

**BOROUGH OF PALMYRA
COUNTY OF BURLINGTON**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2013**



75 YEARS OF SERVICE
1939-2014

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BOROUGH OF PALMYRA

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Palmyra
Palmyra, New Jersey 08065

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2013, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2013, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2013, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013, 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.

Prior Period Financial Statements

The financial statements of the Borough of Palmyra as of December 31, 2012, were audited by other auditors whose report dated February 17, 2013, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Other Information

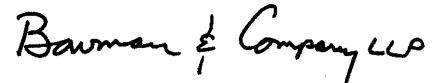
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2014, on our consideration of the Borough of Palmyra's, in the County of Burlington, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Palmyra's internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 30, 2014

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Palmyra
Palmyra, New Jersey 08065

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 30, 2014. That report indicated that the Borough of Palmyra's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, that report also indicated that the financial statements of the Borough of Palmyra, in the County of Burlington, State of New Jersey, as of December 31, 2012, were audited by other auditors whose report dated February 17, 2013, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

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

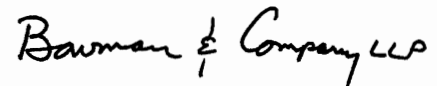
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 30, 2014

BOROUGH OF PALMYRA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS:			
Regular Fund:			
Cash	SA-1	\$ 2,327,695.55	\$ 2,075,695.73
Cash -- Change Fund	SA-2	<u>250.00</u>	<u>250.00</u>
		<u>2,327,945.55</u>	<u>2,075,945.73</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	330,909.28	305,008.29
Tax Title Lien Receivable	SA-5	51,623.12	66,637.34
Property Acquired for Taxes -- Assessed Valuation	A	166,150.00	166,150.00
Revenue Accounts Receivable	SA-6	20,533.54	12,769.61
Due from Sewer Operating Fund	SD-16	138,204.04	
Due from Animal Control Trust Fund	SB-2	4,098.88	3,312.74
Due General Capital Fund	SC-1	389.99	
Due from Trust Other Fund	SB-5	<u>2,083.35</u>	<u>3,435.50</u>
		<u>713,992.20</u>	<u>557,313.48</u>
Deferred Charges:			
Special Emergency Authorizations N.J.S.A. 40A:4-55	SA-7	<u>220,000.00</u>	<u>275,000.00</u>
		<u>220,000.00</u>	<u>275,000.00</u>
		<u>3,261,937.75</u>	<u>2,908,259.21</u>
Federal and State Grant Fund:			
Cash	SA-1	220,292.58	323,235.10
Federal, State and Other Grants Receivable	SA-16	<u>139,842.50</u>	<u>253,730.93</u>
		<u>360,135.08</u>	<u>576,966.03</u>
		<u>\$ 3,622,072.83</u>	<u>\$ 3,485,225.24</u>

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-8	\$ 430,834.29	\$ 486,166.18
Reserve for Encumbrances	SA-9	142,900.11	94,877.86
Accounts Payable	SA-8	4,962.67	
Reserve for Cost of Revaluation	SA-10	35,303.00	67,658.00
Local School District Taxes Payable	SA-15	201,773.46	
Due State of New Jersey			
Seniors and Veterans Deductions	SA-3	43,308.42	43,930.58
Due to General Capital Fund	SC-1		394.27
Due Sewer Operating Fund	SD-16		730.13
Due to Trust Other - Unemployment	SB-6	10,000.00	
Due to Trust Other - Developer's Site Improvements	SB-6	45,765.00	
Prepaid Taxes	SA-11	95,775.99	74,642.47
Tax Overpayments	SA-12		9,504.64
Due County for Added and Omitted Taxes	SA-14	210.82	1,462.23
Due State - Marriage Licenses	SA-1	750.00	275.00
Due State - DCA Fees	A	856.00	856.00
Reserve for Tax Title Lien Redemption	SA-1		117,562.06
Special Emergency Note	SA-7	220,000.00	275,000.00
		<u>1,232,439.76</u>	<u>1,173,059.42</u>
Reserves for Receivables and Other Assets	A	713,992.20	557,313.48
Fund Balance	A-1	<u>1,315,505.79</u>	<u>1,177,886.31</u>
		<u>3,261,937.75</u>	<u>2,908,259.21</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-17	4,662.55	
Appropriated Reserves	SA-18	354,544.54	576,966.03
Reserve for Encumbrances	SA-18	927.99	
		<u>360,135.08</u>	<u>576,966.03</u>
		<u>\$ 3,622,072.83</u>	<u>\$ 3,485,225.24</u>

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

BOROUGH OF PALMYRA
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 790,000.00	\$ 758,000.00
Miscellaneous Revenues Anticipated	1,171,632.34	1,803,865.43
Receipts from Delinquent Taxes and Tax Title Liens	329,095.75	428,574.18
Receipts from Current Taxes	15,704,142.58	15,362,056.24
Non-Budget Revenue	444,730.24	244,325.30
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	316,371.44	275,058.57
Due to Business Improvement District Canceled		3,991.61
Interfunds Liquidated	1,504.82	
Prior Year Tax Overpayments Canceled	7,126.12	8,318.36
	<u>18,764,603.29</u>	<u>18,884,189.69</u>
Total Income		
	<u>18,764,603.29</u>	<u>18,884,189.69</u>
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,218,488.60	2,151,337.65
Other Expenses	2,870,414.40	3,077,231.00
Deferred Charges and Statutory Expenditures	489,245.00	564,484.00
Excluded from "CAPS":		
Operations:		
Salaries and Wages	16,215.50	
Other Expenses	122,543.28	220,631.15
Capital Improvements	50,000.00	631,918.74
Municipal Debt Service	1,304,305.72	1,342,120.56
Deferred Charges and Statutory Expenditures	55,000.00	
County Taxes	2,013,348.45	2,119,072.75
Due County for Added and Omitted Taxes	210.82	1,462.23
Local District School Tax	8,554,333.00	8,150,787.00
Business Improvement District Tax		36,000.00
Adjustment to Grant Appropriated Reserve		1,108.68
Prior Year Senior Citizens and Veterans Disallowed	2,250.00	
Refund of Prior Year Revenue	1,096.20	
Interfund Created	139,532.84	4,577.67
	<u>17,836,983.81</u>	<u>18,300,731.43</u>
Total Expenditures		
	<u>17,836,983.81</u>	<u>18,300,731.43</u>
Excess in Revenue	927,619.48	583,458.26
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	-	275,000.00
	<u>927,619.48</u>	<u>858,458.26</u>
Statutory Excess to Fund Balance		
	927,619.48	858,458.26
FUND BALANCE:		
Balance January 1,	<u>1,177,886.31</u>	<u>1,077,428.05</u>
	2,105,505.79	1,935,886.31
Decreased by:		
Utilized as Revenue	<u>790,000.00</u>	<u>758,000.00</u>
Balance December 31,	<u>\$ 1,315,505.79</u>	<u>\$ 1,177,886.31</u>

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

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 790,000.00		\$ 790,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	
Other	3,000.00		3,268.00	\$ 268.00
Fees and Permits	11,000.00		12,061.66	1,061.66
Fines and Costs:				
Municipal Court	220,000.00		256,451.49	36,451.49
Interest and Costs on Taxes	82,000.00		61,131.00	(20,869.00)
Interest on Investments and Deposits	7,000.00		2,301.89	(4,698.11)
Burlington County Bride Commission in Lieu of Taxes	34,238.43		34,238.43	
Consolidated Municipal Property Tax Relief Aid	34,443.00		34,443.00	
Energy Receipts Tax	523,812.00		523,811.64	(0.36)
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	65,000.00		64,354.00	(646.00)
Special Franchise Tax - PSE&G	38,700.00		39,183.94	483.94
Public and Private Revenues - Offset With Appropriations:				
Clean Communities Grant		\$ 14,526.71	14,526.71	
DVRPC Traffic Calming Grant		32,000.00	32,000.00	
Small Cities		42,106.18	42,106.18	
Juvenile Justice Commission - Summer Expansion		9,900.00	9,900.00	
Recycling Tonnage		9,569.62	9,569.62	
Body Armor Grant		2,212.48	2,212.48	
Alcohol Education and Rehabilitation Fund		1,688.79	1,688.79	
Other Special Items of Revenues:				
Uniform Fire Safety Act	7,500.00		18,383.51	10,883.51
	<u>1,036,693.43</u>	<u>112,003.78</u>	<u>1,171,632.34</u>	<u>22,935.13</u>
Receipts from Delinquent Taxes	<u>300,000.00</u>		<u>329,095.75</u>	<u>29,095.75</u>
Amount to be Raised by Taxes for				
Support of Municipal Budget:				
Local Tax for Municipal Purposes				
including Reserve for Uncollected Taxes	5,498,895.93		5,720,711.67	221,815.74
Budget Totals	<u>7,625,589.36</u>	<u>112,003.78</u>	<u>8,011,439.76</u>	<u>273,846.62</u>
Non-Budget Revenue			<u>444,730.24</u>	<u>444,730.24</u>
	<u>\$ 7,625,589.36</u>	<u>\$ 112,003.78</u>	<u>\$ 8,456,170.00</u>	<u>\$ 718,576.86</u>

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 15,704,142.58
Allocated to:	
County and School Taxes	<u>10,567,892.27</u>
Amount for Support of Municipal Budget Appropriations	5,136,250.31
Add: Appropriation "Reserve for Uncollected Taxes"	<u>584,461.36</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 5,720,711.67</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 303,623.68
Tax Title Lien Collections	<u>25,472.07</u>
Delinquent Tax Collections	<u><u>\$ 329,095.75</u></u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Cable TV Franchise Fee	\$ 26,723.84
Rental of Tower Space	123,462.55
Rental of Community Center	4,975.00
Use of Vehicle Fees	39,550.00
Administrative Fees	16,542.50
On-line Auction of Used Equipment	25,304.72
Motor Vehicle Inspection Fees	6,187.00
Rebates	1,769.22
FEMA Reimbursements - SANDY	72,763.15
Prior year refunds	43,502.18
Miscellaneous	<u>83,164.86</u>
	\$ 443,945.02
Due Animal Control Fund - Statutory Excess	<u>785.22</u>
	<u><u>\$ 444,730.24</u></u>

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

BOROUGH OF PALMYRA
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS:"						
GOVERNMENTAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 76,907.00	\$ 76,907.00	\$ 66,529.00	\$ 4,902.47	\$ 10,378.00	
Other Expenses	90,750.00	90,750.00	67,130.63		18,716.90	
Mayor and Council:						
Salaries and Wages	14,535.00	14,535.00	14,231.60		303.40	
Other Expenses	3,000.00	3,000.00	1,389.90	335.40	1,274.70	
Public Relations	15,000.00	15,000.00	1,167.64		13,832.36	
Borough Clerk						
Salaries and Wages	54,137.00	54,137.00	53,648.27		488.73	
Other Expenses	8,250.00	8,250.00	5,287.69	338.94	2,623.37	
Election Costs	4,000.00	4,000.00	3,272.57		727.43	
Financial Administration						
Salaries and Wages	89,064.00	74,593.60	74,525.76		67.84	
Other Expenses	7,650.00	22,120.40	21,328.68		791.72	
Audit Services						
Other Expenses	20,000.00	20,000.00	20,000.00			
Collection of Taxes						
Salaries and Wages	49,948.00	49,948.00	47,208.59		2,739.41	
Other Expenses	6,075.00	6,075.00	5,897.56		177.44	
Assessment of Taxes						
Salaries and Wages	12,485.00	12,485.00	12,423.60		61.40	
Other Expenses	3,700.00	3,700.00	3,439.94		260.06	
Legal Services and Costs						
Other Expenses	73,000.00	73,000.00	58,174.13	984.00	13,841.87	
Engineering Services						
Other Expenses	47,500.00	47,500.00	34,454.50	4,673.00	8,372.50	
Grants and Planning						
Other Expenses	15,000.00	15,301.60	15,301.60			
Land Use Administrative Planning Board						
Salaries and Wages	4,450.00	4,450.00	4,075.79		374.21	
Other Expenses	1,500.00	1,500.00	816.29		683.71	
Code Enforcement / Zoning Officer						
Salaries and Wages	20,634.00	20,634.00	17,965.34		2,668.66	
Other Expenses	2,150.00	2,150.00	2,070.00		80.00	
Municipal Court						
Salaries and Wages	96,558.00	96,558.00	90,812.04	90.00	5,745.96	
Other Expenses	11,775.00	11,775.00	11,685.00			
Insurance						
Surety Bond Premiums	3,500.00	3,500.00			3,500.00	
Liability Insurance	120,858.00	120,858.00	119,993.00		865.00	
Employees Group Insurance	832,000.00	832,000.00	811,703.80	769.17	19,527.03	
Unemployment Insurance	42,400.00	42,400.00	30,000.00		2,400.00	\$ 10,000.00
PUBLIC SAFETY:						
Police:						
Salaries and Wages	1,388,388.00	1,388,388.00	1,336,553.86	11,800.00	40,034.14	
Other Expenses	100,935.00	100,935.00	81,170.86	13,535.26	6,228.88	
School Crossing Guards						
Salaries and Wages	76,207.00	76,207.00	74,041.45	676.30	2,165.55	
Other Expenses	3,160.00	3,160.00	687.00		1,796.70	

