

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

**Report of Audit**

**For the Year 2009**

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

**TABLE OF CONTENTS**

**PART I**

	<b><u>Exhibits</u></b>	<b><u>Page</u></b>
Independent Auditor's Report		2
Report on Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance with Government Auditing Standards		4
<b><u>Financial Statements</u></b>		
<b><u>Current Fund:</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	A	6
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	8
Statement of Revenues - Modified Accrual Basis	A-2	9
Statement of Expenditures - Regulatory Basis	A-3	12
<b><u>Trust Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	B	19
<b><u>General Capital Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	C	20
Statement of Fund Balance -- - Regulatory Basis	C-1	21
<b><u>Sewer Utility Operating and Capital Fund</u></b>		
Statement of Assets, Liabilities and Reserves and Fund Balance - - Regulatory Basis	D	22
Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	24
Statement of Fund Balance - Regulatory Basis	D-2	25
Statement of Revenues - Regulatory Basis	D-3	26
Statement of Expenditures - Regulatory Basis	D-4	27
<b><u>Public Assistance Fund</u></b>		
Statement of Assets, Liabilities and Reserves - Regulatory Basis	E	28
Notes to Financial Statements		29
<b><u>Current Fund</u></b>		
Statement of Cash - Collector/Treasurer	A-4	45
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	46
Schedule of Tax Title Liens	A-6	47
Schedule of Property Acquired for Taxes (At Assessed Valuations)	A-7	47
Schedule of Revenue Accounts Receivable	A-8	48

**Part I (Continued):**

**Current Fund (Continued)**

Statement of 2008 Appropriation Reserves and Reserve for Encumbrances		
Schedule of Due State of New Jersey -	A-9	49
Senior Citizen and Veterans' Deductions	A-10	51
Schedule of Local District School Tax Payable	A-11	52

**Federal and State Grant Fund**

Schedule of Federal and State Grants Receivable	A-12	53
Schedule of Reserve for Federal and State Grants - Unappropriated	A-13	54
Schedule of Reserve for Federal and State Grants - Appropriated	A-14	55

**Trust Fund**

Schedule of Cash - Treasurer	B-1	57
Schedule of Reserve for Animal Control Fund Expenditures	B-2	59
Statement of Payroll Deductions Payable	B-3	60
Schedule of Reserve for Developer's Escrow Deposits	B-4	61
Schedule of Reserve for Unemployment Compensation Trust	B-5	62
Schedule of Reserve for Regional contribution	B-6	62
Schedule of Reserve for Public Defender	B-7	63
Schedule of Reserve for Compensated Absences	B-8	63

**General Capital Fund**

Schedule of Cash - Treasurer	C-2	65
Analysis of General Capital Cash and Investments	C-3	66
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4	67
Statement of Deferred Charges to Future Taxation - Funded	C-5	68
Statement of Capital Improvement Fund	C-6	68
Schedule of Improvement Authorizations	C-7	69
Schedule of General Serial Bonds	C-8	70
Schedule of Green Acres Loan Payable	C-9	71
Schedule of Burlington County Bridge Commission Lease Payable	C-10	72
Schedule of Bond Anticipation Notes	C-11	73
Statement of Bonds and Notes Authorized But Not Issued	C-12	74

**Sewer Utility Fund**

Schedule of Cash - Collector/Treasurer	D-5	76
Analysis of Capital Cash	D-6	77
Statement of 2008 Appropriation Reserves and Reserve for Encumbrances	D-7	78
Schedule of Sewer Rents Receivable	D-8	79
Schedule of Fixed Capital	D-9	80
Schedule of Fixed Capital Authorized and Uncompleted	D-10	81
Schedule of Improvement Authorizations	D-11	82
Schedule of General Serial Bonds	D-12	83
Schedule of Capital Improvement Fund	D-13	84
Schedule of Bond Anticipation Notes	D-14	85
Schedule of Deferred Reserve for Amortization	D-15	86
Statement of Bonds and Notes Authorized But Not Issued	D-16	87

**Public Assistance Fund**

Schedule of Cash - Treasurer	E-1	89
------------------------------	-----	----

**PART III**

Schedule of Findings and Recommendations	91
Summary Schedule of Prior-Year Audit Findings	94
Officials in Office and Surety Bonds	96
Acknowledgement	97

**BOROUGH OF PALMYRA**

**PART I**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2009**

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

**Certified Public Accountants  
Registered Municipal Accountants**

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2009 and 2008, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis for the year ended December 31, 2009, which collectively comprise the Borough's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above do not include the general fixed asset account group, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Borough. The amount that should be recorded in the general fixed assets account group is not known.

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

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2009 and 2008, or the results of its operations and changes in fund balance for the years then ended.

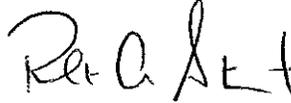
Furthermore, in our opinion, except for the effect on the financial statements of the omission described in the third paragraph, the basic financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2010 on our consideration of the Borough of Palmyra, County of Burlington, State of New Jersey's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Palmyra's basic financial statements. The accompanying supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The supplementary financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

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



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 26, 2010

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

**Certified Public Accountants  
Registered Municipal Accountants**

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

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

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

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

We have audited the financial statements (regulatory basis) of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2009, and have issued our report thereon dated February 26, 2010, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the financial statements did not include the general fixed assets account group as required by N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies in internal control over financial reporting, and which are described in the accompanying *Schedule of Findings and Recommendations* as findings #2009-3 and #2009-5. A significant deficiency is a deficiency, or 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Palmyra's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Recommendations* as findings no: #2009-1, #2009-2, #2009-4 and #2009-6.

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

This report is intended solely for the information and use of the management and others within the Borough of Palmyra, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 26, 2010

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2009 and 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
<b>Regular Fund:</b>			
Cash - Treasurer/ Tax Collector	A-4	\$ 2,403,317.91	\$ 2,674,472.01
Cash - Collector's Change Fund		<u>200.00</u>	<u>200.00</u>
Total		<u>2,403,517.91</u>	<u>2,674,672.01</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	350,543.60	360,044.54
Tax Title Liens Receivable	A-6	29,645.59	10,698.37
Property Acquired for Taxes - Assessed Valuation	A-7	173,200.00	173,200.00
Revenue Accounts Receivable	A-8		13,599.03
Due from General Capital Fund	C		1,038.62
Due from Trust - Other Fund	B	<u>1,155.24</u>	<u>1,009.11</u>
Total		<u>554,544.43</u>	<u>559,589.67</u>
Total Regular Fund		<u>2,958,062.34</u>	<u>3,234,261.68</u>
<b>Federal and State Grant Fund:</b>			
Cash - Treasurer	A-4	190,330.38	379,969.04
Federal and State Grants Receivable	A-12	<u>823,731.02</u>	<u>662,357.63</u>
Total Federal and State Grant Fund		<u>1,014,061.40</u>	<u>1,042,326.67</u>
Total		<u>\$ 3,972,123.74</u>	<u>\$ 4,276,588.35</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2009 and 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3, A-9	\$ 336,252.37	\$ 282,232.82
Reserve for Encumbrances Payable	A-3, A-9	183,742.68	182,678.23
Due State of New Jersey per Chapter 20 PL 1971	A-10	56,274.40	49,144.93
Prepaid Taxes	A-4, A-5	90,129.22	72,690.04
Tax Overpayments		9,087.79	6,601.09
Due State of New Jersey:			
Marriage License Fees		500.00	345.00
Construction Code Training Fees		3,715.00	461.00
Reserve for Tax Title Lien Redemption		10,585.95	7,486.38
Local School District Tax Payable	A-11	167,728.96	
Due County for Added Taxes	A-5, A-4	1,382.10	3,801.40
Due to Trust - Other Funds	B	32,514.00	21,725.50
Due to Sewer Utility Operating Fund	D	24,891.98	23,716.98
Due to General Capital Fund	C	<u>23,440.99</u>	
 Total Liabilities		 940,245.44	 650,883.37
 Reserve for Receivables and Other Assets	A	 554,544.43	 559,589.67
Fund Balance	A-1	<u>1,463,272.47</u>	<u>2,023,788.64</u>
 Total Regular Fund		 <u>2,958,062.34</u>	 <u>3,234,261.68</u>
<b>Federal and State Grant Fund:</b>			
Unappropriated Reserves	A-13	26,855.89	113,424.00
Appropriated Reserves	A-14	<u>987,205.51</u>	<u>928,902.67</u>
 Total Federal and State Grant Fund		 <u>1,014,061.40</u>	 <u>1,042,326.67</u>
 Total		 <u>\$ 3,972,123.74</u>	 <u>\$ 4,276,588.35</u>

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

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 1,150,000.00	\$ 1,365,000.00
Miscellaneous Revenue Anticipated	1,994,706.44	2,763,216.92
Receipts from Delinquent Taxes	352,576.40	325,303.20
Receipts from Current Taxes	14,188,656.94	13,663,437.95
Nonbudget Revenues	171,624.08	154,794.32
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves/Encumbrances Payable	119,820.00	152,181.11
Interfund Loans Returned		31,075.08
Prior Year Reserves Canceled		11,576.47
Prior Year Accounts Payable Canceled		34,819.76
Federal and State Grant Reserves Canceled		69,887.95
Prior Year Tax Overpayments Canceled		4,370.08
Total Revenue and Other Income Realized	<u>17,977,383.86</u>	<u>18,575,662.84</u>
<b>Expenditures:</b>		
Operations Within "CAPS":		
Salaries and Wages	2,276,153.00	2,305,123.00
Other Expenses	2,700,790.00	2,672,925.00
Deferred Charges and Statutory Expenditures Within "CAPS"	511,021.00	111,292.00
Operations Excluded from "CAPS":		
Other Expenses	420,813.64	1,646,769.66
Capital Improvements Excluded from "CAPS"	230,890.00	563,800.00
Municipal Debt Service Excluded from "CAPS"	1,380,230.58	995,403.55
Deferred Charges Excluded from "CAPS"		43,000.00
Local District School Tax	7,496,637.00	7,189,507.00
County Taxes	2,313,133.22	2,266,960.39
Due County for Added Taxes	1,382.10	3,801.40
Refund of Prior Year Tax Overpayments	500.00	
State Grant Receivables Canceled	32,382.00	
Interfund Loans Made	23,967.49	
Total	<u>17,387,900.03</u>	<u>17,798,582.00</u>
Excess in Revenue	589,483.83	777,080.84
Adjustment to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		
Statutory Excess to Fund Balance	589,483.83	777,080.84
Fund Balance January 1	<u>2,023,788.64</u>	<u>2,611,707.80</u>
Total	2,613,272.47	3,388,788.64
Decreased by Utilization as Anticipated Revenue	<u>1,150,000.00</u>	<u>1,365,000.00</u>
Balance December 31	<u>\$ 1,463,272.47</u>	<u>\$ 2,023,788.64</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, 2009

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,150,000.00		\$ 1,150,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,000.00		9,542.80	\$ 542.80
Other	200.00		233.00	33.00
Fees and Permits - Other	22,500.00		16,553.50	(5,946.50)
Fines and Costs -Municipal Court	270,000.00		230,724.00	(39,276.00)
Interest and Costs on Taxes	50,000.00		79,451.82	29,451.82
Interest on Investments and Deposits	75,000.00		47,009.41	(27,990.59)
Burlington County Bridge Commission in Lieu of Taxes	34,238.43		34,238.43	
Consolidated Municipal Property Relief Act	154,555.00		154,555.00	
Energy Receipts Tax	521,708.00		521,708.00	
Special Franchise Tax - PSE&G	38,000.00		38,636.80	636.80
Uniform Construction Code Fees	45,000.00		81,016.00	36,016.00
Miscellaneous Revenues Offset with Appropriations:				
Drunk Driving Enforcement Grant	6,753.86		6,753.86	
Recycling Tonnage Grant	2,097.25		2,097.25	
Neighborhood Preservation	225,000.00		225,000.00	
Clean Communities Grant	9,682.64		9,682.64	
Transportation Trust Fund	180,000.00		180,000.00	
Municipal Alliance Grant	17,200.00		17,200.00	
Safe and Secure Communities Program	38,507.00		38,507.00	
Body Armor	1,562.39		1,562.39	
Vest Protection Grant	3,010.50		3,010.50	
Shared Services Grant	44,800.00		44,800.00	
Capital Fund Balance	38,756.36		38,756.36	
Developers Contribution	220,000.00		200,000.00	(20,000.00)
Uniform Fire Safety Act Fees	11,000.00		13,667.68	2,667.68
Total	2,018,571.43		1,994,706.44	(23,864.99)
Receipts from Delinquent Taxes	325,000.00		352,576.40	27,576.40
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	4,729,475.22		4,970,683.63	241,208.41
Budget Totals	8,223,046.65		8,467,966.47	\$ 244,919.82
Nonbudget Revenues			171,624.08	
Total	\$ 8,223,046.65	\$ -	\$ 8,639,590.55	

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2009Analysis of Realized Revenue**Allocation of Current Tax Collections:**

