

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



**BOROUGH OF BROOKLAWN**  
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**BOROUGH OF BROOKLAWN**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Brooklawn  
Brooklawn, New Jersey 08030

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Brooklawn in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

**15000**

## **Opinions**

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

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

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

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

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

### *Opinion on Regulatory Basis of Accounting*

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

## **Other Matters**

### *Other Information*

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

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

15000

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2017 on our consideration of the Borough of Brooklawn, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Brooklawn's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 9, 2017

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Brooklawn  
Brooklawn, New Jersey 08030

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 9, 2017. That report indicated that the Borough of Brooklawn's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Brooklawn's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Brooklawn's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Brooklawn's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* as finding no. 2016-001, that we consider to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Brooklawn's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no. 2016-001.

### The Borough of Brooklawn's Response to the Finding

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

### Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 9, 2017

**BOROUGH OF BROOKLAWN**  
CURRENT FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 1,406,751.61	\$ 1,227,170.71
Cash--Change Funds	SA-2	240.00	240.00
		<u>1,406,991.61</u>	<u>1,227,410.71</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	69,998.22	119,647.01
Tax Title Liens Receivable	SA-4	70,741.00	71,266.87
Property Acquired for Taxes - Assessed Valuation	A	69,700.00	69,700.00
Rents Receivable - Borough-Owned Homes	SA-6	19,637.51	15,123.89
Revenue Accounts Receivable	SA-7	7,719.32	7,483.31
Interlocal Service Agreement	A		2,229.00
Due from Bank	SA-1	56.31	
Due from Trust- Animal Control Fund	SB-3	1.31	1.67
Due from Trust- Other Fund	SB-4		1,279.03
Due from Federal and State Grant Fund	A	9,004.19	
Due from General Capital Fund	SC-4	323.98	299.61
Due from Water Utility Operating Fund	D	9,836.51	
Due from Public Assistance Fund	SE-1	0.12	0.12
		<u>257,018.47</u>	<u>287,030.51</u>
Deferred Charges:			
Reserve for Revaluation	SA-9	50,000.00	
		<u>50,000.00</u>	
		<u>1,714,010.08</u>	<u>1,514,441.22</u>
Federal and State Grant Fund:			
Cash	SA-1	10.61	43,113.97
Due from General Capital Fund	SC-5	51,886.50	
Grants Receivable	SA-20	125,463.34	147,349.84
		<u>177,360.45</u>	<u>190,463.81</u>
		<u>\$ 1,891,370.53</u>	<u>\$ 1,704,905.03</u>

(Continued)

**BOROUGH OF BROOKLAWN**  
CURRENT FUND

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Appropriation Reserves	A-3	\$ 157,983.44	\$ 152,427.71
Reserve for Encumbrances:			
Budget	A-3	58,016.44	30,002.91
Due to CCMUA - Tax Sale	A	562.72	562.72
Due to Lienholder	SA-1	13,469.08	
Due to State of New Jersey:			
Veterans and Senior Citizens Deductions (Ch.73, P.L. 1976)	SA-5	16,553.94	15,313.43
Marriage License Fees	SA-11	50.00	75.00
State Training Fees	SA-12	592.00	3,933.00
Reserve for Payroll Deductions Payable	SA-13	27,360.95	23,971.96
Prepaid Taxes	SA-14	80,677.17	63,325.40
Tax Overpayments	SA-15	14,864.10	17,770.23
Due County for Added and Omitted Taxes	SA-17		3,556.09
Prepaid Rents on Borough Owned Homes	SA-18	5.00	3,030.00
School Taxes Payable	SA-19	89,091.50	82,413.50
Reserve for Preparation of Tax Maps	A	2,032.50	2,032.50
Reserve for Revaluation	SA-8	29,360.44	16,185.00
Due to Trust - Other Fund	SB-4	4,215.94	
Due to Water Utility - Operating Fund	A		444.30
		<u>494,835.22</u>	<u>415,043.75</u>
Reserves for Receivables		257,018.47	287,030.51
Fund Balance	A-1	<u>962,156.39</u>	<u>812,366.96</u>
		<u>1,714,010.08</u>	<u>1,514,441.22</u>
Federal and State Grant Fund:			
Due to Current Fund	A	9,004.19	
Reserve for Small Cities Program Income	A	73.66	73.66
Reserve for Federal and State Grants - Unappropriated	SA-21	6,135.56	
Reserve for Federal and State Grants - Appropriated	SA-22	161,946.31	184,548.36
Reserve for Encumbrances	SA-22	200.73	5,841.79
		<u>177,360.45</u>	<u>190,463.81</u>
		<u>\$ 1,891,370.53</u>	<u>\$ 1,704,905.03</u>

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

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

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 325,000.00	\$ 335,000.00
Miscellaneous Revenues Anticipated	986,245.84	1,048,459.48
Receipts from Delinquent Taxes	142,119.97	123,846.70
Receipts from Current Taxes	4,180,289.28	4,147,093.37
Non-budget Revenues	123,488.69	68,170.77
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	152,451.08	187,771.89
Interfund Reserves Liquidated:		
Due from Trust Other Fund	1,279.03	
Due from Trust - Animal Control Fund	0.36	0.38
Due from Water Utility Operating Fund		577.46
	<u>5,910,874.25</u>	<u>5,910,920.05</u>
<u>Expenditures:</u>		
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	1,233,617.00	1,232,115.00
Other Expenses	1,337,614.00	1,228,024.00
Deferred Charges and Statutory Expenditures		
Municipal -- Within "CAPS"	279,510.00	273,312.00
Operations Excluded from "CAPS"		
Salaries and Wages	43,079.10	36,687.00
Other Expenses	23,044.51	97,897.77
Capital Improvement Fund	10,000.00	10,000.00
Municipal Debt Service	211,429.43	189,853.48
County Taxes	1,001,392.40	1,042,537.94
Due County for Added and Omitted Taxes		3,557.49
Local District School Tax	1,325,727.00	1,307,637.00
Prior Year Senior Citizens Disallowed	1,750.00	1,250.00
Creation of Reserve for Due from Bank	56.31	
Interfund Reserves Created:		
Due from Trust Other Fund		1,279.03
Due from Federal and State Grant Fund	9,004.19	
Due from Water Utility Operating Fund	9,836.51	
Due from General Capital Fund	24.37	215.10
	<u>5,486,084.82</u>	<u>5,424,365.81</u>

(Continued)

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

	<u>2016</u>	<u>2015</u>
Excess in Revenues	\$ 424,789.43	\$ 486,554.24
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>50,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance	474,789.43	486,554.24
Fund Balance January 1	<u>812,366.96</u>	<u>660,812.72</u>
	1,287,156.39	1,147,366.96
Decreased by:		
Utilization as Anticipated Revenue	<u>325,000.00</u>	<u>335,000.00</u>
Fund Balance December 31	<u>\$ 962,156.39</u>	<u>\$ 812,366.96</u>

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

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

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 325,000.00	\$ -	\$ 325,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,500.00		12,650.00	150.00
Other	8,000.00		8,655.00	655.00
Fines and Costs:				
Municipal Court	87,000.00		86,763.01	(236.99)
Interest and Costs on Taxes	23,713.00		21,149.05	(2,563.95)
Interest on Investments and Deposits	3,000.00		7,735.51	4,735.51
Rental of Municipally Owned Property	285,000.00		326,012.38	41,012.38
Uniform Fire Safety Act-- Fees & Permits	2,400.00		1,565.00	(835.00)
Rental Registration Fees	24,800.00		24,520.00	(280.00)
Consolidated Municipal Property Tax Relief Aid	3,666.00		3,666.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	195,843.00		195,843.00	
Uniform Construction Code Fees	27,000.00		28,973.00	1,973.00
Hotel Motel Tax	40,000.00		51,723.88	11,723.88
Sewer Service Fees	114,000.00		158,141.60	44,141.60
Special Items of Revenue:				
Uniform Fire Safety Act	5,000.00		4,440.80	(559.20)
Interlocal Service Agreement - Electrical Sub Code Official - Borough of Merchantville	4,458.00		4,458.00	
Interlocal Service Agreement - Electrical Sub Code Official - Borough of Westville	4,000.00		4,000.00	
Public and Private Revenues Offset With Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	6,920.00		6,920.00	
Body Armor Replacement Fund		981.19	981.19	
Drunk Driving Enforcement Grant		3,427.32	3,427.32	
Clean Communities Program		4,621.10	4,621.10	
Safe and Secure Communities Grant	30,000.00		30,000.00	
Subtotal General Revenues	<u>877,300.00</u>	<u>9,029.61</u>	<u>986,245.84</u>	<u>99,916.23</u>
Receipts from Delinquent Taxes	<u>120,000.00</u>	<u>-</u>	<u>142,119.97</u>	<u>22,119.97</u>
Subtotal General Revenues	1,322,300.00	9,029.61	1,453,365.81	122,036.20
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollectible Taxes	<u>1,944,150.00</u>	<u>-</u>	<u>2,022,764.88</u>	<u>78,614.88</u>
Budget Totals	3,266,450.00	9,029.61	3,476,130.69	200,651.08
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>123,488.69</u>	<u>123,488.69</u>
	<u>\$ 3,266,450.00</u>	<u>\$ 9,029.61</u>	<u>\$3,599,619.38</u>	<u>\$ 324,139.77</u>

(Continued)

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

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,180,289.28
Allocated to:	
School, and County Taxes	2,344,174.40
Balance for Support of Municipal Budget Revenues	1,836,114.88
Add:	
Appropriation: "Reserve for Uncollected Taxes"	186,650.00
Amount for Support of Municipal Budget Appropriations	\$ 2,022,764.88

Receipts from Delinquent Taxes

Delinquent Tax Collections	\$ 105,811.42
Tax Title Liens	36,308.55
	\$ 142,119.97

Interest on Investments and Deposits

Treasurer	\$ 7,694.76
Municipal Court	40.75
	\$ 7,735.51

Rental of Municipally Owned Property

Rents Receivable	\$ 322,982.38
Prepayments Applied	3,030.00
	\$ 326,012.38

(Continued)

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

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Miscellaneous Revenue Not Anticipated	\$	30.00
Marriage License		5,995.00
CO Inspection Fees		1,799.59
Recycling		1,155.42
Police Reports		200.00
Registrar		375.00
Zoning		9,888.00
Pilot Billing		12,669.35
Miscellaneous		200.00
Street Openings		10.60
Copies		11,943.64
Cable Television Franchise Fees		1,305.00
Bus Shelters		190.00
Bad Check Service Charge		1,300.00
Gateway Railroad Lease		443.56
Seniors' and Veterans' Deductions Administrative Fee		2,488.08
Refund of Prior Year Expenditures - Insurance		4,905.00
Community Hall Rental Fees		3,100.00
Certificates of Redemption		189.15
Restitution		3,366.50
DMV Inspection Fees		100.00
Donations - 4th of July		1,000.00
Sewer Connections		641.82
Sewer Rent Interest		15,576.73
Property Maintenance Fees		44,546.25
Other Fees		70.00
Zoning List		<u>70.00</u>
	<u>\$</u>	<u>123,488.69</u>