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
PUBLIC SAFETY (CONT'D):						
Police and Radio Communications	\$ 18,230.00	\$ 18,230.00	\$ 16,338.92	\$ 716.92	\$ 1,174.16	
Other Expenses						
Office of Emergency Management	2,300.00	2,300.00	1,226.36		1,073.64	
Other Expenses						
Aid to Volunteer Fire Company	15,000.00	15,000.00	15,000.00			
Other Expenses						
Aid to Volunteer Ambulance Company	5,507.00	5,507.00	5,507.00			
Other Expenses						
Fire Department	35,720.00	35,720.00	30,551.20	799.00	4,369.80	
Other Expenses						
Uniform Fire Safety Act	42,642.00	42,642.00	42,456.22		185.78	
Salaries and Wages	4,200.00	4,200.00	2,910.40		1,289.60	
Other Expenses						
Borough Prosecutor	9,000.00	9,850.00	9,850.00			
Other Expenses						
PUBLIC WORKS FUNCTIONS:						
Streets and Roads Maintenance	210,299.00	210,299.00	184,685.97		25,613.03	
Salaries and Wages	37,800.00	37,800.00	18,217.46	13,857.07	5,725.47	
Other Expenses	1,000.00	1,000.00	1,000.00			
Railroad Landscaping						
Shade Tree	7,850.00	7,850.00	5,106.00	1,906.00	2,744.00	
Salaries and Wages	31,000.00	31,000.00	29,094.00			
Other Expenses						
Solid Waste Collection	234,022.00	237,836.59	228,586.99	9,249.60	0.00	
Other Expenses						
Public Buildings and Grounds	15,276.00	15,276.00	9,715.16		5,560.84	
Salaries and Wages	45,500.00	52,266.09	51,455.40	810.69	(0.00)	
Other Expenses						
Vehicle Maintenance	56,500.00	56,500.00	47,297.31	2,734.33	6,468.36	
Other Expenses						
Condominium Services Law (C.299, P.L. 1989)	120,000.00	120,000.00	85,191.27	13,078.20	21,730.53	
Other Expenses						
HEALTH AND HUMAN SERVICES:						
Board of Health	50.00	50.00	34.00		16.00	
Salaries and Wages	200.00	200.00	95.00		105.00	
Other Expenses						
Animal Control Services	15,500.00	15,500.00	15,500.00			
Other Expenses						
PARKS AND RECREATION FUNCTIONS:						
Other Expenses	39,100.00	39,100.00	21,946.31	824.00	16,329.69	
Education Functions						
Community Youth Program	2,500.00	2,500.00	1,500.00		1,000.00	
Other Expenses						
Contribution to Tri-Boro Senior Citizen Club	5,000.00	5,000.00	5,000.00			
Other Expenses						
Celebration of Public Events	10,000.00	10,000.00	7,649.21	747.91	1,602.88	
Other Expenses						
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official	43,529.00	43,529.00	43,273.72		255.28	
Salaries and Wages	9,100.00	9,100.00	5,998.17	125.00	2,976.83	
Other Expenses						
ACCUMULATED SICK LEAVE COMPENSATION						
Salaries and Wages	30,000.00	30,000.00	30,000.00			

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
UNCLASSIFIED:						
Utilities:						
Electricity	\$ 130,000.00	\$ 120,744.40	\$ 82,407.41		\$ 38,336.99	
Street Lighting	115,000.00	115,000.00	87,246.07		27,753.93	
Telephone	30,000.00	30,000.00	23,811.79	\$ 5,036.31	1,151.90	
Water	23,000.00	23,000.00	11,134.65	2,036.45	9,828.90	
Gasoline	75,000.00	75,000.00	39,790.31	9,965.53	25,244.16	
Fire Hydrant Services	86,400.00	94,655.60	72,812.00	14,562.40	7,281.20	
Printing and Postage	13,500.00	13,500.00	12,472.25		1,027.75	
Landfill and Solid Waste Disposal Costs						
Landfill Fees	283,662.00	272,929.72	209,322.04	21,774.12	41,833.56	
Total Operations -- Within "CAPS"	5,098,903.00	5,098,903.00	4,541,168.68	136,328.07	411,406.25	\$ 10,000.00
Detail:						
Salaries and Wages	2,232,959.00	2,218,488.60	2,107,286.37	11,800.00	99,402.23	-
Other Expenses (Including Contingent)	2,865,944.00	2,880,414.40	2,433,882.31	124,528.07	312,004.02	10,000.00
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System	98,051.00	98,051.00	98,051.00			
Police and Firemen's Retirement System	287,194.00	287,194.00	287,194.00			
Social Security System (O.A.S.I.)	100,000.00	100,000.00	85,918.32		14,081.68	
Define Contribution Retirement System	4,000.00	4,000.00	2,087.40		1,912.60	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	489,245.00	489,245.00	473,250.72		15,994.28	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	5,588,148.00	5,588,148.00	5,014,419.40	136,328.07	427,400.53	10,000.00
OPERATIONS -- EXCLUDED FROM "CAPS"						
Aid to Library	1,000.00	1,000.00	1,000.00			
Length of Service Award Program	25,755.00	25,755.00	20,246.20	2,075.04	3,433.76	
Public and Private Programs Offset by Revenue:						
Clean Communities Grant (N.J.S. 40A:4-87 \$14,526.71)		14,526.71	14,526.71			
DVRPC Traffic Calming (N.J.S. 40A:4-87 \$32,000.00)		32,000.00	32,000.00			
Small Cities (N.J.S. 40A:4-87 \$42,106.18)		42,106.18	42,106.18			
Juvenile Justice Commission - Summer Expansion (N.J.S. 40A:4-87 \$9,900.00)		9,900.00	9,900.00			
Recycling Tonnage (N.J.S. 40A:4-87 \$9,569.62)		9,569.62	9,569.62			
Body Armor Grant (N.J.S. 40A:4-87 \$2,212.48)		2,212.48	2,212.48			
Alcohol Education and Rehabilitation Fund (N.J.S. 40A:4-87 \$1,688.79)		1,688.79	1,688.79			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	26,755.00	138,758.78	133,249.98	2,075.04	3,433.76	-
Detail:						
Salaries and Wages		16,215.50	16,215.50			
Other Expenses	26,755.00	122,543.28	117,034.48	2,075.04	3,433.76	

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Canceled</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
<u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	500,000.00	500,000.00	500,000.00		
Payment of Bond Anticipation Notes	613,000.00	613,000.00	613,000.00		
Interest on Bonds	74,225.00	74,225.00	74,222.72		\$ 2.28
Interest on Notes	124,500.00	124,500.00	107,755.52		16,744.48
Loan Repayments for Principal and Interest					
Principal	8,400.00	8,400.00	8,236.68		163.32
Interest	1,100.00	1,100.00	1,090.80		9.20
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,321,225.00	1,321,225.00	1,304,305.72	-	16,919.28
<u>DEFERRED CHARGES -- EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations 5 Years (N.J.S. 40A:4-55)	55,000.00	55,000.00	55,000.00		
TOTAL DEFERRED CHARGES - EXCLUDED FROM "CAPS"	55,000.00	55,000.00	55,000.00	-	-
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	1,452,980.00	1,564,983.78	1,542,555.70	\$ 2,075.04	\$ 3,433.76
SUBTOTAL GENERAL APPROPRIATIONS	7,041,128.00	7,153,131.78	6,556,975.10	138,403.11	430,834.29
RESERVE FOR UNCOLLECTED TAXES	584,461.36	584,461.36	584,461.36		
TOTAL GENERAL APPROPRIATIONS	\$ 7,625,589.36	\$ 7,737,593.14	\$ 7,141,436.46	\$ 138,403.11	\$ 430,834.29
Original Budget		\$ 7,625,589.36			
Appropriation by 40A:4-87		112,003.78			
		<u>\$ 7,737,593.14</u>			
Federal, State and Other Grants Appropriated		\$ 112,003.78			
Deferred Charge - Special Emergency (N.J.S. 40A: 4-55)		55,000.00			
Reserve for Uncollected Taxes		584,461.36			
Due Trust Other - Unemployment Trust		10,000.00			
Reimbursements		(261,590.30)			
Disbursed		6,641,561.62			
		<u>\$ 7,141,436.46</u>			

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

BOROUGH OF PALMYRA
TRUST OTHER FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 8,571.08	\$ 7,561.55
Due from Bank	SB-1	0.40	
		<u>8,571.48</u>	<u>7,561.55</u>
Other Funds:			
Cash	SB-1	1,028,967.53	725,769.58
Due from Current Fund - Unemployment	SB-6	10,000.00	
Due from Current Fund - Developer's Site Improvements	SB-6	45,765.00	
		<u>1,084,732.53</u>	<u>725,769.58</u>
		<u>\$ 1,093,304.01</u>	<u>\$ 733,331.13</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due to State Department of Health	SB-3	\$ 1.20	\$ 1.20
Reserve for Animal Control Expenditures	SB-4	4,083.90	3,509.00
Reserve for Encumbrances	SB-1, SB-4	387.50	738.61
Due to Current Fund	SB-2	4,098.88	3,312.74
		<u>8,571.48</u>	<u>7,561.55</u>
Other Funds:			
Due Current Fund - Trust Other	SB-5	2,083.35	3,435.50
Reserve for Encumbrances	SB-7	32,546.01	
Due to Violent Crime Compensation Board	SB-8	44,704.00	43,677.00
Payroll Deductions Payable	SB-6	22,946.54	4,016.79
Reserve for Unemployment Compensation Insurance	SB-6	141,868.26	103,723.56
Reserve for Recreation Commission Fund	SB-6		263.33
Reserve for Parking Offenses Adjudication Act	SB-6	284.00	228.00
Reserve for Public Defender	SB-6	6,250.00	6,125.00
Reserve for Developer's Escrow Deposits	SB-6	43,121.42	39,578.25
Reserve for Developer's Site Improvements	SB-6	163,523.15	86,237.76
Reserve for Regional Contribution - Delanco	SB-6	57,625.51	57,592.44
Reserve for Regional Contribution - Evesham	SB-6	255,392.65	307,734.55
Reserve for Special Law Enforcement	SB-6	27,299.20	23,720.14
Reserve for Community Center Deposits	SB-6	800.00	800.00
Reserve for Business Improvement District Funds	SB-6	45,839.48	
Reserve for Flexible Spending Account	SB-6	1,384.56	
Reserve for Compensated Absences	SB-6	63,238.82	48,637.26
Reserve for Tax Title Lien Redemptions	SB-6	175,825.58	
		<u>1,084,732.53</u>	<u>725,769.58</u>
		<u>\$ 1,093,304.01</u>	<u>\$ 733,331.13</u>

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

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2012 and 2011

ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash and Investments	SC-1	\$ 1,383,551.84	\$ 1,303,284.10
Due from Current Fund	SC-1		394.27
Deferred Charges to Future Taxation:			
Funded	SC-3	1,168,351.92	1,676,588.60
Unfunded	SC-4	10,191,762.00	9,382,402.00
		<u>\$ 12,743,665.76</u>	<u>\$ 12,362,668.97</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
General Serial Bonds	SC-10	\$ 1,120,000.00	\$ 1,620,000.00
Green Acres Loan Payable	SC-8	48,351.92	56,588.60
Bond Anticipation Notes	SC-9	9,310,775.00	8,836,900.00
Due to Current Fund	SC-1	389.99	
Capital Improvement Fund	SC-11	58,139.16	101,579.16
Encumbrances	SC-6;SC-7	1,020,920.27	663,052.96
Improvement Authorizations:			
Funded	SC-7	76,022.36	123,822.12
Unfunded	SC-7	1,055,235.21	865,680.87
Reserve for Payment of Notes	SC-5	37,099.06	78,312.47
Fund Balance	C	16,732.79	16,732.79
		<u>\$ 12,743,665.76</u>	<u>\$ 12,362,668.97</u>

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

BOROUGH OF PALMYRA
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS:			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 1,138,086.31	\$ 764,392.56
Due from Current Fund	SD-16		730.13
Due from Sewer Utility Capital Fund	SD-1	<u>141.12</u>	<u>148.38</u>
		<u>1,138,227.43</u>	<u>765,271.07</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-3	148,788.38	178,787.59
Sewer Liens Receivable	SD-4	<u>5,648.10</u>	<u>5,588.33</u>
		<u>154,436.48</u>	<u>184,375.92</u>
Total Operating Fund		<u>1,292,663.91</u>	<u>949,646.99</u>
Capital Fund:			
Cash - Treasurer	SD-1	455,911.00	217,449.51
Fixed Capital	SD-6	6,545,945.41	6,545,945.41
Fixed Capital Authorized and Uncompleted	SD-7	<u>1,150,000.00</u>	<u>800,000.00</u>
Total Capital Fund		<u>8,151,856.41</u>	<u>7,563,394.92</u>
		<u>\$ 9,444,520.32</u>	<u>\$ 8,513,041.91</u>

(Continued)