Revenue from Collections	\$ 14,188,656.94
Allocated to School and County Taxes	<u>9,811,152.32</u>
Balance for Support of Municipal Budget Appropriations	4,377,504.62
Add Appropriation - Reserve for Uncollected Taxes	<u>593,179.01</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 4,970,683.63</u>

**Receipts from Delinquent Taxes:**

Delinquent Tax Collections	\$ 321,488.34
Tax Title Lien Collections	<u>31,088.06</u>
Total	<u>\$ 352,576.40</u>

**Licenses - Other:**

Food Licenses	\$ 233.00
Total	<u>\$ 233.00</u>

**Fees and Permits - Other:**

Police Reports	\$ 2,878.75
Duplicating Fees	1,782.75
Planning Board Application Fees	500.00
Ordinance Book and Maps	66.00
Property Owner's List	150.00
Certified Copies of Marriage, Birth and Death Certificates	728.00
Burial Permits and Death Certificates	818.00
Fence Permits	1,966.00
UCC Penalties	2,476.00
Street Opening Permits	280.00
Fire Arm Permits	211.00
Sign Permits	46.00
Peddling Applications	320.00
Certificate of Occupancies	3,781.00
Vending Machine Fees	50.00
Miscellaneous Other	<u>500.00</u>
Total	<u>\$ 16,553.50</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Revenues - Modified Accrual Basis  
For the Year Ended December 31, 2009

---

Analysis of Realized Revenue

## Miscellaneous Revenue Not Anticipated:

## Revenue Accounts Receivable:

Cable Franchise Fee	\$ 26,627.26
Rental of Tower Space	<u>84,329.49</u>

Total	110,956.75
-------	------------

## Treasurer:

Moonlighting Administrative Fee	\$ 9,243.00	
Sale of miscellaneous equipment	2,200.00	
Vehicle Fees	22,325.00	
Bus Shelter	1,560.00	
Cancel old outstanding checks	12,351.35	
Administrative Fee on SC & Veteran Aid	2,276.14	
Prior year refunds	7,926.93	
Miscellaneous	<u>2,784.91</u>	
		<u>60,667.33</u>

Total	<u>\$ 171,624.08</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, 2009**

	<u>Appropriations</u>		<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>				<u>Encumbered</u>			
<b>GENERAL APPROPRIATIONS:</b>								
<b>Operations Within "CAPS":</b>								
General Government								
General Administration:								
Salaries and Wages	\$ 173,000.00	\$	130,300.00	\$ 130,271.06		\$ 28.94		
Other Expenses	53,400.00		78,400.00	71,498.65	\$ 5,054.23	1,847.12		
Mayor and Council:								
Salaries and Wages	15,200.00		15,200.00	15,139.80		60.20		
Other Expenses	3,200.00		3,300.00	3,265.20		34.80		
Public Relations	6,000.00		6,000.00	3,917.25		2,082.75		
Borough Clerk:								
Salaries and Wages	53,200.00		56,900.00	56,872.81		27.19		
Other Expenses	5,000.00		5,000.00	3,708.11		1,291.89		
Financial Administration:								
Salaries and Wages	26,600.00		6,570.00	6,539.00		31.00		
Other Expenses	1,000.00		1,000.00	498.00		502.00		
Audit Services:								
Other Expenses	37,200.00		37,200.00	32,900.00		4,300.00		
Collection of Taxes:								
Salaries and Wages	6,600.00		6,600.00	6,539.00		61.00		
Other Expenses	4,300.00		5,200.00	4,665.96		534.04		
Assessment of Taxes:								
Salaries and Wages	12,000.00		12,000.00	11,997.96		2.04		
Other Expenses	4,650.00		6,650.00	3,266.82	82.50	3,300.68		
Legal Services & Costs:								
Other Expenses	56,000.00		77,000.00	57,568.62	7,612.83	11,818.55		
Engineering Services & Costs:								
Other Expenses	30,000.00		30,000.00	22,560.00		7,440.00		
Economic Development Agency:								
Salaries and Wages	1,110.00		1,110.00	1,099.20		10.80		
Other Expenses	18,950.00		21,650.00	19,633.19	2,000.00	16.81		
Grants and Planning								
Other Expenses	45,000.00		31,140.00	8,452.60		22,687.40		

(Continued)

**BOROUGH OF PALMYRA  
CURRENT FUND**

**Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009**

	<u>Appropriations</u>		<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>				<u>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>							
Planning Board:							
Salaries and Wages	\$ 2,655.00	\$ 2,655.00	\$ 1,971.58	\$ 683.42			
Other Expenses	5,300.00	5,300.00	1,746.60	3,501.72			
Code Enforcement:							
Salaries and Wages	28,000.00	28,600.00	28,596.26	3.74			
Other Expenses	800.00	2,800.00	2,215.24	584.76			
Insurance:							
Surety Bond Premiums	3,500.00	3,500.00	2,488.00	1,012.00			
Liability Insurance	120,000.00	120,000.00	120,000.00				
Employees Group Insurance	650,500.00	661,230.00	590,205.09	2.99			
Unemployment Compensation	12,000.00	12,000.00	12,000.00				
Public Safety:							
Police:							
Salaries and Wages	1,341,493.00	1,341,493.00	1,301,622.02	9,870.98			\$ 30,000.00
Other Expenses	100,000.00	100,000.00	91,660.27	4,824.68			
School Crossing Guards:							
Salaries and Wages	117,300.00	117,300.00	98,243.94	56.06			19,000.00
Other Expenses	1,500.00	1,760.00	1,755.11	4.89			
Police and Radio Communications:							
Other Expenses	18,000.00	18,000.00	16,557.85	1,383.06			
Office of Emergency Management:							
Salaries and Wages	650.00	680.00	675.96	4.04			
Other Expenses	2,500.00	3,000.00	2,782.43	135.37			
Aid to Volunteer Fire Company:							
Other Expenses	15,000.00	15,000.00	15,000.00				
Aid to Volunteer Ambulance Squad:							
Other Expenses	25,000.00	25,000.00	25,000.00				
Fire Department:							
Other Expenses	42,340.00	42,340.00	38,975.70	993.85			
Uniform Fire Safety Act:							
Salaries and Wages	45,800.00	44,500.00	40,985.10	3,514.90			
Other Expenses	6,500.00	6,500.00	6,365.94	134.06			

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2009**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>Operations Within "CAPS" (Continued)</b>						
Borough Prosecutor:						
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 7,320.00	\$	\$ 2,680.00	
Public Works:						
Street and Road Maintenance:						
Salaries and Wages	369,470.00	346,670.00	307,960.16		8,709.84	\$ 30,000.00
Other Expenses	29,500.00	29,500.00	22,588.93	\$ 6,794.56	116.51	
Railroad Landscaping	5,000.00	5,000.00	2,850.00		2,150.00	
Shade Tree:						
Salaries and Wages	1,075.00	1,075.00	1,071.96		3.04	
Other Expenses	45,000.00	45,000.00	42,053.93	66.87	2,879.20	
Solid Waste Collection:						
Other Expenses	259,900.00	259,900.00	235,904.75	20,406.32	3,588.93	
Public Buildings and Grounds:						
Salaries and Wages	13,000.00	13,000.00	12,915.00		85.00	
Other Expenses	35,000.00	45,500.00	33,966.67	1,042.57	10,490.76	
Vehicle Maintenance:						
Other Expenses	55,200.00	55,200.00	49,087.66	3,501.73	2,610.61	
Condominium Services Law:						
Other Expenses	160,000.00	160,000.00	52,010.07	2,134.27	105,855.66	
Health and Human Services:						
Board of Health:						
Salaries and Wages	1,100.00	1,100.00	700.08		399.92	
Other Expenses	500.00	500.00	113.51		386.49	
Animal Control Services:						
Other Expenses	8,000.00	13,000.00	13,000.00			
Parks and Recreation:						
Parks and Playgrounds:						
Other Expenses	25,000.00	25,000.00	18,964.01		6,035.99	
Education Functions:						
Community Youth Recreation:						
Other Expenses	2,000.00	2,000.00			2,000.00	
Contribution to Tri-Boro Senior Citizen Club						
Other Expenses	2,500.00	2,500.00	2,438.04		61.96	

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2009**

	<u>Appropriations</u>		<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>\$</u>			<u>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>							
Other Common Operating Functions:							
Celebration of Public Events - Other Expenses	\$ 13,000.00	\$	13,000.00	\$ 11,701.14	\$ 300.00	\$ 998.86	
Accumulated Sick Leave Compensation	10,000.00		55,000.00	10,000.00		45,000.00	
Salaries and Wages							
Utility Expenses and Bulk Purchases:							
Electricity	80,000.00		80,000.00	63,254.32	13,814.61	2,931.07	
Street Lighting	107,000.00		116,000.00	105,977.88	9,986.15	35.97	
Telephone	25,000.00		25,000.00	24,159.68		840.32	
Water/Sewer	6,000.00		11,500.00	10,211.68		1,288.32	
Gasoline	95,000.00		69,770.00	57,827.12	7,402.55	4,540.33	
Fire-Hydrant Services	84,500.00		82,800.00	82,705.73		94.27	
Printing and Postage	15,000.00		11,000.00	10,991.07		8.93	
Landfill and Solid Waste Disposal Costs:							
Landfill Fees	280,000.00		280,000.00	235,720.75	19,576.94	24,702.31	
Municipal Court:							
Salaries and Wages	108,000.00		105,800.00	105,776.96		23.04	
Other Expenses	13,150.00		13,150.00	9,069.89	741.16	3,338.95	
Public Defender:							
Salaries and Wages	6,000.00		6,000.00	3,200.00	1,000.00	1,800.00	
Construction Code Official:							
Salaries and Wages	61,300.00		62,600.00	62,568.48		31.52	
Other Expenses	26,500.00		26,500.00	15,769.32	5,125.00	5,605.68	
<b>Total Operations - Within "CAPS"</b>	<u>5,043,943.00</u>		<u>5,055,943.00</u>	<u>4,471,119.11</u>	<u>183,742.68</u>	<u>322,081.21</u>	<u>\$ 79,000.00</u>
<b>Detail:</b>							
Salaries and Wages	2,393,553.00		2,355,153.00	2,204,746.33	1,000.00	70,406.67	79,000.00
Other Expenses	<u>2,650,390.00</u>		<u>2,700,790.00</u>	<u>2,266,372.78</u>	<u>182,742.68</u>	<u>251,674.54</u>	

(Continued)

**BOROUGH OF PALMYRA  
CURRENT FUND  
Statement of Expenditures – Regulatory Basis  
For the Year Ended December 31, 2009**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Encumbered</u>	<u>Reserved</u>	
<b>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</b>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	\$ 118,928.00	\$ 118,928.00	\$ 118,928.00			
Social Security System (O.A.S.I.)	109,000.00	97,000.00	94,428.84		\$ 2,571.16	
Police and Firemen's Retirement System	295,093.00	295,093.00	295,093.00			
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>523,021.00</b>	<b>511,021.00</b>	<b>508,449.84</b>		<b>2,571.16</b>	
<b>Total General Appropriations - For Municipal Purposes Within "CAPS"</b>	<b>5,566,964.00</b>	<b>5,566,964.00</b>	<b>4,979,568.95</b>	<b>\$ 183,742.68</b>	<b>324,652.37</b>	<b>\$ 79,000.00</b>
<b>Operations Excluded from "CAPS":</b>						
Aid To Library (N.J.S.A.40:54-35)	3,800.00	3,800.00	3,800.00			
Length of Service Award (LOSAP)	18,900.00	18,900.00	17,500.00		1,400.00	
Recycling Tax	10,200.00	10,200.00			10,200.00	
Public and Private Programs Offset By Revenues:						
Municipal Alliance Grant:						
Borough Share	6,000.00	6,000.00	4,300.00			
State Share	17,200.00	17,200.00	17,200.00			1,700.00
Drunk Driving Enforcement Grant	6,753.86	6,753.86	6,753.86			
Body Armor Grant	1,562.39	1,562.39	1,562.39			
Safe and Secure Communities Program (P.L. 993, Ch. 220)	38,507.00	38,507.00	38,507.00			
Neighborhood Preservation Grant						
Borough Share	35,000.00	35,000.00	35,000.00			
State Share	225,000.00	225,000.00	225,000.00			
Clean Communities	9,682.64	9,682.64	9,682.64			

(Continued)

