

**BOROUGH OF PALMYRA**  
**County of Burlington**

**Report of Audit**

**For the Year 2011**

**BOROUGH OF PALMYRA**  
**COUNTY OF BURLINGTON**

**TABLE OF CONTENTS**

**PART I**

	<b><u>Exhibits</u></b>	<b><u>Page</u></b>
Independent Auditor's Report		2
Report on Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance with Government Auditing Standards		4
<b><u>Financial Statements</u></b>		
<b><u>Current Fund:</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	A	6
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	8
Statement of Revenues - Modified Accrual Basis	A-2	9
Statement of Expenditures - Regulatory Basis	A-3	12
<b><u>Trust Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	B	19
<b><u>General Capital Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	C	20
Statement of Fund Balance -- - Regulatory Basis	C-1	21
<b><u>Sewer Utility Operating and Capital Fund</u></b>		
Statement of Assets, Liabilities and Reserves and Fund Balance - - Regulatory Basis	D	22
Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	24
Statement of Fund Balance - Regulatory Basis	D-2	25
Statement of Revenues - Regulatory Basis	D-3	26
Statement of Expenditures - Regulatory Basis	D-4	27
<b><u>Public Assistance Fund</u></b>		
Statement of Assets, Liabilities and Reserves - Regulatory Basis	E	28
<b><u>Account Group</u></b>		
Statement of General Fixed Assets Group of Accounts	F	29
Notes to Financial Statements		30
<b><u>Current Fund</u></b>		
Statement of Cash - Collector/Treasurer	A-4	46
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	47

**Part I (Continued):**

<b><u>Current Fund (Continued)</u></b>	<b><u>Exhibits</u></b>	<b><u>Page</u></b>
Schedule of Tax Title Liens	A-6	48
Schedule of Property Acquired for Taxes (At Assessed Valuations)	A-7	48
Schedule of Revenue Accounts Receivable	A-8	49
Schedule of Amount Due business Improvement District	A-9	50
Statement of 2009 Appropriation Reserves and Reserve for Encumbrances	A-10	51
Schedule of Due State of New Jersey - Senior Citizen and Veterans' Deductions	A-11	53
Schedule of Local District School Tax Payable	A-12	54
<b><u>Federal and State Grant Fund</u></b>		
Schedule of Federal and State Grants Receivable	A-13	55
Schedule of Reserve for Federal and State Grants - Unappropriated	A-14	56
Schedule of Reserve for Federal and State Grants - Appropriated	A-15	57
<b><u>Trust Fund</u></b>		
Schedule of Cash - Treasurer	B-1	59
Schedule of Reserve for Animal Control Fund Expenditures	B-2	61
Statement of Payroll Deductions Payable	B-3	62
Schedule of Reserve for Developer's Escrow Deposits	B-4	63
Schedule of Reserve for Unemployment Compensation Trust	B-5	64
Schedule of Reserve for Regional Contribution	B-6	64
Schedule of Reserve for Public Defender	B-7	65
Schedule of Reserve for Compensated Absences	B-8	65
<b><u>General Capital Fund</u></b>		
Schedule of Cash - Treasurer	C-2	67
Analysis of General Capital Cash and Investments	C-3	68
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4	69
Statement of Deferred Charges to Future Taxation - Funded	C-5	70
Statement of Capital Improvement Fund	C-6	70
Schedule of Improvement Authorizations	C-7	71
Schedule of General Serial Bonds	C-8	72
Schedule of Green Acres Loan Payable	C-9	73
Schedule of Burlington County Bridge Commission Lease Payable	C-10	74
Schedule of Bond Anticipation Notes	C-11	75
Statement of Bonds and Notes Authorized But Not Issued	C-12	76
<b><u>Sewer Utility Fund</u></b>		
Schedule of Cash - Collector/Treasurer	D-5	78
Analysis of Capital Cash	D-6	79
Statement of 2010 Appropriation Reserves and Reserve for Encumbrances	D-7	80
Schedule of Sewer Rents Receivable	D-8	81
Schedule of Sewer Lien Receivables	D-9	81
Schedule of Fixed Capital	D-10	82
Schedule of Fixed Capital Authorized and Uncompleted	D-11	83
Schedule of Improvement Authorizations	D-12	84
Schedule of General Serial Bonds	D-13	85
Schedule of Capital Improvement Fund	D-14	86

**Part I (Continued):**

**Sewer Utility Fund (continued)**

Schedule of Bond Anticipation Notes  
Schedule of Deferred Reserve for Amortization

**Exhibits**

D-15  
D-16

**Page**

87  
88

**Public Assistance Fund**

Schedule of Cash - Treasurer

E-1

90

**PART II**

Schedule of Findings and Recommendations

92

Summary Schedule of Prior-Year Audit Findings

95

Officials in Office and Surety Bonds

96

Acknowledgement

97

**BOROUGH OF PALMYRA**

**PART I**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2011**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Palmyra  
County of Burlington  
Palmyra, New Jersey

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, 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 and 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 also 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 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 Palmyra, in the County of Burlington, 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 Palmyra, in the County of Burlington, 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 and expenditures - regulatory basis of the various funds, and general fixed assets account group, for the year period 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 February 17, 2012 on our consideration of the Borough of Palmyra, in the County of Burlington, 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 our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Palmyra's basic financial statements. The supplementary financial schedules 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 schedules of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 17, 2012

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

## **FINDINGS**

### **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 Palmyra  
County of Burlington  
Palmyra, New Jersey

We have audited the financial statements (regulatory basis) of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated February 17, 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**

In planning and performing our audit, we considered the Borough of Palmyra'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified the following deficiency in internal control over financial reporting that we consider to be a significant deficiency.

*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 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency described in the accompanying Schedule of Findings and Recommendations to be a significant deficiency: 2011-1.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Palmyra's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Governments Services, Department of Community Affairs, State of New Jersey which are described in the accompanying Schedule of Findings and Recommendations as findings #2011-2 and #2011-3.

The Borough of Palmyra's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of 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,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 17, 2012

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
<b>Regular Fund:</b>			
Cash - Treasurer	A-4	\$ 1,817,362.66	\$ 1,785,213.40
Cash - Collector's Change Fund		<u>200.00</u>	<u>200.00</u>
Total		<u>1,817,562.66</u>	<u>1,785,413.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	397,322.38	466,649.74
Tax Title Liens Receivable	A-6	87,135.86	46,258.29
Property Acquired for Taxes - Assessed Valuation	A-7	173,200.00	173,200.00
Revenue Accounts Receivable	A-8	10,253.44	10,569.75
Due from General Capital Fund	C		24,196.43
Due from Trust - Animal Control Fund	B	1,631.21	1,376.88
Due from Trust - Other Fund	B	<u>1,165.55</u>	<u>1,257.94</u>
Total		<u>670,708.44</u>	<u>723,509.03</u>
Total Regular Fund		<u>2,488,271.10</u>	<u>2,508,922.43</u>
<b>Federal and State Grant Fund:</b>			
Cash - Treasurer	A-4	401,989.32	281,835.93
Federal and State Grants Receivable	A-13	<u>341,673.29</u>	<u>750,513.55</u>
Total Federal and State Grant Fund		<u>743,662.61</u>	<u>1,032,349.48</u>
Total		<u>\$ 3,231,933.71</u>	<u>\$ 3,541,271.91</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>Regular Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3, A-10	\$ 418,330.79	\$ 429,767.21
Reserve for Encumbrances Payable	A-3, A-10	78,013.04	161,654.32
Due State of New Jersey per Chapter 20 PL 1971	A-11	52,430.58	52,180.58
Prepaid Taxes	A-4, A-5	92,516.01	96,928.05
Prepaid Business Improvement District Tax	A-4	21.24	4,963.13
Tax Overpayments		37,072.47	
<b>Due State of New Jersey:</b>			
Marriage License Fees		350.00	615.00
Construction Code Training Fees		761.00	1,159.00
Reserve for Tax Title Lien Redemption		40,346.37	17,325.65
Due County for Added Taxes	A-5, A-4	190.81	243.34
Due to Business Improvement District Tax	A-9	3,970.37	11,279.43
Due to Sewer Utility Operating Fund	D	83.55	2,336.67
Due to General Capital Fund	C	16,048.38	
<b>Total Liabilities</b>		<u>740,134.61</u>	<u>778,452.38</u>
<b>Reserve for Receivables and Other Assets</b>	A	670,708.44	723,509.03
<b>Fund Balance</b>	A-1	<u>1,077,428.05</u>	<u>1,006,961.02</u>
<b>Total Regular Fund</b>		<u>2,488,271.10</u>	<u>2,508,922.43</u>
<b>Federal and State Grant Fund:</b>			
Unappropriated Reserves	A-14	53,067.35	17,816.11
Appropriated Reserves	A-15	690,595.26	1,014,533.37
<b>Total Federal and State Grant Fund</b>		<u>743,662.61</u>	<u>1,032,349.48</u>
<b>Total</b>		<u>\$ 3,231,933.71</u>	<u>\$ 3,541,271.91</u>

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

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 800,000.00	\$ 1,367,000.00
Miscellaneous Revenue Anticipated	1,148,338.39	1,603,592.69
Receipts from Delinquent Taxes	445,162.65	333,886.33
Receipts from Current Taxes	15,364,971.23	15,127,376.39
Nonbudget Revenues	241,101.07	222,473.23
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves/Encumbrances Payable	255,861.14	178,149.54
Interfund Loans Returned	4,102.03	5,074.22
Prior Year Prepaid Taxes Canceled	4,963.13	441.85
Grant Fund Reserves Canceled	74,481.71	
Prior Year Tax Overpayments Canceled		7,596.11
Total Revenue and Other Income Realized	<u>18,338,981.35</u>	<u>18,845,590.36</u>
<b>Expenditures:</b>		
Operations Within "CAPS":		
Salaries and Wages	2,128,435.32	2,456,953.71
Other Expenses	2,723,389.55	2,661,651.92
Deferred Charges and Statutory Expenditures Within "CAPS"	573,146.00	517,669.00
Operations Excluded from "CAPS":		
Other Expenses	130,876.49	174,939.90
Capital Improvements Excluded from "CAPS"	107,600.00	490,000.00
Municipal Debt Service Excluded from "CAPS"	1,313,966.52	1,611,976.29
Local District School Tax	8,150,787.00	7,655,983.04
County Taxes	2,266,092.98	2,269,308.69
Due County for Added Taxes	190.81	243.34
Business Improvement District Tax	72,155.37	18,357.14
Due Special Improvement District Tax for Added Taxes	1,874.28	
Interfund Loans Made		77,818.78
Total	<u>17,468,514.32</u>	<u>17,934,901.81</u>
Statutory Excess to Fund Balance	870,467.03	910,688.55
Fund Balance January 1	<u>1,006,961.02</u>	<u>1,463,272.47</u>
Total	1,877,428.05	2,373,961.02
Decreased by Utilization as Anticipated Revenue	<u>800,000.00</u>	<u>1,367,000.00</u>
Balance December 31	<u>\$ 1,077,428.05</u>	<u>\$ 1,006,961.02</u>

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

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2011

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 800,000.00		\$ 800,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	
Other	1,000.00		4,210.00	\$ 3,210.00
Fees and Permits - Other	10,000.00		11,724.36	1,724.36
Fines and Costs -Municipal Court	193,000.00		172,591.55	(20,408.45)
Interest and Costs on Taxes	69,000.00		97,551.17	28,551.17
Interest on Investments and Deposits	32,000.00		11,605.45	(20,394.55)
Burlington County Bridge Commission in Lieu of Taxes	34,238.43		34,238.43	
Consolidated Municipal Property Relief Act	65,152.00		65,152.00	
Energy Receipts Tax	493,103.00		493,103.00	
Special Franchise Tax - PSE&G	38,600.00		38,763.14	163.14
Uniform Construction Code Fees	75,000.00		56,319.00	(18,681.00)
Miscellaneous Revenues Offset with Appropriations:				
Recycling Tonnage Grant		\$ 10,626.18	10,626.18	
Drunk Driving Enforcement Grant	3,411.29		3,411.29	
Clean Communities Grant		12,579.88	12,579.88	
Alcohol Education and Rehabilitation		970.82	970.82	
Municipal Alliance on Alcoholism and Drug Abuse	17,200.00		17,200.00	
Clean Energy Grant		14,955.00	14,955.00	
Over the Limit	2,787.64		2,787.64	
Vest Protection Grant	991.00		991.00	
Click It or Ticket		3,540.68	3,540.68	
ARRA - Justice Assistance Grant		9,900.00	9,900.00	
Burlington County Park Improvement	57,600.00		57,600.00	
Uniform Fire Safety Act Fees	3,000.00		18,517.80	15,517.80
Total	1,106,083.36	52,572.56	1,148,338.39	(10,317.53)
Receipts from Delinquent Taxes	400,000.00		445,162.65	45,162.65
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	5,326,345.25		5,538,924.60	212,579.35
Budget Totals	7,632,428.61	52,572.56	7,932,425.64	\$ 247,424.47
Nonbudget Revenues			241,101.07	
Total	\$ 7,632,428.61	\$ 52,572.56	\$ 8,173,526.71	

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Revenues - Modified Accrual Basis**  
**For the Year Ended December 31, 2011**