BOROUGH OF PALMYRA
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;SD-8	\$ 271,989.69	\$ 96,760.47
Accounts Payable	SD-8	10,746.53	
Reserves for Encumbrances	D-3;SD-8	68,154.19	55,196.23
Due Current Fund	SD-16	138,204.04	
Prepaid Sewer Service Charges	SD-1, SD-4	1,229.85	9,424.85
Overpaid Sewer Service Charges	SD-5	1,516.45	1,664.21
Accrued Interest on Bonds and Notes	SD-9	6,475.89	4,839.93
		<u>498,316.64</u>	<u>167,885.69</u>
Reserve for Receivables	D	154,436.48	184,375.92
Fund Balance	D-1	<u>639,910.79</u>	<u>597,385.38</u>
Total Operating Fund		<u>1,292,663.91</u>	<u>949,646.99</u>
Capital Fund:			
Serial Bond Payable	SD-15	840,000.00	960,000.00
Bond Anticipation Notes	SD-13	850,000.00	550,000.00
Due Sewer Utility Operating Fund	SD-1	141.12	148.38
Improvement Authorizations:			
Funded	SD-10		
Unfunded	SD-10	224,449.74	143,774.74
Encumbrances	SD-10	157,793.75	
Capital Improvement Fund	D	30,000.00	30,000.00
Reserve for Amortization	SD-11	5,705,945.41	5,585,945.41
Reserve for Deferred Amortization	SD-12	300,000.00	250,000.00
Fund Balance	D	<u>43,526.39</u>	<u>43,526.39</u>
Total Capital Fund		<u>8,151,856.41</u>	<u>7,563,394.92</u>
		<u>\$ 9,444,520.32</u>	<u>\$ 8,513,041.91</u>

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

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 173,720.00	\$ 135,186.01
Rents	1,508,308.04	1,451,669.72
Miscellaneous	18,974.37	16,384.48
Other Credits to Income:		
Sewer Rent Overpayments Canceled		1,822.70
Unexpended Balance of Appropriation Reserves	61,258.79	196,578.68
	<u>1,762,261.20</u>	<u>1,801,641.59</u>
Total Income		
	<u>1,762,261.20</u>	<u>1,801,641.59</u>
EXPENDITURES:		
Operating	1,278,720.00	1,107,686.01
Debt Service	217,295.79	406,062.99
Deferred Charges and Statutory Expenditures	50,000.00	45,000.00
	<u>1,546,015.79</u>	<u>1,558,749.00</u>
Total Expenditures		
	<u>1,546,015.79</u>	<u>1,558,749.00</u>
Statutory Excess to Fund Balance	216,245.41	242,892.59
FUND BALANCE:		
Balance January 1	597,385.38	489,678.80
	813,630.79	732,571.39
Decreased by:		
Utilized as Revenue	173,720.00	135,186.01
	<u>173,720.00</u>	<u>135,186.01</u>
Balance December 31	<u>\$ 639,910.79</u>	<u>\$ 597,385.38</u>

The accompanying Notes to 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, 2013

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 173,720.00	\$ 173,720.00	
Rents	1,450,000.00	1,508,308.04	\$ 58,308.04
Miscellaneous	<u> </u>	<u>18,974.37</u>	<u>18,974.37</u>
	<u><u>\$ 1,623,720.00</u></u>	<u><u>\$ 1,701,002.41</u></u>	<u><u>\$ 77,282.41</u></u>

Analysis of Realized Revenues

Miscellaneous:

Receipts:

Interest on Deposits	\$ 543.09	
Interest and Costs on Delinquent Sewer Charges	<u>18,290.16</u>	
		\$ 18,833.25
Due Sewer Capital Fund:		
Interest on Deposits		<u>141.12</u>
		<u><u>\$ 18,974.37</u></u>

The accompanying Notes to 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, 2013

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 350,105.00	\$ 350,105.00	\$ 265,842.80		\$ 84,262.20	
Other Expenses	928,615.00	928,615.00	680,214.11	\$ 68,154.19	180,246.70	
Total Operating	1,278,720.00	1,278,720.00	946,056.91	68,154.19	264,508.90	-
Debt Service:						
Payment of Bond Principal	120,000.00	120,000.00	120,000.00			
Payment of Note Principal	100,000.00	100,000.00	50,000.00			\$ 50,000.00
Interest on Bonds	40,000.00	40,000.00	37,940.07			2,059.93
Interest on Notes	35,000.00	35,000.00	9,355.72			25,644.28
Total Debt Service	295,000.00	295,000.00	217,295.79	-	-	77,704.21
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contributions to Social Security System (O.A.S.I.)	25,000.00	25,000.00	17,519.21		7,480.79	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	25,000.00	25,000.00	25,000.00			
Total Deferred Charges and Statutory Expenditures	50,000.00	50,000.00	42,519.21	-	7,480.79	-
	\$ 1,623,720.00	\$ 1,623,720.00	\$ 1,205,871.91	\$ 68,154.19	\$ 271,989.69	\$ 77,704.21
Accrued Interest on Bonds and Notes			\$ 47,295.79			
Due Current Fund - Disbursed On-Behalf of Sewer Operating Fund			120,000.00			
Disbursed Sewer Operating			1,038,576.12			
			\$ 1,205,871.91			

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

BOROUGH OF PALMYRA
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts
For Year Ending December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Fixed Assets:				
Buildings and Improvements	\$ 6,914,017.66	\$ 699,630.78	\$ -	\$ 7,613,648.44
Vehicles	980,021.00	29,537.00		1,009,558.00
Equipment	<u>387,636.44</u>			<u>387,636.44</u>
	<u>\$ 8,281,675.10</u>	<u>\$ 729,167.78</u>	<u>\$ -</u>	<u>\$ 9,010,842.88</u>
Investment in General Fixed Assets	<u>\$ 8,281,675.10</u>	<u>\$ 729,167.78</u>	<u>\$ -</u>	<u>\$ 9,010,842.88</u>

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

BOROUGH OF PALMYRA
Notes to Financial Statements
For the Year Ended December 31, 2013

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

Description of Financial Reporting Entity - Borough of Palmyra was incorporated in 1905 and is located in southwest New Jersey approximately twelve miles northwest of the City of Philadelphia. The population according to the 2010 census is 7,336.

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

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

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

In accordance with the "Requirements", the Borough of Palmyra 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 municipality-owned sewer utility.

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

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

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

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

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

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

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

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

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

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

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for 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.

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Palmyra School District. Operations are 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, 2012 and decreased by the amount deferred at December 31, 2013.

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

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

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

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

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

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

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

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

Note 2: **CASH AND CASH EQUIVALENTS**

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

As of December 31, 2013, the Borough's bank balances of \$6,879,726.71 were exposed to custodial credit risk as follows:

F.D.I.C Insured	\$ 250,000.00
Collateralized Under GUDPA	6,234,314.87
Uninsured Uncollateralized	<u>395,411.84</u>
	<u><u>\$ 6,879,726.71</u></u>

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2013 *</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate, not including Business Improvement District	\$ 3.340	\$ 5.021	\$ 5.028	\$ 4.968	\$ 4.625
Tax Rate with Business Improvement District - A		5.240	5.460	4.972	
Tax Rate with Business Improvement District - B		5.062	5.110	4.969	
Apportionment of Tax Rate:					
Municipal	\$ 1.142	\$ 1.729	\$ 1.700	\$ 1.644	\$ 1.504
County	0.420	0.681	0.726	0.725	0.737
Local School	1.778	2.611	2.602	2.599	2.384
Business Improvement Tax:					
District A	-	0.219	0.432	0.004	-
District B	-	0.041	0.082	0.001	-

* Revaluation Year

Assessed Valuation

2013	* \$	481,138,005.00
2012		312,077,623.00
2011		313,139,512.00
2010		313,548,862.00
2009		314,382,206.00

Comparison of Tax Levies and Collections

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
12/31/13	\$ 16,072,956.62	\$ 15,704,142.58	97.71%
12/31/12	15,718,684.00	15,362,056.00	97.73%
12/31/11	15,831,027.00	15,364,971.00	97.06%
12/31/10	15,602,245.00	15,127,376.00	96.96%
12/31/09	14,549,897.00	14,188,657.00	97.52%

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>
12/31/13	\$ 51,623.12	\$ 330,909.28	\$ 382,532.40	2.38%
12/31/12	66,637.00	305,008.00	371,645.00	2.36%
12/31/11	87,135.00	397,322.00	484,457.00	3.06%
12/31/10	46,258.00	466,650.00	512,908.00	3.29%
12/31/09	29,646.00	350,544.00	380,190.00	2.61%

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

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year Ended</u>	<u>Number</u>
12/31/13	21
12/31/12	19
12/31/11	17
12/31/10	12
12/31/09	16

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

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

<u>Year</u>	<u>Amount</u>
2013	\$ 166,150.00
2012	166,150.00
2011	173,200.00
2010	173,200.00
2009	173,200.00

Note 5: **SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents):

<u>Year</u>	<u>Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
	<u>Receivable</u>	<u>Liens</u>				
2013	\$ 178,787.59	\$ 5,588.33	\$ 1,493,970.40	\$ 1,678,346.32	\$ 1,508,308.04	89.87%
2012	151,043.00	7,595.00	1,477,408.00	1,636,046.00	1,451,670.00	88.73%
2011	176,904.00		1,488,509.00	1,665,413.00	1,513,773.00	90.89%
2010	176,904.00		1,477,775.00	1,654,679.00	1,436,208.00	86.80%
2009	137,688.00		1,472,700.00	1,610,388.00	1,475,051.00	91.60%

Note 6: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2013	\$ 1,315,505.79	\$ 715,000.00	54.35%
2012	1,077,428.00	790,000.00	73.32%
2011	1,077,428.00	758,000.00	70.35%
2010	1,006,961.00	800,000.00	79.45%
2009	1,463,272.00	1,367,000.00	93.42%
<u>Sewer Utility Operating Fund</u>			
2013	\$ 639,910.79	\$ 150,000.00	23.44%
2012	489,678.00	173,720.00	35.48%
2011	489,678.00	135,186.00	27.61%
2010	321,796.00	113,050.00	35.13%
2009	315,483.00	83,050.00	26.32%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 144,776.26	\$ 55,765.00
Animal Control Fund		4,098.88
Trust Other Fund	55,765.00	2,083.35
General Capital Fund		389.99
Sewer Utility Operating Fund	141.12	138,204.04
Sewer Utility Capital Fund		141.12
	<u>\$ 200,682.38</u>	<u>\$ 200,682.38</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions are detailed below.

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

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

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

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

	2013		2012		2011	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	\$ 22,233	\$ 118,709	\$ 39,223	\$ 140,010	\$ 45,931	\$ 169,551
Accrued Liability	53,160	157,095	78,446	157,571	73,188	135,952
Total Regular Pension Contributions	75,393	275,804	117,669	297,581	119,119	305,503
Non-Contributory Group Life Insurance	4,487	11,390	7,497	10,900	9,047	13,288
Total Due	79,880	287,194	125,166	308,481	128,166	318,791

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough's contributions were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by Borough</u>
2013	\$ 5,345.95	\$ 3,258.55	\$ 2,087.40
2012	3,574.00	1,322.00	2,252.00
2011	-	-	-

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, were available to employees who met certain minimum requirements. The governing body of the Borough approved the program in 1991 for eligible members of the PERS. Since no accrual has been made for the additional costs related to this Program, the Borough will fund such costs in an annual budget appropriation on a pay-as-you-go basis. The required annual installment of the accrued liability, as calculated by the Division of Pensions and Benefits, for the 1991 Program in 2013 was \$18,171. The last installment is due on April 1, 2022.

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

Note 9: OTHER POST EMPLOYMENT BENEFITS

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

Plan Description

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

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

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2013, 2012 and 2011 there were twenty, twenty and eighteen retired employees, respectively who received this benefit resulting in payments of \$320,185, \$287,594, and \$246,769 in related health care premiums.

Note 10: **COMPENSATED ABSENCES**

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

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

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

The Borough does not record accrued expenses related to compensated absences. It is estimated that as of December 31, 2013, Borough employees who have met the above criteria, have accrued benefits for compensated absences valued at \$192,633.59.

The Borough has established a Compensated Absence Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2013 the balance of the trust fund is \$63,238.82.

Note 11: **JOINT INSURANCE POOL**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Employee health and accident insurance and public officials bonds in amounts required by New Jersey statutes are provided through commercial insurance. Unemployment compensation benefits are provided by the State of New Jersey, supported by mandatory contributions by the Borough. The Borough is a member of the Burlington County Municipal Joint Insurance Fund (the "JIF") and the Municipal Excess Liability Joint Fund (the "MEL"), both public entity risk pools. Covered losses not provided by either the JIF or MEL are covered by reinsurance policies in varying amounts.

