

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

**Report of Audit**

**For the Year 2012**

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

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**BOROUGH OF PALMYRA**

**PART I**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2012**

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

**Certified Public Accountants  
Registered Municipal Accountants**

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organization* and is also not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2013 on our consideration of the Borough of Palmyra's, in the County of Burlington, State of New Jersey, 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* in considering the Borough of Palmyra's internal control over financial reporting.

Respectfully submitted,

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

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

Marlton, New Jersey  
February 17, 2013

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

**Certified Public Accountants  
Registered Municipal Accountants**

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

### **INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated February 17, 2013.

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* that we consider to be significant deficiencies. Findings no.: 2012-1 and 2012-2

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Palmyra's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items no.: 2012-1 and 2012-2.

**The Borough of Palmyra's Response to Findings**

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

**Purpose of this Report**

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

Respectfully submitted,

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



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 17, 2013

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2012 and 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>			
<b>Regular Fund:</b>			
Cash - Treasurer	A-4	\$ 2,075,695.73	\$ 1,817,362.66
Cash - Collector's Change Fund		<u>250.00</u>	<u>200.00</u>
Total		<u>2,075,945.73</u>	<u>1,817,562.66</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-5	305,008.29	397,322.38
Tax Title Liens Receivable	A-6	66,637.34	87,135.86
Property Acquired for Taxes - Assessed Valuation	A-7	166,150.00	173,200.00
Revenue Accounts Receivable	A-8	12,769.61	10,253.44
Due from Trust - Animal Control Fund	B	3,312.74	1,631.21
Due from Trust - Other Fund	B	<u>3,435.50</u>	<u>1,165.55</u>
Total		<u>557,313.48</u>	<u>670,708.44</u>
<b>Deferred Charge to Future Taxation:</b>			
Speical Emergency - Revaluation	A-9	<u>275,000.00</u>	
Total Regular Fund		<u>2,908,259.21</u>	<u>2,488,271.10</u>
<b>Federal and State Grant Fund:</b>			
Cash - Treasurer	A-4	323,235.10	401,989.32
Federal and State Grants Receivable	A-14	<u>253,730.93</u>	<u>341,673.29</u>
Total Federal and State Grant Fund		<u>576,966.03</u>	<u>743,662.61</u>
Total		<u>\$ 3,485,225.24</u>	<u>\$ 3,231,933.71</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2012 and 2011**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3, A-11	\$ 486,166.18	\$ 418,330.79
Reserve for Encumbrances Payable	A-3, A-11	94,877.86	78,013.04
Reserve for Cost of Revaluation		67,658.00	
Due State of New Jersey per Chapter 20 PL 1971	A-12	43,930.58	52,430.58
Prepaid Taxes	A-4, A-5	74,642.47	92,516.01
Special Emergency Note Payable	A-4	275,000.00	
Prepaid Business Improvement District Tax	A-4		21.24
Tax Overpayments		9,504.64	37,072.47
Due State of New Jersey:			
Marriage License Fees		275.00	350.00
Construction Code Training Fees		856.00	761.00
Reserve for Tax Title Lien Redemption		117,562.06	40,346.37
Due County for Added Taxes	A-5, A-4	1,462.23	190.81
Due to Business Improvement District Tax	A-10		3,970.37
Due to Sewer Utility Operating Fund	D	730.13	83.55
Due to General Capital Fund	C	394.27	16,048.38
		<u>1,173,059.42</u>	<u>740,134.61</u>
<b>Total Liabilities</b>		<b>1,173,059.42</b>	<b>740,134.61</b>
Reserve for Receivables and Other Assets	A	557,313.48	670,708.44
Fund Balance	A-1	<u>1,177,886.31</u>	<u>1,077,428.05</u>
		<u>2,908,259.21</u>	<u>2,488,271.10</u>
<b>Total Regular Fund</b>		<b>2,908,259.21</b>	<b>2,488,271.10</b>
<b>Federal and State Grant Fund:</b>			
Unappropriated Reserves	A-15		53,067.35
Appropriated Reserves	A-16	<u>576,966.03</u>	<u>690,595.26</u>
		<u>576,966.03</u>	<u>743,662.61</u>
<b>Total Federal and State Grant Fund</b>		<b>576,966.03</b>	<b>743,662.61</b>
<b>Total</b>		<b><u>\$ 3,485,225.24</u></b>	<b><u>\$ 3,231,933.71</u></b>

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, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 758,000.00	\$ 800,000.00
Miscellaneous Revenue Anticipated	1,803,865.43	1,148,338.39
Receipts from Delinquent Taxes	428,574.18	445,162.65
Receipts from Current Taxes	15,362,056.24	15,364,971.23
Nonbudget Revenues	244,325.30	241,101.07
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves/Encumbrances Payable	275,058.57	255,861.14
Interfund Loans Returned		4,102.03
Prior Year Prepaid Taxes Canceled		4,963.13
Grant Fund Reserves Canceled		74,481.71
Due to Business Improvement District (BID) Canceled	3,991.61	
Prior Year Tax Overpayments Canceled	8,318.36	
Total Revenue and Other Income Realized	<u>18,884,189.69</u>	<u>18,338,981.35</u>
<b>Expenditures:</b>		
Operations Within "CAPS":		
Salaries and Wages	2,151,337.65	2,128,435.32
Other Expenses	3,077,231.00	2,723,389.55
Deferred Charges and Statutory Expenditures Within "CAPS"	564,484.00	573,146.00
Operations Excluded from "CAPS":		
Other Expenses	220,631.15	130,876.49
Capital Improvements Excluded from "CAPS"	631,918.74	107,600.00
Municipal Debt Service Excluded from "CAPS"	1,342,120.56	1,313,966.52
Local District School Tax	8,150,787.00	8,150,787.00
County Taxes	2,119,072.75	2,266,092.98
Due County for Added Taxes	1,462.23	190.81
Business Improvement District Tax	36,000.00	72,155.37
Adjustment to Grants Appropriated Reserve	1,108.68	
Due Special Improvement District Tax for Added Taxes		1,874.28
Interfund Loans Made	4,577.67	
Total	<u>18,300,731.43</u>	<u>17,468,514.32</u>
Excess in Revenue	583,458.26	870,467.03
Adjustment to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to		
Budget of Succeeding Year	275,000.00	
Statutory Excess to Fund Balance	858,458.26	870,467.03
Fund Balance January 1	1,077,428.05	1,006,961.02
Total	1,935,886.31	1,877,428.05
Decreased by Utilization as Anticipated Revenue	758,000.00	800,000.00
Balance December 31	<u>\$ 1,177,886.31</u>	<u>\$ 1,077,428.05</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, 2012

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 758,000.00		\$ 758,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	
Other	3,000.00		3,373.00	\$ 373.00
Fees and Permits - Other	10,000.00		11,124.50	1,124.50
Fines and Costs -Municipal Court	172,000.00		223,399.62	51,399.62
Interest and Costs on Taxes	90,000.00		82,058.96	(7,941.04)
Interest on Investments and Deposits	10,000.00		7,075.41	(2,924.59)
Burlington County Bridge Commission in Lieu of Taxes	34,238.43		34,238.43	
Consolidated Municipal Property Relief Act	45,710.00		45,710.00	
Energy Receipts Tax	512,545.00		512,545.00	
Special Franchise Tax - PSE&G	38,700.00		39,169.62	469.62
Uniform Construction Code Fees	56,000.00		69,124.00	13,124.00
Miscellaneous Revenues Offset with Appropriations:				
Recycling Tonnage Grant	10,055.31	\$ 9,432.12	19,487.43	
Drunk Driving Enforcement Grant	1,880.18		1,880.18	
Clean Communities Grant		12,372.84	12,372.84	
Alcohol Education and Rehabilitation		1,349.08	1,349.08	
NJ Transportation Trust Fund		209,215.91	209,215.91	
Small Cities Grant		372,702.83	372,702.83	
Body Armor	1,778.11	1,813.49	3,591.60	
Hazardous Discharge Site Remediation	119,300.00		119,300.00	
Click It or Ticket		3,583.27	3,583.27	
ARRA - Justice Assistance Grant		9,900.00	9,900.00	
Exercise Program Improvement Grant	5,053.75		5,053.75	
Uniform Fire Safety Act Fees	15,000.00		7,610.00	(7,390.00)
Total	1,135,260.78	620,369.54	1,803,865.43	48,235.11
Receipts from Delinquent Taxes	400,000.00		428,574.18	28,574.18
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	5,397,919.40		5,639,161.44	241,242.04
Budget Totals	7,691,180.18	620,369.54	8,629,601.05	\$ 318,051.33
Nonbudget Revenues			244,325.30	
Total	\$ 7,691,180.18	\$ 620,369.54	\$ 8,873,926.35	

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2012**

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

Revenue from Collections	\$ 15,362,056.24
Allocated to School, County Taxes and Business Improvement District	<u>10,307,321.98</u>
Balance for Support of Municipal Budget Appropriations	5,054,734.26
Add Appropriation - Reserve for Uncollected Taxes	<u>584,427.18</u>
 Amount for Support of Municipal Budget Appropriations	 <u>\$ 5,639,161.44</u>

**Receipts from Delinquent Taxes:**

Delinquent Tax Collections	\$ 390,911.55
Tax Title Lien Collections	<u>37,662.63</u>
 Total	 <u>\$ 428,574.18</u>

**Licenses - Other:**

Food Licenses	\$ 65.00
Limo/Taxi License	50.00
Marriage License	818.00
Peddler/Solicitor License	1,500.00
Registrar of Vital Statistics	<u>940.00</u>
 Total	 <u>\$ 3,373.00</u>

**Fees and Permits - Other:**

Police Reports	\$ 1,525.60
Yard Sale Fees	82.00
Storage Facility Fees	3,781.90
Land Use Filing Fees	500.00
Fence Permits	3,362.00
Dumpster Permits	900.00
Street Opening Permits	600.00
Fire Arm Permits	281.00
Miscellaneous Other	<u>92.00</u>
 Total	 <u>\$ 11,124.50</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2012**

Analysis of Realized Revenue

**Miscellaneous Revenue Not Anticipated:**

Revenue Accounts Receivable:		
Cable Franchise Fee		\$ 26,352.62
Rental of Tower Space		<u>117,776.56</u>
Total		144,129.18
Sale of Foreclosed Property		250.00
Treasurer:		
Rental of Community Center	\$ 6,835.00	
Use of Vehicle Fees	27,075.00	
Administrative Fees	9,442.50	
SC and Vet Administrative Fee	1,970.80	
Non Resident Summer Camp Fee	1,210.00	
Close out Public Assistance Fund	8,282.46	
On-line Auction of Used Equipment	6,103.42	
Motor Vehicle Inspection Fees	4,395.00	
Rebates	7,963.47	
FEMA Reimbursements	1,211.68	
Prior year refunds	21,361.24	
Miscellaneous	<u>4,095.55</u>	
		<u>99,946.12</u>
Total		<u>\$ 244,325.30</u>

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, 2012**

	<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	\$ 57,375.00	\$ 57,375.00	\$ 57,031.55		343.45	
Other Expenses	89,500.00	70,915.00	56,547.84	\$ 6,464.61	\$ 7,902.55	
Mayor and Council:						
Salaries and Wages	14,250.00	14,250.00	14,250.00			
Other Expenses	2,000.00	2,000.00	1,029.02		970.98	
Public Relations	1,000.00	1,000.00	1,000.00			
Borough Clerk:						
Salaries and Wages	43,987.50	43,987.50	43,987.50			
Other Expenses	4,850.00	4,985.00	4,984.66		0.34	
Election Costs	4,000.00	4,000.00	3,689.38		310.62	
Financial Administration:						
Salaries and Wages	82,745.46	82,745.46	81,592.09		1,153.37	
Other Expenses	5,750.00	5,750.00	5,281.96		468.04	
Audit Services:						
Other Expenses	20,000.00	20,000.00	20,000.00			
Collection of Taxes:						
Salaries and Wages	50,670.98	50,670.98	50,670.98			
Other Expenses	5,000.00	5,000.00	3,864.63	2.50	1,132.87	
Assessment of Taxes:						
Salaries and Wages	12,240.00	12,240.00	12,180.00		60.00	
Other Expenses	2,500.00	2,500.00	1,218.83		1,281.17	
Cost of Revaluation		275,000.00	275,000.00			
Legal Services & Costs:						
Other Expenses	70,000.00	70,000.00	64,239.81		5,760.19	
Engineering Services & Costs:						
Other Expenses	27,500.00	35,051.10	31,104.10	3,087.00	860.00	
Grants and Planning						
Other Expenses	10,000.00	10,000.00	9,431.30		568.70	