**BOROUGH OF PALMYRA**  
**CURRENT FUND**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2009**

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charred	Encumbered	Reserved	
<b>Operations Excluded from "CAPS":</b>						
Recycling Tonnage Grant	\$ 2,097.25	\$ 2,097.25	\$ 2,097.25			
Vest Protection Grant	3,010.50	3,010.50	3,010.50			
Shared Services Grant	44,800.00	44,800.00	44,800.00			
<b>Total Operations - Excluded From "CAPS"</b>	<b>422,513.64</b>	<b>422,513.64</b>	<b>409,213.64</b>		<b>\$ 11,600.00</b>	<b>\$ 1,700.00</b>
Detail:						
Other Expenses	422,513.64	422,513.64	409,213.64		11,600.00	1,700.00
<b>Capital Improvements - Excluded From "CAPS"</b>						
Capital Improvement Fund	50,890.00	50,890.00	50,890.00			
NJ Transportation Trust Fund	180,000.00	180,000.00	180,000.00			
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>230,890.00</b>	<b>230,890.00</b>	<b>230,890.00</b>			
<b>Municipal Debt Service - Excluded From "CAPS"</b>						
Payment of Bond Principal	707,000.00	707,000.00	707,000.00			
Payment of Bond Anticipation Notes Principal	370,000.00	370,000.00	370,000.00			4,760.07
Interest on Bonds	200,000.00	200,000.00	195,239.93			5,236.40
Interest on Notes	85,000.00	85,000.00	79,763.60			
Loan Repayments:						
Principal	39,700.00	39,700.00	20,716.51			18,983.49
Interest	7,800.00	7,800.00	7,510.54			289.46
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>1,409,500.00</b>	<b>1,409,500.00</b>	<b>1,380,230.58</b>			<b>29,269.42</b>

(Continued)

**BOROUGH OF PALMYRA  
CURRENT FUND**

**Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>Total General Appropriations for Municipal Purposes Excluded From "CAPS"</b>	\$ 2,062,903.64	\$ 2,062,903.64	\$ 2,020,334.22	\$ -	\$ 11,600.00	\$ 30,969.42
Subtotal General Appropriations	7,629,867.64	7,629,867.64	6,999,903.17	\$ 183,742.68	\$ 336,252.37	109,969.42
Reserve for Uncollected Taxes	593,179.01	593,179.01	593,179.01			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 8,223,046.65</u>	<u>\$ 8,223,046.65</u>	<u>\$ 7,593,082.18</u>	<u>\$ 183,742.68</u>	<u>\$ 336,252.37</u>	<u>\$ 109,969.42</u>
 <b>Budget After Modifications:</b>						
Original Budget	\$ 8,223,046.65					
N.J.S.A. 40A:4-87						
<b>Total</b>	<u>\$ 8,223,046.65</u>					
 <b>Expended - Paid or Charged:</b>						
Reserve for Federal and State Grants			\$ 569,613.64			
Reserve for Uncollected Taxes Disbursed			593,179.01			
			6,430,289.53			
<b>Total</b>			<u>\$ 7,593,082.18</u>			

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

## BOROUGH OF PALMYRA

## TRUST FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
<b>Animal Control Fund:</b>			
Cash	B-1	\$ 5,794.27	\$ 3,209.26
Total Animal Control Funds		<u>5,794.27</u>	<u>3,209.26</u>
<b>Other Funds:</b>			
Cash	B-1	788,838.80	1,117,925.20
Due from Current Fund	A	32,514.00	21,725.50
Total Other Funds		<u>821,352.80</u>	<u>1,139,650.70</u>
Total		<u>\$ 827,147.07</u>	<u>\$ 1,142,859.96</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
<b>Animal Control Fund:</b>			
Due to State Department of Health		\$ 27.00	\$ 9.00
Accounts Payable		800.00	
Reserve for Dog Fund Expenditures	B-2	<u>4,967.27</u>	<u>3,200.26</u>
Total Dog License Fund		<u>5,794.27</u>	<u>3,209.26</u>
<b>Other Funds:</b>			
Payroll Deductions Payable	B-3	4,824.92	4,946.55
Accounts Payable		10,517.00	13,000.00
Due to Violent Crime Compensation Board	B-7	26,514.00	15,725.20
Due Current Fund	A	1,228.66	1,009.11
Reserve for Unemployment Compensation Trust	B-5	1,461.01	10,294.91
Reserve for Compensated Absences	B-8	3,637.26	23,637.26
Reserve for Developer's Escrow Funds	B-4	135,924.03	121,242.66
Reserve for Recreation Program		8,452.57	10,218.86
Reserve for Public Defender Fees	B-7	6,000.00	6,000.00
Reserve for Regional Contribution Funds	B-6	614,906.13	924,707.42
Reserve for Disposal of Forfeited Property		<u>7,887.22</u>	<u>8,868.73</u>
Total Other Funds		<u>821,352.80</u>	<u>1,139,650.70</u>
Total		<u>\$ 827,147.07</u>	<u>\$ 1,142,859.96</u>

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

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2009 and 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
Cash	C-2	\$ 4,467,972.63	\$ 13,463.11
Due from Burlington County Bridge Commission			22,586.50
Due from Current Fund	A	23,440.99	
Deferred Charges to Future Taxation:			
Funded	C-5	3,729,337.61	4,475,944.05
Unfunded	C-4	10,041,790.00	9,254,805.00
		<hr/>	<hr/>
Total		\$ 18,262,541.23	\$ 13,766,798.66
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds	C-8	\$ 3,546,000.00	\$ 4,253,000.00
Green Acres Loan Payable	C-9	80,337.61	87,944.05
Due to Burlington County Bridge Commission	C-10	103,000.00	135,000.00
Bond Anticipation Notes	C-11	8,837,000.00	2,423,925.00
Due to Current Fund	A		1,038.62
Encumbrances Payable	C-7	2,252,861.44	
Improvement Authorizations:			
Funded	C-7	488,739.55	529,557.21
Unfunded	C-7	2,910,464.84	6,260,172.42
Capital Improvement Fund	C-6	27,405.00	37,405.00
Fund Balance	C-1	16,732.79	38,756.36
		<hr/>	<hr/>
Total		\$ 18,262,541.23	\$ 13,766,798.66

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, 2009

---

Balance December 31, 2008		\$ 38,756.36
Increased by:		
Accrued Interest on Sale of Bond Anticipation Note	\$ 9,642.00	
Fully Funded Improvement Authorizations Canceled	<u>7,090.79</u>	
		<u>16,732.79</u>
		55,489.15
Decreased by - Capital Fund Balance Anticipated in Current Fund Budget		<u>38,756.36</u>
Balance December 31, 2009		<u>\$ 16,732.79</u>

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, 2009 and 2008

<u>ASSETS</u>	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>Operating Fund:</b>			
Cash - Treasurer	D-5	\$ 408,781.24	\$ 325,465.66
Due from Current Fund	A	24,891.98	23,716.98
Due from Sewer Utility Capital Fund	D	<u>50,094.56</u>	<u>50,497.96</u>
Total		<u>483,767.78</u>	<u>399,680.60</u>
<b>Receivables with Full Reserves:</b>			
Sewer Rents Receivable	D-8	<u>135,337.16</u>	<u>137,688.09</u>
Total		<u>135,337.16</u>	<u>137,688.09</u>
Total Operating Fund		<u>619,104.94</u>	<u>537,368.69</u>
<b>Capital Fund:</b>			
Cash - Treasurer	D-5, D-6	147,799.53	341,857.46
Fixed Capital	D-9	6,545,945.41	6,545,945.41
Fixed Capital Authorized and Uncompleted	D-10	500,000.00	700,000.00
Total Capital Fund		<u>7,193,744.94</u>	<u>7,587,802.87</u>
Total		<u>\$ 7,812,849.88</u>	<u>\$ 8,125,171.56</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, 2009 and 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Operating Fund:</b>			
Reserve for Encumbrances	D-4	\$ 43,057.57	\$ 51,650.36
Appropriation Reserves	D-4, D-7	112,099.15	47,393.03
Accrued Interest on Bonds		11,285.42	13,902.08
Sewer Rent Overpayments		175.00	
Prepaid Sewer Rents	D-5, D-8	<u>1,667.19</u>	<u>2,027.21</u>
Total Liabilities		168,284.33	114,972.68
Reserve for Receivables	D	135,337.16	137,688.09
Fund Balance	D-1	<u>315,483.45</u>	<u>284,707.92</u>
Total Operating Fund		<u>619,104.94</u>	<u>537,368.69</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-12	1,830,000.00	2,120,000.00
Bond Anticipation Note Payable	D-14	400,000.00	500,000.00
Improvement Authorizations:			
Funded	D-11		
Unfunded	D-11	24,178.58	367,833.11
Due to Sewer Utility Operating Fund	D	50,094.56	50,497.96
Reserve for Amortization		4,715,945.41	4,425,945.41
Deferred Reserve for Amortization	D-15	100,000.00	
Reserve for Payment of Debt			50,000.00
Capital Improvement Fund	D-13	30,000.00	30,000.00
Capital Fund Balance	D-2	<u>43,526.39</u>	<u>43,526.39</u>
Total Capital Fund		<u>7,193,744.94</u>	<u>7,587,802.87</u>
Total		<u>\$ 7,812,849.88</u>	<u>\$ 8,125,171.56</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, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 83,050.00	\$ 211,450.00
Rents	1,475,051.05	1,449,512.73
Miscellaneous	22,212.01	37,354.72
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>42,210.81</u>	
 Total	 <u>1,622,523.87</u>	 <u>1,698,317.45</u>
Expenditures:		
Operating:		
Salaries and Wages	240,000.00	236,200.00
Other Expenses	790,050.00	775,250.00
Debt Service	453,573.34	456,660.80
Deferred Charges and Statutory Expenditures	25,000.00	25,000.00
Refund of Prior Year Sewer Rent Overpayments	<u>75.00</u>	
 Total	 <u>1,508,698.34</u>	 <u>1,493,110.80</u>
Statutory Excess to Fund Balance	113,825.53	205,206.65
Fund Balance January 1	<u>284,707.92</u>	<u>290,951.27</u>
 Total	 398,533.45	 496,157.92
Decreased by Utilization as Anticipated Revenue	<u>83,050.00</u>	<u>211,450.00</u>
 Fund Balance December 31	 <u>\$ 315,483.45</u>	 <u>\$ 284,707.92</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, 2009 and 2008

---

Balance December 31, 2009 and 2008

\$ 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, 2009

	<u>Anticipated</u>	<u>Realized</u>	Excess (Deficit)
Fund Balance	\$ 83,050.00	\$ 83,050.00	
Rents	<u>1,445,000.00</u>	<u>1,475,051.05</u>	\$ 30,051.05
Total	1,528,050.00	1,558,101.05	30,051.05
Miscellaneous	<u>                    </u>	<u>20,346.62</u>	<u>20,346.62</u>
Total	<u>\$ 1,528,050.00</u>	<u>\$ 1,578,447.67</u>	<u>\$ 50,397.67</u>

Analysis of Realized Revenues**Sewer Rents:**

Rents:	
Collected - 2009	\$ 1,471,948.84
Rents Collected in Current Fund	1,175.00
Prepaid Rents Applied	<u>1,927.21</u>
Total	<u>\$ 1,475,051.05</u>

**Miscellaneous:**

Collected - 2009:	
Interest Earned on Investments	\$ 2,411.33
Interest on Delinquent Charges	14,739.97
Refunds	2,200.54
Miscellaneous	<u>994.78</u>
	20,346.62
Due from Capital Fund - Interest Earned on Investments	<u>1,865.39</u>
Total	<u>\$ 22,212.01</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, 2009

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 240,000.00	\$ 240,000.00	\$ 222,153.31	\$ 17,846.69		
Other Expenses	790,050.00	790,050.00	655,739.38	43,057.57	91,253.05	
Debt Service:						
Payment of Bond Principal	290,000.00	290,000.00	290,000.00			
Payment of Note Principal	50,000.00	50,000.00	50,000.00			
Interest on Bonds	115,000.00	115,000.00	98,708.75			\$ 16,291.25
Interest on Notes	18,000.00	18,000.00	14,864.59			3,135.41
Deferred Charges and Statutory Expenditures:						
Social Security System (O.A.S.I.)	20,000.00	20,000.00	17,000.59		2,999.41	
Unemployment Compensation						
Insurance (NJSA 43:21-3 et seq.)	5,000.00	5,000.00	5,000.00			
Total	\$ 1,528,050.00	\$ 1,528,050.00	\$ 1,353,466.62	\$ 43,057.57	\$ 112,099.15	\$ 19,426.66

Analysis of Paid or Charged:

Disbursed	\$ 1,239,893.28
Accrued Interest on Bonds and Notes	113,573.34
Total	\$ 1,353,466.62

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, 2009 and 2008

---

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
Cash	E-1	<u>\$ 8,270.63</u>	<u>\$ 8,258.26</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance	E-1	<u>\$ 8,270.63</u>	<u>\$ 8,258.26</u>

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

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2009**

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

**Description of Financial Reporting Entity** - The Borough of Palmyra (hereafter referred to as the "Borough") is located in the western portion of the County of Burlington, State of New Jersey. The estimated population at December 31, 2009 according to the New Jersey Department of Labor and Workforce Development is 7,350.

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 member of the Council is elected to a three year term. These terms are staggered so that at least one member's term expires each year. The legislative powers rest with the Borough Council. The Borough Administrator and Borough Clerk 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** - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No.14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. There are no organizations that are considered to be component units

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

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

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

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

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

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

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

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

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

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2009**

**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 in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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. 17:9-41et 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. 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.

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2009**

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

No depreciation of general fixed assets is recorded.

