

**BOROUGH OF PALMYRA
COUNTY OF BURLINGTON**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2017**



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BOROUGH OF PALMYRA

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" 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, 2017 and 2016, 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, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

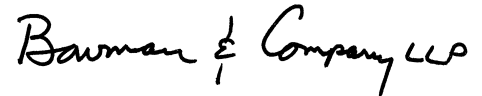
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Palmyra's 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 and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
June 4, 2018

**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, 2017, 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 4, 2018. 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.

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 of Palmyra's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palmyra's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

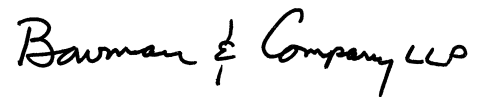
Compliance and Other Matters

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 entity'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, and state awarding agencies and pass-through entities, 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 4, 2018

BOROUGH OF PALMYRA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS:			
Regular Fund:			
Cash	SA-1	\$ 5,234,724.80	\$ 4,182,111.53
Cash - Change Fund	SA-2	250.00	250.00
		<u>5,234,974.80</u>	<u>4,182,361.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	376,644.07	305,637.89
Tax Title Lien Receivable	SA-5	78,749.81	81,336.86
Property Acquired for Taxes - Assessed Valuation	A	402,650.00	402,650.00
Revenue Accounts Receivable	SA-6	6,679.12	10,410.82
Due from Animal Control Trust Fund	SB-3	75.60	13.71
Due from Trust Other - Other Trust Funds	SB-6	2,019.15	2,019.15
		<u>866,817.75</u>	<u>802,068.43</u>
Deferred Charges:			
Special Emergency Authorizations N.J.S.A. 40A:4-55	SA-7	3,880.00	60,820.00
		<u>3,880.00</u>	<u>60,820.00</u>
		<u>6,105,672.55</u>	<u>5,045,249.96</u>
Federal and State Grant Fund:			
Cash	SA-1	267,812.06	941,903.68
Federal, State and Other Grants Receivable	SA-17	294,803.40	480,961.00
		<u>562,615.46</u>	<u>1,422,864.68</u>
		<u>\$ 6,668,288.01</u>	<u>\$ 6,468,114.64</u>

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-8	\$ 622,781.15	\$ 531,009.12
Reserve for Encumbrances	SA-9	199,790.11	242,821.24
Accounts Payable	SA-1,SA-8	42,063.65	39,779.98
Local School District Taxes Payable	SA-14	1,036,426.98	875,059.00
Due State of New Jersey			
Seniors and Veterans Deductions	SA-3	47,725.97	45,943.43
Due to Trust Other Fund:			
Unemployment Compensation Insurance Trust Fund	B	10,000.00	10,000.00
Developer's Site Improvements	B	45,765.00	45,765.00
Due to General Capital Fund	C	51,250.00	51,250.00
Prepaid Taxes	SA-10	275,036.34	94,000.63
Tax Overpayments	SA-11	4,261.88	
Due County for Added and Omitted Taxes	SA-13	1,317.68	1,166.82
Due State - Marriage Licenses	SA-15	275.00	300.00
Due State - DCA Fees	SA-16	1,491.00	1,033.00
Reserve for Codification of Ordinances	A	4,850.00	4,850.00
		<u>2,343,034.76</u>	<u>1,942,978.22</u>
Reserves for Receivables and Other Assets	A	866,817.75	802,068.43
Fund Balance	A-1	<u>2,895,820.04</u>	<u>2,300,203.31</u>
		<u>6,105,672.55</u>	<u>5,045,249.96</u>
Federal and State Grant Fund:			
Due General Capital Fund	C	89,267.26	89,267.26
Unappropriated Reserves	SA-18	13,282.13	4,058.67
Appropriated Reserves	SA-19	385,346.60	446,819.66
Reserve for Encumbrances	SA-19	74,719.47	882,719.09
		<u>562,615.46</u>	<u>1,422,864.68</u>
		<u>\$ 6,668,288.01</u>	<u>\$ 6,468,114.64</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 865,000.00	\$ 1,275,000.00
Miscellaneous Revenues Anticipated	1,524,664.64	1,565,568.04
Receipts from Delinquent Taxes and Tax Title Liens	317,818.69	331,782.52
Receipts from Current Taxes	17,625,439.61	17,366,485.83
Non-Budget Revenue	383,433.67	244,108.90
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	580,445.51	393,736.61
Cancellation of Reserve for Revaluation		38,492.50
Cancellation of Appropriated Grants		94,057.17
Interfunds Liquidated		84.30
	<u>21,296,802.12</u>	<u>21,309,315.87</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,501,467.00	2,409,804.00
Other Expenses	3,426,687.00	3,372,956.00
Deferred Charges and Statutory Expenditures	542,780.00	497,995.00
Excluded from "CAPS":		
Operations:		
Salaries and Wages	7,615.10	2,003.73
Other Expenses	92,877.94	318,718.52
Capital Improvements		488,000.00
Municipal Debt Service	918,402.48	931,891.09
Deferred Charges and Statutory Expenditures	56,940.00	56,940.00
County Taxes	2,058,019.30	2,105,023.48
Due County for Added and Omitted Taxes	1,317.68	1,166.82
Local District School Tax	10,223,639.00	9,900,903.00
Refund of Prior Year Revenue	128.00	31.54
Interfunds Created	61.89	2,027.63
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	6,250.00	3,000.00
	<u>19,836,185.39</u>	<u>20,090,460.81</u>
Total Expenditures		
Statutory Excess to Fund Balance	1,460,616.73	1,218,855.06
FUND BALANCE:		
Balance January 1,	<u>2,300,203.31</u>	<u>2,356,348.25</u>
	3,760,820.04	3,575,203.31
Decreased by:		
Utilized as Revenue	<u>865,000.00</u>	<u>1,275,000.00</u>
Balance December 31,	<u>\$ 2,895,820.04</u>	<u>\$ 2,300,203.31</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, 2017

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. 40A: 4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 865,000.00		\$ 865,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		9,926.00	\$ (74.00)
Other	1,500.00		2,411.00	911.00
Fees and Permits	11,000.00		11,423.50	423.50
Fines and Costs:				
Municipal Court	170,000.00		151,967.28	(18,032.72)
Interest and Costs on Taxes	60,000.00		70,804.52	10,804.52
Interest on Investments and Deposits	2,000.00		57,480.44	55,480.44
Burlington County Bride Commission in Lieu of Taxes	34,238.00		34,238.43	0.43
Consolidated Municipal Property Tax Relief Aid	20,252.00		20,252.00	
Energy Receipts Tax	538,003.00		538,003.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	55,000.00		99,414.00	44,414.00
Public and Private Revenues - Offset With Appropriations:				
Alcohol Education and Rehabilitation	2,115.10		2,115.10	
Recycling Tonnage Grant	8,150.52		8,150.52	
Body Armor Grant	1,943.57		1,943.57	
Distracted Driving Crackdown U Drive U Text U Pay		\$ 5,500.00	5,500.00	
Clean Communities		16,033.85	16,033.85	
Hazardous Discharge Site Remediation Fund		39,000.00	39,000.00	
Click it or Ticket		5,250.00	5,250.00	
Other Special Items of Revenues:				
Uniform Fire Safety Act	10,000.00		14,949.93	4,949.93
Rental Property Inspection Fees	14,000.00		23,094.90	9,094.90
Municipal Services Act - Street Lighting Reimbursements	17,000.00		17,604.48	604.48
Vacant Property Registrations Fees	60,000.00		186,583.33	126,583.33
Special Franchise Tax - PSE&G	39,000.00		40,090.22	1,090.22
Reserve for Payment of Debt Service	75,000.00		75,000.00	
General Capital Fund Surplus	25,000.00		25,000.00	
School Resource Officer - Palmyra BOE	68,000.00		68,428.57	428.57
	1,222,202.19	65,783.85	1,524,664.64	236,678.60
Receipts from Delinquent Taxes	260,000.00		317,818.69	57,818.69
Amount to be Raised by Taxes for				
Support of Municipal Budget:				
Local Tax for Municipal Purposes				
including Reserve for Uncollected Taxes	5,726,375.71		5,934,008.34	207,632.63
Budget Totals	8,073,577.90	65,783.85	8,641,491.67	502,129.92
Non-Budget Revenue			383,433.67	383,433.67
	\$ 8,073,577.90	\$ 65,783.85	\$ 9,024,925.34	\$ 885,563.59

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 17,625,439.61
Allocated to:	
County and School Taxes	<u>12,282,975.98</u>

Amount for Support of Municipal Budget Appropriations	5,342,463.63
Add: Appropriation "Reserve for Uncollected Taxes"	<u>591,544.71</u>

Amount for Support of Municipal Budget Appropriations	<u><u>\$ 5,934,008.34</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 304,196.10
Tax Title Lien Collections	<u>13,622.59</u>

Delinquent Tax Collections	<u><u>\$ 317,818.69</u></u>
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Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Cable TV Franchise Fee	\$ 31,008.46
Rental of Tower Space	64,928.22
Use of Vehicle Fees	51,275.00
Administrative Fees	14,750.00
Community Center Rent	13,625.00
Property Liens Fees	2,520.40
Business Registration Fee	2,265.00
Trash Carts	984.00
Property Owner List Fees	160.00
Copy Fees	1.45
Registrar of Vital Statistics - Death Certificates/Birth Certificates/Burial Permits	1,560.00
2016 Safe and Secure Grant Reimbursement	78,970.00
Prior Year Drunk Driving Police Grant Reimbursement	4,919.03
Homestead Rebate Administrative Fee	434.40
2% Administrative Fee Senior and Veterans Deductions	1,654.75
Res. 2017-233 Cancellation of Unemployment Trust Fund	90,000.00
Miscellaneous	<u>24,377.96</u>
	<u><u>\$ 383,433.67</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, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>GOVERNMENTAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 84,865.00	\$ 85,365.00	\$ 85,271.17		\$ 93.83	
Other Expenses	106,400.00	106,400.00	62,521.68	\$ 12,123.26	31,755.06	
Mayor and Council						
Salaries and Wages	15,349.00	15,349.00	15,181.79		167.21	
Other Expenses	6,600.00	6,600.00	2,522.43	1,000.00	3,077.57	
Public Relations	5,000.00	5,000.00	1,903.47	100.00	2,996.53	
Borough Clerk						
Salaries and Wages	45,610.00	46,610.00	46,401.64		208.36	
Other Expenses	8,575.00	8,575.00	7,131.94	7.96	1,435.10	
Election Costs	4,500.00	4,500.00	3,564.19		935.81	
Financial Administration						
Salaries and Wages	71,514.00	73,514.00	71,678.36		1,835.64	
Other Expenses	13,850.00	13,850.00	8,528.75	792.75	4,528.50	
Audit Services						
Other Expenses	22,950.00	22,950.00	19,950.00		3,000.00	
Collection of Taxes						
Salaries and Wages	49,965.00	49,965.00	24,539.36		25,425.64	
Other Expenses	14,850.00	14,850.00	3,474.45	7,035.06	4,340.49	
Assessment of Taxes						
Salaries and Wages	13,448.00	13,448.00	13,447.68		0.32	
Other Expenses	9,125.00	9,125.00	4,196.15		4,928.85	
Legal Services and Costs						
Other Expenses	141,000.00	141,000.00	96,313.72	5,164.13	39,522.15	
Engineering Services						
Other Expenses	86,000.00	98,000.00	79,509.75	1,524.50	16,965.75	
Grants and Planning						
Other Expenses	27,500.00	27,500.00	13,471.66		14,028.34	
Land Use Administrative Planning Board						
Salaries and Wages	3,045.00	3,045.00	2,970.65		74.35	
Other Expenses	4,050.00	4,050.00	1,025.94		3,024.06	
Code Enforcement / Zoning Officer						
Salaries and Wages	32,817.00	35,817.00	29,582.87		6,234.13	
Other Expenses	6,250.00	6,250.00	3,965.00		2,285.00	
Municipal Court						
Salaries and Wages	118,205.00	118,205.00	117,120.96		1,084.04	
Other Expenses	15,150.00	15,150.00	10,141.86	391.64	4,616.50	
Insurance						
Surety Bond Premiums	3,000.00	3,000.00			3,000.00	
Liability Insurance	135,000.00	135,000.00	132,832.60		2,167.40	
Employees Group Insurance	1,084,500.00	1,064,500.00	1,025,268.13	438.70	38,793.17	

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
PUBLIC SAFETY:						
Police						
Salaries and Wages	\$ 1,511,666.00	\$ 1,511,666.00	\$ 1,436,743.44		\$ 74,922.56	
Other Expenses	135,400.00	135,400.00	106,307.35	\$ 15,651.53	13,441.12	
School Crossing Guards						
Salaries and Wages	79,117.00	79,117.00	75,179.09		3,937.91	
Other Expenses	3,160.00	3,160.00	2,204.00		956.00	
Police and Radio Communications						
Other Expenses	26,772.00	26,772.00	25,547.83	1,018.00	206.17	
Office of Emergency Management						
Other Expenses	3,300.00	3,300.00	1,415.40	344.07	1,540.53	
Aid to Volunteer Fire Company						
Other Expenses	15,000.00	15,000.00	14,495.00		505.00	
Fire Department						
Other Expenses	38,000.00	38,000.00	31,649.28	1,327.40	5,023.32	
Uniform Fire Safety Act						
Salaries and Wages	52,204.00	52,204.00	51,222.36		981.64	
Other Expenses	5,300.00	5,300.00	3,202.52		2,097.48	
Borough Prosecutor						
Other Expenses	12,000.00	12,000.00	8,000.00		4,000.00	
PUBLIC WORKS FUNCTIONS:						
Streets and Roads Maintenance						
Salaries and Wages	238,442.00	238,442.00	236,635.60		1,806.40	
Other Expenses	57,050.00	57,050.00	33,197.72	20,243.61	3,608.67	
Railroad Landscaping	1,000.00	1,000.00			1,000.00	
Shade Tree						
Salaries and Wages	17,844.00	21,844.00	18,366.16		3,477.84	
Other Expenses	76,850.00	76,850.00	52,570.22	642.00	23,637.78	
Solid Waste Collection						
Other Expenses	236,000.00	236,000.00	212,779.66	18,166.00	5,054.34	
Public Buildings and Grounds						
Salaries and Wages	45,862.00	50,862.00	47,269.06		3,592.94	
Other Expenses	92,700.00	92,700.00	53,660.87	14,685.06	24,354.07	
Vehicle Maintenance						
Other Expenses	60,000.00	66,000.00	58,198.98	4,704.33	3,096.69	
Condominium Services Law (C.299, P.L.1989)						
Other Expenses	120,000.00	120,000.00	92,691.75	15,885.17	11,423.08	
HEALTH AND HUMAN SERVICES:						
Board of Health						
Salaries and Wages	212.00	212.00			212.00	
Other Expenses	400.00	400.00	95.00		305.00	
Animal Control Services						
Other Expenses	14,500.00	14,500.00	14,000.00		500.00	

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
PARKS AND RECREATION FUNCTIONS:						
Parks and Playgrounds						
Other Expenses	\$ 35,500.00	\$ 35,500.00	\$ 15,767.28	\$ 8,210.24	\$ 11,522.48	
Education Functions						
Community Youth Program						
Other Expenses	14,055.00	14,055.00	1,580.00		12,475.00	
Contribution to Tri-Boro Senior Citizen Club						
Other Expenses	5,500.00	5,500.00	5,500.00			
Celebration of Public Events						
Other Expenses	16,000.00	16,000.00	11,063.45	550.00	4,386.55	
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages	75,802.00	75,802.00	73,212.73		2,589.27	
Other Expenses	20,900.00	20,900.00	10,172.26	4,917.35	5,810.39	
ACCUMULATED SICK LEAVE COMPENSATION:						
Salaries and Wages	30,000.00	30,000.00	30,000.00			
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
UNCLASSIFIED:						
Utilities						
Electricity	130,000.00	113,500.00	68,544.45	13,394.97	31,560.58	
Street Lighting	115,000.00	115,000.00	90,563.77	17,618.89	6,817.34	
Telephone	45,000.00	45,000.00	36,818.58	154.35	8,027.07	
Water	23,000.00	23,000.00	15,607.00	874.74	6,518.26	
Gasoline	84,500.00	84,500.00	30,419.84	3,628.73	50,451.43	
Fire Hydrant Services	100,000.00	100,000.00	81,950.49		18,049.51	
Printing and Postage	14,000.00	14,000.00	5,689.89		8,310.11	
Landfill and Solid Waste Disposal Costs						
Landfill Fees	250,000.00	250,000.00	195,847.27	27,719.39	26,433.34	
Total Operations - Within "CAPS"	5,931,154.00	5,928,154.00	5,130,684.50	198,313.83	599,155.67	-
Detail:						
Salaries and Wages	2,485,967.00	2,501,467.00	2,374,822.92		126,644.08	
Other Expenses	3,445,187.00	3,426,687.00	2,755,861.58	198,313.83	472,511.59	-
Statutory Expenditures:						
Contribution to						
Public Employee Retirement System	114,006.00	114,006.00	114,005.71		0.29	
Social Security System (O.A.S.I.)	110,000.00	110,000.00	94,186.40		15,813.60	
Police and Firemen's Retirement System	311,774.00	311,774.00	311,774.00			
Define Contribution Retirement System	4,000.00	7,000.00	4,711.19		2,288.81	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	539,780.00	542,780.00	524,677.30	-	18,102.70	-

