHIBIT D  
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 211,522.36	\$ 129,087.70
Encumbrances Payable	D-12	23,531.74	14,026.37
Accrued Interest on Bonds, Loans and Notes	D-14	36,117.53	18,819.15
Water Rent Overpayments		15,891.67	13,899.75
Due Sewer Operating Fund	E	13,477.51	10,176.51
		<u>300,540.81</u>	<u>186,009.48</u>
Reserve for Receivables		140,717.47	138,360.54
Fund Balance	D-1	786,480.84	630,364.87
Total Operating Fund		<u>1,227,739.12</u>	<u>954,734.89</u>
<b>Capital Fund</b>			
Serial Bonds Payable	D-16	1,727,800.00	1,945,550.00
NJ Environmental Infrastructure Loan Payable	D-18	1,091,065.92	1,355,239.58
Bond Anticipation Notes Payable	D-17	3,660,000.00	1,400,000.00
Improvement Authorizations:			
Funded	D-15	26,355.00	123,890.00
Unfunded	D-15	1,213,732.99	2,146,286.00
Encumbrances Payable	D-12	467,120.36	1,475,614.70
Capital Improvement Fund	D-13	575,205.99	375,205.99
Reserve for Amortization		8,527,848.88	8,005,925.22
Deferred Reserve for Amortization	D-20	400,719.00	400,719.00
Due Water Operating Fund	D	3,268.82	426.02
Fund Balance	D-2	46,266.29	18,627.29
Total Capital Fund		<u>17,739,383.25</u>	<u>17,247,483.80</u>
		<u>\$ 18,967,122.37</u>	<u>\$ 18,202,218.69</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - WATER UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	<u>Year 2017</u>	<u>Year 2016</u>
Fund Balance Utilized	D-3	\$ 62,852.58	\$ 65,681.40
Rents	D-3	2,408,564.14	2,427,583.51
Water Capital Fund Balance	D-3	13,902.00	
NJEIT Project Credits	D-3	10,075.00	
Miscellaneous	D-3	28,005.06	42,473.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	95,864.38	171,669.06
Total Income		<u>2,619,263.16</u>	<u>2,707,407.85</u>
<b>Expenditures</b>			
Operating	D-4	1,570,000.00	1,560,000.00
Capital Improvements	D-4	200,000.00	300,000.00
Debt Service	D-4	465,744.61	348,136.59
Deferred Charges and Statutory Expenditures	D-4	164,550.00	211,346.52
Prior Year Refund			462.15
Total Expenditures		<u>2,400,294.61</u>	<u>2,419,945.26</u>
Excess in Revenue		218,968.55	287,462.59
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Were Funded by a Bond Ordinance			3,750.00
Statutory Excess to Fund Balance		<u>218,968.55</u>	<u>291,212.59</u>
<b>Fund Balance</b>			
Balance January 1	D	630,364.87	404,833.68
		849,333.42	696,046.27
Decreased by:			
Utilization as Anticipated Revenue	D-1	62,852.58	65,681.40
Balance December 31	D	<u>\$ 786,480.84</u>	<u>\$ 630,364.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-2

## STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2016	Ref. D	\$ 18,627.29
Increased by:		
Premiums on Bonds & Notes	D-5	41,541.00
		<u>60,168.29</u>
Decreased by:		
Budgeted Revenue	D-3	13,902.00
Balance December 31, 2017	D	<u>\$ 46,266.29</u>

## EXHIBIT D-3

## STATEMENT OF REVENUES - WATER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 62,852.58	\$ 62,852.58	
Rents	D-3	2,329,839.18	2,408,564.14	\$ 78,724.96
Water Capital Fund Balance	D-3	13,902.00	13,902.00	
NJEIT Project Credits	D-3	10,075.00	10,075.00	
		<u>\$ 2,416,668.76</u>	<u>\$ 2,495,393.72</u>	<u>\$ 78,724.96</u>
	Ref.	D-4		

**Analysis of Realized Revenue**

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 2,394,499.53
Overpayments Applied	D-7	13,899.75
Water Liens	D-8	164.86
		<u>\$ 2,408,564.14</u>
Miscellaneous:		
Interest on Delinquent Accounts		\$ 15,254.79
Miscellaneous		4,297.30
Interest on Investments		8,452.97
	D-5	<u>\$ 28,005.06</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 560,000.00	\$ 560,000.00	\$ 539,983.39		\$ 20,016.61	
Other Expenses	1,000,000.00	1,000,000.00	793,144.18	\$ 18,157.99	188,697.83	
Licensed Site Remediation Professional	10,000.00	10,000.00	4,626.25	5,373.75		
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Debt Service:						
Payment of Bond Principal	217,750.00	217,750.00	217,750.00			
Payment of Loan Principal	77,812.66	77,812.66	71,515.24			\$ 6,297.42
Payment of Note Principal	40,000.00	40,000.00	40,000.00			
Interest on Bonds	78,896.10	78,896.10	78,896.04			0.06
Interest on Loan	19,735.00	19,735.00	9,658.33			10,076.67
Interest on Notes	47,925.00	47,925.00	47,925.00			
Deferred Charges:						
Overexpenditure of Appropriation	3,750.00	3,750.00	3,750.00			
Statutory Expenditures:						
Public Employees' Retirement System	45,000.00	45,000.00	45,000.00			
Social Security System (OASI)	43,000.00	43,000.00	41,575.29		1,424.71	
State Disability Insurance	2,800.00	2,800.00	1,416.79		1,383.21	
Surplus General Budget	70,000.00	70,000.00	70,000.00			
	<u>\$ 2,416,668.76</u>	<u>\$ 2,416,668.76</u>	<u>\$ 2,165,240.51</u>	<u>\$ 23,531.74</u>	<u>\$ 211,522.36</u>	<u>\$ 16,374.15</u>
Ref.	D-3	D-3		D-12	D	
Deferred Charge		Ref.	\$ 3,750.00			
Interest on Bonds and Notes		D-14	136,479.37			
Disbursed		D-5	2,025,011.14			
			<u>\$ 2,165,240.51</u>			

The accompanying notes to the financial statements are an integral part of this statement.

**SEWER UTILITY FUND**

## COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>Operating Fund</b>			
Cash - Treasurer	E-5	\$ 815,348.84	\$ 743,948.77
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund	A	938.74	
Due from Water Operating Fund	D	13,477.51	10,176.51
Due from Sewer Capital Fund	E	1,264.58	361.73
		<u>831,179.67</u>	<u>754,637.01</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	1,662.89	2,271.26
Sewer Liens	E-8	1,695.45	743.53
		<u>3,358.34</u>	<u>3,014.79</u>
Total Operating Fund		<u>834,538.01</u>	<u>757,651.80</u>
<b>Capital Fund</b>			
Cash - Treasurer	E-5	908,931.84	1,251,900.37
Fixed Capital	E-9	6,916,904.60	6,916,904.60
Fixed Capital Authorized and Uncompleted	E-10	847,561.25	682,561.25
Total Capital Fund		<u>8,673,397.69</u>	<u>8,851,366.22</u>
		<u>\$ 9,507,935.70</u>	<u>\$ 9,609,018.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT E  
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	E-4:E-11	\$ 86,519.82	\$ 87,297.17
Encumbrances Payable	E-12	16,418.35	13,635.28
Accrued Interest on Bonds	E-14	18,174.25	14,155.25
Sewer Rent Overpayments	E-5	6,596.18	6,996.02
		<u>127,708.60</u>	<u>122,083.72</u>
Reserve for Receivables		3,358.34	3,014.79
Fund Balance	E-1	703,471.07	632,553.29
		<u>834,538.01</u>	<u>757,651.80</u>
<b>Total Operating Fund</b>			
<b>Capital Fund</b>			
Serial Bonds Payable	E-16	1,073,200.00	1,203,450.00
NJ Wastewater Treatment Trust Loan	E-17	610,139.35	744,914.36
Bond Anticipation Notes Payable	E-18	355,000.00	530,000.00
Improvement Authorizations:			
Funded	E-15	189,256.65	91,894.38
Capital Improvement Fund	E-13	432,391.00	522,391.00
Encumbrances Payable			350,000.00
Due Sewer Operating Fund	E	1,264.58	361.73
Reserve for Amortization		5,408,565.25	4,968,540.24
Deferred Reserve for Amortization	E-19	317,561.25	152,561.25
Fund Balance	E-2	286,019.61	287,253.26
		<u>8,673,397.69</u>	<u>8,851,366.22</u>
<b>Total Capital Fund</b>			
		<u>\$ 9,507,935.70</u>	<u>\$ 9,609,018.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SEWER UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2017	Year 2016
Fund Balance Utilized	E-3	\$ 79,832.11	\$ 36,798.27
Rents	E-3	2,026,791.97	2,027,949.21
Sewer Capital Fund Balance	E-3	5,262.90	
Miscellaneous	E-3	9,829.25	11,741.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	85,776.82	153,139.90
Encumbrances Canceled			1,390.00
<b>Total Income</b>		<u>2,207,493.05</u>	<u>2,231,019.29</u>
<b>Expenditures</b>			
Operating	E-4	1,273,500.00	1,260,000.00
Capital Improvements	E-4	75,000.00	200,000.00
Debt Service	E-4	515,293.16	307,833.44
Deferred Charges and Statutory Expenditures	E-4	192,950.00	187,000.00
<b>Total Expenditures</b>		<u>2,056,743.16</u>	<u>1,954,833.44</u>
Excess in Revenue		150,749.89	276,185.85
<b>Fund Balance</b>			
Balance January 1	E	632,553.29	393,165.71
		783,303.18	669,351.56
Decreased by:			
Utilization as Anticipated Revenue	E-1	79,832.11	36,798.27
<b>Balance December 31</b>	E	<u>\$ 703,471.07</u>	<u>\$ 632,553.29</u>

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2016	Ref. E	\$ 287,253.26
Increased by:		
Premiums on Bonds and Notes Issued	E-5	4,029.25
		<u>291,282.51</u>
Decreased by:		
Budgeted Revenue	E-3	5,262.90
Balance December 31, 2017	E	<u><u>\$ 286,019.61</u></u>

STATEMENT OF REVENUES - SEWER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	\$ 79,832.11	\$ 79,832.11	
Rents	E-3	1,980,000.00	2,026,791.97	\$ 46,791.97
Sewer Capital Fund Balance	E-2	5,262.90	5,262.90	
		<u>\$ 2,065,095.01</u>	<u>\$ 2,111,886.98</u>	<u>\$ 46,791.97</u>
	Ref.	E-4		

**Analysis of Realized Revenue**

Rents:		
Consumer Accounts Receivable:		
Collected	E-7	\$ 2,019,663.90
Overpayments Applied	E-7	6,991.91
Sewer Utility Liens	E-8	136.16
		<u>\$ 2,026,791.97</u>
Miscellaneous:		
Interest on Delinquent Accounts		\$ 5,321.83
Interest on Investments		4,057.42
Connection Fee		450.00
	E-5	<u><u>\$ 9,829.25</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operating:						
Salaries & Wages	\$ 690,000.00	\$ 705,000.00	\$ 704,374.17		\$ 625.83	
Other Expenses	575,000.00	558,500.00	464,976.71	\$ 9,641.60	83,881.69	
Licensed Site Remediation Professional	10,000.00	10,000.00	3,223.25	6,776.75		
Capital Improvements:						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00			
Debt Service:						
Payment of Bond Principal	130,250.00	130,250.00	130,250.00			
Payment of Loan Principal	134,775.01	134,775.01	134,775.01			
Payment of Note Principal	175,000.00	175,000.00	175,000.00			
Interest on Bonds	47,645.00	47,645.00	47,642.39			\$ 2.61
Interest on Loans	17,400.00	17,400.00	10,201.73			7,198.27
Interest on Notes	18,575.00	18,575.00	17,424.03			1,150.97
Statutory Expenditures:						
Public Employees' Retirement System	65,000.00	65,000.00	65,000.00			
Social Security System (OASI)	53,000.00	54,500.00	54,118.95		381.05	
State Disability Insurance	3,450.00	3,450.00	1,818.75		1,631.25	
Surplus General Budget	70,000.00	70,000.00	70,000.00			
	<u>\$ 2,065,095.01</u>	<u>\$ 2,065,095.01</u>	<u>\$ 1,953,804.99</u>	<u>\$ 16,418.35</u>	<u>\$ 86,519.82</u>	<u>\$ 8,351.85</u>
Ref.	E-3			E-12	E	
Interest on Bonds and Notes Disbursed		Ref. E-14	\$ 75,268.15			
		E-5	1,878,536.84			
			<u>\$ 1,953,804.99</u>			

The accompanying notes to the financial statements are an integral part of this statement.

**PARKING UTILITY FUND**

## EXHIBIT F

## COMPARATIVE BALANCE SHEET - PARKING UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>		Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
<b>Operating Fund</b>				
Cash		F-4	\$ 332,495.36	\$ 276,552.94
Due from Parking Utility Capital Fund		F	114.10	28.75
Total Operating Fund			<u>332,609.46</u>	<u>276,581.69</u>
<b>Capital Fund</b>				
Cash		F-4	56,219.30	98,747.70
			<u>\$ 388,828.76</u>	<u>\$ 375,329.39</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>				
<b>Operating Fund</b>				
Appropriation Reserve		F-3:F-6	\$ 44,895.61	\$ 19,056.38
Encumbrances Payable		F-8	70,000.00	
Fund Balance		F-1	217,713.85	257,525.31
			<u>332,609.46</u>	<u>276,581.69</u>
<b>Capital Fund</b>				
Due Parking Utility Operating Fund		F	114.10	28.75
Improvement Authorizations - Funded		F-9	26,621.00	41,320.00
Encumbrances Payable		F-8	14,484.20	42,398.95
Capital Improvement Fund		F-7	15,000.00	15,000.00
			<u>56,219.30</u>	<u>98,747.70</u>
			<u>\$ 388,828.76</u>	<u>\$ 375,329.39</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - PARKING UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2017	Year 2016
Surplus Anticipated	F-2	\$ 88,000.00	\$ 62,721.82
Parking Meter	F-2	215,390.74	222,250.52
Miscellaneous Revenue Not Anticipated	F-2	20,526.42	81,023.44
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-6	12,271.38	25,022.83
<b>Total Income</b>		<u>336,188.54</u>	<u>391,018.61</u>
<b>Expenditures</b>			
Operating	F-3	165,000.00	122,500.00
Capital Improvements	F-3	96,000.00	93,000.00
Deferred Charges and Statutory Expenditures	F-3	27,000.00	10,221.82
		<u>288,000.00</u>	<u>225,721.82</u>
Excess in Revenue		48,188.54	165,296.79
<b>Fund Balance</b>			
Balance January 1	F	257,525.31	154,950.34
		<u>305,713.85</u>	<u>320,247.13</u>
Decreased by:			
Utilization as Anticipated Revenue	F-1	88,000.00	62,721.82
<b>Balance December 31</b>	F	<u>\$ 217,713.85</u>	<u>\$ 257,525.31</u>

STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	\$ 88,000.00	\$ 88,000.00	
Parking Meter	F-4	200,000.00	215,390.74	\$ 15,390.74
		<u>\$ 288,000.00</u>	<u>\$ 303,390.74</u>	<u>\$ 15,390.74</u>
	Ref.	F-3		
Miscellaneous:				
Interest on Investments			\$ 1,000.42	
Parking Permit Fees			19,526.00	
			<u>\$ 20,526.42</u>	
	F-4		<u>\$ 20,526.42</u>	

## STATEMENT OF EXPENDITURES - PARKING UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Operating:					
Salary & Wages	\$ 85,000.00	\$ 85,000.00	\$ 50,352.40		\$ 34,647.60
Other Expenses	80,000.00	80,000.00	75,498.84		4,501.16
Capital Improvements:					
Purchase of New Meters	70,000.00	70,000.00		\$ 70,000.00	
Purchase/Lease New Vehicle	26,000.00	26,000.00	23,141.18		2,858.82
Statutory Expenditures:					
Social Security	6,500.00	6,500.00	3,859.58		2,640.42
State Disability Insurance	500.00	500.00	252.39		247.61
Surplus - General Budget	20,000.00	20,000.00	20,000.00		
	<u>\$ 288,000.00</u>	<u>\$ 288,000.00</u>	<u>\$ 173,104.39</u>	<u>\$ 70,000.00</u>	<u>\$ 44,895.61</u>
Ref.	F-2		F-4	F-8	F

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL FIXED ASSETS**

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

<b>ASSETS</b>	Balance Dec. 31, 2017	Balance Dec. 31, 2016
General Fixed Assets:		
Buildings	\$ 25,839,365.50	\$ 25,168,218.27
Land	784,275.00	784,275.00
Infrastructure	13,047,167.15	12,154,667.15
Machinery & Equipment	4,482,036.64	4,503,365.64
Vehicles	3,870,678.94	3,877,121.73
	<u>\$ 48,023,523.23</u>	<u>\$ 46,487,647.79</u>
Investment in General Fixed Assets	<u>\$ 48,023,523.23</u>	<u>\$ 46,487,647.79</u>

The accompanying notes to the financial statements are an integral part of this statement.



