

**BOROUGH OF LAUREL SPRINGS
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2011**



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BOROUGH OF LAUREL SPRINGS
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Laurel Springs
Laurel Springs, New Jersey 08021

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Laurel Springs, in the County of Camden, State of New Jersey as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 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.

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2012 on our consideration of the Borough of Laurel Springs, in the County of Camden, State of New Jersey's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Laurel Springs's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

K.N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 7, 2012

**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**

The Honorable Mayor and
Members of the Borough Council
Borough of Laurel Springs
Laurel Springs, New Jersey 08021

We have audited the financial statements (regulatory basis) of the Borough of Laurel Springs, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 7, 2012, which indicated that the 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. 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.

Internal Control Over Financial Reporting

Management of the Borough of Laurel Springs is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Laurel Springs' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the management of the Borough, others within the Borough, the Division of Local Government Services, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 7, 2012

BOROUGH OF LAUREL SPRINGS**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Cash	SA-1	\$ 462,460.61	\$ 392,223.15
Cash--Change Fund	SA-2	300.00	300.00
		<u>462,760.61</u>	<u>392,523.15</u>
Receivables with Full Reserves:			
Delinquent Property Taxes	SA-3	103,917.02	102,345.78
Property Acquired for Taxes - Assessed Valuation	A	551.00	551.00
Revenue Accounts Receivable	SA-4	7,276.91	3,728.87
Due from Federal and State Grant Fund	A		45,401.70
Due from Trust - Animal Control Fund	SB-1		5.68
Due from Trust - Other Fund	SB-1	581.88	
		<u>112,326.81</u>	<u>152,033.03</u>
		<u>575,087.42</u>	<u>544,556.18</u>
Federal and State Grant Fund:			
Cash	SA-1	20,842.21	421.84
Federal and State Grants Receivable	SA-15	171,355.85	165,029.81
		<u>192,198.06</u>	<u>165,451.65</u>
		<u>\$ 767,285.48</u>	<u>\$ 710,007.83</u>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-5	\$ 30,815.24	\$ 38,808.96
Reserve for Encumbrances	SA-6		3,569.09
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	SA-7	11,786.53	11,536.53
Due State of New Jersey:			
State Training Fees	SA-8	208.00	200.00
Marriage License Fees	SA-9	25.00	50.00
Prepaid Taxes	SA-10	18,168.65	27,420.34
Local School Tax Payable	SA-13	30,167.30	
Tax Overpayments	SA-14	3,428.38	1,500.51
Due County for Added and Omitted Taxes	SA-12	627.58	43.12
Due to Camden County MUA	SA-1	687.86	
Reserve for Sale of Municipal Assets	SA-1	248.00	98.00
Reserve for Revision and Codification of Ordinances	SA-1	425.21	425.21
		<u>96,587.75</u>	<u>83,651.76</u>
Reserves for Receivables and Other Assets	A	112,326.81	152,033.03
Fund Balance	A-1	<u>366,172.86</u>	<u>308,871.39</u>
		<u>575,087.42</u>	<u>544,556.18</u>
Federal and State Grant Fund:			
Due Current Fund	A		45,401.70
Reserve for Encumbrances	SA-6 & 17		925.00
Reserve for State and Federal Grants: Appropriated	SA-17	192,198.06	119,124.95
		<u>192,198.06</u>	<u>165,451.65</u>
		<u>\$ 767,285.48</u>	<u>\$ 710,007.83</u>

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For The Years Ended December 31, 2011 and 2010

<u>Revenue and Other Income Realized</u>	<u>2011</u>	<u>2010</u>
Fund Balance Utilized	\$ 236,061.00	\$ 293,000.00
Miscellaneous Revenues Anticipated	687,158.08	597,416.66
Receipts from Delinquent Taxes	94,409.30	100,394.88
Receipts from Current Taxes	5,330,451.80	5,206,763.79
Non-Budget Revenue	31,687.48	49,621.06
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	32,930.54	14,110.96
Cancellation of Tax Overpayments	0.95	
Liquidation of Reserve for:		
Due from Federal and State Grant Fund	45,401.70	
Due from Trust - Animal Fund	5.68	
Total Income	6,458,106.53	6,261,307.35
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	844,100.00	938,200.00
Other Expenses	698,530.00	657,340.00
Deferred Charges and Statutory Expenditures - Within "CAPS"	214,631.00	192,197.00
Operations - Excluded from "CAPS":		
Salaries and Wages	22,790.00	20,700.00
Other Expenses	229,927.71	172,831.09
Capital Improvements Excluded from "CAPS"	5,000.00	10,000.00
Municipal Debt Service	367,114.29	356,325.21
Transferred to Board of Education for Use of Local Schools	47,658.00	48,719.00
County Taxes	1,040,323.32	993,203.28
Due County for Added Taxes	627.58	43.12
Local District School Tax	2,674,773.50	2,672,463.00
Prior Year Senior Citizen Disallowance	250.00	500.00
Reserves Created:		
Due from Trust - Animal Control Fund		5.68
Due from Trust - Other Fund	581.88	
Transfer Prior Year Revenue to Tax Overpayments	250.00	
Refund Prior Year Revenue	18,186.78	
Total Expenditures	6,164,744.06	6,062,527.38
Statutory Excess to Surplus	293,362.47	198,779.97
Fund Balance Jan. 1	308,871.39	403,091.42
	602,233.86	601,871.39
Decreased by:		
Utilized as Revenue	236,061.00	293,000.00
Balance Dec. 31	\$ 366,172.86	\$ 308,871.39

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2011

	<u>Anticipated</u>		<u>Realized</u>	Excess or <u>(Deficit)</u>
	<u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 236,061.00	\$ -	\$ 236,061.00	\$ -
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	6,000.00		6,220.20	220.20
Other	950.00		2,348.75	1,398.75
Fines and Costs:				
Municipal Court	59,000.00		77,338.72	18,338.72
Interest and Cost on Taxes	25,000.00		24,163.22	(836.78)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	247,129.00		247,129.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)	71,081.00		71,081.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	15,989.00		15,698.00	(291.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Interlocal Municipal Service Agreements Offset with Appropriations				
Municipal Court	23,800.00		25,870.50	2,070.50
State and Federal Revenues Off-Set with Appropriations:				
Community Development Block Grant	22,513.00		22,513.00	
Clean Communities Program		4,000.00	4,000.00	
Energy Efficiency Block Grant	10,587.89		10,587.89	
Body Armor Replacement Grant		1,096.45	1,096.45	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	20,701.00		20,701.00	
Recycling Tonnage Grant	4,369.20	2,241.15	6,610.35	
Camden County Recreation Enhancement Grant		50,000.00	50,000.00	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2011

	<u>Anticipated</u>		<u>Realized</u>	Excess or <u>(Deficit)</u>
	<u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services (Cont'd):				
Other Special Items:				
Utility Operating Surplus of Prior Year	\$ 26,800.00		\$ 26,800.00	
Reserve for Payment of Bonds and Notes	75,000.00		75,000.00	
	<u>608,920.09</u>	<u>\$ 57,337.60</u>	<u>687,158.08</u>	<u>\$ 20,900.39</u>
Receipts from Delinquent Taxes	<u>96,001.91</u>	<u>-</u>	<u>94,409.30</u>	<u>(1,592.61)</u>
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>1,723,817.00</u>	<u>-</u>	<u>1,887,531.40</u>	<u>163,714.40</u>
Budget Totals	<u>2,664,800.00</u>	<u>57,337.60</u>	<u>2,905,159.78</u>	<u>183,022.18</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>31,687.48</u>	<u>31,687.48</u>
	<u>\$ 2,664,800.00</u>	<u>\$ 57,337.60</u>	<u>\$ 2,936,847.26</u>	<u>\$ 214,709.66</u>

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For The Year Ended December 31, 2011

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 5,330,451.80
Allocated to:	
School and County Taxes	3,715,724.40
Balance for Support of Municipal Budget Appropriations	1,614,727.40
Add: Appropriation "Reserve for Uncollected Taxes"	272,804.00
Amount for Support of Municipal Budget Appropriations	\$ 1,887,531.40
Licenses - Other:	
Clerk	\$ 2,348.75

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Revenue Accounts Receivable:	
Zoning and Planning Board Fees	\$ 300.00
Police Reports	94.25
Fees and Permits:	
Clerk -- Vital Statistics Fees	\$ 1,123.00
Clerk -- Other Fees and Permits	1,500.00
	2,623.00
Cable T.V. Franchise Taxes	6,297.05
	9,314.30
Interest on Investments	1,421.39
Uniform Fire Safety Act Fees	35.00
Public Works Vehicle/Equipment Rental	410.00
Recycling Fees	9,710.53
Miscellaneous	5,177.42
Refund of Prior Year Expenses	2,268.84
DMV Inspections Fees	250.00
Insurance Reimbursement	2,450.00
Administrative Fee for Senior Citizen and Veterans Deductions	650.00
	22,373.18
	\$ 31,687.48
Cash Received	\$ 31,103.60
Due from Trust - Other Fund	583.88
	\$ 31,687.48