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 6,470,934.00	\$ 6,470,934.00	\$ 5,655,361.80	\$ 198,313.83	\$ 617,258.37	-
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Aid to Library	1,500.00	1,500.00			1,500.00	
Length of Service Award Program	21,000.00	21,000.00	15,500.94	1,476.28	4,022.78	
Public and Private Programs Offset by Revenue:						
Distracted Driving Crackdown U Drive U Text U Pay:						
(N.J.S.A. 40A:4-87; \$5,500.00)		5,500.00	5,500.00			
Recycling Tonnage Grant	8,150.52	8,150.52	8,150.52			
Body Armor Grant	1,943.57	1,943.57	1,943.57			
Click It or Ticket; (N.J.S.A. 40A:4-87; \$5,250.00)		5,250.00	5,250.00			
NJDEP - Clean Communities Grant (N.J.S.A. 40A:4-87; \$16,033.85)		16,033.85	16,033.85			
NJ EDA, Hazardous Discharge Site Remediation Fund:						
(N.J.S.A. 40A:4-87; \$39,000.00)		39,000.00	39,000.00			
Municipal Alcohol Education and Rehabilitation Fund	2,115.10	2,115.10	2,115.10			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	34,709.19	100,493.04	93,493.98	1,476.28	5,522.78	-
Detail:						
Salaries and Wages	2,115.10	7,615.10	7,615.10			
Other Expenses	32,594.09	92,877.94	85,878.88	1,476.28	5,522.78	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	610,000.00	610,000.00	610,000.00			
Interest on Bonds	300,000.00	300,000.00	299,075.00			\$ 925.00
Loan Repayments for Principal and Interest						
Principal	8,950.00	8,950.00	8,919.15			30.85
Interest	500.00	500.00	408.33			91.67
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	919,450.00	919,450.00	918,402.48	-	-	1,047.52

(Continued)

BOROUGH OF PALMYRA
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 56,940.00	\$ 56,940.00	\$ 56,940.00			
TOTAL DEFERRED CHARGES - EXCLUDED FROM "CAPS"	56,940.00	56,940.00	56,940.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,011,099.19	1,076,883.04	1,068,836.46	\$ 1,476.28	\$ 5,522.78	\$ 1,047.52
SUBTOTAL GENERAL APPROPRIATIONS	7,482,033.19	7,547,817.04	6,724,198.26	199,790.11	622,781.15	1,047.52
RESERVE FOR UNCOLLECTED TAXES	591,544.71	591,544.71	591,544.71			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 8,073,577.90</u>	<u>\$ 8,139,361.75</u>	<u>\$ 7,315,742.97</u>	<u>\$ 199,790.11</u>	<u>\$ 622,781.15</u>	<u>\$ 1,047.52</u>
Original Budget		\$ 8,073,577.90				
Appropriation by 40A:4-87		65,783.85				
		<u>\$ 8,139,361.75</u>				
Federal, State and Other Grants Appropriated			\$ 77,993.04			
Deferred Charge:						
Special Emergency (N.J.S. 40A: 4-55)			56,940.00			
Reserve for Uncollected Taxes			591,544.71			
Reimbursed			(625,775.72)			
Disbursed			7,215,040.94			
			<u>\$ 7,315,742.97</u>			

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

BOROUGH OF PALMYRA
TRUST OTHER FUND
 Statements of Assets, Liabilities, and Reserves - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 7,825.52	\$ 5,828.63
Due from Bank	B	0.40	0.40
		<u>7,825.92</u>	<u>5,829.03</u>
Other Funds:			
Cash	SB-1	1,038,427.95	982,005.56
Investments - Length of Service Awards Program	SB-2	235,150.14	205,286.95
Due from Current Fund:			
Unemployment Compensation Insurance Trust Fund	A	10,000.00	10,000.00
Developer's Site Improvements	A	45,765.00	45,765.00
		<u>1,329,343.09</u>	<u>1,243,057.51</u>
		<u>\$ 1,337,169.01</u>	<u>\$ 1,248,886.54</u>
LIABILITIES AND RESERVES			
Animal Control Fund:			
Due to State Department of Health	SB-4	\$ 1.20	\$ 1.20
Reserve for Animal Control Expenditures	SB-5	7,749.12	5,814.12
Due to Current Fund	SB-3	75.60	13.71
		<u>7,825.92</u>	<u>5,829.03</u>
Other Funds:			
Due to Current Fund - Other Trust Funds	SB-6	2,019.15	2,019.15
Due to Violent Crime Compensation Board	SB-8	50,595.62	47,863.50
Reserve for Length of Service Awards Program	SB-2	235,150.14	205,286.95
Payroll Deductions Payable	SB-7	2,568.00	25,912.86
Reserve for Unemployment Compensation Insurance	SB-7	56,467.88	141,183.57
Reserve for Parking Offenses Adjudication Act	SB-7	339.00	333.00
Reserve for Public Defender	SB-7	5,653.02	7,561.14
Reserve for Developer's Escrow Deposits	SB-7	73,015.21	42,019.91
Reserve for Developer's Site Improvements	SB-7	165,589.66	148,392.16
Reserve for Regional Contribution - Delanco	SB-7	78,282.68	66,812.50
Reserve for Regional Contribution - Evesham	SB-7	159,559.38	129,085.98
Reserve for Special Law Enforcement	SB-7	17,915.06	11,489.70
Reserve for Community Center Rentals	SB-7	11,621.44	
Reserve for Community Center Deposits	SB-7	600.00	
Reserve for Community Center Refundable Deposits	SB-7	2,500.00	2,400.00
Reserve for Police Equipment - Mitchell Estate	SB-7	18,690.77	
Reserve for Flexible Spending Account	SB-7	10,109.11	4,761.04
Reserve for Compensated Absences	SB-7	120,831.67	112,364.05
Reserve for Tax Title Lien Premiums	SB-7	283,200.00	276,500.00
Reserve for Tax Title Lien Redemptions	SB-7	34,635.30	19,072.00
		<u>1,329,343.09</u>	<u>1,243,057.51</u>
		<u>\$ 1,337,169.01</u>	<u>\$ 1,248,886.54</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, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash and Investments	SC-1	\$ 3,839,328.27	\$ 1,399,680.30
Due from Federal and State Grant Fund	A	89,267.26	89,267.26
Due from Current Fund	A	51,250.00	51,250.00
Deferred Charges to Future Taxation:			
Funded	SC-3	9,123,715.99	9,742,635.14
Unfunded	SC-4	3,962,349.22	2,217,934.69
		<u>\$ 17,065,910.74</u>	<u>\$ 13,500,767.39</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
General Serial Bonds	SC-11	\$ 9,110,000.00	\$ 9,720,000.00
Green Acres Loan Payable	SC-9	13,715.99	22,635.14
Bond Anticipation Notes	SC-12	2,950,000.00	
Due to Sewer Capital Fund	D	36,893.00	36,893.00
Capital Improvement Fund	SC-10	404,944.16	551,944.16
Reserve for Encumbrances	SC-5	1,543,585.48	215,598.21
Improvement Authorizations:			
Funded	SC-8	251,235.80	559,987.46
Unfunded	SC-8	1,742,081.93	1,456,480.52
Reserve for Payment of Debt Service	SC-6	811,672.46	886,672.46
Fund Balance	C-1	201,781.92	50,556.44
		<u>\$ 17,065,910.74</u>	<u>\$ 13,500,767.39</u>

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

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	50,556.44
Increased by:			
Premiums Received on Sale of Notes	\$	22,154.50	
Cancellation of Funded Improvement Authorizations		<u>154,070.98</u>	
			176,225.48
Decreased by:			
2017 Budget Appropriation			<u>25,000.00</u>
Balance December 31, 2017		\$	<u><u>201,781.92</u></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, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS:			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 957,322.08	\$ 934,778.90
Due from Sewer Capital Fund	SD-4	13,802.51	
		<u>971,124.59</u>	<u>934,778.90</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-3	165,880.33	171,130.03
Sewer Liens Receivable	D	385.00	385.00
		<u>166,265.33</u>	<u>171,515.03</u>
Total Operating Fund		<u>1,137,389.92</u>	<u>1,106,293.93</u>
Capital Fund:			
Cash - Treasurer	SD-1	371,188.74	371,188.74
Due from Sewer Operating Fund	SD-4		6,763.49
Due from General Capital Fund	C	36,893.00	36,893.00
Fixed Capital	SD-6	6,545,945.41	6,545,945.41
Fixed Capital Authorized and Uncompleted	SD-7	6,059,000.00	6,059,000.00
Total Capital Fund		<u>13,013,027.15</u>	<u>13,019,790.64</u>
		<u>\$ 14,150,417.07</u>	<u>\$ 14,126,084.57</u>

(Continued)

BOROUGH OF PALMYRA
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,SD-8	\$ 278,512.70	\$ 136,658.70
Accounts Payable	SD-1, SD-8	1,928.75	260.00
Reserve for Encumbrances	D-3,SD-8	59,495.97	104,940.87
Due to Sewer Capital Fund	SD-4		6,763.49
Prepaid Sewer Service Charges	SD-1,SD-3	8,204.50	10,502.43
Overpaid Sewer Service Charges	SD-5	2,073.89	3,512.10
Accrued Interest on Bonds and Notes	SD-9	31,555.83	33,293.34
		<u>381,771.64</u>	<u>295,930.93</u>
Reserve for Receivables	D	166,265.33	171,515.03
Fund Balance	D-1	<u>589,352.95</u>	<u>638,847.97</u>
Total Operating Fund		<u>1,137,389.92</u>	<u>1,106,293.93</u>
Capital Fund:			
Serial Bond Payable	SD-14	2,065,000.00	2,255,000.00
Loans Payable	SD-15	2,940,491.56	3,105,834.77
Improvement Authorizations:			
Funded	SD-10	586,845.09	577,816.34
Unfunded	SD-10	69,427.00	69,427.00
Reserve for Encumbrances	SD-10	5,903.75	14,932.50
Due to Sewer Operating Fund	SD-4	13,802.51	
Capital Improvement Fund	D	11,000.00	11,000.00
Reserve for Amortization	SD-11	6,919,453.85	6,564,110.64
Reserve for Deferred Amortization	SD-12	319,000.00	319,000.00
Reserve for Payment of Debt Service	SD-13	38,577.00	59,143.00
Fund Balance	D	<u>43,526.39</u>	<u>43,526.39</u>
Total Capital Fund		<u>13,013,027.15</u>	<u>13,019,790.64</u>
		<u>\$ 14,150,417.07</u>	<u>\$ 14,126,084.57</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 222,000.00	\$ 155,000.00
Rents	1,650,379.94	1,661,865.38
Reserve for Payment of Debt Service	20,566.00	
Miscellaneous	50,819.60	21,013.67
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	131,413.67	160,528.67
Total Income	<u>2,075,179.21</u>	<u>1,998,407.72</u>
EXPENDITURES:		
Operating	1,381,384.00	1,303,147.00
Debt Service	459,758.35	467,435.38
Deferred Charges and Statutory Expenditures	60,500.00	65,500.00
Refund of Prior Year Revenue	1,031.88	731.30
Total Expenditures	<u>1,902,674.23</u>	<u>1,836,813.68</u>
Statutory Excess to Fund Balance	172,504.98	161,594.04
FUND BALANCE:		
Balance January 1	<u>638,847.97</u>	<u>632,253.93</u>
	811,352.95	793,847.97
Decreased by:		
Utilized as Revenue	<u>222,000.00</u>	<u>155,000.00</u>
Balance December 31	<u><u>\$ 589,352.95</u></u>	<u><u>\$ 638,847.97</u></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, 2017

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 222,000.00	\$ 222,000.00	
Rents	1,659,163.00	1,650,379.94	\$ (8,783.06)
Reserve for Payment of Debt Service	20,566.00	20,566.00	
Miscellaneous		50,819.60	50,819.60
	<u>\$ 1,901,729.00</u>	<u>\$ 1,943,765.54</u>	<u>\$ 42,036.54</u>

Analysis of Realized Revenues

Miscellaneous:

Receipts:

Interest on Deposits	\$ 11,692.51	
Refund of Prior Year Expenses	24,378.00	
Interest and Costs on Delinquent Sewer Charges	<u>14,749.09</u>	
		<u>\$ 50,819.60</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, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
Operating:						
Salaries and Wages	\$ 357,474.00	\$ 357,474.00	\$ 337,694.02		\$ 19,779.98	
Other Expenses	1,023,910.00	1,023,910.00	706,089.13	\$ 59,495.97	258,324.90	
Total Operating	1,381,384.00	1,381,384.00	1,043,783.15	59,495.97	278,104.88	-
Debt Service:						
Payment of Bond Principal	190,000.00	190,000.00	190,000.00			
Interest on Bonds	74,551.00	74,552.00	74,551.25			\$ 0.75
NJEIT Loan Principal	165,344.00	165,344.00	165,343.21			0.79
NJEIT Loan Interest	29,950.00	29,949.00	29,863.89			85.11
Total Debt Service	459,845.00	459,845.00	459,758.35	-	-	86.65
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Public Employees' Retirement System	35,000.00	35,000.00	35,000.00			
Contributions to Social Security System (O.A.S.I.)	25,500.00	25,500.00	25,092.18		407.82	
Total Deferred Charges and Statutory Expenditures	60,500.00	60,500.00	60,092.18	-	407.82	-
	<u>\$ 1,901,729.00</u>	<u>\$ 1,901,729.00</u>	<u>\$ 1,563,633.68</u>	<u>\$ 59,495.97</u>	<u>\$ 278,512.70</u>	<u>\$ 86.65</u>
Accrued Interest on Bonds and Notes			\$ 104,415.14			
Appropriation Refunds			(1,620.00)			
Disbursed			1,460,838.54			
			<u>\$ 1,563,633.68</u>			

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 - Regulatory Basis
For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land and Land Improvements	\$ 4,552,455.75			\$ 4,552,455.75
Buildings and Improvements	7,736,464.44	\$ 150,000.00		7,886,464.44
Vehicles	2,306,310.43	188,852.00		2,495,162.43
Equipment	<u>543,609.52</u>	<u>65,903.48</u>		<u>609,513.00</u>
	<u>\$ 15,138,840.14</u>	<u>\$ 404,755.48</u>	<u>\$ -</u>	<u>\$ 15,543,595.62</u>
Investment in General Fixed Assets	<u>\$ 15,138,840.14</u>	<u>\$ 404,755.48</u>	<u>\$ -</u>	<u>\$ 15,543,595.62</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, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Palmyra (hereafter referred to as the "Borough") was incorporated as a Township by an act of the New Jersey legislature on April 19, 1894 from portions of Cinnaminson Township and Riverton Borough. On February 20, 1923, Palmyra was reincorporated as a Borough. The Borough is located in Burlington County, New Jersey, and is located approximately ten miles northeast of the City of Philadelphia. The Borough borders the Delaware River, Riverton Borough, Cinnaminson Township, and Pennsauken Township. According to the 2000 census, the population is 7,091.

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 had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the 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; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Borough's length of service awards program, however, are stated at fair value.

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 requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund 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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, 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 acquisition value as of the date of the transaction. 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 asset group of accounts, 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the 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 sewer 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 is 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 to 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 the Borough of Palmyra School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Palmyra School District. Operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. 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.

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

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.