**NOTES TO FINANCIAL STATEMENTS**  
**(Regulatory Basis)**

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**A. Reporting Entity**

The Borough of Collingswood was incorporated in 1888 and is located in Camden County, New Jersey.

The Borough has an elected Mayor and two elected Commissioners with elections every four years. The Borough is managed daily by the Borough Administrator.

Except as noted below, the financial statements of the Borough of Collingswood included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Collingswood, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of the taxes. However, under the regulatory basis of accounting in New Jersey, the component units are neither blended nor shown in a discrete presentation in the financial statements of the Borough. The Collingswood Free Public Library also has an independent audit performed and a copy is available at the Library. The Collingswood Special Improvement District also has an independent audit performed and a copy is available at the Special Improvement District Office. The Borough's component units are listed below:

Collingswood Free Public Library  
771 Haddon Avenue  
Collingswood, New Jersey 08108

Collingswood Special Improvement District  
678 Haddon Avenue  
Collingswood, New Jersey 08108

**B. Description of Funds and Account Groups**

The accounting policies of the Borough of Collingswood conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices 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. Under this method of accounting, the Borough of Collingswood accounts for its transactions through the following separate funds, which differ from the funds required by GAAP.

**Current Fund** - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

**Trust Fund** - Receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds and Account Groups (Continued)**

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

**Water & Sewer Operating and Capital Funds** - Account for the operations and acquisition of capital facilities of the municipally-owned Water & Sewer Utility.

**Parking Operating and Capital Funds** - Account for the operations to preserve, care for, layout, construct, maintain, improve, and operate lands and facilities used for the provision of public parking and enforcement.

**General Fixed Assets** - To account for fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in Governmental Funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey will follow.

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

**Revenues** - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital is on the cash basis and utility capital is on the

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Expenditures (Continued)** - accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

**Interfunds** - 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. Under accounting principles generally accepted in the United States of America, interfunds are not reserved.

**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 balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

**Proprietary Fund – Cash Flow Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility funds' financial statements do not include a Statement of Cash Flows.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$5,000.00.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)** - No depreciation has been provided for in the financial statements. Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

Property and equipment purchased by the Water Utility Fund, Sewer Utility Fund, and Parking Utility Fund is recorded in the respective capital account, at cost, and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital, Sewer Utility Capital and Parking Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The various utilities do not record depreciation on fixed assets.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital, Water Utility Capital, Sewer Utility Capital and Parking Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property Taxes** - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

**Interest on Delinquent Taxes** - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Interest on Delinquent Taxes (Continued)** - additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

**Capitalization of Interest** - It is the policy of the Borough to treat interest on projects as a current expense and the interest is included in the Operating budgets of the Water Capital Fund, Sewer Capital Fund and Parking Capital Fund.

**D. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

**E. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for periods beginning after June 15, 2018, will not have any effect on the Borough's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for periods beginning after December 31, 2018, will not have any effect on the Borough's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017." This statement, which is effective for periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues." This statement, which is effective for periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for periods beginning after December 15, 2019, for which the impact is not determinable.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 2: BUDGETARY INFORMATION**

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2017 and 2016 statutory budgets included a reserve for uncollected taxes in the amount of \$105,638.01 and \$109,702.18, respectively. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87. The Borough amended the budget during the year by the insertion of Special Items of Revenues in the amount of \$352,671.12 for various grants as detailed on Exhibit A-2.

**NOTE 3: CASH**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2017 and 2016, the carrying amount of the Borough's deposits was \$14,163,636.92 and \$12,949,117.84, respectively. As of December 31, 2017 and 2016, \$0 of the municipality's bank balance of \$14,398,363.25 and \$13,008,633.41, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2017 and 2016, the Borough did not have any investments.

**Interest Rate Risk** - The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Borough or

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)** - Bonds or other obligations of the Borough School District, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The Borough places no limit on the amount the Borough may invest in any one issuer.

**NOTE 5: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the last two years:

	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Prepaid Taxes - Cash Liability	<u>\$ 1,199,587.19</u>	<u>\$ 188,342.22</u>

**NOTE 6: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Land	\$ 784,275.00			\$ 784,275.00
Infrastructure	12,154,667.15	\$ 892,500.00		13,047,167.15
Buildings	25,168,218.27	671,147.23		25,839,365.50
Vehicles	3,877,121.73	285,497.99	\$ 291,940.78	3,870,678.94
Equipment	4,503,365.64	179,411.00	200,740.00	4,482,036.64
	<u>\$ 46,487,647.79</u>	<u>\$ 2,028,556.22</u>	<u>\$ 492,680.78</u>	<u>\$ 48,023,523.23</u>

**NOTE 7: ECONOMIC DEPENDENCY**

The Borough of Collingswood is not economically dependent on any one business or industry within the Borough.



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 8: FUND BALANCES APPROPRIATED**

	Year	Balance December 31,	Utilized in Budget of Succeeding Year
Current Fund	2017	\$ 3,863,552.49	\$ 2,430,859.00
	2016	3,657,285.51	893,431.31
	2015	2,328,613.15	382,745.78
	2014	1,810,879.36	450,301.62
	2013	1,225,354.47	206,569.74
Water Operating Fund	2017	786,480.84	557,017.66
	2016	630,364.87	62,852.58
	2015	404,833.68	65,681.40
	2014	56,765.58	24,308.53
	2013	59,765.58	3,000.00
Sewer Operating Fund	2017	703,471.07	148,648.59
	2016	632,553.29	79,832.11
	2015	393,165.71	36,798.27
	2014	249,830.54	92,000.00
	2013	153,140.41	7,573.74
Parking Utility	2017	217,713.85	80,500.00
	2016	257,525.31	88,000.00
	2015	154,950.34	62,721.82
	2014	218,150.34	63,200.00
	2013	128,806.51	20,000.00

**NOTE 9: ACCUMULATED ABSENCE BENEFITS**

All employees are granted sick and vacation benefits in varying amounts depending on their length of service with the Borough.

The Borough has entered into a duly negotiated and approved labor agreement with the FMBA #108, FOP Lodge #76, and Teamsters in regards to accumulated absence benefits. The Borough also has local personnel policy that covers all non-union personnel. The Borough has not appropriated anything in their budget to fund a reserve for accumulated absences.

**SICK DAYS:**

**Police Superiors** - Individuals covered under the Police Superiors' Contract may accrue nine (9) sick leave days per year. A Superior Officer may apply his unused accumulated sick leave time to early retirement, or he/she may receive 100% of his accumulated sick leave as additional severance pay.

**Police Officers** - Individuals covered under the Police Officers' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Police Officer will receive all accumulated days.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

**SICK DAYS (CONTINUED):**

**Fire Officers** - Individuals covered under the Fire Officers' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Fire Officer will receive all accumulated days.

**Firefighters** - Individuals covered under the Firefighters' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Firefighter will receive all accumulated days.

**Teamsters** - Individuals covered under the Teamsters agreement are granted fifteen (15) leave days per year. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back 100% of the employee's accumulated sick days, maximum bank of seventy-five (75) days, at the employee's regular rate of pay. The only exception is if the employee has been dismissed due to any type of disciplinary action. Annually, all employees who have accumulated and maintain fifty (50) sick days shall be entitled to buy back annually those days not used in the calendar year at 100%.

**Non-Union** - Individuals who are not covered under any of the above agreements are granted fifteen (15) leave days per year. Any amount of sick leave allowance not used in any calendar year shall accumulate to the employee's credit from year to year to a total of no more than fifty (50) days to be used if and when needed for such purpose, except that where an employee is employed by the Borough more than ten years. Annually, all employees who have accumulated and maintain fifty (50) sick days, shall be entitled to buy back annually those days not used in the calendar year at a rate of fifty (50%). Employees have the option to buy all sick days in that calendar year or they may bank them all or do a combination of both. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back fifty (50%) of the employees' accumulated sick days, maximum bank of fifty-five (55) days, at the employee's regular rate of pay.

Borough employees may carry unused vacation days forward one year if due to the "pressure of work." The total value of compensated absences owed to employees; as of December 31, 2017 and 2016; under the various agreements are as follows:

	Value	
	12/31/2017	12/31/2016
FMBA #108	\$ 102,441.89	\$ 242,542.85
FOP Lodge #76	111,579.07	285,505.63
Teamsters	75,612.62	75,418.68
Non-Union	157,242.59	161,060.56
	\$ 446,876.17	\$ 764,527.72

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 10: NOTES PAYABLE**

As of December 31, 2017, the Borough had the following bond anticipation notes outstanding:

	Amount	Interest Rate	Maturity Date
General Capital Fund:			
TD Securities	\$ 4,120,000.00	2.5000%	3/22/2018
Water Capital Fund			
TD Securities	3,660,000.00	2.5000%	3/22/2018
Sewer Capital Fund			
TD Securities	355,000.00	2.5000%	3/22/2018
	<u>\$ 8,135,000.00</u>		

The Borough renewed the notes, after a pay down of \$1,057,000.00 for an additional one year period upon maturity.

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The interfunds for Animal Control Trust, Tax Sale, General Capital, and Trust Other are the result of interest earned in December but not transferred to Current Fund until January. The Water and Sewer Operating interfunds from the Water and Sewer Capital Funds are the result of interest earned in December but not transferred until January. The Water Operating and Sewer Operating interfunds are the result of payments transferred from Water to Sewer rents however, the cash was not transferred.

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2017:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

	Due	
	From	To
Current Fund		
Animal Control Trust	\$ 0.15	
Tax Sale Trust	168.30	
General Capital Fund	3,438.74	
Water Operating Fund		\$ 2,644.82
Sewer Operating Fund		938.74
Trust Other	206.08	
Payroll Agency Trust Fund		5,680.05
Animal Control Trust Fund		
Current Fund		0.15
Payroll Agency Trust Fund		
Current Fund	5,680.05	
Unemployment Trust Fund		2,490.53
Unemployment Trust Fund		
Payroll Agency Trust Fund	2,490.53	
Trust Other		
Current Fund		206.08
Tax Sale Trust		
Current Fund		168.30
General Capital Fund		
Current Fund		3,438.74
Water Capital Fund		
Water Operating Fund		3,268.82
Water Operating Fund		
Water Capital Fund	3,268.82	
Sewer Operating Fund		13,477.51
Current Fund	2,644.82	
Sewer Operating Fund		
Sewer Capital Fund	1,264.58	
Current Fund	938.74	
Water Operating Fund	13,477.51	
Sewer Capital Fund		
Sewer Operating Fund		1,264.58
Parking Utility Capital Fund		
Parking Utility Fund		114.10
Parking Utility Fund		
Parking Utility Capital Fund	114.10	
	<u>\$ 33,692.42</u>	<u>\$ 33,692.42</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-Term Debt as of December 31, 2017, consisted of the following:

	Year		
	2017	2016	2015
Bonds, Notes and Loans Issued	\$ 33,331,205.27	\$ 32,275,153.94	\$ 33,407,558.69
Bonds and Notes Authorized but not Issued	1,500,000.00	4,219,425.00	900,932.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 34,831,205.27</u>	<u>\$ 36,494,578.94</u>	<u>\$ 34,308,490.69</u>

	Balance Dec. 31, 2016	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2017	Due Within One Year
<b>ISSUED:</b>					
General:					
General Serial Bonds	\$ 22,673,000.00		\$ 1,979,000.00	\$ 20,694,000.00	\$ 2,049,000.00
Bond Anticipation Notes	2,423,000.00	\$ 1,918,500.00	221,500.00	4,120,000.00	612,000.00
Water:					
Serial Bonds	1,945,550.00		217,750.00	1,727,800.00	222,750.00
NJ Infrastructure Loan	1,355,239.58		264,173.66	1,091,065.92	82,812.66
Bond Anticipation Notes	1,400,000.00	2,300,000.00	40,000.00	3,660,000.00	270,000.00
Sewer:					
Serial Bonds	1,203,450.00		130,250.00	1,073,200.00	132,250.00
NJ Infrastructure Loan	744,914.36		134,775.01	610,139.35	141,027.84
Bond Anticipation Notes	530,000.00		175,000.00	355,000.00	175,000.00
Net Debt Issued	<u>32,275,153.94</u>	<u>4,218,500.00</u>	<u>3,162,448.67</u>	<u>33,331,205.27</u>	<u>3,684,840.50</u>

**AUTHORIZED BUT NOT ISSUED:**

General:					
Bond Anticipation Notes	1,919,425.00	1,500,000.00	1,919,425.00	1,500,000.00	
Water:					
Bond Anticipation Notes	2,300,000.00		2,300,000.00		
Authorized but not Issued	<u>4,219,425.00</u>	<u>1,500,000.00</u>	<u>4,219,425.00</u>	<u>1,500,000.00</u>	
Total Debt Issued and Authorized but not Issued	<u>\$ 36,494,578.94</u>	<u>\$ 5,718,500.00</u>	<u>\$ 7,381,873.67</u>	<u>\$ 34,831,205.27</u>	

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Permanently Funded Debt Consisted of the Following:**

**General Capital Fund**

\$1,300,000.00 CCIA Revenue Bonds dated September 1, 1999, payable in annual installments through September 1, 2019. Interest is paid semi-annually at a rate of 5.85% per annum. The balance remaining as of December 31, 2017, was \$195,000.00.

\$3,537,000.00 General Improvement Bonds tax-exempt dated February 1, 2008, payable in annual installments through February 1, 2018. Interest is paid semi-annually at a rate of 3.5%-3.625% per annum. The balance remaining as of December 31, 2017, was \$679,000.00.

\$11,153,000.00 General Improvement Bonds dated June 1, 2009, payable in annual installments through June 1, 2019. Interest is paid semi-annually at a rate of 4.375% per annum. The balance remaining as of December 31, 2017, was \$945,000.00.

\$3,224,000.00 General Improvement Bonds taxable bonds dated June 1, 2009, payable in annual installments through June 1, 2019. Interest is paid semi-annually at a rate of 6%- per annum. The balance remaining as of December 31, 2017, was \$290,000.00.

\$3,500,000.00 General Improvement Bonds taxable bonds dated April 15, 2014, payable in annual installments through February 15, 2024. Interest is paid semi-annually at a rate of 2%-3.625% per annum. The balance remaining as of December 31, 2017, was \$2,595,000.00.

\$1,780,000.00 General Obligation Refunding Bonds dated May 15, 2014, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 1.5% to 3% per annum. The balance remaining as of December 31, 2017, was \$1,040,000.00.

\$2,340,000.00 General Improvement Bonds taxable bonds dated April 20, 2016, payable in annual installments through April 15, 2031. Interest is paid semi-annually at a rate of 2%- 3.4% per annum. The balance remaining as of December 31, 2017, was \$2,240,000.00.

\$2,525,000.00 General Obligation Refunding taxable Bonds dated April 27, 2016, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 1.024% to 3.616% per annum. The balance remaining as of December 31, 2017, was \$2,400,000.00.

\$10,425,000.00 General Obligation Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 4% to 5% per annum. The balance remaining as of December 31, 2017, was \$10,310,000.00.

**Water Capital Fund**

\$1,914,314.00 Department of Environmental Infrastructure Loan (NJEIT) dated May 22, 2013, payable in semi-annual installments through August 1, 2032. The water loan consists of \$640,000.00 trust loan and \$1,274,314.00 fund loan. Principal was forgiven on the Fund loan in the amount of \$244,600.00 in 2013. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2017, was \$1,091,065.92.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Water Capital Fund (Continued)**

\$558,000.00 Water Utility Bonds dated December 4, 2002, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 4.625%-5.25% per annum. The balance remaining as of December 31, 2017, was \$185,000.00.

\$2,420,500.00 Water Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2018. Interest is paid semi-annually at a rate of 3.5%-3.625% per annum. The balance remaining as of December 31, 2017, was \$115,000.00.

\$1,575,300.00 Water Utility Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2028. Interest is paid semi-annually at a rate of 3%-5% per annum. The balance remaining as of December 31, 2017, was \$1,427,800.000.

**Sewer Capital Fund**

\$1,050,000.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 9, 2000, payable in semi-annual installments through August 2020. The sewer loan consists of \$530,000.00 trust loan and \$520,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 4%-5.5% per annum. New Jersey Environmental Infrastructure Trust refunded this loan on June 20, 2006, saving the Borough \$25,542.38 in interest costs. These savings are applied as credits to payments. The balance remaining at December 31, 2017, was \$199,644.68.

\$573,513.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 8, 2001, payable in semi-annual installments through August 2021. The sewer loan consists of \$280,000.00 trust loan and \$293,513.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 5%-5.25% per annum. The balance remaining at December 31, 2017, was \$125,710.04.

\$726,000.00 Department of Environmental Infrastructure Loan (NJEIT) dated March 10, 2010, payable in semi-annual installments through August 2029. The loan consists of \$180,000.00 trust loan and \$546,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2017, was \$284,784.63.