The following coverage is provided by the JIF and MEL:

- Public Officials Bonds in excess of amounts statutorily required
- Public Employees Dishonesty Bonds
- Automobile Liability
- Workers' Compensation and Employer's Liability
- Commercial Property
- General Liability
- Public Officials Liability
- Employment Practices Liability
- Environmental Liability

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

Note 11: **JOINT INSURANCE POOL (CONT'D)**

The Funds publish their own financial reports for the year ended December 31, 2013, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 325
Hammonton, New Jersey 08037

Municipal Excess Liability Joint Insurance Fund
Park 80 West Plaza I
Saddle Brook, New Jersey 07663

Note 12: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 55,000.00	\$ 138.69	\$ 16,993.99	\$ 141,868.26
2012	88,606.00	1,084.00	10,970.00	103,723.56
2011	85,014.00	3,286.00	66,750.00	25,004.00

The unreimbursed payments on behalf of the Borough at December 31, 2013 are \$18,279.40. A sufficient appropriation in the Borough's 2014 Temporary Budget was provided to provide for this amount.

Note 13: **DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

Note 14: **LENGTH OF SERVICE AWARDS PROGRAM**

The Borough's Length of Service Awards Program (LOSAP) was created by a Borough Ordinance adopted on December 3, 2001 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Palmyra approved the adoption of the LOSAP at the general election held on November 5, 2002, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2003. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

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 LOSAP, the balances and activities of the LOSAP are not reported in the Borough's financial statements.

As required by N.J.A.C. 5:30-14.49, the Borough must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 15: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 10,430,775.00	\$ 10,456,900.00	\$ 11,050,000.00
Loans	48,351.92	56,589.00	100,663.00
Sewer Utility:			
Bonds and Notes	<u>1,690,000.00</u>	<u>1,510,000.00</u>	<u>1,600,000.00</u>
Total Issued	<u>12,169,126.92</u>	<u>12,023,489.00</u>	<u>12,750,663.00</u>

Authorized but not Issued

General:			
Bonds and Notes	880,987.00	545,502.00	885,965.00
Sewer Utility:			
Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>
Total Authorized but not Issued	<u>880,987.00</u>	<u>545,502.00</u>	<u>885,965.00</u>
Total Issued and Authorized but not Issued	<u>13,050,113.92</u>	<u>12,568,991.00</u>	<u>13,636,628.00</u>

Deductions

Funds Temporarily Held to Pay Notes:

General	37,099.06	78,312.47	182,944.14
Self-Liquidating	<u>1,690,000.00</u>	<u>1,510,000.00</u>	<u>1,600,000.00</u>
Total Deductions	<u>1,727,099.06</u>	<u>1,588,312.47</u>	<u>1,782,944.14</u>
Net Debt	<u>\$ 11,323,014.86</u>	<u>\$ 10,980,678.53</u>	<u>\$ 11,853,683.86</u>

Note 15: **CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.083%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 12,665,000.00	\$ 12,665,000.00	
Sewer Utility	1,690,000.00	1,690,000.00	
General	11,311,762.00	37,099.06	\$ 11,274,662.94
	<u>\$ 25,666,762.00</u>	<u>\$ 14,392,099.06</u>	<u>\$ 11,274,662.94</u>

Net Debt \$11,274,662.94 divided by the Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$541,254,410 equals 2.083%.

Borrowing Power Under N.J.S.A. 40A:26 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 18,943,904.35
Net Debt	<u>11,274,662.94</u>
Remaining Borrowing Power	<u>\$ 7,669,241.41</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income and Other Charges for the Year	\$ 1,701,002.41
Deductions:	
Operating and Maintenance Costs	\$ 1,328,720.00
Debt Service per Sewer Utility Operating Fund	<u>217,295.79</u>
Total Deductions	<u>1,546,015.79</u>
Excess in Revenues	<u>\$ 154,986.62</u>

Note 15: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Calendar Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>General Debt - Bonds</u>			
2014	\$ 50,100.00	\$ 520,000.00	\$ 570,100.00
2015	24,975.00	100,000.00	124,975.00
2016	20,850.00	100,000.00	120,850.00
2017	16,725.00	100,000.00	116,725.00
2018	12,600.00	100,000.00	112,600.00
2019-2020	12,600.00	200,000.00	212,600.00
	<u>\$ 137,850.00</u>	<u>\$ 1,120,000.00</u>	<u>\$ 1,257,850.00</u>
<u>Green Trust Loans Payable</u>			
2014	\$ 925.24	\$ 8,402.25	\$ 9,327.49
2015	756.35	8,571.12	9,327.47
2016	584.08	8,743.41	9,327.49
2017	408.33	8,919.15	9,327.48
2018	229.05	9,098.43	9,327.48
2019	46.18	4,617.56	4,663.74
	<u>\$ 2,949.23</u>	<u>\$ 48,351.92</u>	<u>\$ 51,301.15</u>
<u>Calendar Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>Sewer Utility - Bonds</u>			
2014	\$ 34,920.00	\$ 120,000.00	\$ 154,920.00
2015	29,970.00	120,000.00	149,970.00
2016	25,020.00	120,000.00	145,020.00
2017	20,070.00	120,000.00	140,070.00
2018	15,120.00	120,000.00	135,120.00
2019-2020	15,120.00	240,000.00	255,120.00
	<u>\$ 140,220.00</u>	<u>\$ 840,000.00</u>	<u>\$ 980,220.00</u>

Note 16: **LEASE OBLIGATIONS**

At Palmyra Borough, the Borough had lease agreements in effect for the following:

Operating:

Two (2) Copy Machines

Capital:

One (1) 2014 Ford Interceptor

The following is an analysis of capital and operating leases.

Operating leases - Future minimum rental payments under operating lease agreements are as follow:

<u>Year</u>	<u>Total</u>
2014	\$ <u>6,395.00</u>

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

	<u>Balance</u> <u>12/31/13</u>
Ford Interceptor	\$ <u>22,089.36</u>

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 10,697.01	1435.81	\$ 12,132.82
2015	<u>11,392.35</u>	<u>740.47</u>	<u>12,132.82</u>
	<u>\$ 22,089.36</u>	<u>\$ 2,176.28</u>	<u>\$ 24,265.64</u>

Note 17: **CHANGE ORDERS**

During the year 2013, the Borough amended contracts by approving the following change orders that resulted in the total amount of change orders executed for these projects to exceed the originally awarded contract price by more than 20 percent:

<u>Resolution No.</u>	<u>Project Description</u>
2013-40	HVAC Replacement Project
2013-41	HVAC Replacement Project
2013-97	HVAC Replacement Project
2013-169	HVAC Replacement Project

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Borough has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 18: **SCHOOL TAXES**

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

	<u>Balance Dec. 31,</u>	
	<u>2013</u>	<u>2012</u>
Balance of Tax	\$ 4,265,288.46	\$ 4,063,515.00
Deferred	<u>4,063,515.00</u>	<u>4,063,515.00</u>
School Tax Payable	<u><u>\$ 201,773.46</u></u>	<u><u>\$ -</u></u>

Note 19: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>
Current Fund:		
Special Emergency Appropriation	<u><u>\$ 220,000.00</u></u>	<u><u>\$ 55,000.00</u></u>

The appropriation in the 2014 Budget as introduced is not less than that required by the statutes.

Note 20: **REGIONAL CONTRIBUTION AGREEMENT**

The Fair Housing Act, N.J.S.A 52:270-301 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, 2013 the Borough has unexpended funds held in trust for the regional contribution agreement in the amount of \$313,018.16.

Note 21: **LITIGATION**

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

Note 22: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Borough of Palmyra had the following significant transaction.

Bond Ordinance

The Borough of Palmyra authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Bonds and Notes:		
Sewer Utility		
Vehicles and Equipment,		
and improvements and upgrades to the sewer plant	01/27/14	\$ 4,529,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2013

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2012	\$ 2,075,695.73	\$ 323,235.10
Increased by Receipts:		
Taxes Receivable	\$ 15,828,009.49	
Tax Overpayments	8,411.08	
Tax Title Lien Receivable	25,472.07	
Prepaid Taxes	95,775.99	
Revenue Accounts Receivable	1,058,690.71	
Miscellaneous Revenue Not Anticipated	443,945.02	
Refunds of Appropriations	261,590.30	
Petty Cash	250.00	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	94,500.00	
Due State of New Jersey -- Marriage Licenses	1,525.00	
Due to Trust Other - Flex Spending Fund	1,504.82	
Due to Trust Other - Performance Trust	45,765.00	
Due to Sewer Operating	4,982.49	
Due County - Election Costs	160.00	
Contra	286,524.73	
Unappropriated Grants Received		\$ 4,662.55
Federal, State and Other Grants Receivable		225,892.21
	<u>18,157,106.70</u>	<u>230,554.76</u>
	20,232,802.4	553,789.86
Decreased by Disbursements:		
2013 Appropriations	6,641,561.62	
2012 Appropriation Reserves	259,709.93	
County Taxes Payable	2,013,348.45	
Due County for Added and Omitted Taxes	1,462.23	
Local School Taxes Payable	8,352,559.54	
Special Emergency Note Payable	55,000.00	
Tax Overpayments	3,047.46	
Due State of New Jersey -- Marriage Licenses	1,050.00	
Reserve for Cost of Revaluation	27,858.00	
Reserve for Election Costs	160.00	
Refund of Prior Year Revenue	1,096.20	
Petty Cash	250.00	
Due Sewer Utility Operating Fund - Interfund	3,981.66	
Due Sewer Utility Operating Fund - Accrued Interest - Disbursed on-behalf of	19,935.00	
Due Sewer Utility Operating Fund - Bond Principal - Disbursed on-behalf of	120,000.00	
Transfer Reserve for Tax Title Liens to Trust Other	117,562.06	
Contra	286,524.73	
Reserve for Federal, State and Other Grants - Appropriated		333,497.28
	<u>17,905,106.88</u>	<u>333,497.28</u>
Balance December 31, 2013	<u><u>\$ 2,327,695.55</u></u>	<u><u>\$ 220,292.58</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2013

<u>Office</u>	<u>Amount</u>
Administration / Tax Office	\$ 150.00
Municipal Court	<u>100.00</u>
	<u><u>\$ 250.00</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Due to State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2013

Balance December 31, 2012			\$	43,930.58
Increased by:				
Prior Year Deductions Disallowed by Collector	\$	2,250.00		
Receipts		<u>94,500.00</u>		
				<u>96,750.00</u>
				140,680.58
Decreased by:				
Deductions per Tax Billing		97,000.00		
2013 Deductions Allowed by Collector		<u>3,750.00</u>		
		100,750.00		
Less: 2013 Deductions Disallowed by Collector		<u>(3,877.84)</u>		
			\$	96,872.16
Prior Year Deductions Allowed by Collector			<u>500.00</u>	
				<u>97,372.16</u>
Balance December 31, 2013			\$	<u><u>43,308.42</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	2013 Levy	Added Taxes	2012	Collected 2013	Due from State of New Jersey	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2013
2010	\$ 1,783.63				\$ 612.94					\$ 1,170.69
2011	1,679.04				1,679.04					
2012	301,545.62		\$ 2,252.00		300,831.70	\$ 500.00			\$ 1,931.74	534.18
	305,008.29	-	2,252.00	-	303,123.68	500.00	-	-	1,931.74	1,704.87
2013		\$ 16,072,956.62		\$ 74,642.47	15,524,885.81	96,872.16	\$ 7,742.14	\$ 29,559.57	10,050.06	329,204.41
	\$ 305,008.29	\$ 16,072,956.62	\$ 2,252.00	\$ 74,642.47	\$ 15,828,009.49	\$ 97,372.16	\$ 7,742.14	\$ 29,559.57	\$ 11,981.80	\$ 330,909.28
Analysis of 2013 Property Tax Levy										
Tax Yield:										
General Purpose										
Added / Omitted Taxes										
					\$ 16,066,577.38					
					6,379.24					
					<u>\$ 16,072,956.62</u>					
Tax Levy:										
Local District School Tax										
County Taxes:										
County Tax										
County Library Tax										
County Open Space Preservation										
Due County for Added and Omitted Taxes										
				\$ 1,772,986.40						
				161,168.85						
				79,193.20						
				<u>210.82</u>						
Local Tax for Municipal Purposes										
Add: Additional Tax Levied										
				5,498,895.93						
				<u>6,168.42</u>						
				<u>5,505,064.35</u>						
					2,013,559.27					
					<u>\$ 16,072,956.62</u>					

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2013

Balance December 31, 2012		\$	66,637.34
Increased by:			
Transfers from Taxes Receivable	\$	11,981.80	
I/C on Tax Sale		<u>424.16</u>	
			<u>12,405.96</u>
			79,043.30
Decreased by:			
Collections		25,472.07	
Cancelled		<u>1,948.11</u>	
			<u>27,420.18</u>
Balance December 31, 2013		\$	<u><u>51,623.12</u></u>