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

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

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Administrative and Executive						
Salaries and Wages:						
Municipal Clerk's Office	\$ 67,000.00	\$ 71,000.00	\$ 70,506.57		\$ 493.43	
Mayor and Council	13,810.00	13,810.00	13,441.50		368.50	
Borough Recorder	1,375.00	1,375.00	1,346.40		28.60	
Other Expenses:						
Printing and Legal	3,100.00	3,100.00	2,023.01	\$ 566.82	510.17	
Mayor and Council	3,100.00	4,100.00	3,548.14	514.00	37.86	
Miscellaneous Other Expenses	37,000.00	43,000.00	37,419.49	5,260.61	319.90	
Elections						
Other Expenses	2,000.00	3,000.00	1,545.18	1,454.00	0.82	
Financial Administration						
Salaries and Wages:						
Treasurer's Office	30,000.00	30,000.00	25,026.21		4,973.79	
Chief Financial Officer	34,000.00	34,000.00	30,926.08		3,073.92	
Other Expenses:						
Annual Audit	29,500.00	29,500.00	29,500.00			
Assessment of Taxes						
Salaries and Wages	8,670.00	8,670.00	8,199.96		470.04	
Other Expenses (Special Emergency \$50,000.00+)	2,000.00	52,000.00	50,518.13	1,008.98	472.89	
Collection of Taxes						
Salaries and Wages	28,000.00	28,000.00	26,731.25		1,268.75	
Other Expenses	4,500.00	4,500.00	4,153.08		346.92	
Legal Services						
Other Expenses	46,000.00	70,000.00	58,219.93	11,645.00	135.07	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
Administration of Borough-Owned Homes						
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 9,625.59		\$ 374.41	
Municipal Prosecutor						
Salaries and Wages	7,362.00	7,362.00	6,778.50		583.50	
Engineering Services and Costs						
Other Expenses	28,000.00	30,100.00	30,070.01		29.99	
Public Buildings and Grounds						
Other Expenses	50,000.00	52,500.00	49,693.16	\$ 1,084.87	1,721.97	
Maintenance of Borough Owned Homes						
Salaries and Wages	16,000.00	17,000.00	16,808.92		191.08	
Other Expenses	60,000.00	60,000.00	51,843.55	7,263.96	892.49	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning and Zoning Boards:						
Salaries and Wages	4,500.00	5,300.00	4,184.72		1,115.28	
Other Expenses	4,000.00	4,000.00	1,486.55	150.00	2,363.45	
Insurance:						
Group Insurance Plans for Employees	393,414.00	323,614.00	285,376.75		38,237.25	
Health Benefit Waiver	20,000.00	20,000.00	19,851.60		148.40	
Worker's Compensation Insurance	81,400.00	81,400.00	81,400.00			
Other Insurance Premiums	77,000.00	77,000.00	62,913.82		14,086.18	
Animal Control						
Other Expenses	8,500.00	8,500.00	4,935.00		3,565.00	
Celebration of Public Events						
Other Expenses	6,000.00	6,000.00	5,995.77		4.23	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC SAFETY:</u>						
Fire						
Other Expenses	\$ 37,000.00	\$ 37,000.00	\$ 33,849.71	\$ 2,617.90	\$ 532.39	
Uniform Fire Safety Act (P.L. 1983, Ch 383)						
Fire Inspector:						
Salaries and Wages	5,560.00	5,560.00	5,363.04		196.96	
Other Expenses	3,000.00	3,000.00	2,501.74		498.26	
Police						
Salaries and Wages	610,000.00	610,000.00	575,298.40		34,701.60	
Other Expenses	59,000.00	62,400.00	55,154.07	6,716.74	529.19	
Volunteer Ambulance Association						
Other Expenses	18,000.00	18,000.00	8,982.93	4,094.97	4,922.10	
Municipal Code Enforcement Official						
Salaries and Wages	30,500.00	30,500.00	28,802.27		1,697.73	
Other Expenses	1,500.00	1,500.00	746.91	450.00	303.09	
Municipal Court:						
Salaries and Wages	69,000.00	69,000.00	67,708.78		1,291.22	
Other Expenses	11,000.00	11,000.00	10,457.39		542.61	
Office of Emergency Management						
Salaries and Wages	5,560.00	5,560.00	2,860.00		2,700.00	
Other Expenses	2,000.00	2,000.00	384.71		1,615.29	
Traffic Signals						
Other Expenses	2,800.00	2,800.00	1,072.33		1,727.67	
Public Defender						
Salaries and Wages	4,000.00	4,000.00	4,000.00			
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages	81,500.00	95,500.00	94,627.76		872.24	
Other Expenses	7,600.00	8,600.00	8,192.72	29.93	377.35	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC SAFETY (CONT'D):</u>						
Vehicle Maintenance						
Other Expenses	\$ 33,500.00	\$ 33,500.00	\$ 33,462.14	\$ 12.69	\$ 25.17	
Sanitation						
Sewer System						
Salaries and Wages	62,000.00	71,000.00	70,874.11		125.89	
Other Expenses	16,500.00	16,500.00	14,133.51	1,677.32	689.17	
Garbage and Trash Removal						
Salaries and Wages	61,500.00	61,500.00	61,059.76		440.24	
Other Expenses	3,500.00	3,500.00	2,373.78	135.00	991.22	
Sanitary Landfill						
Other Expenses	61,000.00	63,000.00	54,356.05	6,435.56	2,208.39	
Recycling						
Salaries and Wages	30,000.00	33,500.00	32,769.03		730.97	
Other Expenses	11,000.00	14,000.00	12,067.55	972.40	960.05	
<u>HEALTH AND WELFARE:</u>						
Board of Health						
Salaries and Wages	1,375.00	1,375.00	1,331.00		44.00	
Other Expenses	1,500.00	1,500.00	680.79		819.21	
Parks and Playgrounds						
Other Expenses	20,000.00	27,000.00	23,859.24	2,793.79	346.97	
Shade Tree Commission						
Salaries and Wages	485.00	485.00	421.00		64.00	
Other Expenses	7,000.00	7,000.00	6,989.70		10.30	

(Continued)

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

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages	\$ 7,250.00	\$ 7,750.00	\$ 7,534.72		\$ 215.28	
Subcode Officials:						
Electrical Inspector						
Salaries and Wages	4,165.00	4,165.00	4,156.08		8.92	
Fire Inspector						
Salaries and Wages	3,715.00	3,715.00	3,288.00		427.00	
Plumbing Official						
Salaries and Wages	3,490.00	3,490.00	3,420.00		70.00	
UNCLASSIFIED:						
Utilities:						
Utilities	172,000.00	153,000.00	134,357.97	\$ 3,131.90	15,510.13	
Total Operations Within "CAPS"	<u>2,524,231.00</u>	<u>2,571,231.00</u>	<u>2,361,206.06</u>	<u>58,016.44</u>	<u>152,008.50</u>	<u>\$ -</u>
Total Operations Including Contingent - within "CAPS"						
Detail:						
Salaries and Wages	1,200,817.00	1,233,617.00	1,177,089.65	-	56,527.35	-
Other Expenses	1,323,414.00	1,337,614.00	1,184,116.41	58,016.44	95,481.15	-

(Continued)

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

	Appropriations		Expended		Unexpended Balance Canceled	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		<u>Reserved</u>
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement Systems	\$ 71,262.00	\$ 71,262.00	\$ 71,262.00			
Police and Fireman's Retirement System of New Jersey	117,248.00	117,248.00	117,248.00			
Social Security System (O.A.S.I.)	78,000.00	78,000.00	73,775.40		\$ 4,224.60	
Unemployment Compensation Insurance	10,000.00	13,000.00	13,000.00			
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>276,510.00</u>	<u>279,510.00</u>	<u>275,285.40</u>	<u>\$ -</u>	<u>4,224.60</u>	<u>\$ -</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>2,800,741.00</u>	<u>2,850,741.00</u>	<u>2,636,491.46</u>	<u>58,016.44</u>	<u>156,233.10</u>	<u>-</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Insurance:						
Group Insurance Plan for Employees	6,586.00	6,586.00	6,586.00			
Recycling Tax	3,400.00	3,400.00	2,107.74		1,292.26	
Interlocal Service Agreement - Borough of Merchantville Electrical Sub-code Official Services	4,458.00	4,458.00	3,999.92		458.08	
Interlocal Service Agreement - Borough of Westville Electrical Sub-code Official Services	4,000.00	4,000.00	4,000.00			
Total Other Operations Excluded from "CAPS"	<u>18,444.00</u>	<u>18,444.00</u>	<u>16,693.66</u>	<u>-</u>	<u>1,750.34</u>	<u>-</u>

(Continued)

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

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>					
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse	\$ 8,650.00	\$ 8,650.00	\$ 8,650.00		
Clean Communities (N.J.S.A. 40A:4-87, \$4,621.10+)		4,621.10	4,621.10		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87, \$981.19+)		981.19	981.19		
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87, \$3,427.32+)		3,427.32	3,427.32		
Safe & Secure Communities Grant	30,000.00	30,000.00	30,000.00		
	<u>38,650.00</u>	<u>47,679.61</u>	<u>47,679.61</u>	<u>\$ -</u>	<u>\$ -</u>
Total Public and Private Programs Offset by Revenues					
	<u>38,650.00</u>	<u>47,679.61</u>	<u>47,679.61</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	<u>57,094.00</u>	<u>66,123.61</u>	<u>64,373.27</u>	<u>-</u>	<u>1,750.34</u>
Detail:					
Salaries and Wages	38,458.00	43,079.10	42,621.02	-	458.08
Other Expenses	18,636.00	23,044.51	21,752.25	-	1,292.26
	<u>38,458.00</u>	<u>43,079.10</u>	<u>42,621.02</u>	<u>-</u>	<u>458.08</u>
	<u>18,636.00</u>	<u>23,044.51</u>	<u>21,752.25</u>	<u>-</u>	<u>1,292.26</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-	-
	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Application Notes and Capital Notes	198,925.00	198,925.00	198,925.00		
Interest on Notes	13,040.00	13,040.00	12,504.43		535.57
	<u>198,925.00</u>	<u>198,925.00</u>	<u>198,925.00</u>	<u>-</u>	<u>535.57</u>
	<u>13,040.00</u>	<u>13,040.00</u>	<u>12,504.43</u>	<u>-</u>	<u>535.57</u>
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>211,965.00</u>	<u>211,965.00</u>	<u>211,429.43</u>	<u>-</u>	<u>535.57</u>

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 279,059.00	\$ 288,088.61	\$ 285,802.70	\$ -	\$ 1,750.34	\$ 535.57
SUBTOTAL GENERAL APPROPRIATIONS	3,079,800.00	3,138,829.61	2,922,294.16	58,016.44	157,983.44	535.57
RESERVE FOR UNCOLLECTED TAXES	186,650.00	186,650.00	186,650.00	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,266,450.00</u>	<u>\$ 3,325,479.61</u>	<u>\$ 3,108,944.16</u>	<u>\$ 58,016.44</u>	<u>\$ 157,983.44</u>	<u>\$ 535.57</u>
Budget		\$ 3,266,450.00				
Special Emergency - Revaluation		50,000.00				
Appropriation by N.J.S.A. 40A:4-87		9,029.61				
		<u>\$ 3,325,479.61</u>				
Federal and State Grants - Appropriated			\$ 47,679.61			
Reserve for Revaluation			50,000.00			
Reserve for Uncollected Taxes			186,650.00			
Payroll Deductions Payable			593,498.65			
Disbursed			2,231,115.90			
			<u>\$ 3,108,944.16</u>			

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

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash	SB-1	\$ 5,785.62	\$ 7,526.60
Other Funds:			
Cash	SB-1	197,866.11	205,454.37
Due from Current Fund	SB-4	4,215.94	
Community Development Block Grants Receivable	SB-5	44,371.46	12,848.46
		<u>246,453.51</u>	<u>218,302.83</u>
		<u>\$ 252,239.13</u>	<u>\$ 225,829.43</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 5,784.31	\$ 7,524.93
Due to Current Fund	SB-3	1.31	1.67
		<u>5,785.62</u>	<u>7,526.60</u>
Other Funds:			
Due to Current Fund	B		1,279.03
Reserves for:			
Drug Awareness Resistance Education (DARE)	B	72.88	72.88
Performance Guarantees	B	3,000.00	3,000.00
Replacement of Borough Owned Homes	B	10.17	10.17
Developers Escrow Deposits	B	6,387.75	6,387.75
Off Duty Police Work	SB-6	115,157.77	87,946.88
Reserve for Community Development Block Grants	SB-7	37,967.50	2,562.73
Security Deposits on Borough Owned Homes	SB-8	36,849.62	34,506.50
Unemployment Compensation Insurance	SB-9	1,944.84	14,026.38
Parking Offenses Adjudication Act	SB-10	377.00	371.00
Local Law Enforcement	SB-11	3,396.02	7,396.24
Public Defender Fees	SB-12	3,094.80	1,828.73
Recreation Donations	SB-13	4,055.58	3,682.42
Tax Title Lien Redemptions	SB-14	1,871.38	6,279.93
Tax Sale Premiums	SB-15	28,800.00	39,400.00
Site Plan Review Deposits	SB-16	3,468.20	9,552.19
		<u>246,453.51</u>	<u>218,302.83</u>
		<u>\$ 252,239.13</u>	<u>\$ 225,829.43</u>

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

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SC-1	\$ 1,527,844.81	\$ 1,459,047.44
Deferred Charges to Future Taxation:			
Unfunded	SC-3	3,001,481.00	2,962,906.00
N.J. Transportation Trust Fund Grant Receivable	SC-7	118,820.52	208,403.29
Camden County Improvement Authority Grant Receivable	C	200,000.00	200,000.00
		<u>\$ 4,848,146.33</u>	<u>\$ 4,830,356.73</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve to Pay Notes	SC-2	\$ 25,376.71	\$ 25,376.71
Due to Current Fund	SC-4	323.98	299.61
Due to Federal and State Grant Fund	SC-5	51,886.50	
Capital Improvement Fund	SC-6	10,595.28	13,095.28
Improvement Authorizations:			
Funded	SC-8	18,788.25	8,012.51
Unfunded	SC-8	1,887,462.11	1,785,932.12
Bond Anticipation Notes	SC-9	2,818,979.00	2,962,906.00
Fund Balance	C	34,734.50	34,734.50
		<u>\$ 4,848,146.33</u>	<u>\$ 4,830,356.73</u>

Bonds and notes authorized but not issued on December 31, 2016 were \$182,502.00.