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 year. Lapsed appropriation reserves are recorded as income.

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$250,000.00 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 agency 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 classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of December 31, 2017, the Borough's bank balances of \$11,695,579.03 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,278,816.08
Uninsured and Uncollateralized	<u>416,762.95</u>
Total	<u>\$ 11,695,579.03</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 calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$ 3.775</u>	<u>\$ 3.701</u>	<u>\$ 3.648</u>	<u>\$ 3.487</u>	<u>\$ 3.340</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.200	\$ 1.188	\$ 1.177	\$ 1.165	\$ 1.142
County	.433	.442	.470	.424	.420
Local School	2.142	2.071	2.001	1.898	1.778

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 477,098,169.00
2016	477,863,768.00
2015	478,745,221.00
2014	479,413,048.00
2013	481,138,005.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 18,024,288.27	\$ 17,625,439.61	97.79%
2016	17,696,043.31	17,366,485.83	98.14%
2015	17,469,023.71	17,113,693.02	97.97%
2014	16,723,447.29	16,407,234.95	98.11%
2013	16,072,956.62	15,704,142.58	97.71%

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 78,749.81	\$ 376,644.07	\$ 455,393.88	2.53%
2016	81,336.86	305,637.89	386,974.75	2.19%
2015	79,759.46	333,092.98	412,852.44	2.36%
2014	65,673.39	290,551.71	356,225.10	2.13%
2013	51,623.12	330,909.28	382,532.40	2.38%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2017	14
2016	18
2015	20
2014	17
2013	21

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>
2017	\$ 402,650.00
2016	402,650.00
2015	402,650.00
2014	166,150.00
2013	166,150.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u> <u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2017	\$ 171,130.03	\$ 385.00	\$ 1,645,130.24	\$ 1,816,645.27	\$ 1,650,379.94
2016	172,160.99	365.00	1,664,625.43	1,837,151.42	1,661,865.38
2015	162,993.69	14,386.71	1,406,466.35	1,583,846.75	1,447,315.35
2014	148,788.38	5,648.10	1,504,165.15	1,658,601.63	1,487,034.65
2013	178,787.59	5,588.33	1,493,970.50	1,678,346.42	1,508,308.04

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail 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:

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2017	\$ 2,895,820.04	\$ 1,240,000.00	42.82%
2016	2,300,203.31	865,000.00	37.61%
2015	2,356,348.25	1,275,000.00	54.11%
2014	1,599,271.31	665,000.00	41.58%
2013	1,315,505.79	715,000.00	54.35%

Sewer Utility Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2017	\$ 589,352.95	\$ 237,465.00	40.29%
2016	638,847.97	222,000.00	34.75%
2015	632,253.93	155,000.00	24.52%
2014	816,125.64	312,226.00	38.26%
2013	639,910.79	150,000.00	23.44%

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, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 2,094.75	\$ 107,015.00
Federal and State Grant		89,267.26
Trust - Animal Control		75.60
Trust - Other	55,765.00	2,019.15
General Capital	140,517.26	36,893.00
Sewer Utility - Operating	13,802.51	
Sewer Utility - Capital	36,893.00	13,802.51
Totals	<u>\$ 249,072.52</u>	<u>\$ 249,072.52</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for 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
<http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 12.92% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$122,129.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$125,940.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$70,264.95.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 29.11% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$352,932.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$311,774.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$124,777.62.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2017 was 2.84% of the Borough's covered payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$34,482.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 was \$23,504.00, which was paid on April 1, 2017.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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 contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2017, employee contributions totaled \$13,349.23, and the Borough's contributions were \$4,711.19. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$3,068,857.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was .0131832790%, which was a decrease of .0009929957% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$285,949.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PERS was \$125,940.00, and was paid on April 1, 2017.

Police and Firemen's Retirement System - At December 31, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 6,156,468.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	689,576.00
	<u>\$ 6,846,044.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was .0398784903%, which was an increase of .0016399919% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Borough, was .0398784903%, which was an increase of .0016399919% from its proportion, on-behalf of the Borough, measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$738,921.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PFRS was \$311,774.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2017 measurement date is \$84,351.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 72,261.00	\$ 39,940.00	\$ 112,201.00	\$ -	\$ 36,133.00	\$ 36,133.00
Changes of Assumptions	618,269.00	759,161.00	1,377,430.00	616,002.00	1,008,249.00	1,624,251.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,897.00	117,480.00	138,377.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	323,711.00	593,851.00	917,562.00	176,987.00	-	176,987.00
Borough Contributions Subsequent to the Measurement Date	61,065.00	176,466.00	237,531.00	-	-	-
	<u>\$ 1,096,203.00</u>	<u>\$ 1,686,898.00</u>	<u>\$ 2,783,101.00</u>	<u>\$ 792,989.00</u>	<u>\$ 1,044,382.00</u>	<u>\$ 1,837,371.00</u>

\$61,065.00 and \$176,466.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Borough's year end of December 31, 2017.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 135,507.00	\$ 255,243.00	\$ 390,750.00
2019	172,281.00	383,219.00	555,500.00
2020	111,652.00	136,277.00	247,929.00
2021	(94,290.00)	(210,610.00)	(304,900.00)
2022	(83,001.00)	(98,079.00)	(181,080.00)
	<u>\$ 242,149.00</u>	<u>\$ 466,050.00</u>	<u>\$ 708,199.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the Plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 3,807,125.00	\$ 3,068,857.00	\$ 2,453,788.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2017, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,111,654.00	\$ 6,156,468.00	\$ 4,550,061.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	908,573.17	689,576.00	509,644.92
	\$ 9,020,227.17	\$ 6,846,044.00	\$ 5,059,705.92

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Five Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0131832790%	0.0141762747%	0.0125491461%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,068,857.00	\$ 4,198,606.00	\$ 2,817,032.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 898,664.00	\$ 975,224.00	\$ 815,400.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	341.49%	430.53%	345.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0117651258%	0.0111464203%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,202,753.00	\$ 2,130,302.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 819,512.00	\$ 768,916.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	268.79%	277.05%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 122,129.00	\$ 125,940.00	\$ 107,889.00
Borough's Contribution in Relation to the Contractually Required Contribution	(122,129.00)	(125,940.00)	(107,889.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 945,016.00	\$ 920,107.00	\$ 975,024.00
Borough's Contributions as a Percentage of Covered Payroll	12.92%	13.69%	11.07%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 96,990.00	\$ 83,986.00	
Borough's Contribution in Relation to the Contractually Required Contribution	(96,990.00)	(83,986.00)	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 829,481.00	\$ 796,077.00	
Borough's Contributions as a Percentage of Covered Payroll	11.69%	10.55%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0398784903%	0.0382384984%	0.0364642544%
Borough's Proportionate Share of the Net Pension Liability	\$ 6,156,468.00	\$ 7,304,531.00	\$ 6,073,674.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	689,576.00	613,399.00	532,641.00
Total	<u>\$ 6,846,044.00</u>	<u>\$ 7,917,930.00</u>	<u>\$ 6,606,315.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,277,080.00	\$ 1,222,196.00	\$ 1,127,212.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	482.07%	597.66%	538.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0328532955%	0.0326857557%	
Borough's Proportionate Share of the Net Pension Liability	\$ 4,132,640.00	\$ 4,345,276.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	445,016.00	405,033.00	
Total	<u>\$ 4,577,656.00</u>	<u>\$ 4,750,309.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,023,832.00	\$ 1,086,020.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	403.64%	400.11%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 352,932.00	\$ 311,774.00	\$ 296,400.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(352,932.00)</u>	<u>(311,774.00)</u>	<u>(296,400.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,212,308.00	\$ 1,276,214.00	\$ 1,190,751.00
Borough's Contributions as a Percentage of Covered Payroll	29.11%	24.43%	24.89%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 252,336.00	\$ 238,468.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(252,336.00)</u>	<u>(238,468.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 1,138,016.00	\$ 1,029,661.00	
Borough's Contributions as a Percentage of Covered Payroll	22.17%	23.16%	

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by a Borough Ordinance adopted on December 3, 2001 pursuant to Section 457(e)(11)(B) 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 approved the adoption of the Plan at the general election held on November 8, 2001, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Palmyra Fire Department, consisting of the volunteer fire department, come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Plan Amendments - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Borough's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Borough elected to contribute \$738.14 for the year ended December 31, 2017, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2017, the Borough's total expenditure, net of forfeitures to the Plan was \$15,500.94.

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

Vesting - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2017, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

Supplementary Length of Service Award Program Information

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of Borough contributions to the length of service award program is presented. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Plan Calculated Contribution	\$ 15,500.94	\$ 16,759.41	\$ 16,070.74	\$ 15,778.19	\$ 23,046.20
Borough's Contributions in Relation to the Plan Calculated Contribution	<u>(15,500.94)</u>	<u>(16,759.41)</u>	<u>(16,070.74)</u>	<u>(15,778.19)</u>	<u>(23,046.20)</u>
Borough's Plan Calculated Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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 Pensions 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.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Plan Description (Cont'd) - 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. In 2006, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 2006-67. The Borough provides postemployment health care benefits, at its cost, to all Borough retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system and have served at least twenty (20) years as an employee of the Borough. Benefits provided include health insurance, and prescription coverage for retirees and their dependents only until they are sixty-five.

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 the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - 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. The Borough's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015, were \$394,486.25, \$361,638.21, and \$325,382.54, respectively, which equaled the required contributions each year. There were 26 retired participants eligible at December 31, 2017.

Note 11: COMPENSATED ABSENCES

Under the existing policy of the Borough, 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 Administrator. 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 (\$15,000.00).

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 (\$15,000.00).

The Borough does not record accrued expenses related to compensated absences. It is estimated that as of December 31, 2017, Borough employees who have met the above criteria, have accrued benefits for compensated absences valued at \$392,517.31.

Note 11: COMPENSATED ABSENCES (CONT'D)

The Borough has established a Compensated Absence Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2017 the balance of the trust fund is \$120,831.67.

Note 12: 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 13: LEASE OBLIGATIONS

At December 31, 2017, the Borough had lease agreements in effect for the following:

Capital:

2016 Ford Police Interceptor Sedan
2017 Ford Police Interceptor Utility

The following is an analysis of the Borough's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2017</u>	<u>2016</u>
2016 Ford Inteceptor Sedan	\$ 11,847.26	\$ 23,694.52
2017 Ford Police Inteceptor Utility	22,714.86	-

The following schedule represents the remaining principal and interest payments, through maturity, for the capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 23,204.69	\$ 1,919.99	\$ 25,124.68
2019	<u>11,357.43</u>	<u>642.88</u>	<u>12,000.31</u>
Total	<u>\$ 34,562.12</u>	<u>\$ 2,562.87</u>	<u>\$ 37,124.99</u>

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2005 - On December 1, 2005, the Borough issued \$1,474,000.00 of general improvement bonds, with interest rates ranging from 3.0% - 4.5%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is December 1, 2020.

Note 14: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

General Improvement Bonds, Series 2015 - On September 8, 2015, the Borough issued \$9,830,000.00 of general improvement bonds, with interest rates ranging from 3.0% - 4.0%. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is March 1, 2028.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 610,000.00	\$ 279,650.00	\$ 889,650.00
2019	620,000.00	257,400.00	877,400.00
2020	620,000.00	232,400.00	852,400.00
2021	815,000.00	205,575.00	1,020,575.00
2022	835,000.00	180,825.00	1,015,825.00
2023-2027	4,595,000.00	505,425.00	5,100,425.00
2028	1,015,000.00	15,225.00	1,030,225.00
Totals	<u>\$ 9,110,000.00</u>	<u>\$ 1,676,500.00</u>	<u>\$ 10,786,500.00</u>

General Debt - New Jersey Green Acres Loans

The Borough entered into a loan agreement with the New Jersey Department of Environmental Protection with interest rates ranging from 1.0% - 2.0%. The proceeds were used to fund a Legion Park Project.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,098.43	\$ 229.05	\$ 9,327.48
2019	4,617.56	46.18	4,663.74
Totals	<u>\$ 13,715.99</u>	<u>\$ 275.23</u>	<u>\$ 13,991.22</u>

Sewer Utility Debt – Utility Improvement Bonds

Sewer Utility Improvement Bonds, Series 2005 - On December 1, 2005, the Borough issued \$1,615,000.00 of general improvement bonds, with interest rates ranging from 3.0% - 4.5%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is December 1, 2020.

Sewer Utility Improvement Bonds, Series 2015 - On September 8, 2015, the Borough issued \$1,845,000.00 of general improvement bonds, with interest rates ranging from 3.0% - 4.0%. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is March 1, 2035.

Note 14: CAPITAL DEBT (CONT'D)**Sewer Utility Debt – Utility Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the sewer utility improvement bonds.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 195,000.00	\$ 68,538.76	\$ 263,538.76
2019	195,000.00	60,873.76	255,873.76
2020	195,000.00	52,833.76	247,833.76
2021	80,000.00	45,093.76	125,093.76
2022	80,000.00	42,693.76	122,693.76
2023-2027	440,000.00	175,518.80	615,518.80
2028-2032	520,000.00	102,790.65	622,790.65
2033-2035	360,000.00	18,656.25	378,656.25
Totals	<u>\$ 2,065,000.00</u>	<u>\$ 566,999.50</u>	<u>\$ 2,631,999.50</u>

Sewer Utility Debt – New Jersey Environmental Infrastructure Loans

On May 21, 2014, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$2,661,750.00, at no interest, from the fund loan, and \$865,000.00 with interest ranging from 3.0% - 5.0% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2033.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 170,343.21	\$ 29,075.00	\$ 199,418.21
2019	170,343.21	27,325.00	197,668.21
2020	175,343.21	25,575.00	200,918.21
2021	175,343.21	23,575.00	198,918.21
2022	175,343.21	21,575.00	196,918.21
2023-2027	916,716.05	77,625.00	994,341.05
2028-2032	961,716.05	36,225.00	997,941.05
2033	195,343.41	1,950.00	197,293.41
Totals	<u>\$ 2,940,491.56</u>	<u>\$ 242,925.00</u>	<u>\$ 3,183,416.56</u>

Note 14: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 12,073,715.99	\$ 9,742,635.14	\$ 10,361,378.55
Sewer Utility:			
Bonds, Loans and Notes	5,005,491.56	5,360,834.77	5,716,177.98
Total Issued	17,079,207.55	15,103,469.91	16,077,556.53
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,012,349.22	2,217,934.69	1,169,419.69
Sewer Utility:			
Bonds, Loans and Notes	361,000.00	361,000.00	
Total Authorized but not Issued	1,373,349.22	2,578,934.69	1,169,419.69
Total Issued and Authorized but not Issued	18,452,556.77	17,682,404.60	17,246,976.22
<u>Deductions</u>			
General:			
Reserve for Payment of Debt	811,672.46	886,672.46	911,422.46
Sewer Utility:			
Self-Liquidating	5,366,491.56	5,721,834.77	5,570,663.38
Total Deductions	6,178,164.02	6,608,507.23	6,482,085.84
Net Debt	<u>\$ 12,274,392.75</u>	<u>\$ 11,073,897.37</u>	<u>\$ 10,764,890.38</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.402%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 9,165,000.00	\$ 9,165,000.00	
Self-Liquidating	5,366,491.56	5,366,491.56	
General	13,086,065.21	811,672.46	\$ 12,274,392.75
	<u>\$ 27,617,556.77</u>	<u>\$ 15,343,164.02</u>	<u>\$ 12,274,392.75</u>

Net debt \$12,274,392.75 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$511,081,580.67, equals 2.402%.

Note 14: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	17,887,855.32
Less: Net Debt		<u>12,274,392.75</u>
Remaining Borrowing Power	\$	<u><u>5,613,462.57</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	1,943,765.54
Deductions:			
Operating and Maintenance Costs	\$	1,441,884.00	
Debt Service		<u>459,758.50</u>	
Total Deductions			<u>1,901,642.50</u>
Excess in Revenue	\$		<u><u>42,123.04</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 15: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

<u>Issue Date</u>	<u>Settlement Date</u>	<u>Amount</u>	<u>Liability</u>
March 1, 2015	September 8, 2015	\$ 11,675,000.00	(1)

- (1) The rebate calculations on these bonds are required to be made at least once every five years. However, the Borough has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.