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

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>					
<u>General Government</u>					
Mayor and Council					
Other Expenses	\$ 2,400.00	\$ 2,400.00	\$ 1,187.15	\$ 1,212.85	
Municipal Clerk					
Salaries and Wages	72,600.00	68,300.00	68,143.40	156.60	
Other Expenses	14,800.00	16,300.00	15,684.47	615.53	
Financial Administration					
Salaries and Wages	39,300.00	39,300.00	39,037.43	262.57	
Other Expenses	10,100.00	10,400.00	10,198.69	201.31	
Audit Services	29,000.00	29,000.00	29,000.00		
Collection of Taxes					
Salaries and Wages	42,600.00	42,600.00	42,507.40	92.60	
Other Expenses	1,900.00	1,900.00	1,668.83	231.17	
Assessment of Taxes					
Salaries and Wages	5,200.00	5,200.00	5,170.10	29.90	
Other Expenses	400.00	400.00	274.40	125.60	
Legal Services					
Other Expenses	16,000.00	16,000.00	15,600.00	400.00	
Engineering Services					
Other Expenses	1,600.00	400.00		400.00	
Economic Development					
Other Expenses	500.00	500.00		500.00	
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages	2,500.00	4,300.00	4,224.15	75.85	
Other Expenses	2,900.00	2,900.00	2,533.42	366.58	
Municipal Court					
Salaries and Wages	41,600.00	41,700.00	41,621.98	78.02	
Other Expenses	4,300.00	4,300.00	3,594.59	705.41	
Public Defender					
Other Expenses	200.00	200.00		200.00	

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	<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>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Code Enforcement and Administration</u>					
Code Enforcement Office					
Salaries and Wages	\$ 3,400.00	\$ 3,900.00	\$ 3,875.71	\$ 24.29	
Other Expenses	100.00	100.00	90.00	10.00	
Property Maintenance Officer					
Salaries and Wages	3,000.00	3,000.00	2,799.88	200.12	
Other Expenses	100.00	100.00	62.00	38.00	
<u>Insurance</u>					
Liability Insurance	54,000.00	52,200.00	49,275.44	924.56	\$ 2,000.00
Workers Compensation Insurance	44,000.00	43,200.00	42,800.68	399.32	
Group Insurance Plan for Employees	158,500.00	149,400.00	140,679.14	3,720.86	5,000.00
Disability Insurance	2,600.00	2,600.00	2,120.00	480.00	
Health Benefits Waiver	8,000.00	7,600.00	7,516.08	83.92	
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	501,300.00	489,800.00	483,185.91	2,614.09	4,000.00
Other Expenses	37,500.00	39,500.00	38,288.47	1,211.53	
Office of Emergency Management					
Salaries and Wages	1,200.00	1,200.00	1,149.98	50.02	
Other Expenses	300.00	300.00	200.00	100.00	
Aid to Volunteer Fire Company	21,300.00	21,300.00	21,050.04	249.96	
Uniform Fire Safety Act					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	100.00	100.00		100.00	
Fire Hydrant Service	25,800.00	24,800.00	24,455.86	344.14	
Municipal Prosecutor					
Salaries and Wages	2,700.00	2,700.00	2,700.00		

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Public Works Functions</u>					
Road Repair and Maintenance					
Salaries and Wages	\$ 87,000.00	\$ 91,800.00	\$ 91,721.72	\$ 78.28	
Other Expenses	9,100.00	12,100.00	10,346.89	1,753.11	
Shade Tree Program					
Other Expenses	12,000.00	12,700.00	12,600.00	100.00	
Garbage and Trash Removal					
Salaries and Wages	12,800.00	13,500.00	13,490.28	9.72	
Other Expenses	100.00	100.00	95.00	5.00	
Public Building and Grounds					
Salaries and Wages	13,100.00	13,600.00	13,490.26	109.74	
Other Expenses	21,100.00	24,300.00	22,872.80	1,427.20	
Vehicle Maintenance					
Other Expenses	17,400.00	23,400.00	22,919.51	480.49	
<u>Health and Human Services</u>					
Public Health Service (Board of Health)					
Salaries and Wages	1,500.00	1,500.00	1,352.20	147.80	
Other Expenses	800.00	1,200.00	1,186.00	14.00	
Dog Regulation					
Other Expenses	3,900.00	3,800.00	3,657.00	143.00	
<u>Recreation Functions</u>					
Recreation Services and Programs					
Salaries and Wages	2,500.00	1,500.00	1,408.05	91.95	
Other Expenses	200.00	200.00	188.93	11.07	
Celebration of Public Events, Anniversary or Holidays					
Other Expenses	300.00	400.00	374.80	25.20	
Utility Expenses and Bulk Purchases	116,000.00	132,000.00	125,535.15	6,464.85	
Landfill/Solid Waste Disposal Costs	73,330.00	67,030.00	66,042.55	987.45	
Accumulated Leave Compensation	7,900.00	5,900.00	3,743.04	156.96	\$ 2,000.00

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.14)					
Construction Code Official					
Salaries and Wages	\$ 6,100.00	\$ 6,100.00	\$ 6,026.80	\$ 73.20	
Other Expenses	2,400.00	2,400.00	2,184.97	215.03	
Plumbing Inspections					
Salaries and Wages	2,700.00	2,700.00	2,600.00	100.00	
Inspections of Buildings					
Salaries and Wages	6,300.00	6,300.00	6,240.26	59.74	
Electrical Inspections					
Salaries and Wages	3,200.00	3,200.00	3,120.00	80.00	
Fire Inspections					
Salaries and Wages	2,100.00	1,900.00	1,840.00	60.00	
Total Operations within "CAPS"	1,553,730.00	1,555,630.00	1,513,731.41	28,898.59	\$ 13,000.00
Detail:					
Salaries and Wages	860,700.00	850,100.00	839,448.55	4,651.45	6,000.00
Other Expenses	693,030.00	705,530.00	674,282.86	24,247.14	7,000.00
<u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	39,075.00	39,075.00	39,075.00		
Police and Firemen's Retirement System of NJ	104,156.00	104,156.00	104,156.00		
Social Security System (O.A.S.I.)	76,400.00	73,400.00	69,537.95	1,862.05	2,000.00
Total Statutory Expenditures:	219,631.00	216,631.00	212,768.95	1,862.05	2,000.00
Total General Appropriations for Municipal Purposes within "CAPS"	1,773,361.00	1,772,261.00	1,726,500.36	30,760.64	15,000.00

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Landfill Recycling Fees (P.L.2007,c. 311)	\$ 2,770.00	\$ 2,770.00	\$ 2,770.00		
Insurance:					
Group Insurance Plan for Employees	6,500.00	6,500.00	6,500.00		
<u>Interlocal Municipal Service Agreements:</u>					
Municipal Court					
Salaries and Wages	21,700.00	22,790.00	22,735.40	\$ 54.60	
Other Expenses	2,100.00	2,100.00	2,100.00		
Garbage and Trash Removal					
Other Expenses	80,700.91	80,710.91	78,514.02		\$ 2,196.89
<hr/>					
Total Other Operations - Excluded from "CAPS"	113,770.91	114,870.91	112,619.42	54.60	2,196.89
<hr/>					
<u>Public and Private Programs Offset by Revenues</u>					
Clean Communities Act (40A:4-87, \$4,000.00+)		4,000.00	4,000.00		
Energy Efficiency Block Grant	10,587.89	10,587.89	10,587.89		
Body Armor Replacement Grant (40A:4-87, \$1,096.45+)		1,096.45	1,096.45		
Safe and Secure Communities Program	45,236.00	45,236.00	45,236.00		
Community Development Block Grant	22,513.00	22,513.00	22,513.00		
Recycling Tonnage Grant (40A:4-87, \$2,241.15+)	4,369.20	6,610.35	6,610.35		
Camden County Recreation Enhancement Grant (40A:4-87, \$50,000.00+)		50,000.00	50,000.00		
<hr/>					
Total Public and Private Programs Offset by Revenues	82,706.09	140,043.69	140,043.69	-	-
<hr/>					
Total Operations - Excluded from "CAPS"	196,477.00	254,914.60	252,663.11	54.60	2,196.89
<hr/>					
Detail:					
Salaries and Wages	21,700.00	22,790.00	22,735.40	54.60	-
Other Expenses	174,777.00	232,124.60	229,927.71	-	2,196.89
<hr/>					

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For The Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	240,000.00	240,000.00	240,000.00		
Payment of Bond Anticipation Notes and Capital Notes	11,500.00	11,500.00	11,500.00		
Interest on Bonds	115,000.00	115,000.00	113,023.64		1,976.36
Interest on Notes	3,000.00	3,000.00	2,590.65		409.35
Total Municipal Debt Service - Excluded from "CAPS"	369,500.00	369,500.00	367,114.29	-	2,385.71
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	47,658.00	47,658.00	47,658.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	618,635.00	677,072.60	672,435.40	54.60	4,582.60
Subtotal General Appropriations	2,391,996.00	2,449,333.60	2,398,935.76	30,815.24	19,582.60
Reserve for Uncollected Taxes	272,804.00	272,804.00	272,804.00	-	-
Total General Appropriations	\$ 2,664,800.00	\$ 2,722,137.60	\$ 2,671,739.76	\$ 30,815.24	\$ 19,582.60
Budget		\$ 2,664,800.00			
Appropriation by 40A:4-87		57,337.60			
		<u>\$ 2,722,137.60</u>			
Cash Disbursements			\$ 2,258,892.07		
Reserve for Federal and State Grants--Appropriated			140,043.69		
Reserve for Uncollected Taxes			272,804.00		
			<u>\$ 2,671,739.76</u>		