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

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 135,922.42	\$ 67,232.97
Due from Current	SD-1		444.30
Due from Water Utility Capital Fund	SD-1	349.20	358.68
		<u>136,271.62</u>	<u>68,035.95</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	SD-3	123,150.42	118,672.17
Total Operating Fund		<u>259,422.04</u>	<u>186,708.12</u>
Capital Fund:			
Cash	SD-1	1,647,746.62	1,685,232.48
Fixed Capital	SD-4	2,998,133.54	2,998,133.54
Fixed Capital Authorized and Uncompleted	SD-5	1,649,099.20	1,649,099.20
Total Capital Fund		<u>6,294,979.36</u>	<u>6,332,465.22</u>
		<u>\$ 6,554,401.40</u>	<u>\$ 6,519,173.34</u>

(Continued)

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves	D-3;SD-6	\$ 5,148.25	\$ 21,278.99
Reserve for Encumbrances	D-3;SD-6	7,712.19	16,036.87
Due to Current Fund	SD-1	9,836.51	
Accrued Interest on Bonds and Notes	SD-7	1,584.25	1,912.37
		<u>24,281.20</u>	<u>39,228.23</u>
Reserve for Receivables	D	123,150.42	118,672.17
Fund Balance	D-1	111,990.42	28,807.72
Total Operating Fund		<u>259,422.04</u>	<u>186,708.12</u>
Capital Fund:			
Reserve for Payment of Debt	D	5,322.36	5,322.36
Capital Improvement Fund	D	12,000.00	12,000.00
Due to Water Utility Operating Fund	SD-2	349.20	358.68
Improvement Authorizations			
Funded	SD-8	11,930.27	11,930.27
Unfunded	SD-8	1,599,692.55	1,637,168.93
Reserve for Amortization	SD-9	2,733,343.47	2,670,273.47
Deferred Reserve for Amortization	SD-10	11,930.27	11,930.27
Bond Anticipation Notes	SD-11	1,907,660.00	1,970,730.00
Fund Balance	D	12,751.24	12,751.24
Total Capital Fund		<u>6,294,979.36</u>	<u>6,332,465.22</u>
		<u>\$ 6,554,401.40</u>	<u>\$ 6,519,173.34</u>

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

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 6,000.00	\$ 20,900.00
Rents	446,088.40	402,767.64
Miscellaneous	9,799.79	8,635.48
Water Tower Lease	14,300.00	15,600.00
Cancel Rent Overpayments		624.00
Unexpended Balance of Appropriation Reserves	<u>23,417.13</u>	<u>6,324.65</u>
 Total Income	 <u>499,605.32</u>	 <u>454,851.77</u>
Expenditures:		
Operations:		
Salaries and Wages	157,000.00	172,950.00
Other Expenses	174,500.00	186,400.00
Debt Service	66,921.62	67,545.49
Deferred Charges and Statutory Expenditures	<u>12,001.00</u>	<u>13,380.00</u>
 Total Expenditures	 <u>410,422.62</u>	 <u>440,275.49</u>
 Excess in Revenue	 89,182.70	 14,576.28
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
 Statutory Excess to Fund Balance	 89,182.70	 14,576.28
 Fund Balance January 1	 <u>28,807.72</u>	 <u>35,131.44</u>
Total	117,990.42	49,707.72
Decreased by:		
Utilization as Anticipated Revenue	<u>6,000.00</u>	<u>20,900.00</u>
 Fund Balance December 31	 <u><u>\$ 111,990.42</u></u>	 <u><u>\$ 28,807.72</u></u>

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

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 6,000.00	\$ 6,000.00	
Water Rents	402,000.00	446,088.40	\$ 44,088.40
Miscellaneous	3,000.00	9,799.79	6,799.79
Water Tower Lease	<u>15,600.00</u>	<u>14,300.00</u>	<u>(1,300.00)</u>
	<u>\$ 426,600.00</u>	<u>\$ 476,188.19</u>	<u>\$ 49,588.19</u>

Analysis of Realized Revenue:

Miscellaneous:

Interest on Delinquent Accounts	\$ 2,827.41
Meter Fees	1,538.00
Water Connections	1,000.00
Interest on Deposits	<u>259.16</u>
	5,624.57
Interest on Water Capital Checking Account	<u>4,175.22</u>
	<u>\$ 9,799.79</u>

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

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 150,000.00	\$ 157,000.00	\$ 156,342.74		\$ 657.26
Other Expenses	165,000.00	158,000.00	146,458.22	\$ 7,712.19	3,829.59
Annual Audit	16,500.00	16,500.00	16,000.00		500.00
<b>Total Operations</b>	<b>331,500.00</b>	<b>331,500.00</b>	<b>318,800.96</b>	<b>7,712.19</b>	<b>\$ -</b>
Debt Service:					
Payment of Bond Anticipation Notes	63,070.00	63,070.00	63,070.00		
Interest on Notes	20,029.00	20,029.00	3,851.62		16,177.38
<b>Total Debt Service</b>	<b>83,099.00</b>	<b>83,099.00</b>	<b>66,921.62</b>	<b>-</b>	<b>16,177.38</b>
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	12,000.00	12,000.00	11,839.60		160.40
Unemployment Compensation Insurance	1.00	1.00			1.00
<b>Total Deferred Charges and Statutory Expenditures:</b>	<b>12,001.00</b>	<b>12,001.00</b>	<b>11,839.60</b>	<b>-</b>	<b>161.40</b>
<b>Total Water Utility Appropriations</b>	<b>\$ 426,600.00</b>	<b>\$ 426,600.00</b>	<b>\$ 397,562.18</b>	<b>\$ 7,712.19</b>	<b>\$ 16,177.38</b>
			\$ 3,851.62		
Interest on Bond and Notes Disbursed			393,710.56		
			<u>\$ 397,562.18</u>		

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

**BOROUGH OF BROOKLAWN**  
**PUBLIC ASSISTANCE TRUST FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2016 and 2015

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<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SE-1	<u>\$ 550.86</u>	<u>\$ 550.86</u>
 <u>LIABILITIES AND RESERVES</u>			
Due to Current Fund	SE-1	\$ 0.12	\$ 0.12
Reserve for Public Assistance	E	<u>550.74</u>	<u>550.74</u>
		<u>\$ 550.86</u>	<u>\$ 550.86</u>

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

**BOROUGH OF BROOKLAWN**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land	\$ 1,692,000.00			\$ 1,692,000.00
Building	3,244,400.00			3,244,400.00
Equipment	<u>2,488,661.79</u>	<u>\$ 102,540.15</u>	<u>\$ 130,848.40</u>	<u>2,460,353.54</u>
Total General Fixed Assets	<u>\$ 7,425,061.79</u>	<u>\$ 102,540.15</u>	<u>\$ 130,848.40</u>	<u>\$ 7,396,753.54</u>
Total Investment in General Fixed Assets	<u>\$ 7,425,061.79</u>	<u>\$ 102,540.15</u>	<u>\$ 130,848.40</u>	<u>\$ 7,396,753.54</u>

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

**BOROUGH OF BROOKLAWN**  
Notes to Financial Statements  
For the Year Ended December 31, 2016

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

**Description of Financial Reporting Entity** - The Borough of Brooklawn (hereafter referred to as the "Borough") was incorporated as a Borough on April 5, 1924 and is located in southwest New Jersey directly across the Delaware River from the City of Philadelphia. The population according to the latest census is 1,955.

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

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

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

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

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

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

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

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

**Public Assistance Fund** - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The governing body resolved to transfer all public assistance activities to the County of Camden effective December 31, 1998.

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$1,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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

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

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

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

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

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

**School Taxes** - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Brooklawn School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

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

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

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

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2016, the Borough's bank balances of \$4,964,431.03 were insured by FDIC and GUDPA.

**New Jersey Cash Management Fund** - During the year, the Borough participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2016, the Borough's deposits with the New Jersey Cash Management Fund were \$2,392.26.

**Note 3: PROPERTY TAXES**

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

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ 3.090	\$ 3.059	\$ 3.035	\$ 2.807	\$ 2.857
Apportionment of Tax Rate:					
Municipal	\$ 1.400	\$ 1.380	\$ 1.345	\$ 1.287	\$ 1.229
County	.706	.728	.747	.779	.793
County Open Space Trust Fund	.017	.018	.018	.019	.021
Local School	.967	.933	.925	.722	.814

**Note 3: PROPERTY TAXES (CONT'D)**

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

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2016	\$ 138,818,400.00
2015	140,133,300.00
2014	141,271,400.00
2013	141,919,477.00
2012	141,074,667.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 4,289,488.56	\$ 4,180,289.28	97.45%
2015	4,301,259.54	4,147,093.37	96.42%
2014	4,287,656.29	4,132,271.02	96.38%
2013	3,979,500.67	3,884,166.81	97.60%
2012	4,030,533.61	3,891,034.54	96.54%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 70,741.00	\$ 69,998.22	\$ 140,739.22	3.28%
2015	71,266.87	119,647.01	190,913.88	4.44%
2014	53,636.92	125,847.66	179,484.58	4.19%
2013	48,213.36	83,342.09	131,555.45	3.31%
2012	43,197.25	132,217.49	175,414.74	4.35%

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

<u>Year</u>	<u>Number</u>
2016	6
2015	6
2014	5
2013	5
2012	5

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

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

<u>Year</u>	<u>Amount</u>
2016	\$ 69,700.00
2015	69,700.00
2014	69,700.00
2013	69,700.00
2012	69,700.00

**Note 5: WATER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Beginning Balance Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2016	\$ 118,672.17	\$ 450,927.55	\$ 569,599.72	\$ 446,088.40
2015	91,945.10	429,494.71	521,439.81	402,767.64
2014	114,346.01	380,076.67	494,422.68	402,477.58
2013	90,186.14	400,743.28	490,929.42	376,583.41
2012	84,919.04	393,451.58	478,370.62	388,184.48

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 962,156.39	\$ 390,000.00	40.53%
2015	812,366.96	325,000.00	40.01%
2014	660,812.72	335,000.00	50.70%
2013	535,129.31	306,000.00	57.18%
2012	575,899.15	275,000.00	47.75%

**Note 6: FUND BALANCES APPROPRIATED (CONT'D)****Water Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 111,990.42	\$ 30,870.00	27.56%
2015	28,807.72	6,000.00	20.83%
2014	35,131.44	20,900.00	59.49%
2013	13,087.46	9,500.00	72.59%
2012	53,087.46	40,000.00	75.35%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 19,166.11	\$ 4,215.94
Federal and State Grant Fund	51,886.50	9,004.19
Trust - Animal Control		1.31
Trust - Other	4,215.94	
General Capital		52,210.48
Water Utility - Operating	349.20	9,836.51
Water Utility - Capital		349.20
Public Assistance Fund		0.12
	<u>\$ 75,617.75</u>	<u>\$ 75,617.75</u>

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

**Note 8: PENSION PLANS**

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

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

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

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

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

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

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

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

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

**Contributions**

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 16.67% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$83,310.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$67,915.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$35,624.23.

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

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

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 31.62% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$127,230.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$111,338.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$40,573.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2016 was 2.38% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 is \$9,591.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 was \$10,415.00, which was paid on April 1, 2016.

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

No Borough employees participated in the Defined Contribution Retirement Program (DCRP).

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

**Public Employees' Retirement System** - At December 31, 2016, the Borough's proportionate share of the PERS net pension liability was \$2,777,401.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0093776834%, which was an increase of 0.0014781269% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$317,755.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contributions to PERS were \$67,915.00, and were paid on April 1, 2015.