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2012**

	<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	\$ 4,972.50	\$ 5,128.50	\$ 5,128.44		0.06	
Other Expenses	1,500.00	1,344.00	1,019.30		\$ 324.70	
Code Enforcement:						
Salaries and Wages	18,183.68	18,183.68	11,175.48		7,008.20	
Other Expenses	150.00	150.00	25.00	\$ 12.00	113.00	
Insurance:						
Surety Bond Premiums	3,500.00	3,500.00	3,500.00			
Liability Insurance	118,740.00	120,293.00	119,723.00	570.00		
Employees Group Insurance	778,787.00	778,787.00	728,868.53		49,918.47	
Unemployment Compensation	63,600.00	63,600.00	63,600.00			
Public Safety:						
Police:						
Salaries and Wages	1,346,141.61	1,346,141.61	1,276,162.08		69,979.53	
Other Expenses	97,675.00	97,675.00	80,906.02	9,501.20	7,267.78	
School Crossing Guards:						
Salaries and Wages	74,478.25	74,478.25	73,329.01	35.93	1,113.31	
Other Expenses	1,000.00	1,000.00			1,000.00	
Police and Radio Communications:						
Other Expenses	17,755.00	17,755.00	16,778.45	130.56	845.99	
Office of Emergency Management:						
Other Expenses	1,100.00	1,100.00	777.69		322.31	
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	35,720.00	36,070.00	30,538.47	5,530.85	0.68	
Uniform Fire Safety Act:						
Salaries and Wages	41,805.72	41,805.72	41,620.41		185.31	
Other Expenses	4,000.00	4,200.00	4,070.17		129.83	

(Continued)

**BOROUGH OF PALMYRA  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2012**

	<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	\$ 9,520.00	\$ 9,030.00		\$ 490.00	
Public Works:						
Street and Road Maintenance:						
Salaries and Wages	214,569.19	214,569.19	207,582.32		6,986.87	
Other Expenses	39,900.00	39,900.00	28,538.25	\$ 6,264.86	5,096.89	
Railroad Landscaping	1,500.00	1,500.00			1,500.00	
Shade Tree:						
Salaries and Wages	8,500.00	8,500.00	4,130.06		4,369.94	
Other Expenses	20,000.00	24,350.00	24,065.00	285.00		
Solid Waste Collection:						
Other Expenses	275,760.00	275,760.00	236,825.61	25,542.80	13,391.59	
Public Buildings and Grounds:						
Salaries and Wages	7,690.80	7,690.80	7,427.04		263.76	
Other Expenses	43,400.00	46,455.00	42,458.25	2,982.08	1,014.67	
Vehicle Maintenance:						
Other Expenses	56,500.00	56,500.00	49,642.46	2,138.37	4,719.17	
Condominium Services Law:						
Other Expenses	165,000.00	165,000.00	80,186.40	12,901.30	71,912.30	
Health and Human Services:						
Board of Health:						
Salaries and Wages	600.00	600.00	389.35		210.65	
Other Expenses	200.00	200.00	88.46		111.54	
Animal Control Services:						
Other Expenses	13,000.00	13,000.00	13,000.00			
Parks and Recreation:						
Parks and Playgrounds:						
Other Expenses	17,000.00	17,000.00	12,678.01		4,321.99	
Education Functions:						
Community Youth Program						
Other Expenses	3,000.00	3,000.00	1,000.00		2,000.00	
Contribution to Tri-Boro Senior Citizen Club						
Other Expenses	5,000.00	5,000.00	5,000.00			
Celebration of Public Events:						
Other Expenses	4,000.00	4,000.00	3,926.74		73.26	

(Continued)

BOROUGH OF PALMYRA  
CURRENT FUND  
Statement of Expenditures – Regulatory Basis  
For the Year Ended December 31, 2012

	<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	105,000.00	125,000.00	86,774.54		\$ 38,225.46	
Street Lighting	126,000.00	104,170.90	79,886.84		24,284.06	
Telephone	30,000.00	30,000.00	26,581.10		3,418.90	
Water/Sewer	20,000.00	21,200.00	20,216.33		983.67	
Gasoline	75,000.00	75,000.00	53,111.91		21,888.09	
Fire-Hydrant Services	86,400.00	86,900.00	79,589.68		7,310.32	
Printing and Postage	12,000.00	12,000.00	12,000.00			
Landfill and Solid Waste Disposal Costs:						
Landfill Fees	275,400.00	275,400.00	193,644.76	16,413.80	65,341.44	
Municipal Court:						
Salaries and Wages	101,297.22	100,297.22	81,474.42		18,822.80	
Other Expenses	10,600.00	11,600.00	10,954.96	215.00	430.04	
Construction Code Official:						
Salaries and Wages	42,673.74	42,673.74	42,419.93		253.81	
Other Expenses	8,100.00	8,100.00	5,809.46		2,290.54	
<b>Total Operations - Within "CAPS"</b>	<u>4,953,568.65</u>	<u>5,228,568.65</u>	<u>4,677,757.58</u>	<u>92,077.86</u>	<u>458,733.21</u>	
Detail:						
Salaries and Wages	2,152,181.65	2,151,337.65	2,040,550.66	35.93	110,751.06	
Other Expenses	<u>2,801,387.00</u>	<u>3,077,231.00</u>	<u>2,637,206.92</u>	<u>92,041.93</u>	<u>347,982.15</u>	

(Continued)

**BOROUGH OF PALMYRA  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2012**

	<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>						
<b>STATUTORY EXPENDITURES:</b>						
Contribution to:						
Public Employees Retirement System	\$ 142,003.00	\$ 142,003.00	\$ 142,003.00			
Social Security System (O.A.S.I.)	110,000.00	110,000.00	85,015.07		\$ 24,984.93	
Police and Firemen's Retirement System	308,481.00	308,481.00	308,481.00			
Defined Contribution Retirement System	4,000.00	4,000.00	2,251.96		1,748.04	
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>564,484.00</b>	<b>564,484.00</b>	<b>537,751.03</b>		<b>26,732.97</b>	
<b>Total General Appropriations - For Municipal Purposes Within "CAPS"</b>	<b>5,518,052.65</b>	<b>5,793,052.65</b>	<b>5,215,508.61</b>	<b>\$ 92,077.86</b>	<b>485,466.18</b>	
<b>Operations Excluded from "CAPS":</b>						
Aid to Library (NJSA 40:54-35)	1,000.00	1,000.00	1,000.00			
Length of Service Award (LOSAP)	18,900.00	18,900.00	15,400.00	2,800.00	700.00	
Employee Group Insurance	24,213.00	24,213.00	24,213.00			
Public and Private Programs Offset By Revenues:						
Drunk Driving Enforcement Grant	1,880.18	1,880.18	1,880.18			
Clean Communities		12,372.84	12,372.84			
Body Armor Grant	1,778.11	3,591.60	3,591.60			
Hazardous Discharge Site Remediation	119,300.00	119,300.00	119,300.00			
Recycling Tonnage Grant	10,055.31	19,487.43	19,487.43			
Alcohol Education Rehabilitation Fund		1,349.08	1,349.08			
Justice Assistance Grant		9,900.00	9,900.00			
Exercise Program Improvement Grant	5,053.75	5,053.75	5,053.75			

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2012**

	<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 Excluded from "CAPS":</b>					
Click It or Ticket		\$ 3,583.27	\$ 3,583.27		
<b>Total Operations - Excluded From "CAPS"</b>	<b>182,180.35</b>	<b>220,631.15</b>	<b>217,131.15</b>	<b>\$ 2,800.00</b> <b>\$ 700.00</b>	
Detail:					
Other Expenses	182,180.35	220,631.15	217,131.15	2,800.00 700.00	
<b>Capital Improvements - Excluded From "CAPS"</b>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
NJ Transportation Trust Fund		209,215.91	209,215.91		
Small Cities Grant		372,702.83	372,702.83		
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>50,000.00</b>	<b>631,918.74</b>	<b>631,918.74</b>		
<b>Municipal Debt Service - Excluded From "CAPS"</b>					
Payment of Bond Principal	481,000.00	481,000.00	481,000.00		
Payment of Bond Anticipation Notes Principal	583,000.00	583,000.00	583,000.00		
Interest on Bonds	97,400.00	97,400.00	97,400.00		
Interest on Notes	148,000.00	148,000.00	133,777.21		\$ 14,222.79
Loan Repayments:					
Principal	44,200.00	44,200.00	44,074.24		125.76
Interest	2,920.00	2,920.00	2,869.11		50.89
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>1,356,520.00</b>	<b>1,356,520.00</b>	<b>1,342,120.56</b>		<b>14,399.44</b>

(Continued)

BOROUGH OF PALMYRA  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2012

	<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>	<u>\$ 1,588,700.35</u>	<u>\$ 2,209,069.89</u>	<u>\$ 2,191,170.45</u>	<u>\$ 2,800.00</u>	<u>\$ 700.00</u>	<u>\$ 14,399.44</u>
Subtotal General Appropriations	7,106,753.00	8,002,122.54	7,406,679.06	94,877.86	486,166.18	14,399.44
Reserve for Uncollected Taxes	<u>584,427.18</u>	<u>584,427.18</u>	<u>584,427.18</u>			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u><u>\$ 7,691,180.18</u></u>	<u><u>\$ 8,586,549.72</u></u>	<u><u>\$ 7,991,106.24</u></u>	<u><u>\$ 94,877.86</u></u>	<u><u>\$ 486,166.18</u></u>	<u><u>\$ 14,399.44</u></u>

**Budget After Modifications:**

Original Budget \$ 7,691,180.18  
Special Emergency N.J.S.A. 40A:4-53 275,000.00  
N.J.S.A. 40A:4-87 620,369.54

Total \$ 8,586,549.72

**Expended - Paid or Charged:**

Reserve for Federal and State Grants \$ 758,436.89  
Reserve for Cost of Revaluation 275,000.00  
Reserve for Uncollected Taxes 584,427.18  
Disbursed 6,373,242.17

Total \$ 7,991,106.24

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, 2012 and 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>			
<b>Animal Control Fund:</b>			
Cash	B-1	\$ 7,561.55	\$ 8,304.01
Total Animal Control Funds		<u>7,561.55</u>	<u>8,304.01</u>
<b>Other Funds:</b>			
Cash	B-1	725,769.58	778,670.27
Total Other Funds		<u>725,769.58</u>	<u>778,670.27</u>
Total		<u>\$ 733,331.13</u>	<u>\$ 786,974.28</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
<b>Animal Control Fund:</b>			
Due to State Department of Health		\$ 1.20	\$ 52.80
Accounts Payable	B-2	738.61	1,170.00
Due to Current Fund	A	3,312.74	1,631.21
Reserve for Dog Fund Expenditures	B-2	3,509.00	5,450.00
Total Dog License Fund		<u>7,561.55</u>	<u>8,304.01</u>
<b>Other Funds:</b>			
Payroll Deductions Payable	B-3	4,016.79	19,433.29
Accounts Payable			3,187.20
Due to Violent Crime Compensation Board	B-7	43,677.00	36,690.50
Due Current Fund	A	3,435.50	1,165.55
Reserve for Unemployment Compensation Trust	B-5	103,723.56	25,003.60
Reserve for Compensated Absences	B-8	48,637.26	48,637.26
Reserve for Developer's Escrow Funds	B-4	125,816.01	139,887.46
Reserve for Recreation Program		263.33	1,100.18
Reserve for POAA Fees		228.00	160.00
Reserve for Community Center Deposits		800.00	300.00
Reserve for Public Defender Fees	B-7	6,125.00	6,125.00
Reserve for Regional Contribution Funds	B-6	365,326.99	479,279.98
Reserve for Disposal of Forfeited Property		23,720.14	17,700.25
Total Other Funds		<u>725,769.58</u>	<u>778,670.27</u>
Total		<u>\$ 733,331.13</u>	<u>\$ 786,974.28</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, 2012 and 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>			
Cash	C-2	\$ 1,303,284.10	\$ 1,847,170.23
Due from Current Fund	A	394.27	16,048.38
Deferred Charges to Future Taxation:			
Funded	C-5	1,676,588.60	2,201,662.99
Unfunded	C-4	9,382,402.00	9,834,965.00
		<hr/>	<hr/>
Total		<u>\$ 12,362,668.97</u>	<u>\$ 13,899,846.60</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds	C-8	\$ 1,620,000.00	\$ 2,101,000.00
Green Acres Loan Payable	C-9	56,588.60	64,662.99
Due to Burlington County Bridge Commission	C-10		36,000.00
Bond Anticipation Notes	C-11	8,836,900.00	8,949,000.00
Reserve for Payment of Notes	C-2	78,312.47	182,944.14
Encumbrances Payable	C-7	663,052.96	1,021,447.55
Improvement Authorizations:			
Funded	C-7	123,822.12	104,712.34
Unfunded	C-7	865,680.87	1,363,266.79
Capital Improvement Fund	C-6	101,579.16	60,080.00
Fund Balance	C-1	16,732.79	16,732.79
		<hr/>	<hr/>
Total		<u>\$ 12,362,668.97</u>	<u>\$ 13,899,846.60</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, 2012