Analysis of Realized Revenue**Allocation of Current Tax Collections:**

Revenue from Collections	\$ 15,364,971.23
Allocated to School, County Taxes and Business Improvement District	<u>10,491,100.44</u>
Balance for Support of Municipal Budget Appropriations	4,873,870.79
Add Appropriation - Reserve for Uncollected Taxes	<u>665,053.81</u>
 Amount for Support of Municipal Budget Appropriations	 <u>\$ 5,538,924.60</u>

**Receipts from Delinquent Taxes:**

Delinquent Tax Collections	\$ 436,443.10
Tax Title Lien Collections	<u>8,719.55</u>
 Total	 <u>\$ 445,162.65</u>

**Licenses - Other:**

Food Licenses	\$ 1,705.00
Registrar of Vital Statistics	<u>2,505.00</u>
 Total	 <u>\$ 4,210.00</u>

**Fees and Permits - Other:**

Police Reports	\$ 1,406.31
Duplicating Fees	43.90
Storage Facility Fees	4,083.50
Land Use Filing Fees	650.00
Fence Permits	3,818.00
Dumpster Permits	645.00
Street Opening Permits	550.00
Fire Arm Permits	142.00
Miscellaneous Other	<u>385.65</u>
 Total	 <u>\$ 11,724.36</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2011**

Analysis of Realized Revenue

**Miscellaneous Revenue Not Anticipated:**

## Revenue Accounts Receivable:

Cable Franchise Fee	\$ 25,262.30
Rental of Tower Space	<u>108,806.16</u>
<b>Total</b>	<b>134,068.46</b>

## Treasurer:

FEMA Reimbursement	\$ 7,577.05	
Vehicle Use Fees	37,892.50	
Administrative Fees	14,610.00	
On-line Auction of Used Equipment	10,779.94	
Unknown Receipts	20,864.68	
Prior year refunds	4,141.50	
Miscellaneous	<u>11,166.94</u>	
		<u>107,032.61</u>
<b>Total</b>		<b><u>\$ 241,101.07</u></b>

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

**BOROUGH OF PALMYRA**  
**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>Encumbered</u>	<u>Reserved</u>	
<b>GENERAL APPROPRIATIONS:</b>						
<i>Operations Within "CAPS":</i>						
General Government						
General Administration:						
Salaries and Wages	\$ 24,000.00	\$ 29,192.27	\$ 29,192.27			
Other Expenses	95,500.00	77,626.95	50,735.80	\$ 2,856.19	\$ 24,034.96	
Mayor and Council:						
Salaries and Wages	15,139.80	15,139.80	14,962.97		176.83	
Other Expenses	1,200.00	1,954.98	1,954.98			
Public Relations	1,000.00	1,000.00	1,000.00			
Borough Clerk:						
Salaries and Wages	50,000.00	50,000.08	50,000.08			
Other Expenses	1,850.00	1,850.00	1,780.92		69.08	
Election Costs	8,000.00	8,000.00	2,868.43		5,131.57	
Financial Administration:						
Salaries and Wages	65,900.00	65,900.00	65,750.16		149.84	
Other Expenses	5,750.00	5,750.00	4,229.41	343.59	1,177.00	
Audit Services:						
Other Expenses	20,000.00	20,000.00	20,000.00			
Collection of Taxes:						
Salaries and Wages	54,163.34	61,363.34	61,276.54		86.80	
Other Expenses	4,200.00	4,200.00	3,608.10	50.18	541.72	
Assessment of Taxes:						
Salaries and Wages	12,000.00	12,000.00	8,838.71		3,161.29	
Other Expenses	1,000.00	1,000.00	933.41	36.92	29.67	
Legal Services & Costs:						
Other Expenses	70,000.00	70,000.00	66,307.35	3,401.50	291.15	
Engineering Services & Costs:						
Other Expenses	20,000.00	22,238.55	22,238.55			
Economic Development Agency:						
Salaries and Wages	200.00	200.00	183.00		17.00	
Other Expenses	5,000.00					
Grants and Planning						
Other Expenses	10,000.00	10,155.80	10,155.80			

(Continued)

**BOROUGH OF PALMYRA**  
**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>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>						
Planning Board:						
Salaries and Wages	\$ 4,875.00	\$ 5,861.70	\$ 5,861.70			
Other Expenses	1,500.00	1,500.00	1,492.57		\$ 7.43	
Code Enforcement:						
Salaries and Wages	15,000.00	15,000.00	9,664.23		5,335.77	
Other Expenses	200.00	200.00	100.00		100.00	
Insurance:						
Surety Bond Premiums	3,500.00	3,500.00	1,425.00		2,075.00	
Liability Insurance	135,000.00	135,000.00	135,000.00			
Employees Group Insurance	718,120.12	718,120.12	718,120.12			
Health Benefit Waiver	1,200.00	1,200.00			1,200.00	
Unemployment Compensation	60,000.00	60,000.00	60,000.00			
Public Safety:						
Police:						
Salaries and Wages	1,322,231.65	1,322,231.65	1,295,224.01		27,007.64	
Other Expenses	96,000.00	95,500.00	75,850.42	\$ 3,626.64	16,022.94	
School Crossing Guards:						
Salaries and Wages	77,656.00	77,656.00	72,589.40		5,066.60	
Other Expenses	1,500.00	1,500.00	135.71	770.00	594.29	
Police and Radio Communications:						
Other Expenses	15,955.00	15,955.00	12,792.38	1,874.25	1,288.37	
Office of Emergency Management:						
Salaries and Wages	675.96	675.96	394.31		281.65	
Other Expenses	1,400.00	1,400.00	661.73		738.27	
Aid to Volunteer Fire Company:						
Other Expenses	15,000.00	15,000.00	15,000.00			
Aid to Volunteer Ambulance Squad:						
Other Expenses	20,000.00	20,000.00	20,000.00			
Fire Department:						
Other Expenses	35,000.00	35,000.00	22,879.89	7,085.94	5,034.17	
Uniform Fire Safety Act:						
Salaries and Wages	40,986.00	40,986.00	40,985.10		0.90	
Other Expenses	4,500.00	4,500.00	3,542.59		957.41	

(Continued)

**BOROUGH OF PALMYRA  
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>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>						
Borough Prosecutor:						
Other Expenses	\$ 8,000.00	\$ 8,000.00	\$ 7,610.00		\$ 390.00	
Public Works:						
Street and Road Maintenance:						
Salaries and Wages	240,000.00	240,000.00	238,387.61		1,612.39	
Other Expenses	37,000.00	37,000.00	29,934.30	\$ 6,922.06	143.64	
Railroad Landscaping	3,000.00	3,000.00			3,000.00	
Shade Tree:						
Salaries and Wages	1,072.00	1,072.00	1,071.96		0.04	
Other Expenses	28,500.00	28,500.00	27,992.26	507.74	0.00	
Solid Waste Collection:						
Other Expenses	288,000.00	288,000.00	246,912.64	25,683.34	15,404.02	
Public Buildings and Grounds:						
Salaries and Wages	15,600.00	15,600.00	6,788.00		8,812.00	
Other Expenses	35,000.00	35,000.00	30,178.40	2,723.51	2,098.09	
Vehicle Maintenance:						
Other Expenses	55,000.00	55,000.00	46,184.78	4,760.21	4,055.01	
Condominium Services Law:						
Other Expenses	165,000.00	165,000.00	46,952.90		118,047.10	
Health and Human Services:						
Board of Health:						
Salaries and Wages	600.00	600.00	416.74		183.26	
Other Expenses	200.00	200.00	28.00		172.00	
Animal Control Services:						
Other Expenses	13,000.00	13,000.00	13,000.00			
Parks and Recreation:						
Parks and Playgrounds:						
Other Expenses	15,000.00	15,000.00	11,924.01	1,700.00	1,375.99	
Education Functions:						
Contribution to Tri-Boro Senior Citizen Club						
Other Expenses	750.00	750.00	750.00			
Celebration of Public Events:						
Other Expenses	3,000.00	3,000.00	2,458.58		541.42	

(Continued)

**BOROUGH OF PALMYRA**  
**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>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>						
Other Common Operating Functions:						
Accumulated Sick Leave Compensation						
Salaries and Wages	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
Utility Expenses and Bulk Purchases:						
Electricity	100,000.00	100,000.00	87,457.68		\$ 12,542.32	
Street Lighting	126,000.00	126,000.00	92,119.11		33,880.89	
Telephone	27,000.00	27,000.00	26,867.28		132.72	
Water/Sewer	13,500.00	17,893.91	16,417.68		1,476.23	
Gasoline	75,000.00	75,000.00	49,817.26	\$ 13,184.07	11,998.67	
Fire-Hydrant Services	86,400.00	86,400.00	85,994.64		405.36	
Printing and Postage	12,000.00	12,000.00	10,930.09	558.90	511.01	
Landfill and Solid Waste Disposal Costs:						
Landfill Fees	275,400.00	275,400.00	236,764.23	60.00	38,575.77	
Municipal Court:						
Salaries and Wages	99,000.00	99,000.00	97,401.15		1,598.85	
Other Expenses	10,000.00	10,494.24	10,389.24	100.00	5.00	
Construction Code Official:						
Salaries and Wages	44,000.00	45,956.52	45,956.52			
Other Expenses	9,600.00	9,600.00	2,971.05		6,628.95	
<b>Total Operations - Within "CAPS"</b>	<b>4,851,824.87</b>	<b>4,851,824.87</b>	<b>4,411,411.75</b>	<b>76,245.04</b>	<b>364,168.08</b>	
Detail:						
Salaries and Wages	2,113,099.75	2,128,435.32	2,074,944.46		53,490.86	
Other Expenses	2,738,725.12	2,723,389.55	2,336,467.29	76,245.04	310,677.22	

(Continued)

**BOROUGH OF PALMYRA**  
**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>Encumbered</u>	<u>Reserved</u>	
<b>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</b>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	\$ 144,355.00	\$ 144,355.00	\$ 144,355.00			
Social Security System (O.A.S.I.)	110,000.00	110,000.00	82,472.04		\$ 27,527.96	
Police and Firemen's Retirement System	318,791.00	318,791.00	318,791.00			
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>573,146.00</b>	<b>573,146.00</b>	<b>545,618.04</b>		<b>27,527.96</b>	
<b>Total General Appropriations - For Municipal Purposes Within "CAPS"</b>	<b>5,424,970.87</b>	<b>5,424,970.87</b>	<b>4,957,029.79</b>	<b>\$ 76,245.04</b>	<b>391,696.04</b>	
<b>Operations Excluded from "CAPS":</b>						
Length of Service Award (LOSAP)	18,900.00	18,900.00	18,200.00		700.00	
Employee Group Insurance	30,714.00	30,714.00	3,011.25	1,768.00	25,934.75	
Public and Private Programs Offset By Revenues:						
Municipal Alliance Grant:						
Borough Share	4,300.00	4,300.00	4,300.00			
State Share	17,200.00	17,200.00	17,200.00			
Drunk Driving Enforcement Grant	3,411.29	3,411.29	3,411.29			
Clean Communities		12,579.88	12,579.88			
Clean Energy Grant		14,955.00	14,955.00			
Alcohol Education Rehabilitation Fund		970.82	970.82			
Vest Protection Grant	991.00	991.00	991.00			

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2011**

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<b>Operations Excluded from "CAPS":</b>					
Recycling Tonnage Grant		\$ 10,626.18	\$ 10,626.18		
Justice Assistance Grant		9,900.00	9,900.00		
Over the Limit	\$ 2,787.64	2,787.64	2,787.64		
Click It or Ticket		3,540.68	3,540.68		
<b>Total Operations - Excluded From "CAPS"</b>	<b>78,303.93</b>	<b>130,876.49</b>	<b>102,473.74</b>	<b>\$ 1,768.00</b>	<b>\$ 26,634.75</b>
Detail:					
Other Expenses	78,303.93	130,876.49	102,473.74	1,768.00	26,634.75
<b>Capital Improvements - Excluded From "CAPS"</b>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Burlington County Park Improvement	57,600.00	57,600.00	57,600.00		
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>107,600.00</b>	<b>107,600.00</b>	<b>107,600.00</b>		
<b>Municipal Debt Service - Excluded From "CAPS"</b>					
Payment of Bond Principal	723,000.00	723,000.00	723,000.00		
Payment of Bond Anticipation Notes Principal	300,000.00	300,000.00	300,000.00		
Interest on Bonds	128,000.00	128,000.00	128,000.00		
Interest on Notes	158,000.00	158,000.00	115,551.22		\$ 42,448.78
Loan Repayments:					
Principal	42,000.00	42,000.00	42,000.00		
Interest	5,500.00	5,500.00	5,415.30		84.70
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>1,356,500.00</b>	<b>1,356,500.00</b>	<b>1,313,966.52</b>		<b>42,533.48</b>

(Continued)

**BOROUGH OF PALMYRA  
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>Encumbered</u>	<u>Reserved</u>	
<b>Total General Appropriations for Municipal Purposes Excluded From "CAPS"</b>	\$ 1,542,403.93	\$ 1,594,976.49	\$ 1,524,040.26	\$ 1,768.00	\$ 26,634.75	\$ 42,533.48
Subtotal General Appropriations	6,967,374.80	7,019,947.36	6,481,070.05	78,013.04	418,330.79	42,533.48
Reserve for Uncollected Taxes	665,053.81	665,053.81	665,053.81			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 7,632,428.61</b>	<b>\$ 7,685,001.17</b>	<b>\$ 7,146,123.86</b>	<b>\$ 78,013.04</b>	<b>\$ 418,330.79</b>	<b>\$ 42,533.48</b>