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

Borough's Proportionate Share of Net Pension Liability	\$ 2,980,863.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	250,319.00
	<u>\$ 3,231,182.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0156045217%, which was an increase of 0.0019072978% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0156045217%, which was an increase of 0.0019072978% from its proportion, on-behalf of the Borough, measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$234,590.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contributions to PFRS were \$111,338.00, and were paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2016 measurement date is \$250,319.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 51,651.00	\$ -	\$ 51,651.00	\$ -	\$ 19,540.00	\$ 19,540.00
Changes of Assumptions	575,329.00	412,874.00	988,203.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	105,905.00	208,863.00	314,768.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	267,563.00	219,400.00	486,963.00	25,081.00	432,333.00	457,414.00
Borough Contributions Subsequent to the Measurement Date	41,655.00	63,615.00	105,270.00	-	-	-
	<u>\$ 1,042,103.00</u>	<u>\$ 904,752.00</u>	<u>\$ 1,946,855.00</u>	<u>\$ 25,081.00</u>	<u>\$ 451,873.00</u>	<u>\$ 476,954.00</u>

Deferred outflows of resources totaling \$41,655.00 and \$63,615.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Borough's year end of December 31, 2016.

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

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

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

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

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

<u>Year Ending</u> <u>Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 217,593.00	\$ 59,798.00	\$ 277,391.00
2018	217,593.00	59,798.00	277,391.00
2019	243,752.00	109,875.00	353,627.00
2020	215,267.00	127,196.00	342,463.00
2021	81,162.00	32,597.00	113,759.00
	<u>\$ 975,367.00</u>	<u>\$ 389,264.00</u>	<u>\$ 1,364,631.00</u>

**Actuarial Assumptions**

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

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

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

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

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

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

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

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions**

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

**Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	<b>PERS</b>		
	<b>1% Decrease <u>(2.98%)</u></b>	<b>Current Discount Rate <u>(3.98%)</u></b>	<b>1% Increase <u>(4.98%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,403,381.00</u>	<u>\$ 2,777,401.00</u>	<u>\$ 2,260,600.00</u>

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

	<b>PFRS</b>		
	<b>1% Decrease <u>(4.55%)</u></b>	<b>Current Discount Rate <u>(5.55%)</u></b>	<b>1% Increase <u>(6.55%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,843,604.00	\$ 2,980,863.00	\$ 2,277,349.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>322,768.00</u>	<u>250,319.00</u>	<u>191,241.20</u>
	<u>\$ 4,166,372.00</u>	<u>\$ 3,231,182.00</u>	<u>\$ 2,468,590.20</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0093776834%	0.0078995565%	0.0076864518%	0.0079321327%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,777,401.00	\$ 1,773,292.00	\$ 1,439,114.00	\$ 1,515,988.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 634,140.00	\$ 545,516.00	\$ 534,796.00	\$ 547,784.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	437.98%	325.07%	269.10%	276.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 83,310.00	\$ 67,915.00	\$ 63,366.00	\$ 59,767.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(83,310.00)</u>	<u>(67,915.00)</u>	<u>(63,366.00)</u>	<u>(59,767.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 499,789.00	\$ 596,213.00	\$ 546,032.00	\$ 524,824.00
Borough's Contributions as a Percentage of its Covered Payroll	16.67%	11.39%	11.60%	11.39%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0156045217%	0.0136972239%	0.0151974614%	0.0196497222%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,980,863.00	\$ 2,281,480.00	\$ 1,911,700.00	\$ 2,612,253.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	250,319.00	200,078.00	205,858.00	243,494.00
Total	<u>\$ 3,231,182.00</u>	<u>\$ 2,481,558.00</u>	<u>\$ 2,117,558.00</u>	<u>\$ 2,855,747.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 498,760.00	\$ 433,768.00	\$ 429,188.00	\$ 616,672.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.65%	525.97%	445.42%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

***Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 127,230.00	\$ 111,338.00	\$ 116,727.00	\$ 143,360.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(127,230.00)</u>	<u>(111,338.00)</u>	<u>(116,727.00)</u>	<u>(143,360.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 402,314.00	\$ 443,617.00	\$ 434,269.00	\$ 431,873.00
Borough's Contributions as a Percentage of its Covered Payroll	31.62%	25.10%	26.88%	33.19%

**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

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

Changes in Benefit Terms - None

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

**Note 9: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated, up to a maximum of sixty days, and carried forward to subsequent years. After accumulating sixty days, an employee may sell back a maximum of ten days per year at seventy-five percent of the employee's normal rate of pay. Vacation days are earned based on a schedule detailed in the Borough's policy manual. A maximum of five days not used during the year may be carried forward into the subsequent year. Vacation days must be used in that year or forfeited.

The Borough compensates employees for unused sick leave and vacation upon termination or retirement. The Borough's policy manual details the various payment options. The maximum pay-out, per the policy manual, is \$15,000.00 payable upon termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$79,351.56.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 11: LEASE OBLIGATIONS**

At December 31, 2016, the Borough had lease agreements in effect for the following:

Operating:  
One (1) Xerox 7225 Copier

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

<u>Year</u>	<u>Amount</u>
2017	\$ 1,788.00
2018	1,788.00
2019	1,788.00
2020	596.00

Rental payments under operating leases for the year 2016 were \$1,788.00.

**Note 12: CAPITAL DEBT**

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

**Summary of Debt**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 2,818,979.00	\$ 2,962,906.00	\$ 1,528,831.00
Water Utility:			
Bonds and Notes	1,907,660.00	1,970,730.00	543,500.00
Total Issued	4,726,639.00	4,933,636.00	2,072,331.00
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	182,502.00	-	-
Total Issued and Authorized but not Issued	4,909,141.00	4,933,636.00	2,072,331.00
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds	25,376.71	25,376.71	
Water Utility:			
Self-Liquidating	1,907,660.00	1,970,730.00	543,500.00
Total Deductions	1,933,036.71	1,996,106.71	543,500.00
<b>Net Debt</b>	<b>\$ 2,976,104.29</b>	<b>\$ 2,937,529.29</b>	<b>\$ 1,528,831.00</b>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.559%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,674,000.00	\$ 2,674,000.00	
Self-Liquidating	1,907,660.00	1,907,660.00	
General	3,001,481.00	25,376.71	\$ 2,976,104.29
	<u>\$ 7,583,141.00</u>	<u>\$ 4,607,036.71</u>	<u>\$ 2,976,104.29</u>

Net debt \$2,976,104.29 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$116,320,819.33, equals 2.559%.

**Note 12: CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	4,071,228.68
Less: Net Debt		<u>2,976,104.29</u>
Remaining Borrowing Power	\$	<u><u>1,095,124.39</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	476,188.19
Deductions:		
Operating and Maintenance Costs	\$	338,352.75
Debt Service		<u>66,921.62</u>
Total Deductions		<u>405,274.37</u>
Excess in Revenue	\$	<u><u>70,913.82</u></u>

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

**Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 50,000.00	\$ 10,000.00

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

**Note 14: SCHOOL TAXES**

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

	<b><u>Balance December 31,</u></b>	
	<b><u>2015</u></b>	<b><u>2015</u></b>
Balance of Tax	\$ 760,482.50	\$ 736,749.50
Deferred	<u>671,391.00</u>	<u>654,336.00</u>
	<u>\$ 89,091.50</u>	<u>\$ 82,413.50</u>

**Note 15: RISK MANAGEMENT**

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

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 13,000.00	\$ 28.54	\$ 25,110.08	\$ 1,944.84
2015	10,000.00	29.30	1,021.89	14,026.38
2014	12,000.00	31.42	25,136.32	5,018.97

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

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

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

The Fund provides the Borough with the following coverage:

- Property - Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Worker's Compensation
- Crime Coverage

**Note 15: RISK MANAGEMENT (CONT'D)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

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

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

**Note 16: CONTINGENCIES**

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

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

**Note 17: CONCENTRATIONS**

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

**Note 18: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Introduced</u>	<u>Authorization</u>
<b>General Improvements</b>		
Ord. 2017-9 Various Capital Improvements	03/20/17	\$190,855.00

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For the Year Ended December 31, 2016

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2015	\$ 1,227,170.71	\$ 43,113.97
Increased by Receipts:		
Taxes Receivable	\$ 4,188,966.82	
Prepaid Taxes	80,677.17	
Tax Overpayments	8,214.91	
Tax Title Liens	36,308.55	
Due to State of New Jersey:		
Senior Citizens and Veterans Deductions	22,177.95	
Marriage License Fees	250.00	
State Training Fees	2,059.00	
Rents Receivable - Borough-Owned Homes	322,982.38	
Prepaid Rents on Borough Owned Homes	5.00	
Revenue Accounts Receivable	605,468.88	
Interlocal Service Agreements	8,458.00	
Miscellaneous Revenue Not Anticipated	123,488.69	
Due to Lienholder	13,469.08	
Due from Trust - Animal Control Fund	1.67	
Due from Trust - Other Fund	5,526.53	
Due from General Capital Fund	299.61	
Due from Water Utility Operating Fund	17,419.26	
Due from Public Assistance Fund	0.12	
Due to Camden County M.U.A.	55,879.41	
Petty Cash (Contra)	200.00	
Federal and State Grants Fund:		
Federal and State Grants Receivable		\$ 22,085.17
Reserve for Federal and State Grants		10,734.19
	<u>5,491,853.03</u>	<u>32,819.36</u>
Carried Forward	6,719,023.74	75,933.33

(Continued)



**BOROUGH OF BROOKLAWN**  
CURRENT FUND  
Statement of Change Funds  
For the Year Ended December 31, 2016

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Balance December 31, 2016	<u>\$ 240.00</u>
	<u>Analysis of Balance</u>
Collector - Treasurer	\$ 100.00
Police	30.00
Municipal Court	<u>110.00</u>
	<u>\$ 240.00</u>

**BOROUGH OF BROOKLAWN**  
 CURRENT FUND  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2016

Year	Balance	2016 Levy	Added	Collections		Due from State of New Jersey	Overpayments Applied	Canceled	Transfer to Liens	Balance
	Dec. 31, 2015		Taxes	2015	2016					Dec. 31, 2016
2014	\$ 53.17				\$ 53.17					
2015	119,593.84		\$ 1,750.00		105,444.51		\$ 313.74		\$ 11,833.54	\$ 3,752.05
	119,647.01	\$ -	1,750.00	\$ -	105,497.68	\$ -	313.74	\$ -	11,833.54	3,752.05
2016		4,289,488.56		63,325.40	4,083,469.14	22,687.44	10,807.30	22,027.84	20,925.27	66,246.17
	<u>\$ 119,647.01</u>	<u>\$ 4,289,488.56</u>	<u>\$ 1,750.00</u>	<u>\$ 63,325.40</u>	<u>\$ 4,188,966.82</u>	<u>\$ 22,687.44</u>	<u>\$ 11,121.04</u>	<u>\$ 22,027.84</u>	<u>\$ 32,758.81</u>	<u>\$ 69,998.22</u>

Analysis of 2016 Property Tax Levy

Tax Yield:

General Property Tax	\$ 4,289,488.56
Added Taxes (54:4-63.1 et. seq.)	-
	<u>\$ 4,289,488.56</u>

Tax Levy:

Local School District Tax (Abstract)	\$1,342,782.00
County Taxes:	
County Tax (Abstract)	\$ 919,709.50
County Library	58,726.93
Open Space	<u>22,955.97</u>
Total County Taxes	1,001,392.40
Local Tax for Municipal Purposes	1,944,150.00
Add: Additional Tax Levied	<u>1,164.16</u>
	<u>1,945,314.16</u>
	<u>\$ 4,289,488.56</u>

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

Balance December 31, 2015		\$	71,266.87
Increased by:			
Transfer from Taxes Receivable	\$ 32,758.81		
Interest and Cost to Date of Sale	<u>3,023.87</u>		
			<u>35,782.68</u>
			107,049.55
Decreased by:			
Collections			<u>36,308.55</u>
Balance December 31, 2016		\$	<u><u>70,741.00</u></u>