The Borough did not comply with N.J.A.C. 5:31-5.6, "Accounting for Governmental Fixed Assets".

**Utility Fixed Assets** - Property and equipment purchased by the Sewer 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 are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave and 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. Revenues 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 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 school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2008 and decreased by the amount deferred at December 31, 2009.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

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

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

**Reserve for Uncollected Taxes** - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's fiscal 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 as required by 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 provided 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.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk** - Custodial credit is 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 Act. Of the Borough's bank balance of \$6,537,059.02 as of December 31, 2009, \$558,436.63 was insured by the Federal Deposit Insurance Corporation and \$5,978,622.39 was collateralized under the Governmental Unit Deposit Protection Act.

**NOTE 3. PROPERTY TAXES**

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

<u>Comparative Schedule of Tax Rates</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Tax Rate	<u>\$ 4.625</u>	<u>\$ 4.453</u>	<u>\$ 4.330</u>	<u>\$ 4.002</u>	<u>\$ 3.687</u>
Apportionment of Tax Rate:					
Municipal	1.504	1.450	1.288	1.211	1.071
County	.737	.723	.742	.684	.630
Local School	2.384	2.280	2.300	1.990	1.990

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

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

<u>Assessed Valuation</u>	<u>Amount</u>
2009	\$ 314,382,206
2008	314,070,989
2007	313,815,715
2006	313,643,099
2005	313,959,790

**Comparison of Tax Levies and Collections**

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2009	\$ 14,549,897	\$ 14,188,657	97.51 %
2008	14,015,516	13,663,438	97.48
2007	13,597,472	13,252,646	97.46
2006	12,562,634	12,295,298	97.87
2005	11,582,892	11,341,815	97.92

**Delinquent Taxes and Tax Title Liens**

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2009	\$ 29,646	\$ 350,544	\$ 380,190	2.61 %
2008	10,698	360,045	370,743	2.64
2007	6,022	353,408	359,430	2.64
2006	2,975	273,610	276,585	2.20
2005	53,508	245,074	298,582	2.58

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

<u>Year Ended</u>	<u>Number</u>
2009	16
2008	9
2007	6
2006	2
2005	14

**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 Ended</u>	<u>Amount</u>
2009	\$ 173,200
2008	173,200
2007	173,450
2006	173,450
2005	2,050

**Borough of Palmyra**  
**Notes to Financial Statements**  
**December 31, 2009**

**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>Beginning Balance Receivable</u>	<u>Beginning Balance Liens</u>	<u>Current Year Rents</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2009	\$ 137,688	0	\$ 1,472,700	\$ 1,610,388	\$ 1,475,051	91.60%
2008	122,178	0	1,465,023	1,587,201	1,449,513	91.32
2007	100,883	0	1,499,045	1,599,928	1,477,750	92.36
2006	99,654	0	1,377,581	1,477,235	1,376,174	93.15
2005	67,854	0	1,202,679	1,270,533	1,170,266	91.28

**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>			
2009	\$ 1,463,272	\$ 1,367,000 *	93.42%
2008	2,023,789	1,150,000	67.45
2007	2,611,708	1,365,000	52.26
2006	2,300,753	1,060,000	46.07
2005	1,245,550	845,000	67.84
<b><u>Sewer Utility Operating Fund</u></b>			
2009	\$ 315,483	\$ 116,550 *	36.94%
2008	284,708	83,050	29.17
2007	290,951	211,450	72.67
2006	310,311	194,500	62.68
2005	266,545	194,400	72.93

\* Budget as introduced

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**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, 2009:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 1,155.24	\$ 80,846.97
Trust Fund:		
Other Funds	32,514.00	1,155.24
General Capital Fund	23,440.99	
Sewer Utility:		
Operating Fund	74,986.54	
Capital Fund		50,094.56
	<u>\$ 132,096.77</u>	<u>\$ 132,096.77</u>

**NOTE 8. PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System and the Police and Firemen's Retirement System which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the 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.

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established in 1955 and 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, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. 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 (5%) when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contributions plus any accrued liability. The Borough's contributions equal to the required contributions for each year, was as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by Borough</u>
2009	\$ 42,875	\$ 49,590	\$ 11,494	\$ 103,959		\$ 103,959
2008	54,037	41,643		95,680	\$ 19,136	76,544
2007	49,015	25,453		74,468	29,787	44,681

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan which was established in 1944 and 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, 2009**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. 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, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by Borough</u>
2009	\$ 167,525	\$ 115,913	\$ 11,655	\$ 295,093		\$ 295,093
2008	175,008	103,417		278,425		278,425
2007	147,841	73,769		221,610	\$ 44,322	177,288

**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 and has elected a payment schedule of thirty-seven years with the initial payment made on April 1, 1995 for the 1991 Program and an initial payment made on April 1, 1997 for the 1993 Program. 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, for both programs in 2009 was \$14,969.00. As of December 31, 2009, the estimated accrued liability for both programs is \$605,658 payable in annual installments with the last installment due on April 1, 2031 for the 1991 Program and April 1, 2035 for the 1993 Program.

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

**Postemployment Healthcare Benefits Plan**

**Plan Description** – The Borough contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription-drug, mental health/substance abuse to retirees and their covered dependents and Medicare Part B reimbursement to retired police officers and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension 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.

**Funding Policy** – Title 52, Article 17.25 et. seq. of the New Jersey Statutes Annotated provides the contribution requirements of plan members and the participating employers.

The contribution rate of participating governmental entities is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the SBHP for the years ended December 31, 2009, 2008 and 2007, were \$152,477.73, \$114,029.09 and \$87,515.22 respectively, which equaled the required contributions each year.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**NOTE 10. COMPENSATED ABSENCES**

Borough employees are entitled to sick leave, personal days and vacation 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 approval by Council. Vacations days carried forward must be used in the next succeeding year or be forfeited.

Police officers, 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).

All other 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).

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2009, accrued benefits for compensated absences are valued at \$374,022.48. Actual payment for compensated absences occurs through the Accumulated Leave Trust Fund at the time the employee terminates employment. The Trust Fund is funded through the annual budget appropriations of both the Current and Utility Fund budgets. The balance in the Trust Fund as of December 31, 2009 is \$3,637.26.

**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 has been approved by the Director of the Division of Local Government Services. This plan, which is administered by Lincoln Financial Advisors, permit participates to defer a portion of their salary until future years. Amounts deferred under the plans are not available to participants until termination, retirement, death or unforeseeable emergency.

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

**NOTE 12. RISK MANAGEMENT**

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

**Commercial Insurance Coverage** - The Borough maintains commercial insurance coverage for property and general liability, health benefits, boiler and machinery, surety bonds, crime, public officials' liability, and excess liability coverage for workers compensation and disability benefits.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

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

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	\$ 17,016	\$ 3,905	\$ 29,755	\$ 1,461
2008	17,007	3,741	14,659	10,295
2007	17,003	3,663	18,728	4,206

**NOTE 14. SCHOOL TAXES**

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

	<b>Local District School Tax Balance December 31,</b>	
	<u>2008</u>	<u>2009</u>
Balance of Tax	\$ 3,568,711.04	\$ 3,736,440.00
Deferred	<u>3,568,711.04</u>	<u>3,568,711.04</u>
Tax Payable	<u>\$ 0.00</u>	<u>\$ 167,728.96</u>

**NOTE 15. CAPITAL DEBT**

**Summary of Municipal Debt**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Issued:			
General Bonds and Notes	\$ 12,383,000	\$ 6,676,925	\$ 7,375,925
Sewer Utility Bonds and Notes	2,230,000	2,620,000	3,405,000
Loans	183,338	222,944	261,401
Total Net Debt Issued	<u>14,796,338</u>	<u>9,519,869</u>	<u>11,042,326</u>
Authorized But Not Issued:			
General - Bonds and Notes	1,204,790	6,830,880	47,500
Sewer Utility - Bonds and Notes		<u>200,000</u>	<u>200,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 16,001,128</u>	<u>\$ 16,550,749</u>	<u>\$ 11,289,826</u>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**NOTE 15. CAPITAL DEBT (CONT'D)**

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2009 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2005	12/01/2020	4.125% - 4.20%	\$ 1,100,000
General Obligation Bonds of 1996	10/01/2011	5.10% - 5.25%	525,000
General Obligation Bonds of 2003	12/01/2014	2.00% - 5.00%	1,921,000
Sewer Utility Bonds of 2005	12/01/2020	4.125% - 4.20%	1,260,000
Sewer Utility Bonds of 1992	05/01/2011	6.75%	<u>570,000</u>
Total			<u>\$ 5,376,000</u>

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

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.31%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 14,995,000	\$ 14,995,000	
Sewer Utility Debt	2,230,000	2,230,000	
General Debt	<u>13,771,128</u>		<u>\$ 13,771,128</u>
Total	<u>\$ 30,996,128</u>	<u>\$ 17,225,000</u>	<u>\$ 13,771,128</u>

Net Debt, \$13,771,128 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$594,807,843 equals 2.31%.

**Equalized Valuation Basis:**

2007	\$ 580,633,395
2008	606,389,583
2009	<u>597,400,552</u>
Average	<u>\$ 594,807,843</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 20,818,274
Net Debt	<u>13,771,128</u>
Remaining Borrowing Power	<u>\$ 7,047,146</u>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**NOTE 15. CAPITAL DEBT (CONT'D)**

**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		\$ 1,622,524
Deductions:		
Operating and Maintenance Costs	\$ 1,055,125	
Debt Service Costs	<u>453,573</u>	
		<u>1,508,698</u>
Total		<u>\$ 113,826</u>

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

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

**Serial Bonds Payable**

Calendar Year	<u>General</u>		<u>Sewer</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 722,000	\$ 161,932	\$ 290,000	\$ 84,308	\$ 1,258,240
2011	723,000	127,793	290,000	67,357	1,208,150
2012	481,000	97,400	290,000	50,407	918,807
2013	500,000	74,225	120,000	39,870	734,095
2014	520,000	50,100	120,000	34,920	725,020
2015-19	500,000	83,550	600,000	100,260	1,283,810
2020	<u>100,000</u>	<u>4,200</u>	<u>120,000</u>	<u>5,040</u>	<u>229,240</u>
Total	<u>\$ 3,546,000</u>	<u>\$ 599,200</u>	<u>\$ 1,830,000</u>	<u>\$ 382,162</u>	<u>\$ 6,357,362</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, 2009, the balance payable amounts to \$80,338.

Future principal and interest payments are as follows:

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,759	\$ 1,568	\$ 9,327
2011	7,915	1,412	9,327
2012	8,075	1,253	9,328
2013	8,237	1,091	9,328
2014	8,402	925	9,327
2015-19	39,950	2,024	41,974
Total	<u>\$ 80,338</u>	<u>\$ 8,273</u>	<u>\$ 88,611</u>

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**NOTE 15. CAPITAL DEBT (CONT'D)**

**Lease Payable**

On July 1, 2002 the Borough entered into a lease agreement with the Burlington County Bridge Commission. This agreement provides the Borough with \$305,000 to finance capital projects and capital equipment through the issuance of County-Guaranteed Pooled Loan Revenue Bonds. The agreement states that the Borough will pay the Commission in ten installments beginning July 15, 2003. The lease bears an interest rate of 4.5% and matures July 15, 2012. As of December 31, 2009, the balance payable amounts to \$103,000.

Future principal and interest payments are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 33,000	\$ 4,638	\$ 37,638
2011	34,000	3,235	37,235
2012	36,000	1,620	37,620
Total	<u>\$ 103,000</u>	<u>\$ 9,493</u>	<u>\$ 112,493</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 can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2009, the Borough had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$2,054,000	2.00%	December 16, 2010
General Capital	6,783,000	3.25%	June 10, 2010
Sewer Utility Capital	400,000	2.00%	December 16, 2010

**NOTE 16. LEASE OBLIGATIONS**

At December 31, 2009, the Borough had lease agreements in effect for the following:

Operating:  
Copiers

Operating Leases – Future minimum lease payments under operating lease agreements are as follows

<u>Year Ended</u>	<u>Amount</u>
2010	\$ 4,788
	<u>\$ 4,788</u>

Rental payments under operating leases for the year 2009 were \$4,863.

**Borough of Palmyra  
Notes to Financial Statements  
December 31, 2009**

**NOTE 17. DELAYED HEALTH INSURANCE PREMIUMS**

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

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

**NOTE 18. LITIGATION**

The Borough participates in a number of federal and state assisted grant programs. These 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.

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

**NOTE 19. 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, 2009 the Borough has unexpended funds held in trust for the regional contribution agreement in the amount of \$614,906.13.