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

BOROUGH OF LAUREL SPRINGS
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Cash	SB-1	\$ 2,104.94	\$ 1,245.98
Other Funds:			
Cash--Treasurer	SB-1	52,779.76	62,315.44
Cash--Collector	SB-2	54,483.76	28,310.50
		<u>107,263.52</u>	<u>90,625.94</u>
		<u>\$ 109,368.46</u>	<u>\$ 91,871.92</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	SB-1		\$ 5.68
Reserve for Animal Control Fund Expenditures	SB-3	\$ 2,080.54	1,240.30
Due to State	SB-4	24.40	
		<u>2,104.94</u>	<u>1,245.98</u>
Other Funds:			
Due to Current Fund	SB-5	581.88	
Reserve for Tax Title Lien Redemption	SB-2	53,900.00	28,310.50
Payroll Deductions Payable	SB-6	4,050.98	10,005.95
Reserve for Disposal of Forfeited Property	SB-7	4,406.64	4,600.64
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-8	24,306.09	23,562.36
Reserve for Planning Board Escrow Deposits	SB-9	3,493.79	4,305.41
Reserve for Recreation Commission	SB-10	9,903.21	8,263.15
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-11	2,513.26	7,194.26
Reserve for Public Defender	SB-12	1,625.00	500.00
Reserve for Parking Offenses Adjudication Act	SB-14	83.00	81.00
Reserve for Centennial	SB-13	500.00	
Reserve for Street Opening Deposits	B	637.50	637.50
Due to Criminal Disposition & Review Collection Fund	SB-12	1,262.17	3,165.17
		<u>107,263.52</u>	<u>90,625.94</u>
		<u>\$ 109,368.46</u>	<u>\$ 91,871.92</u>

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

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash	SC-1	\$ 76,183.65	\$ 682,203.94
Federal - SAFETEA-LU Grant Receivable	SC-2	383,000.00	477,000.00
Deferred Charges to Future Taxation:			
Funded	SC-3	2,593,350.00	2,833,350.00
Unfunded	SC-4	273,690.00	115,140.00
New Jersey Transportation Trust Fund Receivable	SC-5	55,750.00	67,710.06
		<u>\$ 3,381,973.65</u>	<u>\$ 4,175,404.00</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Payment of Bonds	SC-2	\$ 48,335.38	\$ 40,507.42
Capital Improvement Fund	SC-6	1,615.00	5,565.00
Improvement Authorizations:			
Funded	SC-7	317,392.75	935,916.34
Unfunded	SC-7	233,090.52	115,140.00
Contracts Payable	SC-8		129,785.24
Bond Anticipation Notes	SC-9	188,190.00	115,140.00
General Serial Bonds	SC-10	2,593,350.00	2,833,350.00
		<u>\$ 3,381,973.65</u>	<u>\$ 4,175,404.00</u>

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 163,500.26	\$ 188,929.19
Receivables with Full Reserves:			
Water and Sewer Rents	SD-3	9,172.91	12,229.24
Total Operating Fund		<u>172,673.17</u>	<u>201,158.43</u>
Capital Fund:			
Cash - Treasurer	SD-1&2	1,000.00	1,000.00
Fixed Capital	D	504,027.89	504,027.89
Fixed Capital Authorized and Uncompleted	D	1,000.00	1,000.00
Total Capital Fund		<u>506,027.89</u>	<u>506,027.89</u>
		<u>\$ 678,701.06</u>	<u>\$ 707,186.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 10,151.96	\$ 8,885.76
Prepaid Rents	SD-1	777.39	562.81
		10,929.35	9,448.57
Reserve for Receivables	D	9,172.91	12,229.24
Fund Balance	D-1	152,570.91	179,480.62
Total Operating Fund		<u>172,673.17</u>	<u>201,158.43</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D	1,000.00	1,000.00
Reserve for Amortization	D	505,027.89	505,027.89
Total Capital Fund		<u>506,027.89</u>	<u>506,027.89</u>
		<u>\$ 678,701.06</u>	<u>\$ 707,186.32</u>

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>Revenue and Other Income Realized</u>	<u>2011</u>	<u>2010</u>
Fund Balance Utilized	\$ 50,800.00	\$ 60,000.00
Sewer Rents	128,590.42	125,775.53
Miscellaneous	1,419.21	2,292.41
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	8,880.66	4,962.83
Total Income	189,690.29	193,030.77
<u>Expenditures</u>		
Budget Appropriations:		
Operating	137,100.00	131,500.00
Statutory Expenditures	1,900.00	3,500.00
Surplus (General Budget)	26,800.00	40,000.00
Total Expenditures	165,800.00	175,000.00
Statutory Excess to Fund Balance	23,890.29	18,030.77
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	23,890.29	18,030.77
<u>Fund Balance</u>		
Balance Jan. 1	179,480.62	221,449.85
	203,370.91	239,480.62
Utilization in Budget	50,800.00	60,000.00
Balance Dec. 31	\$ 152,570.91	\$ 179,480.62

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 50,800.00	\$ 50,800.00	
Rents	115,000.00	128,590.42	\$ 13,590.42
	<u>\$ 165,800.00</u>	<u>\$ 179,390.42</u>	<u>\$ 13,590.42</u>

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

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Paid or Charged	Reserved	Unexpended Balance Canceled
	Original Budget	Budget After Modification			
Operating					
Salaries and Wages	\$ 29,900.00	\$ 24,000.00	\$ 23,938.72	\$ 61.28	
Other Expenses	105,400.00	113,100.00	103,108.73	9,991.27	
Total Operating	135,300.00	137,100.00	127,047.45	10,052.55	\$ -
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Public Employees Retirement System	1,000.00	-			
Social Security System (O.A.S.I.)	2,700.00	1,900.00	1,800.59	99.41	
Total Statutory Expenditures	3,700.00	1,900.00	1,800.59	99.41	-
Surplus (General Budget)	26,800.00	26,800.00	26,800.00	-	-
	<u>\$ 165,800.00</u>	<u>\$ 165,800.00</u>	<u>\$ 155,648.04</u>	<u>\$ 10,151.96</u>	<u>\$ -</u>

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

BOROUGH OF LAUREL SPRINGS
GENERAL FIXED ASSETS ACCOUNT GROUP
 Schedule of General Fixed Asset Group of Accounts
 For the Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2011</u>
General Fixed Assets:				
Land	\$ 1,082,900.00			\$ 1,082,900.00
Buildings and Improvements	2,240,297.98			2,240,297.98
Vehicles and Equipment	2,049,391.26	\$ 37,635.00	\$ 21,000.00	2,066,026.26
Total General Fixed Assets	<u>\$ 5,372,589.24</u>	<u>\$ 37,635.00</u>	<u>\$ 21,000.00</u>	<u>\$ 5,389,224.24</u>
 Total Investment in General Fixed Assets	 <u>\$ 5,372,589.24</u>			 <u>\$ 5,389,224.24</u>

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

BOROUGH OF LAUREL SPRINGS
Notes to Financial Statements
For the Year Ended December 31, 2011

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

Description of Financial Reporting Entity - The Borough of Laurel Springs was incorporated in 1913 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2000 census is 1,970.

The Borough has a Mayor-Council form of government where the Mayor is separately elected to a four-year term. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk.

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

The cash management plan adopted by the Borough of Laurel Springs 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.

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$1,000, less than the \$5,000.00 maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Laurel Springs School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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

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

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

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

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

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

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds would be shown as Uninsured and Uncollateralized. Of the Borough's bank balances of \$844,673.34 as of December 31, 2011, \$250,000.00 was insured by the Federal Deposit Insurance Corporation, and \$594,673.34 was collateralized under the Governmental Unit Deposit Protection Act.