## Exhibit SA-5

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	15,313.43
Increased by:			
Received from State of New Jersey			<u>22,177.95</u>
			37,491.38
Accrued in 2016 to Municipality:			
Senior Citizens' Deductions per Tax Billings	\$ 10,750.00		
Veterans' Deductions per Tax Billings	13,500.00		
Deductions Allowed by Collector - 2016 Taxes	<u>250.00</u>		
			24,500.00
Deduct:			
Deductions Disallowed by Collector - 2016 Taxes	<u>1,812.56</u>		
Subtotal 2016 Tax Accrual			22,687.44
Deduct:			
Deductions Disallowed by Collector - Prior Taxes	<u>1,750.00</u>		
			<u>20,937.44</u>
Balance December 31, 2016		\$	<u><u>16,553.94</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Rents Receivable - Borough Owned Homes  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 15,123.89
Increased by:		
2016 Rental Charges and Late Fees		330,526.00
		345,649.89
Decreased by:		
Receipts	\$ 322,982.38	
Prepayments Applied	3,030.00	
		326,012.38
Balance December 31, 2016		\$ 19,637.51

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

	Balance	Accrued		Trust	Trust	General	Public	Balance	
	<u>Dec. 31, 2015</u>	<u>In 2016</u>	<u>Collected</u>	<u>Other - Animal</u>	<u>Other Fund</u>	<u>Capital Fund</u>	<u>Assistance</u>	<u>Dec. 31, 2016</u>	
Miscellaneous Revenue Anticipated:									
Licenses:									
Alcoholic Beverages		\$ 12,650.00	\$ 12,650.00						
Other		8,655.00	8,655.00						
Construction Code Official									
Fees and Permits		28,973.00	28,973.00						
Municipal Court:									
Fines and Costs	\$ 7,479.45	86,999.74	86,763.01					\$ 7,716.18	Dec. 2016
Interest on Bank Accounts	3.86	40.03	40.75					3.14	Dec. 2016
Interest and Costs on Taxes		21,149.05	21,149.05						
Interest on Investments		7,694.76	7,337.79	\$ 1.31	\$ 31.56	\$ 323.98	\$ 0.12		
Uniform Fire Safety Act:									
Fees and Permits		1,565.00	1,565.00						
Hotel/Motel Tax		51,723.88	51,723.88						
Rental Registration Fees		24,520.00	24,520.00						
Uniform Fire Safety Act		4,440.80	4,440.80						
Consolidated Municipal Property Tax Relief Aid		3,666.00	3,666.00						
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		195,843.00	195,843.00						
Sewer Service Fees		158,141.60	158,141.60						
	<u>\$ 7,483.31</u>	<u>\$ 606,061.86</u>	<u>\$ 605,468.88</u>	<u>\$ 1.31</u>	<u>\$ 31.56</u>	<u>\$ 323.98</u>	<u>\$ 0.12</u>	<u>\$ 7,719.32</u>	

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Statement of Reserve for Revaluation  
 For the Year Ended December 31, 2016

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Balance December 31, 2015	\$	16,185.00
Increased by:		
Added in 2016		50,000.00
		66,185.00
Decreased by:		
Disbursements		36,824.56
Balance December 31, 2016	\$	29,360.44

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Statement of Deferred Charges - Special Emergency Authorizations (40A:4-53)  
 For the Year Ended December 31, 2016

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<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>
July 18, 2016	Reserve for Revaluation	\$ 50,000.00

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

	<u>Balance December 31, 2015</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
<b>GENERAL GOVERNMENT</b>					
Administrative and Executive					
Salaries and Wages					
Municipal Clerk's Office		\$ 2,241.46	\$ 2,241.46		\$ 2,241.46
Mayor and Council		327.00	327.00		327.00
Borough Recorder		439.00	439.00		439.00
Other Expenses					
Printing and Legal	\$ 150.00	1,531.70	1,681.70	\$ 36.75	1,644.95
Mayor and Council	290.00	105.53	395.53	290.00	105.53
Miscellaneous Other Expenses	457.00	2,640.20	3,097.20	308.00	2,789.20
Elections					
Other Expenses		948.74	948.74		948.74
Financial Administration					
Salaries and Wages:					
Treasurer's Office		2,319.46	2,319.46		2,319.46
Chief Financial Officer		698.07	698.07		698.07
Assessment of Taxes					
Salaries and Wages		300.04	300.04		300.04
Other Expenses		0.83	0.83		0.83
Collection of Taxes					
Salaries and Wages		653.92	653.92		653.92
Other Expenses		1,114.79	1,114.79		1,114.79
Legal Services					
Other Expenses	27.00	351.73	378.73	27.00	351.73
Administration of Borough Owned Homes					
Salaries and Wages		92.19	92.19		92.19
Municipal Prosecutor					
Salaries and Wages		4.98	4.98		4.98

(Continued)

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

	<u>Balance December 31, 2015</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT (CONT'D):</b>					
Engineering Services and Costs					
Other Expenses		\$ 8,526.25	\$ 8,526.25		\$ 8,526.25
Public Buildings and Grounds					
Other Expenses	\$ 964.22	394.07	1,358.29	\$ 1,036.01	322.28
Maintenance of Borough-Owned Homes					
Salaries and Wages		223.92	223.92		223.92
Other Expenses	7,138.40	8.41	7,146.81	7,138.20	8.61
Municipal Land Use Law ( N.J.S.A. 40:55D-1)					
Planning & Zoning Boards					
Salaries and Wages		551.11	551.11		551.11
Other Expenses		1,543.86	1,543.86		1,543.86
Group Insurance Plan for Employees		56,637.88	56,637.88		56,637.88
Health Benefit Waiver		1,688.06	1,688.06		1,688.06
Other Insurance Premiums		0.45	0.45		0.45
Animal Control					
Other Expenses		2,987.32	2,987.32		2,987.32
Celebration of Public Events					
Other Expenses		33.56	33.56		33.56
<b>PUBLIC SAFETY</b>					
Fire Prevention					
Salaries and Wages		86.96	86.96		86.96
Other Expenses	678.00	22.77	700.77	678.00	22.77
Police					
Salaries and Wages		90.82	90.82		90.82
Other Expenses	1,377.99	1,205.39	2,583.38	1,560.49	1,022.89
Volunteer Fire Misc.					
Other Expenses	365.91	86.91	452.82	399.89	52.93

(Continued)

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

	<u>Balance December 31, 2015</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
PUBLIC SAFETY (CONT'D)					
Volunteer Ambulance Assoc.					
Other Expenses	\$ 2,543.93	\$ 722.46	\$ 3,266.39	\$ 1,990.94	\$ 1,275.45
Municipal Code Enforcement Official					
Salaries and Wages		935.42	935.42		935.42
Other Expenses		809.89	809.89		809.89
Office of Emergency Management					
Salaries and Wages		160.00	160.00		160.00
Other Expenses		587.79	587.79		587.79
Municipal Court					
Salaries and Wages		1,991.24	1,991.24		1,991.24
Other Expenses	300.00	493.86	793.86	547.34	246.52
Traffic Signal					
Other Expenses		1,156.44	1,156.44		1,156.44
STREETS AND ROADS					
Road Repairs & Maintenance					
Salaries and Wages	1,208.88	246.18	1,455.06	1,208.88	246.18
Other Expenses	190.35	559.93	750.28	306.91	443.37
Vehicle Maintenance					
Other Expenses	1,263.17	2,978.49	4,241.66	507.01	3,734.65
SANITATION					
Sewer System					
Salaries and Wages		699.11	699.11		699.11
Other Expenses	2,077.19	3,139.29	5,216.48	1,815.60	3,400.88

(Continued)

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

	<u>Balance December 31, 2015</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
SANITATION (CONT'D)					
Garbage & Trash Removal					
Salaries and Wages		\$ 1,781.55	\$ 1,781.55		\$ 1,781.55
Other Expenses		1,977.13	1,977.13		1,977.13
Sanitary Landfill					
Other Expenses	\$ 6,037.76	10,337.53	16,375.29	\$ 4,063.90	12,311.39
Recycling					
Salaries and Wages		30.19	30.19		30.19
Other Expenses	1,431.20	650.05	2,081.25	1,344.20	737.05
HEALTH AND WELFARE:					
Board of Health					
Salaries and Wages		40.00	40.00		40.00
Other Expenses		547.49	547.49		547.49
Parks & Playgrounds					
Other Expenses	1,060.50	3,997.89	5,058.39	1,060.53	3,997.86
Shade Tree Commission					
Salaries and Wages		43.00	43.00		43.00
Other Expenses	175.00	83.94	258.94	175.00	83.94
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official					
Salaries and Wages		87.88	87.88		87.88
Subcode Officials:					
Electrical Inspector					
Salaries and Wages		4.97	4.97		4.97
Fire Inspector					
Salaries and Wages		1,822.02	1,822.02		1,822.02
Plumbing Official					
Salaries and Wages		66.96	66.96		66.96

(Continued)

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

	<u>Balance December 31, 2015</u>		<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
GENERAL GOVERNMENT (CONT'D)					
UTILITIES:					
Utilities	\$ 1,194.41	\$ 22,959.74	\$ 24,154.15	\$ 3,671.62	\$ 20,482.53
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)		3,662.79	3,662.79		3,662.79
OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax		1,382.08	1,382.08	741.27	640.81
Interlocal Service Agreement - Borough of Merchantville					
Fire Sub-code Official Services	<u>1,072.00</u>	<u>615.02</u>	<u>1,687.02</u>	<u>1,072.00</u>	<u>615.02</u>
	<u>\$ 30,002.91</u>	<u>\$ 152,427.71</u>	<u>\$ 182,430.62</u>	<u>\$ 29,979.54</u>	<u>\$ 152,451.08</u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 75.00
Increased by:	
Receipts	250.00
	325.00
Decreased by:	
Disbursements	275.00
Balance December 31, 2016	\$ 50.00

## Exhibit SA-12

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - State Training Fees Payable  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 3,933.00
Increased by:	
Receipts	2,059.00
	5,992.00
Decreased by:	
Disbursements	5,400.00
Balance December 31, 2016	\$ 592.00

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

---

Balance December 31, 2015	\$ 23,971.96
Increased by:	
Payroll Deductions	<u>593,498.65</u>
	617,470.61
Decreased by:	
Disbursements	<u>590,109.66</u>
Balance December 31, 2016	<u><u>\$ 27,360.95</u></u>

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

---

Balance December 31, 2015		\$ 63,325.40
Increased by:		
Collection - 2017 Taxes		<u>80,677.17</u>
		144,002.57
Decreased by:		
Application to 2016 Taxes		<u>63,325.40</u>
Balance December 31, 2016		<u><u>\$ 80,677.17</u></u>

## Exhibit SA-15

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 17,770.23
Increased by:		
Cash Receipts		<u>8,214.91</u>
		25,985.14
Decreased by:		
Overpayments Applied 2015	\$ 313.74	
Overpayments Applied 2016	<u>10,807.30</u>	
		<u>11,121.04</u>
Balance December 31, 2016		<u><u>\$ 14,864.10</u></u>

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

---

2016 Levy -	
County General	\$ 919,709.50
County Library	58,726.93
Open Space	<u>22,955.97</u>
	1,001,392.40
Decreased by:	
Disbursements	<u><u>\$ 1,001,392.40</u></u>

Exhibit SA-17

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Amount Due to County for Added Taxes  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 3,556.09
Decreased by:	
Disbursements	<u><u>\$ 3,556.09</u></u>

Exhibit SA-18

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Prepaid Rents on Borough Owned Homes  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 3,030.00
Increased by:	
Collection - 2017 Rents	<u>5.00</u>
	3,035.00
Decreased by:	
Applied to Rents Receivable	<u>3,030.00</u>
Balance December 31, 2016	<u><u>\$ 5.00</u></u>