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Balance December 31, 2012 and 2011

\$ 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, 2012 and 2011

<u>ASSETS</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>Operating Fund:</b>			
Cash - Treasurer	D-5	\$ 764,392.56	\$ 793,005.94
Due from Current Fund	A	730.13	83.55
Due from Sewer Utility Capital Fund	D	<u>148.38</u>	<u>          </u>
Total		<u>765,271.07</u>	<u>793,089.49</u>
<b>Receivables with Full Reserves:</b>			
Sewer Rents Receivable	D-8	178,787.59	151,042.80
Sewer Liens Receivable	D-9	<u>5,588.33</u>	<u>7,595.16</u>
Total		<u>184,375.92</u>	<u>158,637.96</u>
Total Operating Fund		<u>949,646.99</u>	<u>951,727.45</u>
<b>Capital Fund:</b>			
Cash - Treasurer	D-5, D-6	217,449.51	143,468.60
Due from Sewer Utility Operating Fund	D		37.53
Fixed Capital	D-10	6,545,945.41	6,545,945.41
Fixed Capital Authorized and Uncompleted	D-11	<u>800,000.00</u>	<u>500,000.00</u>
Total Capital Fund		<u>7,563,394.92</u>	<u>7,189,451.54</u>
Total		<u>\$ 8,513,041.91</u>	<u>\$ 8,141,178.99</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, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Operating Fund:</b>			
Reserve for Encumbrances	D-4, D-7	\$ 55,196.23	\$ 69,387.11
Appropriation Reserves	D-4, D-7	96,760.47	210,764.88
Accrued Interest on Bonds		4,839.93	6,150.69
Due to Sewer Utility Capital Fund	D		37.53
Sewer Rent Overpayments		1,664.21	4,186.91
Prepaid Sewer Rents	D-5, D-8	9,424.85	12,883.57
		<u>167,885.69</u>	<u>303,410.69</u>
Total Liabilities		167,885.69	303,410.69
Reserve for Receivables	D	184,375.92	158,637.96
Fund Balance	D-1	597,385.38	489,678.80
		<u>949,646.99</u>	<u>951,727.45</u>
Total Operating Fund		949,646.99	951,727.45
<b>Capital Fund:</b>			
Serial Bonds Payable	D-13	960,000.00	1,250,000.00
Bond Anticipation Note Payable	D-15	550,000.00	350,000.00
Improvement Authorizations:			
Funded	D-12		
Unfunded	D-12	143,774.74	19,979.74
Due to Sewer Utility Operating Fund	D	148.38	
Reserve for Amortization		5,585,945.41	5,295,945.41
Deferred Reserve for Amortization	D-16	250,000.00	150,000.00
Reserve for Payment of Debt	D-16		50,000.00
Capital Improvement Fund	D-14	30,000.00	30,000.00
Capital Fund Balance	D-2	43,526.39	43,526.39
		<u>7,563,394.92</u>	<u>7,189,451.54</u>
Total Capital Fund		7,563,394.92	7,189,451.54
Total		<u>\$ 8,513,041.91</u>	<u>\$ 8,141,178.99</u>

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, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 135,186.01	\$ 113,050.00
Rents	1,451,669.72	1,513,772.87
Miscellaneous	16,384.48	60,950.91
<b>Other Credits to Income:</b>		
Sewer Rent Overpayments Canceled	1,822.70	1,530.30
Unexpended Balance of Appropriation Reserves	<u>196,578.68</u>	<u>128,777.14</u>
<b>Total</b>	<u>1,801,641.59</u>	<u>1,818,081.22</u>
<b>Expenditures:</b>		
<b>Operating:</b>		
Salaries and Wages	254,760.01	230,000.00
Other Expenses	852,926.00	845,550.00
Debt Service	406,062.99	416,598.92
Deferred Charges and Statutory Expenditures	45,000.00	45,000.00
<b>Total</b>	<u>1,558,749.00</u>	<u>1,537,148.92</u>
Statutory Excess to Fund Balance	242,892.59	280,932.30
Fund Balance January 1	<u>489,678.80</u>	<u>321,796.50</u>
<b>Total</b>	732,571.39	602,728.80
Decreased by Utilization as Anticipated Revenue	<u>135,186.01</u>	<u>113,050.00</u>
<b>Fund Balance December 31</b>	<u><u>\$ 597,385.38</u></u>	<u><u>\$ 489,678.80</u></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, 2012 and 2011

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Balance December 31, 2012 and 2011

\$ 43,526.39

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, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 135,186.01	\$ 135,186.01	
Rents	<u>1,500,000.00</u>	<u>1,451,669.72</u>	<u>\$ (48,330.28)</u>
Total	1,635,186.01	1,586,855.73	(48,330.28)
Miscellaneous	<u>                    </u>	<u>16,384.48</u>	<u>16,384.48</u>
Total	<u>\$ 1,635,186.01</u>	<u>\$ 1,603,240.21</u>	<u>\$ (31,945.80)</u>

Analysis of Realized Revenues

**Sewer Rents:**

Rents:

Collected - 2012 Rents	\$ 1,435,779.32
Collected - 2012 Liens	3,006.83
Prepaid Rents Applied	<u>12,883.57</u>
Total	<u>\$ 1,451,669.72</u>

**Miscellaneous:**

Collected - 2021:

Interest Earned on Investments	\$ 538.43
Interest on Delinquent Charges	14,881.74
Miscellaneous	<u>778.40</u>
	16,198.57
Due from Capital Fund - Interest Earned on Investments	<u>185.91</u>
Total	<u>\$ 16,384.48</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, 2012

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Operating:						
Salaries and Wages	\$ 304,760.01	\$ 304,760.01	\$ 230,811.38		\$ 23,948.63	\$ 50,000.00
Other Expenses	852,926.00	852,926.00	727,356.67	\$ 55,196.23	70,373.10	
Debt Service:						
Payment of Bond Principal	290,000.00	290,000.00	289,000.00			1,000.00
Payment of Note Principal	50,000.00	50,000.00	50,000.00			
Interest on Bonds	67,500.00	67,500.00	47,892.50			19,607.50
Interest on Notes	25,000.00	25,000.00	19,170.49			5,829.51
Deferred Charges and Statutory Expenditures:						
Social Security System (O.A.S.I.)	20,000.00	20,000.00	17,561.26		2,438.74	
Unemployment Compensation Insurance (NJSA 43:21-3 et seq.)	25,000.00	25,000.00	25,000.00			
<b>Total</b>	<b>\$ 1,635,186.01</b>	<b>\$ 1,635,186.01</b>	<b>\$ 1,406,792.30</b>	<b>\$ 55,196.23</b>	<b>\$ 96,760.47</b>	<b>\$ 76,437.01</b>
<b>Analysis of Paid or Charged:</b>						
Disbursed			\$ 1,339,729.31			
Accrued Interest on Bonds and Notes			67,062.99			
<b>Total</b>			<b>\$ 1,406,792.30</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, 2012 and 2011**

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	<u>Reference</u>	<u>2012</u>	<u>2011</u>
 <b><u>ASSETS</u></b>			
Cash	E-1	<u>\$ -</u>	<u>\$ 8,281.93</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance	E-1	<u>\$ -</u>	<u>\$ 8,281.93</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, 2012**

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2012</u>
<b>General Fixed Assets:</b>				
Buildings and Improvements	\$ 6,900,325.66	\$ 13,692.00		\$ 6,914,017.66
Vehicles	793,991.00	186,030.00		980,021.00
Equipment	366,077.44	21,559.00		387,636.44
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total General Fixed Assets</b>	<b><u>\$ 8,060,394.10</u></b>	<b><u>\$ 221,281.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,281,675.10</u></b>
<b>Total Investment in General Fixed Assets</b>	<b><u>\$ 8,060,394.10</u></b>	<b><u>\$ 221,281.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,281,675.10</u></b>

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

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**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 present population according to the 2010 census 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.

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

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough 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, 2012**

**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, 2012**

**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, 2011 and decreased by the amount deferred at December 31, 2012.

**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.

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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. Effective June 30, 2012 the Business Improvement District ceased to exist.

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

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONT'D)**

As of December 31, 2012, the Borough's bank balances of \$2,654,351.08 were exposed to custodial credit risk as follows:

F.D.I.C. Insured	\$ 500,000.00
Collateralized Under GUDPA	2,106,639.65
Uninsured and Uncollateralized	<u>47,711.43</u>
 Balance June 30, 2012	 <u><u>\$ 2,654,351.08</u></u>

**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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Tax Rate without Business					
Improvement District Tax Rate	<u>\$ 5.021</u>	<u>\$ 5.028</u>	<u>\$ 4.968</u>	<u>\$ 4.625</u>	<u>\$ 4.453</u>
Total Tax Rate with Business					
Improvement District Tax Rate					
Schedule A	<u>\$ 5.240</u>	<u>\$ 5.460</u>	<u>\$ 4.972</u>		
Schedule B	<u>\$ 5.062</u>	<u>\$ 5.110</u>	<u>\$ 4.969</u>		
Apportionment of Tax Rate:					
Municipal	1.729	1.700	1.644	\$ 1.504	\$ 1.450
County	0.681	0.726	0.725	0.737	0.723
Local School	2.611	2.602	2.599	2.384	2.280
Business Improvement Tax					
Schedule A	0.219	0.432	0.004		
Schedule B	0.041	0.082	0.001		

Assessed Valuation

2012	\$	312,077,623
2011		313,139,512
2010		313,548,862
2009		314,382,206
2008		314,070,989

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$ 15,718,684	\$ 15,362,056	97.73%
2011	15,831,027	15,364,971	97.06%
2010	15,602,245	15,127,376	96.96%
2009	14,549,897	14,188,657	97.52%
2008	14,015,516	13,663,438	97.49%

**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>
2012	\$ 66,637	\$ 305,008	\$ 371,645	1.94%
2011	87,135	397,322	484,457	2.51%
2010	46,258	466,650	512,908	2.99%
2009	29,646	350,544	380,190	2.41%
2008	10,698	360,045	370,743	2.57%

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>
2012	19
2011	17
2010	12
2009	16
2008	9

**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>
2012	\$ 166,150
2011	173,200
2010	173,200
2009	173,200
2008	173,450

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**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>				
2012	\$ 151,043	\$ 7,595	\$ 1,477,408	\$ 1,636,046	\$ 1,451,670	88.73%
2011	176,904		1,488,509	1,665,413	1,513,773	90.89%
2010	176,904		1,477,775	1,654,679	1,436,208	86.80%
2009	137,688		1,472,700	1,610,388	1,475,051	91.60%
2008	122,178		1,465,023	1,587,201	1,449,513	91.33%

**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>
<b><u>Current Fund</u></b>			
2012	\$ 1,077,428	\$ 790,000 *	73.32%
2011	1,077,428	758,000	70.35%
2010	1,006,961	800,000	79.45%
2009	1,463,272	1,367,000	93.42%
2008	2,023,789	1,150,000	56.82%
<b><u>Sewer Utility Fund</u></b>			
2012	\$ 489,678	\$ 173,720 *	35.48%
2011	489,678	135,186	27.61%
2010	321,796	113,050	35.13%
2009	315,483	116,550	36.94%
2008	284,708	83,050	29.17%

\* As introduced on March 9, 2013

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 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, 2012:

Fund	Interfund Receivables	Interfund Payables
Current Fund	\$ 6,748.24	\$ 1,124.40
Trust Fund:		
Animal Control Fund		3,312.74
Other Trust Funds		3,435.50
General Capital Fund	394.27	
Sewer Utility Fund		
Operating Fund	878.51	
Capital Fund		148.38
	\$ 8,021.02	\$ 8,021.02

**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 are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**NOTE 8. PENSION PLANS (CONT'D)**

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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, 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.