BOROUGH OF PALMYRA**CURRENT FUND**

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued in</u> <u>2013</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$	10,000.00	\$	10,000.00
Other		3,268.00		3,268.00
Fees and Permits		12,061.66		12,061.66
Fines and Costs:				
Municipal Court	\$	264,215.42		\$
Interest and Costs on Taxes		61,131.00		20,533.54
Interest on Investments and Deposits		2,301.89		
Burlington County Bridge Commission in Lieu of Taxes		34,238.43		
Consolidated Municipal Property Tax Relief Aid		34,443.00		
Energy Receipts Tax		523,811.64		
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees		64,354.00		
Special Franchise Tax - PSE&G		39,183.94		
Other Special Items:				
Uniform Fire Safety Act		18,383.51		
	<u>\$</u>	<u>12,769.61</u>	<u>\$</u>	<u>1,059,628.56</u>
Cash Receipts				
Interest Earnings Due From:				
Animal Control Fund			\$	1,058,690.71
Trust Other Fund			0.92	
General Capital Fund			152.67	
			<u>784.26</u>	
	<u>\$</u>		<u>1,059,628.56</u>	<u>\$</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Special Emergency Authorizations N.J.S. 40A:4-55
For the Year Ended December 31, 2013

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Original</u> <u>Amount</u> <u>Authorized</u>	<u>1/5 of Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
05/14/12	Cost of Revaluation	\$ 275,000.00	55,000.00	<u>\$ 275,000.00</u>	<u>\$ 55,000.00</u>	<u>\$ 220,000.00</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	Balance December 31, 2012					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transfer to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages		\$ 343.45	\$ 343.45			\$ 343.45
Other Expenses	\$ 6,464.61	7,902.55	13,541.29	\$ 9,004.10	\$ 271.20	4,265.99
Mayor and Council						
Salaries and Wages						
Other Expenses		970.98	970.98	148.77		822.21
Municipal Clerk						
Other Expenses		0.34	0.34			0.34
Election Costs		310.62	310.62			310.62
Financial Administration						
Salaries and Wages		1,153.37	1,078.41			1,078.41
Other Expenses		468.04	543.00	543.00		
Collection of Taxes						
Other Expenses	2.50	1,132.87	1,135.37	582.19	2.50	550.68
Assessment of Taxes						
Salaries and Wages		60.00	60.00			60.00
Other Expenses		1,281.17	1,281.17	116.92		1,164.25
Legal Services and Costs						
Other Expenses		5,760.19	5,760.19	2,269.00		3,491.19
Engineering Services						
Other Expenses	3,087.00	860.00	4,407.00	1,320.00	3,087.00	
Grants and Planning						
Other Expenses		568.70	568.70			568.70
Code Enforcement						
Salaries and Wages		7,008.20	7,008.20			7,008.20
Other Expenses	12.00	113.00	125.00		12.00	113.00
Municipal Court						
Salaries and Wages		18,822.80	18,121.61			18,121.61
Other Expenses	215.00	430.04	1,346.23	1,346.23		
Planning Board:						
Salaries and Wages		0.06	0.06			0.06
Other Expenses		324.70	324.70	52.04		272.66
Insurance:						
Liability Insurance	570.00		570.00	250.00		320.00
Employee Group Insurance		49,918.47	49,918.47	2,052.42		47,866.05
PUBLIC SAFETY:						
Police						
Salaries and Wages		69,979.53	69,979.53			69,979.53
Other Expenses	9,501.20	7,267.78	16,768.98	9,149.43		7,619.55
School Crossing Guard						
Salaries and Wages	35.93	1,113.31	1,149.24	35.93		1,113.31
Other Expenses		1,000.00	1,000.00			1,000.00
Police and Radio Communications						
Other Expenses	130.56	845.99	976.55	570.35		406.20
Office of Emergency Management						
Other Expenses		322.31	322.31	184.81		137.50
Fire Department						
Other Expenses	5,530.85	0.68	5,897.40	5,635.40		262.00
Uniform Fire Safety Act (P.L. 1983, CH. 383)						
Salaries and Wages		185.31	184.44			184.44
Other Expenses		129.83	130.70	130.70		0.00
Municipal Prosecutor						
Other Expenses		490.00	490.00	330.00		160.00
PUBLIC WORKS FUNCTIONS:						
Streets and Roads Maintenance						
Salaries and Wages		6,986.87	6,986.87			6,986.87
Other Expenses	6,264.86	5,096.89	11,361.75	3,900.60		7,461.15
Railroad Landscaping		1,500.00	1,500.00			1,500.00
Shade Tree						
Salaries and Wages		4,369.94	4,369.94			4,369.94
Other Expenses	285.00		285.00	285.00		
Solid Waste Collection						
Other Expenses	25,542.80	13,391.59	38,934.39	23,676.32		15,258.07

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance December 31, 2012</u>					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transfer to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
PUBLIC WORKS FUNCTIONS (CONT'D):						
Public Buildings and Grounds						
Salaries and Wages		\$ 263.76	\$ 263.76			\$ 263.76
Other Expenses	\$ 2,982.08	1,014.67	3,996.75	\$ 2,133.63	\$ 889.97	973.15
Vehicle Maintenance						
Other Expenses	2,138.37	4,719.17	6,857.54	2,293.93		4,563.61
Condominium Services Law						
Other Expenses	12,901.30	71,912.30	84,813.60	83,765.66		1,047.94
HEALTH AND HUMAN SERVICES:						
Board of Health						
Salaries and Wages		210.65	210.65			210.65
Other Expenses		111.54	111.54			111.54
PARKS AND RECREATION FUNCTIONS:						
Parks and Playgrounds						
Other Expenses		4,321.99	4,321.99			4,321.99
EDUCATION FUNCTIONS:						
Community Youth Program						
Other Expenses		2,000.00	2,000.00			2,000.00
Celebration of Public Events						
Other Expenses		73.26	73.26			73.26
STATE UNIFORM CONSTRUCTION CODE:						
Salaries and Wages		253.81	253.81			253.81
Other Expenses		2,290.54	2,290.54	933.50		1,357.04
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
UNCLASSIFIED:						
Utilities:						
Electricity		38,225.46	38,225.46	36,666.41		1,559.05
Street Lighting		24,284.06	24,284.06	17,334.40		6,949.66
Telephone		3,418.90	3,418.90	1,756.69		1,662.21
Water/Sewer		983.67	983.67	365.35		618.32
Gasoline		21,888.09	21,888.09	13,444.38		8,443.71
Fire-Hydrant Services		7,310.32	7,310.32			7,310.32
Landfill and Solid Waste Disposal Costs:						
Landfill Fees	16,413.80	65,341.44	81,755.24	36,632.77		45,122.47
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		24,984.93	24,984.93			24,984.93
Defined Contribution Retirement System		1,748.04	1,748.04			1,748.04
OPERATIONS EXCLUDED FROM "CAPS"						
Length of Service Awards	2,800.00	700.00	3,500.00	2,800.00	700.00	
Total	<u>\$ 94,877.86</u>	<u>\$ 486,166.18</u>	<u>\$581,044.04</u>	<u>\$ 259,709.93</u>	<u>\$4,962.67</u>	<u>\$316,371.44</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 94,877.86
Increased by:		
Current Year Encumbrances:		
Current Fund Appropriations	\$ 138,403.11	
Reserve for Revaluation	4,497.00	
		<u>142,900.11</u>
Current Fund Appropriations		237,777.97
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund Appropriations		<u>94,877.86</u>
Balance December 31, 2013		<u><u>\$ 142,900.11</u></u>
<u>Analysis of Balance December 31, 2013</u>		
Current Fund:		
2013 Budget Appropriations	\$ 138,403.11	
Reserve for Revaluation	4,497.00	
		<u>\$ 142,900.11</u>

Exhibit SA-10

CURRENT FUND
Statement of Reserve for Cost of Revaluation
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 67,658.00
Decreased by:		
Disbursements	\$ 27,858.00	
Current Year Encumbrances	4,497.00	
		<u>32,355.00</u>
Balance December 31, 2013		<u><u>\$ 35,303.00</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 74,642.47
Increased by:	
Receipts	<u>95,775.99</u>
	170,418.46
Decreased by:	
Application to 2013 Taxes	<u>74,642.47</u>
Balance December 31, 2013	<u><u>\$ 95,775.99</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 9,504.64
Increased by:	
Receipts	<u>8,411.08</u>
	17,915.72
Decreased by:	
Overpayments Applied to 2013	\$ 7,742.14
Refunded	3,047.46
Overpayments Cancelled	<u>7,126.12</u>
	<u>17,915.72</u>
Balance December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of County Taxes
For the Year Ended December 31, 2013

Increased by:		
2013 Levy:		
General County	\$ 1,772,986.40	
County Library Tax	161,168.85	
County Open Space Tax	<u>79,193.20</u>	
		<u>\$ 2,013,348.45</u>
Decreased by:		
Disbursements		<u><u>\$ 2,013,348.45</u></u>

Exhibit SA-14

CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 1,462.23
Increased by:	
County Share of 2013 Added Assessments	<u>210.82</u>
	1,673.05
Decreased by:	
Disbursements	<u>1,462.23</u>
Balance December 31, 2013	<u><u>\$ 210.82</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2013

Balance December 31, 2012		
School Tax Payable	-	
School Tax Deferred	<u>\$ 4,063,515.00</u>	
		\$ 4,063,515.00
Increased by:		
Levy - School Year July 1, 2013 to June 30, 2014		<u>8,554,333.00</u>
		12,617,848.00
Decreased by:		
Disbursements		<u>\$ 8,352,559.54</u>
Balance December 31, 2013		
School Tax Payable	201,773.46	
School Tax Deferred	<u>4,063,515.00</u>	
		<u>\$ 4,265,288.46</u>
2013 Liability for Local District School Tax:		
Tax Paid		\$ 8,352,559.54
Add: Tax Payable December 31, 2013		<u>201,773.46</u>
		8,554,333.00
Less: Tax Payable December 31, 2012		<u>-</u>
Amount Charged to 2013 Operations		<u>\$ 8,554,333.00</u>

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:				
Transportation Trust Fund:				
2008 Allotment - Morgan Avenue	\$ 10,432.02			\$ 10,432.02
ARRA - Transportation Enhancement:				
Market Street Gateway Improvement	214,268.74		89,267.26	125,001.48
Small Cities Grant		\$ 42,106.18	\$ 42,106.18	
Total Federal Grants	224,700.76	42,106.18	131,373.44	135,433.50
State Grants:				
Burlington County Park Improvement	29,030.17		24,621.17	4,409.00
Juvenile Justice Commission - Summer Expansion		9,900.00	9,900.00	
Clean Communities Grant		14,526.71	14,526.71	
Alcohol Education and Rehabilitation Grant		1,688.79	1,688.79	
DVRPC Traffic Calming		32,000.00	32,000.00	
Recycling Tonnage Grant		9,569.62	9,569.62	
Body Armor Grant		2,212.48	2,212.48	
Total State Grants	29,030.17	69,897.60	94,518.77	4,409.00
Total Federal and State Grants	\$ 253,730.93	\$ 112,003.78	\$ 225,892.21	\$ 139,842.50
Appropriation by NJS 40A:4-87 (Chapter 159's)				
Receipts		\$ 112,003.78	\$ 225,892.21	
		\$ 112,003.78	\$ 225,892.21	

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants -- Unappropriated
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Grants Received</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:		
Department of Justice - Bulletproof Vest	\$ 1,316.25	\$ 1,316.25
State Grants:		
Drunk Driving	3,346.30	3,346.30
Total Federal and State Unappropriated Grants	<u>\$ 4,662.55</u>	<u>\$ 4,662.55</u>

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012</u>	<u>Transferred from 2013 Budget Appropriation</u>	<u>Expended</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:				
Department of Justice - Bulletproof Vest	\$ 4,460.71		\$ 1,141.80	\$ 3,318.91
ARRA - Transportation Enhancement	27,164.30			27,164.30
Transportation Trust Fund	36,147.46			36,147.46
Over the Limit	2,787.64			2,787.64
Small Cities Grant	233,405.41	\$ 42,106.18	275,511.59	
Total Federal Grants	303,965.52	42,106.18	276,653.39	69,418.31
State Grants:				
Drunk Driving Enforcement Grant	5,060.21		643.50	4,416.71
Alcoholic Education Rehabilitation Fund	7,501.55	1,688.79	1,500.00	7,690.34
Municipal Alliance Grant	19,910.72		30.99	19,879.73
Tactical Body Armor Grant	3,591.60	2,212.48	1,141.80	4,662.28
Recycling Tonnage Grant	25,406.70	9,569.62	10,475.50	24,500.82
Burlington County Park Improvement	14,360.64		11,844.14	2,516.50
Exercise Program Improvement Grant	3,313.80		705.00	2,608.80
Hazardous Discharge Remediation Side - Rt. 73	147,953.37		17,825.00	130,128.37
Forestry Grant	1,500.00			1,500.00
Centers of Place	24,825.00			24,825.00
Division of State Police - CERT	793.18		793.18	-
Clean Shores	10,446.75			10,446.75
Clean Communities	8,336.99	14,526.71	12,812.77	10,050.93
Department of Law and Public Safety - Juvenile Justice Commission		9,900.00		9,900.00
DVRPC - Traffic Calming		32,000.00		32,000.00
Total State Grants	273,000.51	69,897.60	57,771.88	285,126.23
Total Federal and State Grants	\$ 576,966.03	\$ 112,003.78	\$ 334,425.27	\$ 354,544.54
Appropriation by 40A:4-87				
Encumbered		\$ 112,003.78	\$ 927.99	
Disbursed			333,497.28	
		\$ 112,003.78	\$ 334,425.27	