**Budget After Modifications:**

Original Budget	\$ 7,632,428.61
N.J.S.A. 40A:4-87	<u>52,572.56</u>
Total	<u>\$ 7,685,001.17</u>

**Expended - Paid or Charged:**

Reserve for Federal and State Grants	\$ 138,862.49
Reserve for Uncollected Taxes	665,053.81
Disbursed	<u>6,342,207.56</u>
Total	<u>\$ 7,146,123.86</u>

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

## BOROUGH OF PALMYRA

## TRUST FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
<b>Animal Control Fund:</b>			
Cash	B-1	\$ 8,304.01	\$ 8,452.08
Total Animal Control Funds		<u>8,304.01</u>	<u>8,452.08</u>
<b>Other Funds:</b>			
Cash	B-1	778,670.27	797,875.88
Total Other Funds		<u>778,670.27</u>	<u>797,875.88</u>
Total		<u>\$ 786,974.28</u>	<u>\$ 806,327.96</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
<b>Animal Control Fund:</b>			
Due to State Department of Health		\$ 52.80	\$ 10.20
Accounts Payable	B-2	1,170.00	
Due to Current Fund	A	1,631.21	1,376.28
Reserve for Dog Fund Expenditures	B-2	5,450.00	7,065.60
Total Dog License Fund		<u>8,304.01</u>	<u>8,452.08</u>
<b>Other Funds:</b>			
Payroll Deductions Payable	B-3	19,433.29	18,265.95
Accounts Payable		3,187.20	11,781.00
Due to Violent Crime Compensation Board	B-7	36,690.50	32,518.00
Due Current Fund	A	1,165.55	1,257.94
Reserve for Unemployment Compensation Trust	B-5	25,003.60	3,454.36
Reserve for Compensated Absences	B-8	48,637.26	33,637.26
Reserve for Developer's Escrow Funds	B-4	139,887.46	141,353.07
Reserve for Recreation Program		1,100.18	3,209.60
Reserve for POAA Fees		160.00	118.00
Reserve for Community Center Deposits		300.00	
Reserve for Public Defender Fees	B-7	6,125.00	5,250.00
Reserve for Regional Contribution Funds	B-6	479,279.98	532,961.40
Reserve for Disposal of Forfeited Property		17,700.25	14,069.30
Total Other Funds		<u>778,670.27</u>	<u>797,875.88</u>
Total		<u>\$ 786,974.28</u>	<u>\$ 806,327.96</u>

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

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
Cash	C-2	\$ 1,847,170.23	\$ 1,527,632.99
Due from Current Fund	A	16,048.38	
Deferred Charges to Future Taxation:			
Funded	C-5	2,201,662.99	2,966,578.28
Unfunded	C-4	9,834,965.00	9,611,790.00
		<hr/>	<hr/>
Total		<u>\$ 13,899,846.60</u>	<u>\$ 14,106,001.27</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds	C-8	\$ 2,101,000.00	\$ 2,824,000.00
Green Acres Loan Payable	C-9	64,662.99	72,578.28
Due to Burlington County Bridge Commission	C-10	36,000.00	70,000.00
Bond Anticipation Notes	C-11	8,949,000.00	8,407,000.00
Due to Current Fund	A		24,196.43
Reserve for Payment of Notes	C-2	182,944.14	144,593.52
Encumbrances Payable	C-7	1,021,447.55	274,091.43
Improvement Authorizations:			
Funded	C-7	104,712.34	440,164.29
Unfunded	C-7	1,363,266.79	1,779,239.53
Capital Improvement Fund	C-6	60,080.00	53,405.00
Fund Balance	C-1	16,732.79	16,732.79
		<hr/>	<hr/>
Total		<u>\$ 13,899,846.60</u>	<u>\$ 14,106,001.27</u>

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

**BOROUGH OF PALMYRA**

**GENERAL CAPITAL FUND**

**Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2011**

---

Balance December 31, 2011 and 2010

\$ 16,732.79

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

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING AND CAPITAL FUND

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>Operating Fund:</b>			
Cash - Treasurer	D-5	\$ 793,005.94	\$ 577,713.13
Due from Current Fund	A	83.55	2,336.67
Due from Sewer Utility Capital Fund	D	<u>9.26</u>	<u>9.26</u>
Total		<u>793,089.49</u>	<u>580,059.06</u>
<b>Receivables with Full Reserves:</b>			
Sewer Rents Receivable	D-8	151,042.80	
Sewer Liens Receivable	D-9	<u>7,595.16</u>	<u>176,904.18</u>
Total		<u>158,637.96</u>	<u>176,904.18</u>
Total Operating Fund		<u>951,727.45</u>	<u>756,963.24</u>
<b>Capital Fund:</b>			
Cash - Treasurer	D-5, D-6	143,468.60	93,515.39
Due from Sewer Utility Operating Fund	D	37.53	
Fixed Capital	D-9	6,545,945.41	6,545,945.41
Fixed Capital Authorized and Uncompleted	D-10	<u>500,000.00</u>	<u>500,000.00</u>
Total Capital Fund		<u>7,189,451.54</u>	<u>7,139,460.80</u>
Total		<u>\$ 8,141,178.99</u>	<u>\$ 7,896,424.04</u>

(Continued)

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING AND CAPITAL FUND

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Operating Fund:</b>			
Reserve for Encumbrances	D-4, D-7	\$ 69,387.11	\$ 12,148.70
Appropriation Reserves	D-4, D-7	210,764.88	234,628.97
Accrued Interest on Bonds		6,150.69	8,463.02
Due to Sewer Utility Capital Fund	D	37.53	
Sewer Rent Overpayments		4,186.91	1,660.88
Prepaid Sewer Rents	D-5, D-8	<u>12,883.57</u>	<u>1,360.99</u>
<b>Total Liabilities</b>		<b>303,410.69</b>	<b>258,262.56</b>
Reserve for Receivables	D	158,637.96	176,904.18
Fund Balance	D-1	<u>489,678.80</u>	<u>321,796.50</u>
<b>Total Operating Fund</b>		<b><u>951,727.45</u></b>	<b><u>756,963.24</u></b>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-12	1,250,000.00	1,540,000.00
Bond Anticipation Note Payable	D-14	350,000.00	350,000.00
Improvement Authorizations:			
Funded	D-11		
Unfunded	D-11	19,979.74	19,979.74
Due to Sewer Utility Operating Fund	D		9.26
Reserve for Amortization		5,295,945.41	5,005,945.41
Deferred Reserve for Amortization	D-15	150,000.00	150,000.00
Reserve for Payment of Debt	D-5	50,000.00	
Capital Improvement Fund	D-13	30,000.00	30,000.00
Capital Fund Balance	D-2	<u>43,526.39</u>	<u>43,526.39</u>
<b>Total Capital Fund</b>		<b><u>7,189,451.54</u></b>	<b><u>7,139,460.80</u></b>
<b>Total</b>		<b><u>\$ 8,141,178.99</u></b>	<b><u>\$ 7,896,424.04</u></b>

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

BOROUGH OF PALMYRA

SEWER UTILITY OPERATING FUND

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

	<u>2011</u>	<u>2010</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 113,050.00	\$ 116,550.00
Rents	1,513,772.87	1,436,208.24
Miscellaneous	60,950.91	16,792.15
<b>Other Credits to Income:</b>		
Sewer Rent Overpayments Canceled	1,530.30	
Unexpended Balance of Appropriation Reserves	<u>128,777.14</u>	<u>111,064.90</u>
<b>Total</b>	<u>1,818,081.22</u>	<u>1,680,615.29</u>
<b>Expenditures:</b>		
<b>Operating:</b>		
Salaries and Wages	230,000.00	230,000.00
Other Expenses	845,550.00	845,550.00
Debt Service	416,598.92	439,417.60
Deferred Charges and Statutory Expenditures	45,000.00	42,000.00
Refund of Prior Year Sewer Rent Overpayments		<u>784.64</u>
<b>Total</b>	<u>1,537,148.92</u>	<u>1,557,752.24</u>
Statutory Excess to Fund Balance	280,932.30	122,863.05
Fund Balance January 1	<u>321,796.50</u>	<u>315,483.45</u>
<b>Total</b>	602,728.80	438,346.50
Decreased by Utilization as Anticipated Revenue	<u>113,050.00</u>	<u>116,550.00</u>
<b>Fund Balance December 31</b>	<u>\$ 489,678.80</u>	<u>\$ 321,796.50</u>

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

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Statement of Capital Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2011 and 2010

---

Balance December 31, 2011 and 2010	<u>€\$ 43,526.39</u>
------------------------------------	----------------------

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

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 113,050.00	\$ 113,050.00	
Rents	<u>1,435,000.00</u>	<u>1,513,772.87</u>	<u>\$ 78,772.87</u>
Total	1,548,050.00	1,626,822.87	78,772.87
Miscellaneous	<u>                    </u>	<u>60,950.91</u>	<u>60,950.91</u>
Total	<u>\$ 1,548,050.00</u>	<u>\$ 1,687,773.78</u>	<u>\$ 139,723.78</u>

Analysis of Realized Revenues**Sewer Rents:**

## Rents:

Collected - 2011 Rents	\$ 1,511,829.25
Collected - 2011 Liens	452.05
Rent Overpayments Applied	130.58
Prepaid Rents Applied	<u>1,360.99</u>
Total	<u>\$ 1,513,772.87</u>

**Miscellaneous:**

## Collected - 2011:

Interest Earned on Investments	\$ 741.39
Interest on Delinquent Charges	14,926.36
Connection Fees	1,200.00
Sale of Camera Truck	43,197.50
Miscellaneous	<u>848.13</u>
	60,913.38
Due from Capital Fund - Interest Earned on Investments	<u>37.53</u>
Total	<u>\$ 60,950.91</u>

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

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 230,000.00	\$ 230,000.00	\$ 157,448.25		\$ 72,551.75	
Other Expenses	845,550.00	845,550.00	646,102.94	\$ 69,387.11	130,059.95	
Debt Service:						
Payment of Bond Principal	290,000.00	290,000.00	290,000.00			
Payment of Note Principal	50,000.00	50,000.00	50,000.00			
Interest on Bonds	67,500.00	67,500.00	58,430.00			\$ 9,070.00
Interest on Notes	20,000.00	20,000.00	18,168.92			1,831.08
Deferred Charges and Statutory Expenditures:						
Social Security System (O.A.S.I.)	20,000.00	20,000.00	11,846.82		8,153.18	
Unemployment Compensation Insurance (NJSA 43:21-3 et seq.)	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>			
<b>Total</b>	<b><u>\$ 1,548,050.00</u></b>	<b><u>\$ 1,548,050.00</u></b>	<b><u>\$ 1,256,996.93</u></b>	<b><u>\$ 69,387.11</u></b>	<b><u>\$ 210,764.88</u></b>	<b><u>\$ 10,901.08</u></b>
<b>Analysis of Paid or Charged:</b>						
Disbursed			\$ 1,180,398.01			
Accrued Interest on Bonds and Notes			<u>76,598.92</u>			
<b>Total</b>			<b><u>\$ 1,256,996.93</u></b>			

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

## BOROUGH OF PALMYRA

## PUBLIC ASSISTANCE FUND

**Statement of Assets, Liabilities and Reserves -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

---

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
 <b><u>ASSETS</u></b>			
Cash	E-1	<u>\$ 8,281.93</u>	<u>\$ 8,277.80</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance	E-1	<u>\$ 8,281.93</u>	<u>\$ 8,277.80</u>

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

## BOROUGH OF PALMYRA

## ACCOUNT GROUP

Statement of General Fixed Assets Group of Accounts  
For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2011</u>
<b>General Fixed Assets:</b>				
Buildings and Improvements	\$ 6,859,906.31	\$ 40,419.35		\$ 6,900,325.66
Vehicles	791,991.00	2,000.00		793,991.00
Equipment	308,000.00	58,077.44		366,077.44
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total General Fixed Assets</b>	<b><u>\$ 7,959,897.31</u></b>	<b><u>\$ 100,496.79</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,060,394.10</u></b>
<b>Total Investment in General Fixed Assets</b>	<b><u>\$ 7,959,897.31</u></b>	<b><u>\$ 100,496.79</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,060,394.10</u></b>

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

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

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

**Description of Financial Reporting Entity** - The Borough of Palmyra (hereafter referred to as the "Borough") is located in the western portion of the County of Burlington, State of New Jersey. The estimated population at December 31, 2011 according to the New Jersey Department of Labor and Workforce Development is 7,336.

The Borough was incorporated in 1905 and is governed by a Mayor/Council form of government which consists of seven members elected at large by the voters. The Mayor is elected by the voters to a four-year term and acts as the Chief Executive Officer of the Borough. Each of the six members of the Borough Council is elected to serve three year terms that are staggered. The legislative powers rest with the Borough Council. The Borough Administrator, Borough Clerk and Borough Chief Financial Officer are appointed by the Borough Council and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Criteria for determining if other entities are potential component units which should be reported within the Borough's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Borough is financially accountable and other organizations that the nature and significance of their relationship with the Borough are such that exclusion would cause the Borough's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough 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" are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

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

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

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

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

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its Current and Sewer Utility Funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. 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 the 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.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, 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 utilities and other state agencies.