Note 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2017</u>	<u>2018 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 3,880.00	\$ 1,940.00

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

Note 17: SCHOOL TAXES

Palmyra Borough School 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 December 31, 2017</u>	<u>2016</u>
Balance of Tax	\$ 5,099,941.98	\$ 4,938,574.00
Deferred	<u>4,063,515.00</u>	<u>4,063,515.00</u>
Taxes Payable	<u>\$ 1,036,426.98</u>	<u>\$ 875,059.00</u>

Note 18: RISK MANAGEMENT

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

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>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Canceled to Current Fund</u>	<u>Ending Balance</u>
2017	\$ 4,345.27	\$ 1,045.54	\$ 106.50	\$ 90,000.00	\$ 56,467.88
2016	3,817.76	338.18	6,772.17		141,183.57
2015	3,474.66	130.10	1,961.89		143,799.80

There were no unreimbursed payments on behalf of the Borough at December 31, 2017.

Note 18: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Borough is a member of the Burlington County Insurance Pool Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Fund provides its members with the following coverage:

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 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.

The Funds publish their own financial reports 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 19: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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 20: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2016	\$ 4,182,111.53	\$ 941,903.68
Increased by Receipts:		
Taxes Receivable	\$ 17,748,430.29	
Tax Overpayments	11,681.58	
Tax Title Lien Receivable	13,622.59	
Prepaid Taxes	275,036.34	
Revenue Accounts Receivable	1,446,609.71	
Miscellaneous Revenue Not Anticipated	383,433.67	
Refunds of Current Year Appropriations	625,775.72	
Refunds of Appropriation Reserves	11,884.76	
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	82,737.33	
Due State of New Jersey - Marriage Licenses	1,200.00	
Due State of New Jersey - DCA Fees	5,406.00	
Unappropriated Grants Received		\$ 13,282.13
Grant Refunds		1,616.11
Federal, State and Other Grants Receivable		260,091.97
	<u>20,605,817.99</u>	<u>274,990.21</u>
	24,787,929.5	1,216,893.89
Decreased by Disbursements:		
2017 Appropriations	7,215,040.94	
2016 Appropriation Reserves	202,985.94	
County Taxes Payable	2,058,019.30	
Due County for Added and Omitted Taxes	1,166.82	
Local School Taxes Payable	10,062,271.02	
Tax Overpayments	7,419.70	
Refund of Prior Year Revenue	128.00	
Due State of New Jersey - Marriage Licenses	1,225.00	
Due State of New Jersey - DCA Fees	4,948.00	
Federal, State and Other Grants - Appropriated		949,081.83
	<u>19,553,204.72</u>	<u>949,081.83</u>
Balance December 31, 2017	<u><u>\$ 5,234,724.80</u></u>	<u><u>\$ 267,812.06</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Schedule of Change Funds
As of December 31, 2017

<u>Office</u>	<u>Amount</u>
Administration / Tax Office	\$ 150.00
Municipal Court	<u>100.00</u>
	<u>\$ 250.00</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, 2017

Balance December 31, 2016		\$	45,943.43
Increased by:			
Prior Year Deductions Disallowed by Collector	\$	6,250.00	
Receipts		<u>82,737.33</u>	
			<u>88,987.33</u>
			134,930.76
Decreased by:			
Deductions per Tax Billing		86,000.00	
2016 Deductions Allowed by Collector		250.00	
2017 Deductions Allowed by Collector		<u>2,500.00</u>	
		88,750.00	
Less:			
2017 Deductions Disallowed by Collector		<u>1,545.21</u>	
			<u>87,204.79</u>
Balance December 31, 2017		\$	<u><u>47,725.97</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	2017 Levy	Added Taxes	2016	Collected 2017	Due from State of New Jersey	Canceled	Transferred to Tax Title Liens	Transferred to /from Arrears	Balance Dec. 31, 2017
Arrears	\$ 5,613.36		\$ 1,750.00		\$ 1,876.97				\$ 968.02	\$ 6,454.41
2015	250.00				250.00					
2016	299,774.53		4,500.00		301,819.13	\$ 250.00	\$ 1,455.40			750.00
	305,637.89		6,250.00		303,946.10	250.00	1,455.40	-	968.02	7,204.41
2017		\$ 18,024,288.27		\$ 94,000.63	17,444,484.19	86,954.79	17,494.21	\$ 10,946.77	(968.02)	369,439.66
	<u>\$ 305,637.89</u>	<u>\$ 18,024,288.27</u>	<u>\$ 6,250.00</u>	<u>\$ 94,000.63</u>	<u>\$ 17,748,430.29</u>	<u>\$ 87,204.79</u>	<u>\$ 18,949.61</u>	<u>\$ 10,946.77</u>	<u>\$ -</u>	<u>\$ 376,644.07</u>

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose	\$ 18,008,310.79
Added / Omitted Taxes	11,487.98
Miscellaneous Added Taxes	4,489.50
	<u>\$ 18,024,288.27</u>

Tax Levy:

Local District School Tax	\$ 10,223,639.00
County Taxes:	
County Tax	\$ 1,698,624.74
County Library Tax	156,971.80
County Open Space Preservation	202,422.76
Due County for Added and Omitted Taxes	<u>1,317.68</u>

Local Tax for Municipal Purposes	5,726,375.71
Add: Additional Tax Levied	<u>14,936.58</u>
	<u>5,741,312.29</u>

\$ 18,024,288.27

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	81,336.86
Increased by:			
Transfers from Taxes Receivable	\$	10,946.77	
I/C on Tax Sale		<u>88.77</u>	
			<u>11,035.54</u>
			92,372.40
Decreased by:			
Collections			<u>13,622.59</u>
Balance December 31, 2017		\$	<u><u>78,749.81</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 9,926.00	\$ 9,926.00	
Other		2,411.00	2,411.00	
Fees and Permits		11,423.50	11,423.50	
Fines and Costs:				
Municipal Court	\$ 10,410.82	148,235.58	151,967.28	\$ 6,679.12
Interest and Costs on Taxes		70,804.52	70,804.52	
Interest on Investments and Deposits		57,480.44	57,480.44	
Burlington County Bridge Commission in Lieu of Taxes		34,238.43	34,238.43	
Consolidated Municipal Property Tax Relief Aid		20,252.00	20,252.00	
Energy Receipts Tax		538,003.00	538,003.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees		99,414.00	99,414.00	
Other Special Items:				
Uniform Fire Safety Act		14,949.93	14,949.93	
Rental Property Inspection Fees		23,094.90	23,094.90	
Municipal Services Act - Street Lighting Reimbursements		17,604.48	17,604.48	
Vacant Property Registrations Fees		186,583.33	186,583.33	
Special Franchise Tax - PSE&G		40,090.22	40,090.22	
Reserve for Payment of Debt Service		75,000.00	75,000.00	
General Capital Fund Surplus		25,000.00	25,000.00	
	<u>\$ 10,410.82</u>	<u>\$ 1,374,511.33</u>	<u>\$ 1,378,243.03</u>	<u>\$ 6,679.12</u>
Cash Receipts			\$ 1,446,609.71	
Interest Earnings Due From:				
Animal Control Fund			61.89	
			<u>\$ 1,446,671.60</u>	

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Special Emergency Authorizations N.J.S. 40A:4-55
For the Year Ended December 31, 2017

<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, 2016</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
05/14/12	Cost of Revaluation	\$ 275,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	
12/01/14	Codification of Ordinances	9,700.00	1,940.00	<u>5,820.00</u>	<u>1,940.00</u>	<u>\$ 3,880.00</u>
				<u>\$ 60,820.00</u>	<u>\$ 56,940.00</u>	<u>\$ 3,880.00</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance December 31, 2016					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Transferred to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages		\$ 996.59	\$ 996.59			\$ 996.59
Other Expenses	\$ 5,305.30	25,539.19	30,844.49	\$ 6,617.48	\$ 505.00	23,722.01
Mayor and Council						
Salaries and Wages		584.00	584.00			584.00
Other Expenses	589.34	6.21	595.55	439.34		156.21
Public Relations	75.00	5,360.00	5,435.00	75.00		5,360.00
Borough Clerk						
Salaries and Wages		1,425.45	1,425.45			1,425.45
Other Expenses	727.33	703.61	1,430.94	906.39		524.55
Election Costs		170.85	170.85			170.85
Financial Administration						
Salaries and Wages		2,464.80	2,464.80			2,464.80
Other Expenses	967.92	3,949.18	4,917.10	803.42		4,113.68
Audit Services						
Other Expenses		2,071.50	2,071.50			2,071.50
Collection of Taxes						
Salaries and Wages		4,172.88	4,172.88			4,172.88
Other Expenses	871.92	8,986.80	9,858.72	571.92		9,286.80
Assessment of Taxes						
Salaries and Wages		1.02	1.02			1.02
Other Expenses		6,101.48	6,101.48	36.10		6,065.38
Legal Services and Costs						
Other Expenses	3,130.87	23,743.65	26,874.52	3,792.07	1,050.00	22,032.45
Engineering Services						
Other Expenses	6,004.15	1,196.85	7,201.00	5,892.16		1,308.84
Grants and Planning						
Other Expenses	1,130.00	5,158.45	6,288.45	3,988.00		2,300.45
Land Use Administrative Planning Board						
Salaries and Wages		363.18	363.18			363.18
Other Expenses	97.61	1,946.30	2,043.91	55.50		1,988.41
Code Enforcement						
Salaries and Wages		11,244.29	11,244.29	1,684.05		9,560.24
Other Expenses		3,328.01	3,328.01			3,328.01
Municipal Court						
Salaries and Wages		3,249.54	3,249.54			3,249.54
Other Expenses	1,276.27	3,798.92	5,075.19	1,026.61		4,048.58
Insurance:						
Surety Bond Premiums		3,500.00	3,500.00			3,500.00
Liability Insurance		3,488.73	3,488.73			3,488.73
Employee Group Insurance	10.00	56,318.59	56,328.59	(7,284.85)		63,613.44
PUBLIC SAFETY:						
Police						
Salaries and Wages		47,162.53	47,162.53	3,922.87		43,239.66
Other Expenses	21,316.40	20,969.30	42,285.70	18,441.95		23,843.75
School Crossing Guard						
Salaries and Wages		2,052.25	2,052.25			2,052.25
Other Expenses	454.00	0.22	454.22	444.44		9.78
Police and Radio Communications						
Other Expenses	1,702.11	897.64	2,599.75	1,639.11		960.64
Office of Emergency Management						
Other Expenses	51.92	2,351.90	2,403.82	51.92		2,351.90
Fire Department						
Other Expenses	2,475.83	6,658.77	9,134.60	4,311.98		4,822.62
Uniform Fire Safety Act (P.L. 1983, CH. 383)						
Salaries and Wages		1,480.72	1,480.72			1,480.72
Other Expenses	403.92	1,251.37	1,655.29	51.92		1,603.37

(Continued)

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance December 31, 2016					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Transferred to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
PUBLIC SAFETY (CONT'D):						
Borough Prosecutor						
Other Expenses		\$ 3,000.00	\$ 3,000.00			\$ 3,000.00
PUBLIC WORKS FUNCTIONS:						
Streets and Roads Maintenance						
Salaries and Wages		17,067.60	17,067.60			17,067.60
Other Expenses	\$ 17,239.29	306.24	17,545.53	\$ 11,591.11		5,954.42
Railroad Landscaping		840.00	840.00			840.00
Shade Tree						
Salaries and Wages		1,829.02	1,829.02			1,829.02
Other Expenses		14,614.30	14,614.30	5,028.75		9,585.55
Solid Waste Collection						
Other Expenses	5,788.71	20,131.35	25,920.06	5,788.69		20,131.37
Public Buildings and Grounds						
Salaries and Wages		993.23	993.23			993.23
Other Expenses	19,226.07	991.95	20,218.02	13,384.80		6,833.22
Vehicle Maintenance						
Other Expenses	6,508.51	9,938.18	16,446.69	8,508.51		7,938.18
Condominium Services Law						
Other Expenses	13,795.50	21,696.78	35,492.28	10,726.89		24,765.39
HEALTH AND HUMAN SERVICES:						
Board of Health						
Salaries and Wages		2.00	2.00			2.00
Other Expenses		240.00	240.00			240.00
Animal Control Services						
Other Expenses	428.00	572.00	1,000.00	428.00		572.00
PARKS AND RECREATION FUNCTIONS:						
Parks and Playgrounds						
Other Expenses	13,769.89	4,377.47	18,147.36	6,767.16		11,380.20
EDUCATION FUNCTIONS:						
Community Youth Program						
Other Expenses		2,845.00	2,845.00	280.00		2,565.00
Celebration of Public Events						
Other Expenses	500.00	5,761.30	6,261.30	745.08		5,516.22
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages		3,619.95	3,619.95			3,619.95
Other Expenses	155.77	32,444.70	32,600.47	66.11		32,534.36
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
UNCLASSIFIED:						
Utilities:						
Electricity	16,500.00	31,142.17	47,642.17	11,439.20		36,202.97
Street Lighting	15,600.00	14,646.93	30,246.93	17,366.66		12,880.27
Telephone	2,389.17	3,666.06	6,055.23	1,375.82		4,679.41
Water/Sewer	3,000.00	4,778.23	7,778.23	694.25		7,083.98
Gasoline	28,580.00	30,172.30	58,752.30	6,970.84		51,781.46
Fire-Hydrant Services	7,531.70	238.40	7,770.10	7,531.70		238.40
Printing and Postage		6,025.13	6,025.13			6,025.13
Landfill and Solid Waste Disposal Costs:						
Landfill Fees	44,490.07	28,484.22	72,974.29	34,940.23		38,034.06
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I)		4,970.50	4,970.50			4,970.50
Defined Contribution Retirement System		407.42	407.42			407.42
Length of Service Awards	728.67	2,511.92	3,240.59		\$ 728.67	2,511.92
Total	\$ 242,821.24	\$ 531,009.12	\$ 773,830.36	\$ 191,101.18	\$ 2,283.67	\$ 580,445.51
Disbursed				\$ 202,985.94		
Reimbursed				(11,884.76)		
				\$ 191,101.18		

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 242,821.24
Increased by:	
Current Year Encumbrances:	
Current Fund Appropriations	<u>199,790.11</u>
	442,611.35
Decreased by:	
Prior Year Encumbrances Reclassified:	
Current Fund Appropriations	<u>242,821.24</u>
Balance December 31, 2017	<u><u>\$ 199,790.11</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 94,000.63
Increased by:	
Receipts	<u>275,036.34</u>
	369,036.97
Decreased by:	
Application to 2017 Taxes	<u>94,000.63</u>
Balance December 31, 2017	<u><u>\$ 275,036.34</u></u>

Exhibit SA-11

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2017

Increased by:	
Receipts	\$ 11,681.58
Decreased by:	
Refunds	<u>7,419.70</u>
Balance December 31, 2017	<u><u>\$ 4,261.88</u></u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of County Taxes
For the Year Ended December 31, 2017

Increased by:

2017 Levy:

General County	\$ 1,698,624.74
County Library Tax	156,971.80
County Open Space Tax	<u>202,422.76</u>

\$ 2,058,019.30

Decreased by:

Disbursements

\$ 2,058,019.30

Exhibit SA-13

CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,166.82
Increased by:	
County Share of 2017 Added Assessments	<u>1,317.68</u>
	2,484.50
Decreased by:	
Disbursements	<u>1,166.82</u>
Balance December 31, 2017	<u>\$ 1,317.68</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2017

Balance December 31, 2016		
School Tax Payable	\$ 875,059.00	
School Tax Deferred	<u>4,063,515.00</u>	
		\$ 4,938,574.00
Increased by:		
Levy - School Year July 1, 2017 to June 30, 2018		<u>10,223,639.00</u>
		15,162,213.00
Decreased by:		
Disbursements		<u>10,062,271.02</u>
Balance December 31, 2017		
School Tax Payable	1,036,426.98	
School Tax Deferred	<u>4,063,515.00</u>	
		<u>\$ 5,099,941.98</u>
2017 Liability for Local District School Tax:		
Tax Paid		\$ 10,062,271.02
Add: Tax Payable December 31, 2017		<u>1,036,426.98</u>
		11,098,698.00
Less: Tax Payable December 31, 2016		<u>875,059.00</u>
Amount Charged to 2017 Operations		<u>\$ 10,223,639.00</u>