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

<hr/>		
Balance December 31, 2015		
School Taxes Payable	\$ 82,413.50	
School Taxes Deferred	<u>654,336.00</u>	
		\$ 736,749.50
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>1,342,782.00</u>
		2,079,531.50
Decreased by:		
Disbursements		<u>1,319,049.00</u>
Balance December 31, 2016		
School Taxes Payable	89,091.50	
School Taxes Deferred	<u>671,391.00</u>	
		<u>\$ 760,482.50</u>
<u>2016 Liability for Local District School Tax:</u>		
Tax Paid		\$ 1,319,049.00
Add:		
Taxes Payable December 31, 2016		<u>89,091.50</u>
		1,408,140.50
Less:		
Taxes Payable December 31, 2015		<u>82,413.50</u>
Amount Charged to 2016 Operations		<u>\$ 1,325,727.00</u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance Dec. 31, 2015</u>	<u>Accrued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
<b>Federal Grants:</b>				
COPS Hiring Recovery Grant	\$ 18,571.69			\$ 18,571.69
Bulletproof Vest Partnership	1,160.50			1,160.50
	<u>19,732.19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>19,732.19</u>
<b>State Grants:</b>				
Clean Communities Program		4,621.10	4,621.10	
Body Armor Replacement Fund		981.19	981.19	
Municipal Alliance on Alcoholism and Drug Abuse	11,055.38	6,920.00	6,920.00	11,055.38
Drunk Driving Enforcement Grant		3,427.32	3,427.32	
Safe & Secure Communities Grant	30,000.00	30,000.00		60,000.00
Recreational Facility Enhancement Funding	372.27			372.27
New Jersey Department of Transportation - Community Road	61,190.00		51,886.50	9,303.50
Recycling Tonnage Grant		6,135.56	6,135.56	
Total State Grants	<u>102,617.65</u>	<u>52,085.17</u>	<u>73,971.67</u>	<u>80,731.15</u>
<b>Camden County:</b>				
Recreation Enhancement Grant	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>
<b>Total All Grants</b>	<u><u>\$ 147,349.84</u></u>	<u><u>\$ 52,085.17</u></u>	<u><u>\$ 73,971.67</u></u>	<u><u>\$ 125,463.34</u></u>
		Cash Receipts	\$ 22,085.17	
		Due from General Capital Fund	<u>51,886.50</u>	
			<u><u>\$ 73,971.67</u></u>	

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Reserve for State Grants - Unappropriated  
 For the Year Ended December 31, 2016

<u>Program</u>	<u>Accrued</u>	<u>Realized as Miscellaneous Revenue in 2016 Budget</u>	<u>Balance Dec. 31, 2016</u>
State Grants:			
Clean Communities Program	\$ 4,621.10	\$ 4,621.10	
Body Armor Replacement Fund	981.19	981.19	
Drunk Driving Enforcement Grant	3,427.32	3,427.32	
Municipal Alliance on Alcoholism and Drug Abuse	6,920.00	6,920.00	
Safe & Secure Communities Grant	30,000.00	30,000.00	
Recycling Tonnage Grant	6,135.56		\$ 6,135.56
	<u>52,085.17</u>	<u>45,949.61</u>	<u>6,135.56</u>
Total State Grants	<u>\$ 52,085.17</u>	<u>\$ 45,949.61</u>	<u>\$ 6,135.56</u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Reserves for Federal and State Grants - Appropriated  
 For the Year Ended December 31, 2016

<u>Program</u>	<u>Dec. 31, 2015</u>		<u>Transferred from</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u>
	<u>Balance</u>	<u>Encumbrances</u>	<u>2016 Budget</u> <u>Appropriation</u>			<u>Dec. 31, 2016</u>
Federal Grants:						
COPS Hiring Recovery Grant	\$ 24,556.28					\$ 24,556.28
Bulletproof Vest Partnership	1,674.30			\$ 440.00		1,234.30
<b>Total Federal Grants</b>	<b>26,230.58</b>	<b>\$ -</b>	<b>\$ -</b>	<b>440.00</b>	<b>\$ -</b>	<b>25,790.58</b>
State Grants:						
Recreational Facility Enhancement Funding - Concession Stand/Ballfields	1,703.39					1,703.39
Body Armor Replacement Fund	6,670.18		981.19	440.00		7,211.37
Recycling Tonnage Grant	20,236.97					20,236.97
Safe and Secure Grant	28,636.46		30,000.00	28,539.91		30,096.55
Drunk Driving Enforcement Grant	1,963.86	36.54	3,427.32	3,406.95	200.73	1,820.04
Clean Communities Grant	0.96		4,621.10	4,622.06		
Municipal Alliance on Alcoholism and Drug Abuse	20,418.71		8,650.00	7,668.55		21,400.16
New Jersey Department of Transportation - Community Road	53,687.25	5,805.25		5,805.25		53,687.25
<b>Total State Grants</b>	<b>133,317.78</b>	<b>5,841.79</b>	<b>47,679.61</b>	<b>50,482.72</b>	<b>200.73</b>	<b>136,155.73</b>
Camden County: Recreation Enhancement Grant	25,000.00	-	-	25,000.00	-	-
<b>Total All Grants</b>	<b>\$ 184,548.36</b>	<b>\$ 5,841.79</b>	<b>\$ 47,679.61</b>	<b>\$ 75,922.72</b>	<b>\$ 200.73</b>	<b>\$ 161,946.31</b>

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Trust Cash - Treasurer  
For the Year Ended December 31, 2016

	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2015	\$ 7,526.60	\$ 205,454.37
Increased by Receipts:		
Animal Control Fees	\$ 3,380.00	
State Registration Fees	318.00	
Late Fees	300.00	
Due Current Fund	20.93	\$ 380.86
Community Development Block Grants Receivable		9,177.00
Reserve for Off Duty Police Work		70,238.05
Reserve for Security Deposits on Borough Owned Homes		5,697.22
Reserve for Unemployment Compensation Insurance		13,028.54
Reserve for Recreation Donations		3,727.00
Reserve for Parking Offenses Adjudication Act		6.00
Reserve for Local Law Enforcement		395.32
Reserve for Public Defender Fees		7,236.00
Reserve for Tax Title Lien Redemptions		83,722.75
Reserve for Tax Sale Premiums		20,300.00
	4,018.93	213,908.74
	11,545.53	419,363.11
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash	5,420.62	
State Registration Fees	318.00	
Due Current Fund	21.29	1,628.33
Reserves for:		
Off Duty Police Work		43,027.16
Community Development Block Grants		5,295.23
Security Deposits on Borough Owned Homes		3,354.10
Unemployment Compensation Insurance		25,110.08
Recreation Donations		3,353.84
Public Defender Fees		5,969.93
Local Law Enforcement		4,395.54
Site Plan Escrow Expenses		10,331.49
Tax Title Lien Redemptions		88,131.30
Tax Sale Premiums		30,900.00
	5,759.91	221,497.00
Balance December 31, 2016	\$ 5,785.62	\$ 197,866.11

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
 Animal Control Fund  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 7,524.93
Increased by Receipts:		
Dog License Fees Collected	\$ 2,765.00	
Cat License Fees Collected	615.00	
	3,380.00	
Late Fees	300.00	
		3,680.00
		11,204.93
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash		5,420.62
Balance December 31, 2016		\$ 5,784.31

License Fees Collected

<u>Year</u>	<u>Amount</u>
2014	\$ 4,143.00
2015	3,820.00
	\$ 7,963.00

Exhibit SB-3

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
 Animal Control Fund  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1.67
Increased by:		
Interest Earned		20.93
		22.60
Decreased by:		
Interest Disbursed to Current Fund Realized as Anticipated Revenue	\$ 19.62	
Interfund Returned	1.67	
	21.29	
Balance December 31, 2016		\$ 1.31

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

---

Balance December 31, 2015 (Due to)		\$ 1,279.03
Decreased by:		
Interest Disbursed to Current Fund Realized as Anticipated Revenue	\$ 349.30	
Interfund Returned	<u>1,279.03</u>	
	1,628.33	
Site Plan Escrow Erroneously Deposited in Current Fund	<u>4,247.50</u>	
		<u>5,875.83</u>
		4,596.80
Increased by:		
Interest Earned		<u>380.86</u>
Balance December 31, 2016 (Due from)		<u><u>\$ 4,215.94</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Community Development Block Grants Receivable  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$	12,848.46
Increased by:		
Community Development Block Grant Receivable		40,700.00
		53,548.46
Decreased by:		
Cash Receipts		9,177.00
Balance December 31, 2016	\$	44,371.46

Exhibit SB-6

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Off-Duty Police Work  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$	87,946.88
Increased by:		
Receipts		70,238.05
		158,184.93
Decreased by:		
Disbursements		43,027.16
Balance December 31, 2016	\$	115,157.77

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Community Development Block Grants  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 2,562.73
Increased by:		
Community Development Block Grant Receivable		40,700.00
		43,262.73
Decreased by:		
Disbursements		5,295.23
Balance December 31, 2016		\$ 37,967.50

Exhibit SB-8

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Security Deposits on  
Borough Owned Homes  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 34,506.50
Increased by:		
Deposits	\$ 5,667.00	
Interest	30.22	
		5,697.22
		40,203.72
Decreased by:		
Refunds		3,354.10
Balance December 31, 2016		\$ 36,849.62

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Unemployment Compensation Insurance  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$	14,026.38
Increased by:			
Budget Appropriations:			
Current Fund	\$	13,000.00	
Interest Earned		<u>28.54</u>	
			<u>13,028.54</u>
			27,054.92
Decreased by:			
Claims Paid			<u>25,110.08</u>
Balance December 31, 2016		\$	<u><u>1,944.84</u></u>

**Exhibit SB-10**

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Parking Offenses Adjudication Act  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$	371.00
Increased by:			
Cash Received from Municipal Court			<u>6.00</u>
Balance December 31, 2016		\$	<u><u>377.00</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Local Law Enforcement  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 7,396.24
Increased by:		
Contributions	\$ 381.50	
Interest Earned on Deposits	<u>13.82</u>	
		<u>395.32</u>
		7,791.56
Decreased by:		
Cash Disbursements		<u>4,395.54</u>
Balance December 31, 2016		<u><u>\$ 3,396.02</u></u>

Exhibit SB-12

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Public Defender Fees  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 1,828.73
Increased by:		
Public Defender Fees		<u>7,236.00</u>
		9,064.73
Decreased by:		
Public Defender Expenses		<u>5,969.93</u>
Balance December 31, 2016		<u><u>\$ 3,094.80</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Recreation Donations  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 3,682.42
Increased by:	
Donations Received	<u>3,727.00</u>
	7,409.42
Decreased by:	
Donations Disbursed	<u>3,353.84</u>
Balance December 31, 2016	<u><u>\$ 4,055.58</u></u>

Exhibit SB-14

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Tax Title Lien Redemptions  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 6,279.93
Increased by:	
2016 Deposits for Tax Title Lien Redemptions	<u>83,722.75</u>
	90,002.68
Decreased by:	
Disbursed - Tax Title Certificates Redeemed	<u>88,131.30</u>
Balance December 31, 2016	<u><u>\$ 1,871.38</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Tax Sale Premiums  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$	39,400.00
Increased by:		
Tax Sale Premiums Received		20,300.00
		59,700.00
Decreased by:		
Tax Sale Premiums Returned		30,900.00
Balance December 31, 2016	\$	28,800.00

## Exhibit SB-16

**BOROUGH OF BROOKLAWN**  
**TRUST OTHER FUND**  
Statement of Reserve for Site Plan Review Escrow  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$	9,552.19
Increased by:		
Escrow Deposits - Due from Current Fund		4,247.50
		13,799.69
Decreased by:		
Cash Disbursements		10,331.49
Balance December 31, 2016	\$	3,468.20

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash - Treasurer  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 1,459,047.44
Increased by Receipts:		
Due to Current Fund	\$ 3,730.15	
Due to Federal and State Grant Fund	51,886.50	
New Jersey Transportation Trust Fund	89,582.77	
Bond Anticipation Notes	54,998.00	
Capital Improvement Fund	10,000.00	
		210,197.42
		1,669,244.86
Decreased by Disbursements:		
Improvement Authorizations	137,694.27	
Due to Current Fund	3,705.78	
		141,400.05
Balance December 31, 2016		\$ 1,527,844.81