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

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

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

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

**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 \$5,000 the maximum amount allowed by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. 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. No depreciation of general fixed assets is recorded.

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for dispositions 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, equipment and improvements and contributed capital. Depreciation is not recorded on these fixed assets.

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

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

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the Borough 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 Balance included in the Current Fund and Utility Operating Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**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.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation and sick leave 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.

**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 Palmyra Borough School District, Business Improvement District, and the County of Burlington. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting and remitting school taxes for the Palmyra Borough School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2010 and decreased by the amount deferred at December 31, 2011.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**County Taxes** - The Borough is responsible for levying, collecting and remitting county taxes for the County of Burlington. 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.

**Business Improvement District** - The Borough is responsible for levying, collecting and remitting the business improvement district taxes to the District Management Corporation who governs the operations of the business improvement district. Operations is charged for the full amount required to be raised from taxation to operate the business improvement district for the 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. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

**Interest on Delinquent Taxes** - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

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

**NOTE 2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. 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 Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$3,482,684.31 at December 31, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17:9-41 et seq.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 3. PROPERTY TAXES**

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Rate without Business Improvement District	<u>\$ 5.028</u>	<u>\$ 4.968</u>	<u>\$ 4.625</u>	<u>\$ 4.453</u>	<u>\$ 4.330</u>
Total Tax Rate with Business Improvement District					
Schedule A	<u>\$ 5.460</u>	<u>\$ 4.972</u>			
Schedule B	<u>\$ 5.110</u>	<u>\$ 4.969</u>			
Apportionment of Tax Rate:					
Municipal	1.700	1.644	1.504	1.450	1.288
County	.726	.725	.737	.723	.742
Local School	2.602	2.599	2.384	2.280	2.300
Business Improvement District					
Schedule A	.432	.004			
Schedule B	.082	.001			

<u>Assessed Valuation</u>	<u>Amount</u>
2011	\$ 313,139,512
2010	313,548,862
2009	314,382,206
2008	314,070,989
2007	313,815,715

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$ 15,831,027	\$ 15,364,971	97.05 %
2010	15,602,245	15,127,376	96.95
2009	14,549,897	14,188,657	97.51
2008	14,015,516	13,663,438	97.48
2007	13,597,472	13,252,646	97.46

**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	\$ 87,135	\$ 397,322	\$ 484,637	3.06 %
2010	46,258	466,650	512,908	3.28
2009	29,646	350,544	380,190	2.61
2008	10,698	360,045	370,743	2.64
2007	6,022	353,408	359,430	2.64

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 3. PROPERTY TAXES (CONT'D)**

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year</u>	<u>Number</u>
2011	17
2010	12
2009	16
2008	9
2007	6

**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	\$ 173,200
2010	173,200
2009	173,200
2008	173,450
2007	173,450

**NOTE 5. SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
	<u>Receivables</u>	<u>Liens</u>				
2011	\$176,904	\$0.00	\$1,488,509	\$1,665,413	\$1,513,773	90.89 %
2010	176,904	0.00	1,477,775	1,654,679	1,436,208	86.79
2009	137,688	0.00	1,472,700	1,610,388	1,475,051	91.60
2008	122,178	0.00	1,465,023	1,587,201	1,449,513	91.32
2007	100,883	0.00	1,499,045	1,599,928	1,477,750	92.36

**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 December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2011	\$ 1,077,428	\$ 757,000 *	79.44 %
2010	1,006,961	800,000	79.44
2009	1,463,272	1,367,000	93.42
2008	2,023,789	1,150,000	67.45
2007	2,611,708	1,365,000	52.26

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 6. FUND BALANCES APPROPRIATED (CONT'D)**

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.

**Sewer Utility Operating Fund**

2011	\$ 489,678	\$ 135,186 *	35.13 %
2010	321,796	113,050	35.13
2009	315,483	116,550	36.94
2008	284,708	83,050	29.17
2007	290,951	211,450	72.67

\* As introduced on March 3, 2012

**NOTE 7. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2011:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 2,796.76	\$ 16,131.93
Trust Fund:		
Animal Control Fund		1,631.21
Other Funds		1,165.55
General Capital Fund	16,048.38	
Sewer Utility:		
Operating Fund	83.55	37.53
Capital Fund	<u>37.53</u>	
	<u>\$ 18,966.22</u>	<u>\$ 18,966.22</u>

**NOTE 8. PENSION PLANS**

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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 the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System 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 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in 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 exists.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 8. PENSION PLANS (CONTD)**

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

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

The Police and Firemen's Retirement System 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 PFRS are required to contribute 8.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 10%. 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 contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 45,931	\$ 169,551	\$ 40,765	\$ 162,291	\$ 42,875	\$ 167,525
Accrued Liability	73,188	135,952	52,379	115,621	49,590	115,913
Total Regular Contributions	119,119	305,503	93,144	277,912	92,465	283,438
Non-Contributory Group						
Life Insurance	9,047	13,288	12,917	14,219	11,494	11,655
Total Due	\$ 128,166	\$ 318,791	\$ 106,061	\$ 292,131	\$ 103,959	\$ 295,093

***Defined Contribution Retirement Program (DCRP)***

The Defined Contribution Retirement Program 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 Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. 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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2011, 2010 and 2009.

**Early Retirement Incentive Program** - Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These Programs which were subject to the approval of the Borough's governing body (within a limited period of time) were available to employees who met certain minimum requirements. The governing body of the Borough approved the 1991 and the 1993 Program for eligible members of the PERS. Since no accrual has been made for the additional costs related to the two Programs, the Borough will fund such costs in an annual budget appropriation on a pay-as-you-go basis. The required annual installment of the accrued liability, as calculated by the Division of Pensions and Benefits, for both Programs in 2011 was \$16,189.00. The last installment is due on April 1, 2035.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 8. PENSION PLANS (CONTD)**

**Related Party Investments** – The Division of Pensions and Benefits does not invest in securities issued by the Borough.

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The financial statements of the Borough are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Borough’s defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. A Borough employee will receive paid health insurance benefits upon retirement from the Borough provided they 1) retire from the Borough with at least twenty-five years of service in the New Jersey Public Employees Retirement System, 2) retire from the Borough with at least twenty years of service with the Borough, and 3) at the time of retirement the employee is at least sixty-two years of age. Retirees will not be eligible to receive paid health coverage for their spouses or for their dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2011, there were eighteen retired employees who received this benefit resulting in the payment of \$246,769.05 in related to health care premiums.

**NOTE 10. COMPENSATED ABSENCES**

Full-time employees, except for the police department, are entitled to paid sick leave and personal days each year in varying amounts as outlined in the employee handbook. Unused sick leave may be accumulated and carried forward to the subsequent year. Personal days cannot be carried forward to the subsequent year. Vacation days are earned based on years of service. Unused vacation days may not be carried forward to the subsequent year, unless specifically approved by the Borough Council. Vacation days carried forward must be used in the next succeeding year or be forfeited.

Borough employees, who have at least 20 years of employment with the Borough and retire from the Borough, will be compensated for any accumulated unused sick leave at 60% of their final pay rate. The maximum benefit payable under this provision shall be fifteen thousand dollars (\$15,000).

Police department employees, regardless of the number of years serving the Borough and upon retirement from the Borough, will be compensated for any accumulated unused sick leave at 60% of their final pay rate. The maximum benefit payable under this provision shall be fifteen thousand dollars (\$15,000).

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2011, accrued benefits for compensated absences are valued at \$329,902.35.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2011 the balance of the fund is \$48,637.26.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 11. DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**NOTE 12. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

The Borough maintains commercial insurance coverage for the above stated disasters including: property and general liability, health benefits, boiler and machinery, surety bonds, crime, public officials' liability, and excess liability coverage for workers compensation and disability benefits.

**NOTE 13. NEW JERSEY UNEMPLOYMENT COMPENSATION ISURANCE**

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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 85,014	\$ 3,286	\$ 66,750	\$ 25,004
2010	32,007	3,832	33,846	3,454
2009	17,016	3,905	29,755	1,461

**NOTE 14. CAPITAL DEBT**

**Summary of Municipal Debt**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Issued:			
General Bonds and Notes	\$ 11,050,000	\$ 11,231,000	\$ 12,383,000
Sewer Utility Bonds and Notes	1,600,000	1,890,000	2,230,000
Loans	100,663	142,578	183,338
Total Net Debt Issued	<u>12,750,663</u>	<u>13,263,578</u>	<u>14,796,338</u>
Authorized But Not Issued:			
General - Bonds and Notes	885,965	1,204,790	1,204,790
Sewer Utility - Bonds and Notes			
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 13,636,628</u>	<u>\$ 14,468,368</u>	<u>\$ 16,001,128</u>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 14. CAPITAL DEBT (CONT'D)**

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2011 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2005	12/01/2020	4.125% - 4.20%	\$ 900,000
General Obligation Bonds of 2003	12/01/2014	2.00% - 5.00%	1,201,000
Sewer Utility Bonds of 2005	12/01/2020	4.125% - 4.20%	1,060,000
Sewer Utility Bonds of 1992	05/01/2011	6.75%	<u>190,000</u>
Total			<u>\$ 3,351,000</u>

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

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.01%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 14,030,000	\$ 14,030,000	
Sewer Utility Debt	1,600,000	1,600,000	
General Debt	<u>12,036,628</u>	<u>232,944</u>	<u>\$ 11,803,684</u>
Total	<u>\$ 27,666,628</u>	<u>\$ 15,630,000</u>	<u>\$ 11,803,684</u>

Net Debt, \$11,803,684 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$585,030,490 equals 2.01%.

**Equalized Valuation Basis:**

2009	\$ 597,400,552
2010	597,409,632
2011	<u>560,281,286</u>
Average	<u>\$ 585,030,490</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 20,476,067
Net Debt	<u>11,803,684</u>
Remaining Borrowing Power	<u>\$ 8,672,383</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 1,818,081
Deductions:		
Operating and Maintenance Costs	\$ 1,120,550	
Debt Service Costs	<u>416,599</u>	
		<u>1,537,149</u>
Total Excess in Revenues		<u>\$ 280,932</u>

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

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 14. CAPITAL DEBT (CONT'D)**

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

**Serial Bonds Payable**

<u>Year</u>	<u>General</u>		<u>Sewer</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 481,000	\$ 97,400	\$ 290,000	\$ 50,407	\$ 918,807
2013	500,000	74,225	120,000	39,870	734,095
2014	520,000	50,100	120,000	34,920	725,020
2015	100,000	24,975	120,000	29,970	274,945
2016	100,000	20,850	120,000	25,020	265,870
2017-20	400,000	41,925	480,000	50,310	972,235
<b>Total</b>	<b>\$ 2,101,000</b>	<b>\$ 309,475</b>	<b>\$ 1,250,000</b>	<b>\$ 230,497</b>	<b>\$ 3,890,972</b>

**Green Trust Loan Payable**

The Borough received loan proceeds in the amount of \$150,000 from the State of New Jersey Green Trust Loan Program for the redevelopment of Legion Park. The loan has a stated interest rate of 2.00% with a final maturity on November 28, 2019. As of December 31, 2011, the balance payable amounts to \$64,663.

Future principal and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 8,075	\$ 1,253	\$ 9,328
2013	8,237	1,091	9,328
2014	8,402	925	9,327
2015	8,571	756	9,327
2016	8,743	584	9,327
2017-19	22,635	684	23,319
<b>Total</b>	<b>\$ 64,663</b>	<b>\$ 5,293</b>	<b>\$ 69,956</b>

**Lease Payable**

On July 1, 2002 the Borough entered into a lease agreement with the Burlington County Bridge Commission. This agreement provides the Borough with \$305,000 to finance capital projects and capital equipment through the issuance of County-Guaranteed Pooled Loan Revenue Bonds. The agreement states that the Borough will pay the Commission in ten installments beginning July 15, 2003. The lease bears an interest rate of 4.5% and matures July 15, 2012. As of December 31, 2011, the balance payable amounts to \$36,000.

Future principal and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 36,000	\$ 1,620	\$ 37,620

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 14. CAPITAL DEBT (CONT'D)**

**Bond Anticipation Notes Payable**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the Notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2011, the Borough had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$2,193,000	2.00%	December 12, 2012
General Capital	6,756,000	1.50%	June 6, 2012
Sewer Utility Capital	350,000	2.00%	December 12, 2012

**NOTE 15. LEASE OBLIGATIONS**

At June 30, 2011, the Borough had operating lease agreements in effect for copy machines. Rental payments under operating leases for the fiscal year ended December 31, 2011 were \$2,592.

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

<u>Year</u>	<u>Amount</u>
2012	\$ 3,672
2013	3,672
2014	<u>3,672</u>
	<u>\$ 11,016</u>

**NOTE 16. SCHOOL TAXES**

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

	<b>Local District School Tax Balance December 31,</b>	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$ 4,063,515.00	\$ 4,063,515.00
Deferred	<u>4,063,515.00</u>	<u>4,063,515.00</u>
Tax Payable	<u>\$ 0.00</u>	<u>\$ 0.00</u>

**NOTE 17. DELAYED HEALTH INSURANCE PREMIUMS**

The Borough has elected to delay its premiums for two months under the New Jersey State Health Benefits Program. If the Borough should elect to terminate its participation in the State Health Benefits Program or if the Program ceases to exist, these delayed premiums will become due and payable immediately and will be based on the current rates payable at the time of termination.