BOROUGH OF PALMYRA
CURRENT FUND
Statement of Due to State of New Jersey
Marriage License Fees
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 300.00
Increased by:	
Receipts	<u>1,200.00</u>
	1,500.00
Decreased by:	
Disbursements	<u>1,225.00</u>
Balance December 31, 2017	<u><u>\$ 275.00</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Due to State of New Jersey - DCA Fees
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,033.00
Increased by:	
Receipts	<u>5,406.00</u>
	6,439.00
Decreased by:	
Disbursements	<u>4,948.00</u>
Balance December 31, 2017	<u><u>\$ 1,491.00</u></u>

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:				
FEMA - Community Center Generator	\$ 196,500.00		\$ 181,848.00	\$ 14,652.00
Click it or Ticket		\$ 5,250.00	5,250.00	
Distracted Driving Crackdown U Drive U Text U Pay		5,500.00	5,500.00	
Community Development Block Grant	<u>100,000.00</u>			<u>100,000.00</u>
Total Federal Grants	<u>296,500.00</u>	<u>10,750.00</u>	<u>192,598.00</u>	<u>114,652.00</u>
State Grants:				
NJ Department of Transportation - 2015 Municipal Aid Program - South Broad Street Improvements	49,000.00			49,000.00
Alcohol Education Rehabilitation Fund		2,115.10	2,115.10	
Clean Communities Program		16,033.85	16,033.85	
Municipal Alliance on Alcoholism and Drug Abuse	7,461.00		4,309.60	3,151.40
Hazardous Discharge Site Remediation Fund		39,000.00	39,000.00	
Recycling Tonnage		8,150.52	8,150.52	
Body Armor Grant		1,943.57	1,943.57	
NJ Forestry Grant	<u>3,000.00</u>			<u>3,000.00</u>
Total State Grants	<u>59,461.00</u>	<u>67,243.04</u>	<u>71,552.64</u>	<u>55,151.40</u>
Local Grants:				
Burlington County Park Improvement	<u>125,000.00</u>			<u>125,000.00</u>
Total Federal State and Local Grants	<u>\$ 480,961.00</u>	<u>\$ 77,993.04</u>	<u>\$ 264,150.64</u>	<u>\$ 294,803.40</u>
Original Budget		\$ 12,209.19		
Appropriation by NJS 40A:4-87 (Chapter 159's)		65,786.35		
Unappropriated Grants Realized as Revenue			\$ 4,058.67	
Receipts			<u>260,091.97</u>	
		<u>\$ 77,995.54</u>	<u>\$ 264,150.64</u>	

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Grants Received</u>	<u>Realized as Misc. Revenue in 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:				
Click it or Ticket		\$ 2.50		\$ 2.50
Department of Justice - Bulletproof Vest		1,327.50		1,327.50
	-	1,330.00	-	1,330.00
State Grants:				
Drunk Driving Enforcement Grant		3,177.69		3,177.69
Recycling Tonnage		5,456.15		5,456.15
Alcohol Education Rehabilitation Fund	\$ 2,115.10	772.08	\$ 2,115.10	772.08
Hazardous Discharge Site Remediation Fund		600.00		600.00
Tactical Body Armor Grant	1,943.57	1,946.21	1,943.57	1,946.21
	4,058.67	11,952.13	4,058.67	11,952.13
Total Federal and State Unappropriated Grants	\$ 4,058.67	\$ 13,282.13	\$ 4,058.67	\$ 13,282.13

BOROUGH OF PALMYRA
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Transferred from 2017 Budget Appropriation</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:						
Department of Justice - Bulletproof Vest	\$ 3,614.57			\$ 885.00		\$ 2,729.57
FEMA - Community Center Generator	230.00		\$ 97.25	97.25		230.00
Click it or Ticket		\$ 5,250.00		5,250.00		
Distracted Driving Crackdown U Drive U Text U Pay		5,500.00		5,500.00		
Community Development Block Grant	100,000.00					100,000.00
DVRPC - Traffic Calming	32,000.00					32,000.00
Over the Limit	2,787.64					2,787.64
Total Federal Grants	138,632.21	10,750.00	97.25	11,732.25		137,747.21
State Grants:						
Drunk Driving Enforcement Grant	11,637.77			(1,616.11)	\$ 155.00	13,098.88
Alcohol Education Rehabilitation Fund	9,818.31	2,115.10		850.00		11,083.41
NJDEP - Clean Communities Program	19,785.78	16,033.85		7,627.91		28,191.72
Municipal Alliance on Alcoholism and Drug Abuse	7,461.00		30.99	5,387.00		2,104.99
Tactical Body Armor Grant	5,494.84	1,943.57		885.00		6,553.41
Recycling Tonnage Grant	2,000.00	8,150.52		6,188.29		3,962.23
Exercise Program Improvement Grant	1,302.38					1,302.38
Hazardous Discharge Site Remediation Fund	126,120.87	39,000.00	876,640.85	804,502.90	72,137.95	165,120.87
NJ Forestry Grant	3,000.00					3,000.00
Total State Grants	186,620.95	67,243.04	876,671.84	823,824.99	72,292.95	234,417.89
Local Grants:						
Burlington County Park Improvement	121,566.50		5,950.00	111,908.48	2,426.52	13,181.50
Total Federal State and Local Grants	\$ 446,819.66	\$ 77,993.04	\$ 882,719.09	\$ 947,465.72	\$ 74,719.47	\$ 385,346.60
Original Budget		\$ 12,209.19				
Appropriation by 40A:4-87		65,783.85				
Disbursed				\$ 949,081.83		
Refunded				(1,616.11)		
		\$ 77,993.04		\$ 947,465.72		

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2016	\$ 5,828.63	\$ 982,005.56
Increased by Receipts:		
Reserve for Animal Control Fund	\$ 2,950.00	
Due State - Registration Fees	526.20	
Due Current Fund:		
Current Year Interest Earnings	61.89	\$ 2,480.25
Reserve for Payroll Deductions Payable		1,166,035.28
Reserve for Net Payroll		1,861,887.45
Reserve for Unemployment Compensation Insurance		5,390.81
Reserve for Parking Offenses Adjudication Act		6.00
Reserve for Public Defender		6,524.00
Reserve for Developer's Escrow Deposits		74,683.75
Reserve for Developer's Site Improvements		272,097.50
Reserve for Regional Contribution - Delanco		12,281.78
Reserve for Regional Contribution - Evesham		47,443.60
Reserve for Community Center Rentals		22,997.04
Reserve for Special Law Enforcement		11,299.44
Reserve for Flexible Spending		7,340.58
Reserve for Community Center Deposits		600.00
Reserve for Community Center Refundable Deposits		1,300.00
Reserve for Police Equipment - Mitchell Estate		20,000.00
Reserve for Compensated Absences		30,000.00
Reserve for Tax Title Lien Premiums		260,700.00
Reserve for Tax Title Lien Redemption		454,971.56
	<u>3,538.09</u>	<u>4,258,039.04</u>
	9,366.72	5,240,044.60
Decreased by Disbursements:		
Reserve for Animal Control Fund	1,015.00	
Due State - Registration Fees	526.20	
Due Current Fund		2,480.25
Reserve for Payroll Deductions Payable		1,189,380.14
Reserve for Net Payroll		1,861,887.45
Reserve for Unemployment Compensation Insurance		90,106.50
Reserve for Flexible Spending		1,992.51
Reserve for Public Defender		5,700.00
Reserve for Developer's Escrow Deposits		43,688.45
Reserve for Community Center Refundable Deposits		1,200.00
Reserve for Police Equipment - Mitchell Estate		1,309.23
Reserve for Compensated Absences		21,532.38
Reserve for Developer's Site Improvements		254,900.00
Reserve for Regional Contribution - Delanco		811.60
Reserve for Regional Contribution - Evesham		16,970.20
Reserve for Community Center Rentals		11,375.60
Reserve for Special Law Enforcement		4,874.08
Reserve for Tax Title Lien Premiums		254,000.00
Reserve for Tax Title Lien Redemption		439,408.26
	<u>1,541.20</u>	<u>4,201,616.65</u>
Balance December 31, 2017	<u>\$ 7,825.52</u>	<u>\$ 1,038,427.95</u>

BOROUGH OF PALMYRA
TRUST FUNDS
Statement of Investments - Length of Service Awards Program
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 205,286.95
Increased by:		
Borough Contributions	\$ 15,500.94	
Unrealized Gain on Investments	29,147.23	
	<u>44,648.17</u>	<u>44,648.17</u>
		249,935.12
Decreased by:		
Benefits Paid to Participants	13,859.98	
Administration Expenses	925.00	
	<u>14,784.98</u>	<u>14,784.98</u>
Balance December 31, 2017		<u><u>\$ 235,150.14</u></u>

Schedule of Investments, December 31, 2017

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 54,071.48
Mutual Funds:	
Large Cap Value Funds	4,528.55
Large Cap Blended Funds	84,065.82
Large Cap Growth Funds	7,739.79
Mid Cap Value Funds	29,610.43
Mid Cap Growth Funds	21,788.34
Small Cap Growth Funds	13,734.34
Bonds	6,919.97
Target Date Funds	<u>12,691.42</u>
	<u><u>\$ 235,150.14</u></u>

BOROUGH OF PALMYRA
ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 13.71
Increased by Receipts:	
Current Year Interest Earnings	<u>61.89</u>
Balance December 31, 2017	<u><u>\$ 75.60</u></u>

Exhibit SB-4

ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1.20
Increased by:	
Receipts	<u>526.20</u>
	527.40
Decreased by:	
Disbursements	<u>526.20</u>
Balance December 31, 2017	<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, 2017

Balance December 31, 2016	\$ 5,814.12
Increased by:	
Receipts - Animal License Fees	<u>2,950.00</u>
	8,764.12
Decreased by:	
Expenditures Under R.S.4:19.11	<u>1,015.00</u>
Balance December 31, 2017	<u><u>\$ 7,749.12</u></u>

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2015	\$ 4,424.80
2016	<u>4,024.00</u>
	<u><u>\$ 8,448.80</u></u>

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 2,019.15
Increased by:	
Receipts:	
Interest Earnings	<u>2,480.25</u>
	4,499.4
Decreased by:	
Disbursements	<u>2,480.25</u>
Balance December 31, 2017	<u><u>\$ 2,019.15</u></u>
Trust Other Fund	\$ 1.22
Professional Escrow Trust Fund	4.51
Performance Trust Fund	1,109.68
Flexible Spending Trust Fund	<u>903.74</u>
	<u><u>\$ 2,019.15</u></u>

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2017

		Increased by			Decreased by		
	Balance <u>Dec. 31, 2016</u>	Interest <u>Earnings</u>	Other <u>Receipts</u>	Budget <u>Appropriation</u>	<u>Disbursements</u>	Due Violent Crime Compensation <u>Board</u>	Balance <u>Dec. 31, 2017</u>
Reserve for:							
Payroll Deductions Payable	\$ 25,912.86		\$ 1,166,035.28		\$ 1,189,380.14		\$ 2,568.00
Net Payroll			1,861,887.45		1,861,887.45		
Unemployment Compensation Insurance	141,183.57	\$ 1,045.54	4,345.27		90,106.50		56,467.88
Parking Offenses Adjudication Act	333.00		6.00				339.00
Public Defender	7,561.14		6,524.00		5,700.00	\$ 2,732.12	5,653.02
Developer's Escrow Deposits	42,019.91		74,683.75		43,688.45		73,015.21
Developer's Site Improvements	148,392.16		272,097.50		254,900.00		165,589.66
Regional Contribution - Delanco	66,812.50	614.78	11,667.00		811.60		78,282.68
Regional Contribution - Evesham	129,085.98	1,119.80	46,323.80		16,970.20		159,559.38
Special Law Enforcement	11,489.70	126.77	11,172.67		4,874.08		17,915.06
Community Center Rentals		32.04	22,965.00		11,375.60		11,621.44
Community Center Deposits			600.00				600.00
Community Center Refundable Deposits	2,400.00		1,300.00		1,200.00		2,500.00
Police Equipment - Mitchell Estate			20,000.00		1,309.23		18,690.77
Flexible Spending Account	4,761.04		7,340.58		1,992.51		10,109.11
Compensated Absences	112,364.05			\$ 30,000.00	21,532.38		120,831.67
Tax Title Lien Premiums	276,500.00		260,700.00		254,000.00		283,200.00
Tax Title Lien Redemption	19,072.00		454,971.56		439,408.26		34,635.30
	<u>\$ 987,887.91</u>	<u>\$ 2,938.93</u>	<u>\$ 4,222,619.86</u>	<u>\$ 30,000.00</u>	<u>\$ 4,199,136.40</u>	<u>\$ 2,732.12</u>	<u>\$ 1,041,578.18</u>

BOROUGH OF PALMYRA
TRUST OTHER FUND
Statement of Due Violent Crime Compensation Board
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 47,863.50
Increased by:	
Due from Public Defender Trust Fund	<u>2,732.12</u>
Balance December 31, 2017	<u><u>\$ 50,595.62</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, 2017

Balance December 31, 2016		\$ 1,399,680.30
Increased by Receipts:		
Interest Earnings	\$ 9,878.89	
Bond Anticipation Note	2,950,000.00	
Premiums Received on Bond Anticipation Note	22,154.50	
Refunds of Improvement Authorizations	<u>77.70</u>	
		<u>2,982,111.09</u>
		4,381,791.39
Decreased by Disbursements:		
Interest Earnings Turned Over to Current Fund	9,878.89	
2017 Budget Appropriations:		
Reserve for Payment of Debt Service	75,000.00	
General Capital Fund Surplus	25,000.00	
Reserve for Preliminary Expenses	10,199.25	
Improvement Authorizations	<u>422,384.98</u>	
		<u>542,463.12</u>
Balance December 31, 2017		<u><u>\$ 3,839,328.27</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

		Receipts		Disbursements		Transfers			
		Balance (Deficit) Dec. 31, 2016	Miscellaneous	BAN Issue	Improvement Authorizations	Miscellaneous	From	To	Balance (Deficit) Dec. 31, 2017
Fund Balance	\$	50,556.44	\$ 22,154.50			\$ 25,000.00		\$ 154,070.98	\$ 201,781.92
Capital Improvement Fund		551,944.16					\$ 147,000.00		404,944.16
Due Current Fund		(51,250.00)	9,878.89			9,878.89			(51,250.00)
Due Federal and State Grant Fund		(89,267.26)							(89,267.26)
Due Sewer Capital Fund		36,893.00							36,893.00
Reserve for Payment of Debt Service		886,672.46				75,000.00			811,672.46
Reserve for Preliminary Expenses						10,199.25	13,300.75	23,500.00	
Reserve for Encumbrances		215,598.21					215,598.21	1,543,585.48	1,543,585.48
Contra									
Improvement Authorizations:									
Ordinance									
<u>Number</u>									
2007-10	Improvement to Legion Field	19,461.29					19,461.29		
2008-10	Various Improvements:								
	Acquisition of Fire Department Equipment	110.00					110.00		
2009-27	Various Improvements:								
	Improvements to HVAC System	2,600.00					2,600.00	268.98	268.98
	Improvements to Municipal Building	19,412.71					19,447.71	35.00	
2011-18	Various Improvements:								
	2011 Road Program	2,346.66					2,346.66		
	Various Infrastructure and Handicapped Improvements	66,068.86					66,068.86		
2012-16	Various Improvements:								
	2012 Road Program	490.08					490.08	2,825.00	2,825.00
2013-07	Wheeled Refuse Containers	(50.00)							(50.00)
2013-21	Various Capital Improvements:								
	Acquisition of New Fire Engine and Related Apparatus	(1,057.69)							(1,057.69)
	Acquisition of Conductive Energy Devises (Tasers)	348.53					348.53		
	Installation of Pedestrian and Traffic Safety Improvements	7,241.95					7,241.95		
	Interior and Exterior Improvements to Borough Hall	0.00			\$ 400.00			1,627.34	1,227.34
	Improvements to Legion Field and Ethel Hardy Grounds	81,039.98			13,612.50		10,310.00	6,362.50	63,479.98
	2013 Road Program	(54,860.00)							(54,860.00)
2014-09	Acquisition of Property	2,000.00					2,000.00		
2014-14	Various Capital Improvements:								
	Security Cameras for Borough Property	200,000.00			6,399.75		183,120.25		10,480.00
	2014 Road Program	28,390.90					28,390.90		
	Installation of Accordion Wall at Community Center	5,600.00					5,600.00		
	Gasoline and Diesel Storage Tanks	75,125.00			3,077.75			8,057.25	80,104.50
2015-13	Various Capital Improvements:								
	Borough Hall Improvements	(21,897.41)		\$ 95,000.00	45,908.82			8,564.88	35,758.65
	Community Center Improvements	(29,017.50)		47,500.00	958.75			558.75	18,082.50
	Acquisition of Security System / Cameras	7,500.00		142,500.00			136,356.41		13,643.59
	Promotional and Devl. Activities Brownfield Devl. Area	(60,081.79)	77.70	95,000.00	38,978.00		17,500.00	30,945.00	9,462.91
	Install. and Upgrade for Gasoline / Diesel Fuel Tank Sys.	1,250.00						8,000.00	9,250.00
	Acquisition of Computer System Hardware / Software	(15,965.17)		23,750.00	505.00		7,784.83	952.99	447.99
	Police Four Wheel Drive Vehicle	(39,342.64)		39,342.64					
	Police Body Cameras and Server	(27,408.24)		27,408.24					
	Police Handgun Replacement	(8,075.00)		8,075.00					
	Police Acquisition and Installation of Lights for Car Port	500.00		5,000.00	5,640.00				(140.00)
	Police Recording Equipment	(14,250.00)		14,250.00	15,000.00			15,000.00	