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash and Investments  
 For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Receipts		Disbursements		Transfers		Balance Dec. 31, 2016
		Bond Anticipation Notes	Miscel- laneous	Improvement Authorizations	Miscel- laneous	From	To	
Capital Improvement Fund	\$ 13,095.28		\$ 10,000.00			\$ 12,500.00		\$ 10,595.28
Fund Balance	34,734.50							34,734.50
Excess Note Proceeds - Reserve to Pay Notes	25,376.71							25,376.71
<b>Improvement Authorizations:</b>								
<u>Ord. No.</u>								
2004-12 Improvements to Borough-Owned Properties	6,288.25							6,288.25
2006-14 Acquisition of Computer & Recording Equipment	12,224.26			\$ 8,994.28		2,812.00		417.98
2011-6 Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	9,643.78					9,643.78		
2011-10 Repair and Reconstruction of Sanitary Sewer System	364.74							364.74
2011-11 Improvements to Approaches to Railroad Grade Crossings	5,537.50			517.50				5,020.00
2011-12 Supplemental Funding for Repair and Reconstruction or Sanitary Sewer System	5,821.52							5,821.52
2012-7 Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	1,034.50							1,034.50
2013-3 Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	53,604.93			2,837.81		49,149.12		1,618.00
2013-11 Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	56,306.73							56,306.73
2014-7 Various Capital Improvements and Providing Funding for Preliminary Costs	113,950.03			53,605.06				60,344.97
2015-7 Various Capital Improvements and Acquisition of Real Property	41,168.39			7,633.07				33,535.32
2015-9 Various Capital Improvements to the Utility (Sewer)	1,488,000.00			6,448.30				1,481,551.70
2016-11 Acquisition of and Improvements to Real Property		\$ 54,998.00				\$ 12,500.00		67,498.00
2016-12 Canceling and Reappropriating Balances for Capital Projects				57,658.25			61,604.90	3,946.65
New Jersey Transportation Trust Fund Receivable	(208,403.29)		89,582.77					(118,820.52)
Grant Receivable - Camden County Improvement Authority	(200,000.00)							(200,000.00)
Federal and State Grant Fund			51,886.50					51,886.50
Current Fund	299.61		3,730.15		\$ 3,705.78			323.98
	<u>\$ 1,459,047.44</u>	<u>\$ 54,998.00</u>	<u>\$ 155,199.42</u>	<u>\$ 137,694.27</u>	<u>\$ 3,705.78</u>	<u>\$ 74,104.90</u>	<u>\$ 74,104.90</u>	<u>\$ 1,527,844.81</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2016	Analysis of Balance Dec. 31, 2016		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
2006-8	Road Improvements to North & South Wilson Ave.	\$ 9,915.00		\$ 6,215.00	\$ 3,700.00	\$ 3,700.00		
2006-14	Acquisition of Computer & Recording Equipment	10,500.00		5,250.00	5,250.00	5,250.00		
2007-5	Purchase of Various Equipment and Apparatus	52,040.00		26,020.00	26,020.00	26,020.00		
2008-4	Road Improvements to Timber Boulevard	10,428.00		3,476.00	6,952.00	6,952.00		
2008-6	Acquisition of Refurbished Fire Apparatus	20,892.00		6,964.00	13,928.00	13,928.00		
2009-3	Road Improvements to Community Circle, Horton Avenue and Bergen Street	29,000.00		7,250.00	21,750.00	21,750.00		
2009-11	Repair and Reconstruction of Sanitary Sewer along Horton and Hannevig Roads	33,930.00		8,500.00	25,430.00	25,430.00		
2011-6	Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	114,075.00		16,300.00	97,775.00	97,775.00		
2011-10	Repair and Reconstruction of Sanitary Sewer System	22,800.00		2,850.00	19,950.00	19,950.00		
2011-11	Improvements to Approaches to Railroad Grade Crossings	22,800.00		2,850.00	19,950.00	19,950.00		
2011-12	Supplemental Funding for Repair and Reconstruction of Sanitary Sewer System	15,200.00		1,900.00	13,300.00	13,300.00		
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	344,500.00		43,100.00	301,400.00	301,400.00		
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	402,230.00		57,460.00	344,770.00	344,770.00		
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	75,496.00		10,790.00	64,706.00	64,706.00		
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	188,100.00			188,100.00	188,100.00		
2015-7	Various Capital Improvements and Acquisition of Real Property	123,000.00			123,000.00	123,000.00		
2015-9	Various Capital Improvements to the Utility (Sewer)	1,488,000.00			1,488,000.00	1,488,000.00		
2016-11	Acquisition of and Improvements to Real Property		\$ 237,500.00		237,500.00	54,998.00		\$ 182,502.00
		<u>\$ 2,962,906.00</u>	<u>\$ 237,500.00</u>	<u>\$ 198,925.00</u>	<u>\$ 3,001,481.00</u>	<u>\$ 2,818,979.00</u>	<u>\$ -</u>	<u>\$ 182,502.00</u>

Continued

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

Ordinance Number	<u>Improvement Description</u>	Balance <u>Dec. 31, 2015</u>	2016 <u>Authorizations</u>	Notes Paid by Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2016</u>	<u>Analysis of Balance Dec. 31, 2016</u>			
						Bond Anticipation Notes	<u>Expenditures</u>	Unexpended Improvement <u>Authorizations</u>	
								\$ 1,887,462.11	
			Improvement Authorizations - Unfunded						
			Less: Unexpended Proceeds of Bond Anticipation Notes Issued:						
						Ord. 2006-14	\$ 417.98		
						Ord. 2011-10	364.74		
						Ord. 2011-11	5,020.00		
						Ord. 2011-12	5,821.52		
						Ord. 2012-7	1,034.50		
						Ord. 2013-3	1,618.00		
						Ord. 2013-11	56,306.73		
						Ord. 2014-7	60,344.97		
						Ord. 2015-7	33,535.32		
						Ord. 2015-9	1,481,551.70		
						Ord. 2016-11	54,998.00		
						Ord. 2016-12	<u>3,946.65</u>		
								<u>1,704,960.11</u>	
								<u>\$ 182,502.00</u>	

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$	299.61
Increased by:			
Cash Receipts:			
Interest on Investment of Deposits			<u>3,730.15</u>
			4,029.76
Decreased by:			
Cash Disbursements:			
Interfund Returned	\$	299.61	
Interest Disbursed to Current Fund as Anticipated Revenue		<u>3,406.17</u>	
			<u>3,705.78</u>
Balance December 31, 2016		\$	<u><u>323.98</u></u>

Exhibit SC-5

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Due to Federal and State Grant Fund  
For the Year Ended December 31, 2016

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Increased by:			
Department of Transportation Discretionary Grant		\$	<u>51,886.50</u>
Balance December 31, 2016		\$	<u><u>51,886.50</u></u>

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

---

Balance December 31, 2015	\$ 13,095.28
Increased by:	
2016 Budget Appropriation	10,000.00
	23,095.28
Decreased by:	
Appropriated to Finance Improvement Authorizations	12,500.00
Balance December 31, 2016	\$ 10,595.28

**Exhibit SC-7**

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
New Jersey Transportation Trust Fund Receivable  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 208,403.29
Decreased by:	
Received	89,582.77
Balance December 31, 2016	\$ 118,820.52
<u>Analysis of Balance</u>	
Ord. 2011-11 Improvements to Approaches to Railroad Grade Crossings	\$ 118,145.98
Ord. 2013-11 Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	674.54
	\$ 118,820.52

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

Ordinance Number	Improvement Description	Ordinance Date	Amount	Dec. 31, 2015		2016 Authorizations			Dec. 31, 2016		
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Improvement Authorizations Reappropriated	Disbursed	Funded	Unfunded
2004-12	Improvements to Borough-Owned Properties	10/18/2004	\$ 200,000.00	\$ 6,288.25						\$ 6,288.25	
2006-14	Acquisition of Computer & Recording Equipment	10/16/2006	45,000.00	1,724.26	\$ 10,500.00			\$ (2,812.00)	\$ 8,994.28		\$ 417.98
2011-6	Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	6/20/2011	152,500.00		9,643.78			(9,643.78)			
2011-10	Repair and Reconstruction of Sanitary Sewer System	7/18/2011	30,000.00		364.74						364.74
2011-11	Improvements to Approaches to Railroad Grade Crossings	7/18/2011	229,000.00		5,537.50				517.50		5,020.00
2011-12	Supplemental Funding for Repair and Reconstruction or Sanitary Sewer System	9/19/2011	20,000.00		5,821.52						5,821.52
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christana Street and Community Road	6/18/2012	548,000.00		1,034.50						1,034.50
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	4/15/2013	423,400.00		53,604.93			(49,149.12)	2,837.81		1,618.00
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	10/21/2013	215,000.00		56,306.73						56,306.73
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	6/16/2014	335,000.00		113,950.03				53,605.06		60,344.97
2015-7	Various Capital Improvements and Acquisition of Real Property	5/18/2015	350,000.00		41,168.39				7,633.07		33,535.32
2015-9	Various Capital Improvements to the Utility (Sewer)	5/18/2015	1,488,000.00		1,488,000.00				6,448.30		1,481,551.70
2016-11	Acquisition of and Improvements to Real Property	6/20/2016	250,000.00			\$ 12,500.00	\$ 237,500.00			12,500.00	237,500.00
2016-12	Canceling and Reappropriating Balances for Capital Projects	6/20/2016	61,604.90					61,604.90	57,658.25		3,946.65
				\$ 8,012.51	\$ 1,785,932.12	\$ 12,500.00	\$ 237,500.00	\$ -	\$ 137,694.27	\$ 18,788.25	\$ 1,887,462.11

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

Ord. Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance Dec. 31, 2016
						Dec. 31, 2015	Increased	Decreased	
2006-8	Road Improvements to N. and S. Wilson Ave.	8/7/2007	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	\$ 9,915.00	\$ 3,700.00	\$ 9,915.00	\$ 3,700.00
2006-14	Acquisition of Computer & Recording Equipment	8/7/2007	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	10,500.00	5,250.00	10,500.00	5,250.00
2007-5	Acquisition of Equipment and Apparatus	8/7/2007	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	52,040.00	26,020.00	52,040.00	26,020.00
2008-4	Road Improvements to Timber Boulevard	12/3/2008	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	10,428.00	6,952.00	10,428.00	6,952.00
2008-6	Acquisition of Refurbished Fire Apparatus	12/3/2008	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	20,892.00	13,928.00	20,892.00	13,928.00
2009-3	Road Improvements to Community Circle, Horton Avenue and Bergen Street	7/31/2009	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	29,000.00	21,750.00	29,000.00	21,750.00
2009-11	Repair and Reconstruction of Sanitary Sewer along Horton and Hannevig Roads	12/1/2009	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	33,930.00	25,430.00	33,930.00	25,430.00
2011-6	Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	7/27/2011	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	114,075.00	97,775.00	114,075.00	97,775.00
2011-10	Repair and Reconstruction of Sanitary Sewer System	7/25/2012	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	22,800.00	19,950.00	22,800.00	19,950.00
2011-11	Improvements to Approaches to Railroad Grade Crossings	7/25/2012	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	22,800.00	19,950.00	22,800.00	19,950.00

(Continued)

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

Ord. Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
2011-12	Supplemental Funding for Repair and Reconstruction of Sanitary Sewer System	7/25/2012	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	\$ 15,200.00	\$ 13,300.00	\$ 15,200.00	\$ 13,300.00
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	8/16/2012	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	344,500.00	301,400.00	344,500.00	301,400.00
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	4/15/2013	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	402,230.00	344,770.00	402,230.00	344,770.00
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	7/21/2014	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	75,496.00	64,706.00	75,496.00	64,706.00
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	7/21/2014	7/21/2015 7/21/2016	7/20/2016 7/20/2017	0.870% 0.850%	188,100.00	188,100.00	188,100.00	188,100.00
2015-7	Various Capital Improvements and Acquisition of Real Property	7/17/2015	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	123,000.00	123,000.00	123,000.00	123,000.00
2015-9	Various Capital Improvements to the Utility (Sewer)	7/17/2015	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	1,488,000.00	1,488,000.00	1,488,000.00	1,488,000.00
2016-11	Acquisition of and Improvements to Real Property	7/20/2016	7/21/2016	7/20/2017	0.850%		54,998.00		54,998.00
						<u>\$ 2,962,906.00</u>	<u>\$ 2,818,979.00</u>	<u>\$ 2,962,906.00</u>	<u>\$ 2,818,979.00</u>
							Renewal Paid By Budget Appropriation Issued for Cash	\$ 2,763,981.00 \$ 2,763,981.00 198,925.00	
							<u>54,998.00</u>		
							<u>\$ 2,818,979.00</u>	<u>\$ 2,962,906.00</u>	

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2016

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Ordinance Number	<u>Improvement Description</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance Dec. 31, 2016</u>
2016-11	Acquisition of and Improvements to Real Property	<u>\$ 237,500.00</u>	<u>\$ 54,998.00</u>	<u>\$ 182,502.00</u>