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2009

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2008	\$ 2,674,472.01	\$ 379,969.04
Receipts:		
Taxes Receivable	\$ 14,330,777.71	
Tax Title Liens Receivable	31,088.06	
Revenue Accounts Receivable	1,497,597.73	
Interest and Costs on Delinquent Taxes	79,451.82	
Due from Capital Fund	2,411,514.89	
Due from Trust Funds	173,876.22	
Due from Sewer Utility Operating Fund	502,603.18	
Due to State of New Jersey:		
Marriage License Fees	155.00	
Construction Code Training Fees	5,453.00	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	113,807.00	
Prepaid 2010 Year Taxes	90,129.22	
Reserve for Tax Title Lien Redemption	122,371.13	
Tax Overpayments	2,486.70	
Federal and State Grants Receivable		\$ 227,672.14
Miscellaneous Revenue Not Anticipated	60,667.33	
Matching Funds for State Grants		73,382.00
Total Receipts	<u>19,421,978.99</u>	<u>301,054.14</u>
Total Funds Available	22,096,451.00	681,023.18
Disbursements:		
2009 Appropriations	6,430,289.53	
2008 Appropriation Reserves and Reserves For Encumbrances Payable	345,091.05	
Reserve for Tax Title Lien Redemption	118,997.04	
Due to State of New Jersey:		
Construction Code Training Fees	2,199.00	
Matching Funds for State Grants	73,382.00	
Refund of Tax Overpayments	500.00	
County Taxes Payable	2,313,133.22	
Due County for Added Taxes	3,801.40	
Local District School Tax	7,328,908.04	
Due to Sewer Utility Operating Fund	501,397.54	
Due to Capital Fund	2,412,346.55	
Due to Trust Funds	163,087.72	
Reserve for Federal and State Grant Funds - Appropriated		490,692.80
Total Disbursements	<u>19,693,133.09</u>	<u>490,692.80</u>
Balance December 31, 2009	<u>\$ 2,403,317.91</u>	<u>\$ 190,330.38</u>

BOROUGH OF PALMYRA

CURRENT FUND

Schedule of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2009

Year	Balance December 31, 2008	Added Taxes	2009 Levy	Collections by Cash 2008	2009	State Share of Senior Citizen and Veterans Deductions Allowed	Cancelled Taxes	Transferred To Tax Title Liens	Balance December 31, 2009
2004	\$ 4,552.44			\$ 1,106.20					\$ 3,446.24
2005	3,077.97			83.48					2,994.49
2006	5,156.22			195.03					4,961.19
2007	11,120.09								11,120.09
2008	336,137.82			320,103.63			\$ 1,849.23	\$ 13,934.96	250.00
Subtotal	360,044.54			321,488.34			1,849.23	13,934.96	22,772.01
2009		\$ 14,549,897.25	\$ 72,690.04	14,009,289.37		\$ 106,677.53	9,336.87	\$ 24,131.85	327,771.59
Total	\$ 360,044.54	\$ -	\$ 72,690.04	\$ 14,330,777.71		\$ 106,677.53	\$ 11,186.10	\$ 38,066.81	\$ 350,543.60

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		\$ 14,428,734.63
Added Taxes (54-4-63.1 et seq.)		8,662.62
Senior Citizens and Veterans Deductions Allowed		112,500.00
Per Original Levy		\$ 14,549,897.25
Total		
Tax Levy:		
Local District School Tax ( Abstract)		\$ 7,496,637.00
County Taxes:		
Regular Tax (Abstract)	\$ 1,889,781.18	
Library Tax (Abstract)	179,569.67	
Open Space Tax (Abstract)	243,782.37	
Amount Due County for Added Taxes (54-4-63.1 et. seq.)	1,382.10	2,314,515.32
Local Tax for Municipal Purposes	4,729,475.22	
Additional Tax Levies	9,269.71	4,738,744.93
Total		\$ 14,549,897.25

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Tax Title Liens  
For the Year Ended December 31, 2009**

---

Balance December 31, 2008		\$	10,698.37
Increased by:			
Transfers from Taxes Receivable	\$	38,066.81	
Interest and Penalty		<u>11,968.47</u>	
			<u>50,035.28</u>
Total			60,733.65
Decreased by:			
Cash Received			<u>31,088.06</u>
Balance December 31, 2009		\$	<u><u>29,645.59</u></u>

**Schedule of Property Acquired for Taxes (At Assessed Valuations)  
For the Year Ended December 31, 2009**

---

Balance December 31, 2008	\$	173,200.00
Decreased by:		
Adjustment to balance to actual		<u>                    </u>
Balance December 31, 2009	\$	<u><u>173,200.00</u></u>

## BOROUGH OF PALMYRA

## CURRENT FUND

Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2009

	Balance December 31, <u>2008</u>	Accrued in <u>2009</u>	Collected	Balance December 31, <u>2009</u>	Remarks
Borough Clerk:					
Alcoholic Beverage Licenses		\$ 9,542.80	\$ 9,542.80		
Food Handling Licenses		233.00	233.00		
Fees and Permits:					
Police Reports		2,878.75	2,878.75		
Duplicating Fees		1,782.75	1,782.75		
Planning Board Fees		500.00	500.00		
Certified Copies		944.00	944.00		
Burial Permits		818.00	818.00		
Fence Permits		1,966.00	1,966.00		
UCC Penalties		2,476.00	2,476.00		
Street Opening Permits		280.00	280.00		
Fire Arm Permits		211.00	211.00		
Certificate of Occupancy		3,781.00	3,781.00		
Other Fees and Permits		916.00	916.00		
Rental of Tower Space		84,329.49	84,329.49		
Construction Code Fees and Permits		81,016.00	81,016.00		
Municipal Court - Fines and Costs	\$ 13,599.03	217,124.97	230,724.00		
Fire Official - Uniform Fire Safety - Fees and Permits		13,667.68	13,667.68		
Interest on Investments and Bank Deposits		47,009.41	47,009.41		
Burlington County Bridge Commission in Lieu of Taxes		34,238.43	34,238.43		
Consolidated Municipal Property Tax Relief Act		154,555.00	154,555.00		
Energy Receipts Tax		521,708.00	521,708.00		
Developers Contribution		200,000.00	200,000.00		
Capital Fund Balance		38,756.36	38,756.36		
Special Franchise and Gross Receipts Tax		38,636.80	38,636.80		
Cable Franchise Fee		26,627.26	26,627.26		
<b>Total</b>	<b>\$ 13,599.03</b>	<b>\$ 1,483,998.70</b>	<b>\$ 1,497,597.73</b>	<b>\$ -</b>	

## BOROUGH OF PALMYRA

## CURRENT FUND

Statement of 2008 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2009

	Balance December 31, 2008		Balance	Paid or	Balance
	<u>Encumbrances</u>	<u>Reserves</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<b>Inside CAP:</b>					
<b>Salaries and Wages:</b>					
General Administration	\$ 2,506.62	\$ 5,043.17	\$ 7,549.79	\$ 2,506.62	\$ 5,043.17
Mayor and Council		60.20	60.20		60.20
Borough Clerk		30.27	30.27		30.27
Financial Administration		61.00	61.00		61.00
Collection of Taxes		61.00	61.00		61.00
Assessment of Taxes		2.32	2.32		2.32
Economic Development Agency		10.38	10.38		10.38
Planning Board		196.35	196.35		196.35
Code Enforcement Officer		2,107.65	2,107.65		2,107.65
Police		619.45	619.45		619.45
School Crossing Guards		42.54	42.54		42.54
Office of Emergency Management		4.04	4.04		4.04
Uniform Fire Safety Act		1,801.44	1,801.44		1,801.44
Street and Road Maintenance		378.59	378.59		378.59
Shade Tree		3.04	3.04		3.04
Public Buildings and Grounds		33.00	33.00		33.00
Board of Health		341.61	341.61		341.61
Construction Code Official		120.78	120.78		120.78
Public Defender		6,000.00	6,000.00		6,000.00
Municipal Court		48.12	48.12		48.12
<b>Other Expenses:</b>					
General Administration	2,742.53	2,653.61	5,396.14	2,913.21	2,482.93
Mayor and Council		103.82	103.82		103.82
Mayor and Council - Public Relations	4,200.00	3,164.62	7,364.62	7,364.62	
Borough Clerk		1,335.12	1,335.12		1,335.12
Financial Administration		32.57	32.57		32.57
Collection of Taxes		625.40	625.40	625.40	
Assessment of Taxes	2,812.50	708.75	3,521.25	2,812.50	708.75
Legal Services and Costs:	10,037.50	7,153.11	17,190.61	14,096.86	3,093.75
Engineering services & Costs	1,478.75	17,190.15	18,668.90	15,031.68	3,637.22
Economic Development Agency		8,518.66	8,518.66	2,000.00	6,518.66
Grants & Planning	1,470.00	17,086.60	18,556.60	7,697.23	10,859.37
Planning Board	320.62	3,668.08	3,988.70	320.62	3,668.08
Code Enforcement Officer		156.55	156.55		156.55
Insurance - Surety Bond premiums		962.00	962.00		962.00
Insurance - Employee Group Ins.	69,765.68		69,765.68	69,765.68	
Police	3,059.43	9,832.32	12,891.75	4,762.72	8,129.03
School Crossing Guards		838.02	838.02		838.02
Police and Radio Communications	59.14	1,528.75	1,587.89	59.14	1,528.75
Forward	<u>98,452.77</u>	<u>92,523.08</u>	<u>190,975.85</u>	<u>129,956.28</u>	<u>61,019.57</u>

(Continued)

## BOROUGH OF PALMYRA

## CURRENT FUND

**Statement of 2008 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2009**

	Balance December 31, 2008		Balance	Paid or	Balance
	<u>Encumbrances</u>	<u>Reserves</u>	<u>After Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Forward	\$ 98,452.77	\$ 92,523.08	\$ 190,975.85	\$ 129,956.28	\$ 61,019.57
<b>Inside CAP:</b>					
<b>Other Expenses:</b>					
Office of Emergency Management		329.63	329.63		329.63
Aid to Volunteer Ambulance Squad		3,000.00	3,000.00		3,000.00
Fire Department	1,066.74	7,491.55	8,558.29	1,066.74	7,491.55
Uniform Fire Safety Act		1,239.13	1,239.13		1,239.13
Borough Prosecutor		1,940.00	1,940.00		1,940.00
Street and Road Maintenance	3,525.69	1,407.84	4,933.53	3,703.69	1,229.84
Public Works - Railroad Landscaping		6,990.00	6,990.00		6,990.00
Shade Tree	2,145.00	6,113.49	8,258.49	7,165.00	1,093.49
Solid Waste Collection	19,447.00	2,309.80	21,756.80	19,447.00	2,309.80
Public Buildings and Grounds	10,476.20	471.97	10,948.17	10,855.20	92.97
Vehicle Maintenance	1,893.79	7,090.25	8,984.04	1,893.79	7,090.25
Condominium Services Law	2,085.88	93,898.84	95,984.72	95,984.72	
Board of Health		805.00	805.00		805.00
Community Youth Recreation		2,000.00	2,000.00		2,000.00
Parks & Playground		8,029.16	8,029.16	935.00	7,094.16
Contrib. to Tri-Boro Senior Citizen Club		61.11	61.11		61.11
Celebration of Public Events	227.56	2,358.89	2,586.45	227.56	2,358.89
Electricity	4,750.39	12,592.03	17,342.42	17,342.42	
Street Lighting	9,247.06	960.78	10,207.84	9,247.06	960.78
Telephone	2,016.18	2,398.08	4,414.26	2,016.18	2,398.08
Water/Sewer	343.14	1,046.73	1,389.87	343.14	1,046.73
Gasoline	4,064.36	2,511.75	6,576.11	4,064.36	2,511.75
Printing and Postage		2,202.87	2,202.87		2,202.87
Landfill and Solid Waste Disposal Cost	21,998.34	17,705.29	39,703.63	39,703.63	
Municipal Court	520.93	546.30	1,067.23	722.08	345.15
Construction Code Official	417.20	4,125.08	4,542.28	417.20	4,125.08
Social Security System (O.A.S.I.)		84.17	84.17		84.17
<b>Total</b>	<b>\$ 182,678.23</b>	<b>\$ 282,232.82</b>	<b>\$ 464,911.05</b>	<b>\$ 345,091.05</b>	<b>\$ 119,820.00</b>

Cash Disbursed	\$ 345,091.05
Accounts Payable	
	<u>\$ 345,091.05</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

Schedule of Due State of New Jersey-  
Senior Citizen and Veterans' Deductions  
For the Year Ended December 31, 2009

Balance December 31, 2008		\$ 49,144.93
Increased by:		
Collections		<u>113,807.00</u>
Total		162,951.93
Decreased by:		
Accrued in 2009:		
Senior Citizen's Deductions per Tax Billings	\$ 27,250.00	
Veteran's Deductions per Tax Billings	<u>85,250.00</u>	
Total	112,500.00	
Add Senior Citizen and Veteran Deductions Allowed by Collector		
Less Senior Citizen and Veteran Deductions Disallowed by Collector	<u>(5,822.47)</u>	<u>106,677.53</u>
Balance December 31, 2009		<u>\$ 56,274.40</u>