(Continued)

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

		Receipts			Disbursements		Transfers		
		Balance (Deficit) Dec. 31, 2016	Miscellaneous	BAN Issue	Improvement Authorizations	Miscellaneous	From	To	Balance (Deficit) Dec. 31, 2017
Improvement Authorizations:									
Ordinance									
Number									
2015-13	Various Capital Improvements (Continued):								
	Police Scheduling System	\$ (7,985.00)		\$ 7,900.00					\$ (85.00)
	Police Server Replacement	(16,192.26)		16,190.00					(2.26)
	Fire Department Sidewinder Stabilization Jack Kits	(1,900.00)		1,900.00					
	New Fire Chief Vehicle	(32,176.42)		32,000.00			\$ 51.90		(124.52)
	Fire Department Personal Protective Gear	(4,491.00)		6,994.00	\$ 2,503.00				
	Fire Department Grounds Radios	125.00			957.00				(832.00)
	Legion Field Improvements	6,250.00		1,674.12	10,997.69		\$ 68,460.00		(71,533.57)
	Road Improvements	(199,920.65)		237,500.00	37,042.10			3,857.50	4,394.75
2016-07	Various Capital Improvements:								
	Development Activities Brownfield Development Area	12,500.00							12,500.00
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	4,000.00							4,000.00
	Acquisition of Computer System Hardware / Software	1,250.00		23,500.00	958.00		23,935.11		(143.11)
	Improvements to Property on Delaware River to Create Municipal Park	(45,821.25)		31,750.00	12,740.00			26,811.25	
	Police Four Wheel Drive Vehicle	(44,540.51)		44,000.00	10,456.87			10,656.87	(340.51)
	Police Variable Message Board for Public Safety	(17,295.00)		17,200.00					(95.00)
	Police Equipment for DUI Enforcement	1,200.00							1,200.00
	Police Acquisition and Installation of In-Car Computers, Traffic Control Recorder and Biometric Secured Laptop for School Resource Officer	(27,196.35)		26,500.00	4,145.00			4,145.00	(696.35)
	Fire Department Equipment: T-Ram, Thermal Imager and Ventilation Saw	(13,052.29)		13,000.00					(52.29)
	Public Works Single Axle Dump Truck	(78,878.00)		146,000.00	154,852.00			86,878.00	(852.00)
	Public Works Leaf Collection System	2,000.00							2,000.00
	Public Works General Road Improvements	13,176.50		332,500.00	56,652.75		15,121.75		273,902.00
2017-10	Various Capital Improvements:								
	Improvements to Borough Hall - Police Department				600.00			5,000.00	4,400.00
	Improvements to Community Center - Installation of Security Measures							3,500.00	3,500.00
	Acquisition and Installation of Security System/Cameras			57,000.00				3,000.00	60,000.00
	Acquisition of Computer System Hardware / Software							1,250.00	1,250.00
	Acquisition of 64-bit Virtual Server							1,250.00	1,250.00
	Video Conferencing Equipment							9,000.00	9,000.00
	Cell Tower Monopole							10,000.00	10,000.00
	Police Department: Acquisition of Four-wheel Drive Vehicle			45,500.00			46,307.62	2,500.00	1,692.38
	Police Department: Lockers Mens/Womens			14,500.00			14,822.76	2,500.00	2,177.24
	Police Department: Security Measures for Court Room			8,566.00				2,500.00	11,066.00
	Fire Department: Acquisition of Ladder Truck			1,000,000.00			1,006,531.00	54,000.00	47,469.00
	Fire Department: Acquisition of 400 Feet +/- of 5 inch hose							3,000.00	3,000.00
	Fire Department: Rapid Intervention Airpack							5,000.00	5,000.00
	Public Works: Acquisition of Utility Trucks/Vehicles & Equipment			47,500.00				2,500.00	50,000.00
	Public Works: Repair/Replace Street Signs			8,000.00				1,000.00	9,000.00
	Public Works: General Road Improvements on Borough Roads			332,500.00				17,500.00	350,000.00
		\$ 1,399,680.30	\$ 32,111.09	\$ 2,950,000.00	\$ 422,384.98	\$ 120,078.14	\$ 2,060,254.67	\$ 2,060,254.67	\$ 3,839,328.27

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2017

Balance December 31, 2016			\$	9,742,635.14
Decreased by:				
2017 Budget Appropriations:				
Green Acres Loan Payable	\$	8,919.15		
Serial Bonds		<u>610,000.00</u>		
				<u>618,919.15</u>
Balance December 31, 2017			\$	<u><u>9,123,715.99</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2017

		<u>Increased by</u>		<u>Decreased by</u>	<u>Analysis of Balance</u> <u>Dec. 31, 2017</u>		
<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Authorizations</u>	<u>Cancellation</u> <u>of Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Financed by</u> <u>Bond Anticipation</u> <u>Notes</u>	<u>Unexpended</u> <u>Improvement</u> <u>Authorizations</u>
2009-27	Various Improvements:						
	Improvements to Municipal Building	\$ 500.00		\$ 500.00			
2012-16	Various Improvements:						
	2012 Road Program	37.00		37.00			
2013-07	Wheeled Refuse Containers	50.00			\$ 50.00		\$ 50.00
2013-21	Various Capital Improvements:						
	Acquisition of New Fire Engine and Related Apparatus	1,057.69			1,057.69		1,057.69
	2013 Road Program	54,860.00			54,860.00		54,860.00
2014-14	Various Capital Improvements:						
	Gasoline and Diesel Storage Tanks	3,600.00			3,600.00		\$ 3,600.00
2015-13	Various Capital Improvements:						
	Borough Hall Improvements	95,000.00			95,000.00	\$ 95,000.00	
	Community Center Improvements	47,500.00			47,500.00	47,500.00	
	Acquisition of Security System / Cameras	142,500.00			142,500.00	142,500.00	
	Promotional and Development Activities Brownfield Devl. Area	95,000.00			95,000.00	95,000.00	
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	175,750.00			175,750.00		175,750.00
	Acquisition of Computer System Hardware / Software	23,750.00			23,750.00	23,750.00	
	Police Four Wheel Drive Vehicle	39,425.00		82.36	39,342.64	39,342.64	
	Police Body Cameras and Server	30,875.00		3,466.76	27,408.24	27,408.24	
	Police Handgun Replacement	8,075.00			8,075.00	8,075.00	
	Police Acquisition and Installation of Lights for Car Port	9,500.00		4,360.00	5,140.00	5,000.00	140.00
	Police Recording Equipment	14,250.00			14,250.00	14,250.00	
	Police Scheduling System	8,740.00		755.00	7,985.00	7,900.00	85.00
	Police Server Replacement	17,575.00		1,382.74	16,192.26	16,190.00	2.26
	Fire Department Sidewinder Stabilization Jack Kits	1,900.00			1,900.00	1,900.00	
	New Fire Chief Vehicle	32,300.00		123.58	32,176.42	32,000.00	124.52
	Fire Department Personal Protective Gear	8,550.00			8,550.00	6,994.00	1,556.00
	Fire Department Grounds Radios	2,375.00			2,375.00		832.00
	Legion Field Improvements	118,750.00			118,750.00	1,674.12	71,533.57
	Road Improvements	237,500.00			237,500.00	237,500.00	45,542.31

(Continued)

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by	Decreased by	Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017		
			2017 Authorizations	Cancellation of Appropriations		Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorizations
2016-07	Various Capital Improvements:							
	Development Activities Brownfield Development Area	\$ 237,500.00			\$ 237,500.00			\$ 237,500.00
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	76,000.00			76,000.00			76,000.00
	Acquisition of Computer System Hardware / Software	23,750.00		\$ 106.89	23,643.11	\$ 23,500.00	\$ 143.11	
	Improvements to Property on Delaware River to Create Municipal Park	57,000.00			57,000.00	31,750.00		25,250.00
	Police Four Wheel Drive Vehicle	45,600.00		1,259.49	44,340.51	44,000.00	340.51	
	Police Variable Message Board for Public Safety	20,900.00		3,605.00	17,295.00	17,200.00	95.00	
	Police Equipment for DUI Enforcement	22,800.00			22,800.00			22,800.00
	Police Acquisition and Installation of In-Car Computers, Traffic Control Recorder and Biometric Secured Laptop for School Resource Officer	27,455.00		258.65	27,196.35	26,500.00	696.35	
	Fire Department Equipment: T-Ram, Thermal Imager Ventilation Saw	15,010.00			15,010.00	13,000.00	52.29	1,957.71
	Public Works Single Axle Dump Truck	152,000.00		5,148.00	146,852.00	146,000.00	852.00	
	Public Works Leaf Collection System	38,000.00			38,000.00			38,000.00
	Public Works General Road Improvements	332,500.00			332,500.00	332,500.00		
2017-10	Various Capital Improvements:							
	Improvements to Borough Hall - Police Department		\$ 95,000.00		95,000.00			95,000.00
	Improvements to Community Center - Installation of Security Measures		66,500.00		66,500.00			66,500.00
	Acquisition and Installation of Security System/Cameras		57,000.00		57,000.00	57,000.00		
	Acquisition of Computer System Hardware / Software		23,750.00		23,750.00			23,750.00
	Acquisition of 64-bit Virtual Server		23,750.00		23,750.00			23,750.00
	Police Department: Acquisition of Four-wheel Drive Vehicle		45,500.00		45,500.00	45,500.00		
	Police Department: Lockers Mens/Womens		21,500.00		21,500.00	14,500.00		7,000.00
	Police Department: Security Measures for Court Room		12,500.00		12,500.00	8,566.00		3,934.00
	Fire Department: Acquisition of Ladder Truck		1,021,000.00		1,021,000.00	1,000,000.00		21,000.00
	Public Works: Acquisition of Utility Trucks/Vehicles & Equipment		47,500.00		47,500.00	47,500.00		
	Public Works: Repair/Replace Street Signs		19,000.00		19,000.00	8,000.00		11,000.00
	Public Works: General Road Improvements on Borough Roads		332,500.00		332,500.00	332,500.00		
		<u>\$ 2,217,934.69</u>	<u>\$ 1,765,500.00</u>	<u>\$ 21,085.47</u>	<u>\$ 3,962,349.22</u>	<u>\$ 2,950,000.00</u>	<u>\$ 130,864.30</u>	<u>\$ 881,484.92</u>
Improvement Authorizations - Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes Issued								
	<u>Ordinance Number</u>							
	2015-13						\$ 81,790.39	
	2016-07						273,902.00	
	2017-10						504,904.62	
								860,597.01
								<u>\$ 881,484.92</u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 215,598.21
Increased by:		
Reserve for Preliminary Expenses	\$ 13,300.75	
Charges to Improvement Authorizations	<u>1,530,284.73</u>	
		<u>1,543,585.48</u>
		1,759,183.69
Decreased by:		
Prior Year Balance Reappropriated		<u>215,598.21</u>
Balance December 31, 2017		<u><u>\$ 1,543,585.48</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 886,672.46
Decreased by:		
2017 Budget Appropriation		<u>75,000.00</u>
Balance December 31, 2017		<u><u>\$ 811,672.46</u></u>

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Reserve for Preliminary Expenses
For the Year Ended December 31, 2017

Increased by:		
Athorization - Resolution 2017-186		\$ 23,500.00
Decreased by:		
Disbursements	\$ 10,199.25	
Encumbrances	<u>13,300.75</u>	
		<u>23,500.00</u>
Balance December 31, 2017		<u><u>\$ -</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		2017 Authorizations	Prior Year Encumbrances/ Contracts Payable Reclassified	Paid or Charged	Canceled	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
General Improvements:											
2007-10	Improvements to Legion Field	08/13/07	\$ 750,000.00	\$ 19,461.29					\$ 19,461.29		
2008-10	Acquisition of Fire Department Equipment	06/09/08	40,000.00	110.00					110.00		
2009-27	Various Improvements:										
	Improvements to HVAC System	12/14/09	760,000.00	2,600.00			\$ 268.98		2,600.00	\$ 268.98	
	Improvements to Municipal Building	12/14/09	130,000.00	19,412.71	\$ 500.00		35.00	\$ 35.00	19,912.71		
2011-18	Various Improvements:										
	2011 Road Program	08/08/11	300,000.00	2,346.66					2,346.66		
	Various Infrastructure & Handicapped Improvements	08/08/11	600,000.00	66,068.86					66,068.86		
2012-16	2012 Road Program	06/11/12	120,000.00	490.08	37.00		2,825.00		527.08	2,825.00	
2013-21	Various Capital Improvements:										
	Acquisition of Conductive Energy Devices (Tasers)	07/15/13	11,000.00	348.53					348.53		
	Installation of Pedestrian and Traffic Safety Improvements	07/15/13	66,000.00	7,241.95					7,241.95		
	Interior and Exterior Improvements to Borough Hall	07/15/13	175,000.00				1,627.34	400.00		1,227.34	
	Improvements to Legion Field and Ethel Hardy Grounds	07/15/13	325,000.00	81,039.98			6,362.50	23,922.50		63,479.98	
2014-09	Acquisition of Property	07/21/14	15,000.00	2,000.00					2,000.00		
2014-14	Various Capital Improvements:										
	Security Cameras for Borough Property	09/15/14	200,000.00	200,000.00				189,520.00		10,480.00	
	2014 Road Program	09/15/14	160,000.00	28,390.90					28,390.90		
	Installation of Accordion Wall at Community Center	09/15/14	26,000.00	5,600.00					5,600.00		
	Gasoline and Diesel Storage Tanks	09/15/14	125,000.00	75,125.00	3,600.00		8,057.25	3,077.75		80,104.50	\$ 3,600.00
2015-13	Various Capital Improvements:										
	Borough Hall Improvements	08/17/15	100,000.00		73,102.59		8,564.88	45,908.82			35,758.65
	Community Center Improvements	08/17/15	50,000.00		18,482.50		558.75	958.75			18,082.50
	Acquisition of Security System / Cameras	08/17/15	150,000.00	7,500.00	142,500.00			136,356.41			13,643.59
	Promotional and Development Activities Brownfield Devl. Area	08/17/15	100,000.00		34,918.21		30,945.00	56,400.30			9,462.91
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	08/17/15	185,000.00	1,250.00	175,750.00		8,000.00			9,250.00	175,750.00
	Acquisition of Computer System Hardware / Software	08/17/15	25,000.00		7,784.83		952.99	8,289.83			447.99
	Police Four Wheel Drive Vehicle	08/17/15	41,500.00		82.36				82.36		
	Police Body Cameras and Server	08/17/15	32,500.00		3,466.76				3,466.76		
	Police Acquisition and Installation of Lights for Car Port	08/17/15	10,000.00	500.00	9,500.00			5,640.00	4,360.00		
	Police Recording Equipment	08/17/15	15,000.00				15,000.00	15,000.00			
	Police Scheduling System	08/17/15	9,200.00		755.00				755.00		
	Police Server Replacement	08/17/15	18,500.00		1,382.74				1,382.74		
	New Fire Chief Vehicle	08/17/15	34,000.00		123.58		51.90		123.58		51.90
	Fire Department Personal Protective Gear	08/17/15	9,000.00		4,059.00			2,503.00			1,556.00
	Fire Department Grounds Radios	08/17/15	2,500.00	125.00	2,375.00			957.00			1,543.00
	Legion Field Improvements	08/17/15	125,000.00	6,250.00	118,750.00			79,457.69			45,542.31
	Road Improvements	08/17/15	250,000.00		37,579.35		3,857.50	37,042.10			4,394.75
	Development Activities Brownfield Development Area	06/25/16	250,000.00	12,500.00	237,500.00					12,500.00	237,500.00
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	06/25/16	80,000.00	4,000.00	76,000.00					4,000.00	76,000.00
	Acquisition of Computer System Hardware / Software	06/25/16	25,000.00	1,250.00	23,750.00			24,893.11	106.89		
	Improvements to Property on Delaware River to Create Municipal Park	06/25/16	60,000.00		11,178.75		26,811.25	12,740.00			25,250.00
	Police Four Wheel Drive Vehicle	06/25/16	48,000.00		1,059.49		10,656.87	10,456.87	1,259.49		
	Police Variable Message Board for Public Safety	06/25/16	22,000.00		3,605.00				3,605.00		
	Police Equipment for DUI Enforcement	06/25/16	24,000.00	1,200.00	22,800.00					1,200.00	22,800.00
	Police Acquisition and Installation of In-Car Computers, Traffic Control Recorder and Biometric Secured Laptop for School Resource Officer	06/25/16	28,900.00		258.65		4,145.00	4,145.00	258.65		
	Fire Department Equipment: T-Ram, Thermal Imager and Ventilation Saw	06/25/16	15,800.00		1,957.71						1,957.71
	Public Works Single Axle Dump Truck	06/25/16	160,000.00		73,122.00		86,878.00	154,852.00	5,148.00		
	Public Works Leaf Collection System	06/25/16	40,000.00	2,000.00	38,000.00					2,000.00	38,000.00
	Public Works General Road Improvements	06/25/16	350,000.00	13,176.50	332,500.00			71,774.50			273,902.00