	2012		2011		2010	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	\$ 39,223	\$ 140,010	\$ 45,931	\$ 169,551	\$ 40,765	\$ 162,291
Accrued Liability	78,446	157,571	73,188	135,952	52,379	115,621
Total Regular Pension Cont.	117,669	297,581	119,119	305,503	93,144	277,912
Non-Contributory Group						
Life Insurance	7,497	10,900	9,047	13,288	12,917	14,219
Total Due	\$ 125,166	\$ 308,481	\$ 128,166	\$ 318,791	\$ 106,061	\$ 292,131

**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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in 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.

The Borough's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Employee Contribution	Paid by Borough
2012	\$ 3,574	\$ 1,322	\$ 2,252
2011	-		
2010	-		

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**NOTE 8. PENSION PLANS (CONT'D)**

**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 2012 was \$16,837.00. The last installment is due on April 1, 2035.

**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 post-employment 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 2012, 2011 and 2010 there were twenty, eighteen and sixteen retired employees, respectively who received this benefit resulting in payments of \$287,594, \$246,769 and \$166,831 in related 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. Vacations days carried forward must be used in the next succeeding year or be forfeited.

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 10. COMPENSATED ABSENCES (CONT'D)**

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, 2012, accrued benefits for compensated absences are valued at \$278,045.58.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2012 the balance of the fund is \$48,637.26.

**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. JOINT INSURANCE POOL**

The Borough is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

- Public Employees Bond
- Public Official Bonds
- Business Automobile
- Workers' Compensation and Employer's Liability
- Environmental Liability
- Property Damage

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

The Fund publishes its own financial report which can be obtained by writing to: Professional Municipal Management JIF, 250 Pehle Avenue, Suite 701, Saddle Brook, New Jersey, 07663.

**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.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**NOTE 13. NEW JERSEY UNEMPLOYMENT COMPENSATION ISURANCE (CONT'D)**

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>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 88,606	\$ 1,084	\$ 10,970	\$ 103,724
2011	85,014	3,286	66,750	25,004
2010	32,007	3,832	33,846	3,454

**NOTE 14. CAPITAL DEBT**

**Summary of Municipal Debt**

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<b><u>Issued:</u></b>			
General Bonds and Notes	\$ 10,456,900	\$ 11,050,000	\$ 11,231,000
Sewer Utility Bonds and Notes	1,510,000	1,600,000	1,890,000
Loans	56,589	100,663	142,578
Total Issued	<u>12,023,489</u>	<u>12,750,663</u>	<u>13,263,578</u>
<b><u>Authorized But Not Issued:</u></b>			
General Bonds and Notes	545,502	885,965	1,204,790
Sewer Utility Bonds and Notes			
Net Debt	<u>\$ 12,568,991</u>	<u>\$ 13,636,628</u>	<u>\$ 14,468,368</u>

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, 2012 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	12/1/2020	4.125% - 4.20%	\$ 800,000
General Obligation Bonds of 2003	12/1/2014	5.00%	820,000
Sewer Utility Bonds of 2005	12/1/2020	4.125% - 4.20%	<u>960,000</u>
Total			<u>\$ 2,580,000</u>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

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

**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 1.951%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 13,370,000	\$ 13,370,000	
Sewer Utility Debt	1,510,000	1,510,000	
General Debt	11,058,991	78,312	\$ 10,980,679
 Total	 \$ 25,938,991	 \$ 14,958,312	 \$ 10,980,679

Net Debt, \$10,980,679 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$562,920,998 equals 1.951%.

**Equalized Valuation Basis:**

2010	\$ 597,409,632
2011	560,281,286
2012	531,072,075
 Average	 \$ 562,920,998

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 19,702,235
Net Debt	10,980,678
 Remaining Borrowing Power	 \$ 8,721,557

**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	\$ 1,603,240
Deductions:	
Operating and Maintenance Costs	\$ 1,152,686
Debt Service Costs	406,063
	1,558,749
 Total Excess in Revenues	 \$ 44,491

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, 2012**

**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 Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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	100,000	16,725	120,000	20,070	256,795
2018-20	<u>300,000</u>	<u>25,200</u>	<u>360,000</u>	<u>30,240</u>	<u>715,440</u>
Total	<u>\$ 1,620,000</u>	<u>\$ 212,075</u>	<u>\$ 960,000</u>	<u>\$ 180,090</u>	<u>\$ 2,972,165</u>

**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, 2012, the balance payable amounts to \$56,589.

Future principal and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 8,237	\$ 1,091	\$ 9,328
2014	8,402	925	9,327
2015	8,571	756	9,327
2016	8,744	584	9,328
2017	8,919	408	9,327
2018-20	<u>13,716</u>	<u>276</u>	<u>13,992</u>
Total	<u>\$ 56,589</u>	<u>\$ 4,040</u>	<u>\$ 60,629</u>

**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 cannot 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.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

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

As of December 31, 2012, 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	\$ 1,693,000	1.25%	December 11, 2013
General Capital	7,143,900	1.25%	May 8, 2013
Sewer Utility Capital	250,000	1.25%	December 11, 2013
Sewer Utility Capital	<u>300,000</u>	1.25%	September 12, 2013
<b>Total</b>	<b><u>\$ 9,386,900</u></b>		

**NOTE 15. LEASE OBLIGATIONS**

At December 31, 2012, the Borough had operating lease agreements in effect for 2 copy machines. Rental payments under operating leases for the year ended December 31, 2012 were \$6,078.

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

<u>Year</u>	<u>Total</u>
2013	\$ 6,395
2014	<u>6,395</u>
<b>Total</b>	<b><u>\$ 12,790</u></b>

**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</b>	
	<b>Balance December 31,</b>	
	<u>2012</u>	<u>2011</u>
Balance of Tax	\$ 4,063,515	\$ 4,063,515
Deferred	<u>4,063,515</u>	<u>4,063,515</u>
<b>School Tax Payable</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2012**

**NOTE 17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<b>Balance December 31, 2012</b>	<b>2013 Budget Appropriation</b>
Current Fund:		
Special Emergency	\$ 275,000	\$ 55,000
Total	\$ 275,000	\$ 55,000

The appropriations in the 2013 Budget as introduced are not less than that required by the statutes.

**NOTE 18. 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.

**NOTE 19. 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 20. 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 21. 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, 2012 the Borough has unexpended funds held in trust for the regional contribution agreement in the amount of \$365,327.

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2012

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2011	\$ 1,817,362.66	\$ 401,989.32
Receipts:		
Taxes Receivable	\$ 15,561,411.48	
Tax Title Liens Receivable	37,662.63	
Sale of Foreclosed Property	250.00	
Revenue Accounts Receivable	1,107,498.76	
Interest and Costs on Delinquent Taxes	82,058.96	
Due from Animal Control Fund	1,631.21	
Due from Other Trust Fund	822.44	
Due from Sewer Utility Operating Fund	688,185.13	
Special Emergency Note Payable	275,000.00	
Petty Cash	50.00	
Due to State of New Jersey:		
Marriage License Fees	900.00	
Construction Code Training Fees	856.00	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	90,540.30	
Prepaid 2013 Year Taxes	74,642.47	
Reserve for Tax Title Lien Redemption	404,502.80	
Tax Overpayments	32,439.92	
Federal and State Grants Receivable		\$ 783,250.15
Miscellaneous Revenue Not Anticipated	99,946.12	
Adjustment for Prior Year Grant Balances		<u>1,108.68</u>
Total Receipts	<u>18,458,398.22</u>	<u>784,358.83</u>
Total Funds Available	<u>20,275,760.88</u>	<u>1,186,348.15</u>
Disbursements:		
2012 Appropriations	6,580,584.17	
2011 Appropriation Reserves and Reserves For Encumbrances Payable	221,285.26	
Reserve for Tax Title Lien Redemption	327,287.11	
Due to State of New Jersey:		
Marriage License Fees	975.00	
Construction Code Training Fees	761.00	
Adjustment for Prior Year Grant Balances	1,108.68	
Refund of Tax Overpayments	51,689.39	
County Taxes Payable	2,119,072.75	
Due County for Added Taxes	190.81	
Local District School Tax	8,150,787.00	
Business Improvement District Tax	36,000.00	
Change Fund	50.00	
Petty Cash	50.00	
Due to Sewer Utility Operating Fund	688,268.68	
Due to Capital Fund	16,048.38	
Due to Other Trust Fund	5,906.92	
Reserve for Federal and State Grant Funds - Appropriated		<u>863,113.05</u>
Total Disbursements	<u>18,200,065.15</u>	<u>863,113.05</u>
Balance December 31, 2012	<u>\$ 2,075,695.73</u>	<u>\$ 323,235.10</u>

BOROUGH OF PALMYRA

CURRENT FUND

Schedule of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2012

Year	Balance	Added Taxes	2012 Levy	Collections by Cash		State Share of Senior Citizen and Veterans Deductions Allowed	Cancelled Taxes	Transferred To Tax Title Liens	Balance
	December 31, 2011			2011	2012				December 31, 2012
2010	\$ 16,145.49				\$ 14,361.86				\$ 1,783.63
2011	381,176.89	\$ 1,679.04			376,549.69			\$ 4,627.20	1,679.04
Subtotal	397,322.38	1,679.04			390,911.55			4,627.20	3,462.67
2012			\$ 15,718,683.59	\$ 92,516.01	15,170,499.93	\$ 99,040.30	43,185.64	11,896.09	301,545.62
Total	\$ 397,322.38	\$ 1,679.04	\$ 15,718,683.59	\$ 92,516.01	\$ 15,561,411.48	\$ 99,040.30	\$ 43,185.64	\$ 16,523.29	\$ 305,008.29

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 15,604,730.29
Added Taxes (54:4-63.1 et seq.)	11,703.30
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	<u>102,250.00</u>
Total	<u>\$ 15,718,683.59</u>

Tax Levy:

Local District School Tax ( Abstract)	\$ 8,150,787.00
Business Improvement District Tax	36,000.00
County Taxes:	
Regular Tax (Abstract)	\$ 1,726,713.15
Library Tax (Abstract)	168,913.22
Open Space Tax (Abstract)	223,446.38
Amount Due County for Added Taxes (54:4-63.1 et. seq.)	<u>1,462.23</u>
	2,120,534.98
Local Tax for Municipal Purposes	5,397,919.40
Additional Tax Levies	<u>49,442.21</u>
	5,447,361.61
Total	<u>\$ 15,718,683.59</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Tax Title Liens  
For the Year Ended December 31, 2012**

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Balance December 31, 2011		\$ 87,135.86
Increased by:		
Transfers from Taxes Receivable	\$ 16,523.29	
Interest and Penalty	<u>640.82</u>	
		<u>17,164.11</u>
Total		104,299.97
Decreased by:		
Cash Received		<u>37,662.63</u>
Balance December 31, 2012		<u><u>\$ 66,637.34</u></u>

**Schedule of Property Acquired for Taxes (At Assessed Valuations)  
For the Year Ended December 31, 2012**

---

Balance December 31, 2011		\$ 173,200.00
Decreased by:		
Cash Received	\$ 250.00	
Adjustment to balance to actual	<u>6,800.00</u>	
		<u>7,050.00</u>
Balance December 31, 2012		<u><u>\$ 166,150.00</u></u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2012**

	Balance December 31, <u>2011</u>	Accrued in <u>2012</u>	<u>Collected</u>	Balance December 31, <u>2012</u>	<u>Remarks</u>
Borough Clerk:					
Alcoholic Beverage Licenses		\$ 10,000.00	\$ 10,000.00		
Food Handling Licenses		2,433.00	2,433.00		
Registrar of Vital Statistics		940.00	940.00		
Fees and Permits:					
Police Reports		1,525.60	1,525.60		
Yard Sale Fees		82.00	82.00		
Storage Facility Fees		3,781.90	3,781.90		
Land Use Filing Fees		500.00	500.00		
Fence Permits		3,362.00	3,362.00		
Dumpster Permits		900.00	900.00		
Street Opening Permits		600.00	600.00		
Fire Arm Permits		281.00	281.00		
Other Fees and Permits		92.00	92.00		
Rental of Tower Space		117,776.56	117,776.56		
Cable Franchise Fee		26,352.62	26,352.62		
Construction Code Fees and Permits		69,124.00	69,124.00		
Municipal Court - Fines and Costs	\$ 10,253.44	225,915.79	223,399.62	\$ 12,769.61	Dec. 2012
Fire Official - Uniform Fire Safety - Fees and Permits		7,610.00	7,610.00		
Interest on Investments and					
Bank Deposits		7,075.41	7,075.41		
Burlington County Bridge Commission in Lieu of Taxes		34,238.43	34,238.43		
Consolidated Municipal Property					
Tax Relief Act		45,710.00	45,710.00		
Energy Receipts Tax		512,545.00	512,545.00		
Special Franchise and Gross Receipts Tax		39,169.62	39,169.62		
<b>Total</b>	<u>\$ 10,253.44</u>	<u>\$ 1,110,014.93</u>	<u>\$ 1,107,498.76</u>	<u>\$ 12,769.61</u>	