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	\$ 6.649	\$ 6.464	\$ 6.146	\$ 5.906	\$ 5.591
Apportionment of Tax Rate:					
Municipal	\$ 2.107	\$ 2.014	\$ 1.820	\$ 1.661	\$ 1.476
County	1.273	1.206	1.173	1.165	1.130
Local School	3.269	3.244	3.153	3.080	2.985

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

2011	\$ 81,807,076.00
2010	82,388,228.00
2009	82,574,037.00
2008	82,452,800.00
2007	82,550,551.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$ 5,442,630.86	\$ 5,330,451.80	97.94%
2010	5,325,806.14	5,206,763.79	97.76%
2009	5,075,263.06	4,953,513.47	97.60%
2008	4,881,270.03	4,785,295.47	98.03%
2007	4,626,381.83	4,501,282.43	97.29%

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>
2011	-	\$ 103,917.02	\$ 103,917.02	1.91%
2010	-	102,345.78	102,345.78	1.92%
2009	-	116,710.34	116,710.34	2.30%
2008	-	95,136.41	95,136.41	1.95%
2007	-	123,627.56	123,627.56	2.67%

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>
2011	\$ 551.00
2010	551.00
2009	551.00
2008	551.00
2007	551.00

Note 5: **SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Receivable</u>	<u>Beginning of Year Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2011	\$ 12,229.24	--	\$ 125,534.09	\$ 137,763.33	\$ 128,590.42
2010	11,648.96	--	126,355.81	138,004.77	125,775.53
2009	13,150.01	--	125,160.00	138,310.01	126,661.05

Note 6: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2011	\$ 366,123.82	N/A*	N/A*
2010	308,871.39	\$ 236,061.00	76.42%
2009	403,041.42	293,000.00	72.70%
2008	381,453.90	254,600.00	66.74%
2007	368,159.40	249,000.00	67.63%
<u>Sewer Utility Operating Fund</u>			
2011	\$ 152,570.91	N/A*	N/A*
2010	179,480.62	\$ 44,000.00	27.01%
2009	221,449.85	60,000.00	27.01%

* Not available as of March 7, 2012.

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, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 581.88	
Trust – Other Fund		\$ 581.88
	<u>\$ 581.88</u>	<u>\$ 581.88</u>

The interfund receivables and payables above predominately resulted from deposits made in error to certain funds. During 2012, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

The Borough of Laurel Springs contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Borough</u>
2011	\$ 14,003.00	\$ 22,314.00	\$ 36,317.00	\$ -	\$ 36,317.00
2010	11,887.00	15,274.00	27,161.00	-	27,161.00
2009	12,305.00	14,232.00	26,537.00	-	26,537.00 (1)

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

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

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

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

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Borough</u>
2011	\$ 60,320.00	\$ 38,286.00	\$ 98,606.00	\$ -	\$ 98,606.00
2010	52,220.00	29,418.00	81,638.00	-	81,638.00
2009	49,367.00	26,535.00	75,902.00	-	75,902.00

The accrued liability for employees in the Public Employees Retirement System as of December 31, 2011 was \$ 25,415.00. The accrued liability for employees in the Police and Firemen's Retirement System as of December 31, 2011 was \$ 42,164.00.

(1) Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary.

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

Note 9: **COMPENSATED ABSENCES**

Full-time employees are entitled to six paid sick leave days each year. Unused sick leave may be accumulated and carried forward to subsequent years by Police officers only, for sick time use, but not for compensation upon termination or retirement. The Borough does buy back unused sick leave at year end from other full-time employees. The maximum amount of vacation time that may be carried forward at year end is one week. The police contract stipulates that vacation time must be used prior to the police officers' employment anniversary in the subsequent year, while all other full-time employees' vacation time must be used prior to March 31 of the subsequent year.

The Borough does not record accrued expenses related to compensated absences.

Note 10: **LEASE OBLIGATIONS**

At December 31, 2011, the Borough had lease agreements in effect for the following:

- Capital:
 One (1) 2009 Ford Crown Victoria
- Operating:
 One (1) Copy Machine

The following is an analysis of capital and operating leases.

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

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Vehicles	-0-	\$ 8,084.02

Payments under capital leases for the year ended December 31, 2011 totaled \$ 8,084.02.

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

<u>Year</u>	<u>Amount</u>
2012	\$ 1,586.04
2013	1,586.04

Rental payments under operating leases for the year 2011 were \$1,586.04.

Note 11: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,781,540.00	\$ 2,948,490.00	\$ 3,400,800.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	85,500.00	-	190.00
Total Issued and Authorized but Not Issued	<u>2,867,040.00</u>	<u>2,948,490.00</u>	<u>3,400,990.00</u>
Deductions:			
Funds Temporarily Held To Pay Notes	48,335.38	40,507.42	332,642.12
Net Debt	<u><u>\$ 2,818,704.62</u></u>	<u><u>\$ 2,988,997.42</u></u>	<u><u>\$ 3,068,347.88</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.95%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 2,527,000.00	\$ 2,527,000.00	
General	<u>2,867,040.00</u>	<u>48,335.38</u>	<u>\$ 2,818,704.62</u>
	<u><u>\$ 5,394,040.00</u></u>	<u><u>\$ 2,575,335.38</u></u>	<u><u>\$ 2,818,704.62</u></u>

Net Debt \$2,818,704.62 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$144,407,347.00 equals 1.95%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 5,054,257.15
Net Debt	<u>2,818,704.62</u>
Remaining Borrowing Power	<u><u>\$2,235,552.53</u></u>

Note 11: **CAPITAL DEBT (CONT'D)**

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

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 245,000.00	\$ 103,242.38	\$ 348,242.38
2013	270,000.00	93,311.13	363,311.13
2014	200,000.00	82,179.88	282,179.88
2015	205,000.00	74,929.88	279,929.88
2016	240,000.00	67,529.89	307,529.88
2017-21	953,350.00	202,009.75	1,155,359.75
2022-24	480,000.00	40,400.00	520,400.00
	<u>\$ 2,593,350.00</u>	<u>\$ 663,602.88</u>	<u>\$ 3,256,952.88</u>

Note 12: **JOINT INSURANCE POOL**

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

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

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

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 \$500,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2011, which can be obtained from:

Camden County Municipal Joint Insurance Fund
Park 80 West
Saddle Brook, New Jersey 07663

 Note 13: **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>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	None	\$ 254.12	\$ 24,306.09
2010	None	None	23,562.36
2009	None	None	22,529.29

 Note 14: **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.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS
CURRENT FUND

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Current Cash - Treasurer
For The Year Ended December 31, 2011

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2010	\$ 392,223.15	\$ 421.84
Increased by Receipts:		
Taxes Receivable	\$ 5,364,690.76	
Interest and Costs on Taxes	24,163.22	
Prepaid Taxes	18,168.65	
Tax Overpayments	7,585.38	
Miscellaneous Revenue Not Anticipated	31,103.60	
Revenue Accounts Receivable	101,605.67	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	247,129.00	
Consolidated Municipal Property Tax Relief Aid	71,081.00	
Interlocal Service Agreement - Municipal Court	25,870.50	
Due from/to Trust - Animal Control Fund	5.68	
Due from/to Trust - Other Fund	2.00	
Due to Camden County MUA	8,537.98	
Reserve for Payment of Bonds & Notes	75,000.00	
Utility Operating Surplus	26,800.00	
Reserve for Sale of Municipal Assets	150.00	
Due State of New Jersey--Senior Citizens' and Veterans' Deductions	32,500.00	
Due State of New Jersey:		
Marriage License Fees	300.00	
State Training Fees	1,103.00	
Reserve for Federal and State Grants	20,866.70	
Federal and State Grants Receivable		<u>\$ 105,469.65</u>
	<u>6,056,663.14</u>	<u>105,469.65</u>
	6,448,886.29	105,891.49
Decreased by Disbursements:		
2011 Appropriations	2,258,892.07	
2010 Appropriation Reserves	9,447.51	
Due State of New Jersey:		
State Training Fees	1,095.00	
Marriage License Fees	325.00	
County Taxes	1,040,323.32	
Due to County--Added and Omitted Taxes	43.12	
Local District School Taxes	2,644,606.20	
Tax Overpayments	5,656.56	
Due to Camden County MUA	7,850.12	
Refund of Prior Year Revenue	18,186.78	
Due to Trust - Other Fund		
Reserve for Federal and State Grants		20,866.70
Federal and State Grants - Appropriated		<u>64,182.58</u>
	<u>5,986,425.68</u>	<u>85,049.28</u>
Balance Dec. 31, 2011	<u>\$ 462,460.61</u>	<u>\$ 20,842.21</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Schedule of Change Funds
For The Year Ended December 31, 2011

	<u>Office</u>	Balance <u>Dec. 31, 2011</u>
Tax Collector--Treasurer		\$ 50.00
Municipal Court		50.00
Police Department		<u>200.00</u>
		<u>\$ 300.00</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For The Year Ended December 31, 2011

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>2011 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>2010</u> <u>Collections</u>	<u>2011</u> <u>Collections</u>	<u>Overpayments</u> <u>Applied</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
2009	\$ 5,457.65							\$ 1,334.08	\$ 4,123.57
2010	96,888.13		\$ 250.00		\$ 94,409.30				2,728.83
	102,345.78	\$ -	250.00	\$ -	94,409.30	\$ -	\$ -	1,334.08	6,852.40
2011	-	5,442,630.86	-	27,420.34	5,270,281.46	250.00	32,500.00	15,114.44	97,064.62
	<u>\$ 102,345.78</u>	<u>\$ 5,442,630.86</u>	<u>\$ 250.00</u>	<u>\$ 27,420.34</u>	<u>\$ 5,364,690.76</u>	<u>\$ 250.00</u>	<u>\$ 32,500.00</u>	<u>\$ 16,448.52</u>	<u>\$ 103,917.02</u>

Analysis of 2011 Tax LevyTax Yield

General Purpose Tax	\$ 5,439,352.90
Added Taxes (54:4-63.1 et seq.)	<u>3,277.96</u>