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Water Utility Cash - Treasurer  
For the Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	\$ 67,232.97	\$ 1,685,232.48
Increased by Receipts:		
Water Rents Collected	\$ 446,088.40	
Miscellaneous Revenues	5,624.57	
Water Tower Lease	14,300.00	
Due from/to Current Fund	27,700.07	
Water Utility Capital Fund	4,184.70	
Water Utility Operating Fund	<u>                    </u>	4,175.22
	<u>497,897.74</u>	<u>                    </u>
	565,130.71	1,689,407.70
Decreased by Disbursements:		
Appropriations	393,710.56	
Appropriation Reserves	13,898.73	
Accrued Interest on Bonds and Notes	4,179.74	
Due from/to Current Fund	17,419.26	
Water Utility Operating Fund	<u>                    </u>	\$ 4,184.70
Improvement Authorizations	<u>                    </u>	<u>37,476.38</u>
	<u>429,208.29</u>	<u>41,661.08</u>
Balance December 31, 2016	<u><u>\$ 135,922.42</u></u>	<u><u>\$ 1,647,746.62</u></u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Capital Fund  
 Analysis of Water Utility Capital Cash  
 For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Receipts		Disbursements		Balance Dec. 31, 2016
		Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From To	
Fund Balance	\$ 12,751.24					\$ 12,751.24
Capital Improvement Fund	12,000.00					12,000.00
Reserve for Payment of Debt:						
Ordinances:						
3-03;10-03	2,432.50					2,432.50
9-03	263.76					263.76
11-04	2,626.10					2,626.10
Excess Note Proceeds	5,701.00					5,701.00
<u>Improvement Authorizations:</u>						
15-02 Site Remediation at the Brooklawn						
Water Treatment Plant	286.49					286.49
5-07 Acquisition of a Water Tower Chlorination System	11,643.78					11,643.78
6-10 Improvements to Water Tower	1,703.75					1,703.75
7-11 Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	33,998.66					33,998.66
7-14 Various Improvements and Providing Funding for Preliminary Costs for Water Project	111,166.52		\$ 36,633.38			74,533.14
9-15 Various Capital Improvements to the Utility	1,490,300.00		843.00			1,489,457.00
Water Utility Operating Fund	358.68	\$ 4,175.22		\$ 4,184.70		349.20
	<u>\$ 1,685,232.48</u>	<u>\$ 4,175.22</u>	<u>\$ 37,476.38</u>	<u>\$ 4,184.70</u>	<u>\$ -</u>	<u>\$ 1,647,746.62</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Operating Fund  
 Statement of Consumer Accounts Receivable  
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 118,672.17
Increased by:		
2016 Water Rents Levied		450,927.55
		569,599.72
Decreased by:		
Collections	\$ 446,088.40	
Canceled	360.90	
		446,449.30
Balance December 31, 2016		\$ 123,150.42

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Water Utility Capital Fund  
Statement of Fixed Capital  
For the Year Ended December 31, 2016

	Balance
	<u>Dec. 31, 2015 &amp; 2016</u>
Pumping Station, Mains and Fire Hydrants	\$ 62,076.72
Aerator	6,700.74
Deep Well Pump	3,970.03
Sprinkler System	951.83
Heavy Duty Vehicles	48,000.00
Well	12,542.95
Well and Equipment	594,873.79
Wiring	850.00
Water Meters	64,316.89
Water Tower Chlorination System	8,356.22
Addition to Municipal Water Works and Purchase of Equipment	61,227.34
Auxiliary Generators	80,000.00
Water Tank; Wet Basin; High Service Pumps; Generator; Chemical Feed System; Distribution Pipelines	1,074,621.79
Water Plan Radio Control Communications	14,400.00
Water Utility Site Repairs and Installation of Backwash Filtering System	75,000.00
Site Remediation	99,713.51
Reconstruction, Repair and Redevelopment of Well #1	6,000.00
Redevelopment of Well #3	24,299.00
Improvements of Water Tower	283,296.25
Water Recycling System and Plant Controls	199,906.66
Water Works Underground Storage Tanks Site	8,355.40
Water Plant Roof, Hydrants, Valves, Meters and Utility Truck	66,001.34
Water Improvements and Related Items	<u>202,673.08</u>
	<u>\$ 2,998,133.54</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
**Water Utility Capital Fund**  
**Statement of Fixed Capital Authorized and Uncompleted**  
**For the Year Ended December 31, 2016**

Ord. No.	<u>Improvement Description</u>	Ordinance <u>Date</u>	Ordinance <u>Amount</u>	Balance Dec. 31, 2015 & 2016
15-02	Site Remediation at the Brooklawn	11/18/2002	\$ 100,000.00	\$ 286.49
5-07	Acquisition of a Water Tower Chlorination System	6/18/2007	20,000.00	11,643.78
6-10	Improvements to Water Tower	8/16/2010	500,000.00	1,703.75
7-11	Replacement of Water Plant Roof, Replacement of Hydrants Valves and Meters and Acquisition of Utility Truck	6/20/2011	100,000.00	33,998.66
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	6/16/2014	152,000.00	111,166.52
9-15	Various Capital Improvements to the Utility	5/18/2015	1,490,300.00	<u>1,490,300.00</u>
				<u><u>\$ 1,649,099.20</u></u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Operating Fund  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>		<u>Disbursed</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>		<u>Lapsed</u>
Operating:				
Salaries and Wages		\$ 895.14		\$ 895.14
Other Expenses	\$ 16,036.87	20,022.90	\$ 13,898.73	22,161.04
Annual Audit		200.00		200.00
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)		159.95		159.95
Unemployment Compensation insurance		1.00		1.00
	<u>\$ 16,036.87</u>	<u>\$ 21,278.99</u>	<u>\$ 13,898.73</u>	<u>\$ 23,417.13</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Operating Fund  
 Statement of Interest on Bonds and Notes and Analysis of Balance  
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 1,912.37
Increased by:	
Budget Appropriation:	
Interest on Bonds and Notes	3,851.62
	5,763.99
Decreased by:	
Disbursements	4,179.74
Balance December 31, 2016	\$ 1,584.25

Analysis of Accrued Interest December 31, 2016

	<u>Principal Outstanding Dec. 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes:	\$ 417,360.00	0.850%	7/21/2016	12/31/2016	163 Days	\$ 1,584.25
	1,490,300.00 *					
	\$ 1,907,660.00					

\* Interest associated with this note is an allowable expense to Ordinance 9-2015 per Agreement with the U.S.D.A. Rural Development Office who is permanently financing this project.

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Capital Fund  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2016

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2015		Disbursed	Balance Dec. 31, 2016	
				Funded	Unfunded		Funded	Unfunded
15-02	Site Remediation at the Brooklawn Water Treatment Plant	11/18/02	\$ 100,000.00	\$ 286.49			\$ 286.49	
5-07	Acquisition of a Water Tower Chlorination System	6/18/07	20,000.00	11,643.78			11,643.78	
6-10	Improvements to Water Tower	8/16/10	500,000.00		\$ 1,703.75			\$ 1,703.75
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	6/20/11	100,000.00		33,998.66			33,998.66
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	6/16/14	160,000.00		111,166.52	\$ 36,633.38		74,533.14
9-15	Various Capital Improvements to the Utility	5/18/15	1,490,300.00		1,490,300.00	843.00		1,489,457.00
				<u>\$ 11,930.27</u>	<u>\$ 1,637,168.93</u>	<u>\$ 37,476.38</u>	<u>\$ 11,930.27</u>	<u>\$ 1,599,692.55</u>

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Operating Fund  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 2,670,273.47
Increased by:	
Transferred from Deferred Reserve for Amortization	<u>63,070.00</u>
Balance December 31, 2016	<u><u>\$ 2,733,343.47</u></u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Capital Fund  
 Statement of Deferred Reserve for Amortization  
 For the Year Ended December 31, 2016

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance Dec. 31, 2015</u>	<u>Transferred to Reserve for Amortization</u>	<u>Notes Paid from Operating Budget</u>	<u>Balance Dec. 31, 2016</u>
15-02	Site Remediation at the Brooklawn Water Treatment Plant	11/18/02	\$ 286.49			\$ 286.49
5-07	Acquisition of a Water Tower Chlorination System	6/18/07	11,643.78			11,643.78
12-09	Redevelopment of Well #3	7/20/09		\$ 10,000.00	\$ 10,000.00	
6-10	Improvements to Water Tower	8/16/10		39,500.00	39,500.00	
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	6/20/11		13,570.00	13,570.00	
			<u>\$ 11,930.27</u>	<u>\$ 63,070.00</u>	<u>\$ 63,070.00</u>	<u>\$ 11,930.27</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Capital Fund  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2016

Ord. Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
12-09	Redevelopment of Well #3	07/20/2009	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	\$ 10,000.00		\$ 10,000.00	
6-10	Improvements to Water Tower	07/27/2011	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	237,000.00	\$ 197,500.00	237,000.00	\$ 197,500.00
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	07/27/2011	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	81,430.00	67,860.00	81,430.00	67,860.00
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	07/21/2014	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	152,000.00	152,000.00	152,000.00	152,000.00
9-15	Various Capital Improvements to the Utility	07/17/2015	7/17/2015 7/21/2016	7/16/2016 7/20/2017	0.870% 0.850%	1,490,300.00	1,490,300.00	1,490,300.00	1,490,300.00
						<u>\$1,970,730.00</u>	<u>\$ 1,907,660.00</u>	<u>\$ 1,970,730.00</u>	<u>\$ 1,907,660.00</u>
							Renewals Paid by Budget Appropriation	\$ 1,907,660.00 63,070.00	
							<u>\$ 1,907,660.00</u>	<u>\$ 1,970,730.00</u>	

**SUPPLEMENTAL EXHIBITS**

**PUBLIC ASSISTANCE FUND**

**BOROUGH OF BROOKLAWN**  
**PUBLIC ASSISTANCE TRUST FUND**  
Statement of Public Assistance Trust Fund Cash - Treasurer  
For the Year Ended December 31, 2016

		<u>P.A.T.F. II</u>
Balance December 31, 2015		\$ 550.86
Increased by:		
Interest Earned - Due to Current Fund		<u>1.39</u>
		552.25
Decreased by:		
Disbursed to Current Fund:		
Interest Realized as Anticipated Revenue	\$ 1.27	
Interfund Returned	<u>0.12</u>	
		<u>1.39</u>
Balance December 31, 2016		<u><u>\$ 550.86</u></u>

**BOROUGH OF BROOKLAWN**

**PART II**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF BROOKLAWN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2016

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***Schedule of Financial Statement Findings***

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

**Finding No. 2016-001**

**Criteria or Specific Requirement**

N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets requires all government units to have and maintain a fixed asset accounting and reporting system. The requirements include taking a physical inventory, valuing physical inventory, setting up property records, managing property and reporting fixed assets in the financial records.

**Condition**

The Borough did not maintain an accurate record of general fixed assets as required by N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets.

**Context**

The Borough's fixed asset record included both assets that could not be located and assets that were not tagged. As a result, the fixed asset record was not properly maintained.

**Effect**

The Borough's fixed asset record is inaccurate.

**Cause**

Noncompliance with internal controls established by the Borough and insufficient monitoring of the fixed assets and related fixed asset record.

**Recommendation**

That the Borough maintain an accurate record of general fixed assets as required by N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets.

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

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

**BOROUGH OF BROOKLAWN**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings.

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

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Theresa Branella	Mayor	
Julie McClearly	Council President	
James Meehan	Councilmember (to 09/19/2016)	
Patricia McConnell	Councilmember (from 09/19/2016)	
Michael Mevoli	Councilmember	
Gregory Gilbert	Councilmember	
Jerry Granstrom	Councilmember	
Patrick MacAdams	Councilmember (to 08/15/2016)	
Patrick Moses	Councilmember (from 08/15/2016)	
Ryan Giles	Chief Financial Officer, Borough Clerk, Registrar of Vital Statistics, Qualified Purchasing Agent, Personnel Officer	(A)
Maria Branson	Tax Collector, Water Clerk, Construction Office Secretary	(A)
Anna Minix	Treasurer, Deputy Borough Clerk, Deputy Registrar of Vital Statistics, Borough Homes Coordinator	(A)
Timothy Higgins, Esquire	Solicitor	

(A) Covered by policies of the Camden County Joint Insurance and the New Jersey Municipal Excess Liability Joint Insurance Fund for up to \$1,000,000.00 with a deductible of \$1,000.00.

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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