BOROUGH OF PALMYRA

Current Fund

Statement of Deferred Charges  
 N.J.S. 40A:4-55 Special Emergency  
 For the Year Ended December 31, 2012

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<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2011</u>	<u>Increased In 2012</u>	<u>Decreased In 2012</u>	<u>Balance December 31, 2012</u>
5/14/2012	Cost of Revaluation	\$ 275,000.00	\$ 55,000.00		\$ 275,000.00		\$ 275,000.00
	Total	<u>\$ 275,000.00</u>	<u>\$ 55,000.00</u>	<u>\$ -</u>	<u>\$ 275,000.00</u>	<u>\$ -</u>	<u>\$ 275,000.00</u>

BOROUGH OF PALMYRA

CURRENT FUND

Schedule of Amount Due Business Improvement District  
For the Year Ended December 31, 2012

<hr/>		
Balance December 31, 2011		\$ 3,970.37
Increased by:		
2012 Levy - Original	\$ 36,000.00	
2012 Added Taxes		
		<u>36,000.00</u>
Total		<u>39,970.37</u>
Decreased by:		
Cash Disbursed	36,000.00	
Canceled	<u>3,970.37</u>	
		<u>39,970.37</u>
Balance December 31, 2012		<u><u>\$ -</u></u>

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of 2011 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2012

	Balance December 31, 2011		Balance	Paid or	Balance
	<u>Encumbrances</u>	<u>Reserves</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
<b>Inside CAP:</b>					
<b>Salaries and Wages:</b>					
Mayor and Council		\$ 176.83	\$ 176.83		\$ 176.83
Financial Administration		149.84	149.84		149.84
Collection of Taxes		86.80	86.80		86.80
Assessment of Taxes		3,161.29	3,161.29		3,161.29
Economic Development Agency		17.00	17.00		17.00
Code Enforcement Officer		5,335.77	5,335.77		5,335.77
Police		27,007.64	27,007.64		27,007.64
School Crossing Guards		5,066.60	5,066.60		5,066.60
Office of Emergency Management		281.65	281.65		281.65
Uniform Fire Safety Act		0.90	0.90		0.90
Street and Roads		1,612.39	1,612.39		1,612.39
Shade Tree		0.04	0.04		0.04
Public Buildings and Grounds		8,812.00	8,812.00		8,812.00
Board of Health		183.26	183.26		183.26
Municipal Court		1,598.85	1,598.85		1,598.85
<b>Other Expenses:</b>					
General Administration	\$ 2,856.19	24,034.96	26,891.15	\$ 4,041.45	22,849.70
Borough Clerk		69.08	69.08		69.08
Election Costs		5,131.57	5,131.57		5,131.57
Financial Administration	343.59	1,177.00	1,520.59	343.59	1,177.00
Collection of Taxes	50.18	541.72	591.90	50.18	541.72
Assessment of Taxes	36.92	29.67	66.59	36.92	29.67
Legal Services and Costs:	3,401.50	291.15	3,451.40	3,401.50	49.90
Engineering Services & Costs			241.25	241.25	
Planning Board		7.43	7.43		7.43
Code Enforcement Officer		100.00	100.00		100.00
Insurances		3,275.00	3,275.00		3,275.00
Police	3,626.64	16,022.94	19,649.58	5,632.14	14,017.44
School Crossing Guards	770.00	594.29	1,364.29	770.00	594.29
Police and Radio Communications	1,874.25	1,288.37	3,162.62	2,076.92	1,085.70
Office of Emergency Management		738.27	738.27	392.56	345.71
Fire Department	7,085.94	5,034.17	12,120.11	6,808.04	5,312.07
Uniform Fire Safety Act		957.41	957.41	54.81	902.60
Borough Prosecutor		390.00	390.00		390.00
Street and Road Maintenance	6,922.06	143.64	7,065.70	4,261.41	2,804.29
Railroad Landscaping		3,000.00	3,000.00		3,000.00
Shade Tree	507.74		507.74	420.00	87.74
Solid Waste Collection	25,683.34	15,404.02	41,087.36	21,391.10	19,696.26
Public Buildings and Grounds	2,723.51	2,098.09	4,821.60	4,346.42	475.18
Vehicle Maintenance	4,760.21	4,055.01	8,815.22	3,567.62	5,247.60
<b>Forward</b>	<b>60,642.07</b>	<b>137,874.65</b>	<b>198,516.72</b>	<b>57,835.91</b>	<b>140,680.81</b>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of 2011 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2012

	Balance December 31, 2011		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>	\$ 60,642.07	\$ 137,874.65	\$ 198,516.72	\$ 57,835.91	\$ 140,680.81
<b>Inside CAP:</b>					
<b>Other Expenses:</b>					
Condominium Services Law		118,047.10	118,047.10	116,562.45	1,484.65
Board of Health		172.00	172.00		172.00
Parks & Playground	1,700.00	1,375.99	3,075.99		3,075.99
Celebration of Public Events		541.42	541.42		541.42
Electricity		12,542.32	12,542.32	9,331.38	3,210.94
Street Lighting		33,880.89	33,880.89	8,929.36	24,951.53
Telephone		132.72	132.72	132.72	
Water/Sewer		1,476.23	1,476.23		1,476.23
Gasoline	13,184.07	11,998.67	25,182.74	14,675.51	10,507.23
Fire Hydrant		405.36	405.36		405.36
Printing and Postage	558.90	511.01	1,069.91	558.90	511.01
Landfill and Solid Waste Disposal Costs	60.00	38,575.77	38,635.77	9,620.00	29,015.77
Municipal Court	100.00	5.00	105.00		105.00
Construction Code Official		6,628.95	6,628.95	900.00	5,728.95
Social Security System		27,527.96	27,527.96		27,527.96
<b>Outside CAP:</b>					
<b>Other Expenses:</b>					
Length of Service (LOSAP)		700.00	700.00		700.00
Employee Group Insurance	1,768.00	25,934.75	27,702.75	2,739.03	24,963.72
<b>Total</b>	<u>\$ 78,013.04</u>	<u>\$ 418,330.79</u>	<u>\$ 496,343.83</u>	<u>\$ 221,285.26</u>	<u>\$ 275,058.57</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Due State of New Jersey-  
Senior Citizen and Veterans' Deductions  
For the Year Ended December 31, 2012**

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Balance December 31, 2011		\$ 52,430.58
Increased by:		
Collections		<u>90,540.30</u>
Total		142,970.88
Decreased by:		
Accrued in 2012:		
Senior Citizen's Deductions per Tax Billings	\$ 21,000.00	
Veteran's Deductions per Tax Billings	<u>81,250.00</u>	
Total	102,250.00	
Add Senior Citizen and Veteran Deductions Allowed by Collector		
Less Senior Citizen and Veteran Deductions Disallowed by Collector	<u>(3,209.70)</u>	<u>99,040.30</u>
Balance December 31, 2012		<u><u>\$ 43,930.58</u></u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Local District School Tax Payable  
For the Year Ended December 31, 2012**

<b>Balance December 31, 2011:</b>		
School Tax Payable	\$ -	
School Tax Deferred	<u>4,063,515.00</u>	\$ 4,063,515.00
<b>Increased by:</b>		
Levy - School Year July 1, 2012 to June 30, 2013		<u>8,150,787.00</u>
<b>Total</b>		12,214,302.00
<b>Decreased by:</b>		
Payments		<u>8,150,787.00</u>
<b>Balance December 31, 2012:</b>		
School Tax Payable		
School Tax Deferred	<u>4,063,515.00</u>	<u>\$ 4,063,515.00</u>
 <b>2012 Liability for Local District School Tax</b>		
Tax Paid		\$ 8,150,787.00
Tax Payable December 31, 2012		<u>8,150,787.00</u>
<b>Total</b>		8,150,787.00
<b>Less:</b>		
Tax Payable December 31, 2011		<u>8,150,787.00</u>
<b>Amount Charged to 2012 Operations</b>		<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, 2012

	Balance December 31, <u>2011</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	Balance December 31, <u>2012</u>
<b>Federal Grants:</b>					
ARRA - Justice Assistance Grant		\$ 9,900.00	\$ 9,900.00		
Transportation Trust Fund:					
2008 Allotment - Morgan Avenue	10,432.02				\$ 10,432.02
2010 Allotment		209,215.91	209,215.91		
Small Cities Grant		372,702.83	372,702.83		
Click It or Ticket		3,583.27	3,583.27		
ARRA - Transportation Enhancement					
Market Street Gateway Improvement	<u>260,000.00</u>		<u>45,731.26</u>		<u>214,268.74</u>
Total Federal Grants	<u>270,432.02</u>	<u>595,402.01</u>	<u>641,133.27</u>		<u>224,700.76</u>
<b>State Grants:</b>					
Municipal Alliance Grant	13,641.27		3,579.52	\$ 10,061.75	
Recycling Tonnage Grant		9,432.12	9,432.12		
Alcohol Education and Rehabilitation Fund		1,349.08	1,349.08		
Clean Communities Grant		12,372.84	12,372.84		
HDSRF Grant - Rt. 73		85,000.00	85,000.00		
Burlington County Park Improvement	57,600.00		28,569.83		29,030.17
Body Armor Grant		1,813.49	1,813.49		
Total State Grants	<u>71,241.27</u>	<u>109,967.53</u>	<u>142,116.88</u>	<u>10,061.75</u>	<u>29,030.17</u>
Total	<u>\$ 341,673.29</u>	<u>\$ 705,369.54</u>	<u>\$ 783,250.15</u>	<u>\$ 10,061.75</u>	<u>\$ 253,730.93</u>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2012

	Balance December 31, 2011	Transfer from Federal and State Grant Receivable	Realized as Revenue in 2012	Canceled	Balance December 31, 2012
<b>Federal Grants:</b>					
Small Cities Grant		\$ 372,702.83	\$ 372,702.83		
NJ Transportation Trust Fund		209,215.91	209,215.91		
ARRA - Justice Assistance Grant		9,900.00	9,900.00		
Click It or Ticket		3,583.27	3,583.27		
<b>Total Federal</b>		<b>595,402.01</b>	<b>595,402.01</b>		
<b>State Grants:</b>					
Recycling Tonnage Grant	10,055.31	9,432.12	19,487.43		
Alcohol Education and Rehabilitation Fund		1,349.08	1,349.08		
Clean Communities Grant		12,372.84	12,372.84		
HDSRF Grant - Rt. 73	34,300.00	85,000.00	119,300.00		
Exercise Program Improvement Grant	5,053.75		5,053.75		
Body Armor Grant	1,778.11	1,813.49	3,591.60		
Drunk Driving Enforcement Fund	1,880.18		1,880.18		
<b>Total State</b>	<b>53,067.35</b>	<b>109,967.53</b>	<b>163,034.88</b>		
<b>Total</b>	<b>\$ 53,067.35</b>	<b>\$ 705,369.54</b>	<b>\$ 758,436.89</b>	<b>\$ -</b>	<b>\$ -</b>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Appropriated  
For the Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Transferred from 2012 Budget <u>Appropriation</u>	<u>Expended</u>	<u>Adjustments</u>	Balance October 31, <u>2012</u>
<b>Federal Grants:</b>					
Federal Vest Funds	\$ 5,777.05		\$ 1,316.34		\$ 4,460.71
ARRA - Transportation Enhancement	260,000.00		232,835.70		27,164.30
ARRA - Justice Assistance Grant		9,900.00	9,900.00		
Transportation Trust Fund	36,147.46	209,215.91	209,215.91		36,147.46
Over the Limit	2,787.64				2,787.64
Small Cities Grant		372,702.83	139,297.42		233,405.41
Click It or Ticket		3,583.27	3,583.27		
	<u>304,712.15</u>	<u>595,402.01</u>	<u>596,148.64</u>		<u>303,965.52</u>
<b>State Grants:</b>					
Drunk Driving Enforcement Grant	2,453.35	1,880.18	382.00	\$ 1,108.68 (1)	5,060.21
Alcoholic Education Rehabilitation Fund	9,582.47	1,349.08	3,430.00		7,501.55
Municipal Alliance Grant	30,085.82		113.35	(10,061.75) (2)	19,910.72
Body Armor Grant	886.44	3,591.60	886.44		3,591.60
Recycling Tonnage Grant	14,412.27	19,487.43	8,493.00		25,406.70
Burlington County Park Improvement	55,707.50		41,346.86		14,360.64
Exercise Program improvement Grant	1,420.47	5,053.75	3,160.42		3,313.80
Hazardous Discharge Remediation Site - Rt. 73	226,196.80	119,300.00	197,543.43		147,953.37
Forestry Grant	1,500.00				1,500.00
Centers of Place	24,825.00				24,825.00
Division of State Police - CERT	793.18				793.18
Clean Shores	10,446.75				10,446.75
Clean Communities Grant	7,573.06	12,372.84	11,608.91		8,336.99
	<u>385,883.11</u>	<u>163,034.88</u>	<u>266,964.41</u>	<u>(8,953.07)</u>	<u>273,000.51</u>
Total State Grants					
Total	<u>\$ 690,595.26</u>	<u>\$ 758,436.89</u>	<u>\$ 863,113.05</u>	<u>\$ (8,953.07)</u>	<u>\$ 576,966.03</u>