The Borough has not recorded a liability for the two month delay on its financial statements.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2011**

**NOTE 18. CONTINGENCIES**

The Borough participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

**NOTE 19. LITIGATION**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Borough's counsel and Borough's management that resolution of these matters will not have a material adverse effect on the financial condition of the Borough.

**NOTE 20. REGIONAL CONTRIBUTION AGREEMENT**

The Fair Housing Act, N.J.S.A. 52:27D-301 to 329, allows municipalities to enter into a contractual agreement, known as a regional contribution agreement, for transfer for up to 50% of a sending municipality's fair share obligation to a receiving municipality within its housing region. The Borough of Palmyra has entered into an agreement with two other municipalities (sending municipalities) to transfer low and moderate-income housing units in accordance with the above stated statute. The sending municipalities paid a total of \$1,715,000 for their fair share obligation to the Borough of Palmyra. At December 31, 2011 the Borough has unexpended funds held in trust for the regional contribution agreement in the amount of \$479,280.

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2011

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$ 1,785,213.40	\$ 281,835.93
Receipts:		
Taxes Receivable	\$ 15,600,486.28	
Tax Title Liens Receivable	8,719.55	
Revenue Accounts Receivable	1,050,293.19	
Interest and Costs on Delinquent Taxes	97,551.17	
Due to Capital Fund	15,669.79	
Due to Performance Trust Fund	2,377.50	
Due from Federal and State Grant Fund	74,481.71	
Due to State of New Jersey:		
Marriage License Fees	535.00	
Construction Code Training Fees	2,026.00	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	104,250.00	
Prepaid 2012 Year Taxes	92,516.01	
Prepaid 2012 Year Business Improvement District Taxes	21.24	
Reserve for Tax Title Lien Redemption	200,174.85	
Tax Overpayments	42,430.21	
Federal and State Grants Receivable		\$ 430,248.10
Miscellaneous Revenue Not Anticipated	107,032.61	
Matching Funds for State Grants		<u>4,300.00</u>
Total Receipts	<u>17,398,565.11</u>	<u>434,548.10</u>
Total Funds Available	<u>19,183,778.51</u>	<u>716,384.03</u>
Disbursements:		
2011 Appropriations	8,342,207.56	
2010 Appropriation Reserves and Reserves		
For Encumbrances Payable	335,560.39	
Reserve for Tax Title Lien Redemption	177,154.13	
Due to State of New Jersey:		
Marriage License Fees	800.00	
Construction Code Training Fees	2,424.00	
Matching Funds for State Grants	4,300.00	
Refund of Tax Overpayments	5,357.74	
County Taxes Payable	2,266,092.98	
Due County for Added Taxes	243.34	
Local District School Tax	8,150,787.00	
Business Improvement District Tax	81,338.71	
Due to Current Fund		74,481.71
Due to Performance Trust Fund	150.00	
Reserve for Federal and State Grant Funds - Appropriated	<u>0.00</u>	<u>239,913.00</u>
Total Disbursements	<u>17,366,415.85</u>	<u>314,394.71</u>
Balance December 31, 2011	<u>\$ 1,817,362.66</u>	<u>\$ 401,989.32</u>

BOROUGH OF PALMYRA

CURRENT FUND

Schedule of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2011

Year	Balance	Added Taxes	2011 Levy	Collections by Cash		State Share of	Cancelled	Transferred	Balance
	December 31, 2010			2010	2011	Senior Citizen and Veterans Deductions Allowed		To Tax Title Liens	December 31, 2011
2009	\$ 16,050.48				\$ 16,050.48				
2010	450,599.26				420,392.62		\$ 798.13	\$ 13,263.02	\$ 16,145.49
Subtotal	466,649.74				436,443.10		798.13	13,263.02	16,145.49
2011			\$ 15,831,027.03	\$ 96,928.05	15,164,043.18	\$ 104,000.00	58,502.50	26,376.41	381,176.89
Total	\$ 466,649.74	\$ -	\$ 15,831,027.03	\$ 96,928.05	\$ 15,600,486.28	\$ 104,000.00	\$ 59,300.63	\$ 39,639.43	\$ 397,322.38

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 15,724,205.51
Added Taxes (54:4-63.1 et seq.)	2,821.52
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	104,000.00
Total	<u>\$ 15,831,027.03</u>

Tax Levy:

Local District School Tax ( Abstract)	\$ 8,150,787.00
Business Improvement District Tax	72,155.37
Business Improvement District Tax - Added Taxes	1,874.28
County Taxes:	
Regular Tax (Abstract)	\$ 1,850,780.86
Library Tax (Abstract)	175,895.32
Open Space Tax (Abstract)	239,416.80
Amount Due County for Added Taxes (54:4-63.1 et. seq.)	190.81
	2,266,283.79
Local Tax for Municipal Purposes	5,326,345.25
Additional Tax Levies	87,610.99
Total	<u>\$ 15,831,027.03</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Tax Title Liens  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 46,258.29
Increased by:		
Transfers from Taxes Receivable	\$ 39,639.43	
Interest and Penalty	9,957.69	
Total		49,597.12
Decreased by:		
Cash Received		8,719.55
Balance December 31, 2011		\$ 87,135.86

**Schedule of Property Acquired for Taxes (At Assessed Valuations)  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 173,200.00
Decreased by:		
Adjustment to balance to actual		
Balance December 31, 2011		\$ 173,200.00

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2011**

	Balance December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collected</u>	Balance December 31, <u>2011</u>	<u>Remarks</u>
Borough Clerk:					
Alcoholic Beverage Licenses		\$ 10,000.00	\$ 10,000.00		
Food Handling Licenses		1,705.00	1,705.00		
Registrar of Vital Statistics		2,505.00	2,505.00		
Fees and Permits:					
Police Reports		1,406.31	1,406.31		
Duplicating Fees		43.90	43.90		
Storage Facility Fees		4,083.50	4,083.50		
Land Use Filing Fees		650.00	650.00		
Fence Permits		3,818.00	3,818.00		
Dumpster Permits		645.00	645.00		
Street Opening Permits		550.00	550.00		
Fire Arm Permits		142.00	142.00		
Other Fees and Permits		385.65	385.65		
Rental of Tower Space		108,806.16	108,806.16		
Construction Code Fees and Permits		56,319.00	56,319.00		
Municipal Court - Fines and Costs	\$ 10,569.75	172,275.24	172,591.55	\$ 10,253.44	Dec. 2011
Fire Official - Uniform Fire Safety - Fees and Permits		18,517.80	18,517.80		
Interest on Investments and					
Bank Deposits		11,605.45	11,605.45		
Burlington County Bridge Commission					
in Lieu of Taxes		34,238.43	34,238.43		
Consolidated Municipal Property					
Tax Relief Act		65,152.00	65,152.00		
Energy Receipts Tax		493,103.00	493,103.00		
Special Franchise and Gross Receipts Tax		38,763.14	38,763.14		
Cable Franchise Fee		25,262.30	25,262.30		
<b>Total</b>	<b><u>\$ 10,569.75</u></b>	<b><u>\$ 1,049,976.88</u></b>	<b><u>\$ 1,050,293.19</u></b>	<b><u>\$ 10,253.44</u></b>	

## BOROUGH OF PALMYRA

## CURRENT FUND

Schedule of Amount Due Business Improvement District  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$	11,279.43
Increased by:			
2011 Levy - Original	\$	72,155.37	
2011 Added Taxes		<u>1,874.28</u>	
			<u>74,029.65</u>
Total			85,309.08
Decreased by:			
Cash Disbursed			<u>81,338.71</u>
Balance December 31, 2011		\$	<u>3,970.37</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of 2010 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2011

	Balance December 31, 2010		Balance	Paid or	Balance
	<u>Encumbrances</u>	<u>Reserves</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<b>Inside CAP:</b>					
<b>Salaries and Wages:</b>					
General Administration		\$ 35,493.99	\$ 35,493.99		\$ 35,493.99
Mayor and Council		1,717.44	1,717.44		1,717.44
Borough Clerk		2,780.72	2,780.72		2,780.72
Financial Administration		24,331.47	14,284.18		14,284.18
Collection of Taxes		12,145.12	12,145.12		12,145.12
Assessment of Taxes		1,739.79	1,739.79		1,739.79
Economic Development Agency		22.98	22.98		22.98
Planning Board		181.52	181.52		181.52
Code Enforcement Officer		128.92	128.92		128.92
Police		27,094.65	27,094.65		27,094.65
School Crossing Guards		819.70	819.70		819.70
Street and Roads		17,123.74	17,123.74		17,123.74
Shade Tree		21.44	21.44		21.44
Board of Health		114.07	114.07		114.07
Construction Code Official		242.63	242.63		242.63
Municipal Court		4,881.70	4,881.70		4,881.70
<b>Other Expenses:</b>					
General Administration	\$ 2,034.21	238.95	2,273.16	\$ 2,030.23	242.93
Mayor and Council		972.51	972.51	970.75	1.76
Mayor and Council - Public Relations		3,106.91	3,106.91	2,022.30	1,084.61
Borough Clerk	3,965.37		4,387.37	4,387.81	19.56
Collection of Taxes	179.17	376.23	555.40	343.49	211.91
Assessment of Taxes	100.00	207.81	307.81	100.00	207.81
Legal Services and Costs:	4,437.50	14,248.05	18,685.55	10,728.28	7,957.27
Engineering Services & Costs		856.50	2,682.50	2,682.50	
Economic Development Agency	1,385.00	549.04	1,934.04	1,385.00	549.04
Grants & Planning		8,909.40	8,909.40		8,909.40
Planning Board	50.00	1,341.82	1,391.82	50.00	1,341.82
Code Enforcement Officer	50.00	127.62	177.62	\$50.00	127.62
Insurances	442.00	27,977.64	28,419.64	1,612.23	26,807.41
Police	15,888.90	8,576.41	24,465.31	15,105.42	9,359.89
School Crossing Guards	693.91	546.34	1,240.25	693.91	546.34
Police and Radio Communications	1,111.46	2,532.23	3,643.69	390.59	3,253.10
Office of Emergency Management	108.80	1,213.90	1,322.79	378.80	943.99
Aid to Volunteer Ambulance Squad		691.17	691.17		691.17
Fire Department	1,478.00	12,560.34	14,038.34	6,236.21	7,802.13
Uniform Fire Safety Act	684.31	153.27	837.58	716.86	120.72
Borough Prosecutor	680.00	1,040.00	1,720.00	680.00	1,040.00
Street and Road Maintenance	6,378.83	1,018.44	7,397.27	6,068.69	1,328.58
Railroad Landscaping		302.00	302.00		302.00
Shade Tree	18,720.00	554.47	19,274.47	18,443.28	831.19
Solid Waste Collection	23,087.90	1,344.64	24,432.54	21,715.04	2,717.50
Public Buildings and Grounds		4,046.23	4,353.81	4,353.81	
Vehicle Maintenance	12,319.00	5,853.64	18,172.64	6,486.47	11,686.17
<b>Forward</b>	<b>93,794.36</b>	<b>228,185.44</b>	<b>314,488.18</b>	<b>107,611.67</b>	<b>206,876.51</b>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of 2010 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2011

	Balance December 31, 2010		Balance	Paid or	Balance
	<u>Encumbrances</u>	<u>Reserves</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<b>Forward</b>	\$ 93,794.36	\$ 228,185.44	\$ 314,488.18	\$ 107,611.67	\$ 206,876.51
<b>Inside CAP:</b>					
<b>Other Expenses:</b>					
Condominium Services Law		120,453.44	120,453.35	119,568.98	884.37
Board of Health		123.00	123.00		123.00
Parks & Playground	500.00	3,171.86	3,671.86	1,505.00	2,166.86
Contribution to Tri-Boro Senior Citizen Club		441.38	441.38		441.38
Celebration of Public Events	97.15	2,244.79	2,341.94	1,763.43	578.51
Electricity	12,172.82	300.00	19,228.08	19,228.08	
Street Lighting	24,137.09	12,007.78	36,144.87	34,439.68	1,705.19
Telephone	847.44	888.63	1,736.07	1,699.64	36.43
Water/Sewer	396.69		396.69	396.69	
Gasoline	4,802.62	17,285.81	22,088.43	14,093.08	7,995.35
Fire Hydrant	6,844.18	1,869.84	8,714.02	6,844.18	1,869.84
Printing and Postage	100.00	4,869.87	4,869.87	579.65	4,390.22
Landfill and Solid Waste Disposal Costs	15,834.18	23,281.73	39,115.91	25,267.48	13,848.43
Municipal Court	1,569.44		1,599.89	830.45	769.44
Construction Code Official	558.35	495.00	1,759.35	1,732.38	26.97
Social Security System		1,148.64	1,148.64		1,148.64
<b>Outside CAP:</b>					
<b>Other Expenses:</b>					
Aid to Library		2,800.00	2,800.00		2,800.00
Recycling Tax		10,200.00	10,200.00		10,200.00
<b>Total</b>	<u>\$ 161,654.32</u>	<u>\$ 429,767.21</u>	<u>\$ 591,421.53</u>	<u>\$ 335,560.39</u>	<u>\$ 255,861.14</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Due State of New Jersey-  
Senior Citizen and Veterans' Deductions  
For the Year Ended December 31, 2011**