\$1,712,500.00 Sewer Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2018. Interest is paid semi-annually at a rate of 3.5%-3.625% per annum. The balance remaining as of December 31, 2017, was \$81,000.00.

\$1,094,700.00 Sewer Utility Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2028. Interest is paid semi-annually at a rate of 3%-5% per annum. The balance remaining as of December 31, 2017, was \$992,200.00.

**Defeased Debt**

\$13,095,000.00 General Obligation Refunding Bonds, Series 2016 dated April 27, 2016, payable in annual installments through June 1, 2029. The Refunding Bonds were issued with a net interest costs of 2.417716% to advance refund \$420,000.00 Water/Sewer Utility Bonds, Series 1998A, maturing serially on October 1 in the years 2016 through 2018, \$2,204,000.00 General Improvement Bonds, Series 2008, maturing serially on February 1 in the years 2019

**BOROUGH OF COLLINGSWOOD  
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**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Defeased Debt (Continued)**

through 2021, \$2,486,000.00 Water/Sewer Utility Bonds, Series 2008 maturing serially on February 1 in the years 2019 through 2028, \$8,608,000.00 General Obligation Bonds, Series 2009, maturing serially on June 1, 2020 through 2029, with a net interest cost of 4.359803%. The net proceeds of \$15,126,871.75, including a premium of \$2,156,882.60 and net of payments of \$58,010.85 in underwriting fees and \$67,000.00 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the Borough's financial statements. As a result the advance refunding, the Borough had an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$814,449.93.

\$2,525,000.00 Taxable General Obligation Refunding Bonds Series 2016 dated April 27, 2016, payable in annual installments through June 1, 2029. The Refunding Bonds were issued with a net interest costs of 3.146259% to advance refund \$2,109,000.00 Taxable General Obligation Bonds, Series 2009, maturing serially on June 1 in the years 2020 through 2029 with a net interest cost of 6.165349%. The net proceeds of \$2,500,814.25, net of payments of \$11,185.75 in underwriting fees and \$13,000.00 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the Borough's financial statements. As a result the advance refunding, the Borough had an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$159,323.43.

As of December 31, 2017, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
2018	\$ 2,049,000.00	\$ 761,890.65	\$ 2,810,890.65
2019	2,085,000.00	686,794.49	2,771,794.49
2020	2,160,000.00	600,969.26	2,760,969.26
2021	2,230,000.00	518,566.81	2,748,566.81
2022	1,720,000.00	451,605.16	2,171,605.16
2023-2027	7,210,000.00	1,362,332.24	8,572,332.24
2028-2031	3,240,000.00	142,480.60	3,382,480.60
	<u>\$ 20,694,000.00</u>	<u>\$ 4,524,639.21</u>	<u>\$ 25,218,639.21</u>



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
2018	\$ 222,750.00	\$ 73,223.22	\$ 295,973.22
2019	144,150.00	66,053.00	210,203.00
2020	149,100.00	59,448.76	208,548.76
2021	157,000.00	52,575.00	209,575.00
2022	163,900.00	45,884.50	209,784.50
2023-2027	722,750.00	125,920.75	848,670.75
2028	168,150.00	3,363.00	171,513.00
	<u>\$ 1,727,800.00</u>	<u>\$ 426,468.23</u>	<u>\$ 2,154,268.23</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
2018	\$ 132,250.00	\$ 44,721.78	\$ 176,971.78
2019	75,850.00	40,979.50	116,829.50
2020	77,900.00	37,515.00	115,415.00
2021	82,000.00	33,927.50	115,927.50
2022	86,100.00	30,565.50	116,665.50
2023-2027	502,250.00	87,504.25	589,754.25
2028	116,850.00	2,337.00	119,187.00
	<u>\$ 1,073,200.00</u>	<u>\$ 277,550.53</u>	<u>\$ 1,350,750.53</u>

Year Ended December	Principal	Interest	Total
NJFIT Loan			
Water Operating Fund			
2018	\$ 82,812.66	\$ 19,150.00	\$ 101,962.66
2019	82,812.66	17,950.00	100,762.66
2020	82,812.66	16,750.00	99,562.66
2021	82,812.66	15,550.00	98,362.66
2022	82,812.66	14,350.00	97,162.66
2023-2027	400,121.30	50,900.00	451,021.30
2028-2032	276,881.32	19,350.00	296,231.32
	<u>\$ 1,091,065.92</u>	<u>\$ 154,000.00</u>	<u>\$ 1,245,065.92</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
<b>NJEIT Loan</b>			
<b>Sewer Operating Fund</b>			
2018	\$ 141,027.84	\$ 15,450.00	\$ 156,477.84
2019	139,119.82	11,850.00	150,969.82
2020	137,212.00	8,350.00	145,562.00
2021	59,045.86	4,800.00	63,845.86
2022	37,762.70	3,550.00	41,312.70
2023-2027	65,971.13	11,800.00	77,771.13
2028-2029	30,000.00	1,800.00	31,800.00
	<u>\$ 610,139.35</u>	<u>\$ 57,600.00</u>	<u>\$ 667,739.35</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 indicates a statutory net debt of 2.491%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 13,115,000.00	\$ 13,115,000.00	
Water Debt	6,478,865.92	6,478,865.92	
Sewer Debt	2,038,339.35	2,038,339.35	
General Debt	26,314,000.00		\$ 26,314,000.00
	<u>\$ 47,946,205.27</u>	<u>\$ 21,632,205.27</u>	<u>\$ 26,314,000.00</u>

Net Debt \$26,314,000.00/Equalized Valuation Basis per NJSA 40A:2-2 as amended \$1,056,517,662.67 = 2.491%.

**Borrowing Power Under NJSA 40:A2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 36,978,118.19
Net Debt	<u>26,314,000.00</u>
Remaining Borrowing Power	<u>\$ 10,664,118.19</u>

**Calculation of “Self-Liquidating Purpose” Water Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents, or Other Charges	\$ 2,523,398.78
Deductions:	
Operating and Maintenance Costs	\$ 1,660,800.00
Debt Service Per Water Account	<u>465,744.61</u>
	<u>2,126,544.61</u>
Excess in Revenue	<u>\$ 396,854.17</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Calculation of "Self-Liquidating Purpose" Sewer Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents, or Other Charges		\$ 2,121,716.23
Deductions:		
Operating and Maintenance Costs	\$ 1,396,450.00	
Debt Service Per Sewer Account	515,293.16	
		1,911,743.16
Excess in Revenue		\$ 209,973.07

**Calculation of "Self-Liquidating Purpose" Parking Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents or Other Charges		\$ 323,917.16
Deductions:		
Operating and Maintenance Costs	\$ 172,000.00	
Debt Service Per Parking Account	None	
		172,000.00
Excess in Revenue		\$ 151,917.16

**NOTE 13: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Borough are covered by the Public Employees' Retirement System, (PERS), a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions in law enforcement or firefighting in the State of New Jersey.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP)** - The Borough established Defined Contribution Retirement Program by ordinance on September 2, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et seq. DCRP is a cost-sharing, multiple-employer defined contribution pension fund. DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established in NJSA 43:15C-1 et seq. DCRP provides for employee contributions of 5.5%, of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

**Pension Deferral** - On May 4, 2009, the Borough adopted a resolution requesting approval by the Local Finance Board of pension deferral pursuant to NJSA 43:15A-24(c) and NJSA 43:16A-15(9). This was approved on June 30, 2009, as follows: PERS amount deferred \$99,284.00, and PFRS - Police \$280,692.00 and Fire \$120,301.00, for a total of \$500,277.00. This amount is being repaid starting in April 2012, over a 15 year period through April 2027. The amount will fluctuate based on pension system investments earnings on the deferred amount.

**Funding Policy** -The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 7.20% to 7.34% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. PFRS provides for employee contributions of 10% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The PERS and PFRS rates in effect for 2016 are 12.91% and 25.51%, respectively, of covered payroll, as reported on June 30, 2015. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Borough payment to PERS for the years ending December 31, 2017, 2016, and 2015 were \$311,789.00, \$307,929.00, and \$307,929.00, respectively, equal to the required contributions for each year. The Borough payments to PFRS for the years ending December 31, 2017, 2016, and 2015, were \$764,863.00, \$760,467.00, and \$726,922.00.00, respectively, equal to the required contributions for each year. A portion of the PERS pension was charged to a grant.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program (DCRP).

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 and GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

**Public Employee's Retirement System** - At December 31, 2016, the Borough's liability of \$9,299,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. At June 30, 2016, the Borough's proportion was 0.0313998745% compared to 0.0345239060% at June 30, 2015.

For the year ended December 31, 2016, the Borough's pension expense would be \$614,774 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,719,261	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	479,491	
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		\$ 430,700
Difference Between Expected and Actual Experience	133,776	
District Contributions Subsequent to the Measurement Date	278,952	
	<u>\$ 2,611,480</u>	<u>\$ 430,700</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)** - Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles:

Year Ended June 30	Amount
2018	\$ 446,185
2019	446,186
2020	539,917
2021	401,484
2022	68,056
Thereafter	0
	\$ 1,901,828

Additional information – Collective balances at June 30, 2016 and 2015, are as follows:

	June 30, 2016	June 30, 2015
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources		360,920,604
Collective Net Pension Liability	29,617,131,759	22,447,996,119
Borough's Proportion	0.0313998745%	0.0345239060%

**Contributions** - The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Borough's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% Based on Age
Thereafter	2.65 – 5.15% Based on Age
Investment Rate of Return	7.65%

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

**Police and Firemen's Retirement System** - The Borough has two separate retirement systems one for police and one for firefighters.

At December 31, 2016, the Borough's liability of \$9,556,005 for its proportionate share of the net pension liability for Police (Location 25801). The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. At June 30, 2016, the Borough's proportion was 0.0500247386% compared to 0.0509547358% at June 30, 2015.

For the year ended December 31, 2016, the Borough's pension expense would be \$690,154 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen's Retirement System (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 934,273	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	884,071	
Differences Between Expected and Actual Experience		\$ 46,481
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		561,620
Borough Contributions Subsequent to the Measurement Date	407,872	
	<u>\$ 2,226,216</u>	<u>\$ 608,101</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 257,758
2019	257,758
2020	435,331
2021	272,030
2022	(12,634)
Thereafter	0
	<u>\$ 1,210,243</u>

Additional information – Collective balances at June 30, 2016 and 2015, are as follows:

	June 30, 2016	June 30, 2015
Collective Deferred Outflows of Resources	\$ 3,984,339,036	\$ 3,075,206,294
Collective Deferred Inflows of Resources	125,220,083	433,559,708
Collective Net Pension Liability	<u>20,706,699,056</u>	<u>18,117,234,618</u>
Borough's Proportion	0.0500247386%	0.0509547358%

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen’s Retirement System (Continued)**

At December 31, 2016, the Borough has a liability of \$6,935,666 for its proportionate share of the net pension liability for Fire (Location 25802). The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. At June 30, 2016, the Borough’s proportion was 0.0363075263% compared to 0.0351759492% at June 30, 2015.

For the year ended December 31, 2016, the Borough’s pension expense would be \$559,704 if New Jersey municipalities followed GAAP accounting principles. The Borough’s deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 697,166	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	612,459	
Differences Between Expected and Actual Experience		\$ 34,308
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	340,534	
District Contributions Subsequent to the Measurement Date	296,030	
	\$ 1,946,189	\$ 34,308

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 411,591
2019	411,591
2020	512,587
2021	288,138
2022	(8,056)
Thereafter	0
	\$ 1,615,851

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen’s Retirement System (Continued)**

Additional information – Collective balances at June 30, 2016 and 2015, are as follows:

	June 30, 2016	June 30, 2015
Collective Deferred Outflows of Resources	\$ 3,984,339,036	\$ 3,075,206,294
Collective Deferred Inflows of Resources	125,220,083	433,559,708
Collective Net Pension Liability	20,706,699,056	18,117,234,618
 Borough's Proportion	 0.0363075263%	 0.0351759492%

**Contributions**

The contribution policy for PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Borough’s contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	2.10 – 8.98% Based on Age
Thereafter	3.10 – 9.98% Based on Age
Investment Rate of Return	7.65%

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under 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 June 30, 2016 and June 30, 2015, special funding situation net pension liability amounts of \$802,467 and \$744,306 for Police and \$582,424 and \$513,822 for Fire, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**NOTE 15: POST-EMPLOYMENT BENEFITS**

**Plan Description** - The Borough of Collingswood contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2013, the Borough of Collingswood authorized participation in the SHBP's post-retirement benefit program through resolution 2013-83, adopted May 6, 2013, effective August 1, 2013. The Borough's policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit. The Borough also offers vision and dental coverage to the retirees and their spouses.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: <http://www.state.nj.us/treasury/pensions/shbp.htm>.

**Plan Coverage** - The Borough currently has 5 collective bargaining units as well as numerous non-union employees. The employee's post-employment benefits are dependent upon the collective bargaining unit to which they are a member as the year of retirement. The benefits by collective bargaining unit are:

FOP Lodge #76 (Superior Officers) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 15: POST-EMPLOYMENT BENEFITS**

**Plan Description (Continued)**

FOP Lodge #76 (Rank and File) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

FMBA Local #108 (Superior Officers) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

FMBA Local #108 (Rank and File) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

Teamsters Local #830 - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994 medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP, are billed to the Borough of Collingswood on a monthly basis. Plan members receiving benefits are not required to make contributions.

The Borough of Collingswood's contributions to SHBP for healthcare of employees and retirees for the years ended December 31, 2017, 2016, and 2015, were \$2,434,688.43, \$2,377,517.98, and \$2,307,655.14. The amounts paid for retirees for the years ended December 31, 2017, 2016, and 2015, were \$947,910.86, \$909,828.28, and \$897,986.38, respectively, which equaled the required contributions for each year. There were approximately forty-nine, forty-seven and fifty participants eligible at December 31, 2017, 2016, and 2015, respectively.

**NOTE 16: RISK MANAGEMENT**

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability, and surety bonds. The Borough of Collingswood is a member of the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Camden County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Borough did not incur any claims in excess of coverage amounts, and the amount of coverage did not significantly reduce during the year.

**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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 16: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance (Continued)**

its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee 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:

Year	Interest Earnings	Employee Contributions	Employer Contribution	Amount Reimbursed	Balance Dec. 31
2017	\$ 104.87	\$ 10,877.53		\$ 4,683.10	\$ 46,696.39
2016	95.54	10,412.84		4,898.14	40,397.09
2015	103.87	19,190.57		19,358.32	34,786.85

**NOTE 17: LABOR CONTRACTS**

As of December 31, 2017, the majority of the Borough's employees are organized in the following collective bargaining units. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Teamsters Local 830	Public Works, Clerical	12/31/2018	All Employees in Public Works and Clerical Workers Excluding Supervisors
FOP Lodge #76	Police	12/31/2018	All Uniformed Police Excluding Officers
FOP Lodge #76	Police	12/31/2019	Superior Officers
FMBA Local 108	Fire	12/31/2019	All Uniformed Fire Fighters Excluding Officers
FMBA Local 108A	Fire	12/31/2019	Fire Officers

**NOTE 18: DEFERRED COMPENSATION**

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 18: DEFERRED COMPENSATION (CONTINUED)**

As part of its fiduciary role, the Borough has an obligation of due care in selecting the third party administrators. In the opinion of the Borough's legal counsel, the Borough has acted in a prudent manner in selecting the administrators of Variable Annual Life Insurance Company and Nationwide Retirement Solutions, and is not liable for losses that may arise from the administration of the plan.

**NOTE 19: JOINT VENTURE/SHARED SERVICES**

The Borough of Collingswood entered into a joint venture agreement with the Borough of Oaklyn to provide construction code services for electrical and plumbing. The agreement with Oaklyn was approved on May 3, 2010.

On November 6, 2007, the Borough of Collingswood entered into a joint venture agreement with the Haddon Borough Fire District #2 to provide fire protection services, effective January 1, 2008. Total expenditures for compensation and benefits are billed annually at an agreed upon amount. The Borough also provides fire code services to the Borough of Oaklyn.

**NOTE 20: CAPITAL LEASE OBLIGATIONS**

The Borough has lease agreements in effect at December 31, 2017, for police cars which are funded by Ford Motor Credit at an interest rate from 6%-6.5%. Future minimum lease payments under capital lease agreements are as follows:

Year Ended			
December	Principal	Interest	Total
2018	\$ 48,187.60	\$ 4,439.53	\$ 52,627.13
2019	23,649.03	1,418.99	25,068.02
	<u>\$ 71,836.63</u>	<u>\$ 5,858.52</u>	<u>\$ 77,695.15</u>

**NOTE 21: OPERATING LEASES**

The Borough has commitments to lease copiers dated February 13, 2015, with terms of 36 months. The monthly lease payment is \$ \$84.00 per month. Future lease payments are as follows:

Year Ended	
December	Payments
2018	<u>\$ 84.00</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 22: LOAN TO REDEVELOPER**

On August 4, 2003, the Borough of Collingswood adopted Bond Ordinance 1322 providing for a \$5,000,000.00 loan to a redeveloper, Collingswood Foundation for the Arts, for improvements to Scottish Rite Auditorium pursuant to Section 37 of the Local Redevelopment and Housing Law NJSA 40A:12A-1 et seq. This loan was to the Collingswood Foundation for the Arts, a New Jersey non-profit corporation, for the purpose of renovations of the Scottish Rite Auditorium as a performing arts and community theater center. The amount owed to the Borough of Collingswood as of December 31, 2017 and 2016, is \$4,992,466.33. No payment plan has been established as of the date of the audit.