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Reserve for Revaluation
For the Year Ended December 31, 2013

Balance December 31, 2012		\$	67,658.00
Decreased by:			
Disbursed	\$	27,858.00	
Encumbered		<u>4,497.00</u>	
			<u>32,355.00</u>
Balance December 31, 2013		\$	<u><u>35,303.00</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2013

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2012	\$ 7,561.55	\$ 725,769.58
Increased by Receipts:		
Reserve for Animal Control Fund	\$ 17,801.20	
Due State - Registration Fees	428.40	
Due Current Fund	0.92	\$ 6,267.92
Due to State of New Jersey - Department of Health		
Reserve for Payroll Deductions Payable		3,030,216.61
Reserve for Unemployment Compensation Insurance		45,138.69
Reserve for Parking Offenses Adjudication Act		56.00
Reserve for Public Defender		7,152.00
Reserve for Developer's Escrow Deposits		19,625.91
Reserve for Developer's Site Improvements		277,693.50
Reserve for Regional Contribution - Delanco		33.07
Reserve for Regional Contribution - Evesham		13,101.00
Reserve for Special Law Enforcement		8,486.06
Reserve for Community Center Deposits		200.00
Reserve for Business Improvement District Funds		45,839.48
Reserve for Flexible Spending		1,384.56
Reserve for Compensated Absences		30,000.00
Reserve for Tax Title Lien Redemption		595,931.58
Contra		500.00
	<u>18,230.52</u>	<u>4,081,626.38</u>
	25,792.07	4,807,395.96
Decreased by Disbursements:		
Reserve for Animal Control Fund	16,053.58	
Due State - Registration Fees	428.40	
Due from bank	0.40	
Due Current Fund		7,627.80
Reserve for Encumbrances	738.61	
Due to State of New Jersey - Marriage License		
Reserve for Payroll Deductions Payable		3,011,286.86
Reserve for Unemployment Compensation Insurance		16,993.99
Reserve for Recreation Commission Fund		263.33
Reserve for Public Defender		4,800.00
Reserve for Developer's Escrow Deposits		16,082.74
Reserve for Developer's Site Improvements		246,173.11
Reserve for Regional Contribution - Evesham		50,447.90
Reserve for Special Law Enforcement		2,222.00
Reserve for Community Center Deposits		200.00
Reserve for Compensated Absences		15,398.44
Reserve for Tax Title Lien Redemption		406,432.26
Contra		500.00
	<u>17,220.99</u>	<u>3,778,428.43</u>
Balance December 31, 2013	<u>\$ 8,571.08</u>	<u>\$ 1,028,967.53</u>

BOROUGH OF PALMYRA
ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 3,312.74
Increase by:		
Statutory Excess - Due Current Fund	\$ 785.22	
Receipts - Interest Earnings	<u>0.92</u>	
		<u>786.14</u>
Balance December 31, 2013		<u><u>\$ 4,098.88</u></u>

Exhibit SB-3

ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 1.20
Increased by:		
Receipts		<u>428.40</u>
		429.60
Decreased by:		
Disbursements		<u>428.40</u>
Balance December 31, 2013		<u><u>\$ 1.20</u></u>

BOROUGH OF PALMYRA
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 3,509.00
Increased by:		
Budget Appropriation	\$ 15,500.00	
Receipts - Animal License Fees	<u>2,301.20</u>	
		<u>17,801.20</u>
		21,310.20
Decreased by:		
Statutory Excess - Due Current Fund	785.22	
Encumbrances	387.50	
Expenditures Under R.S.4:19.11	<u>16,053.58</u>	
		<u>17,226.30</u>
Balance December 31, 2013		<u><u>\$ 4,083.90</u></u>
 <u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2011		\$ 1,757.00
2012		<u>2,326.90</u>
		<u><u>\$ 4,083.90</u></u>

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 3,435.50
Increased by:		
Tax Title Lien Transferred from Current Fund	\$ 7.73	
Interest Earnings	<u>6,267.92</u>	
		<u>6,275.65</u>
		9,711.15
Decreased by:		
Interest Earnings Turned Over to Current Fund	6,122.98	
Interfund Loans Returned	<u>1,504.82</u>	
		<u>7,627.80</u>
Balance December 31, 2013		<u><u>\$ 2,083.35</u></u>
Trust Other Fund		\$ 1.22
Performance Trust Fund		1,153.40
Payroll		4.47
Tax Title Lien Redemption		20.52
Flexible Spending Advance		<u>903.74</u>
		<u><u>\$ 2,083.35</u></u>

Borough of Palmyra

	Increased by				Decreased by					
	Balance Dec. 31, 2012	Interest Earnings	Turned Over from Current Fund	Collected by Current Fund	Other Receipts	Budget Appropriation	Paid or Charged	Due to VOCB	Due Current Fund	Balance Dec. 31, 2013
Reserve for Payroll Deductions Payable	\$ 4,016.79									\$ 22,946.54
Reserve for Unemployment Compensation Insurance	103,723.56	\$ 12.11			\$ 3,030,216.61	\$ 55,000.00	\$ 3,011,286.86			\$ 141,868.26
Reserve for Recreation Commission Fund	263.33				126.58		16,993.99	\$ 263.33		
Reserve for Parking Offenses Adjudication Act	228.00				56.00					284.00
Reserve for Public Defender	6,125.00				7,152.00		6,000.00	\$ 1,027.00		6,250.00
Reserve for Developer's Escrow Deposits	39,578.25	4.42			19,621.49		16,082.74			43,121.42
Reserve for Developer's Site Improvements	86,237.76			\$ 45,765.00	277,693.50		246,173.11			163,523.15
Reserve for Regional Contribution - Delanco	57,592.44	33.07								57,625.51
Reserve for Regional Contribution - Evesham	307,734.55	167.50			12,933.50		65,442.90			255,392.65
Reserve for Special Law Enforcement	23,720.14	9.48			8,476.58		4,907.00			27,299.20
Reserve for Community Center Deposits	800.00				200.00		200.00			800.00
Reserve for Business Improvement District Funds					45,839.48					45,839.48
Reserve for Flexible Spending Account					1,384.56					1,384.56
Reserve for Compensated Absences	48,637.26					30,000.00	15,398.44			63,238.82
Reserve for Tax Lien Redemption			\$ 117,562.06		478,369.52		420,098.27		7.73	175,825.58
	\$ 678,657.08	\$ 228.58	\$ 117,562.06	\$ 45,765.00	\$ 3,882,069.82	\$ 85,000.00	\$ 3,802,593.31	\$ 1,027.00	\$ 271.06	\$ 1,005,399.17

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2013

Increased by:	
Charges to Miscellaneous Trust Reserves	<u>\$ 32,546.01</u>
Balance December 31, 2013	<u><u>\$ 32,546.01</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Due Violent Crime Compensation Board
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 43,677.00
Increased by:	
Due from Public Defender Trust Fund	<u>1,027.00</u>
Balance December 31, 2013	<u><u>\$ 44,704.00</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of General Capital Cash - Treasurer
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 1,303,284.10
Increased by Receipts:		
Due Current Fund - Interest Earnings	\$ 784.26	
Capital Improvement Fund	50,000.00	
Reserve for Payment of Notes	311,786.59	
Bond Anticipation Notes	1,439,875.00	
Contra	<u>9,119,032.87</u>	
		<u>10,921,478.72</u>
		12,224,762.82
Decreased by Disbursements:		
Improvement Authorizations	1,369,178.11	
Reserve for Payment of Notes:		
Payment of Bond Anticipation Note Principal	353,000.00	
Contra	<u>9,119,032.87</u>	
		<u>10,841,210.98</u>
Balance December 31, 2013		<u><u>\$ 1,383,551.84</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2013

	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2013
	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 16,732.79						\$ 16,732.79
Capital Improvement Fund	101,579.16	\$ 50,000.00			\$ 93,440.00		58,139.16
Due from Current Fund	(394.27)	784.26					389.99
Reserve for Payment of Notes	78,312.47	311,786.59		\$ 353,000.00			37,099.06
Encumbrances	663,052.96				663,052.96	\$ 1,020,920.27	1,020,920.27
Contra		9,119,032.87		9,119,032.87			
Improvement Authorizations:							
Ordinance							
Number							
2006-18							220.00
2007-08							
Purchase of Land							
Various Improvements:							
2007 Road Program							
Construction of New Salt Dome Roof							
Acquisition of Fire Dept. Equipment							203.44
Renovations to Courtroom							6,830.02
Acquisition of Siren							
Improvement to Legion Field					9,143.25	9,143.25	18,476.79
Various Improvements:							
Construction of Community Center							446.62
2008 Road Program							7,687.75
Acquisition of Road Department Equipment							5,535.52
Acquisition of Police Department Equipment							819.72
Acquisition of Fire Department Equipment							22,223.80
Various Improvements:			\$ 23,237.55		110.00	1,123.75	
Improvements to HVAC System							46,028.11
Acquisition of Police Department Equipment	\$ 52,500.00		623,013.24		2,868.98	527,354.11	996.80
2009 Road Program							3,938.64
Improvements to Municipal Building					3,711.29	477.75	23,851.68
Construction of Police Storage Unit						3,230.00	7,221.12
Various Improvements:							
2011 Road Program							
Acquisition of Police Department Equipment					53,004.82	63,862.92	(44,000.00)
Acquisition of Data Processing Equipment	45,100.00		67,225.29		950.00		7,523.88
Various Infrastructure and Handicapped Improvements			39,001.12		834.70		(50.00)
Various Improvements:			380.00		1,852.99	1,852.99	69,072.12
Acquisition of Four Wheel Drive Vehicle							
Improvements to Community Center							
Improvements to Borough Hall							
2012 Road Program							
Acquisition of Computer Software							
Wheeled Refuse Containers							
Various Capital Improvements:							
Acquisition of New Fire Engine and Related Apparatus							
Acquisition of Conductive Energy Devices (Lasers)							
Mobile Communication Equipment							
Installation of Pedestrian and Traffic Safety Devices							
Ginnamson Avenue and East Charles Street							
Public Works Equipment							
Installation of Pedestrian and Traffic Safety Improvements							
Interior and Exterior Improvements to Borough Hall							
Construction of Car Port for Police Department							
Improvements to Legion Field and Ethel Hardy Grounds							
2013 Road Program							
	339,675.00				301,927.00	20,765.00	58,513.00
	\$ 1,303,284.10	\$ 9,481,603.72	\$ 1,369,178.11	\$ 9,472,032.87	\$ 1,777,413.23	\$ 1,777,413.23	1,383,551.84