(1) Adjust for error in prior year balance

(2) Cancel prior year receivable balance

**TRUST FUND**

## BOROUGH OF PALMYRA

## TRUST FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2012

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2011	\$ 8,304.01	\$ 778,670.27
Receipts:		
Dog License Fees	1,701.00	
Cat License Fees	266.00	
State Registration Fees	389.00	
Late Fees	359.90	
Interest Earned on Deposits	1.38	
Current Fund Budget Appropriation	13,000.00	
Reserve for Unemployment Compensation Trust:		
Borough Budget Appropriations		88,600.00
Interest Earned		5.77
Employee Contributions		1,084.33
Reserve for Disposal of Forfeited Property		8,618.89
Reserve for Developer's Escrow Fund:		
Escrow Deposits		4,359.33
Site Improvement Deposits		141,056.62
Due to Current Fund		277.81
Reserve for Public Defender:		
Court Fees		11,986.50
Due to Current Fund		67.69
Reserve for POAA:		
Court Fees		68.00
Reserve for Community Center:		
Deposits		950.00
Reserve for Compensated Absences:		
Borough Budget Appropriations		30,000.00
Reserve for Regional Contribution Funds		12,762.21
Due to Current Fund - Flexible Spending Advance		2,288.36
Payroll Fund:		
Net Payroll		2,160,025.57
Payroll Deductions Payable		812,194.49
Total Receipts	<u>15,717.28</u>	<u>3,274,345.57</u>
Carried Forward	<u>\$ 24,021.29</u>	<u>\$ 4,053,015.84</u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Cash - Treasurer  
For the Year Ended December 31, 2012**

	<u>Animal Control</u>	<u>Other</u>
Brought Forward	\$ 24,021.29	\$ 4,053,015.84
Disbursements:		
State Registration Fees	440.60	
Expenditures Under RS4:19-15.11	13,216.16	
Accounts Payable	1,170.00	
Due to Current Fund	1,632.98	363.91
Reserve for Disposal of Forfeited Property		2,599.00
Reserve for Unemployment Compensation Trust:		10,970.14
Reserve for Compensated Absences		30,000.00
Reserve for Recreation Program		836.85
Reserve for Community Center		450.00
Reserve for Developer's Escrow Fund:		
Escrow Expenditures		5,383.26
Site Improvement Expenditures		154,104.14
Reserve for Regional Contribution Funds:		
Contractors		94,493.00
Professional Services and Other Costs		32,222.20
Accounts Payable		3,187.20
Reserve for Public Defender Costs		5,000.00
Payroll Deductions Payable		827,610.99
Net Payroll		2,160,025.57
	<hr/>	<hr/>
Total Disbursements	16,459.74	3,327,246.26
	<hr/>	<hr/>
Balance December 31, 2011	\$ 7,561.55	\$ 725,769.58

BOROUGH OF PALMYRA

TRUST FUND

Schedule of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2012

<hr/>		
Balance December 31, 2011		\$ 5,450.00
Increased by:		
Dog License Fees	\$ 1,701.00	
Cat License Fees	266.00	
Late Fees	359.90	
Contribution - Current Fund Budget Appropriation	13,000.00	
Interest Earned	1.38	15,328.28
Total	<u>                    </u>	<u>20,778.28</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed	13,216.16	
Accounts Payable	738.61	
Excess - Due to Current Fund	<u>3,314.51</u>	<u>17,269.28</u>
Balance December 31, 2011		<u><u>\$ 3,509.00</u></u>

**License Fees Collected**

Year:		
2011	\$ 1,757.00	
2010	<u>1,752.00</u>	
Total	<u><u>\$ 3,509.00</u></u>	

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Payroll Deductions Payable  
For the Year Ended December 31, 2012**

<hr/>		
Balance December 31, 2011		\$ 19,433.29
Increased by:		
Net Payroll	\$ 2,160,025.57	
Payroll Deductions Withheld	<u>812,194.49</u>	
Total		<u>19,433.29</u>
Decreased by:		
Net Payroll Disbursed	2,160,025.57	
Payroll Deductions Disbursed	<u>827,610.99</u>	
		<u>15,416.50</u>
Balance December 31, 2012		<u><u>\$ 4,016.79</u></u>
<b>Analysis of Balance:</b>		
Unknown		\$ 4,016.79
		<u><u>\$ 4,016.79</u></u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Developer's Escrow Deposits  
For the Year Ended December 31, 2012**

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Balance December 31, 2011:		
Escrow Deposits	\$ 40,602.18	
Site Improvements	<u>99,285.28</u>	\$ 139,887.46
Increased by:		
2012 Escrow Deposits	4,359.33	
2012 Site Improvements	<u>141,056.62</u>	<u>145,415.95</u>
Total		285,303.41
Decreased by:		
Payment of Escrow Bills	5,383.26	
Payment of Site Improvement Bills	<u>154,104.14</u>	<u>159,487.40</u>
Balance December 31, 2012:		
Escrow Deposits	39,578.25	
Site Improvements	<u>86,237.76</u>	<u>\$ 125,816.01</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, 2012**

Balance December 31, 2011		\$ 25,003.60
Increased by:		
Borough Contributions	\$ 88,600.00	
Employee Withholdings	1,084.33	
Interest Earned on Investments	<u>5.77</u>	
		<u>89,690.10</u>
		114,693.70
Decreased by:		
State Payments		<u>10,970.14</u>
Balance December 31, 2012		<u><u>\$ 103,723.56</u></u>

**Schedule of Reserve For Regional Contribution  
For the Year Ended December 31, 2012**

	<u>Delanco Township</u>	<u>Evesham Township</u>	<u>Total</u>
Balance December 31, 2011	\$ 60,745.55	\$ 418,534.43	\$ 479,279.98
Increased by:			
Refund from Sale of Property		12,420.00	12,420.00
Interest Earned on Investments	<u>48.39</u>	<u>293.82</u>	<u>342.21</u>
	<u>48.39</u>	<u>12,713.82</u>	<u>12,762.21</u>
Decreased by:			
Community Grants & Planning	3,201.50	29,020.70	32,222.20
Contractors		<u>94,493.00</u>	<u>94,493.00</u>
	<u>3,201.50</u>	<u>123,513.70</u>	<u>126,715.20</u>
Balance December 31, 2012	<u><u>\$ 57,592.44</u></u>	<u><u>\$ 307,734.55</u></u>	<u><u>\$ 365,326.99</u></u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Public Defender  
For the Year Ended December 31, 2012**

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Balance December 31, 2011		\$ 6,125.00
Increased by:		
Due from Municipal Court		<u>11,986.50</u>
		18,111.50
Decreased by:		
Salaries	\$ 5,000.00	
Amount Due to Violent Crime Compensation Board	<u>6,986.50</u>	
		<u>11,986.50</u>
Balance December 31, 2012		<u><u>\$ 6,125.00</u></u>

**Schedule of Reserve For Compensated Absences  
For the Year Ended December 31, 2012**

---

Balance December 31, 2011		\$ 48,637.26
Increased by:		
Borough Contributions - Current Fund		<u>30,000.00</u>
		78,637.26
Decreased by:		
Disbursed		<u>30,000.00</u>
Balance December 31, 2012		<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, 2012

Balance December 31, 2011		\$ 1,847,170.23
Receipts:		
Due Current Fund - Interest Earned	\$ 2,877.34	
Due from Current Fund	16,048.38	
Deferred Charges Unfunded	1,050,000.00	
Sale of Bond Anticipation Notes	8,836,900.00	
Reserve for Payment of Notes	362,368.33	
Contra receipts with Disbursements	2,089,525.09	
Current Fund Budget - Capital Improvement Fund	50,000.00	
		12,407,719.14
Total		14,254,889.37
Disbursements:		
Improvement Authorizations	1,442,808.57	
Due to Current Fund	3,271.61	
Bond Anticipation Notes Payable	8,949,000.00	
Reserve for Payment of Notes	467,000.00	
Contra receipts with Disbursements	2,089,525.09	
		12,951,605.27
Balance December 31, 2011		\$ 1,303,284.10

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Analysis of General Capital Cash and Investments  
For the Year Ended December 31, 2012**

Fund Balance		\$ 16,732.79
Capital Improvement Fund		101,579.16
Due from Current Fund		(394.27)
Reserve for Payment of Note		78,312.47
Bond Anticipation Note Payable		8,836,900.00
Encumbrances Payable		663,052.96
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2006-18	Purchase of Land	220.00
2007-08	Multi-Purpose:	
	Improvements to Legion Park	(518,500.00)
	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	(7,600.00)
2007-10	Improvement to Legion Park	(440,523.21)
2008-10	Multi-Purpose:	
	Construction of Community Center	(3,274,553.38)
	Improvements to Legion Park	(2,201,111.36)
	2008 Road Program	(395,312.25)
	Acquisition of Road Department Equip.	5,535.52
	Acquisition of Police Department Equip.	819.72
	Acquisition of Fire Department Equip.	22,223.80
2009-27	Multi-Purpose:	
	Improvements to HVAC System	(613,971.89)
	Acquisition of Police Department Equip.	(34,903.20)
	2009 Road Program	(281,061.36)
	Improvements to Municipal Building	(65,797.32)
2011-17	Construction of Police Storage Unit	(39,472.69)
2011-18	Multi-Purpose:	
	2011 Road Program	(128,632.81)
	Acquisition of Police Department Equip.	2,375.00
	Acquisition of Data Processing Equip.	(16,835.30)
	Various Infrastructure & Handicapped Improvements	64,072.12
2012-16	Multi-Purpose:	
	Acquisition of 4 Wheel Drive Vehicle	(78,165.03)
	Improvements to Community Center	(97,108.60)
	Improvements to Borough Hall	1,062.96
	2012 Road Program	19,013.00
2012-42	Acquisition of Computer Software	8,500.00
Total		\$ 1,303,284.10

## BOROUGH OF PALMYRA

## General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2012	Analysis of Balance December 31, 2012		Unexpended Improvement Authorization
			Financed by Bond Anticipation Notes	Expenditures	
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00
2007-08	Multi-Purpose:				
	Improvements to Legion Park	518,500.00	\$ 518,500.00		
	2007 Road Program	285,000.00	285,000.00		
	Construction of New Salt Dome Roof	14,706.19	14,706.19		
	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	459,000.00	459,000.00		
2008-10	Multi-Purpose:				
	Construction of Community Center	3,275,000.00	3,275,000.00		
	Improvements to Legion Park	2,280,000.00	2,280,000.00		
	2008 Road Program	403,380.00	403,000.00		380.00
2009-27	Multi-purpose				
	Improvements to HVAC System	712,500.00	660,000.00		52,500.00
	Acquisition of Police Department Equip.	35,910.00	35,900.00		10.00
	2009 Road Program	285,000.00	285,000.00		
	Improvements to Municipal Building	123,500.00	123,000.00		500.00
2011-17	Construction of Police Storage Unit	53,693.81	53,693.81		
2011-18	Multi-purpose				
	2011 Road Program	185,000.00	141,000.00		44,000.00
	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	5,000.00	5,000.00		
2012-16	Multi-purpose				
	Improvements to Community Center	114,000.00	114,000.00		
	Improvements to Borough Hall	128,000.00	128,000.00		
	2012 Road Program	355,437.00			355,437.00
		<u>\$ 9,382,402.00</u>	<u>\$ 8,836,900.00</u>	<u>\$ -</u>	<u>\$ 545,502.00</u>
	Improvement Authorizations - Unfunded				\$ 865,680.87
	Less - Unexpended Proceeds of Bond				
	Anticipation Notes Issued:				
	Ordinance 2007-08		\$ 7,033.46		
	Ordinance 2007-10		18,476.79		
	Ordinance 2008-10		8,134.37		
	Ordinance 2009-27		108,166.23		
	Ordinance 2011-18		18,531.89		
	Ordinance 2011-17		14,221.12		
	Ordinance 2012-16		145,615.01		
					<u>320,178.87</u>
	Total				<u>\$ 545,502.00</u>