In 2010, the Borough of Collingswood authorized debt with the passage of Bond Ordinances 1480 and 1486, which provides funding for the Lumberyard Redevelopment Project pursuant to the Local Redevelopment & Housing Law, constituting Chapter 79 of the Laws of 1992 as amended and supplemented by NJSA 40A:12-37. This loan was to the Lumberyard Redevelopment LLC, for the purpose of renovations of the Lumberyard Project. As of December 31, 2017 and 2016, there is a Loan Receivable in the General Capital Fund from Lumberyard Redevelopment LLC, for \$1,300,000.00.

On August 1, 2016, the Borough of Collingswood under a Redeveloper Agreement provided for a Mortgage Note to a business, Art Pastry LLC, for costs associated with PSE&G installation and startup of a gas line for \$5,600.00 at 2% per annum with quarterly payments and a due date of September 1, 2018. The mortgage owed to the Borough of Collingswood as of December 31, 2017 and 2016, is \$1,700.00 and \$4,820.00.

**NOTE 23: GUARANTEE OF THIRD PARTY INDEBTEDNESS (NJSA 40A:12A-67(f))**

**Collingswood Partners, Inc.**

The Borough of Collingswood is contingently liable as a guarantor for Collingswood Partners, Inc., a Special Improvement District (NJSA 40:56 et seq.); with respect to the New Jersey Department of Community Affairs program Downtown Business Improvement Loan Fund in an amount not exceeding \$500,000.00. This is a fifteen year loan at 0% interest. This loan was for funding of the Lumberyard project. The Borough paid \$33,333.00 during 2017 and 2016 towards the loan. The loan balance at December 31, 2017 and 2016, is \$168,668.00 and \$202,001.00, respectively.

**NOTE 24: TAX ABATEMENT PROGRAM**

The Borough entered into long-term property tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long term tax exemption for the LRHL designated areas. The statutes were utilized by the Borough to attract redevelopers.



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 24: TAX ABATEMENT PROGRAM (CONTINUED)**

For the fiscal year ended December 31, 2017, the Borough abated property taxes totaling \$1,551,409.09. The following agreements were in effect as of December 31, 2017, under the provisions of the aforementioned statutes:

- A 40% property tax abatement to rehabilitate six deteriorated and neglected two story apartment buildings containing 84 residential housing units. The abatement amounted to \$83,821.60.
- A 60% property tax abatement to rehabilitate the former Sutton Towers. The abatement amounted to \$1,134,999.90.
- A 40% property tax abatement to complete 34 partially constructed residential units. The abatement amounted to \$43,261.60.
- A 9% property tax abatement to complete 70 partially constructed residential units. The abatement amounted to \$11,696.00.
- A 86.6% property tax abatement to continue to redevelop and renovate a commercial building located at 756 Haddon Avenue which is in a redevelopment area. The abatement amounted to \$58,181.30.
- A 70.07% property tax abatement for a Non-Profit entity dedicated to helping those in need rebuild their lives and reach their potential. The abatement amounted to \$32,266.08.
- A 87.81% property tax abatement for a public housing entity dedicated to providing housing to senior citizens and disabled individuals. The abatement amounted to \$187,182.61.

The Borough entered into tax abatement agreements under the provisions of NJSA 40A:21-1 et seq. "The Five-Year Exemption and Abatement Law." For the fiscal year ended December 31, 2017, property taxes abated by the Borough under this law totaled \$62,192.61. The following is a summary of the agreements:

- A 51.95% property tax abatement to further redevelop property commonly known as 204 White Horse Pike for the construction and operation of a commercial medical office. The abatement amounted to \$11,026.18.
- A 54.96% property tax abatement for nine individual condo units known as Lumberyard. The abatement amounted to \$46,630.26.

**NOTE 25: SUBSEQUENT EVENTS**

On March 21, 2018, the Board of Commissioners issued a bond anticipation note in the amount of \$7,828,000.00. This note renewed \$7,078,000.00 of previously issued notes and \$750,000.00 in new funds that were authorized but not issued as of December 31, 2017.

Management has reviewed and evaluated all event and transactions that occurred between December 31, 2017 and April 4, 2018, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no additional items have come to the attention of the Borough that would require disclosure.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 27: CONTINGENCIES**

The Borough participates in federal and state assistance grant programs. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Borough of Collingswood Counsel's opinion there is not any litigation or contingent liability that may be pending against the Borough of Collingswood that would have an adverse effect on the financial position in the future.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS  
(GASB 68) & (GASB 71)**

SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PERS  
Last Three Fiscal Years

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
Borough's Proportion of the Net Pension Liability (Asset)	0.0313998745%	0.0345239060%	0.0336024802%
Borough's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,299,742	\$ 7,749,925	\$ 6,291,303
Borough's Covered-Employee Payroll	2,290,458	2,296,039	2,358,489
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	406.02%	337.53%	266.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF BOROUGH CONTRIBUTIONS - PERS  
Last Three Fiscal Years

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 278,952	\$ 296,813	\$ 277,014
Contributions in Relation to the Contractually Required Contribution	278,952	296,813	277,014
Contribution Deficiency (Excess)	None	None	None
Borough's Covered-Employee Payroll	\$ 2,290,458	\$ 2,296,039	\$ 2,358,489
Contributions as a Percentage of Covered-Employee Payroll	12.18%	12.93%	11.75%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PFRS  
Last Three Fiscal Years

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
<b>Location 25801 Police</b>			
Borough's Proportion of the Net Pension Liability (Asset)	0.0500247386%	0.0509547358%	0.0553335655%
Borough's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,556,005	\$ 8,487,283	\$ 6,960,449
Borough's Covered-Employee Payroll	1,601,862	1,559,308	1,698,514
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	596.56%	544.30%	409.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%
<b>Location 25802 Fire</b>			
Borough's Proportion of the Net Pension Liability (Asset)	0.0363075263%	0.0351759492%	0.0314720395%
Borough's Proportionate Share of the Net Pension Liability (Asset)	6,935,666	5,859,087	3,958,891
Borough's Covered-Employee Payroll	1,171,930	1,137,220	1,052,198
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	591.82%	515.21%	376.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF BOROUGH CONTRIBUTIONS - PFRS  
Last Three Fiscal Years

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
<b>Location 25801 Police</b>			
Contractually Required Contribution	\$ 407,872	\$ 414,186	\$ 425,000
Contributions in Relation to the Contractually Required Contribution	407,872	414,186	425,000
Contribution Deficiency (Excess)	<u>None</u>	<u>None</u>	<u>None</u>
Borough's Covered-Employee Payroll	\$ 1,601,862	\$ 1,559,308	\$ 1,698,514
Contributions as a Percentage of Covered-Employee Payroll	25.46%	26.56%	25.02%
<b>Location 25802 Fire</b>			
Contractually Required Contribution	296,030.00	285,928.00	241,727.00
Contributions in Relation to the Contractually Required Contribution	296,030	285,928	241,727
Contribution Deficiency (Excess)	<u>None</u>	<u>None</u>	<u>None</u>
Borough's Covered-Employee Payroll	\$ 1,171,930	\$ 1,137,220	\$ 1,052,198
Contributions as a Percentage of Covered-Employee Payroll	25.26%	25.14%	22.97%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PFRS  
Last Three Fiscal Years  
Special Funding Situation

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
<b>Location 25801 Police</b>			
Borough's Proportion of the Net Pension Liability (Asset)	0.0500247386%	0.0509547358%	0.0553335655%
Borough's Proportionate Share of the Net Pension Liability (Asset)	802,467	\$ 744,306	\$ 749,523
Borough's Covered-Employee Payroll	1,601,862	1,559,308	1,698,514
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	50.10%	47.73%	44.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%
<b>Location 25802 Fire</b>			
Borough's Proportion of the Net Pension Liability (Asset)	0.0363075263%	0.0351759492%	0.0314720395%
Borough's Proportionate Share of the Net Pension Liability (Asset)	582,424	513,822	426,306
Borough's Covered-Employee Payroll	1,171,930	1,137,220	1,052,198
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	49.70%	45.18%	40.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the Borough.

The Police & Firemen's Retirement System is a Cost-Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% of the additional costs incurred by local employers under 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.



SCHEDULE OF BOROUGH CONTRIBUTIONS - PFRS  
Last Three Fiscal Years  
Special Funding Situation

	Fiscal Year Ended		
	12/31/16	12/31/15	12/31/14
<b>Location 25801 Police</b>			
Contractually Required Contribution	\$ 30,748	\$ 38,745	\$ 31,122
Contributions in Relation to the Contractually Required Contribution	30,748	38,745	31,122
Contribution Deficiency (Excess)	None	None	None
Borough's Covered-Employee Payroll	\$ 1,601,862	\$ 1,559,308	\$ 1,698,514
Contributions as a Percentage of Covered-Employee Payroll	1.92%	2.48%	1.83%
<b>Location 25802 Fire</b>			
Contractually Required Contribution	22,317	26,747	17,701
Contributions in Relation to the Contractually Required Contribution	22,317	26,747	17,701
Contribution Deficiency (Excess)	None	None	None
Borough's Covered-Employee Payroll	\$ 1,171,930	\$ 1,137,220	\$ 1,052,198
Contributions as a Percentage of Covered-Employee Payroll	1.90%	2.35%	1.68%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

## **SUPPLEMENTARY INFORMATION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
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MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## 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

Honorable Mayor and Members  
of the Borough Council  
Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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 accompanying balance sheets - regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance - regulatory basis, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Borough of Collingswood, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough of Collingswood's basic financial statements, and have issued our report thereon dated April 4, 2018, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Borough of Collingswood's 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 Collingswood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Collingswood, New Jersey's financial statements are free of 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* or the requirements of the Division of Local Government Services.

### ***Borough's Responses to Findings***

The Borough's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

April 4, 2018

## **CURRENT FUND**

## SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Balance December 31, 2016	A	<u>\$ 4,533,877.17</u>	<u>\$ 30,747.11</u>
Increased by Receipts:			
Tax Receivable	A-6	36,405,527.00	
Tax Title Liens	A-7	6,222.23	
Prepaid Taxes		1,199,587.19	
Tax Overpayments		37,003.71	
Grants Receivable	A-5		361,306.05
Reserve for Grants - Unappropriated	A-14		14,947.42
Revenue Accounts Receivable	A-9	4,900,776.07	
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-12	81,752.51	
Construction DCA Fees		14,263.00	
Marriage License Fees/Burial Permits		2,303.00	
Due Camden County Municipal Utilities Authority		128,976.43	
Security Deposits		12,650.00	
Petty Cash		600.00	
Due Trust Other		120.00	
Due Water Operating Fund		2,644.82	
Due Sewer Operating Fund		938.74	
Due from General Capital Fund		3,149.00	
Due from Current Fund	A-4		1,266.38
Total Receipts		<u>42,796,513.70</u>	<u>377,519.85</u>
		<u>47,330,390.87</u>	<u>408,266.96</u>

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Decreased by Disbursements:			
Budget Appropriations	A-3	15,018,655.56	
Appropriation Reserves	A-10	111,288.24	
Encumbrances Payable	A-11	63,865.29	262,461.54
Reserve for Grants - Appropriated	A-15		113,306.79
Due State of New Jersey:			
Marriage License Fees/Burial Permits		2,300.00	
Construction DCA Fees		12,966.00	
County Taxes Payable	A-6	8,730,878.57	
County Open Space Taxes Payable	A-6	213,586.90	
Due County Added & Omitted Taxes		19,227.48	
Special Improvement District Taxes		263,799.63	
Due Camden County Municipal Utilities Authority		128,976.43	
Tax Overpayments		5,991.20	
Reserve for Maintenance Free Public Library		111.66	
Petty Cash		600.00	
Due General Capital Fund		3,120.00	
Reserve for Security Deposits		11,750.00	
Local District School Tax	A-13	16,566,643.00	
Due from Federal and State Grant Fund	A-4	1,266.38	
		<u>41,155,026.34</u>	<u>375,768.33</u>
Balance December 31, 2017	A	<u>\$ 6,175,364.53</u>	<u>\$ 32,498.63</u>

## SCHEDULE OF GRANTS RECEIVABLE

Grants	Balance Dec. 31, 2016	Budget Revenue Realized	Received	Balance Dec. 31, 2017
<b>Federal Grants:</b>				
Community Development Block Grant FY 2018		\$ 42,100.00		\$ 42,100.00
Community Development Block Grant FY 2017	\$ 42,100.00		\$ 42,100.00	
Pedestrian Safety Grant	9,600.00	18,000.00		27,600.00
NJ OEM Generator Project	60,000.00			60,000.00
Assistance to Firefighters	48,520.00		48,520.00	
Bulletproof Vest Partnership	3,852.90	1,584.50		5,437.40
	<u>164,072.90</u>	<u>61,684.50</u>	<u>90,620.00</u>	<u>135,137.40</u>
<b>State Grants:</b>				
New Jersey DOT - Colford Avenue	3,351.51			3,351.51
New Jersey DOT - Dayton Avenue	56,778.01			56,778.01
New Jersey DOT - Stokes Avenue	200,000.00		200,000.00	
New Jersey DOT - Harrison Avenue		208,000.00		208,000.00
Safe Routes to Schools	241,000.00	93,741.53		334,741.53
Clean Communities Program		28,756.12	28,756.12	
Recycling Tonnage Grant		13,876.20	13,876.20	
State Library Grant		7,500.00	7,500.00	
Domestic Violence Training	5,000.00			5,000.00
Municipal Alliance Youth Service	27,455.85	15,665.50	17,964.76	25,156.59
Police Body Armor		2,588.97	2,588.97	
	<u>533,585.37</u>	<u>370,128.32</u>	<u>270,686.05</u>	<u>633,027.64</u>
	<u>\$ 697,658.27</u>	<u>\$ 431,812.82</u>	<u>\$ 361,306.05</u>	<u>\$ 768,165.04</u>
Ref.	A	A-2	A-4	A



SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Levy	Added	Collected		Overpayments	Canceled	Transferred	Balance
	Dec. 31, 2016		Taxes	2016	2017	Applied		to Tax Title Liens	Dec. 31, 2017
2016	\$ 13,399.19		\$ 10,180.75		\$ 21,283.36			\$ 48.99	\$ 2,247.59
	13,399.19		10,180.75		21,283.36			48.99	2,247.59
2017		\$ 36,805,760.12		\$ 188,342.22	36,469,993.64	\$ 45,338.51	\$ 61,892.40	30,636.20	9,557.15
	\$ 13,399.19	\$ 36,805,760.12	\$ 10,180.75	\$ 188,342.22	\$ 36,491,277.00	\$ 45,338.51	\$ 61,892.40	\$ 30,685.19	\$ 11,804.74
Ref.	A			A				A-7	A
		Cash		Ref.	\$ 36,405,527.00				
		Due State of New Jersey		A-4	85,750.00				
				A-12	\$ 36,491,277.00				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

**Analysis of Property Tax Levy**

**Tax Yield**

General Purpose Tax:			
General Property Tax	\$	36,433,473.35	
Special Improvement District		269,448.66	
		<hr/>	
	\$	36,702,922.01	
Added Taxes (54:4-63.1 et seq.)		102,838.11	
		<hr/>	
	\$		36,805,760.12
			<hr/> <hr/>

**Tax Levied**

Local District School Tax (Abstract)	Ref.		
	A-13		\$ 16,566,643.00
County Taxes:			
County Tax (Abstract)	A-1	\$ 8,730,878.57	
County Open Space (Abstract)	A-1	213,586.90	
County Added & Omitted per (54:4-63.1 & 54:4-63.12 et seq.)	A-1	26,570.78	
		<hr/>	
Total County Taxes			8,971,036.25
Special Improvement District Tax	A-1		269,448.66
Local Tax for Municipal Purposes	A-2	10,557,578.00	
Minimum Library Tax	A-2	354,322.00	
Add: Additional Taxes Levied		86,732.21	
		<hr/>	
			10,998,632.21
			<hr/>
			\$ 36,805,760.12
			<hr/> <hr/>

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2016	Ref. A	\$ 60,778.47
Increased by:		
Transfers from Taxes Receivable	A-6	30,685.19
Interest and Costs on Tax Sale		1,741.59
		<u>32,426.78</u>
		93,205.25
Decreased by:		
Receipts	A-4	6,222.23
Balance December 31, 2017	A	<u>\$ 86,983.02</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance December 31, 2016	Ref. A	\$ 79,975.00
Balance December 31, 2017	A	<u>\$ 79,975.00</u>