## BOROUGH OF PALMYRA

## CURRENT FUND

**Schedule of Local District School Tax Payable  
For the Year Ended December 31, 2009**

<hr/>		
Balance December 31, 2008:		
School Tax Deferred		\$ 3,568,711.04
Increased by:		
Levy - School Year July 1, 2009 to June 30, 2010		<u>7,496,637.00</u>
Total		11,065,348.04
Decreased by:		
Payments		<u>7,328,908.04</u>
Balance December 31, 2009:		
School Tax Payable	\$ 167,728.96	
School Tax Deferred	<u>3,568,711.04</u>	<u>\$ 3,736,440.00</u>
2009 Liability for Local District School Tax:		
Tax Paid		\$ 7,328,908.04
Tax Payable December 31, 2009		<u>167,728.96</u>
Total		7,496,637.00
Less:		
Tax Payable December 31, 2008		<u>                    </u>
Amount Charged to 2009 Operations		<u>\$ 7,496,637.00</u>

BOROUGH OF PALMYRA

FEDERAL AND STATE GRANT FUND

Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2009

	Balance December 31, 2008	Accrued	Received	Cancelled	Balance December 31, 2009
<b>Federal Grants:</b>					
Federal Vest Funds		\$ 329.50	\$ 329.50		
Secure Our Schools		1.00	1.00		
Drunk Driving Enforcement Fund		2,756.76	2,756.76		
Over the Limit		5,936.43	5,936.43		
Click It or Ticket		3,590.82	3,590.82		
<b>Total Federal Grants</b>		<u>12,614.51</u>	<u>12,614.51</u>		
<b>State Grants:</b>					
NJ Transportation Trust Fund	110,776.12	180,000.00			\$ 290,776.12
Safe and Secure Grant		38,507.00	38,507.00		
Municipal Alliance	23,955.00	17,200.00	23,955.00		17,200.00
Recycling Tonnage Grant		8,460.87	8,460.87		
Alcohol Education and Rehabilitation Fund		2,134.84	2,134.84		
Clean Communities Grant		12,353.25	12,353.25		
Clean Shores		975.06	975.06		
Neighborhood Preservation Program	333,953.67	125,000.00	124,471.61		334,482.06
Shared Services Grant		44,800.00	4,200.00		40,600.00
GDL Parental Notification Grant	10,672.84			\$ (3,000.00)	10,672.84
Green Communities	3,000.00				
Centers of Place	90,000.00				90,000.00
Smart Futures Award	50,000.00			(50,000.00)	
Transportation Community Development Initiative	40,000.00				40,000.00
<b>Total State Grants</b>	<u>662,357.63</u>	<u>429,431.02</u>	<u>215,057.63</u>	<u>(53,000.00)</u>	<u>823,731.02</u>
<b>Total</b>	<u>\$ 662,357.63</u>	<u>\$ 442,045.53</u>	<u>\$ 227,672.14</u>	<u>\$ (53,000.00)</u>	<u>\$ 823,731.02</u>

## BOROUGH OF PALMYRA

## FEDERAL AND STATE GRANT FUND

**Schedule of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2009**

	Balance December 31, <u>2008</u>	Federal and State Grant <u>Receivable</u>	Realized as Revenue <u>in 2009</u>	Balance December 31, <u>2009</u>
<b>Federal Grants:</b>				
Federal Vest Funds	\$ 3,010.50	\$ 329.50	\$ 3,010.50	\$ 329.50
Secure Our Schools		1.00		1.00
Drunk Driving Enforcement Fund	6,753.86	2,756.76	6,753.86	2,756.76
Over the Limit		5,936.43		5,936.43
Click It or Ticket		3,590.82		3,590.82
	<hr/>	<hr/>	<hr/>	<hr/>
Total Federal	9,764.36	12,614.51	9,764.36	12,614.51
<b>State Grants:</b>				
Safe and Secure Grant		38,507.00	38,507.00	
NJ Transportation Fund		180,000.00	180,000.00	
Municipal Alliance		17,200.00	17,200.00	
Recycling Tonnage Grant	2,097.25	8,460.87	2,097.25	8,460.87
Alcohol Education and Rehabilitation Fund		2,134.84		2,134.84
Clean Communities Grant		12,353.25	9,682.64	2,670.61
Clean Shores		975.06		975.06
Neighborhood Preservation Program	100,000.00	125,000.00	225,000.00	
Shared Services Grant		44,800.00	44,800.00	
Body Armor Grant	1,562.39		1,562.39	
	<hr/>	<hr/>	<hr/>	<hr/>
Total State	103,659.64	429,431.02	518,849.28	14,241.38
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 113,424.00	\$ 442,045.53	\$ 528,613.64	\$ 26,855.89

BOROUGH OF PALMYRA

FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Appropriated  
For the Year ended December 31, 2009

	Balance December 31, 2008	Transferred from 2009 Budget Appropriation	Expended	Canceled	Balance December 31, 2009
<b>Federal Grants:</b>					
Federal Vest Funds	\$ 2,259.82	\$ 3,010.50			\$ 5,270.32
Drunk Driving Enforcement Grant	2,340.84	6,753.86	\$ 6,189.55		2,905.15
	<u>4,600.66</u>	<u>9,764.36</u>	<u>6,189.55</u>		<u>8,175.47</u>
<b>State Grants:</b>					
Alcoholic Education Rehabilitation Fund	13,878.70		5,550.00		8,328.70
Municipal Alliance Grant	19,729.01	23,200.00	27,086.42		15,842.59
Green Communities	3,000.00			\$ (3,000.00)	
Recycling Tonnage Grant	6,887.51	2,097.25	1,206.95		7,777.81
Safe and Secure Grant		38,507.00	38,507.00		
Body Armor Grant		1,562.39	1,350.00		212.39
Smart Futures Award	17,618.00			(17,618.00)	
Shared Services Grant		44,800.00	4,200.00		40,600.00
Centers of Place	90,000.00				90,000.00
NJ Transportation Trust Fund	28,675.30	180,000.00	97,396.36		111,278.94
Transportation Community Development Initiative			2,058.20		
NJ Forestry Grant	2,058.20				1,500.00
Neighborhood Preservation Program	1,500.00				363,649.13
Stormwater Grant	224,021.34	260,000.00	120,372.21		109.10
Exercise Program Improvement Grant	1,385.00		1,275.90		5,032.09
Hazardous Discharge Remediation Site	6,054.89		1,022.80		313,550.19
GDL Parental Notification Grant	489,006.91		175,456.72		8,138.94
Clean Shores	8,138.94				9,471.69
Clean Communities	9,471.69				3,538.47
	<u>2,876.52</u>	<u>9,682.64</u>	<u>9,020.69</u>		
<b>Total State Grants</b>	<u>924,302.01</u>	<u>559,849.28</u>	<u>484,503.25</u>	<u>(20,618.00)</u>	<u>979,030.04</u>
<b>Total</b>	<u>\$ 928,902.67</u>	<u>\$ 569,613.64</u>	<u>\$ 490,692.80</u>	<u>\$ (20,618.00)</u>	<u>\$ 987,205.51</u>

**TRUST FUND**

## BOROUGH OF PALMYRA

## TRUST FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2009

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2008	\$ 3,209.26	\$ 1,117,925.20
Receipts:		
Dog License Fees	2,933.00	
Cat License Fees	468.00	
State Registration Fees	679.80	
Late Fees	297.00	
Interest Earned on Deposits	7.01	
Current Fund Budget Appropriation	13,000.00	
Reserve for Unemployment Compensation Trust:		
Borough Budget Appropriations		17,000.00
Interest Earned		16.00
Employee Contributions		3,905.35
Reserve for Disposal of Forfeited Property		3,557.13
Reserve for Developer's Escrow Fund:		
Escrow Deposits		31,080.18
Site Improvement Deposits		162,934.13
Reserve for Recreation Program		17,503.13
Reserve for Compensated Absences		
Borough Budget Appropriations		10,000.00
Reserve for Regional Contribution Funds - Interest		6,333.51
Payroll Fund:		
Interest Earned - Due to Current Fund		73.42
Net Payroll		1,914,954.19
Payroll Deductions Payable		1,272,429.56
Total Receipts	<u>17,384.81</u>	<u>3,439,786.60</u>
Carried Forward	<u>\$ 20,594.07</u>	<u>\$ 4,557,711.80</u>

(Continued)

## BOROUGH OF PALMYRA

## TRUST FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2009

	<u>Animal Control</u>	<u>Other</u>
Brought Forward	\$ 20,594.07	\$ 4,557,711.80
Disbursements:		
State Registration Fees	661.80	
Expenditures Under RS4:19-15.11	14,138.00	
Reserve for Disposal of Forfeited Property		4,538.64
Reserve for Unemployment Compensation Trust:		29,755.25
Reserve for Recreation Program		19,269.42
Reserve for Developer's Escrow Fund:		
Escrow Expenditures		25,218.81
Site Improvement Expenditures		153,968.00
Reserve for Regional Contribution Funds		
Contractors		262,360.00
Professional Services and Other Costs		56,257.80
Reserve for Compensated Absences		30,000.00
Payroll Deductions Payable		1,272,550.89
Net Payroll		1,914,954.19
	<u>14,799.80</u>	<u>3,768,873.00</u>
Total Disbursements		
Balance December 31, 2009	<u>\$ 5,794.27</u>	<u>\$ 788,838.80</u>

BOROUGH OF PALMYRA

TRUST FUND

Schedule of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2009

Balance December 31, 2008		\$ 3,200.26
Increased by:		
Dog License Fees	\$ 2,933.00	
Cat License Fees	468.00	
Late Fees	297.00	
Contribution - Current Fund Budget Appropriation	13,000.00	
Interest Earned	7.01	16,705.01
Total		<u>19,905.27</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed	14,138.00	
Accounts Payable	800.00	14,938.00
		<u>14,938.00</u>
Balance December 31, 2009		<u>\$ 4,967.27</u>

License Fees Collected

Year:		
2007	\$ 3,259.00	
2008	3,367.00	<u>3,367.00</u>
Total	\$ 6,626.00	<u>\$ 6,626.00</u>

BOROUGH OF PALMYRA

TRUST FUND

Schedule of Payroll Deductions Payable  
For the Year Ended December 31, 2009

Balance December 31, 2008		\$ 4,946.25
Increased by:		
Net Payroll	\$ 1,914,954.19	
Payroll Deductions Withheld	<u>1,272,502.98</u>	<u>3,187,457.17</u>
Total		3,192,403.42
Decreased by:		
Net Payroll Disbursed	1,914,954.19	
Payroll Deductions Disbursed	<u>1,272,550.89</u>	<u>3,187,505.08</u>
Balance December 31, 2009		<u>\$ 4,898.34</u>
 <b>Analysis of Balance:</b>		
Pension		\$ 386.41
Miscellaneous		4,511.93
		<u>\$ 4,898.34</u>

## BOROUGH OF PALMYRA

## TRUST FUND

**Schedule of Reserve For Developer's Escrow Deposits  
For the Year Ended December 31, 2009**

<hr/>		
Balance December 31, 2008:		
Escrow Deposits	\$ 40,862.67	
Site Improvements	<u>80,379.99</u>	\$ 121,242.66
Increased by:		
2009 Escrow Deposits	31,080.18	
2009 Site Improvements	<u>162,934.13</u>	<u>194,014.31</u>
Total		315,256.97
Decreased by:		
Payment of Escrow Bills	25,218.81	
Payment of Site Improvement Bills	153,968.00	
Due to Current Fund	<u>146.13</u>	<u>179,332.94</u>
Balance December 31, 2009:		
Escrow Deposits	46,724.04	
Site Improvements	<u>89,199.99</u>	<u>\$ 135,924.03</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, 2009**

Balance December 31, 2008		\$ 10,294.91
Increased by:		
Borough Contributions	\$ 17,000.00	
Employee Withholdings	3,905.35	
Interest Earned on Investments	<u>16.00</u>	
		<u>20,921.35</u>
		31,216.26
Decreased by:		
State Payments		<u>29,755.25</u>
Balance December 31, 2009		<u><u>\$ 1,461.01</u></u>

## EXHIBIT B-6

**Schedule of Reserve For Regional Contribution  
For the Year Ended December 31, 2009**

	<u>Delanco Township</u>	<u>Evesham Township</u>	<u>Total</u>
Balance December 31, 2008	\$ 86,922.85	\$ 837,784.57	\$ 924,707.42
Increased by:			
Interest Earned on Investments	<u>605.36</u>	<u>5,728.15</u>	<u>6,333.51</u>
	<u>605.36</u>	<u>5,728.15</u>	<u>6,333.51</u>
Decreased by:			
Community Grants & Planning	2,000.00	53,000.00	55,000.00
Miscellaneous	8.00	249.80	257.80
Contractors	<u>25,000.00</u>	<u>235,877.00</u>	<u>260,877.00</u>
	<u>27,008.00</u>	<u>289,126.80</u>	<u>316,134.80</u>
Balance December 31, 2009	<u><u>\$ 60,520.21</u></u>	<u><u>\$ 554,385.92</u></u>	<u><u>\$ 614,906.13</u></u>