<hr style="border: 1px solid black;"/>		
Balance December 31, 2010		\$ 52,180.58
Increased by:		
Collections		<u>104,250.00</u>
Total		156,430.58
Decreased by:		
Accrued in 2011:		
Senior Citizen's Deductions per Tax Billings	\$ 21,000.00	
Veteran's Deductions per Tax Billings	<u>83,000.00</u>	
Total	104,000.00	
Add Senior Citizen and Veteran Deductions Allowed by Collector		
Less Senior Citizen and Veteran Deductions Disallowed by Collector	<u>104,000.00</u>	
Balance December 31, 2011		<u><u>\$ 52,430.58</u></u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Local District School Tax Payable  
For the Year Ended December 31, 2011**

<hr/>		
Balance December 31, 2010:		
School Tax Payable	\$ -	
School Tax Deferred	<u>4,063,515.00</u>	\$ 4,063,515.00
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>8,150,787.00</u>
Total		12,214,302.00
Decreased by:		
Payments		<u>8,150,787.00</u>
Balance December 31, 2011:		
School Tax Payable		
School Tax Deferred	<u>4,063,515.00</u>	<u>\$ 4,063,515.00</u>
2011 Liability for Local District School Tax		
Tax Paid		\$ 8,150,787.00
Tax Payable December 31, 2011		<u>8,150,787.00</u>
Total		8,150,787.00
Less:		
Tax Payable December 31, 2010		<u>8,150,787.00</u>
Amount Charged to 2011 Operations		<u>\$ 8,150,787.00</u>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Accrued	Received	Cancelled	Balance December 31, 2011
<b>Federal Grants:</b>					
ARRA - Justice Assistance Grant		\$ 9,900.00	\$ 9,900.00		
Transportation Trust Fund:					
2009 Allotment - Third and Race	\$ 45,000.00		45,000.00		
2008 Allotment - Morgan Avenue	43,432.02		33,000.00		\$ 10,432.02
2010 Allotment - Parry Avenue	180,000.00		180,000.00		
Centers of Place	24,825.00		24,825.00		
Click It or Ticket		3,540.68	3,540.68		
ARRA - Transportation Enhancement					
Market Street Gateway Improvement	260,000.00				260,000.00
<b>Total Federal Grants</b>	<b>553,257.02</b>	<b>13,440.68</b>	<b>296,265.68</b>		<b>270,432.02</b>
<b>State Grants:</b>					
Municipal Alliance Grant	17,200.00	17,200.00	15,748.81	\$ 5,009.92	13,641.27
Recycling Tonnage Grant		10,055.31	10,055.31		
Alcohol Education and Rehabilitation Fund		970.82	970.82		
Clean Communities Grant		12,579.88	12,579.88		
Neighborhood Preservation Program	180,056.53		36,660.56	143,395.97	
HDSRF Grant - Rt. 73		34,300.00	34,300.00		
Clean Energy Grant		14,955.00	14,955.00		
Burlington County Park Improvement		57,600.00			57,600.00
Exercise Program Improvement Grant		5,053.75	5,053.75		
Body Armor Grant		1,778.11	1,778.11		
Drunk Driving Enforcement Fund		1,880.18	1,880.18		
<b>Total State Grants</b>	<b>197,256.53</b>	<b>156,373.05</b>	<b>133,982.42</b>	<b>148,405.89</b>	<b>71,241.27</b>
<b>Total</b>	<b>\$ 750,513.55</b>	<b>\$ 169,813.73</b>	<b>\$ 430,248.10</b>	<b>\$ 148,405.89</b>	<b>\$ 341,673.29</b>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	Transfer from Federal and State Grant <u>Receivable</u>	Realized as Revenue in <u>2011</u>	<u>Canceled</u>	Balance December 31, <u>2011</u>
<b>Federal Grants:</b>					
Federal Vest Funds	\$ 991.00		\$ 991.00		
ARRA - Justice Assistance Grant		\$ 9,900.00	9,900.00		
Click It or Ticket		3,540.68	3,540.68		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Federal	<u>991.00</u>	<u>13,440.68</u>	<u>14,431.68</u>		
<b>State Grants:</b>					
Municipal Alliance Grant		17,200.00	17,200.00		
Recycling Tonnage Grant	10,626.18	10,055.31	10,626.18		\$ 10,055.31
Alcohol Education and Rehabilitation Fund		970.82	970.82		
Clean Communities Grant		12,579.88	12,579.88		
HDSRF Grant - Rt. 73		34,300.00			34,300.00
Clean Energy Grant		14,955.00	14,955.00		
Burlington County Park Improvement		57,600.00	57,600.00		
Exercise Program Improvement Grant		5,053.75			5,053.75
Body Armor Grant		1,778.11			1,778.11
Over the Limit	2,787.64		2,787.64		
Drunk Driving Enforcement Fund	<u>3,411.29</u>	<u>1,880.18</u>	<u>3,411.29</u>		<u>1,880.18</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total State	<u>16,825.11</u>	<u>156,373.05</u>	<u>120,130.81</u>		<u>53,067.35</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 17,816.11</u>	<u>\$ 169,813.73</u>	<u>\$ 134,562.49</u>	<u>\$ -</u>	<u>\$ 53,067.35</u>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Appropriated  
For the Year ended December 31, 2011

	Balance December 31, 2010	Transferred from 2011 Budget Appropriation	Expended	Canceled	Balance October 31, 2011
<b>Federal Grants:</b>					
Federal Vest Funds	\$ 4,936.82	\$ 991.00	\$ 150.77		\$ 5,777.05
ARRA - Transportation Enhancement	260,000.00				260,000.00
ARRA - Justice Assistance Grant		9,900.00	9,900.00		
Transportation Trust Fund					
2010 Allotment - Parry Avenue	180,000.00		143,852.54		36,147.46
Division of State Police - CERT	1,500.00		706.82		793.18
Forestry Grant	1,500.00				1,500.00
Centers of Place	24,825.00				24,825.00
Click It or Ticket		3,540.68	3,540.68		
	<u>472,761.82</u>	<u>14,431.68</u>	<u>158,150.81</u>		<u>329,042.69</u>
<b>State Grants:</b>					
Drunk Driving Enforcement Grant		3,411.29	957.94		2,453.35
Alcoholic Education Rehabilitation Fund	10,741.65	970.82	2,130.00		9,582.47
Municipal Alliance Grant	17,834.97	21,500.00	4,949.15	\$ 4,300.00	30,085.82
Body Armor Grant	1,973.94		1,087.50		886.44
Neighborhood Preservation Program - Balanced Housing	107,652.33			107,652.33	
Neighborhood Preservation Program	110,528.80			110,528.80	
Recycling Tonnage Grant	13,788.04	10,626.18	10,001.95		14,412.27
Burlington County Park Improvement		57,600.00	1,892.50		55,707.50
Exercise Program improvement Grant	4,625.62		2,798.68	406.47	1,420.47
Hazardous Discharge Remediation Site - Rt. 73	252,951.80		26,755.00		226,196.80
Over the Limit		2,787.64			2,787.64
Clean Energy Grant		14,955.00	14,955.00		
Clean Shores	10,446.75				10,446.75
Clean Communities Grant	11,227.65	12,579.88	16,234.47		7,573.06
	<u>541,771.55</u>	<u>124,430.81</u>	<u>81,762.19</u>	<u>222,887.60</u>	<u>361,552.57</u>
<b>Total State Grants</b>					
<b>Total</b>	<u>\$ 1,014,533.37</u>	<u>\$ 138,862.49</u>	<u>\$ 239,913.00</u>	<u>\$ 222,887.60</u>	<u>\$ 690,595.26</u>

**TRUST FUND**

## BOROUGH OF PALMYRA

## TRUST FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2010	\$ 8,452.08	\$ 797,875.88
Receipts:		
Dog License Fees	1,568.00	
Cat License Fees	189.00	
State Registration Fees	352.80	
Late Fees	135.00	
Interest Earned on Deposits	6.20	
Current Fund Budget Appropriation	13,000.00	
Reserve for Unemployment Compensation Trust:		
Borough Budget Appropriations		85,000.00
Interest Earned		13.37
Employee Contributions		3,286.36
Reserve for Disposal of Forfeited Property		4,575.95
Reserve for Developer's Escrow Fund:		
Escrow Deposits		19,437.60
Site Improvement Deposits		213,435.00
Due to Current Fund		238.28
Reserve for Recreation Program		21,615.36
Reserve for Public Defender:		
Court Fees		9,947.50
Reserve for POAA:		
Court Fees		42.00
Reserve for Community Center:		
Deposits		300.00
Reserve for Compensated Absences:		
Borough Budget Appropriations		30,000.00
Reserve for Regional Contribution Funds - Interest		701.48
Payroll Fund:		
Net Payroll		1,680,944.05
Payroll Deductions Payable		1,283,548.94
Total Receipts	<u>15,251.00</u>	<u>3,353,085.89</u>
Carried Forward	<u>\$ 23,703.08</u>	<u>\$ 4,150,961.77</u>

(Continued)

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011**

	<u>Animal Control</u>	<u>Other</u>
Brought Forward	\$ 23,703.08	\$ 4,150,961.77
Disbursements:		
State Registration Fees	310.20	
Expenditures Under RS4:19-15.11	13,712.59	
Accounts Payable		
Due to Current Fund	1,376.28	257.25
Reserve for Disposal of Forfeited Property		945.00
Reserve for Unemployment Compensation Trust:		66,750.49
Reserve for Compensated Absences		15,000.00
Reserve for Recreation Program		23,724.78
Reserve for Developer's Escrow Fund:		
Escrow Expenditures		21,808.50
Site Improvement Expenditures		212,529.71
Reserve for Regional Contribution Funds:		
Contractors		14,085.00
Professional Services and Other Costs		38,013.70
Accounts Payable		10,878.00
Reserve for Public Defender Costs		4,900.00
Payroll Deductions Payable		1,282,455.02
Net Payroll		1,680,944.05
	<hr/>	<hr/>
Total Disbursements	15,399.07	3,372,291.50
Balance December 31, 2011	\$ 8,304.01	\$ 778,670.27

BOROUGH OF PALMYRA

TRUST FUND

Schedule of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2011

<hr/>		
Balance December 31, 2010		\$ 7,065.60
Increased by:		
Dog License Fees	\$ 1,568.00	
Cat License Fees	189.00	
Late Fees	135.00	
Contribution - Current Fund Budget Appropriation	13,000.00	
Interest Earned	6.20	14,898.20
Total	<u>6.20</u>	<u>21,963.80</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed	13,712.59	
Accounts Payable	1,170.00	
Excess - Due to Current Fund	1,631.21	16,513.80
		<u>16,513.80</u>
Balance December 31, 2011		<u><u>\$ 5,450.00</u></u>

	<b><u>License Fees Collected</u></b>	
Year:		
2009	\$ 3,698.00	
2010	1,752.00	<u>1,752.00</u>
Total	<u>\$ 5,450.00</u>	

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Payroll Deductions Payable  
For the Year Ended December 31, 2011**

<hr/>		
Balance December 31, 2010		\$ 18,339.37
Increased by:		
Net Payroll	\$ 1,680,944.05	
Payroll Deductions Withheld	<u>1,283,548.94</u>	<u>2,964,492.99</u>
Total		2,982,832.36
Decreased by:		
Net Payroll Disbursed	1,680,944.05	
Payroll Deductions Disbursed	<u>1,282,455.02</u>	<u>2,963,399.07</u>
Balance December 31, 2011		<u><u>\$ 19,433.29</u></u>
 <b>Analysis of Balance:</b>		
Pension		\$ 18,586.65
Unknown		<u>846.64</u>
		<u><u>\$ 19,433.29</u></u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Developer's Escrow Deposits  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010:		
Escrow Deposits	\$ 42,973.08	
Site Improvements	<u>98,379.99</u>	\$ 141,353.07
Increased by:		
2011 Escrow Deposits	19,437.60	
2011 Site Improvements	<u>213,435.00</u>	<u>232,872.60</u>
Total		374,225.67
Decreased by:		
Payment of Escrow Bills	21,808.50	
Payment of Site Improvement Bills	212,529.71	
Due to Current Fund	<u>                    </u>	<u>234,338.21</u>
Balance December 31, 2011:		
Escrow Deposits	40,602.18	
Site Improvements	<u>99,285.28</u>	<u>\$ 139,887.46</u>

A permanent list of individual account balances is on file  
in the Treasurer's office.