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued	Collected by Treasurer	Balance Dec. 31, 2017
<b>Miscellaneous Revenue Anticipated</b>				
Licenses:				
Other		\$ 2,451.00	\$ 2,451.00	
Fees and Permits		42,543.62	42,543.62	
Fines and Costs:				
Municipal Court	\$ 11,775.37	154,615.08	154,731.97	\$ 11,658.48
Interest and Costs on Taxes		80,647.47	80,647.47	
Interest on Investments		23,784.11	23,784.11	
Department of Recreation Fees		39,086.16	39,086.16	
Uniform Fire Code Fees		87,265.00	87,265.00	
Delaware River Port Authority		30,000.00	30,000.00	
Pool Tags		234,458.15	234,458.15	
Rental Inspections		22,647.00	22,647.00	
Resale Inspection Fees		13,800.00	13,800.00	
Third Party Billing - Ambulance		431,597.35	431,597.35	
Collingswood Ambulance Service:				
Memberships		7,800.00	7,800.00	
Housing Inspections		84,930.00	84,930.00	
Senior Community Center Rents		80,372.75	80,372.75	
Consolidated Municipal Property Tax Relief		142,512.00	142,512.00	
Energy Receipts Tax		1,052,906.00	1,052,906.00	
Uniform Construction Code Official		189,286.00	189,286.00	
Shared Service Agreements - Construction Code:				
Borough of Oaklyn		12,000.00	12,000.00	
Shared Service Agreements - Fire Services:				
Haddon Township Fire District #2		27,206.52	27,206.52	
Borough of Oaklyn		3,000.00	3,000.00	
Cable TV Franchise Fee		94,894.83	94,894.83	
Telephone/Internet Franchise Fees		106,896.40	106,896.40	
Water Operating Surplus		70,000.00	70,000.00	
Sewer Operating Surplus		70,000.00	70,000.00	
Parking Operating Surplus		20,000.00	20,000.00	
Payments in Lieu of Taxes:				
Parkview		749,868.76	749,868.76	
Methodist Home		47,222.00	47,222.00	
Collingswood Housing Authority		25,991.00	25,991.00	
Lumberyard		179,159.86	179,159.86	
Pewter Village		96,937.20	96,937.20	
Veteran's Office Administration		13,782.25	13,782.25	
Zane School		9,004.06	9,004.06	
Tedeschi		10,200.00	10,200.00	
Due from Scottish Rite		150,000.00	150,000.00	
Due from Collingswood Partners		118,780.00	118,780.00	
Lease Payments:				
Catelli Parking		19,500.00	19,500.00	
Robert's Pool Concession Stand Sales		35,365.34	35,365.34	
Due from Volunteer Fire Company		3,659.40	3,659.40	
General Capital Fund Balance		24,060.39	24,060.39	
JIF Safety Awards		2,500.00	2,500.00	

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance <u>Dec. 31, 2016</u>	Accrued	Collected by <u>Treasurer</u>	Balance <u>Dec. 31, 2017</u>
<b>Miscellaneous Revenue Not Anticipated</b>				
Uniform Fire Safety Act		13,277.95	13,277.95	
Recycled Newspapers		18,373.40	18,373.40	
Compost Initiative		95.00	95.00	
Ambulance Donations		410.00	410.00	
Sale of Borough Property		191,195.28	191,195.28	
Senior Citizen Administration Fee		1,640.05	1,640.05	
DMV Inspection Fines		2,809.50	2,809.50	
Clean up Charges		8,000.00	8,000.00	
Miscellaneous Revenue		25,570.58	25,570.58	
Restitution		661.00	661.00	
Other Miscellaneous		321.00	321.00	
Other Refunds		2,264.74	2,264.74	
Mortgage Receivable		3,120.00	3,120.00	
Prior Year Refund		22,190.98	22,190.98	
	<u>\$ 11,775.37</u>	<u>\$ 4,900,659.18</u>	<u>\$ 4,900,776.07</u>	<u>\$ 11,658.48</u>
Ref.	A		A-4	A

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses:				
Finance	\$ 389.00	\$ 3,389.00	\$ 3,001.81	\$ 387.19
Legal Services	26,092.13	26,092.13	22,184.50	3,907.63
Community Development	3,926.80	3,926.80	3,612.80	314.00
Police	22,745.40	22,745.40	2,533.04	20,212.36
Streets and Roads	3,277.10	3,277.10	774.12	2,502.98
Public Buildings and Grounds	1,290.63	1,290.63	655.00	635.63
Lumberyard	4,678.94	4,678.94	2,192.11	2,486.83
Vehicle Maintenance	23,838.26	23,838.26	6,743.44	17,094.82
Parks and Playgrounds	13,491.95	13,491.95	894.34	12,597.61
Senior Center	3,276.50	3,276.50	483.00	2,793.50
Community Sponsored Events	735.07	735.07	60.00	675.07
Electricity	34,997.00	8,997.00	2,524.80	6,472.20
Street Lighting	14,294.91	37,294.91	37,099.39	195.52
Gas (Natural or Propane)	16,062.79	16,062.79	4,283.85	11,778.94
Fuel Oil	7,343.86	7,343.86	3,542.67	3,801.19
Gasoline	14,505.51	14,505.51	3,849.70	10,655.81
Solid Waste Disposal	13,315.68	13,315.68	4,468.32	8,847.36
Municipal Court	15,011.59	15,011.59	759.40	14,252.19
Other Accounts - No Change	254,915.42	254,915.42		254,915.42
Operations within CAPS	<u>474,188.54</u>	<u>474,188.54</u>	<u>99,662.29</u>	<u>374,526.25</u>
<b>OPERATIONS EXCLUDED FROM CAPS</b>				
Maintenance of Free Public Library	40,408.91	40,408.91	11,090.02	29,318.89
Shared Service Haddon Township Fire	806.84	806.84	535.93	270.91
Other Accounts - No Change	4,006.64	4,006.64		4,006.64
Operations Excluded from CAPS	<u>45,222.39</u>	<u>45,222.39</u>	<u>11,625.95</u>	<u>33,596.44</u>
Total Appropriations	<u>\$ 519,410.93</u>	<u>\$ 519,410.93</u>	<u>\$ 111,288.24</u>	<u>\$ 408,122.69</u>
Ref.	A		A-4	A-1

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Grant Fund
Balance December 31, 2016	A	\$ 79,282.36	\$ 278,693.29
Increased by:			
Charges to Current Appropriations	A-3	129,357.29	
Charges to Grants - Appropriated	A-15		66,200.87
		<u>208,639.65</u>	<u>344,894.16</u>
Decreased by:			
Payments	A-4	63,865.29	262,461.54
Canceled	A-1	15,417.07	
Encumbrance Canceled	A-15		16,231.75
Balance December 31, 2017	A	<u>\$ 129,357.29</u>	<u>\$ 66,200.87</u>

EXHIBIT A-12

SCHEDULE OF DUE TO STATE OF NEW JERSEY -  
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2016	Ref. A		\$ 6,997.49
Increased by:			
Receipts	A-4		81,752.51
			<u>88,750.00</u>
Decreased by:			
Deductions per Tax Duplicate		\$ 87,250.00	
Deductions Allowed by Collector		1,000.00	
Deductions Disallowed by Collector		(2,500.00)	
		<u>85,750.00</u>	
Prior Year Deductions Disallowed	A-6 A-1	(4,000.00)	
			<u>81,750.00</u>
Balance December 31, 2017	A		<u>\$ 7,000.00</u>

EXHIBIT A-13

## SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	Ref.		
Levy Calendar Year	A-6		\$ 16,566,643.00
Decreased by:			
Payments	A-4		<u>16,566,643.00</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Received	Balance Dec. 31, 2017
Recycling Tonnage Grant	<u>\$ 14,947.42</u>	<u>\$ 14,947.42</u>
Ref.	A-4	A



SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2016	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Canceled	Encumbrance Canceled	Balance Dec. 31, 2017
<b>Federal Grants:</b>							
FEMA - Hazardous Mitigation Grant	\$ 16,947.00						\$ 16,947.00
Community Development Block Grant	14,476.55	\$ 42,100.00	\$ 43,685.09				12,891.46
Community Development Block Grant - Comley Avenue	9,417.73						9,417.73
Click It or Ticket	2,650.00				\$ 2,650.00		
NJ OEM Generator Project	60,000.00						60,000.00
Pedestrian Safety & Education Enforcement		18,000.00	6,325.00				11,675.00
Bulletproof Vest Partnership	3,472.75	1,584.50	3,414.00				1,643.25
Assistance to Firefighters	4,697.00		4,247.00				450.00
<b>Total Federal Grants</b>	<b>111,661.03</b>	<b>61,684.50</b>	<b>57,671.09</b>		<b>2,650.00</b>		<b>113,024.44</b>
<b>State Grants:</b>							
New Jersey DOT - Dayton Avenue	87.35					\$ 16,231.75	16,319.10
New Jersey DOT - Harrison Avenue		208,000.00					208,000.00
Clean Communities	11,996.80	28,756.12	3,600.75				37,152.17
Recycling Tonnage Grant	25,893.01	13,876.20	3,882.13				35,887.08
NJ State Library Grant		7,500.00	7,474.16				25.84
Municipal Alliance Program	44,194.18	19,581.88	13,138.00				50,638.06
Juvenile Offenders Station House	1,000.00						1,000.00
Child and Adolescent Health Program	2,500.00						2,500.00
Board of Public Utilities - Clean Energy	893.00						893.00
Police Body Armor Grant	514.97	2,588.97					3,103.94
Municipal Court Alcohol Education	1,978.64						1,978.64
Domestic Violence Training	3,977.15						3,977.15
Safe Routes to Schools	241,000.00	93,741.53	27,540.66	\$ 66,200.87			241,000.00
Drunk Driving Enforcement Program	4,015.96						4,015.96
<b>Total State Grants</b>	<b>338,051.06</b>	<b>374,044.70</b>	<b>55,635.70</b>	<b>66,200.87</b>		<b>16,231.75</b>	<b>606,490.94</b>
	<b>\$ 449,712.09</b>	<b>\$ 435,729.20</b>	<b>\$ 113,306.79</b>	<b>\$ 66,200.87</b>	<b>\$ 2,650.00</b>	<b>\$ 16,231.75</b>	<b>\$ 719,515.38</b>
Ref.	A	A-3	A-4	A-11	A-1	A-11	A

## TRUST FUND

## SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust	Payroll Agency Trust Fund	Trust Other	Unemployment Compensation Trust
Balance December 31, 2016	B	\$ 967.74	\$ 55,486.48	\$ 404,896.77	\$ 39,542.64
Increased by Receipts:					
Interest Earned		6.44	2.87	1,053.59	104.87
Dog License Fees:					
Municipal Share	B-3	10,947.00			
State Share		939.00			
Zoning Board Escrow Fees				21,527.25	
Planning Board Escrow Fees				19,837.52	
Inspection Escrow				10,163.00	
Public Defender Trust Fees				5,428.00	
POAA Fees				2,764.00	
Performance Bond Escrow				6.35	
Off-Duty Police				155,850.81	
Donations Fire Department				1,340.00	
Bike Share Program Donations				4,035.00	
Uniform Fire Penalty Money				7,984.00	
Storm Recovery Trust Fund				17,808.28	
Law Enforcement Forfeiture				489.68	
Commodity Resale				140,053.18	
Donations Community Events				120,920.08	
Due from Payroll Agency Fund	B-1				854.45
Accumulated Absences				50,000.00	
Employee Withholding			2,564,411.21		8,387.00
Employer Share Payroll Taxes Payable and Refunds			3,565,010.97		
Net Payroll			4,438,677.56		
Due Current Fund			2,260.90		
<b>Total Receipts</b>		<b>11,892.44</b>	<b>10,570,363.51</b>	<b>559,260.74</b>	<b>9,346.32</b>
Decreased by Disbursements:					
Expenditures Under RS 4:19-15.11	B-3	11,770.37			
NJ State Department of Health		937.80			
Encumbrances Payable				230.00	
Zoning Board Escrow Fees				19,645.50	
Planning Board Escrow Fees				29,376.85	
Rooming House Escrow Fees				1,400.00	
Inspection Escrow				7,293.50	
Public Defender Trust Fund				4,848.90	
POAA Fees				1,680.00	
Off-Duty Police				154,053.95	
Bike Share Program Donations				7,089.10	
Donations for Fire Department Equipment				840.00	
Donations for Ambulance Department				44.00	
Storm Recovery Trust Fund				8,610.88	
Commodity Resale				135,804.49	
Donations Community Events				108,372.60	
Accumulated Absences				50,298.45	
Due Unemployment Trust Fund	B-1		854.45		
Unemployment Compensation					4,683.10
Payroll Taxes Payable			6,112,139.46		
Net Payroll			4,438,677.56		
Due Current Fund		6.66	9,521.45	920.46	
<b>Total Disbursements</b>		<b>12,714.83</b>	<b>10,561,192.92</b>	<b>530,508.68</b>	<b>4,683.10</b>
Balance December 31, 2017	B	\$ 145.35	\$ 64,657.07	\$ 433,648.83	\$ 44,205.86

## SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2016	Ref. B		\$ 925,271.77
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-4	\$ 882,323.85	
Premiums Received at Tax Sale	B-5	395,400.00	
Tax Sale Receipts		272,881.60	
Interest Earned		1,453.05	
			<u>1,552,058.50</u>
			<u>2,477,330.27</u>
Decreased by:			
Redemptions of Tax Sale Certificates	B-4	832,995.66	
Tax Sale Premiums	B-5	623,900.00	
Tax Sale Receipts		272,881.60	
Interest Transferred to Current Fund		1,492.67	
			<u>1,731,269.93</u>
Balance December 31, 2017	B		<u><u>\$ 746,060.34</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2016	Ref. B	\$ 967.37
Increased by:		
Municipal Share of Dog License Fees	B-1	10,947.00
		<u>11,914.37</u>
Decreased by:		
Expenditures Under RS 4:19-15.11: Cash	B-1	11,770.37
Balance December 31, 2017	B	<u><u>\$ 144.00</u></u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2015	\$ 15,298.40
2016	13,480.20
	<u><u>\$ 28,778.60</u></u>

## EXHIBIT B-4

## SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance December 31, 2016	Ref. B	\$ 34,063.85
Increased by:		
Deposits Received	B-2	<u>882,323.85</u>
		916,387.70
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-2	<u>832,995.66</u>
Balance December 31, 2017	B	<u><u>\$ 83,392.04</u></u>

## EXHIBIT B-5

## SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

Balance December 31, 2016	Ref. B	\$ 891,000.00
Increased by:		
Deposits Received at Tax Sale	B-2	<u>395,400.00</u>
		1,286,400.00
Decreased by:		
Premiums Refunded	B-2	<u>623,900.00</u>
Balance December 31, 2017	B	<u><u>\$ 662,500.00</u></u>

## **GENERAL CAPITAL FUND**

## EXHIBIT C-2

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2016	Ref. C		\$ 1,934,505.05
Increased by:			
Premium on Bond and Notes	C-1	\$ 46,762.00	
Bond Anticipation Notes	C-9	1,918,500.00	
Due Current Fund	C-3	7,607.64	
Capital Improvement Fund	C-5	325,000.00	
			<u>2,297,869.64</u>
			4,232,374.69
Decreased by:			
Improvement Authorizations	C-7	790,156.34	
Encumbrances Payable	C-3	2,272,261.90	
Due Current Fund	C-3	5,317.55	
Due Current Fund Budget Appropriation	C-3	24,060.39	
			<u>3,091,796.18</u>
Balance December 31, 2017	C		<u><u>\$ 1,140,578.51</u></u>



ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2016	Receipts		Disbursements			Transfers		Balance Dec. 31, 2017	
		Bonds and Notes	Budget Appropriation	Miscellaneous	Improvement Authorization	Miscellaneous	From	To		
Fund Balance	\$ 33,207.69			\$ 46,762.00		\$ 24,060.39	\$ 175,000.00	\$ 175,000.00	\$ 55,909.30	
Capital Improvement Fund	12,741.22		\$ 325,000.00				395,000.00	87,465.45	30,206.67	
Due Current Fund	1,148.65			7,607.64		5,317.55			3,438.74	
Encumbrances Payable	2,305,979.65					2,272,261.90	550.25	87,752.74	120,920.24	
Improvement Authorizations:										
Ordinance										
Number	Purpose									
1486	Lumberyard Redevelopment Project	78,676.31			\$ 3,475.00		45,853.46		29,347.85	
1503	Acquisition of Condominium Units	153,905.98			23,784.44		130,121.54			
1513	Repairs to Municipal Building	9,155.00			9,155.00					
1518	Various Roadway Projects	1,051.10			1,051.10					
1546	Roadway Improvements	16,470.00			9,219.95		178.75		7,071.30	
1564	Robert's Pool Improvements							510.75	510.75	
1567	Various Capital Improvements	748.25						39.50	787.75	
1589	Acquisition of Various Capital Equipment	79,500.20			1,434.75		78,065.45			
1595	Abandoned Property Redevelopment Project	180,000.00			180,000.00					
1603	Rehabilitation Loan	9,400.00					9,400.00			
1605	Abandoned Property Redevelopment Project		\$ 750,000.00		25,591.34		9,130.00		715,278.66	
1607	Supplemental Funding Various Improvements and Renovations	(947,479.00)	1,168,500.00		125,829.77		9,447.70		85,743.53	
1614	Purchase of Property, Purchase of Equipment and Repairs to Borough Roads				298,723.00			300,000.00	1,277.00	
1621	Emergency Response Facilities Redevelopment				32,486.00		2,204.00		(34,690.00)	
1623	Repairs and Improvements to Borough Hall				41,408.28			45,000.00	3,591.72	
1625	Preliminary Costs for Public Buildings				5,515.00		48,300.00	175,000.00	121,185.00	
1627	Road Improvements Chelsea and Ventnor Avenues				32,482.71		17,517.29	50,000.00		
		<u>\$ 1,934,505.05</u>	<u>\$ 1,918,500.00</u>	<u>\$ 325,000.00</u>	<u>\$ 54,369.64</u>	<u>\$ 790,156.34</u>	<u>\$ 2,301,639.84</u>	<u>\$ 920,768.44</u>	<u>\$ 920,768.44</u>	<u>\$ 1,140,578.51</u>
Ref.		C	C-9	C-5	C-2	C-7	C-2		C	

## EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - FUNDED

Balance December 31, 2016	Ref. C	\$ 21,373,000.00
Decreased by:		
Payment of Bonds Payable	C-8	1,979,000.00
		<u>1,979,000.00</u>
Balance December 31, 2017	C	<u><u>\$ 19,394,000.00</u></u>

## EXHIBIT C-5

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2016	Ref. C	\$ 12,741.22
Increased by:		
Receipts	C-2	325,000.00
Improvement Authorizations Canceled	C-7	87,465.45
		<u>425,206.67</u>
Decreased by:		
Financed Improvement Authorizations	C-7	395,000.00
Balance December 31, 2017	C	<u><u>\$ 30,206.67</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - UNFUNDED

Ordinance Number	Purpose	Balance Dec. 31, 2016	Authorization	Notes Paid by Budget Appropriation	Canceled	Balance Dec. 31, 2017	Analysis of Balances December 31, 2017		
							Financed By Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1564	Renovations and Repairs to Robert's Pool Park	\$ 1,615,000.00		\$ 60,000.00		\$ 1,555,000.00	\$ 1,555,000.00		
1589	Acquisition of Various Capital Equipment	808,925.00		161,500.00	\$ 925.00	646,500.00	646,500.00		
1605	Abandoned Property Redevelopment Project	750,000.00				750,000.00	750,000.00		
1607	Supplemental Funding Various Improvements and Renovations	1,168,500.00				1,168,500.00	1,168,500.00		
1621	Emergency Response Facilities Development		\$ 1,000,000.00			1,000,000.00		\$ 34,690.00	\$ 965,310.00
1628	Supplemental Funding Acquisition of Real Property		500,000.00			500,000.00			500,000.00
		<u>\$ 4,342,425.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 221,500.00</u>	<u>\$ 925.00</u>	<u>\$ 5,620,000.00</u>	<u>\$ 4,120,000.00</u>	<u>\$ 34,690.00</u>	<u>\$ 1,465,310.00</u>
	Ref.	C	C-7	C-9	C-7	C	C-9	C-3	
Improvement Authorizations - Unfunded							Ref.		
Less: Unexpended Proceeds of Bond Anticipation Notes Issued							C-7		\$ 2,266,842.94
Ordinance									
Number	Purpose								
1564	Robert's Pool Improvements						C-3		510.75
1605	Abandoned Property Redevelopment Project						C-3		715,278.66
1607	Supplemental Funding Various Improvements and Renovations						C-3		85,743.53
									<u>\$ 1,465,310.00</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2016		Authorized		Paid or Charged	Encumbered	Canceled	Encumbrance Canceled	Balance Dec. 31, 2017	
				Funded	Unfunded	Fund Balance/ Capital Improvement Fund	Deferred Charges to Future Taxation					Funded	Unfunded
1486	Lumberyard Redevelopment Project	08/03/10	\$ 3,300,000.00	\$ 78,676.31				\$ 3,475.00	\$ 975.00	\$ 44,878.46		\$ 29,347.85	
1503	Acquisition of Condominium Units	10/03/11	5,992,246.00	153,905.98				23,784.44		130,121.54			
1513	Repairs to Municipal Building	04/02/12	15,000.00	9,155.00				9,155.00					
1518	Various Roadway Projects	06/04/12	250,000.00	1,051.10				1,051.10					
1546	Roadway Improvements	05/09/14	115,000.00	16,470.00				9,219.95	178.75			7,071.30	
1564	Renovations and Repairs to Robert's Pool Park	03/02/15	1,700,000.00								\$ 510.75	\$ 510.75	
1567	Various Capital Improvements	04/06/15	320,000.00	748.25							39.50	787.75	
1589	Acquisition of Various Capital Equipment	03/24/16	851,500.00		\$ 80,425.20			1,434.75		78,990.45			
1595	Abandoned Property Redevelopment Project	05/02/16	200,000.00	180,000.00				180,000.00					
1603	Rehabilitation Loan	09/06/16	15,000.00	9,400.00						9,400.00			
1605	Abandoned Property Redevelopment Project	09/06/16	750,000.00		750,000.00			25,591.34	9,130.00				715,278.66
1607	Supplemental Funding Various Improvements and Renovations	10/03/16	1,230,000.00		221,021.00			125,829.77	9,447.70				85,743.53
1614	Purchase of Property, Purchase of Equipment and Repairs to Borough Roads	05/01/17	300,000.00			\$ 300,000.00		298,723.00				1,277.00	
1621	Emergency Response Facilities Redevelopment	08/07/17	1,000,000.00				\$ 1,000,000.00	32,486.00	2,204.00				965,310.00
1623	Repairs and Improvements to Borough Hall	09/06/17	45,000.00			45,000.00		41,408.28				3,591.72	
1625	Preliminary Costs for Public Buildings	11/06/17	175,000.00			175,000.00		5,515.00	48,300.00			121,185.00	
1627	Road Improvements Chelsea and Ventnor Avenues	10/02/17	50,000.00			50,000.00		32,482.71	17,517.29				
1628	Supplemental Funding Acquisition of Real Property	11/07/17	500,000.00				500,000.00						500,000.00
				\$ 449,406.64	\$ 1,051,446.20	\$ 570,000.00	\$ 1,500,000.00	\$ 790,156.34	\$ 87,752.74	\$ 263,390.45	\$ 550.25	\$ 163,260.62	\$ 2,266,842.94
Ref.				C	C		C-6	C-2				C	C
Capital Improvement Fund					Ref.	\$ 395,000.00		C-5		\$ 87,465.45			
Fund Balance					C-5	175,000.00		C-1		175,000.00			
Bonds and Notes Authorized but not Issued					C-1			C-11		925.00			
						\$ 570,000.00				\$ 263,390.45			

## SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
09/01/99	CCIA - Revenue Bonds	\$1,300,000.00	9/1/18	\$ 95,000.00	5.850%	\$ 285,000.00	\$ 90,000.00	\$ 195,000.00
			9/1/19	100,000.00	5.850%			
02/01/08	General Obligation Bonds - Tax Exempt	3,537,000.00	2/1/18	679,000.00	3.625%	1,333,000.00	654,000.00	679,000.00
06/01/09	General Obligation Bonds - Tax Exempt	11,153,000.00	6/1/18	460,000.00	4.375%	1,385,000.00	440,000.00	945,000.00
			6/1/19	485,000.00	4.375%			
06/01/09	General Obligation Bonds - Taxable	3,224,000.00	6/1/18	140,000.00	6.000%	425,000.00	135,000.00	290,000.00
			6/1/19	150,000.00	6.000%			
04/15/14	General Obligation Bonds - Taxable	3,500,000.00	2/15/18	330,000.00	2.000%	2,910,000.00	315,000.00	2,595,000.00
			2/15/19	340,000.00	2.150%			
			2/15/20	355,000.00	3.000%			
			2/15/21	370,000.00	3.000%			
			2/15/22	385,000.00	3.000%			
			2/15/23	400,000.00	3.375%			
			2/15/24	415,000.00	3.625%			
05/15/14	General Obligation Refunding Bonds	1,780,000.00	11/15/18	200,000.00	2.500%	1,240,000.00	200,000.00	1,040,000.00
			11/15/19	200,000.00	3.000%			
			11/15/20	205,000.00	3.000%			
			11/15/21	215,000.00	3.000%			
			11/15/22	220,000.00	3.000%			
04/20/16	General Obligation Bonds - Taxable	2,340,000.00	4/15/18	100,000.00	2.000%			
			4/15/19	100,000.00	2.000%			
			4/15/20	100,000.00	2.000%			
			4/15/21	100,000.00	2.250%			
			4/15/22	200,000.00	2.500%			
			4/15/23	200,000.00	3.000%			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
04/20/16	General Obligation Bonds - Taxable (Continued)	2,340,000.00	4/15/24	200,000.00	3.000%	2,340,000.00	100,000.00	2,240,000.00
			4/15/25	200,000.00	3.000%			
			4/15/26	200,000.00	3.000%			
			4/15/27	200,000.00	3.000%			
			4/15/28	200,000.00	3.100%			
			4/15/29	150,000.00	3.200%			
			4/15/30	150,000.00	3.300%			
			4/15/31	140,000.00	3.400%			
04/27/16	General Obligation Refunding Bonds - Taxable	2,525,000.00	6/1/18	45,000.00	1.354%	2,445,000.00	45,000.00	2,400,000.00
			6/1/19	50,000.00	1.601%			
			6/1/20	205,000.00	1.864%			
			6/1/21	205,000.00	2.114%			
			6/1/22	210,000.00	2.376%			
			6/1/23	220,000.00	2.626%			
			6/1/24	225,000.00	2.816%			
			6/1/25	230,000.00	2.966%			
			6/1/26	235,000.00	3.116%			
			6/1/27	245,000.00	3.616%			
			6/1/28	260,000.00	3.616%			
			6/1/29	270,000.00	3.616%			
			04/27/16	General Improvement Refunding Bonds	10,425,000.00			
6/1/20	1,295,000.00	5.000%						
6/1/21	1,340,000.00	4.000%						
6/1/22	705,000.00	4.000%						
6/1/23	685,000.00	5.000%						
6/1/24	820,000.00	4.000%						
6/1/25	865,000.00	5.000%						
6/1/26	910,000.00	5.000%						
6/1/27	960,000.00	5.000%						
6/1/28	1,010,000.00	4.000%						
6/1/29	1,060,000.00	4.000%						
						<u>10,310,000.00</u>		<u>10,310,000.00</u>
						<u>\$ 22,673,000.00</u>	<u>\$ 1,979,000.00</u>	<u>\$ 20,694,000.00</u>
Ref.						C		C

## SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance Dec. 31, 2017
						Dec. 31, 2016	Increased	Decreased	
1564	Renovations and Repairs to Robert's Pool Park	4/23/15	3/23/17	3/22/18	2.5000%	\$ 1,615,000.00		\$ 60,000.00	\$ 1,555,000.00
1589	Acquisition of Various Capital Equipment	4/21/16	3/23/17	3/22/18	2.5000%	808,000.00		161,500.00	646,500.00
1607	Supplemental Funding Various Improvements and Renovations	4/20/17	3/22/18	3/22/18	2.5000%		\$ 750,000.00		750,000.00
		4/20/17	3/23/17	3/22/18	2.5000%		1,168,500.00		1,168,500.00
						<u>\$ 2,423,000.00</u>	<u>\$ 1,918,500.00</u>	<u>\$ 221,500.00</u>	<u>\$ 4,120,000.00</u>
					Ref.	C	C-2	C-6	C

## SCHEDULE OF CAPITAL LEASES

Date of Lease	Purpose	Terms of Lease	Amount of Original Lease		Balance	Issued	Decreased	Balance
			Principal	Interest	Dec. 31, 2016		Dec. 31, 2017	
12/29/2015	2 Police Cars	3 Years	\$ 72,253.00	\$ 4,248.62	\$ 24,057.07		\$ 24,057.07	
6/24/2016	1 Police Car	3 Years	36,539.00	2,323.63	23,584.79		11,421.20	\$ 12,163.59
6/24/2016	1 Police Car	3 Years	41,195.00	2,619.70	26,590.10		12,876.54	13,713.56
11/13/2017	Police Interceptor	3 Years	41,586.00	2,445.33		\$ 41,586.00	14,677.11	26,908.89
9/14/2017	Ford Transit	3 Years	29,441.50	1,731.23		29,441.50	10,390.91	19,050.59
					\$ 74,231.96	\$ 71,027.50	\$ 73,422.83	\$ 71,836.63
					Ref. C			C



## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2016	Authorized	Notes Issued	Canceled	Balance Dec. 31, 2017
1589	Acquisition of Various Capital Equipment	\$ 925.00			\$ 925.00	
1605	Abandoned Property Redevelopment Project	750,000.00		\$ 750,000.00		
1607	Supplemental Funding Various Improvements and Renovations	1,168,500.00		1,168,500.00		
1621	Emergency Response Facilities Development		\$ 1,000,000.00			\$1,000,000.00
1628	Supplemental Funding Acquisition of Real Property		500,000.00			500,000.00
		<u>\$ 1,919,425.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 1,918,500.00</u>	<u>\$ 925.00</u>	<u>\$ 1,500,000.00</u>
	Ref.		C-7	C-9	C-7	

**WATER UTILITY FUND**

## SCHEDULE OF WATER UTILITY CASH - TREASURER

	Ref.	Operating	Capital
Balance December 31, 2016	D	<u>\$ 812,048.33</u>	<u>\$ 1,840,050.00</u>
Increased by:			
Consumer Accounts Receivable	D-7	2,394,499.53	
Water Liens	D-8	164.86	
Budget Appropriation:			
Capital Improvement Fund	D-13		200,000.00
Premiums on Bonds and Notes	D-2		41,541.00
Water Capital Fund Balance	D-3	13,902.00	
NJEIT Project Credits	D-3	10,075.00	
Miscellaneous Revenues	D-3	21,851.98	6,153.08
Water Rent Overpayments		15,891.67	
Bond Anticipation Notes	D-17		2,300,000.00
Due Sewer Operating Fund	E-5	13,477.51	
Due Water Capital Fund	D-5	3,310.28	
		<u>2,473,172.83</u>	<u>2,547,694.08</u>
		<u>3,285,221.16</u>	<u>4,387,744.08</u>
Decreased by:			
Budget Appropriations	D-4	2,025,011.14	
Improvement Authorizations	D-15		562,967.65
Appropriation Reserves	D-11	33,223.32	
Encumbrances Payable	D-12	14,026.37	1,475,614.70
Accrued Interest Paid/Project Credits	D-14	119,180.99	
Due Water Operating Fund			
Anticipated Capital Surplus	D-3		13,902.00
Due Current Fund		2,644.82	
Due Water Operating Fund	D-5		3,310.28
Due Sewer Operating Fund	E-5	10,176.51	
		<u>2,204,263.15</u>	<u>2,055,794.63</u>
Balance December 31, 2017	D	<u><u>\$ 1,080,958.01</u></u>	<u><u>\$ 2,331,949.45</u></u>

ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2016	Receipts			Disbursements			Balance Dec. 31, 2017
		Budget Appropriation	Bond and Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From To	
Fund Balance	\$ 18,627.29			\$ 41,541.00		\$ 13,902.00		\$ 46,266.29
Capital Improvement Fund	375,205.99	\$ 200,000.00						575,205.99
Encumbrances Payable	1,475,614.70					1,475,614.70	\$ 467,120.36	467,120.36
Due Water Utility Operating Fund	426.02			6,153.08		3,310.28		3,268.82
Improvement Authorizations:								
Ordinance								
Number	Purpose							
1516	Various Improvements to Water Treatment System	719.00						719.00
1567	Purchase Water Meters & Construction of Well House	98,171.00			\$ 97,081.75		\$ 453.25	636.00
1582	Repairs to Water Pump at Well # 5	25,000.00						25,000.00
1590	Various Water Utility Renovations	1,218,500.00			186,891.25		28,000.00	1,003,608.75
1608	Supplemental Funding for Various Water Utility Renovations	(1,372,214.00)		\$2,300,000.00	278,994.65		438,667.11	210,124.24
		<u>\$1,840,050.00</u>	<u>\$ 200,000.00</u>	<u>\$2,300,000.00</u>	<u>\$ 47,694.08</u>	<u>\$ 562,967.65</u>	<u>\$ 1,492,826.98</u>	<u>\$2,331,949.45</u>
Ref.		D	D-5	D-5	D-5	D-15	D-5	D