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2013

Balance December 31, 2012			\$	1,676,588.60
Decreased by:				
2013 Budget Appropriations:				
Green Acres Loan Payable	\$	8,236.68		
Serial Bonds		<u>500,000.00</u>		
				<u>508,236.68</u>
Balance December 31, 2013			\$	<u><u>1,168,351.92</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Increased by		Decreased by		Analysis of Balance Dec. 31, 2013		
		Balance Dec. 31, 2012	2013 Authorizations	Payment of Notes	Balance Dec. 31, 2013	Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorizations
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00			\$ 47,500.00
2007-08	Various Improvements:							
	Improvements to Legion Field	518,500.00		\$ 200,000.00	318,500.00	\$ 318,500.00		
	2007 Road Program	285,000.00			285,000.00	285,000.00		
	Construction of New Salt Dome Roof	14,706.19			14,706.19	14,706.19		
	Acquisition of Siren	11,500.00			11,500.00	11,500.00		
	Renovations to Courtroom	19,000.00			19,000.00	19,000.00		
	Acquisition of Siren	7,600.00			7,600.00	7,600.00		
2007-10	Improvement to Legion Field	459,000.00		397,000.00	62,000.00	62,000.00		
2008-10	Various Improvements:							
	Construction of Community Center/Redevelopment	3,275,000.00		339,000.00	2,936,000.00	2,936,000.00		
	Improvements to Legion Field	2,280,000.00			2,280,000.00	2,280,000.00		
	2008 Road Program	403,380.00			403,380.00	403,000.00		380.00
2009-27	Various Improvements:							
	Improvements to HVAC System	712,500.00		10,000.00	702,500.00	702,500.00		
	Acquisition of Police Department Equipment	35,910.00			35,910.00	35,900.00		10.00
	2009 Road Program	285,000.00		5,000.00	280,000.00	280,000.00		
	Improvements to Municipal Building	123,500.00			123,500.00	123,000.00		500.00
2011-17	Construction of Police Storage Unit	53,693.81			53,693.81	53,693.81		
2011-18	Various Improvements:							
	2011 Road Program	185,000.00		10,000.00	175,000.00	131,000.00	44,000.00	
	Acquisition of Police Department Equipment	45,125.00			45,125.00	45,100.00		25.00
	Acquisition of Data Processing Equipment	18,050.00			18,050.00	18,000.00	50.00	
	Various Infrastructure and Handicapped Improvements	5,000.00			5,000.00	5,000.00		
2012-16	Various Improvements:							
	Improvements to Community Center	114,000.00		5,000.00	109,000.00	109,000.00		
	Improvements to Borough Hall	128,000.00			128,000.00	128,000.00		
	2012 Road Program	355,437.00			355,437.00	355,400.00		37.00
2013-07	Wheeled Refuse Containers		\$ 147,250.00		147,250.00	147,200.00		50.00
2013-21	Various Capital Improvements:							
	Acquisition of New Fire Engine and Related Apparatus		503,500.00		503,500.00	500,000.00		3,500.00
	Acquisition of Conductive Energy Devices (Tasers)		10,450.00		10,450.00			10,450.00
	Mobile Communication Equipment		25,650.00		25,650.00		25,546.90	103.10
	Installation of Pedestrian and Traffic Safety Devices							
	Cinnaminson Avenue and East Charles Street		28,500.00		28,500.00			28,500.00
	Public Works Equipment		25,650.00		25,650.00		17,364.94	8,285.06
	Installation of Pedestrian and Traffic Safety Improvements		62,700.00		62,700.00			62,700.00
	Interior and Exterior Improvements to Borough Hall		166,250.00		166,250.00		5,824.00	160,426.00
	Construction of Car Port for Police Department		102,125.00		102,125.00			102,125.00
	Improvements to Legion Field and Ethel Hardy Grounds		308,750.00		308,750.00			308,750.00
	2013 Road Program		394,535.00		394,535.00	339,675.00		54,860.00
		<u>\$ 9,382,402.00</u>	<u>\$ 1,775,360.00</u>	<u>\$ 966,000.00</u>	<u>\$ 10,191,762.00</u>	<u>\$ 9,310,775.00</u>	<u>\$ 92,785.84</u>	<u>\$ 788,201.16</u>
	Budget Appropriation			\$ 613,000.00				
	Reserve for Payment of Notes			<u>353,000.00</u>				
				<u>\$ 966,000.00</u>				
Improvement Authorizations -- Unfunded								\$ 1,055,235.21
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ordinance								
2007-08	Various Improvements:							
	Acquisition of Fire Department Equipment						\$ 203.44	
	Renovations to Courtroom						6,830.02	
2007-10	Improvements to Legion Field						18,476.79	
2008-10	Various Improvements:							
	Construction of Community Center/Redevelopment						446.62	
	2008 Road Program						7,687.75	
2009-27	Various Improvements:							
	Acquisition of Police Department Equipment						996.80	
	2009 Road Program						3,938.64	
	Improvements to Municipal Building						23,851.68	
2011-18	Various Improvements:							
	2011 Road Program							
	Acquisition of Police Department Equipment						7,523.88	
	Various Infrastructure & Handicapped Improvements						5,000.00	
2011-17	Construction of Police Storage Unit						7,221.12	
2012-16	Various Improvements:							
	Acquisition of Four Wheel Drive Vehicle						723.61	
	Improvements to Community Center						1,587.95	
	Improvements to Borough Hall						1,806.53	
	2012 Road Program						71,693.08	
2013-07	Wheeled Refuse Containers						5,415.83	
2013-21	Various Capital Improvements:							
	Acquisition of New Fire Engine and Related Apparatus						23,517.31	
	Acquisition of Conductive Energy Devices (Tasers)						550.00	
	Installation of Pedestrian and Traffic Safety Devices							
	Cinnaminson Avenue and East Charles Street						1,500.00	
	Installation of Pedestrian and Traffic Safety Improvements						3,300.00	
	Improvements to Legion Field and Ethel Hardy Grounds						16,250.00	
	2013 Road Program						<u>58,513.00</u>	
								<u>267,034.05</u>
								<u>\$ 788,201.16</u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Notes
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 78,312.47
Increased by:		
Other Receipts and Reimbursements	\$ 275,511.59	
Premium Received on Notes Issued	<u>36,275.00</u>	
		<u>311,786.59</u>
		390,099.06
Decreased by:		
Payment of Bond Anticipation Note Principal		<u>353,000.00</u>
Balance December 31, 2013		<u><u>\$ 37,099.06</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 663,052.96
Increased by:	
Charges to Improvement Authorizations	<u>1,020,920.27</u>
	1,683,973.23
Decreased by:	
Prior Year Balance Reappropriated	<u>663,052.96</u>
Balance December 31, 2013	<u><u>\$ 1,020,920.27</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Prior Year Encumbrances/ Contracts Payable Reclassified	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
2006-18	Purchase of Land	08/14/06	\$ 50,000.00	\$ 220.00	\$ 47,500.00				\$ 220.00	\$ 47,500.00
2007-08	Various Improvements:									
	Acquisition of Fire Department Equipment	06/11/07	32,000.00		203.44					203.44
	Renovations to Courtroom	06/11/07	20,000.00		6,830.02					6,830.02
2007-10	Improvements to Legion Field	08/13/07	750,000.00		18,476.79			9,143.25		18,476.79
2008-10	Various Improvements:									
	Construction of Community Center/Redevelopment	06/09/08	4,000,000.00		446.62					446.62
	2008 Road Program	06/09/08	500,000.00		8,067.75					8,067.75
	Acquisition of Road Department Equipment	06/09/08	148,000.00	5,535.52					5,535.52	
	Acquisition of Police Department Equipment	06/09/08	52,400.00	819.72					819.72	
	Acquisition of Fire Department Equipment	06/09/08	40,000.00	22,223.80						
2009-27	Various Improvements:									
	Improvements to HVAC System	12/14/09	760,000.00		98,528.11					
	Acquisition of Police Department Equipment	12/14/09	37,800.00		1,006.80			625,882.22		1,006.80
	2009 Road Program	12/14/09	300,000.00		3,938.64					3,938.64
	Improvements to Municipal Building	12/14/09	130,000.00		57,702.68			33,828.75		24,351.68
2011-18	Various Improvements:									
	2011 Road Program	08/08/11	300,000.00		56,367.19			120,230.11		7,548.88
	Acquisition of Police Department Equipment	08/08/11	47,500.00	2,375.00				39,951.12		
	Acquisition of Data Processing Equipment	08/08/11	19,000.00		1,214.70			1,214.70		
	Various Infrastructure & Handicapped Improvements	08/08/11	600,000.00	64,072.12	5,000.00			1,852.99	64,072.12	5,000.00
2011-17	Construction of Police Storage Unit	08/08/11	53,693.00		14,221.12			10,230.00		7,221.12
2012-16	Various Improvements:									
	Acquisition of Four Wheel Drive Vehicle	06/11/12	131,000.00		723.61			51,566.00		723.61
	Improvements to Community Center	06/11/12	120,000.00		16,891.40			19,745.64		1,587.95
	Improvements to Borough Hall	06/11/12	135,000.00		1,062.96			127,256.43		1,806.53
2012-42	2012 Road Program	06/11/12	375,000.00	19,013.00	355,437.00			302,719.92		71,730.08
2013-07	Acquisition of Computer Software	12/03/12	8,500.00	8,500.00				8,500.00		
2013-07	Wheeled Refuse Containers	04/01/13	155,000.00			\$ 155,000.00		149,534.17		5,465.83
2013-21	Various Capital Improvements:									
	Acquisition of New Fire Engine and Related Apparatus	07/15/13	530,000.00			530,000.00		502,982.69		27,017.31
	Acquisition of Conductive Energy Devices (Tasers)	07/15/13	11,000.00			11,000.00			11,000.00	
	Mobile Communication Equipment	07/15/13	27,000.00			27,000.00		26,896.90		103.10
	Installation of Pedestrian and Traffic Safety Devices									
	Cinnaminson Avenue and East Charles Street	07/15/13	30,000.00			30,000.00				30,000.00
	Public Works Equipment	07/15/13	27,000.00			27,000.00		18,714.94		8,285.06
	Installation of Pedestrian and Traffic Safety Improvements	07/15/13	66,000.00			66,000.00				66,000.00
	Interior and Exterior Improvements to Borough Hall	07/15/13	175,000.00			175,000.00		14,574.00		160,426.00
	Construction of Car Port for Police Department	07/15/13	107,500.00			107,500.00			5,375.00	102,125.00
	Improvements to Legion Field and Ethel Hardy Grounds	07/15/13	325,000.00			325,000.00				325,000.00
	2013 Road Program	07/15/13	415,300.00		415,300.00	415,300.00		301,927.00		113,373.00
				\$ 123,822.12	\$ 865,680.87	\$ 1,868,800.00	\$ 663,052.96	\$ 2,390,098.38	\$ 76,022.36	\$ 1,055,235.21
Deferred Charges to Future Taxation Unfunded						\$ 1,775,360.00				
Capital Improvement Fund						93,440.00				
Disbursed								\$ 1,369,178.11		
Encumbrances								1,020,920.27		
						\$ 1,868,800.00		\$ 2,390,098.38		

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Green Acres Loan Payable
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 56,588.60
Decreased by:	
Paid by Budget Appropriation	<u>8,236.68</u>
Balance December 31, 2013	<u><u>\$ 48,351.92</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2013

<u>Number</u>	<u>Improvement Description</u>	<u>Issue</u>	<u>of Issue</u>	<u>Date</u>	<u>Rate</u>	<u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2013</u>
2007-08	Various Improvements	12/20/07	12/12/12	12/11/13	1.25%	\$ 910,000.00			
2007-08	Various Improvements	12/20/07	12/10/13	12/09/14	1.25%		\$ 710,000.00	\$ 910,000.00	\$ 710,000.00
2007-10	Improvement to Legion Field	12/13/11	12/12/12	12/11/13	1.25%	459,000.00		459,000.00	62,000.00
2007-10	Improvement to Legion Field	12/13/11	12/10/13	12/09/14	1.25%		62,000.00		
2008-10	Various Improvements	06/11/09	06/06/12	05/07/13	1.25%	5,958,000.00		5,958,000.00	5,619,000.00
2008-10	Various Improvements	06/11/09	05/07/13	05/06/14	1.25%		5,619,000.00		
2009-27	Various Improvements	06/07/11	06/06/12	05/08/13	1.25%	943,900.00		943,900.00	986,400.00
2009-27	Various Improvements	06/07/11	05/07/13	05/06/14	1.25%		986,400.00		
2009-27	Various Improvements	12/12/12	12/12/12	12/11/13	1.25%	160,000.00		160,000.00	155,000.00
2009-27	Various Improvements	12/12/12	12/10/13	12/09/14	1.25%		155,000.00		
2011-18	Various Improvements	12/13/11	12/12/12	12/11/13	1.25%	164,000.00		164,000.00	154,000.00
2011-18	Various Improvements	12/13/11	12/10/13	12/09/14	1.25%		154,000.00		45,100.00
2011-18	Various Improvements	12/13/11	05/07/13	05/06/14	1.25%		45,100.00		
2012-16	Various Improvements	09/12/12	09/12/12	05/08/13	1.25%	242,000.00		242,000.00	237,000.00
2012-16	Various Improvements	09/12/12	05/07/13	05/06/14	1.25%		237,000.00		355,400.00
2012-16	Various Improvements	09/12/12	09/11/13	09/10/14	0.90%		355,400.00		
2013-07	Various Improvements	05/07/13	05/07/13	05/06/14	1.25%		147,200.00		147,200.00
2013-21	Various Improvements	09/11/13	09/11/13	09/10/14	0.90%		839,675.00		839,675.00
						<u>\$ 8,836,900.00</u>	<u>\$ 9,310,775.00</u>	<u>\$ 8,836,900.00</u>	<u>\$ 9,310,775.00</u>
	Renewed								
	Issued for Cash								
	Paid by Budget Appropriation					\$ 7,870,900.00		\$ 7,870,900.00	
	Paid by Reserve for Payment of Notes					1,439,875.00		613,000.00	
								353,000.00	
						<u>\$ 9,310,775.00</u>	<u>\$ 9,310,775.00</u>	<u>\$ 8,836,900.00</u>	<u>\$ 9,310,775.00</u>