(Continued)

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		2017 Authorizations	Prior Year Encumbrances/ Contracts Payable Reclassified	Paid or Charged	Canceled	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
2017-10	Various Capital Improvements:										
	Improvements to Borough Hall - Police Department	09/18/17	\$ 100,000.00			\$ 100,000.00		\$ 600.00		\$ 4,400.00	\$ 95,000.00
	Improvements to Community Center - Installation of Security Measures	09/18/17	70,000.00			70,000.00				3,500.00	66,500.00
	Acquisition and Installation of Security System/Cameras	09/18/17	60,000.00			60,000.00				3,000.00	57,000.00
	Acquisition of Computer System Hardware / Software	09/18/17	25,000.00			25,000.00				1,250.00	23,750.00
	Acquisition of 64-bit Virtual Server	09/18/17	25,000.00			25,000.00				1,250.00	23,750.00
	Video Conferencing Equipment	09/18/17	9,000.00			9,000.00				9,000.00	
	Cell Tower Monopole	09/18/17	10,000.00			10,000.00				10,000.00	
	Police Department: Acquisition of Four-wheel Drive Vehicle	09/18/17	48,000.00			48,000.00		46,307.62			1,692.38
	Police Department: Lockers Mens/Womens	09/18/17	24,000.00			24,000.00		14,822.76			9,177.24
	Police Department: Security Measures for Court Room	09/18/17	15,000.00			15,000.00				2,500.00	12,500.00
	Fire Department: Acquisition of Ladder Truck	09/18/17	1,075,000.00			1,075,000.00		1,006,531.00			68,469.00
	Fire Department: Acquisition of 400 Feet +/- of 5 inch hose	09/18/17	3,000.00			3,000.00				3,000.00	
	Fire Department: Rapid Intervention Airpack	09/18/17	5,000.00			5,000.00				5,000.00	
	Public Works: Acquisition of Utility Trucks/Vehicles & Equipment	09/18/17	50,000.00			50,000.00				2,500.00	47,500.00
	Public Works: Repair/Replace Street Signs	09/18/17	20,000.00			20,000.00				1,000.00	19,000.00
	Public Works: General Road Improvements on Borough Roads	09/18/17	350,000.00			350,000.00				17,500.00	332,500.00
				<u>\$ 559,987.46</u>	<u>\$ 1,456,480.52</u>	<u>\$ 1,889,000.00</u>	<u>\$ 215,598.21</u>	<u>\$ 1,952,592.01</u>	<u>\$ 175,156.45</u>	<u>\$ 251,235.80</u>	<u>\$ 1,742,081.93</u>
	Deferred Charges to Future Taxation Unfunded					\$ 1,765,500.00					
	Capital Improvement Fund					123,500.00					
	Canceled to Capital Surplus								\$ 154,070.98		
	Canceled to Deferred Charges to Future Taxation Unfunded								21,085.47		
	Refunded							\$ (77.70)			
	Disbursed							422,384.96			
	Encumbered							1,530,284.73			
						<u>\$ 1,889,000.00</u>		<u>\$ 1,952,592.01</u>	<u>\$ 175,156.45</u>		

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Green Acres Loan Payable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 22,635.14
Decreased by:	
Paid by Budget Appropriation	<u>8,919.15</u>
Balance December 31, 2017	<u><u>\$ 13,715.99</u></u>

Exhibit SC-10

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 551,944.16
Decreased by:		
Transferred to Reserve for Preliminary Expenses	\$ 23,500.00	
Appropriated to Finance Improvement Authorizations	<u>123,500.00</u>	
		<u>147,000.00</u>
Balance December 31, 2017		<u><u>\$ 404,944.16</u></u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
General Bonds 2005	12/01/05	\$ 1,474,000.00	12/01/18	\$ 100,000.00	4.200%			
			12/01/19	100,000.00	4.200%			
			12/01/20	100,000.00	4.200%	\$ 400,000.00	\$ 100,000.00	\$ 300,000.00
General Bonds 2015	09/08/15	9,830,000.00	03/01/18	510,000.00	3.000%			
			03/01/19	520,000.00	4.000%			
			03/01/20	520,000.00	4.000%			
			03/01/21	815,000.00	3.000%			
			03/01/22	835,000.00	3.000%			
			03/01/23	865,000.00	3.000%			
			03/01/24	890,000.00	3.000%			
			03/01/25	915,000.00	3.000%			
			03/01/26	945,000.00	3.000%			
			03/01/27	980,000.00	3.000%			
			03/01/28	1,015,000.00	3.000%	9,320,000.00	510,000.00	8,810,000.00
						<u>\$ 9,720,000.00</u>	<u>\$ 610,000.00</u>	<u>\$ 9,110,000.00</u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2017

<u>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>Issued</u>	<u>Balance Dec. 31, 2017</u>
2015-13	Various Capital Improvements	12/19/17	12/19/17	12/18/18	2.50%	\$ 801,984.00	\$ 801,984.00
2016-07	Various Capital Improvements	12/19/17	12/19/17	12/18/18	2.50%	634,450.00	634,450.00
2017-10	Various Capital Improvements	12/19/17	12/19/17	12/18/18	2.50%	<u>1,513,566.00</u>	<u>1,513,566.00</u>
						<u>\$ 2,950,000.00</u>	<u>\$ 2,950,000.00</u>

BOROUGH OF PALMYRA
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by	Decreased by		Balance Dec. 31, 2017
			2017 Authorizations	Notes Issued	Improvement Authorizations Canceled	
2009-27	Various Improvements:					
	Acquisition of Police Department Equipment					
	Improvements to Municipal Building	\$ 500.00			\$ 500.00	
2012-16	2012 Road Program	37.00			37.00	
2013-07	Wheeled Refuse Containers	50.00				\$ 50.00
2013-21	Various Capital Improvements:					
	Acquisition of New Fire Engine and Related Apparatus	1,057.69				1,057.69
	2013 Road Program	54,860.00				54,860.00
2014-14	Various Capital Improvements:					
	Gasoline and Diesel Storage Tanks	3,600.00				3,600.00
2015-13	Various Capital Improvements:					
	Borough Hall Improvements	95,000.00		\$ 95,000.00		
	Community Center Improvements	47,500.00		47,500.00		
	Acquisition of Security System / Cameras	142,500.00		142,500.00		
	Promotional and Development Activities Brownfield Development Area	95,000.00		95,000.00		
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	175,750.00				175,750.00
	Acquisition of Computer System Hardware / Software	23,750.00		23,750.00		
	Police Four Wheel Drive Vehicle	39,425.00		39,342.64	82.36	
	Police Body Cameras and Server	30,875.00		27,408.24	3,466.76	
	Police Handgun Replacement	8,075.00		8,075.00		
	Police Acquisition and Installation of Lights for Car Port	9,500.00		5,000.00	4,360.00	140.00
	Police Recording Equipment	14,250.00		14,250.00		
	Police Scheduling System	8,740.00		7,900.00	755.00	85.00
	Police Server Replacement	17,575.00		16,190.00	1,382.74	2.26
	Fire Department Sidewinder Stabilization Jack Kits	1,900.00		1,900.00		
	New Fire Chief Vehicle	32,300.00		32,000.00	123.58	176.42
	Fire Department Personal Protective Gear	8,550.00		6,994.00		1,556.00
	Fire Department Grounds Radios	2,375.00				2,375.00
	Legion Field Improvements	118,750.00		1,674.12		117,075.88
	Road Improvements	237,500.00		237,500.00		
2016-07	Various Capital Improvements:					
	Development Activities Brownfield Development Area	237,500.00				237,500.00
	Installation and Upgrade for Gasoline / Diesel Fuel Tank System	76,000.00				76,000.00
	Acquisition of Computer System Hardware / Software	23,750.00		23,500.00	106.89	143.11
	Improvements to Property on Delaware River to Create Municipal Park	57,000.00		31,750.00		25,250.00
	Police Four Wheel Drive Vehicle	45,600.00		44,000.00	1,259.49	340.51
	Police Variable Message Board for Public Safety	20,900.00		17,200.00	3,605.00	95.00
	Police Equipment for DUI Enforcement	22,800.00				22,800.00
	Police Acquisition and Installation of In-Car Computers, Traffic Control Recorder and Biometric Secured Laptop for School Resource Officer	27,455.00		26,500.00	258.65	696.35
	Fire Department Equipment: T-Ram, Thermal Imager and Ventilation Saw	15,010.00		13,000.00		2,010.00
	Public Works Single Axle Dump Truck	152,000.00		146,000.00	5,148.00	852.00
	Public Works Leaf Collection System	38,000.00				38,000.00
	Public Works General Road Improvements	332,500.00		332,500.00		
2017-10	Various Capital Improvements:					
	Improvements to Borough Hall - Police Department		\$ 95,000.00			95,000.00
	Improvements to Community Center - Installation of Security Measures		66,500.00			66,500.00
	Acquisition and Installation of Security System/Cameras		57,000.00	57,000.00		
	Acquisition of Computer System Hardware / Software		23,750.00			23,750.00
	Acquisition of 64-bit virtual server		23,750.00			23,750.00
	Police Department: Acquisition of four-wheel drive vehicle		45,500.00	45,500.00		
	Police Department: Lockers mens/womens		21,500.00	14,500.00		7,000.00
	Police Department: Security measures for Court Room		12,500.00	8,566.00		3,934.00
	Fire Department: Acquisition of Ladder Truck		1,021,000.00	1,000,000.00		21,000.00
	Public Works: Acquisition of Utility Trucks/vehicles & equipment		47,500.00	47,500.00		
	Public Works: Repair/Replace Street Signs		19,000.00	8,000.00		11,000.00
	Public Works: General Road Improvements on Borough Roads		332,500.00	332,500.00		
		<u>\$ 2,217,934.69</u>	<u>\$ 1,765,500.00</u>	<u>\$ 2,950,000.00</u>	<u>\$ 21,085.47</u>	<u>\$ 1,012,349.22</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF PALMYRA
SEWER UTILITY FUND
Statement of Sewer Utility Cash -- Treasurer
For the Year Ended December 31, 2017

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2016	\$ 934,778.90	\$ 371,188.74
Increased by Receipts:		
Rents Receivable	\$ 1,638,439.30	
Prepaid Sewer Service Charges	8,204.50	
Refunds of Appropriations	1,620.00	
Interest Collected		\$ 3,072.12
Miscellaneous Revenue	<u>50,819.60</u>	
	<u>1,699,083.40</u>	<u>3,072.12</u>
	2,633,862.30	374,260.86
Decreased by Disbursements:		
2017 Budget Appropriations	1,460,838.54	
2016 Appropriation Reserves	108,517.15	
Accrued Interest on Loans and Notes	106,152.65	
Refund of Prior Year Revenue	1,031.88	
Interest Turned Over to Sewer Operating Fund	<u> </u>	<u>3,072.12</u>
	<u>1,676,540.22</u>	<u>3,072.12</u>
Balance December 31, 2017	<u><u>\$ 957,322.08</u></u>	<u><u>\$ 371,188.74</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash and Investments
 For the Year Ended December 31, 2017

	Balance (Deficit) Dec. 31, 2016	Increased By: Received - Miscellaneous	Decreased By: Disbursed - Miscellaneous	Transfers		Balance (Deficit) Dec. 31, 2017
				From	To	
Capital Fund Balance	\$ 43,526.39					\$ 43,526.39
Capital Improvement Fund	11,000.00					11,000.00
Due Sewer Utility Operating	(6,763.49)	\$ 3,072.12	\$ 3,072.12		\$ 20,566.00	13,802.51
Due General Capital	(36,893.00)					(36,893.00)
Reserve for Encumbrances	14,932.50			\$ 14,932.50	5,903.75	5,903.75
Reserve for Payment of Debt Service	59,143.00			20,566.00		38,577.00
Improvement Authorizations:						
Ordinance						
Number						
2007-07 Improvements to Sewer System	19,979.74					19,979.74
2012-15 Acquisition of Equipment	4,946.00			5,903.75	5,903.75	4,946.00
2013-22 Improvements to Sewer System and Acquisition of Equipment	201,998.72					201,998.72
2014-01 Improvements to Sewer System and Acquisition of Equipment	350,891.88				9,028.75	359,920.63
2016-08 Acquisition of Jetter/Vacuum Combination Truck	(291,573.00)					(291,573.00)
	<u>\$ 371,188.74</u>	<u>\$ 3,072.12</u>	<u>\$ 3,072.12</u>	<u>\$ 41,402.25</u>	<u>\$ 41,402.25</u>	<u>\$ 371,188.74</u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Sewer Service Charges Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 171,130.03
Increased by:		
2017 Sewer Charges		<u>1,645,130.24</u>
		1,816,260.27
Decreased by:		
Receipts	\$ 1,638,439.30	
Overpayments Created	(2,073.89)	
Overpayments Applied	3,512.10	
Prior Year Prepaid Sewer Rents Applied	<u>10,502.43</u>	
		<u>1,650,379.94</u>
Balance December 31, 2017		<u><u>\$ 165,880.33</u></u>

Exhibit SD-4

SEWER UTILITY OPERATING FUND
Statement of Due To / (From) Sewer Capital Fund
For the Year Ended December 31, 2017

Balance December 31, 2016 - Due To		\$ 6,763.49
Increased by:		
Receipts		<u>3,072.12</u>
		9,835.61
Decreased by:		
Interest Earnings	\$ 3,072.12	
Budget Appropriation - Reserve for Payment to Debt Service	<u>20,566.00</u>	
		<u>23,638.12</u>
Balance December 31, 2017 - (Due From)		<u><u>\$ (13,802.51)</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Overpaid Sewer Service Charges
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 3,512.10
Increased by:	
Overpayments Created	<u>2,073.89</u>
	5,585.99
Decreased by:	
Applied to Sewer Service Charges	<u>3,512.10</u>
Balance December 31, 2017	<u><u>\$ 2,073.89</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
As of December 31, 2017