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

Balance December 31, 2016	Ref. D	\$ 137,964.36
Increased by:		
Utility Rents Levied		2,410,957.82
		<u>2,548,922.18</u>
Decreased by:		
Collections	D-5	2,394,499.53
Overpayments Applied	D-3	13,899.75
Canceled		36.75
Transfer to Liens	D-8	593.68
		<u>2,409,029.71</u>
Balance December 31, 2017	D	<u><u>\$ 139,892.47</u></u>

## EXHIBIT D-8

## SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

Balance December 31, 2016	Ref. D	\$ 396.18
Increased by:		
Transfer from Water Rents	D-7	593.68
		<u>989.86</u>
Decreased by:		
Collections	D-5	164.86
Balance December 31, 2017	D	<u><u>\$ 825.00</u></u>

## SCHEDULE OF FIXED CAPITAL - WATER CAPITAL FUND

	Balance Dec. 31, 2016	Balance Dec. 31, 2017
Intangible Plant:		
Organization	\$ 10,996.82	\$ 10,996.82
Source of Supply Plant:		
Land & Land Rights	29,769.00	29,769.00
Structures & Improvements	246,246.00	246,246.00
Wells & Springs	1,253,912.00	1,253,912.00
Supply Mains	83,469.00	83,469.00
Pumping Plant:		
Structures & Improvements	450,139.00	450,139.00
Electric Pumping Equipment	88,093.27	88,093.27
Diesel Pumping	28,907.79	28,907.79
Water Treatment Plant:		
Structures & Improvements	4,288,327.89	4,288,327.89
Water Treatment Equipment	90,375.15	90,375.15
Transmission & Distribution Plant:		
Structures & Improvements	265,970.63	265,970.63
Distribution Reservoirs & Standpipes	772,224.79	772,224.79
Transmission & Distribution Mains	3,028,697.46	3,028,697.46
Services	100,371.10	100,371.10
Meters	340,343.70	340,343.70
Hydrants	93,385.51	93,385.51
General Plant:		
Land & Land Rights	7,292.12	7,292.12
Structures & Improvements	72,811.06	72,811.06
Office Furniture & Equipment	9,748.04	9,748.04
Transportation Equipment	42,139.81	42,139.81
Other General Equipment	3,494.66	3,494.66
	<u>\$ 11,306,714.80</u>	<u>\$ 11,306,714.80</u>
Ref.	D	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2016	Dec. 31, 2017
	Treatment System	06/04/12	\$ 140,000.00	\$ 719.00	\$ 719.00
1567	Purchase Water Meters & Construction of Well House	04/06/15	300,000.00	300,000.00	300,000.00
1582	Repairs to Water Pump at Well # 5	12/07/15	100,000.00	100,000.00	100,000.00
1590	Various Water Utility Renovations	03/24/16	1,400,000.00	1,400,000.00	1,400,000.00
1608	Supplemental Funding for Various Water Utility Renovations	10/03/16	2,300,000.00	2,300,000.00	2,300,000.00
				<u>\$ 4,100,719.00</u>	<u>\$ 4,100,719.00</u>
				Ref. D	D

## SCHEDULE OF APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2016</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:			
Other Expenses	\$ 93,809.63	\$ 33,223.32	\$ 60,586.31
Other Accounts - No Change	35,278.07		35,278.07
	<u>\$ 129,087.70</u>	<u>\$ 33,223.32</u>	<u>\$ 95,864.38</u>
Ref.	D	D-5	D-1

## SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	Ref.	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2016	D	\$ 14,026.37	\$ 1,475,614.70
Increased by:			
Charges to:			
Current Appropriations	D-4	23,531.74	
Improvement Authorizations	D-15		467,120.36
		<u>37,558.11</u>	<u>1,942,735.06</u>
Decreased by:			
Payments	D-5	14,026.37	1,475,614.70
Balance December 31, 2017	D	<u>\$ 23,531.74</u>	<u>\$ 467,120.36</u>



## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2016	Ref. D	\$ 375,205.99
Increased by:		
Budget Appropriation	D-5	200,000.00
Balance December 31, 2017	D	<u>\$ 575,205.99</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE

	Ref.	Notes	Loans	Bonds
Balance December 31, 2016	D		\$ 8,395.83	\$ 10,423.32
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	\$ 47,925.00	9,658.33	78,896.04
		47,925.00	18,054.16	89,319.36
Decreased by:				
Interest Paid	D-5	27,922.22		81,183.77
Project Credits	D-3		10,075.00	
Balance December 31, 2017	D	<u>\$ 20,002.78</u>	<u>\$ 7,979.16</u>	<u>\$ 8,135.59</u>

## Analysis of Accrued Interest December 31, 2017

Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
\$ 185,000.00	Varies	11/15/17	12/31/17	1.5 Months	\$ 1,108.44
115,000.00	Varies	8/1/17	12/31/17	5 Months	1,746.65
1,427,800.00	12/31/16	12/01/17	12/31/17	1 Month	5,280.50
<u>\$ 1,727,800.00</u>					<u>\$ 8,135.59</u>
<u>\$ 1,360,000.00</u>	2.50%	3/23/17	12/31/17	8 Months	<u>\$ 20,002.78</u>
\$ 150,000.00	Varies	8/1/17	12/31/17	5 Months	\$ 2,250.00
395,000.00	Varies	8/1/17	12/31/17	5 Months	5,729.16
<u>\$ 640,000.00</u>					<u>\$ 7,979.16</u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2016		Paid or Charged	Encumbrance Payable	Balance Dec. 31, 2017	
				Funded	Unfunded			Funded	Unfunded
1516	Various Improvements to Water Treatment System	06/04/12	\$ 140,000.00	\$ 719.00				\$ 719.00	
1567	Purchase Water Meters & Construction of Well House	04/06/15	300,000.00	98,171.00		\$ 97,081.75	\$ 453.25	636.00	
1582	Repairs to Water Pump at Well #5	12/07/15	100,000.00	25,000.00				25,000.00	
1587	Refunding Bond Ordinance	03/07/16	250,112.00						
1590	Various Water Utility Renovations	03/24/16	1,400,000.00		\$ 1,218,500.00	186,891.25	28,000.00		\$ 1,003,608.75
1608	Supplemental Funding for Various Water Utility Renovations	10/03/16	2,300,000.00		927,786.00	278,994.65	438,667.11		210,124.24
				<u>\$ 123,890.00</u>	<u>\$ 2,146,286.00</u>	<u>\$ 562,967.65</u>	<u>\$ 467,120.36</u>	<u>\$ 26,355.00</u>	<u>\$ 1,213,732.99</u>
			Ref.	D	D	D-5	D-12	D	D

## SCHEDULE OF WATER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance		Balance Dec. 31, 2017
			December 31, 2017		Dec. 31, 2016		Decreased		
			Date	Amount					
12/04/02	Water Bonds	\$ 558,000.00	11/15/18	\$ 34,000.00	5.250%	\$ 217,000.00	\$ 32,000.00	\$ 185,000.00	
			11/15/19	35,000.00	4.625%				
			11/15/20	37,000.00	4.625%				
			11/15/21	39,000.00	4.750%				
			11/15/22	40,000.00	4.750%				
02/01/08	Water Bonds	2,420,500.00	2/1/18	115,000.00	3.625%	227,000.00	112,000.00	115,000.00	
04/27/16	Water Utility Refunding Bonds	1,575,300.00	6/1/18	73,750.00	3.000%	1,501,550.00	73,750.00	1,427,800.00	
			6/1/19	109,150.00	4.000%				
			6/1/20	112,100.00	5.000%				
			6/1/21	118,000.00	4.000%				
			6/1/22	123,900.00	4.000%				
			6/1/23	129,800.00	5.000%				
			6/1/24	135,700.00	4.000%				
			6/1/25	144,550.00	5.000%				
			6/1/26	150,450.00	5.000%				
			6/1/27	162,250.00	5.000%				
			6/1/28	168,150.00	4.000%				
						<u>\$ 1,945,550.00</u>	<u>\$ 217,750.00</u>	<u>\$ 1,727,800.00</u>	
					Ref.	D		D	

## SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
1590	Various Water Utility Renovations	4/21/2016	3/23/2017	3/22/2018	2.500%	\$ 1,400,000.00		\$ 40,000.00	\$ 1,360,000.00
1608	Supplemental Funding for Various Water Utility Renovations	3/23/2017	3/23/2017	3/22/2018	2.500%		\$ 2,300,000.00		2,300,000.00
						<u>\$ 1,400,000.00</u>	<u>\$ 2,300,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 3,660,000.00</u>
					Ref.	D	D-5		D

## SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS

Ordinance Number	Purpose	Original Issue	Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
1528	Various Water Utility Improvements	\$ 175,000.00	3%-5%	\$ 155,000.00	\$ 5,000.00	\$ 150,000.00
1528	Various Water Utility Improvements	540,514.00	None	439,740.25	213,844.75	225,895.50
1528	Various Water Utility Improvements	465,000.00	3%-5%	415,000.00	20,000.00	395,000.00
1528	Various Water Utility Improvements	489,200.00	None	345,499.33	25,328.91	320,170.42
				<u>\$ 1,355,239.58</u>	<u>\$ 264,173.66</u>	<u>\$ 1,091,065.92</u>
			Ref.	D		D
		Budget Appropriation		D-4	\$ 71,515.24	
		Project Earnings Credits			6,297.42	
		Principal Forgiveness			186,361.00	
					<u>\$ 264,173.66</u>	

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2016	Issued
1608	Supplemental Funding for Various Water Utility Renovations	\$ 2,300,000.00	\$ 2,300,000.00
	Ref.		D-17

## SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Purpose	Date of Ordinance	Balance Dec. 31, 2016	Balance Dec. 31, 2017
1516	Various Improvements to Water Treatment System	06/04/12	\$ 719.00	\$ 719.00
1567	Purchase Water Meters & Construction of Well House	04/06/15	300,000.00	300,000.00
1582	Repairs to Water Pump at Well # 5	12/07/15	100,000.00	100,000.00
			<u>\$ 400,719.00</u>	<u>\$ 400,719.00</u>
		Ref.	D	D

**SEWER UTILITY FUND**



## EXHIBIT E-5

## SCHEDULE OF SEWER UTILITY CASH - TREASURER

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2016	E	\$ 743,948.77	\$ 1,251,900.37
Increased by:			
Consumer Accounts Receivable	E-7	2,019,663.90	
Sewer Utility Liens	E-8	136.16	
Sewer Capital Fund Balance	E-3	5,262.90	
Miscellaneous Revenues	E-3	7,446.23	2,383.02
Premiums on Bonds and Notes	E-2		4,029.25
Budget Appropriation:			
Capital Improvement Fund	E-13		75,000.00
Sewer Rent Overpayments	E	6,592.07	
Due Water Operating Fund	D-5	10,176.51	
Due Sewer Capital Fund	E-5	1,480.17	
		<u>2,050,757.94</u>	<u>81,412.27</u>
		<u>2,794,706.71</u>	<u>1,333,312.64</u>
Decreased by:			
Budget Appropriations	E-4	1,878,536.84	
Appropriation Reserves	E-11	1,520.35	
Improvement Authorizations	E-15		67,637.73
Encumbrances Payable	E-12	13,635.28	350,000.00
Accrued Interest Paid	E-14	71,249.15	
Due Water Operating Fund			
Anticipated Capital Surplus	E-3		5,262.90
Due Water Operating Fund	D-5	13,477.51	
Due Current Fund		938.74	
Due Sewer Operating Fund	E-5		1,480.17
		<u>1,979,357.87</u>	<u>424,380.80</u>
Balance December 31, 2017	E	<u>\$ 815,348.84</u>	<u>\$ 908,931.84</u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Receipts			Disbursements		Transfers		Balance Dec. 31, 2017
	Balance Dec. 31, 2016	Budget Appropriation	Miscellaneous	Improvement Authorization	Miscellaneous	From	To	
Fund Balance	\$ 287,253.26		\$ 4,029.25		\$ 5,262.90			\$ 286,019.61
Capital Improvement Fund	522,391.00	\$ 75,000.00				\$ 165,000.00		432,391.00
Encumbrances Payable	350,000.00				\$350,000.00			
Due Sewer Utility Operating Fund	361.73		2,383.02		1,480.17			1,264.58
Improvement Authorizations:								
Ordinance Number								
1383 Various Capital Improvements	136.42							136.42
1517 Various Improvements	2,561.25							2,561.25
1546 Sewer Infrastructure	69,459.11							69,459.11
1567 Inlet Repairs	19,737.60			\$ 2,637.73				17,099.87
1614 Purchase of Equipment & Preliminary Sewer Costs on Haddon Avenue				65,000.00			\$ 165,000.00	100,000.00
	<u>\$1,251,900.37</u>	<u>\$ 75,000.00</u>	<u>\$ 6,412.27</u>	<u>\$ 67,637.73</u>	<u>\$356,743.07</u>	<u>\$ 165,000.00</u>	<u>\$ 165,000.00</u>	<u>\$ 908,931.84</u>
Ref.	E	E-13	E-5	E-15	E-5			E

## EXHIBIT E-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

Balance December 31, 2016	Ref. E	\$ 2,271.26
Increased by:		
Utility Rents Levied		<u>2,027,430.52</u>
		<u>2,029,701.78</u>
Decreased by:		
Collections	E-5	2,019,663.90
Overpayments Applied	E-3	6,991.91
Canceled		295.00
Transfer to Liens	E-8	1,088.08
		<u>2,028,038.89</u>
Balance December 31, 2017	E	<u><u>\$ 1,662.89</u></u>

## EXHIBIT E-8

## SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Balance December 31, 2016	Ref. E	\$ 743.53
Increased by:		
Transfer from Sewer Rents	E-7	<u>1,088.08</u>
Decreased by:		
Collections	E-5	<u>136.16</u>
Balance December 31, 2017	E	<u><u>\$ 1,695.45</u></u>

## SCHEDULE OF FIXED CAPITAL - SEWER CAPITAL FUND

	Balance Dec. 31, 2016	Balance Dec. 31, 2017
Pumping Station	\$ 18,124.86	\$ 18,124.86
Sewer Extension Pumping Station	15,658.85	15,658.85
Lower Level Sewer	5,172.35	5,172.35
Maple Avenue Sewer	122,328.47	122,328.47
Extension and Improvement to:		
Sewer Plant	294,789.45	294,789.45
Chlorinator	744.00	744.00
Manholes	937.16	937.16
Sewer Lines	1,981,014.10	1,981,014.10
Sewer Mains	954,427.92	954,427.92
General Equipment	24,327.67	24,327.67
Plant Equipment	26,415.73	26,415.73
Vineyard Extension	36,271.47	36,271.47
Transportation Equipment	73,772.20	73,772.20
Sewer Treatment Plant & Relief Sanitary Sewers	2,266,778.42	2,266,778.42
Construction of Sanitary Truck System - South Cooper River Drive & Construction of Sewerage Pumping Station at Garfield & Hillcrest Avenue	113,300.85	113,300.85
Construction of Sanitary Collecting Sewers, Sewer Pumping Station and Additions to Sewerage Treatment Plant	545,104.23	545,104.23
Garage	1,500.00	1,500.00
Reconstruction of Cedar Avenue - Sanitary Sewer, Diesel Building - Cattell Avenue & Newton Creek, Piping & Floater Cover for Digestion Tank	15,000.00	15,000.00
Reconstruction of Portions of Sewerage Treatment Plant on Newton Avenue Between Cattell Avenue & Comly Avenue, Purchase of Equipment to Determine Cause of Ground Water Infiltration, Construction of Sewer Manholes & Traps	421,236.87	421,236.87
	<u>\$ 6,916,904.60</u>	<u>\$ 6,916,904.60</u>
Ref.	E	E

## SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Purpose	Ordinance		Balance	Authorized	Balance
		Date	Amount	Dec. 31, 2016		Dec. 31, 2017
1517	Various Improvements to Infrastructure	06/04/12	\$ 75,000.00	\$ 2,561.25		2,561.25
1546	Sewer Infrastructure	05/05/14	75,000.00	75,000.00		75,000.00
1567	Inlet Repairs	04/06/15	100,000.00	25,000.00		25,000.00
1591	Acquisition of Various Sewer Utility Equipment	03/24/16	530,000.00	530,000.00		530,000.00
1595	Purchase of Equipment	05/02/16	50,000.00	50,000.00		50,000.00
1614	Purchase of Equipment & Preliminary Sewer Costs on Haddon Avenue	05/01/17	165,000.00		\$ 165,000.00	165,000.00
				<u>\$ 682,561.25</u>	<u>\$ 165,000.00</u>	<u>\$ 847,561.25</u>
			Ref.	E	E-15	E