\$ 5,442,630.86Tax Levy

Local District School Tax	\$ 2,674,773.50
County Taxes:	
County Tax	\$ 949,361.27
County Library Tax	61,645.85
County Open Space Tax	29,316.20
Due County for Added Taxes (54:4-63.1 et seq.)	<u>627.58</u>
Total County Taxes	1,040,950.90
Local Tax for Municipal Purposes	1,723,817.00
Add: Additional Tax Levied	<u>3,089.46</u>
Local Tax for Municipal Purposes Levied	<u>1,726,906.46</u>

\$ 5,442,630.86

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 6,220.20	\$ 6,220.20		
Other		2,348.75	2,348.75		
Construction Code Official:					
Fees and Permits		15,698.00	15,698.00		
Municipal Court:					
Fines and Costs	\$ 3,728.87	80,886.76	77,338.72	\$ 7,276.91	Dec. 2011
	<u>\$ 3,728.87</u>	<u>\$ 105,153.71</u>	<u>\$ 101,605.67</u>	<u>\$ 7,276.91</u>	

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance		Balances After	Disbursed	Balance
	<u>December 31, 2010</u>	<u>Reserved</u>			
<u>OPERATIONS - WITHIN "CAPS"</u>	<u>Encumbered</u>				
<u>General Government</u>					
Mayor and Council					
Other Expenses		\$ 41.75	\$ 141.75	\$ 90.00	\$ 51.75
Municipal Clerk					
Salaries and Wages		572.47	572.47		572.47
Other Expenses		1,126.36	1,126.36	22.91	1,103.45
Financial Administration					
Salaries and Wages		44.38	44.38		44.38
Other Expenses		67.50	67.50		67.50
Collection of Taxes					
Salaries and Wages		26.21	26.21		26.21
Other Expenses	\$ 60.95	106.66	167.61	60.95	106.66
Assessment of Taxes					
Salaries and Wages		29.90	29.90		29.90
Other Expenses	67.95	71.37	139.32	67.95	71.37
Engineering Services					
Other Expenses		400.00	400.00		400.00
Planning Board					
Salaries and Wages		77.32	77.32		77.32
Other Expenses		144.18	144.18		144.18
Economic Development					
Other Expenses		10.00	10.00		10.00
Municipal Court					
Salaries and Wages		173.66	173.66		173.66
Other Expenses		1,229.28	1,229.28		1,229.28
Public Defender					
Other Expenses		200.00	200.00		200.00
<u>Code Enforcement and Administration</u>					
Code Enforcement Office					
Salaries and Wages		163.01	163.01		163.01
Other Expenses		10.00	10.00		10.00
Property Maintenance Officer					
Salaries and Wages		0.12	0.12		0.12
Other Expenses		10.00	10.00		10.00
<u>Insurance</u>					
Liability Insurance		247.12	247.12		247.12
Workers Compensation Insurance		191.30	191.30		191.30
Group Insurance Plan for Employees		1,870.56	1,870.56		1,870.56
Disability Insurance		244.00	244.00		244.00
Incentive Program		93.65	93.65		93.65

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance					
	<u>December 31, 2010</u>					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balances After</u>	<u>Modification</u>	<u>Disbursed</u>	<u>Balance</u>
						<u>Lapsed</u>
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Public Safety Functions</u>						
Police						
Salaries and Wages		\$ 544.89	\$ 544.89			\$ 544.89
Other Expenses	\$ 27.60	5,918.15	3,845.75		\$ 27.60	3,818.15
Office of Emergency Management						
Salaries and Wages		50.02	50.02			50.02
Other Expenses		50.00	50.00			50.00
Uniform Fire Safety Act						
Salaries and Wages		6.55	6.55			6.55
Other Expenses		10.00	10.00			10.00
Fire Hydrant Service	2,123.35	319.80	2,443.15		2,123.35	319.80
Streets and Roads Maintenance						
Salaries and Wages		1,777.92	1,777.92			1,777.92
Other Expenses		1,361.26	1,361.26			1,361.26
Shade Tree Program						
Other Expenses		600.00	600.00			600.00
Garbage and Trash Removal						
Salaries and Wages		280.05	280.05			280.05
Other Expenses		100.00	100.00			100.00
Building and Grounds						
Salaries and Wages		500.45	500.45			500.45
Other Expenses	461.31	2,183.64	2,644.95		1,401.31	1,243.64
Vehicle Maintenance						
Other Expenses		2,830.17	4,830.17		3,802.32	1,027.85
<u>Health and Human Services</u>						
<u>Public Health Service (Board of Health)</u>						
Salaries and Wages		375.27	375.27			375.27
Other Expenses		162.66	162.66			162.66
Dog Regulation						
Other Expenses		270.74	270.74		7.99	262.75
<u>Recreation Functions</u>						
<u>Recreation Services and Programs</u>						
Salaries and Wages		372.20	372.20			372.20
Other Expenses		25.39	25.39			25.39
Celebrations of Public Events						
Other Expenses		63.79	63.79			63.79
Utility Expenses and Bulk Purchases	827.93	3,697.87	4,525.80		643.13	3,882.67
Landfill/Solid Waste Disposal Costs		2,944.96	2,944.96		1,200.00	1,744.96
Accumulated Leave Compensation		4,900.07	4,900.07			4,900.07

(Continued)

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance		Balances After Modification	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
Construction Code Official					
Salaries and Wages		\$ 36.64	\$ 36.64		\$ 36.64
Other Expenses		160.00	160.00		160.00
Plumbing Inspections					
Salaries and Wages		100.00	100.00		100.00
Inspections of Buildings					
Salaries and Wages		59.74	59.74		59.74
Electrical Inspections					
Salaries and Wages		80.00	80.00		80.00
Fire Inspections					
Salaries and Wages		20.00	20.00		20.00
Total Operations within "CAPS"	\$ 3,569.09	36,953.03	40,522.12	\$ 9,447.51	31,074.61
Deferred Charges and Statutory Expenditures					
-- Municipal Within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System		72.00	72.00		72.00
Police and Fireman's Retirement System		1,263.86	1,263.86		1,263.86
Social Security System (O.A.S.I.)		1.00	1.00		1.00
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	-	1,336.86	1,336.86	-	1,336.86
Total General Appropriations for Municipal Purposes within "CAPS"	3,569.09	38,289.89	41,858.98	9,447.51	32,411.47
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Interlocal Municipal Service Agreements</u>					
Municipal Court					
Salaries and Wages		101.17	101.17		101.17
Garbage and Trash Removal					
Other Expenses		417.90	417.90		417.90
Total Other Operations - Excluded from "CAPS"	-	519.07	519.07	-	519.07
Total General Appropriations	\$ 3,569.09	\$ 38,808.96	\$ 42,378.05	\$ 9,447.51	\$ 32,930.54

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	
Current Fund	\$ 3,569.09
Federal and State Grant Fund	<u>925.00</u>
	4,494.09
Decreased by:	
Transfer to 2010 Appropriation Reserves & Federal and State Grants Appropriated	<u>4,494.09</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey Senior Citizens' and
Veterans' Deductions Ch. 73, P.L. 1976
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 11,536.53
Increased by:		
Deductions Disallowed by Tax Collector - 2010 Taxes	\$ 250.00	
Collections	<u>32,500.00</u>	
		<u>32,750.00</u>
		44,286.53
Decreased by:		
Accrued in 2011:		
Senior Citizens' Deductions per Billings	7,750.00	
Veterans' Deductions per Billings	<u>24,750.00</u>	
	32,500.00	
Deductions Allowed by Tax Collector - 2011 Taxes	<u>500.00</u>	
	33,000.00	
Deductions Disallowed by Tax Collector - 2011 Taxes	<u>500.00</u>	
Subtotal - 2011 Taxes		<u>32,500.00</u>
Balance Dec. 31, 2011		<u><u>\$ 11,786.53</u></u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey - State Training Fees
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 200.00
Increased By:	
Receipts	1,103.00
	1,303.00
Decreased by:	
Disbursements	1,095.00
Balance Dec. 31, 2011	\$ 208.00

Exhibit SA-9

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 50.00
Marriage Licenses Fees Collected - 2011	300.00
	350.00
Decreased by:	
Disbursements	325.00
Balance Dec. 31, 2011	\$ 25.00

Exhibit SA-10

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2011

Balance Dec. 31, 2010 (2011 Taxes)	\$ 27,420.34
Increased by:	
Collections--2012 Taxes	18,168.65
	45,588.99
Decreased by:	
Application to 2011 Taxes Receivable	27,420.34
Balance Dec. 31, 2011 (2012 Taxes)	\$ 18,168.65

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of County Taxes
For the Year Ended December 31, 2011

2011 Tax Levy:	
County Tax	\$ 949,361.27
County Library Tax	61,645.85
County Open Space Tax	<u>29,316.20</u>
	1,040,323.32
 Decreased by:	
Disbursements	<u>\$ 1,040,323.32</u>

Exhibit SA-12

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Due County for Added Taxes
For the Year Ended December 31, 2011