## BOROUGH OF PALMYRA

## TRUST FUND

Schedule of Reserve For Public Defender  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$ 6,000.00
Increased by:	
Due from Current Fund	<u>6,000.00</u>
Decreased by:	
Amount Due to Violent Crime Compensation Board	<u>        </u>
Balance December 31, 2009	<u><u>\$ 6,000.00</u></u>

Schedule of Reserve For Compensated Absences  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$ 23,637.26
Increased by:	
Borough Contributions	<u>10,000.00</u>
	33,637.26
Decreased by:	
Disbursed	<u>30,000.00</u>
Balance December 31, 2009	<u><u>\$ 3,637.26</u></u>

**GENERAL CAPITAL FUND**

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2009

Balance December 31, 2008		\$ 13,463.11
Receipts:		
Due Current Fund - Interest Earned	\$ 22,425.11	
Sale of Bond Anticipation Notes	6,783,000.00	
Accrued Interest on Sale of Bond Anticipation Notes	9,642.00	
Current Fund Budget - Capital Improvement Fund	<u>50,890.00</u>	
		<u>6,865,957.11</u>
Total		6,879,420.22
Disbursements:		
Improvement Authorizations	2,348,373.01	
Due Current Fund - Capital Fund Balance Appropriated as Revenue	38,756.36	
Due Current Fund - Interest Earned	<u>24,318.22</u>	
		<u>2,411,447.59</u>
Balance December 31, 2009		<u>\$ 4,467,972.63</u>

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Analysis of General Capital Cash and Investments  
For the Year Ended December 31, 2009**

Fund Balance		\$ 16,732.79
Capital Improvement Fund		27,405.00
Due from Current Fund		(23,440.99)
Encumbrances Payable		2,252,861.44
 Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2002-08	Multi-Purpose:	
	2002 Road Program	2,212.54
2004-03	Purchase of Land	84,673.52
2005-13	Multi-Purpose:	
	Acquisition of Fire Dept. Four Wheel Drive Vehicle	2,902.57
	Construction of Seawall	300,000.00
2006-18	Purchase of Land	220.00
2006-24	Multi-Purpose:	
	Purchase of Furniture and Equipment	13,286.16
2007-08	Multi-Purpose:	
	2007 Road Program	165,485.57
	Construction of New Salt Dome Roof	65,058.75
	Acquisition of Police Dept. Equipment	2,883.00
	Acquisition of Fire Dept. Equipment	203.44
	Renovations to Courtroom	6,830.02
	Acquisition of Siren	8,000.00
2007-10	Improvement to Legion Park	65,627.09
2008-10	Multi-Purpose:	
	Construction of Community Center	573,521.95
	Improvements to Legion Park	177,234.64
	2008 Road Program	500,000.00
	Acquisition of Road Department Equip.	122,885.00
	Acquisition of Police Department Equip.	8,450.34
	Acquisition of Fire Department Equip.	34,895.04
2009-10	Multi-Purpose:	
	Improvements to HVAC System	37,500.00
	Acquisition of Police Department Equip.	1,890.00
	2009 Road Program	14,154.76
	Improvements to Municipal Building	6,500.00
 Total		 <u>\$ 4,467,972.63</u>

## BOROUGH OF PALMYRA

## General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Balance December 31, 2009	Analysis of Balance December 31, 2009		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	950,000.00	\$ 950,000.00		
	2007 Road Program	285,000.00	285,000.00		
	Construction of New Salt Dome Roof	68,400.00	68,400.00		
	Acquisition of Fire Department Equip.	11,500.00	11,500.00		
	Renovations to Courtroom	19,000.00	19,000.00		
	Acquisition of Siren	7,600.00	7,600.00		
2007-10	Improvements to Legion Park	712,500.00	712,500.00		
2008-10	Multi-Purpose:				
	Construction of Community Center	3,800,000.00	3,800,000.00		
	Improvements to Legion Park	2,280,000.00	2,280,000.00		
	2008 Road Program	475,000.00	475,000.00		
	Acquisition of Road Department Equip.	140,600.00	140,600.00		
	Acquisition of Police Department Equip.	49,780.00	49,400.00		
	Acquisition of Fire Department Equip.	38,000.00	38,000.00		
2009-27	Multi-purpose				
	Improvements to HVAC System	712,500.00			712,500.00
	Acquisition of Police Department Equip.	35,910.00			35,910.00
	2009 Road Program	285,000.00			285,000.00
	Improvements to Municipal Building	123,500.00			123,500.00
		<u>\$ 10,041,790.00</u>	<u>\$ 8,837,000.00</u>	<u>\$ -</u>	<u>\$ 1,204,410.00</u>
	Improvement Authorizations - Unfunded				\$ 2,910,464.84
	Less - Unexpended Proceeds of Bond Anticipation Notes Issued:				
	Ordinance 2007-08		\$ 248,080.78		
	Ordinance 2007-10		65,627.09		
	Ordinance 2008-10		<u>1,392,366.97</u>		
					<u>1,706,054.84</u>
			Total		<u>\$ 1,204,410.00</u>

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

**Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2009**

---

Balance December 31, 2008		\$ 4,475,944.05
Decreased by:		
2009 Budget Appropriations to Pay:		
Serial Bonds	\$ 707,000.00	
Burlington County Bridge Commission Loan	32,000.00	
Green Acres Trust Loan	<u>7,606.44</u>	<u>746,606.44</u>
Balance December 31, 2009		<u><u>\$ 3,729,337.61</u></u>

**Statement of Capital Improvement Fund  
For the Year Ended December 31, 2009**

---

Balance December 31, 2008		\$ 37,405.00
Increased by:		
2009 Budget Appropriation		<u>50,890.00</u>
		88,295.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>60,890.00</u>
Balance December 31, 2009		<u><u>\$ 27,405.00</u></u>



BOROUGH OF PALMYRA  
GENERAL CAPITAL FUND

Schedule of General Serial Bonds  
For the Year Ended December 31, 2009

Purpose	Date of Issue	Amount of Original Note	Maturity of Bonds Outstanding Date	Interest Rate	Balance December 31, 2008	Issued for Cash	Paid by Budget Appropriation	Balance December 31, 2009
General Bonds of 1996	10/1/96	\$ 3,395,000	10/1/10	5.250%	\$ 795,000.00		\$ 270,000.00	\$ 525,000.00
			10/1/11	5.250%	255,000			
General Bonds of 2003	12/01/03	4,007,700	12/1/10	4.500%	2,258,000.00		337,000.00	1,921,000.00
			12/1/11	3.500%				
			12/1/12	5.000%				
			12/1/13	5.000%				
	12/1/14	5.000%	420,000					
General Bonds of 2005	12/01/05	1,474,000	12/1/10-17	4.125%	1,200,000.00		100,000.00	1,100,000.00
			12/1/18-20	4.200%	100,000			
Total					\$ 4,253,000.00	\$ -	\$ 707,000.00	\$ 3,546,000.00

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Green Acres Loan Payable  
For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 87,944.05
Decreased by:	
Paid by 2009 Budget Appropriation	<u>7,606.44</u>
Balance December 31, 2009	<u><u>\$ 80,337.61</u></u>

Analysis of Balance - December 31, 2009

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,759.33	\$ 1,568.15	\$ 9,327.48
2011	7,915.29	1,412.18	9,327.47
2012	8,074.39	1,253.09	9,327.48
2013	8,236.68	1,090.80	9,327.48
2014	8,402.25	925.24	9,327.49
2015	8,571.12	756.35	9,327.47
2016	8,743.41	584.08	9,327.49
2017	8,919.15	408.33	9,327.48
2018	9,098.43	229.05	9,327.48
2019	<u>4,617.56</u>	<u>46.18</u>	<u>4,663.74</u>
	<u><u>\$ 80,337.61</u></u>	<u><u>\$ 8,273.45</u></u>	<u><u>\$ 88,611.06</u></u>

BOROUGH OF PALMYRA

GENERAL CAPITAL FUND

Schedule of Burlington County Bridge Commission Lease Payable  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$ 135,000.00
Decreased by:	
Paid by 2009 Budget Appropriation	<u>32,000.00</u>
Balance December 31, 2009	<u>\$ 103,000.00</u>

Analysis of Balance - December 31, 2009

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 33,000.00	\$ 4,637.50	\$ 37,637.50
2011	34,000.00	3,235.00	37,235.00
2012	<u>36,000.00</u>	<u>1,620.00</u>	<u>37,620.00</u>
	<u>\$ 103,000.00</u>	<u>\$ 9,492.50</u>	<u>\$ 112,492.50</u>

BOROUGH OF PALMYRA  
GENERAL CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2008	Increased by	Decreased by	Balance December 31, 2009
2006-24	Multi-Purpose	12/20/2007	12/20/2008	12/19/2009	3.25%	\$ 318,250.00	\$ 318,250.00		
2007-08	Multi-Purpose	12/20/2007	12/20/2008	12/19/2009	3.25%	1,393,175.00	1,393,175.00		
2007-08	Multi-Purpose	12/20/2007	12/17/2009	12/16/2010	2.00%		\$ 1,341,500.00		\$ 1,341,500.00
2007-10	Improvement to Legion Park	12/20/2007	12/20/2008	12/19/2009	3.25%	712,500.00	712,500.00		
2007-10	Improvement to Legion Park	12/20/2007	12/17/2009	12/16/2010	2.00%		712,500.00		712,500.00
2008-10	Multi-Purpose	6/11/2009	6/11/2009	6/10/2010	3.25%		6,783,000.00		6,783,000.00
Total						\$ 2,423,925.00	\$ 8,837,000.00	\$ 2,423,925.00	\$ 8,837,000.00
						Renewals	\$ 2,054,000.00	\$ 2,054,000.00	
						Cash Received	6,783,000.00		
						Budget Appropriation	369,925.00	369,925.00	
						\$ 8,837,000.00	\$ 2,423,925.00	\$ 2,423,925.00	\$ 8,837,000.00

## BOROUGH OF PALMYRA

## GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Balance December 31, 2008	2009 Authorizations	Funded by Bond Anticipation Notes	Balance December 31, 2009
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00
2008-10	Multi-purpose				
	Construction of Community Center	\$ 3,800,000.00		\$ 3,800,000.00	
	Improvements to Legion Park	2,280,000.00		2,280,000.00	
	2008 Road Program	475,000.00		475,000.00	
	Acquisition of Road Department Equip.	140,600.00		140,600.00	
	Acquisition of Police Department Equip.	49,780.00		49,400.00	380.00
	Acquisition of Fire Department Equip.	38,000.00		38,000.00	
2009-27	Multi-purpose				
	Improvements to HVAC System		\$ 712,500.00		712,500.00
	Acquisition of Police Department Equip.		35,910.00		35,910.00
	2009 Road Program		285,000.00		285,000.00
	Improvements to Municipal Building		123,500.00		123,500.00
	Total	\$ 6,830,880.00	\$ 1,156,910.00	\$ 6,783,000.00	\$ 1,204,790.00

**SEWER UTILITY FUND**

BOROUGH OF PALMYRA  
SEWER UTILITY OPERATING AND CAPITAL FUND

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2009

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	\$ 325,465.66	\$ 341,857.46
Receipts:		
Rents	\$ 1,471,948.84	
Prepaid Rent	1,667.19	
Miscellaneous Revenues	20,346.62	
Due from Current Fund	24,862.50	
Due from Sewer Capital Fund	195,923.32	
Interest Earned		\$ 1,865.39
	<hr/>	<hr/>
Total Receipts	<u>1,714,748.47</u>	<u>1,865.39</u>
Total	2,040,214.13	343,722.85
Disbursements:		
2009 Appropriations	1,239,893.28	
2008 Appropriation Reserves and Reserve for Encumbrances	56,832.58	
Accrued Interest on Bonds	116,190.00	
Due from Current Fund	24,862.50	
Bond Anticipation Notes		50,000.00
Improvement Authorizations		143,654.53
Due to Sewer Operating Fund		2,268.79
Due from Sewer Capital Fund	193,654.53	
	<hr/>	<hr/>
Total Disbursements	<u>1,631,432.89</u>	<u>195,923.32</u>
Balance December 31, 2009	<u>\$ 408,781.24</u>	<u>\$ 147,799.53</u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Analysis of Capital Cash  
at December 31, 2009

---

Capital Fund Balance	\$ 43,526.39
Capital Improvement Fund	30,000.00
Due to Sewer Utility Operating Fund	50,094.56
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
2007-07   Improvements to sewer system	24,178.58
	<hr/>
Total	<u>\$ 147,799.53</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

**Statement of 2008 Appropriation Reserves and Reserve for Encumbrances  
For the Year Ended December 31, 2009**

	Balance December 31, 2008		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 0.76	\$ 0.76		\$ 0.76
Other Expenses	\$ 51,650.36	47,127.75	98,778.11	\$ 56,832.58	41,945.53
Social Security		264.52	264.52		264.52
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 51,650.36</u>	<u>\$ 47,393.03</u>	<u>\$ 99,043.39</u>	<u>\$ 56,832.58</u>	<u>\$ 42,210.81</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY OPERATING FUND