## EXHIBIT E-11

## SCHEDULE OF APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2016	Paid or Charged	Balance Lapsed
Other Expenses	\$ 62,465.38	\$ 1,520.35	\$ 60,945.03
Other Accounts - No Change	24,831.79		24,831.79
	<u>\$ 87,297.17</u>	<u>\$ 1,520.35</u>	<u>\$ 85,776.82</u>
Ref.	E	E-5	E-1

## EXHIBIT E-12

## SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2016	E	<u>\$ 13,635.28</u>	<u>\$ 350,000.00</u>
Increased by:			
Charges to:			
Budget Appropriations	E-4	16,418.35	
		<u>30,053.63</u>	<u>350,000.00</u>
Decreased by:			
Payment	E-5	13,635.28	350,000.00
Balance December 31, 2017	E	<u><u>\$ 16,418.35</u></u>	

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2016	Ref. E	\$ 522,391.00
Increased by:		
Budget Appropriation	E-5	75,000.00
		<u>597,391.00</u>
Decreased by:		
Financed Improvement Authorizations	E-15	165,000.00
Balance December 31, 2017	E	<u><u>\$ 432,391.00</u></u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE

	Ref.	Notes	Loans	Bonds
Balance December 31, 2016	E		\$ 7,828.13	\$ 6,327.12
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	E-4	\$ 17,424.03	10,201.73	47,642.39
		<u>17,424.03</u>	<u>18,029.86</u>	<u>53,969.51</u>
Decreased by:				
Interest Paid	E-5	10,570.56	11,592.36	49,086.23
Balance December 31, 2017	E	<u><u>\$ 6,853.47</u></u>	<u><u>\$ 6,437.50</u></u>	<u><u>\$ 4,883.28</u></u>

## Analysis of Accrued Interest December 31, 2017

Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
\$ 81,000.00	Varies	08/01/17	12/31/17	5 Months	\$ 1,213.78
992,200.00	Varies	12/01/17	12/31/17	1 Month	3,669.50
<u>\$ 1,073,200.00</u>					<u>\$ 4,883.28</u>
<u>\$ 355,000.00</u>	2.50%	03/23/17	12/31/17	9 Months	<u>\$ 6,853.47</u>
\$ 120,000.00	Varies	08/01/17	12/31/17	5 Months	\$ 2,625.00
80,000.00	Varies	08/01/17	12/31/17	5 Months	1,625.00
130,000.00	Varies	08/01/17	12/31/17	5 Months	2,187.50
<u>\$ 330,000.00</u>					<u><u>\$ 6,437.50</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

Ordinance Number	Purpose	Date	Amount	Balance	Authorized	Paid or Charged	Balance
				Dec. 31, 2016 Funded			Dec. 31, 2017 Funded
1383	Various Capital Improvements	08/01/05	\$ 1,500,000.00	\$ 136.42			\$ 136.42
1517	Various Improvements	06/04/12	75,000.00	2,561.25			2,561.25
1546	Sewer Infrastructure	05/05/14	75,000.00	69,459.11			69,459.11
1567	Inlet Repairs	04/06/15	100,000.00	19,737.60		\$ 2,637.73	17,099.87
1614	Purchase of Equipment & Preliminary Sewer Costs on Haddon Avenue	05/01/17	165,000.00		\$ 165,000.00	65,000.00	100,000.00
				\$ 91,894.38	\$ 165,000.00	\$ 67,637.73	\$ 189,256.65
				Ref. E	E-10	E-5	E



SCHEDULE OF SEWER SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
02/01/08	Sewer Bonds	\$ 1,712,500.00	2/1/18	\$ 81,000.00	3.625%	\$ 160,000.00	\$ 79,000.00	\$ 81,000.00
04/27/16	Sewer Refunding Bonds of 2016	1,094,700.00	6/1/18	51,250.00	3.000%	1,043,450.00	51,250.00	992,200.00
			6/1/19	75,850.00	4.000%			
			6/1/20	77,900.00	5.000%			
			6/1/21	82,000.00	4.000%			
			6/1/22	86,100.00	4.000%			
			6/1/23	90,200.00	5.000%			
			6/1/24	94,300.00	4.000%			
			6/1/25	100,450.00	5.000%			
			6/1/26	104,550.00	5.000%			
			6/1/27	112,750.00	5.000%			
			6/1/28	116,850.00	4.000%			
						<u>\$ 1,203,450.00</u>	<u>\$ 130,250.00</u>	<u>\$ 1,073,200.00</u>
					Ref.	E		E

## SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

Ordinance Number	Trust/Loan Series	Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
1163	2000 Series Trust Loan	4%-5.5%	\$ 155,000.00	\$ 35,000.00	\$ 120,000.00
1163	2000 Series Fund Loan	0.00%	105,554.67	25,909.99	79,644.68
1259	2001 Series Trust Loan	5%-5.25%	100,000.00	20,000.00	80,000.00
1259	2001 Series Fund Loan	0.00%	61,812.36	16,102.32	45,710.04
1460	2010 Series Trust Loan	3%-5%	140,000.00	10,000.00	130,000.00
1460	2010 Series Fund Loan	0.00%	182,547.33	27,762.70	154,784.63
			<u>\$ 744,914.36</u>	<u>\$ 134,775.01</u>	<u>\$ 610,139.35</u>
		Ref.	E	E-4	E

SCHEDULE OF BOND ANTICIPATION NOTES - SEWER

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
1591	Acquisition of Various Sewer Utility Equipment	04/21/16	03/23/17	03/22/18	2.50%	\$ 530,000.00	175,000.00	\$ 355,000.00
					Ref.	E		E

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Purpose	Date of Ordinance	Balance Dec. 31, 2016	Authorized	Balance Dec. 31, 2017
1517	Various Improvements to Infrastructure	06/04/12	\$ 2,561.25		\$ 2,561.25
1567	Inlet Repairs	04/06/15	100,000.00		100,000.00
1595	Purchase of Equipment	05/02/16	50,000.00		50,000.00
1614	Purchase of Equipment & Preliminary Sewer Costs on Haddon Avenue	05/01/17		\$ 165,000.00	165,000.00
			<u>\$ 152,561.25</u>	<u>\$ 165,000.00</u>	<u>\$ 317,561.25</u>
		Ref.	E	E-15	E

**PARKING UTILITY FUND**

## SCHEDULE OF PARKING UTILITY FUND CASH - TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2016	F	<u>\$ 276,552.94</u>	<u>\$ 98,747.70</u>
Increased by:			
Parking Meter Revenue	F-2	215,390.74	
Miscellaneous Revenue Not Anticipated	F-2	20,300.18	226.24
Due from Parking Capital Fund	F-4	140.89	
		<u>235,831.81</u>	<u>226.24</u>
		<u>512,384.75</u>	<u>98,973.94</u>
Decreased by:			
Budget Appropriations	F-3	173,104.39	
Appropriation Reserves	F-6	6,785.00	
Improvement Authorizations	F-9		5,200.00
Encumbrances Payable	F-8		37,413.75
Due Parking Operating Fund	F-4		140.89
		<u>179,889.39</u>	<u>42,754.64</u>
Balance December 31, 2017	F	<u><u>\$ 332,495.36</u></u>	<u><u>\$ 56,219.30</u></u>

ANALYSIS OF PARKING UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Due Parking Utility Operating Fund	\$ 28.75	\$ 226.24		\$ 140.89				\$ 114.10
Capital Improvement Fund	15,000.00							15,000.00
Encumbrances Payable	42,398.95			37,413.75		\$ 9,499.00		14,484.20
Improvement Authorizations: Ordinance								
Number								
1527 Purchase New Kiosk & Pedestrian Safety Improvements	41,200.00		\$ 5,200.00		\$ 9,499.00			26,501.00
1595 Purchase of Meters	120.00							120.00
	<u>\$ 98,747.70</u>	<u>\$ 226.24</u>	<u>\$ 5,200.00</u>	<u>\$ 37,554.64</u>	<u>\$ 9,499.00</u>	<u>\$ 9,499.00</u>		<u>\$ 56,219.30</u>
Ref.	F	F-4	F-9	F-4				F

## SCHEDULE OF APPROPRIATION RESERVES - PARKING UTILITY FUND

	Balance Dec. 31, 2016	Paid or Charged	Balance Lapsed
Salaries and Wages	\$ 263.57	\$ 100.00	\$ 163.57
Other Expenses	17,424.81	6,685.00	10,739.81
Other Accounts - No Change	1,368.00		1,368.00
	<u>\$ 19,056.38</u>	<u>\$ 6,785.00</u>	<u>\$ 12,271.38</u>
Ref.	F	F-4	F-1

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2016	Ref. F	\$ 15,000.00
Balance December 31, 2017	F	<u>\$ 15,000.00</u>

## SCHEDULE OF ENCUMBRANCES PAYABLE - PARKING UTILITY FUND

Balance December 31, 2016	Ref. F	<u>Operating</u>	<u>Capital</u> \$ 42,398.95
Increased by:			
Charges to:			
Current Appropriations	F-3	\$ 70,000.00	
Improvement Authorizations	F-9		9,499.00
		<u>70,000.00</u>	<u>51,897.95</u>
Decreased by:			
Payments	F-4		37,413.75
Balance December 31, 2017	F	<u>\$ 70,000.00</u>	<u>\$ 14,484.20</u>



SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2016 Funded	Paid or Charged	Encumbered	Balance Dec. 31, 2017 Funded
1567	Purchase New Kiosk & Pedestrian Safety Improvements	04/06/15	\$ 80,000.00	\$ 41,200.00	\$ 5,200.00	\$ 9,499.00	\$ 26,501.00
1595	Purchase of Meters	05/02/16	80,000.00	120.00			120.00
				<u>\$ 41,320.00</u>	<u>\$ 5,200.00</u>	<u>\$ 9,499.00</u>	<u>\$ 26,621.00</u>
				Ref. F	F-4	F-8	F

**PART II**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2017**

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised for NJSA 40A:11-4**

NJSA 40A:11-4 states "Every contract or agreement awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where a question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertisement for the following items:

Traffic Calming & Pedestrian Improvements  
Transmission of Water Main  
Road Improvements Chelsea and Ventnor Avenue

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 40A:11.5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal an individual payment contracts or agreement in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA 40A:11-6.

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

### **Collection of Interest on Delinquent Taxes and Assessments**

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 9, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 104 P.L. 1965, amending RS 54:4-67 authorized municipalities to provide a grace period, not exceeding ten (10) days within which an installment of taxes or assessments may be received without an additional charge of interest; and

WHEREAS, NJSA 54:4-67 also provides that a governing body may also fix a penalty to a taxpayer charged with a delinquency in excess of ten thousand dollars (\$10,000.00)

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

who fails to pay that delinquency prior to the end of the calendar year; THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Borough of Collingswood, County of Camden and State of New Jersey that pursuant to NJSA 54:4-67, the rate of interest on delinquent tax installments and assessments for the year 2017 be and the same is hereby fixed at eight percent per annum on the first \$1,500.00 of delinquency and eighteen percent per annum on any amount in excess of \$1,500.00;

BE IT FURTHER RESOLVED, that for the tax year 2017, a six percent (6%) flat penalty shall be added at the end of each year for delinquencies which exceed ten thousand dollars (\$10,000.00);

BE IT FURTHER RESOLVED, that no interest be charged if payment of an installment is made within ten (10) days after the date on which same became payable.

It appears from an examination of the collector's records that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 14, 2017. Bankruptcies from prior years were not sold. The tax sale was not complete.

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

<u>Year</u>	<u>Number of Liens</u>
2017	10
2016	6
2015	4
2014	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

## ASSESSED VALUATION OF REAL PROPERTY BY CLASSIFICATION

	2017	2016	2015	2014	2013
Vacant Land	8,048,800	7,216,400	7,696,400	7,993,800	8,313,700
Residential	909,873,500	909,615,600	909,569,100	909,879,300	913,740,100
Commercial	107,150,600	107,548,800	109,533,700	112,657,200	114,053,300
Apartments	37,747,200	37,733,700	37,733,700	38,400,700	38,400,700
	<u>1,062,820,100</u>	<u>1,062,114,500</u>	<u>1,064,532,900</u>	<u>1,068,931,000</u>	<u>1,074,507,800</u>

Assessed Value to True Value	99.92%	101.69%	105.32%	104.25%	100.23%
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	2012	2011	2010	2009	2008
Vacant Land	12,139,500	7,978,300	7,856,900	7,956,500	10,780,100
Residential	909,087,200	908,133,700	908,013,100	907,379,400	908,917,800
Commercial	112,440,300	116,485,000	116,609,600	119,269,300	122,710,600
Apartments	39,531,700	40,066,800	40,265,800	41,523,700	41,623,700
	<u>1,073,198,700</u>	<u>1,072,663,800</u>	<u>1,072,745,400</u>	<u>1,076,128,900</u>	<u>1,084,032,200</u>

Assessed Value to True Value	97.97%	97.47%	98.96%	98.52%	101.29%
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Source: Tax Duplicates, Abstract of Ratables (Camden County)

## TOP TAXPAYERS

Owner of Record		2017	2016
		Assessed Valuation	
Cooper River Manor Investors	1	9,818,200	9,818,200
Collingswood Associates	2	3,624,100	3,624,100
Parkview Urban Renewal LLC	3	3,384,000	3,384,000
Flaum Properties	4	3,325,000	3,325,000
Ace Partnership	5	3,300,000	3,300,000
900 Haddon Avenue LLC	6	3,057,400	3,057,400
Cresswood Associates	7	2,751,000	2,751,000
ALDI Inc.	8	2,300,000	2,300,000
New Jersey Bell Telephone	9	1,990,000	1,990,000
Inter Brotherhood Teamsters	10	1,977,400	1,977,400
		<u>35,527,100</u>	<u>35,527,100</u>

Source: Tax Assessor

## COMPARISON PROPERTY TAX INFORMATION

	2017	2016	2015
Tax Rate without Special Improvement District	3.428	3.339	3.240
Tax Rate with Special Improvement District	3.613	3.520	3.419
Apportionment of Tax Rate			
Municipal	0.9930	0.9820	0.9710
Municipal Library	0.0330	0.0320	0.0310
County	0.8220	0.7990	0.7690
County Open Space	0.0210	0.0200	0.0200
Local School	1.5590	1.5060	1.4490
Special Improvement District	0.1850	0.1810	0.1790
Assessed Valuation	1,062,820,100	1,062,114,500	1,064,532,900

## COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collections could be an indication of probable increase in future tax levies.

	2017	2016	2015	2014
Tax Levy	\$ 36,805,760.12	\$ 35,805,965.68	\$ 34,763,390.16	\$ 33,962,201.83
Cash Collections	36,703,674.37	35,703,497.29	34,657,340.20	33,817,373.78
Percentage of Collections	99.72%	99.71%	99.69%	99.57%

## COMPARISON DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last four years.

	2017	2016	2015	2014
Amount of Tax Title Liens	\$ 86,983.02	\$ 60,778.47	\$ 45,847.55	\$ 45,954.09
Delinquent Taxes	11,804.74	13,399.19	10,689.28	8,162.80
Total Delinquent	\$ 98,787.76	\$ 74,177.66	\$ 56,536.83	\$ 54,116.89
Percentage of Tax Levy	0.27%	0.21%	0.16%	0.16%

## 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, was as follows:

	2017	2016	2015	2014
Property Acquired for Taxes (Assessed Valuation)	<u>79,975</u>	<u>79,975</u>	<u>79,975</u>	<u>79,975</u>

## WATER AND SEWER RENT INFORMATION

<b>WATER</b>	2017	2016	2015	2014
Balance January 1	\$ 137,964.36	\$ 157,231.91	\$ 188,594.02	\$ 132,298.30
Levy	2,410,957.82	2,409,035.92	2,369,367.34	2,324,786.46
Cash Collections	2,408,399.28	2,427,583.51	2,397,476.42	2,266,665.04
Percentage of Collections	94.49%	94.60%	93.73%	92.25%
<b>SEWER</b>				
Balance January 1	2,271.26	2,638.24	2,349.42	2,695.83
Levy	2,027,430.52	2,028,458.52	1,959,892.50	1,940,711.00
Cash Collections	2,026,655.81	2,027,949.21	1,959,543.54	1,940,789.87
Percentage of Collections	99.85%	99.85%	99.86%	99.87%

## OTHER COMMENTS

### Chief Financial Officer/Treasurer

The records maintained by the Chief Financial Officer and Treasurer were found to be in compliance with requirements prescribed by Division of Local Government Services, state statutes, and administrative code requirements.

### Revenue and Finance

The records maintained by the Revenue and Finance Supervisor were found to be in compliance with requirements prescribed by Division of Local Government Services, state statutes, and administrative code requirements.

### Ancillary Departments

The financial records maintained by the Construction Code Office and Borough Clerk were found to be properly maintained.

### Municipal Court

The financial records maintained by the Municipal Court were found to be properly maintained.

### Corrective Action Plan

A corrective action plan was not required to be filed for the year 2016.

**STATUS OF PRIOR RECOMMENDATIONS**

None

**FINDINGS AND RECOMMENDATIONS**

None

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The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any question arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Borough and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252