Balance Dec. 31, 2010 (Added Taxes 2010)	\$ 43.12
 Increased by County Share of 2011 Levy: 2011 Added Taxes (R.S.54:4-63.1 and seq.)	 <u>627.58</u>
	670.70
 Decreased by: Disbursements	 <u>43.12</u>
Balance Dec. 31, 2011 (Added Taxes 2011)	<u>\$ 627.58</u>

Exhibit SA-13

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2011

Increased by: Levy--Calendar Year 2011	\$ 2,674,773.50
 Decreased by: Disbursements	 <u>2,644,606.20</u>
Balance Dec. 31, 2011	<u>30,167.30</u>

BOROUGH OF LAUREL SPRINGS
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 1,500.51
Increased by:		
Receipts	\$ 7,585.38	
Transfer from Fund Balance	<u>250.00</u>	
		<u>7,835.38</u>
		9,335.89
Decreased by:		
Disbursements	5,656.56	
Applied to Taxes	250.00	
Canceled	<u>0.95</u>	
		<u>5,907.51</u>
Balance Dec. 31, 2011		<u><u>\$ 3,428.38</u></u>

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For The Year Ended December 31, 2011

<u>Program</u>	<u>Balance Dec. 31, 2010</u>	<u>Accrued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
Federal Grants:				
Community Development Block Grant	\$ 98,779.15	\$ 22,513.00	\$ 39,558.35	\$ 81,733.80
State Grants:				
Clean Communities Grant		4,000.00	4,000.00	
Recycling Tonnage Grant		6,610.35	6,610.35	
N.J. Transportation Trust Fund Authority	19,750.00		12,704.03	7,045.97
Energy Efficiency Block Grant		10,587.89	10,206.97	380.92
Municipal Storm Water Regulation Program Grant	5,117.00			5,117.00
Body Armor Replacement Grant		1,096.45	1,096.45	
Safe and Secure Communities Grant	12,500.00	20,701.00	22,850.50	10,350.50
Total State Grants	37,367.00	42,995.69	57,468.30	22,894.39
Other Grants:				
Camden County Recreation Enhancement Grant	16,386.00	50,000.00	12,156.00	54,230.00
Camden County Open Space Preservation Trust Fund:				
Improvements to the Walt Whitman Farmhouse	6,885.00			6,885.00
Jack H. Hagen Recreation Complex	4,000.00			4,000.00
Roof Repair to the Whitman Stafford House	1,612.66			1,612.66
Total Other Grants	28,883.66	50,000.00	12,156.00	66,727.66
Total All Grants	\$ 165,029.81	\$ 115,508.69	\$ 109,182.65	\$ 171,355.85
		Cash Received	\$ 105,469.65	
		Canceled	3,713.00	
			<u>\$ 109,182.65</u>	

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2011

<u>Program</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2011 Budget</u>
Federal Grants:		
Community Development Block Grant	\$ 22,513.00	\$ 22,513.00
State Grants:		
Drunk Driving Enforcement Grant	1,096.45	1,096.45
Clean Communities Grant	4,000.00	4,000.00
Body Armor Replacement Grant	10,587.89	10,587.89
Safe and Secure Communities Program	20,701.00	20,701.00
Recycling Tonnage Grant	6,610.35	6,610.35
Total State Grants	42,995.69	42,995.69
Other Grants:		
Camden County Recreation Facilities Enhance Grant- Improvements to Jack H. Hagen Recreation Complex	50,000.00	50,000.00
Total Other Grants	50,000.00	50,000.00
Total All Grants	\$ 115,508.69	\$ 115,508.69

BOROUGH OF LAUREL SPRINGS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Transferred from 2011 Budget	Decreased	Balance Dec. 31, 2011
	Encumbrances	Reserved	Appropriation		
Federal Grants:					
Community Development Block Grant	\$ -	\$ 61,623.01	\$ 22,513.00	\$ 3,881.75	\$ 80,254.26
State Grants:					
Drunk Driving Enforcement Grant		3,926.28		508.95	3,417.33
Clean Communities Grant		9,137.00	4,000.00	1,202.98	11,934.02
N.J. Transportation Trust Fund Authority		7,045.97			7,045.97
Safe and Secure Communities Program		12,033.77	45,236.00	41,838.55	15,431.22
Recycling Tonnage Grant		1,461.95	6,610.35	261.50	7,810.80
Body Armor Replacement Grant		942.86	1,096.45		2,039.31
Municipal Storm Water Regulation Grant Program		9,678.24			9,678.24
Energy Efficiency Block Grant			10,587.89	10,206.97	380.92
Alcohol Education and Rehabilitation Fund		1,516.07		1,204.90	311.17
Total State Grants	-	45,742.14	67,530.69	55,223.85	58,048.98
Other Grants:					
Camden County Recycling Rebate		2,635.18		2,390.00	245.18
Camden County Recreation Enhancement Grant			50,000.00	6,290.00	43,710.00
Camden County Open Space Preservation Trust Fund - Improvements to the Walt Whitman Farmhouse		4,760.72			4,760.72
Camden County Recreation Facilities Enhancement Grant- Improvements to the Jack H. Hagen Recreation Complex		2,236.00			2,236.00
Comcast Corporation - Technology Grant	925.00	2,127.90		109.98	2,942.92
Total Other Grants	925.00	11,759.80	50,000.00	8,789.98	53,894.82
Total All Grants	\$ 925.00	\$ 119,124.95	\$ 140,043.69	\$ 67,895.58	\$ 192,198.06
Cash Disbursed				\$ 64,182.58	
Canceled				3,713.00	
				<u>\$ 67,895.58</u>	

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF LAUREL SPRINGS
TRUST FUNDS
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2010	\$ 1,245.98	\$ 62,315.44
Increased by Receipts:		
Animal Control Fees	\$ 5,798.80	
State Registration Fees	417.00	
Due to Current Fund		\$ 0.12
Net Payroll		650,780.98
Payroll Deductions Payable		319,564.61
Reserve for Recreation Commission		17,109.25
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		23,243.70
Unemployment Compensation Insurance		997.85
Reserve for Centennial		500.00
Reserve for Planning Board Escrow		4,072.08
Reserve for Disposal of Forfeited Property		5.98
Reserve for Public Defender		822.00
	6,215.80	1,017,096.57
	7,461.78	1,079,412.01
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	4,958.56	
State Registration Fees	392.60	
Due to General Capital Fund		
Due to Current Fund	5.68	
Net Payroll		650,780.98
Payroll Deductions Payable		325,519.58
Statement of Reserve for Outside Employment of Off-Duty Municipal Police Officers		27,924.70
Reserve for Unemployment Compensation Insurance		254.12
Reserve for Disposal of Forfeited Property		199.98
Reserve for Recreation Commission		15,469.19
Reserve for Planning Board Escrow		4,883.70
Reserve for Public Defender		1,600.00
	5,356.84	1,026,632.25
Balance Dec. 31, 2011	\$ 2,104.94	\$ 52,779.76

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
 Statement of Trust Cash - Collector
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 28,310.50
Increased by:		
Receipts for Tax Title Lien Redemptions	\$ 121,030.70	
Cost of Sale Receipts - Due to Current Fund	583.76	
		121,614.46
		149,924.96
Decreased by:		
Disbursements for Tax Title Lien Redemptions		95,441.20
Balance Dec. 31, 2011		\$ 54,483.76
 <u>Analysis of Balance December 31, 2011</u>		
Due to Current Fund - Miscellaneous Revenue Not Anticipated		\$ 583.76
Tax Title Lien Premiums		53,900.00
		\$ 54,483.76

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$	1,240.30
Increased by:			
Dog License Fees Collected	\$	3,484.80	
Cat License Fees Collected		522.00	
Late Fees		<u>1,792.00</u>	
			<u>5,798.80</u>
			7,039.10
Decreased by:			
Expenditures Under R.S.4:19-15.1			<u>4,958.56</u>
Balance Dec. 31, 2011		\$	<u><u>2,080.54</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 3,719.20
2009	<u>3,615.00</u>
	<u><u>\$ 7,334.20</u></u>

Exhibit SB-4

BOROUGH OF LAUREL SPRINGS
TRUST - ANIMAL CONTROL FUND
Statement of Due to State of New Jersey - Dog License Registration Fees
For the Year Ended December 31, 2011

Dog License Registration Fees Collected		\$	397.20
Cancellation of Prior Year Outstanding Check			<u>19.80</u>
			417.00
Decreased by:			
Disbursed to State Treasurer			<u>392.60</u>
Balance Dec. 31, 2011		\$	<u><u>24.40</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2011

Cost of Sale Funds Collected by Tax Collector, Deposited in Trust, Not Turned Over to Current Fund - Realized as Miscellaneous Revenue Not Anticipated	\$ 583.76
Interest Earned Due to Current Fund - Realized as Miscellaneous Revenue Not Anticipated	<u>0.12</u>
	583.88
Decreased by: P.O.A.A. Funds Deposited Erroneously in Current Fund	<u>2.00</u>
Balance Dec. 31, 2011	<u><u>\$ 581.88</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	10,005.95
Increased by:		
Payroll Deductions		319,564.61
		329,570.56
Decreased by:		
Payments		325,519.58
Balance Dec. 31, 2011	\$	4,050.98

An analysis of the Payroll Deductions Payable balance is on file in the Treasurer's office.