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2012**

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Balance December 31, 2011		\$ 2,201,662.99
Decreased by:		
2012 Budget Appropriations to Pay:		
Serial Bonds	\$ 481,000.00	
Burlington County Bridge Commission Loan	36,000.00	
Green Acres Trust Loan	<u>8,074.39</u>	<u>525,074.39</u>
Balance December 31, 2012		<u><u>\$ 1,676,588.60</u></u>

**Statement of Capital Improvement Fund  
For the Year Ended December 31, 2012**

---

Balance December 31, 2011		\$ 60,080.00
Increased by:		
2012 Budget Appropriation		<u>50,000.00</u>
		110,080.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>8,500.84</u>
Balance December 31, 2012		<u><u>\$ 101,579.16</u></u>

**BOROUGH OF PALMYRA  
GENERAL CAPITAL FUND**

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2011		Capital Improvement Fund	2012 Authorizations		Paid or Charged	Prior Year Encumbered	Current Year Encumbered	Reallocated	Balance December 31, 2012	
				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	76,000	2,902.57			\$ 2,902.57							
2006-18	Purchase of Land	08/14/06	50,000	220.00	\$ 47,500.00								\$ 220.00	\$ 47,500.00
2007-08	Multi-Purpose													
	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			8,000.00						
2007-10	Improvements to Legion Park	08/13/07	750,000		45,640.29			19,583.75	\$ 1,563.50	\$ 9,143.25				18,476.79
2008-10	Multi-Purpose													
	Construction of Community Center/Redevelopment	06/09/08	4,000,000		4,612.87			4,166.25						446.62
	Improvements to Legion Park	06/09/08	2,400,000		78,888.64							(78,888.64)		
2008	Road Program	06/09/08	500,000					76,077.36	84,145.11					8,067.75
	Acquisition of Road Department Equip	06/09/08	148,000		29,662.10			104,943.58	80,817.00				5,535.52	
	Acquisition of Police Department Equip	06/09/08	52,400	439.72	380.00								819.72	
	Acquisition of Fire Department Equip	06/09/08	40,000		34,895.04			11,547.49		1,123.75			22,223.80	
2009-27	Multi-purpose													
	Improvements to HVAC System	12/14/09	750,000	12,573.08	712,500.00			99,190.66		527,354.11				98,528.11
	Acquisition of Police Department Equip.	12/14/09	37,800	990.00	35,910.00			35,893.20						1,006.80
	2009 Road Program	12/14/09	300,000					264,131.10	268,069.74					3,938.64
	Improvements to Municipal Building	12/14/09	130,000		98,752.78			41,072.35	500.00	477.75				57,702.68
2010-12	Acquisition of Time Clocks & Software	11/01/10	13,500	138.45				138.45						
2011-18	Multi-purpose													
	2011 Road Program	08/08/11	300,000		28,325.30			142,097.39	234,002.20	63,862.92				56,367.19
	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		6,160.00			4,945.30						1,214.70
	Various Infrastructure & Handicapped Improvements	08/08/11	500,000		144,187.50			424,212.39	350,950.00	1,852.99			64,072.12	5,000.00
2011-17	Construction of Police Storage Unit	08/08/11	53,693		36,093.81			20,042.69	1,400.00	3,230.00				14,221.12
2012-16	Multi-purpose													
	Acquisition of 4 Wheel Drive Vehicle	06/11/12	131,000					78,710.39		51,566.00	131,000.00			723.61
	Improvements to Community Center	06/11/12	120,000				\$ 114,000.00	98,666.41		4,442.19	6,000.00			16,891.40
	Improvements to Borough Hall	06/11/12	135,000					128,000.00		5,937.04	7,000.00		1,062.96	128,000.00
	2012 Road Program	06/11/12	375,000			\$ 0.84		355,437.00		550.00	19,562.16		19,013.00	355,437.00
2012-42	Acquisition of Computer Software	12/03/12	8,500			8,500.00							8,500.00	
<b>Total</b>				<b>\$ 104,712.34</b>	<b>\$ 1,363,266.79</b>	<b>\$ 8,500.84</b>	<b>\$ 597,437.00</b>	<b>\$ 1,442,808.57</b>	<b>\$ 1,021,447.55</b>	<b>\$ 663,052.96</b>	<b>\$ -</b>	<b>\$ 123,822.12</b>	<b>\$ 865,680.87</b>	

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BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of General Serial Bonds  
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturity of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Issued for Cash</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 2003	12/01/03	4,007,700	12/1/13	\$ 400,000	5.000%	\$ 1,201,000.00		\$ 381,000.00	\$ 820,000.00
			12/1/14	420,000	5.000%				
General Bonds of 2005	12/01/05	1,474,000	12/1/13-17	100,000	4.125%	900,000.00		100,000.00	800,000.00
			12/1/18-20	100,000	4.200%				
<b>Total</b>						<u>\$ 2,101,000.00</u>	<u>\$ -</u>	<u>\$ 481,000.00</u>	<u>\$ 1,620,000.00</u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Green Acres Loan Payable  
For the Year Ended December 31, 2012

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Balance December 31, 2011	\$ 64,662.99
Decreased by:	
Paid by 2012 Budget Appropriation	<u>8,074.39</u>
Balance December 31, 2012	<u>\$ 56,588.60</u>

Analysis of Balance - December 31, 2012

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 56,588.60</u>	<u>\$ 4,040.03</u>	<u>\$ 60,628.63</u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Burlington County Bridge Commission Lease Payable  
For the Year Ended December 31, 2012

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Balance December 31, 2011	\$ 36,000.00
Decreased by:	
Paid by 2012 Budget Appropriation	<u>36,000.00</u>
Balance December 31, 2012	<u>\$ -</u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased by	Decreased by	Balance December 31, 2012
2007-08	Multi-Purpose	12/20/2007	12/14/2011	12/12/2012	2.00%	\$ 1,200,000.00		\$ 1,200,000.00	\$ 910,000.00
2007-08	Multi-Purpose	12/20/2007	12/12/2012	12/11/2013	1.25%		\$ 910,000.00		\$ 910,000.00
2007-10	Improvement to Legion Park	12/20/2007	12/13/2011	12/12/2012	2.00%	559,000.00		559,000.00	
2007-10	Improvement to Legion Park	12/13/2011	12/12/2012	12/11/2013	1.25%		459,000.00		459,000.00
2008-10	Multi-Purpose	6/11/2009	6/7/2011	6/6/2012	1.50%	6,348,000.00		6,348,000.00	
2008-10	Multi-Purpose	6/11/2009	6/6/2012	5/8/2013	1.25%		5,958,000.00		5,958,000.00
2009-27	Multi-Purpose	6/7/2011	6/7/2011	6/6/2012	1.50%	408,000.00		408,000.00	
2009-27	Multi-Purpose	6/7/2011	6/6/2012	5/8/2013	1.25%		943,900.00		943,900.00
2009-27	Multi-Purpose	12/13/2011	12/12/2012	12/11/2013	1.25%		160,000.00		160,000.00
2011-18	Multi-Purpose	12/13/2011	12/13/2011	12/12/2012	2.00%	434,000.00		434,000.00	
2011-18	Multi-Purpose	12/13/2011	12/12/2012	12/11/2013	1.25%		164,000.00		164,000.00
2012-16	Multi-Purpose	9/12/2012	9/12/2012	5/8/2013	1.25%		242,000.00		242,000.00
<b>Total</b>						<u>\$ 8,949,000.00</u>	<u>\$ 8,836,900.00</u>	<u>\$ 8,949,000.00</u>	<u>\$ 8,836,900.00</u>
							Renewals	\$ 7,899,000.00	\$ 7,899,000.00
							Cash Received	937,900.00	
							Reserve for Payment of Debt		467,000.00
							Budget Appropriation		583,000.00
							<u>\$ 8,836,900.00</u>	<u>\$ 8,949,000.00</u>	

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	2012 Authorizations	Funded by Bond Anticipation Notes	Balance December 31, 2012
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00
2008-10	Multi-purpose 2008 Road Program	380.00			380.00
08 2009-27	Multi-purpose Improvements to HVAC System	712,500.00		\$ 660,000.00	52,500.00
	Acquisition of Police Department Equip.	35,910.00		35,900.00	10.00
	Improvements to Municipal Building		500.00		500.00
2011-18	Multi-purpose 2011 Road Program	44,000.00			44,000.00
	Acquisition of Police Department Equip.	45,125.00			45,125.00
	Acquisition of Data Processing Equip.	50.00			50.00
2012-16	Multi-purpose Improvements to Community Center		\$ 114,000.00	114,000.00	
	Improvements to Borough Hall		128,000.00	128,000.00	
	2012 Road Program		355,437.00		355,437.00
	Total	\$ 885,465.00	\$ 597,437.00	\$ 937,900.00	\$ 545,502.00

**SEWER UTILITY FUND**

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING AND CAPITAL FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	\$ 793,005.94	\$ 143,468.60
Receipts:		
Rents	\$ 1,435,779.32	
Sewer Rent Liens	3,006.83	
Prepaid Rent	9,424.85	
Miscellaneous Revenues	16,198.57	
Due from Current Fund	12,626.90	
Interest Earned		\$ 185.91
Bond Anticipation Note Payable		300,000.00
Contra Receipts with Disbursements		<u>43,576.32</u>
Total Receipts	<u>1,477,036.47</u>	<u>343,762.23</u>
Total	2,270,042.41	487,230.83
Disbursements:		
2012 Appropriations	1,339,729.31	
2011 Appropriation Reserves and Reserve for Encumbrances	83,573.31	
Accrued Interest on Bonds	68,373.75	
Due from Current Fund	13,273.48	
Refund of Sewer Rent Overpayments	700.00	
Improvement Authorizations		176,205.00
Reserve for Payment of Debt		50,000.00
Contra Disbursements with Receipts		<u>43,576.32</u>
Total Disbursements	<u>1,505,649.85</u>	<u>269,781.32</u>
Balance December 31, 2012	<u>\$ 764,392.56</u>	<u>\$ 217,449.51</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Analysis of Capital Cash  
at December 31, 2012

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Capital Fund Balance		\$	43,526.39
Capital Improvement Fund			30,000.00
Bond Anticipation Notes Payable			550,000.00
Due from Sewer Utility Operating Fund			148.38
Improvement Authorizations:			
Ordinance			
<u>Number</u>			
2007-07	Improvements to sewer system		(230,020.26)
2012-15	Acquisition of Equipment		<u>(176,205.00)</u>
	Total	\$	<u>217,449.51</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

**Statement of 2011 Appropriation Reserves and Reserve for Encumbrances  
For the Year Ended December 31, 2012**

---

	Balance December 31, 2011		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 72,551.75	\$ 72,551.75		\$ 72,551.75
Other Expenses	\$ 69,387.11	130,059.95	199,447.06	\$ 83,573.31	115,873.75
Social Security		8,153.18	8,153.18		8,153.18
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 69,387.11</u>	<u>\$ 210,764.88</u>	<u>\$ 280,151.99</u>	<u>\$ 83,573.31</u>	<u>\$ 196,578.68</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

**Schedule of Sewer Rents Receivable  
For the Year Ended December 31, 2012**

---

Balance December 31, 2011		\$ 151,042.80
Increased by:		
Sewer Rents Billed in 2012		<u>1,477,407.68</u>
Total		1,628,450.48
Decreased by:		
2012 Collection	\$ 1,435,779.32	
Prepaid Sewer Rents Applied	12,883.57	
Transfer to Liens	<u>1,000.00</u>	<u>1,449,662.89</u>
Balance December 31, 2012		<u><u>\$ 178,787.59</u></u>

**Schedule of Sewer Lien Receivables  
For the Year Ended December 31, 2012**

---

Balance December 31, 2011		\$ 7,595.16
Increased by:		
Transfer from Sewer Rents Receivable		<u>1,000.00</u>
Total		8,595.16
Decreased by:		
2012 Collections		<u>3,006.83</u>
Balance December 31, 2012		<u><u>\$ 5,588.33</u></u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Fixed Capital  
at December 31, 2012