Schedule of Sewer Rents Receivable  
For the Year Ended December 31, 2009

---

Balance December 31, 2008		\$	137,688.09
Increased by:			
Sewer Rents Billed in 2009			<u>1,472,700.12</u>
Total			1,610,388.21
Decreased by:			
2009 Collection	\$	1,471,948.84	
2009 Collection - Due from Current Fund		1,175.00	
Prepaid Sewer Rents Applied		<u>1,927.21</u>	<u>1,475,051.05</u>
Balance December 31, 2009		\$	<u><u>135,337.16</u></u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Schedule of Fixed Capital  
at December 31, 2009

	Balance December 31, <u>2008</u>	Transfer from Fixed Capital Authorized and <u>Uncompleted</u>	Deductions Facilities <u>Abandoned</u>	Balance December 31, <u>2009</u>
Pumping Station and Structures	\$ 6,148,552.41			\$ 6,148,552.41
Garage	234,650.00			234,650.00
Equalization Tanks	46,350.00			46,350.00
Chlorinator	5,350.00			5,350.00
Filter System	35,000.00			35,000.00
Pick Up Truck & Dump Truck	63,077.00			63,077.00
Sewer Rodder	<u>12,966.00</u>			<u>12,966.00</u>
Total	<u>\$ 6,545,945.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,545,945.41</u>

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

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance December 31, 2008	<u>2009 Authorization</u>		Balance December 31, 2009
				Deferred Charges to Future Revenue	Canceled	
2006-23	Improvements to sewer system	12/11/06	\$ 200,000.00		\$ 200,000.00	
2007-07	Improvements to sewer system	6/11/07	500,000.00			\$ 500,000.00
			<u>\$ 700,000.00</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>	<u>\$ 500,000.00</u>

BOROUGH OF PALMYRA  
SEWER UTILITY CAPITAL FUND

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2008		Deferred Charges to Future Revenue Unfunded	Paid or Charged	Canceled	Balance December 31, 2009	
				Funded	Unfunded				Funded	Unfunded
2006-23	Improvements to Sewer System	12/11/06	\$ 750,000.00	\$ 200,000.00			\$ 200,000.00			
2007-07	improvements to Sewer System	6/11/07	500,000.00	167,833.11			\$ 143,654.53		\$ 24,178.58	
				\$ 367,833.11		\$ -	\$ 143,654.53	\$ 200,000.00	\$ -	\$ 24,178.58

**BOROUGH OF PALMYRA**  
**SEWER UTILITY CAPITAL FUND**  
 Schedule of General Serial Bonds  
 For the Year Ended December 31, 2009

Purpose	Date of Issue	Amount of Original Note	Maturities of Bonds Outstanding December 31, 2009		Interest Rate	Balance December 31, 2008	Issued	Decreased by Budget Appropriation	Balance December 31, 2009
			Date	Amount					
Sewer Bonds of 2005	12/01/05	\$ 1,615,000	12/1/10-12	\$ 100,000	4.125%	\$ 1,360,000.00		\$ 100,000.00	\$ 1,260,000.00
			12/1/13-17	120,000	4.125%				
			12/1/18-20	120,000	4.200%				
Sewer Bonds of 1992	5/1/92	3,800,000	5/1/2010-12	190,000	6.75%	760,000.00		190,000.00	570,000.00
						<u>\$ 2,120,000.00</u>	<u>\$ -</u>	<u>\$ 290,000.00</u>	<u>\$ 1,830,000.00</u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Capital Improvement Fund  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$ 30,000.00
Increased by:	
2009 Budget Appropriation	<u>0.00</u>
	30,000.00
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>0.00</u>
Balance December 31, 2009	<u><u>\$ 30,000.00</u></u>

BOROUGH OF PALMYRA

SEWER UTILITY CAPITAL FUND

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2008	Increased by	Decreased by	Balance December 31, 2009
2007-07	Improvements to Sewer System	12/20/07	12/20/08	12/19/09	3.25%	\$ 500,000.00	\$ 400,000.00	\$ 500,000.00	\$ 400,000.00
2007-07	Improvements to Sewer System	12/20/07	12/17/09	12/16/10	2.00%				
						<u>\$ 500,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 400,000.00</u>

Cash Disbursed	\$ 50,000.00
Paid by Budget Appropriation	50,000.00
Renewals	<u>400,000.00</u>

## BOROUGH OF PALMYRA

## SEWER UTILITY CAPITAL FUND

Schedule of Deferred Reserve for Amortization  
For the Year Ended December 31, 2009

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2008</u>	<u>Paid From Operating Budget - Notes</u>	<u>Paid From Reserve for Payment of Debt</u>	<u>Balance December 31, 2009</u>
2006-23	Improvements to Sewer System	12/11/2006		\$ 50,000.00	\$ 50,000.00	\$ 100,000.00
			<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 100,000.00</u>

BOROUGH OF PALMYRA

SEWER CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2008</u>	<u>2009 Authorizations</u>	<u>Canceled</u>	<u>Funded by Sale of Bond Anticipation Notes</u>	<u>Balance December 31, 2009</u>
2006-23	Improvements to Sewer System	\$ 200,000.00		\$ 200,000.00		\$ -
<b>Total</b>		<u>\$ 200,000.00</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>	<u>\$ -</u>	<u>\$ -</u>

**PUBLIC ASSISTANCE FUND**

## BOROUGH OF PALMYRA

## PUBLIC ASSISTANCE FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$	8,258.26
Increased by Receipts:		
Interest Earned on Deposits		<u>12.37</u>
		8,270.63
Decreased by Disbursements:		
Transfer to Current Fund		<u>          </u>
Balance December 31, 2009	\$	<u><u>8,270.63</u></u>

**BOROUGH OF PALMYRA**

**PART II**

**Schedule of Findings and Recommendations**

**For the Year Ended December 31, 2009**

**BOROUGH OF PALMYRA**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

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 #2009-1**

**Condition:**

The Borough did not maintain a general ledger, record of fixed assets, or an encumbrance accounting system during the year.

**Criteria:**

N.J.A.C. 5:30-5.7, N.J.A.C. 5:30-5.6 and N.J.A.C. 5:30-5.2, issued by the Division of Local Government Services, requires that a general ledger, record of fixed assets and an encumbrance accounting system be maintained on a current basis.

**Effect:**

Violation of N.J.A.C. 5:30-5.7, N.J.A.C. 5:30-5.6 and N.J.A.C. 5:30-5.

**Cause:**

The Borough does not possess the necessary funds needed to establish and maintain a general ledger, record of fixed assets, or an encumbrance accounting system and the time constraints on the existing staff level does not allow for the additional work required.

**Recommendation:**

The Borough should establish and maintain a general ledger, record of fixed assets, and an encumbrance accounting system on a current basis.

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

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

**Finding #2009-2**

**Condition:**

The minutes of the public meetings held by the governing body were not prepared and approved by the governing body on a timely basis, nor were the minutes signed by the Borough Clerk.

**Criteria:**

P.L. 2001, c.404 known as the "Open Public Records Act" requires that government records be readily accessible for inspection, copying, or examination by the citizens of the State.

**Effect:**

The Borough has not complied with the "Open Public Records Act".

**Cause:**

Time constraints on the Borough Clerk.

**Recommendation:**

The Borough Clerk should prepare, and the Borough Council should take formal action on, the minutes of the Borough Council meetings in a timely manner and all minutes should be certified by the Borough Clerk upon approval by the Borough Council.

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

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

**BOROUGH OF PALMYRA**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

**Section 2 -- Schedule of Financial Statement Findings (Cont'd)**

**Finding #2009-3**

**Condition:**  
The Animal Control Account and all the Trust Other Accounts were not reconciled on a monthly basis.

**Criteria:**  
Effective internal controls require accurate and timely reconciliations of all bank accounts maintained by the Borough.

**Effect:**  
The Borough does not have sufficient control over the dog and trust other account balances.

**Cause:**  
Time constraints on the Borough Administrator.

**Recommendation:**  
All bank accounts should be reconciled to the financial records on a monthly basis.

**View of Responsible Official and Planned Corrective Action:**  
The responsible officials agree with the finding and will address the matter as part of the corrective action plan.

**Finding #2009-4**

**Condition:**  
Dog license fees and court fines were not always deposited within 48 hours of the date of receipt.

**Criteria:**  
N.J.S.A. 40A: 5-15 requires that all moneys received from any source by or on behalf of any local unit be deposited within 48 hours after the receipt thereof.

**Effect:**  
Not depositing funds in a timely manner increases the potential for cash shortages.

**Cause:**  
Oversight on part of the Borough officials.

**Recommendation:**  
All funds received should be deposited within 48 hours of the date of receipt.

**View of Responsible Official and Planned Corrective Action:**  
The responsible officials agree with the finding and will address the matter as part of the corrective action plan.

**BOROUGH OF PALMYRA**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

**Section 2 -- Schedule of Financial Statement Findings (Cont'd)**

**Finding #2009-5**

**Condition:**

Our audit of the recreation account revealed numerous areas of noncompliance regarding recording, maintaining and reconciling cash received to the financial records.

**Criteria:**

Proper internal controls require that all cash received be recorded and reconciled on a timely basis.

**Effect:**

Not reconciling funds received to the financial records in a timely manner increases the potential for cash shortages.

**Cause:**

Oversight on part of the Borough officials.

**Recommendation:**

All cash received by the recreation account should be recorded and reconciled to the financial records on a timely basis.

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

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

**Finding #2009-6**

**Condition:**

Our audit of compliance with the Local Public Contracts Law revealed that affirmative action affidavits were not available for two vendors and that business registration certificates were not available for examination for two vendors.

**Criteria:**

The Local Public Contracts Law requires that affirmative action affidavits and business registration certificates be received whenever the expenditure exceeds 15% of the quote threshold.

**Effect:**

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

**Cause:**

Oversight on part of the Borough officials.

**Recommendation:**

Affirmative action affidavits and business registration certificates should be obtained when required by the statutes.

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

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

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

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

**FINANCIAL STATEMENT FINDINGS**

***Finding #2008-1***

**Condition:**

The Borough did not maintain a general ledger, record of general fixed assets, or an encumbrance accounting system during the year.

**Current Status:**

This condition remains unchanged as reported in Finding #2009-1.

**Planned Corrective Action:**

The Borough plans to implement procedures to maintain a general ledger, record of fixed assets and an encumbrance accounting system when funds become available.

***Finding #2008-2***

**Condition:**

The minutes of the public meetings held by the governing body were not prepared and approved by the governing body on a timely basis.

**Current Status:**

This condition remains unchanged as reported in Finding #2009-2.

**Planned Corrective Action:**

The Borough Clerk plans to implement procedures so that minutes are prepared and approved by the governing body on a timely basis.

***Finding #2008-3***

**Condition:**

The Payroll Account was not reconciled or analyzed on a monthly basis.

**Current Status:**

This condition has been corrected.

**BOROUGH OF PALMYRA**  
**Summary Schedule of Prior Year Audit Findings**  
**And Questioned Costs as Prepared by Management**  
**(Continued)**

**FINANCIAL STATEMENT FINDINGS**

**Finding #2008-4**

**Condition:**

A corrective action plan addressing the prior year audit findings was not presented or adopted by the Borough Council.

**Current Status:**

This condition has been corrected.

**Finding #2008-5**

**Condition:**

Our audit of compliance with the Local Public Contracts Law revealed that bids were not publicly requested for maintenance services for the sewer system even though the total cost exceeded \$29,000.00.

**Current Status:**

This condition has been corrected.

**FEDERAL AWARDS**

A Federal Single Audit was not required.

**STATE AWARDS**

No findings were identified.

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2009:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
John Gural, Jr.	Mayor		
Michele Dobbs	President of Council		
Karen Scheffler	Councilwoman		
Howard Norcross	Councilman		
Theodore Scott, Sr.	Councilman		
Robert Bostock	Councilman		
David Dorworth	Councilman		
Karen Gift	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics (Up to April 22, 2009)	\$ 250,000	(A)
Barbara A. Sheipe	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics (From August 10, 2009)	250,000	(A)
Marianne Hulme	Borough Administrator, Treasurer, Tax Collector	80,000 100,000	(B) (B)
Susan M. Doerr	Deputy Tax Collector, Sewer Rent Clerk	100,000	(B)
Tracy McGill	Court Administrator	20,000	(B)
Gregory McCloskey	Municipal Magistrate	10,000	(B)
Donna Browne	Deputy Court Administrator	20,000	(B)
Doretha Jackson	Neighborhood Preservation Program Coord.	250,000	(A)
Tracy Kilmer	Construction Code Official, Zoning Officer, Fire Official and Inspector	250,000	(A)
Pamela Scott-Forman	Planning Board Secretary, Construction Code Enforcement Official	250,000	(A)
Karen Davis	Assessor		
Land Engineering and Survey Co.	Engineer		
Ted Rosenberg, Esq.	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Commercial Crime Policy.

(B) Selective Insurance Company - Separate Surety Bond.

**ACKNOWLEDGMENT**

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

Respectfully submitted,

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

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

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

February 26, 2010