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Unemployment Compensation Trust  
For the Year Ended December 31, 2011**

<hr/>		
Balance December 31, 2010		\$ 3,454.36
Increased by:		
Borough Contributions	\$ 85,000.00	
Employee Withholdings	3,286.36	
Interest Earned on Investments	<u>13.37</u>	
		<u>88,299.73</u>
		91,754.09
Decreased by:		
State Payments		<u>66,750.49</u>
Balance December 31, 2011		<u><u>\$ 25,003.60</u></u>

**Schedule of Reserve For Regional Contribution  
For the Year Ended December 31, 2011**

<hr/>			
	Delanco Township	Evesham Township	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance December 31, 2010	\$ 60,664.39	\$ 472,297.01	\$ 532,961.40
Increased by:			
Interest Earned on Investments	<u>81.16</u>	<u>620.32</u>	<u>701.48</u>
	<u>81.16</u>	<u>620.32</u>	<u>701.48</u>
Decreased by:			
Community Grants & Planning		40,297.90	40,297.90
Contractors		<u>14,085.00</u>	<u>14,085.00</u>
	<u>0.00</u>	<u>54,382.90</u>	<u>54,382.90</u>
Balance December 31, 2011	<u><u>\$ 60,745.55</u></u>	<u><u>\$ 418,534.43</u></u>	<u><u>\$ 479,279.98</u></u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Public Defender  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 5,250.00
Increased by:		
Due from Municipal Court		<u>9,947.50</u>
		15,197.50
Decreased by:		
Salaries	\$ 4,900.00	
Amount Due to Violent Crime Compensation Board	<u>4,172.50</u>	
		<u>9,072.50</u>
Balance December 31, 2011		<u><u>\$ 6,125.00</u></u>

**Schedule of Reserve For Compensated Absences  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 33,637.26
Increased by:		
Borough Contributions - Current Fund		<u>30,000.00</u>
		63,637.26
Decreased by:		
Disbursed		<u>15,000.00</u>
Balance December 31, 2011		<u><u>\$ 48,637.26</u></u>

**GENERAL CAPITAL FUND**

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 1,527,632.99
Receipts:		
Due Current Fund - Interest Earned	\$ 6,766.20	
Due Current Fund - Loan	700,000.00	
Budget Appropriation - Deferred Charges Unfunded	300,000.00	
Sale of Bond Anticipation Notes	8,949,000.00	
Reserve for Payment of Notes	38,350.62	
Contra receipts with Disbursements	19,702,951.20	
Current Fund Budget - Capital Improvement Fund	50,000.00	
		29,747,068.02
Total		31,274,701.01
Disbursements:		
Improvement Authorizations	570,568.57	
Bond Anticipation Notes Payable	8,407,000.00	
Due Current Fund	747,011.01	
Contra receipts with Disbursements	19,702,951.20	
		29,427,530.78
Balance December 31, 2011		\$ 1,847,170.23

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Analysis of General Capital Cash and Investments  
For the Year Ended December 31, 2011**

Fund Balance		\$ 16,732.79
Capital Improvement Fund		60,080.00
Due from Current Fund		(16,048.38)
Reserve for Payment of Note		182,944.14
Bond Anticipation Note Payable		8,949,000.00
Encumbrances Payable		1,021,447.55
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2004-03	Purchase of Land	84,673.52
2005-13	Multi-Purpose:	
	Acquisition of Fire Dept. Four Wheel Drive Vehicle	2,902.57
2006-18	Purchase of Land	220.00
2007-08	Multi-Purpose:	
	Improvements to Legion Park	(808,500.00)
	2007 Road Program	(285,000.00)
	Construction of New Salt Dome Roof	(14,706.19)
	Acquisition of Fire Dept. Equipment	(11,296.56)
	Renovations to Courtroom	(12,169.98)
	Acquisition of Siren	400.00
2007-10	Improvement to Legion Park	(513,359.71)
2008-10	Multi-Purpose:	
	Construction of Community Center	(3,360,387.13)
	Improvements to Legion Park	(2,201,111.36)
	2008 Road Program	(475,000.00)
	Acquisition of Road Department Equip.	(110,937.90)
	Acquisition of Police Department Equip.	(48,960.28)
	Acquisition of Fire Department Equip.	(3,104.96)
2009-27	Multi-Purpose:	
	Improvements to HVAC System	12,573.08
	Acquisition of Police Department Equip.	990.00
	2009 Road Program	(285,000.00)
	Improvements to Municipal Building	(24,747.22)
2010-12	Acquisition of Time Clocks & Software	138.45
2011-18	Multi-Purpose:	
	2011 Road Program	(156,674.70)
	Acquisition of Police Department Equip.	2,375.00
	Acquisition of Data Processing Equip.	(11,890.00)
	Various Infrastructure & Handicapped Improvements	(130,812.50)
2011-17	Construction of Police Storage Unit	(17,600.00)
		<hr/>
	Total	<u>\$ 1,847,170.23</u>

## BOROUGH OF PALMYRA

## General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2011	Analysis of Balance December 31, 2011	
			Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
			Expenditures	
2006-18	Purchase of Land	\$ 47,500.00		\$ 47,500.00
2007-08	Multi-Purpose:			
	Improvements to Legion Park	808,500.00	\$ 808,500.00	
	2007 Road Program	285,000.00	285,000.00	
	Construction of New Salt Dome Roof	68,400.00	68,400.00	
	Acquisition of Fire Department Equip.	11,500.00	11,500.00	
	Renovations to Courtroom	19,000.00	19,000.00	
	Acquisition of Siren	7,600.00	7,600.00	
2007-10	Improvements to Legion Park	559,000.00	559,000.00	
2008-10	Multi-Purpose:			
	Construction of Community Center	3,365,000.00	3,365,000.00	
	Improvements to Legion Park	2,280,000.00	2,280,000.00	
	2008 Road Program	475,000.00	475,000.00	
	Acquisition of Road Department Equip.	140,600.00	140,600.00	
	Acquisition of Police Department Equip.	49,780.00	49,400.00	380.00
	Acquisition of Fire Department Equip.	38,000.00	38,000.00	
2009-27	Multi-purpose			
	Improvements to HVAC System	712,500.00		712,500.00
	Acquisition of Police Department Equip.	35,910.00		35,910.00
	2009 Road Program	285,000.00	285,000.00	
	Improvements to Municipal Building	123,500.00	123,000.00	500.00
2011-18	Multi-purpose			
	2011 Road Program	185,000.00	185,000.00	
	Acquisition of Police Department Equip.	45,125.00		45,125.00
	Acquisition of Data Processing Equip.	18,050.00	18,000.00	50.00
	Various Infrastructure & Handicapped Improvements	275,000.00	231,000.00	44,000.00
		<u>\$ 9,834,965.00</u>	<u>\$ 8,949,000.00</u>	<u>\$ -</u>
				<u>\$ 885,965.00</u>
	Improvement Authorizations - Unfunded			\$ 1,363,266.79
	Less - Unexpended Proceeds of Bond Anticipation Notes Issued:			
	Ordinance 2007-08		\$ 14,633.46	
	Ordinance 2007-10		45,640.29	
	Ordinance 2008-10		148,058.65	
	Ordinance 2009-27		98,252.78	
	Ordinance 2011-18		134,622.80	
	Ordinance 2011-17		36,093.81	
				<u>477,301.79</u>
	Total			<u>\$ 885,965.00</u>

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 2,966,578.28
Decreased by:		
2011 Budget Appropriations to Pay:		
Serial Bonds	\$ 723,000.00	
Burlington County Bridge Commission Loan	34,000.00	
Green Acres Trust Loan	<u>7,915.29</u>	<u>764,915.29</u>
Balance December 31, 2011		<u><u>\$ 2,201,662.99</u></u>

**Statement of Capital Improvement Fund  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010		\$ 53,405.00
Increased by:		
2011 Budget Appropriation		<u>50,000.00</u>
		103,405.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>43,325.00</u>
Balance December 31, 2011		<u><u>\$ 60,080.00</u></u>

**BOROUGH OF PALMYRA  
GENERAL CAPITAL FUND**

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2010		Capital Improvement Fund	2011 Authorizations		Paid or Charged	Prior Year Encumbered	Current Year Encumbered	Reallocated	Balance December 31, 2011	
				Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Funded					Unfunded	
2004-03	Purchase of Land	3/8/04	\$ 900,000	\$ 84,673.52									\$ 84,673.52	
2005-13	Multi-Purpose													
	Acquisition of Police & Fire Vehicles	08/24/05	78,000	2,902.57									2,902.57	
	Construction of Seawall	08/24/05	300,000	300,000.00								\$ (300,000.00)		
2006-18	Purchase of Land	08/14/06	50,000	220.00	\$ 47,500.00								220.00	\$ 47,500.00
2007-08	Multi-Purpose:													
	Construction of New Salt Dome Roof	06/11/07	72,000		56,150.06			\$ 2,456.25				(53,693.81)		0.00
	Acquisition of Fire Department Equip.	06/11/07	32,000		203.44									203.44
	Renovations to Courtroom	06/11/07	20,000		6,830.02									6,830.02
	Acquisition of Siren	06/11/07	8,000	400.00	7,600.00								400.00	7,600.00
2007-10	Improvements to Legion Park	08/13/07	750,000		46,475.29			835.00	\$ 1,563.50	\$ 1,563.50				45,640.29
2008-10	Multi-Purpose													
71	Construction of Community Center/Redevelopment	06/09/08	4,000,000		185,875.55			245,266.02	64,203.34					4,612.87
	Improvements to Legion Park	06/09/08	2,400,000		78,888.64									78,888.64
	2008 Road Program	06/09/08	500,000		39,844.23			159,967.94	208,268.82	84,145.11				0.00
	Acquisition of Road Department Equip.	06/09/08	148,000		121,447.54			10,968.44		80,817.00				29,662.10
	Acquisition of Police Department Equip.	06/09/08	52,400		819.72								439.72	380.00
	Acquisition of Fire Department Equip.	06/09/08	40,000		34,895.04									34,895.04
2009-27	Multi-purpose													
	Improvements to HVAC System	12/14/09	750,000	35,207.49	712,500.00			22,634.41					12,573.08	712,500.00
	Acquisition of Police Department Equip.	12/14/09	37,800	990.00	36,910.00								990.00	35,910.00
	2009 Road Program	12/14/09	300,000	14,154.76	285,000.00			31,140.79	55.77	268,069.74				0.00
	Improvements to Municipal Building	12/14/09	130,000	1,050.00	129,500.00			25,297.22		500.00				98,752.78
2010-12	Acquisition of Time Clocks & Software	11/01/10	13,500		565.95			427.50						138.45
2011-18	Multi-purpose													
	2011 Road Program	08/08/11	300,000			15,000.00	165,000.00	37,672.50		234,002.20	100,000.00			28,325.30
	Acquisition of Police Department Equip.	08/08/11	47,500			2,375.00	45,125.00						2,375.00	45,125.00
	Acquisition of Data Processing Equip.	08/08/11	19,000			950.00	18,050.00	12,840.00						6,160.00
	Various Infrastructure & Handicapped Improvements	08/08/11	500,000			25,000.00	275,000.00	4,862.50		350,950.00	200,000.00			144,187.50
2011-17	Construction of Police Storage Unit	08/08/11	53,693					16,200.00		1,400.00	53,693.81			36,093.81
<b>Total</b>				<b>\$ 440,164.29</b>	<b>\$ 1,779,239.53</b>	<b>\$ 43,325.00</b>	<b>\$ 523,175.00</b>	<b>\$ 570,568.57</b>	<b>\$ 274,091.43</b>	<b>\$ 1,021,447.55</b>	<b>\$ -</b>	<b>\$ 104,712.34</b>	<b>\$ 1,363,266.79</b>	

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Schedule of General Serial Bonds  
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturity of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Issued for Cash</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2011</u>
General Bonds of 1996	10/1/96	\$ 3,395,000				\$ 255,000.00		\$ 255,000.00	
General Bonds of 2003	12/01/03	4,007,700	12/1/12	\$ 381,000	5.000%	1,569,000.00		368,000.00	\$ 1,201,000.00
			12/1/13	400,000	5.000%				
			12/1/14	420,000	5.000%				
72 General Bonds of 2005	12/01/05	1,474,000	12/1/12-17	100,000	4.125%	1,000,000.00		100,000.00	900,000.00
			12/1/18-20	100,000	4.200%				
Total						\$ 2,824,000.00	\$ -	\$ 723,000.00	\$ 2,101,000.00

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Schedule of Green Acres Loan Payable  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010	\$ 72,578.28
Decreased by:	
Paid by 2011 Budget Appropriation	<u>7,915.29</u>
Balance December 31, 2011	<u>\$ 64,662.99</u>

Analysis of Balance - December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 8,074.39	\$ 1,253.09	\$ 9,327.48
2013	8,236.68	1,090.80	9,327.48
2014	8,402.25	925.24	9,327.49
2015	8,571.12	756.35	9,327.47
2016	8,743.41	584.08	9,327.49
2017	8,919.15	408.33	9,327.48
2018	9,098.43	229.05	9,327.48
2019	<u>4,617.56</u>	<u>46.18</u>	<u>4,663.74</u>
	<u>\$ 64,662.99</u>	<u>\$ 5,293.12</u>	<u>\$ 69,956.11</u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Burlington County Bridge Commission Lease Payable  
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 70,000.00
Decreased by:	
Paid by 2011 Budget Appropriation	<u>34,000.00</u>
Balance December 31, 2011	<u><u>\$ 36,000.00</u></u>

Analysis of Balance - December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 36,000.00	\$ 1,620.00	\$ 37,620.00
	<u>\$ 36,000.00</u>	<u>\$ 1,620.00</u>	<u>\$ 37,620.00</u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased by	Decreased by	Balance December 31, 2011
2007-08	Multi-Purpose	12/20/2007	12/16/2010	12/14/2011	1.375%	\$ 1,200,000.00		\$ 1,200,000.00	
2007-08	Multi-Purpose	12/20/2007	12/14/2011	12/12/2012	2.000%		\$ 1,200,000.00		\$ 1,200,000.00
2007-10	Improvement to Legion Park	12/20/2007	12/16/2010	12/14/2011	1.375%	559,000.00		559,000.00	
2007-10	Improvement to Legion Park	12/13/2011	12/13/2011	12/12/2012	2.000%		559,000.00		559,000.00
2008-10	Multi-Purpose	6/11/2009	6/10/2010	6/8/2011	1.50%	6,648,000.00		6,648,000.00	
2008-10	Multi-Purpose	6/11/2009	6/7/2011	6/6/2012	1.50%		6,348,000.00		6,348,000.00
2009-27	Multi-Purpose	6/7/2011	6/7/2011	6/6/2012	1.50%		408,000.00		408,000.00
2011-18	Multi-Purpose	12/13/2011	12/13/2011	12/12/2012	2.000%		434,000.00		434,000.00
Total						<u>\$ 8,407,000.00</u>	<u>\$ 8,949,000.00</u>	<u>\$ 8,407,000.00</u>	<u>\$ 8,949,000.00</u>
						Renewals	\$ 8,107,000.00	\$ 8,107,000.00	
						Cash Received	842,000.00		
						Budget Appropriation		300,000.00	
							<u>\$ 8,949,000.00</u>	<u>\$ 8,407,000.00</u>	