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Disposal of Forfeited Property
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	4,600.64
Increased by:		
Receipts		5.98
		4,606.62
Decreased by:		
Disbursements		199.98
Balance Dec. 31, 2011	\$	4,406.64

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for New Jersey Unemployment Compensation Insurance
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 23,562.36
Increased by:		
Receipts		
Employee Withholdings	\$ 967.44	
Interest Earned on Investments	<u>30.41</u>	
		<u>997.85</u>
		24,560.21
Decreased by:		
Claims Paid		<u>254.12</u>
Balance Dec. 31, 2011		<u><u>\$ 24,306.09</u></u>

Exhibit SB-9

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Planning Board Escrow Deposits
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 4,305.41
Increased by:		
Receipts		<u>4,072.08</u>
		8,377.49
Decreased by:		
Disbursements--Professional Fees and Refunds		<u>4,883.70</u>
Balance Dec. 31, 2011		<u><u>\$ 3,493.79</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Recreation Commission (N.J.S.A. 40:12-1)
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	8,263.15
Increased by:		
Receipts		<u>17,109.25</u>
		25,372.40
Decreased by:		
Operating Expenses and Disbursements		<u>15,469.19</u>
Balance Dec. 31, 2011	\$	<u><u>9,903.21</u></u>

Exhibit SB-11

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Outside Employment of
Off Duty Municipal Police Officers
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	7,194.26
Increased by:		
Receipts		<u>23,243.70</u>
		30,437.96
Decreased by:		
Disbursements		<u>27,924.70</u>
Balance Dec. 31, 2011	\$	<u><u>2,513.26</u></u>

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Public Defender
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	3,665.17
Increased by:		
Receipts		822.00
		4,487.17
Decreased by:		
Disbursements		1,600.00
Balance Dec. 31, 2011	\$	2,887.17
 <u>Analysis of Balance December 31, 2011</u>		
Reserve for Public Defender	\$	1,625.00
Due to Criminal Disposition and Review Collection Fund		1,262.17
	\$	2,887.17

Exhibit SB-13

BOROUGH OF LAUREL SPRINGS
TRUST - OTHER FUND
Statement of Reserve for Centennial
For the Year Ended December 31, 2011

Increased by:		
Receipts	\$	500.00
Balance Dec. 31, 2011	\$	500.00

BOROUGH OF LAUREL SPRINGS
 TRUST - OTHER FUND
 Statement of Reserve for P.O.A.A.
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	81.00
Increased by:		
Due from Current Fund - P.O.A.A. Funds		2.00
Balance Dec. 31, 2011	\$	83.00

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Capital Cash--Treasurer
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 682,203.94
Increased by Receipts:		
Bond Anticipation Note Proceeds	\$ 84,550.00	
New Jersey Transportation Trust Fund Receivable	137,449.93	
Budget Appropriation - Capital Improvement Fund	5,000.00	
		226,999.93
		909,203.87
Decreased by Disbursements:		
Improvement Authorizations	649,819.84	
Reserve to Pay Debt- Anticipated as Revenue in Current Fund	75,000.00	
Contracts Payable	108,200.38	
		833,020.22
Balance Dec. 31, 2011		\$ 76,183.65

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For The Year Ended December 31, 2011

	Receipts				Disbursements				Balance Dec. 31, 2011	
	Balance Dec. 31, 2010	Budget Appropriation	Bond Anticipation Note	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers			
							From	To		
Capital Improvement Fund	\$ 5,565.00			\$ 5,000.00			\$ 8,950.00		\$ 1,615.00	
Contracts Payable	129,785.24					\$ 108,200.38	21,584.86			
New Jersey Transportation Trust Fund Receivable	(67,710.06)			137,449.93			142,000.00	\$ 16,510.13	(55,750.00)	
Federal - SAFETEA-LU Grant Receivable	(477,000.00)							94,000.00	(383,000.00)	
Reserve to Pay Bonds and Notes	40,507.42						75,000.00	82,827.96	48,335.38	
Improvement Authorizations:										
Ordinance										
<u>Number</u>										
673-2006	Reconstruction of Chestnut Avenue and Surrounding Area and Improvements to Public Buildings and Grounds				\$ 2,341.34			17,080.96	14,739.62	
690-2007	Purchase of Computer and Office Equipment, Improvements to Buildings and Grounds, and Road Repairs and Construction	55,057.96			773.99		29,145.93		25,138.04	
703-2008	Phase I of Streetscape Improvements in and for the Borough	522,100.63			374,799.38		94,000.00		53,301.25	
704-2008	Construction and Reconstruction of Various Streets and Roads	61,565.63			3,638.40		47,565.63		10,361.60	
706-2008	Acquisition, Construction, Repair and Installation of Various Capital Improvements	11,990.62						4,503.90	16,494.52	
714-2009	Acquisition, Construction, Repair and Installation of Various Capital Improvements	30,085.00			292.00		27,800.00		1,993.00	
716-2009	Construction and Reconstruction of Various Streets and Roads	13,971.40			703.75		6,116.40		7,151.25	
720-2009	Construction of New Fire House	164,182.41			46,657.23				117,525.18	
733-2010	Acquisition Construction, Repair and Installation of Various Capital Improvements	48,500.00			25,999.68				22,500.32	
734-2010	Construction and Reconstruction of Various Streets and Roads	143,602.69			86,742.36		16,510.13		40,350.20	
739-2011	Construction and Reconstruction of Various Streets and Roads			\$ 84,550.00	107,871.71			146,450.00	123,128.29	
741-2011	Purchase of a Police Four Wheel Drive Vehicle							27,800.00	27,800.00	
742-2011	Purchase of Trash Containers							4,500.00	4,500.00	
		\$ 682,203.94	\$ -	\$ 84,550.00	\$ 142,449.93	\$ 649,819.84	\$ 183,200.38	\$ 393,672.95	\$ 393,672.95	\$ 76,183.65

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For The Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 2,833,350.00
Decreased by:	
2011 Budget Appropriation to Pay Bonds	<u>240,000.00</u>
Balance Dec. 31, 2011	<u><u>\$ 2,593,350.00</u></u>

BOROUGH OF LAUREL SPRINGS
 GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For The Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2010	2011 Authorizations	Paid by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance December 31, 2011		
							Bond Anticipation Note	Unexpended Improvement Authorizations	
General Improvements:									
703-2008	Phase I of Streetscape Improvements in and for the Borough	7/1/2008	\$ 50.00			\$ 50.00	\$ 50.00		
714-2009	Acquisition, Construction, Repair and Installation of Various Capital Improvements	5/4/09	140.00			140.00	140.00		
733-2010	Acquisition Construction, Repair and Installation of Various Capital Improvements	11/22/10	46,075.00		\$ 5,750.00	40,325.00	40,325.00		
734-2010	Construction and Reconstruction of Various Streets and Roads	11/22/10	68,875.00		5,750.00	63,125.00	63,125.00		
739-2011	Construction and Reconstruction of Various Streets and Roads	8/8/2011		\$ 84,550.00		84,550.00	84,550.00		
742-2011	Purchase of Trash Containers	12/26/2011		85,500.00		85,500.00		\$ 85,500.00	
			<u>\$ 115,140.00</u>	<u>\$ 170,050.00</u>	<u>\$ 11,500.00</u>	<u>\$ 273,690.00</u>	<u>\$ 188,190.00</u>	<u>\$ 85,500.00</u>	
Improvement Authorizations Unfunded									\$ 233,090.52
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
							Ord. 703-2008	\$ 50.00	
							Ord. 714-2009	140.00	
							Ord. 733-2010	22,500.32	
							Ord. 734-2010	40,350.20	
							Ord. 739-2011	<u>84,550.00</u>	
									<u>147,590.52</u>
									<u>\$ 85,500.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of New Jersey Transportation Trust Fund Receivable
For The Year Ended December 31, 2011