BOROUGH OF PALMYRA**GENERAL CAPITAL FUND**

Statement of General Serial Bonds

For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>		<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds 2003	12/01/03	\$ 4,007,700.00	12/01/14	\$ 420,000.00	5.000%	\$ 820,000.00	\$ 400,000.00	\$	420,000.00
General Bonds 2005	12/01/05	1,474,000.00	12/01/14-17	100,000.00	4.125%	800,000.00	100,000.00		700,000.00
			12/01/18-20	100,000.00	4.200%				
						<u>\$ 1,620,000.00</u>	<u>\$ 500,000.00</u>	<u>\$</u>	<u>1,120,000.00</u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 101,579.16
Increased by:	
Current Fund Budget Appropriation	<u>50,000.00</u>
	151,579.16
Decreased by:	
Improvement Authorizations	<u>93,440.00</u>
Balance December 31, 2013	<u><u>\$ 58,139.16</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Increased by		Decreased by	
		Balance Dec. 31, 2012	2013 Authorizations	Notes Issued	Balance Dec. 31, 2013
2006-18	Purchase of Land	\$ 47,500.00			\$ 47,500.00
2008-10	2008 Road Program	380.00			380.00
2009-27	Various Improvements:				
	Improvements to HVAC System	52,500.00		52,500.00	
	Acquisition of Police Department Equipment	10.00			10.00
	Improvements to Municipal Building	500.00			500.00
2011-18	Various Improvements:				
	2011 Road Program	44,000.00			44,000.00
	Acquisition of Police Department Equipment	45,125.00		45,100.00	25.00
	Acquisition of Data Processing Equipment	50.00			50.00
2012-16	2012 Road Program	355,437.00		355,400.00	37.00
2013-07	Wheeled Refuse Containers		\$ 147,250.00	147,200.00	50.00
2013-21	Various Capital Improvements:				
	Acquisition of New Fire Engine and Related Apparatus		503,500.00	500,000.00	3,500.00
	Acquisition of Conductive Energy Devices (Tasers)		10,450.00		10,450.00
	Mobile Communication Equipment		25,650.00		25,650.00
	Installation of Pedestrian and Traffic Safety Devices				
	Cinnaminson Avenue and East Charles Street		28,500.00		28,500.00
	Public Works Equipment		25,650.00		25,650.00
	Installation of Pedestrian and Traffic Safety Improvements		62,700.00		62,700.00
	Interior and Exterior Improvements to Borough Hall		166,250.00		166,250.00
	Construction of Car Port for Police Department		102,125.00		102,125.00
	Improvements to Legion Field and Ethel Hardy Grounds		308,750.00		308,750.00
	2013 Road Program		394,535.00	339,675.00	54,860.00
		<u>\$ 545,502.00</u>	<u>\$ 1,775,360.00</u>	<u>\$ 1,439,875.00</u>	<u>\$ 880,987.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF PALMYRA
SEWER UTILITY FUND
Statement of Sewer Utility Cash -- Treasurer
For the Year Ended December 31, 2013

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	\$ 764,392.56	\$ 217,449.51
Increased by Receipts:		
Rents Receivable	\$ 1,498,735.43	
Prepaid Sewer Service Charges	1,229.85	
Miscellaneous Revenue	18,833.25	
Due Sewer Utility Operating Fund		\$ 141.12
Due Current Fund	3,981.66	
Due from Sewer Utility Capital Fund	148.38	
Bond Anticipation Note		350,000.00
	<u>1,522,928.57</u>	<u>350,141.12</u>
	2,287,321.13	567,590.63
Decreased by Disbursements:		
2013 Budget Appropriations	1,038,576.12	
2012 Appropriation Reserves	79,951.38	
Accrued Interest on Loans and Notes	25,724.83	
Due Current Fund	4,982.49	
Due Sewer Utility Operating Fund		148.38
Improvement Authorizations		111,531.25
	<u>1,149,234.82</u>	<u>111,679.63</u>
Balance December 31, 2013	<u><u>\$ 1,138,086.31</u></u>	<u><u>\$ 455,911.00</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash and Investments
 For the Year Ended December 31, 2013

	Balance (Deficit) Dec. 31, 2012	Receipts		Disbursements		Transfers	To	From	Balance (Deficit) Dec. 31, 2013
		Bond Anticipation Notes	Miscellaneous	Miscellaneous	Improvement Authorizations				
Capital Fund Balance	\$ 43,526.39								\$ 43,526.39
Capital Improvement Fund	30,000.00								30,000.00
Due Sewer Utility Operating Encumbrances	148.38		\$ 141.12	\$ 148.38					141.12
			\$			\$	157,793.75		157,793.75
Improvement Authorizations:									
Ordinance									
Number									
2007-07 Improvements to Sewer System	19,979.74								19,979.74
2012-15 Acquisition of Equipment	123,795.00				\$ 111,531.25	\$		12,263.75	
2013-22 Improvements to and Acquisition of Equipment		\$ 350,000.00						145,530.00	
		\$				\$			
	\$ 217,449.51	\$ 350,000.00	\$ 141.12	\$ 148.38	\$ 111,531.25	\$	157,793.75	\$	455,911.00

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Sewer Service Charges Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 178,787.59
Increased by:		
2013 Sewer Charges		<u>1,493,970.40</u>
		1,672,757.99
Decreased by:		
Receipts	\$ 1,498,735.43	
Overpayments Created	(1,516.45)	
Overpayments Applied	1,664.21	
Prior Year Prepaid Sewer Rents Applied	<u>9,424.85</u>	
	1,508,308.04	
Cancelled	<u>15,661.57</u>	
		<u>1,523,969.61</u>
Balance December 31, 2013		<u><u>\$ 148,788.38</u></u>

Exhibit SD-4

SEWER UTILITY OPERATING FUND
Statement of Sewer Service Charge Liens Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 5,588.33
Increased by Receipts:		
Miscellaneous Added		<u>59.77</u>
Balance December 31, 2013		<u><u>\$ 5,648.10</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Overpaid Sewer Service Charges
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 1,664.21
Increased by:	
Overpayments Created	<u>1,516.45</u>
	3,180.66
Decreased by:	
Applied to Sewer Service Charges	<u>1,664.21</u>
Balance December 31, 2013	<u><u>\$ 1,516.45</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012 & 2013</u>
Pumping Station & Structures	\$ 6,148,552.41
Garage	234,650.00
Equalization Tanks	46,350.00
Chlorinator	5,350.00
Filter System	35,000.00
Pick Up Truck & Dump Truck	63,077.00
Sewer Rodder	<u>12,966.00</u>
	<u><u>\$ 6,545,945.41</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased by 2013 Authorization</u>	<u>Balance Dec. 31, 2013</u>
2007-07	Improvements to Sewer System	06/11/07	\$ 500,000.00	\$ 500,000.00		\$ 500,000.00
2012-15	Acquisition of Equipment	06/11/12	300,000.00	300,000.00		300,000.00
2013-22	Improvements to and Acquisition of Equipment	07/15/13	350,000.00		\$ 350,000.00	350,000.00
				<u>\$ 800,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 1,150,000.00</u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>		<u>Balance</u>		<u>Transferred</u>	<u>Cancelled</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>to Accounts</u>	<u>to Fund</u>
			<u>Transfers</u>		<u>Payable</u>	<u>Balance</u>
Operations:						
Salaries and Wages		\$ 23,948.63	\$ 23,948.63			\$ 23,948.63
Other Expenses	\$ 55,196.23	70,373.10	125,569.33	\$ 79,951.38	\$ 10,746.53	34,871.42
Statutory Expenditures:						
Social Security System		2,438.74	2,438.74			2,438.74
	<u>\$ 55,196.23</u>	<u>\$ 96,760.47</u>	<u>\$ 151,956.70</u>	<u>\$ 79,951.38</u>	<u>\$ 10,746.53</u>	<u>\$ 61,258.79</u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Loans and Notes
For the Year Ended December 31, 2013

Balance December 31, 2012			\$	4,839.93
Increased by:				
Charged to Budget Appropriation:				
Bonds	\$	37,940.07		
Notes		<u>9,355.72</u>		
				<u>47,295.79</u>
				52,135.72
Decreased by:				
Interest Paid:				
Bonds		19,935.00		
Notes		<u>5,789.83</u>		
				25,724.83
Due Current Fund:				
Interest on Bonds - Disbursed On-Behalf of		<u>19,935.00</u>		
				<u>45,659.83</u>
Balance December 31, 2013			\$	<u><u>6,475.89</u></u>

Analysis of Accrued Interest December 31, 2013

	Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	Period	Amount
Serial Bond						
\$ 840,000.00	4.125%	12/01/13	12/31/13	1 month	\$	<u>2,910.00</u>
Bond Anticipation Notes:						
\$ 300,000.00	1.25%	05/07/13	12/31/13	239 Days		2,455.48
350,000.00	0.90%	09/11/13	12/31/13	112 Days		966.58
200,000.00	1.25%	12/11/13	12/31/13	21 Days		<u>143.84</u>
						<u>3,565.89</u>
						<u><u>\$ 6,475.89</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded			Funded	Unfunded
2007-07	Improvements to Sewer System	06/11/07	\$ 500,000.00		\$ 19,979.74				\$ 19,979.74
2012-15	Acquisition of Equipment	06/11/12	300,000.00		123,795.00	\$ 350,000.00	\$ 123,795.00		
2013-22	Improvements to and Acquisition of Equipment	07/15/13	350,000.00			\$ 350,000.00	145,530.00		204,470.00
				<u>\$ -</u>	<u>\$ 143,774.74</u>	<u>\$ 350,000.00</u>	<u>\$ 269,325.00</u>	<u>\$ -</u>	<u>\$ 224,449.74</u>
	Disbursed						\$ 111,531.25		
	Encumbrances						157,793.75		
							<u>\$ 269,325.00</u>		

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 5,585,945.41
Increased by:	
Sewer Bonds Paid by Budget Appropriation	<u>120,000.00</u>
Balance December 31, 2013	<u><u>\$ 5,705,945.41</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2012</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
2006-23	Improvements to Sewer System	12/11/06	<u>\$ 250,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 300,000.00</u>
	Payment on Bond Anticipation Note			<u>\$ 50,000.00</u>	

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance Dec. 31, 2013</u>
2007-07	Improvements to Sewer System	12/20/07	12/11/12	12/11/13	1.25%	\$ 250,000.00	\$ 200,000.00	\$ 250,000.00	\$ 200,000.00
2007-07	Improvements to Sewer System	12/20/07	12/10/13	12/09/14	1.25%				
2012-15	Acquisition of Equipment	09/12/12	09/12/12	05/07/13	1.50%	300,000.00	300,000.00	300,000.00	300,000.00
2012-15	Acquisition of Equipment	09/12/12	05/07/13	05/06/14	1.25%				
2013-22	Improvements to and Acquisition of Equipment	09/11/13	09/11/13	09/10/14	0.90%		350,000.00		350,000.00
						<u>\$ 550,000.00</u>	<u>\$ 850,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 850,000.00</u>
	Renewed						\$ 500,000.00	\$ 500,000.00	
	Issued for Cash						350,000.00	50,000.00	
	Paid by Budget Appropriation						<u>\$ 850,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 550,000.00</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Sewer Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Increased by</u>	<u>Decreased by</u>
		<u>2013 Authorizations</u>	<u>Notes Issued</u>
2013-22	Improvements to and Acquisition of Equipment	<u>\$ 350,000.00</u>	<u>350,000.00</u>
	2013 Authorizations	<u>\$ 350,000.00</u>	

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
			<u>Outstanding</u>	<u>Dec. 31, 2013</u>				
			<u>Date</u>	<u>Amount</u>				
Sewer Bonds 2005	12/01/05	\$1,615,000.00	12/01/14-17	\$ 120,000.00	4.125%			
			12/01/18-20	120,000.00	4.200%			
						\$ 960,000.00	\$ 120,000.00	\$ 840,000.00

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Due (to)/from Current Fund
For the Year Ended December 31, 2013

Balance December 31, 2012 (Due from)		\$ 730.13
Increased by:		
Interfund Disbursed		<u>4,982.49</u>
		5,712.62
Decreased by:		
Interfund Received	\$ 3,981.66	
Accrued Interest - Paid on behalf of Sewer Operating by Current Fund	19,935.00	
Bond Principal - Paid on behalf of Sewer Operating by Current Fund	<u>120,000.00</u>	
		<u>143,916.66</u>
Balance December 31, 2013 (Due to)		<u><u>\$ (138,204.04)</u></u>

BOROUGH OF PALMYRA

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

BOROUGH OF PALMYRA
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings

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

No current year findings.

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 Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding #2012-1

Condition:

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

Current Status:

This condition has been corrected.

Finding #2012-2

Condition:

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

Current Status:

This condition has been corrected.

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

N/A

BOROUGH OF PALMYRA
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Karen Scheffler	Mayor	
Robert Bostock	Councilor	
Kenneth Brahl	Councilor (until January 31, 2013)	
Michele Dobbs	Councilor	
David Dorworth	Councilor	
Howard Norcross	Councilor	
Gina Ragomo Tait	Councilor (as of February 4, 2013)	
Carol Reiner	Councilor	
John Gural, Jr.	Borough Administrator	
Barbara A. Sheipe	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics	(A)
Linda Lewis	Chief Financial Officer, Qualified Purchasing Agent (until October 31, 2013)	(B)
Kareemah Press	Payroll/Finance Clerk	(A)
Tanyika L. Johns	Tax Collector	(B)
Susan Doerr	Deputy Tax Collector (until August 31, 2013)	(B)
Marie Nagle	Deputy Municipal Clerk, Deputy Registrar of Vital Statistics	(A)
Mindie Weiner	Tax Clerk, Sewer Rent Clerk	(A)
Rita Jackson	Tax Clerk, Sewer Rent Clerk	(A)
Corey Ahart	Municipal Court Judge	(B)
Tracy McGill	Court Administrator	(B)
Donna Browne	Deputy Court Administrator	(B)
Tracy Kilmer	Construction Code Official, Zoning Officer, Fire Official and Inspector	(A)
Glenn McMahon	Assessor	
Environmental Resolutions, Inc.	Engineer	
Ted Rosenberg, Esq.	Solicitor	

- (A) Public Employees Honesty Blanket Bond with Burlington County Municipal Joint Insurance Fund and Municipal Excess Liability Fund of \$1,000,000.00.
- (B) Separate Surety Bonds with Selective Insurance Company from \$10,000 up to \$100,000.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "R.P. 3" or "R.P. Jr.", written in a cursive style.

Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