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010	2011 Authorizations	Funded by Bond Anticipation Notes	Balance December 31, 2011
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00
2008-10	Multi-purpose				
	Acquisition of Police Department Equip.	380.00			380.00
2009-27	Multi-purpose				
	Improvements to HVAC System	712,500.00			712,500.00
	Acquisition of Police Department Equip.	35,910.00			35,910.00
	2009 Road Program	285,000.00		\$ 285,000.00	
	Improvements to Municipal Building	123,500.00		123,000.00	500.00
2011-18	Multi-purpose				
	2011 Road Program		185,000.00	185,000.00	
	Acquisition of Police Department Equip.		45,125.00		45,125.00
	Acquisition of Data Processing Equip.		18,050.00	18,000.00	50.00
	Various Infrastructure & Handicapped Improvements		275,000.00	231,000.00	44,000.00
	Total	\$ 1,204,790.00	\$ 523,175.00	\$ 842,000.00	\$ 885,965.00

**SEWER UTILITY FUND**

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING AND CAPITAL FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	\$ 577,713.13	\$ 93,515.39
Receipts:		
Rents	\$ 1,511,829.25	
Sewer Rent Liens	452.05	
Prepaid Rent	12,883.57	
Miscellaneous Revenues	60,988.44	
Due from Current Fund	3,970.86	
Due from Sewer Utility Capital Fund	9.26	
Interest Earned		\$ 48.05
Reserve for Payment of Debt		50,000.00
Sewer Rent Overpayment	4,186.91	
Contra Receipts with Disbursements		<u>43,548.92</u>
Total Receipts	<u>1,594,320.34</u>	<u>93,596.97</u>
Total	2,172,033.47	187,112.36
Disbursements:		
2011 Appropriations	1,180,398.01	
2010 Appropriation Reserves and Reserve for Encumbrances	118,000.53	
Accrued Interest on Bonds	78,911.25	
Due from Current Fund	1,717.74	
Due to Sewer Operating Fund		94.84
Contra Disbursements with Receipts		<u>43,548.92</u>
Total Disbursements	<u>1,379,027.53</u>	<u>43,643.76</u>
Balance December 31, 2011	<u>\$ 793,005.94</u>	<u>\$ 143,468.60</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Analysis of Capital Cash  
at December 31, 2011

---

Capital Fund Balance	\$ 43,526.39
Capital Improvement Fund	30,000.00
Reserve for Payment of Debt	50,000.00
Due from Sewer Utility Operating Fund	(37.53)
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
2007-07   Improvements to sewer system	19,979.74
	<hr/>
Total	<u>\$ 143,468.60</u>

BOROUGH OF PALMYRA

SEWER UTILITY OPERATING FUND

Statement of 2010 Appropriation Reserves and Reserve for Encumbrances  
For the Year Ended December 31, 2011

	Balance December 31, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 13,110.26	\$ 13,110.26		\$ 13,110.26
Other Expenses	\$ 12,148.70	216,751.37	228,900.07	\$ 118,000.53	110,899.54
Social Security		4,767.34	4,767.34		4,767.34
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 12,148.70</u>	<u>\$ 234,628.97</u>	<u>\$ 246,777.67</u>	<u>\$ 118,000.53</u>	<u>\$ 128,777.14</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

Schedule of Sewer Rents Receivable  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$	176,904.18
Increased by:			
Sewer Rents Billed in 2011			<u>1,488,509.44</u>
Total			1,665,413.62
Decreased by:			
2011 Collection	\$	1,511,829.25	
2010 Sewer Overpayment Applied		130.58	
Prepaid Sewer Rents Applied		1,360.99	
Transfer to Liens		<u>1,050.00</u>	<u>1,514,370.82</u>
Balance December 31, 2011		\$	<u><u>151,042.80</u></u>

Schedule of Sewer Lien Receivables  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$	-
Increased by:			
Transfer from Sewer Rents Receivable	\$	1,050.00	
Adjustment to beginning balance		<u>6,997.21</u>	<u>8,047.21</u>
Total			8,047.21
Decreased by:			
2011 Collection			<u>452.05</u>
Balance December 31, 2012		\$	<u><u>7,595.16</u></u>

**BOROUGH OF PALMYRA**  
**SEWER UTILITY CAPITAL FUND**

**Schedule of Fixed Capital  
at December 31, 2011**

---

	Balance December 31, <u>2010</u>	Transfer from Fixed Capital Authorized and <u>Uncompleted</u>	Deductions Facilities <u>Abandoned</u>	Balance December 31, <u>2011</u>
Pumping Station and Structures	\$ 6,148,552.41			\$ 6,148,552.41
Garage	234,650.00			234,650.00
Equalization Tanks	46,350.00			46,350.00
Chlorinator	5,350.00			5,350.00
Filter System	35,000.00			35,000.00
Pick Up Truck & Dump Truck	63,077.00			63,077.00
Sewer Rodder	<u>12,966.00</u>			<u>12,966.00</u>
Total	<u>\$ 6,545,945.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,545,945.41</u>

Note - The Fixed Capital reported is taken from the Municipal Records and does not necessarily show the true value.

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorization Deferred Charges to Future Revenue</u>	<u>Canceled</u>	<u>Balance December 31, 2011</u>
2007-07	Improvements to sewer system	6/11/07	\$ 500,000.00			\$ 500,000.00
			<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2010		2011 Deferred Charges to Future Revenue Unfunded	Paid or Charged	Balance December 31, 2011	
				Funded	Unfunded			Funded	Unfunded
2007-07	Improvements to Sewer System	6/11/07	\$ 500,000.00		\$ 19,979.74			\$	19,979.74
				\$ -	\$ 19,979.74	\$ -	\$ -	\$ -	\$ 19,979.74

**BOROUGH OF PALMYRA**  
**SEWER UTILITY CAPITAL FUND**  
**Schedule of General Serial Bonds**  
**For the Year Ended December 31, 2011**

28

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance December 31 2010</u>	<u>Issued</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2005	12/01/05	\$ 1,615,000	12/01/12	\$ 100,000	4.125%	\$ 1,160,000.00		\$ 100,000.00	\$ 1,060,000.00
			12/1/13-17	120,000	4.125%				
			12/1/18-20	120,000	4.200%				
Sewer Bonds of 1992	5/1/92	3,800,000	05/01/12	190,000	6.75%	<u>380,000.00</u>	<u>                    </u>	<u>190,000.00</u>	<u>190,000.00</u>
						<u>\$ 1,540,000.00</u>	<u>\$ -</u>	<u>\$ 290,000.00</u>	<u>\$ 1,250,000.00</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Schedule of Capital Improvement Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 30,000.00
Increased by:	
2011 Budget Appropriation	<u>0.00</u>
	30,000.00
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>0.00</u>
Balance December 31, 2011	<u><u>\$ 30,000.00</u></u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased by	Decreased by	Balance December 31, 2011
207	2007-07	Improvements to Sewer System	12/20/07	12/14/10	12/14/11	1.375%	\$ 350,000.00		\$ 350,000.00
	2007-07	Improvements to Sewer System	12/20/07	12/13/11	12/12/12	2.000%		\$ 350,000.00	\$ 350,000.00
						<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>
							<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	
							<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	
							<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	

**BOROUGH OF PALMYRA**  
**SEWER UTILITY CAPITAL FUND**  
**Schedule of Deferred Reserve for Amortization**  
**For the Year Ended December 31, 2011**

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2010</u>	<u>Paid From Operating Budget - Notes</u>	<u>Paid From Reserve for Payment of Debt</u>	<u>Balance December 31, 2011</u>
2006-23	Improvements to Sewer System	12/11/2006	\$ 150,000.00			\$ 150,000.00
			<u>\$ 150,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000.00</u>

**PUBLIC ASSISTANCE FUND**

## BOROUGH OF PALMYRA

## PUBLIC ASSISTANCE FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$	8,277.80
Increased by Receipts:		
Interest Earned on Deposits		<u>4.13</u>
		8,281.93
Decreased by Disbursements:		
Transfer to Current Fund		<u>          </u>
Balance December 31, 2011	\$	<u><u>8,281.93</u></u>

**BOROUGH OF PALMYRA**

**PART II**

**Schedule of Findings and Recommendations**

**For the Year Ended December 31, 2011**

## BOROUGH OF PALMYRA

### Schedule of Findings and Recommendations For the Year Ended December 31, 2011

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 requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

#### ***Finding #2011-1***

**Condition:**

The Borough financial statements were not presented to the governing body on a monthly basis.

**Criteria:**

An effective system of internal controls requires that the Governing Body review and accept the Borough financial reports on a monthly basis.

**Effect:**

The lack of the governing body reviewing and accepting the Borough financial reports on a monthly basis increases the potential for inaccurate financial statements.

**Cause:**

Time constraints with regards to the office of the Chief Financial Officer.

**Recommendation:**

The governing body should receive, review and accept the Borough financial reports on a monthly basis.

**View of Responsible Official and Planned Corrective Action:**

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

#### ***Finding #2011-2***

**Condition:**

Our audit of compliance with the Local Public Contracts Law revealed that certificates as to availability of funds were not available for examination for six bid items.

**Criteria:**

The Local Public Contracts Law requires that certificates of availability of funds be obtained from the Chief Finance Officer prior to the award of the bid contract.

**Effect:**

The Borough did not comply with the Local Public Contracts Law.

**Cause:**

Oversight on part of the Chief Finance Officer.

**Recommendation:**

Certificates as to the availability of funds should be obtained from the Chief Finance Officer when required by the statutes.

**View of Responsible Official and Planned Corrective Action:**

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

**BOROUGH OF PALMYRA**

**Schedule of Findings and Recommendations  
For the Year Ended December 31, 2011  
(Continued)**

***Finding #2011-3***

**Condition:**

During the examination of the Borough payroll account it was noted that one eligible employee was not enrolled in any of the pension systems.

**Criteria:**

The State Division of Pensions requires that all eligible employees be enrolled in the appropriate pension system and that the proper base salary be reported.

**Effect:**

In accurate pension contributions are possible if the proper salary amount is not reported.

**Cause:**

Oversight on part of the payroll clerk.

**Recommendation:**

All eligible employees should be enrolled in the appropriate pension system and the proper amount of base wages should be reported.

**View of Responsible Official and Planned Corrective Action:**

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

**BOROUGH OF PALMYRA  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State Programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

A state single audit was not required.

**BOROUGH OF PALMYRA**

**Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standard*, OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**FINANCIAL STATEMENT FINDINGS**

***Finding #2010-1***

**Condition:**

Not all general ledger account balances were reconciled to subsidiary control records as required by state regulations.

**Current Status:**

This condition has been corrected.

**FEDERAL AWARD FINDINGS**

*A federal single audit was not required.*

**STATE AWARD FINDINGS**

*A state single audit was not required.*

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2011:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Karen Scheffler	Mayor		
Kenneth Brahl	President of Council		
Michele Dobbs	Councilwoman		
Howard Norcross	Councilman		
Carol Riener	Councilman		
Robert Bostock	Councilman		
David Dorworth	Councilman		
John Gural, Jr.	Borough Administrator (From 7/1/11)		
Barbara A. Sheipe	Interim Borough Administrator (To 6/30/11)		
	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics	\$ 250,000	(A)
Linda Lewis	Chief Financial Officer, Qualified Purchasing Agent	80,000	(B)
Victoria Boras	Tax Collector (To 5/16/11)	100,000	(B)
Tanyika L. Johns	Tax Collector (From 7/11/11)	100,000	(B)
Susan M. Doerr	Deputy Tax Collector, Sewer Rent Clerk	100,000	(B)
Marie Nagle	Tax Clerk	250,000	(A)
Tracy McGill	Court Administrator	20,000	(B)
Gregory McCloskey	Municipal Magistrate	10,000	(B)
Donna Browne	Deputy Court Administrator	20,000	(B)
Tracy Kilmer	Construction Code Official, Zoning Officer, Fire Official and Inspector	250,000	(A)
Glenn McMahon	Assessor		
Land Engineering and Survey Co.	Engineer		
Ted Rosenberg, Esq.	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Commercial Crime Policy.

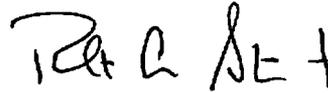
(B) Selective Insurance Company - Separate Surety Bond.

**ACKNOWLEDGMENT**

We express our appreciation for the assistance and courtesies extended to us by the Borough Officials during the course of our audit.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Robert A. Stewart". The signature is written in a cursive, somewhat stylized font.

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

February 17, 2011