Balance December 31, 2010		\$ 67,710.06
Increased by:		
New Jersey Transportation Trust Funds Awarded		<u>142,000.00</u>
		209,710.06
Decreased by:		
Received	\$ 137,449.93	
Canceled	<u>16,510.13</u>	
		<u>153,960.06</u>
Balance December 31, 2011		<u><u>\$ 55,750.00</u></u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For The Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 5,565.00
Increased by:	
Budget Appropriation	<u>5,000.00</u>
	10,565.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>8,950.00</u>
Balance Dec. 31, 2011	<u><u>\$ 1,615.00</u></u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For The Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2010		Capital Improvement Fund	2011 Authorization		Department of Transportation Grant	Reappropriated	Canceled Contracts Payable	Improvement Authorization Canceled	Paid or Charged	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation Unfunded	Unfunded						Funded	Unfunded
673-2006	Reconstruction of Chestnut Avenue and Surrounding area and Improvements to Public Buildings and Grounds	5/8/2006	\$ 435,000.00								\$ 17,080.96		\$ 2,341.34	\$ 14,739.62	
690-2007	Purchase of Computer and Office Equipment, Improvements to Buildings and Grounds, and Road Repairs and Construction	6/4/2007	324,500.00	\$ 55,057.96								\$ 29,145.93	773.99	25,138.04	
703-2008	Phase I of Streetscape Improvements in and for the Borough	7/1/2008	560,000.00	522,050.63	\$ 50.00							94,000.00	374,799.38	53,251.25	\$ 50.00
704-2008	Construction and Reconstruction of Various Streets and Roads	7/1/2008	220,000.00	61,565.63								47,565.63	3,638.40	10,361.60	
706-2008	Acquisition, Construction, Repair and Installation of Various Capital Improvements	7/1/2008	90,000.00	11,990.62							4,503.90			16,494.52	
714-2009	Acquisition, Construction, Repair and Installation of Various Capital Improvements	5/4/09	171,200.00	29,945.00	140.00				\$ (27,800.00)				292.00	1,853.00	140.00
716-2009	Construction and Reconstruction of Various Streets and Roads	5/4/09	222,000.00	13,971.40								6,116.40	703.75	7,151.25	
720-2009	Construction of New Fire House	10/19/09	740,000.00	164,182.41									46,657.23	117,525.18	
733-2010	Acquisition, Construction, Repair and Installation of Various Capital Improvements	11/22/10	48,500.00	2,425.00	46,075.00								25,999.68		22,500.32
734-2010	Construction and Reconstruction of Various Streets and Roads	11/22/10	272,500.00	74,727.69	68,875.00							16,510.13	86,742.36	40,350.20	
739-2011	Construction and Reconstruction of Various Streets and Roads	8/8/2011	231,000.00			\$ 4,450.00	\$ 84,550.00	\$ 142,000.00					107,871.71	38,578.29	84,550.00
741-2011	Purchase of a Police Four Wheel Drive Vehicle	10/3/2011	27,800.00							\$ 27,800.00				27,800.00	
742-2011	Purchase of Trash Containers	12/26/2011	90,000.00			4,500.00	85,500.00							4,500.00	85,500.00
				<u>\$ 935,916.34</u>	<u>\$ 115,140.00</u>	<u>\$ 8,950.00</u>	<u>\$ 170,050.00</u>	<u>\$ 142,000.00</u>	<u>\$ -</u>	<u>\$ 21,584.86</u>	<u>\$ 193,338.09</u>	<u>\$ 649,819.84</u>	<u>\$ 317,392.75</u>	<u>\$ 233,090.52</u>	
Disbursed												<u>\$ 649,819.84</u>			

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Contracts Payable
For The Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 129,785.24
Decreased by:		
Disbursements	\$ 108,200.38	
Canceled	<u>21,584.86</u>	
		<u>129,785.24</u>

BOROUGH OF LAUREL SPRINGS
 GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For The Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
703-2008	Phase I of Streetscape Improvements in and for the Borough	10/30/2008	12/22/2010	12/22/2011	2.25%	\$ 50.00		\$ 50.00	\$ 50.00
		10/30/2008	12/22/2011	11/21/2012	3.35%		\$ 50.00		\$ 50.00
714-2009	Acquisition, Construction, Repair and Installation of Various Capital Improvements	12/22/2010	12/22/2010	12/22/2011	2.25%	140.00		140.00	
		12/22/2010	12/22/2011	11/21/2012	3.35%		140.00		140.00
733-2010	Acquisition Construction, Repair and Installation of Various Capital Improvements	12/22/2010	12/22/2010	12/22/2011	2.25%	46,075.00		46,075.00	
		12/22/2010	12/22/2011	11/21/2012	3.35%		40,325.00		40,325.00
734-2010	Construction and Reconstruction of Various Streets and Roads	12/22/2010	12/22/2010	12/22/2011	2.25%	68,875.00		68,875.00	
		12/22/2010	12/22/2011	11/21/2012	3.35%		63,125.00		63,125.00
739-2011	Construction and Reconstruction of Various Streets and Roads	11/21/2011	11/21/2011	11/21/2012	3.35%		84,550.00		84,550.00
						<u>\$ 115,140.00</u>	<u>\$ 188,190.00</u>	<u>\$ 115,140.00</u>	<u>\$ 188,190.00</u>
Paid by Budget Appropriation								\$ 11,500.00	
Renewal							\$ 103,640.00	103,640.00	
Issued for Cash							84,550.00		
						<u>\$ 188,190.00</u>	<u>\$ 115,140.00</u>		

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For The Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Bonds Issued</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements of 1999	8-1-99	\$ 925,000.00	8-1-12	\$ 75,000.00	5.375%	\$ 225,000.00		\$ 75,000.00	\$ 150,000.00
			8-1-13	75,000.00	5.375%				
General Improvements of 2006	12-7-06	1,133,350.00	12-15-12	80,000.00	4.000%	848,350.00		80,000.00	768,350.00
			12-15-13	100,000.00	4.250%				
			12-15-14	100,000.00	4.250%				
			12-15-15	100,000.00	4.250%				
			12-15-16	130,000.00	4.250%				
			12-15-17	130,000.00	4.250%				
			12-15-18	128,350.00	4.250%				
General Improvements of 2009	12-10-09	1,840,000.00	12-1-12	90,000.00	3.000%	1,760,000.00		85,000.00	1,675,000.00
			12-1-13	95,000.00	3.000%				
			12-1-14	100,000.00	3.000%				
			12-1-15	105,000.00	3.000%				
			12-1-16	110,000.00	3.500%				
			12-1-17	125,000.00	3.500%				
			12-1-18	130,000.00	4.000%				
			12-1-19	140,000.00	4.000%				
			12-1-20	150,000.00	4.000%				
			12-1-21	150,000.00	4.000%				
			12-1-22	160,000.00	4.000%				
			12-1-23	160,000.00	4.250%				
			12-1-24	160,000.00	4.250%				
						<u>\$ 2,833,350.00</u>	<u>\$ -</u>	<u>\$ 240,000.00</u>	<u>\$ 2,593,350.00</u>

BOROUGH OF LAUREL SPRINGS
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For The Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>2011 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance Dec. 31, 2011</u>
General Improvements:					
739-2011	Construction and Reconstruction of Various Streets and Roads	8/8/2011	\$ 84,550.00	\$ 84,550.00	
742-2011	Purchase of Trash Containers	12/26/2011	85,500.00		\$ 85,500.00
			<u>\$ 170,050.00</u>	<u>\$ 84,550.00</u>	<u>\$ 85,500.00</u>

SUPPLEMENTAL EXHIBITS
SEWER UTILITY FUND

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY FUND
Statement of Sewer Utility Cash
For the Year Ended December 31, 2011

	Operating	Capital
Balance December 31, 2010	\$ 188,929.19	\$ 1,000.00
Increased by Receipts:		
Sewer Rents	\$ 128,027.61	
Prepaid Rents	777.39	
Miscellaneous Revenue	1,419.21	1.31
	<u>130,224.21</u>	
	319,153.40	1,001.31
Decreased by Disbursements:		
2011 Appropriations	155,648.04	
2010 Appropriations	5.10	
Due to Sewer Utility - Operating Fund - Realized as Miscellaneous Revenue		1.31
	<u>155,653.14</u>	
Balance December 31, 2011	<u>\$ 163,500.26</u>	<u>\$ 1,000.00</u>

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash
 For the Year Ended December 31, 2011

		<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursements</u> <u>Due Sewer Utility Operating Fund</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Ordinance <u>Number</u>					
General Improvements:					
705-2008	Various Improvements to and for the Borough's Sewer Utility	\$ 1,000.00	\$ 1.31	\$ 1.31	\$ 1,000.00

BOROUGH OF LAUREL SPRINGS
SEWER UTILITY OPERATING FUND
Statement of Sewer Consumer Accounts Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 12,229.24
Increased by:		
Sewer Rents Levied		<u>125,534.09</u>
		137,763.33
Decreased by:		
Payments Received	\$ 128,027.61	
Prepaid Rents Applied	<u>562.81</u>	
		<u>128,590.42</u>
Balance December 31, 2011		<u><u>\$ 9,172.91</u></u>

BOROUGH OF LAUREL SPRINGS
PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF LAUREL SPRINGS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

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.

N/A – None

BOROUGH OF LAUREL SPRINGS
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

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

N/A – None

BOROUGH OF LAUREL SPRINGS
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Jack Severson	Mayor	(A)
Michael Cannon	Councilman	(A)
Barbara Caccia	Councilwoman to September 7, 2011	(A)
Kendra Mochel	Councilwoman	(A)
James Redstreak	Councilman from September 26, 2011	(A)
Richard J. McCunney	Councilman	(A)
David Thatcher	Councilman	(A)
Eugene Letts	Councilman	(A)
Dawn Amadio	Municipal Clerk, Municipal Improvement Search and Deputy Treasurer	(A)
Dean Ciminera	Chief Financial Officer	(A)
Janice M. Gattone	Tax Collector, Tax Search Officer and Secretary to the Construction Code Official	(A)
George J. Botcheos, Esq.	Solicitor	(A)

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

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