	Balance December 31, <u>2011</u>	Transfer from Fixed Capital Authorized and <u>Uncompleted</u>	Deductions Facilities <u>Abandoned</u>	Balance December 31, <u>2012</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>
<b>Total</b>	<b><u>\$ 6,545,945.41</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,545,945.41</u></b>

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, 2012**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorization</u>		<u>Balance December 31, 2012</u>
				<u>Deferred Charges to Future Revenue</u>	<u>Canceled</u>	
2007-07	Improvements to sewer system	6/11/07	\$ 500,000.00			\$ 500,000.00
2012-15	Acquisition of Equipment	6/11/12		\$ 300,000.00		300,000.00
			<u>\$ 500,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ -</u>	<u>\$ 800,000.00</u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2011		2012 Deferred Charges to Future Revenue Unfunded	Paid or Charged	Balance December 31, 2012	
			Date	Amount	Funded	Unfunded			Funded	Unfunded
2007-07	Improvements to Sewer System	6/11/07	\$ 500,000.00			\$ 19,979.74			\$	19,979.74
2012-15	Acquisition of Equipment	6/11/12	300,000.00				\$ 300,000.00	\$ 176,205.00		123,795.00
					<u>\$ -</u>	<u>\$ 19,979.74</u>	<u>\$ 300,000.00</u>	<u>\$ 176,205.00</u>	<u>\$ -</u>	<u>\$ 143,774.74</u>

**BOROUGH OF PALMYRA**  
**SEWER UTILITY CAPITAL FUND**  
**Schedule of General Serial Bonds**  
**For the Year Ended December 31, 2012**

68

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31 2011</u>	<u>Issued</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2005	12/01/05	\$ 1,615,000	12/1/13-17	\$ 120,000	4.125%	\$ 1,060,000.00		\$ 100,000.00	\$ 960,000.00
			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>190,000.00</u>	<u>                    </u>	<u>190,000.00</u>	<u>-</u>
						<u>\$ 1,250,000.00</u>	<u>\$ -</u>	<u>\$ 290,000.00</u>	<u>\$ 960,000.00</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Schedule of Capital Improvement Fund  
For the Year Ended December 31, 2012

---

Balance December 31, 2011	\$ 30,000.00
Increased by:	
2012 Budget Appropriation	<u>0.00</u>
	30,000.00
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>0.00</u>
Balance December 31, 2012	<u>\$ 30,000.00</u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased by	Decreased by	Balance December 31, 2012
2007-07	Improvements to Sewer System	12/20/07	12/13/11	12/12/12	2.000%	\$ 350,000.00		\$ 350,000.00	
2007-07	Improvements to Sewer System	12/20/07	12/11/12	12/11/13	1.250%		\$ 250,000.00		\$ 250,000.00
2012-15	Acquisition of Equipment	09/12/12	09/12/12	09/11/13	1.500%		300,000.00		300,000.00
						<u>\$ 350,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 550,000.00</u>
							Renewals	\$ 250,000.00	\$ 250,000.00
							Cash Received	300,000.00	
							Reserve for Payment of Debt		50,000.00
							Budget Appropriations		50,000.00
							<u>\$ 550,000.00</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, 2012

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2011</u>	<u>Paid From Operating Budget - Notes</u>	<u>Paid From Reserve for Payment of Debt</u>	<u>Balance December 31, 2012</u>
2006-23	Improvements to Sewer System	12/11/2006	\$ 150,000.00	\$ 50,000.00	\$ 50,000.00	\$ 250,000.00
			<u>\$ 150,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 250,000.00</u>

BOROUGH OF PALMYRA

SEWER CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2012

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Funded by Sale of Bond Anticipation Notes</u>	<u>Balance December 31, 2012</u>
2012-15	Acquisition of Equipment		\$ 300,000.00	\$ 300,000.00	\$ -
Total		<u>\$ -</u>	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ -</u>

**PUBLIC ASSISTANCE FUND**

## BOROUGH OF PALMYRA

## PUBLIC ASSISTANCE FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2012

---

Balance December 31, 2011	\$	8,281.93
Increased by Receipts:		
Interest Earned on Deposits		<u>8,281.93</u>
Decreased by Disbursements:		
Transfer to Current Fund		<u>8,281.93</u>
Balance December 31, 2012	\$	<u><u>-</u></u>

**BOROUGH OF PALMYRA**

**PART II**

**Single Audit Section**

**For the Year Ended December 31, 2012**

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

**Certified Public Accountants  
Registered Municipal Accountants**

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Marlton, New Jersey 08053  
(856) 983-2244  
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American Institute of CPAs  
New Jersey Society of CPAs

## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

### **INDEPENDENT AUDITOR'S REPORT**

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

#### ***Report on Compliance for Each Major Federal Program***

We have audited the Borough of Palmyra's in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2012. The Borough's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

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

Our responsibility is to express an opinion on compliance for each of the Borough's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Borough's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the Borough of Palmyra complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

**Report on Internal Control Over Compliance**

Management of the Borough of Palmyra is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palmyra's internal control over compliance.

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

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 17, 2013

BOROUGH OF PALMYRA

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Grant Number</u>	<u>Program Funds Received</u>	<u>Grant Period</u> From To		<u>Balance December 31 2011</u>	<u>Revenue Recognized</u>	<u>Adjustments</u>	<u>Disbursements or Expenditures</u>	<u>Balance December 31, 2012</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>											
Passed thru the Department of Community Affairs:											
Small Cities Block Grant	14.218	\$500,000.00	2010-02292-0348-00	\$ 414,809.01	2/1/2011	12/31/2012		\$ 372,702.83		\$ 139,297.42	\$ 233,405.41
Total U.S. Department of Housing and Urban Development							-	372,702.83	-	139,297.42	233,405.41
<b><u>U.S. Department of Criminal Justice</u></b>											
Justice Assistance Grant (JAG)	16.738	9,900.00	Not Available	9,900.00	1/1/2012	12/31/2012		9,900.00		9,900.00	
Bulletproof Vest Partnership Grant	16.607	5,777.05	Not Available	5,777.05	1/1/2012	12/31/2012	\$ 5,777.05			1,316.34	4,460.71
Total U.S. Department of Justice							5,777.05	9,900.00	-	11,216.34	4,460.71
<b><u>U.S. Department of Transportation</u></b>											
<b><u>Passed through New Jersey State Department of Transportation</u></b>											
Highway Planning and Construction 2011 Allotment	20.205	209,215.91	6320-480-0078	209,215.91	1/1/2012	12/31/2012	36,147.46	209,215.91		209,215.91	36,147.46
ARRA - Transportation Enhancement Market Street Gateway Improvements	20.205	287,390.00	STP-B00S(899)	45,731.26	1/1/2012	12/31/2012	260,000.00			232,835.70	27,164.30
<b><u>Passed through New Jersey State Department of Public Safety</u></b>											
Click it or Ticket	20.602	3,583.27	66-1160-100-113	3,583.27	1/1/2012	12/31/2012		3,583.27		3,583.27	-
Over the Limit Under Arrest	20.601	2,787.64	Not Available	2,787.64	1/1/2012	12/31/2012	2,787.64				2,787.64
Total U.S. Department of Transportation							298,935.10	212,799.18	-	445,634.88	66,099.40
Total Federal Awards							\$ 304,712.15	\$ 595,402.01	\$ -	\$ 596,148.64	\$ 303,965.52

Analysis of Balance at December 31, 2012:

Federal and State Grant Funds:	
Unappropriated Reserves	\$ 303,965.52
Appropriated Reserves	
Total	\$ 303,965.52

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

**Borough of Palmyra**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2012**

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Borough of Palmyra, County of Burlington, State of New Jersey. The Borough is defined in the Notes to the Financial Statements, Note 1.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

<u>Fund</u>	
Grant Fund	\$ 596,148.64
	<hr/>
Total	<u>\$ 596,148.64</u>

**NOTE 4. MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**BOROUGH OF PALMYRA**

**PART III**

**Schedule of Findings and Questioned Costs**

**For the Year Ended December 31, 2012**



BOROUGH OF PALMYRA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
For the Year Ended December 31, 2012

Section 1 – Summary of Auditor's Results (Cont'd)

**State Financial Assistance**

*(This Section Not Applicable)*

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_

yes \_\_\_\_\_ no \_\_\_\_\_

Type of auditor's report on compliance for major programs: \_\_\_\_\_

Internal Control over compliance:

Material weaknesses identified? \_\_\_\_\_

yes \_\_\_\_\_ no \_\_\_\_\_

Were significant deficiencies identified that were  
not considered to be a material weakness? \_\_\_\_\_

yes \_\_\_\_\_ none reported \_\_\_\_\_

Any audit findings disclosed that are required to be reported  
in accordance with OMB Circular A-133 (section .510(a)) or  
New Jersey Circular 04-04-OMB? \_\_\_\_\_

yes \_\_\_\_\_ no \_\_\_\_\_

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**BOROUGH OF PALMYRA**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012 .**

**Section 2 – Schedule of Financial Statement Findings**

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

***Finding #2012-1***

**Condition:**

The payroll bank account was not reconciled to the general ledger or the analysis of deductions payable during the year.

**Criteria:**

As a function of effective internal controls, an accurate payroll and payroll agency analysis must be maintained and reconciled to the general ledger and the bank balance to ensure that balances in the account and payments to the various agencies are for the correct amounts.

**Context:**

Payroll deductions payable activities were reviewed to determine if there were excess funds in the payroll account.

**Effect:**

Without an accurate analysis, there is an increased possibility that various overages and shortages in payroll deductions can go undetected and uncorrected. As a result, there appears to be excess unallocated funds.

**Cause:**

Time constraints with regards to the Chief Financial Officer's office.

**Recommendation:**

That the payroll bank account be reconciled to the general ledger and the analysis of payroll deductions payable 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 their corrective action plan.

**BOROUGH OF PALMYRA**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**Section 2 – Schedule of Financial Statement Findings  
(Continued)**

**Finding #2012-2**

**Condition:**

The cash receipts record for dog licenses issued did not agree to the daily deposit slips.

**Criteria:**

Good internal control practices dictate that all cash received be agreed to the documentation supporting the receipt and the daily deposits.

**Context:**

A random sample of 50 dog licenses issued revealed that only 2 licenses could be verified to an accurate daily deposit slip.

**Effect:**

As a result of the cash receipts not agreeing to the deposit slips, the potential for financial statement misstatement of misappropriation of assets is increased.

**Cause:**

Oversight on part of the Borough Clerk.

**Recommendation:**

The Borough's policy regarding recording and depositing of funds should be adhered to for all dog licenses issued.

**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, 2012**

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

This section identifies the significant deficiencies, 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 State of New Jersey Circular 04-04-OMB.

***FEDERAL AWARDS***

No Current Year Findings

***STATE FINANCIAL ASSISTANCE***

This Section Not Applicable

**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 State of New Jersey Circular 04-04-OMB.

***FINANCIAL STATEMENT FINDINGS***

***Finding #2011-1***

**Condition:**

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

**Current Status:**

This condition has been corrected.

***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.

**Current Status:**

This condition has been corrected.

***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.

**Current Status:**

This condition has been corrected.

***FEDERAL AWARDS***

A federal single audit was not required.

***STATE FINANCIAL ASSISTANCE PROGRAMS***

A state single audit was not required.

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2012:

<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		
Barbara A. Sheipe	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics	\$ 1,000,000	(A)
Linda Lewis	Chief Financial Officer, Qualified Purchasing Agent	80,000	(B)
Tanyika L. Johns	Tax Collector	100,000	(B)
Susan M. Doerr	Deputy Tax Collector, Sewer Rent Clerk	100,000	(B)
Marie Nagle	Tax Clerk	1,000,000	(A)
Mindie Weiner	Tax Clerk, Sewer Rent Clerk	1,000,000	(A)
Tracy McGill	Court Administrator	20,000	(B)
Gregory McCloskey	Municipal Magistrate	10,000	(B)
Donna Browne	Deputy Court Administrator (to 1/31/12)	20,000	(B)
Maureen Pretti	Deputy Court Administrator (from 6/1/12)	20,000	(B)
Tracy Kilmer	Construction Code Official, Zoning Officer, Fire Official and Inspector	1,000,000	(A)
Glenn McMahon	Assessor		
Environmental Resolutions, Inc.	Engineer		
Ted Rosenberg, Esq.	Solicitor		

All Bonds were examined and properly executed.

(A) Burlington County Municipal Joint Insurance Fund - Public Employees Honesty Blanket Bond.

(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 "R. A. Stewart". The signature is written in a cursive, somewhat stylized font.

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

February 17, 2013