<u>Description</u>	<u>Balance Dec. 31,</u> <u>2016 and 2017</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	12,966.00
	<hr/>
	<u>\$ 6,545,945.41</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
As of December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016 and 2017</u>
2007-07	Improvements to Sewer System	06/11/07	\$ 500,000.00	\$ 500,000.00
2012-15	Acquisition of Equipment	06/11/12	300,000.00	300,000.00
2013-22	Improvements to Sewer System and Acquisition of Equipment	07/15/13	350,000.00	350,000.00
2014-01	Improvements to Sewer System and Acquisition of Equipment	01/21/14	4,529,000.00	4,529,000.00
2016-08	Acquisition of Jetter/Vacuum Combination Truck	06/25/16	380,000.00	380,000.00
				<u>\$ 6,059,000.00</u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>		<u>Balance</u>		<u>Transferred</u>	<u>Lapsed</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		\$ 110.36	\$ 110.36			\$ 110.36
Other Expenses	\$ 104,940.87	119,500.12	224,440.99	\$ 108,517.15	\$ 1,668.75	114,255.09
Statutory Expenditures:						
Contributions to Social Security System (O.A.S.I.)		7,048.22	7,048.22			7,048.22
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		10,000.00	10,000.00			10,000.00
	<u>\$ 104,940.87</u>	<u>\$ 136,658.70</u>	<u>\$ 241,599.57</u>	<u>\$ 108,517.15</u>	<u>\$ 1,668.75</u>	<u>\$ 131,413.67</u>

BOROUGH OF PALMYRA
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Loans and Notes
For the Year Ended December 31, 2017

Balance December 31, 2016					\$ 33,293.34
Increased by:					
Charged to Budget Appropriation:					
Interest on Bonds			\$ 74,551.25		
Interest on Loans			29,863.89		
					<u>104,415.14</u>
					137,708.48
Decreased by:					
Interest Paid:					
Interest on Bonds			75,663.76		
Interest on Loans			30,488.89		
					<u>106,152.65</u>
Balance December 31, 2017					<u><u>\$ 31,555.83</u></u>

Analysis of Accrued Interest December 31, 2017

	Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 360,000.00	4.200%	12/01/17	12/31/17	1 month	\$ 1,260.00
	1,705,000.00	3.000%	09/01/17	12/31/17	4 months	<u>18,181.25</u>
						<u>19,441.25</u>
Loans:						
	775,000.00	Various	08/01/17	12/31/17	5 months	<u>12,114.58</u>
						<u>\$ 31,555.83</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance	Balance Dec. 31, 2016		Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2017	
			Amount	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	4,946.00		\$ 5,903.75	\$ 5,903.75	4,946.00	
2013-22	Improvements to Sewer System and Acquisition of Equipment	07/15/13	350,000.00	201,998.72				201,998.72	
2014-01	Improvements to Sewer System and Acquisition of Equipment	01/21/14	4,529,000.00	350,891.88		9,028.75		359,920.63	
2016-08	Acquisition of Jetter/Vacuum Combination Truck	06/25/16	380,000.00		\$ 69,427.00				\$ 69,427.00
				<u>\$ 577,816.34</u>	<u>\$ 69,427.00</u>	<u>\$ 14,932.50</u>	<u>\$ 5,903.75</u>	<u>\$ 586,845.09</u>	<u>\$ 69,427.00</u>
	Encumbered						<u>\$ 5,903.75</u>		

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2017

Balance December 31, 2016			\$ 6,564,110.64
Increased by:			
Paid by Budget Appropriation:			
Serial Bond Principal	\$	190,000.00	
Loan Principal		<u>165,343.21</u>	
			<u>355,343.21</u>
Balance December 31, 2017			<u><u>\$ 6,919,453.85</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
As of December 31, 2017

Balance December 31, 2016 and 2017			<u>\$ 319,000.00</u>
<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2017</u>
2007-07	Improvements to Sewer System	12/11/06	\$ 300,000.00
2016-08	Acquisition of Jetter/Vacuum Combination Truck	06/25/16	<u>19,000.00</u>
			<u>\$ 319,000.00</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 59,143.00
Decreased by:	
Budget Appropriation	<u>20,566.00</u>
Balance December 31, 2017	<u><u>\$ 38,577.00</u></u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2017

Purpose	Date of Original Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Paid by Budget Appropriation	Balance Dec. 31, 2017
			Outstanding Dec. 31, 2017 Date	Amount				
Sewer Bonds 2005	12/01/05	\$ 1,615,000.00	12/01/18	\$ 120,000.00	4.200%			
			12/01/19	120,000.00	4.200%			
			12/01/20	120,000.00	4.200%	\$ 480,000.00	\$ 120,000.00	\$ 360,000.00
Sewer Bonds 2015	09/08/15	1,845,000.00	03/01/18	75,000.00	3.000%			
			03/01/19	75,000.00	4.000%			
			03/01/20	75,000.00	4.000%			
			03/01/21	80,000.00	3.000%			
			03/01/22	80,000.00	3.000%			
			03/01/23	80,000.00	3.000%			
			03/01/24	85,000.00	3.000%			
			03/01/25	90,000.00	3.000%			
			03/01/26	90,000.00	3.000%			
			03/01/27	95,000.00	3.000%			
			03/01/28	95,000.00	3.000%			
			03/01/29	100,000.00	3.000%			
			03/01/30	105,000.00	3.125%			
			03/01/31	110,000.00	3.250%			
			03/01/32	110,000.00	3.250%			
			03/01/33	115,000.00	3.250%			
			03/01/34	120,000.00	3.250%			
			03/01/35	125,000.00	3.500%			
						<u>1,775,000.00</u>	<u>70,000.00</u>	<u>1,705,000.00</u>
						<u>\$ 2,255,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 2,065,000.00</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Loans Payable
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
N.J. Environmental Infrastructure Trust Loan	05/21/14	\$ 865,000.00	08/01/18	\$ 35,000.00	5.000%			
			08/01/19	35,000.00	5.000%			
			08/01/20	40,000.00	5.000%			
			08/01/21	40,000.00	5.000%			
			08/01/22	40,000.00	5.000%			
			08/01/23	45,000.00	5.000%			
			08/01/24	45,000.00	5.000%			
			08/01/25	50,000.00	3.000%			
			08/01/26	50,000.00	3.000%			
			08/01/27	50,000.00	3.000%			
			08/01/28	55,000.00	3.000%			
			08/01/29	55,000.00	3.000%			
			08/02/30	55,000.00	3.000%			
			08/01/31	60,000.00	3.000%			
			08/01/32	60,000.00	3.125%			
			08/01/33	60,000.00	3.250%	\$ 805,000.00	\$ 30,000.00	\$ 775,000.00
N.J. Environmental Infrastructure Fund Loan	05/21/14	2,661,750.00	02/01/18 - 32	45,114.40	NIL			
			08/01/18 - 32	90,228.81	NIL			
			02/01/33	45,114.40	NIL			
			08/01/33	90,229.01	NIL	<u>2,300,834.77</u>	<u>135,343.21</u>	<u>2,165,491.56</u>
						<u>\$ 3,105,834.77</u>	<u>\$ 165,343.21</u>	<u>\$ 2,940,491.56</u>

BOROUGH OF PALMYRA
SEWER UTILITY CAPITAL FUND
Statement of Sewer Bonds and Notes Authorized But Not Issued
As of December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016 and 2017</u>
2016-08	Acquisition of Jetter/Vacuum Combination Truck	<u>\$ 361,000.00</u>

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2017

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major State Program

We have audited the Borough of Palmyra's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the Borough of Palmyra's major state program for the year ended December 31, 2017. The Borough of Palmyra's major state program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Borough of Palmyra's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Palmyra's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major State Program

In our opinion, the Borough of Palmyra, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended December 31, 2017.

Report on Internal Control over Compliance

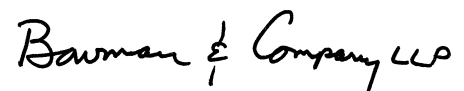
Management of the Borough of Palmyra is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Palmyra's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palmyra's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report 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 4, 2018

BOROUGH OF PALMYRASchedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2017

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Grant Period	
				From	To
N.J. Department of the Attorney General, Law and Public Safety:					
Body Armor Replacement Program:					
Body Armor Replacement	718-066-1020-001	\$ 2,212.48	N/A	01/01/13	12/31/13
Body Armor Replacement	718-066-1020-001	1,849.62	N/A	01/01/15	12/31/15
Body Armor Replacement	718-066-1020-001	1,931.30	N/A	01/01/16	12/31/16
Body Armor Replacement	718-066-1020-001	1,943.57	N/A	01/01/17	12/31/17
Body Armor Replacement (Unappropriated Grant)	718-066-1020-001	1,946.21	N/A	01/01/18	12/31/18
Total Body Armor Replacement Program					
Safe and Secure Neighborhoods Program	100-066-1020-232	78,970.00	N/A	01/01/17	12/31/17
Drunk Driving Enforcement Fund:					
Drunk Driving Enforcement Fund	100-066-6400-xxx	3,446.30	N/A	01/01/14	12/31/14
Drunk Driving Enforcement Fund	100-066-6400-xxx	4,885.51	N/A	07/01/14	06/30/15
Drunk Driving Enforcement Fund	100-066-6400-xxx	4,826.62	N/A	07/01/15	06/30/16
Drunk Driving Enforcement Fund	100-066-6400-xxx	4,919.03	N/A	07/01/16	06/30/17
Drunk Driving Enforcement Fund (Unappropriated Grant)	100-066-6400-xxx	3,177.69	N/A	07/01/17	06/30/18
Total Drunk Driving Enforcement Fund					
Total N.J. Department of the Attorney General, Law and Public Safety					
N.J. Department of Health and Senior Services:					
Alcohol, Education, Rehabilitation and Enforcement Trust Fund					
Municipal Court Alcohol Education Rehabilitation Fund	760-098-9735-001	Various	N/A	*	*
Municipal Court Alcohol Education Rehabilitation Fund (Unappropriated Grant)	760-098-9735-001	772.08	N/A	*	*
Total Alcohol, Education, Rehabilitation and Enforcement Trust Fund					
Exercise Improvement Grant	Not Available	Unknown	N/A	Prior Years	
Total N.J. Department of Health and Senior Services					
N.J. Department of Environmental Protection:					
Municipality Road Mileage					
Clean Communities	765-042-4900-004	16,642.00	N/A	01/01/15	12/31/15
Clean Communities	765-042-4900-004	18,873.06	N/A	01/01/16	12/31/16
Clean Communities	765-042-4900-004	16,033.85	N/A	01/01/17	12/31/17
Total Municipality Road Mileage					
State Recycling					
Recycling Tonnage Grant	100-042-4910-224	9,289.59	N/A	01/01/16	Completion
Recycling Tonnage Grant	100-042-4910-224	8,150.52	N/A	01/01/17	Completion
Recycling Tonnage Grant (Unappropriated Grant)	100-042-4910-224	5,456.15	N/A	01/01/18	12/31/18
Total State Recycling:					
Passed through New Jersey Economic Development Authority:					
Hazardous Discharge Site Remediation	P29454	2,204,242.00	N/A	02/24/10	Completion
Hazardous Discharge Site Remediation (Unappropriated Grant)	P29454	600.00	N/A	01/01/18	12/31/18
Total Hazardous Discharge Site Remediation:					
New Jersey Forestry Grant	Unknown	3,000.00	N/A	Prior Years	Completion
Total N.J. Department of the Environmental Protection					
N.J. Department of Treasury:					
Passed through the County of Burlington					
Municipal Alliance Grant	100-082-2000-044	7,461.00	N/A	01/01/16	12/31/16
Total N.J. Department of Treasury					
Total State Financial Assistance					

Current Fund
Federal and State Grant Fund

* Grant award is based on the number of DWI arrests made during the statutorily assigned base year; no award period is assigned by grantor.

The accompanying Notes to the Financial Statements and Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

<u>Balance Dec. 31, 2016</u>	<u>Receipts or Revenue Recognized</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Refunds</u>	<u>Disbursements/ Expenditures</u>	<u>Encumbrances</u>	<u>Balance Dec. 31, 2017</u>	(Memo Only) <u>Cash Receipts</u>	<u>Accumulated Expenditures</u>
\$ 1,713.92 1,849.62 1,931.30	\$ 1,943.57			\$ 885.00		\$ 828.92 1,849.62 1,931.30 1,943.57	\$ 1,946.21	\$ 1,383.56
5,494.84	1,943.57	-	-	885.00	-	6,553.41	1,946.21	1,383.56
	78,970.00			78,970.00			78,970.00	78,970.00
1,925.64 4,885.51 4,826.62	4,919.03		\$ (1,616.11)		\$ 155.00	3,386.75 4,885.51 4,826.62	4,919.03 3,177.69	59.55 4,919.03
11,637.77	4,919.03	-	(1,616.11)	4,919.03	155.00	13,098.88	8,096.72	4,978.58
17,132.61	85,832.60	-	(1,616.11)	84,774.03	155.00	19,652.29	89,012.93	85,332.14
9,818.31	2,115.10			850.00		11,083.41	772.08	850.00
9,818.31	2,115.10	-	-	850.00	-	11,083.41	772.08	850.00
1,302.38						1,302.38		-
11,120.69	2,115.10	-	-	850.00	-	12,385.79	772.08	850.00
912.72 18,873.06	16,033.85			912.72 6,715.19		12,157.87 16,033.85	16,033.85	16,642.00 6,715.19
19,785.78	16,033.85	-	-	7,627.91	-	28,191.72	16,033.85	23,357.19
2,000.00	8,150.52			2,000.00 4,188.29		3,962.23 -	8,150.52 5,456.15	9,289.59 4,188.29
2,000.00	8,150.52	-	-	6,188.29	-	3,962.23	13,606.67	13,477.88
126,120.87	39,000.00	\$ 876,640.85		804,502.90	72,137.95	165,120.87	39,000.00 600.00	1,908,513.32
126,120.87	39,000.00	876,640.85	-	804,502.90	72,137.95	165,120.87	39,600.00	1,908,513.32
3,000.00						3,000.00		
150,906.65	63,184.37	876,640.85	-	818,319.10	72,137.95	200,274.82	69,240.52	1,945,348.39
7,461.00		30.99		5,387.00		2,104.99	4,309.60	5,356.01
7,461.00	-	30.99	-	5,387.00	-	2,104.99	4,309.60	5,356.01
\$ 186,620.95	\$ 151,132.07	\$ 876,671.84	\$ (1,616.11)	\$ 909,330.13	\$ 72,292.95	\$ 234,417.89	\$ 163,335.13	\$ 2,036,886.54
\$ 186,620.95	\$ 83,889.03 67,243.04	876,671.84	(1,616.11)	\$ 83,889.03 825,441.10	72,292.95	234,417.89	\$ 83,889.03 79,446.10	
\$ 186,620.95	\$ 151,132.07	\$ 876,671.84	\$ (1,616.11)	\$ 909,330.13	\$ 72,292.95	\$ 234,417.89	\$ 163,335.13	

BOROUGH OF PALMYRA
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2017

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures state financial assistance (the "schedule") includes state award activity of the Borough of Palmyra (hereafter referred to as the "Borough") under programs of the state government for the year ended December 31, 2017. The Borough is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

Note 4: SUBRECIPIENTS

The Borough did not pass any grant funding through to subrecipients during 2017.

Note 5: MAJOR PROGRAMS

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

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

BOROUGH OF PALMYRA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

THIS SECTION IS NOT APPLICABLE.

Internal control over major programs:	
Material weakness(es) identified?	_____ yes _____ no
Significant deficiency(ies) identified?	_____ yes _____ none reported
Type of auditor's report issued on compliance for major programs	
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	_____ yes _____ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs

Auditee qualified as low-risk auditee?

_____ yes _____ no

BOROUGH OF PALMYRA
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2017

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes X no

Identification of major programs:

GMIS Number(s)

P29454

Name of State Program

Hazardous Discharge Site Remediation

Dollar threshold used to determine Type A programs \$ _____ 750,000.00

Auditee qualified as low-risk auditee? _____ yes X no

BOROUGH OF PALMYRA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Section 2 - Schedule of Financial Statement Findings

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

There are no current year findings.

BOROUGH OF PALMYRA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This section is not applicable.

BOROUGH OF PALMYRA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

There are 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*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

This section is not applicable. There were no prior year findings.

FEDERAL AWARDS

This section is not applicable. There was no prior year Federal Single Audit.

STATE FINANCIAL ASSISTANCE PROGRAMS

This section is not applicable. There was no prior year State Single Audit.

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>
Michelle Arnold	Mayor	
Timothy Howard	President of Council	
Frank Cosky	Council (01/01/17 -11/20/17)	
Bernadette Russell	Council	
Gina Ragomo Tait	Council	
Mindie Weiner	Council	
Lewis Yetter	Council	
Brandon Allmond	Council (11/20/17 – 12/31/17)	
John Gural, Jr.	Borough Administrator	
Doretha R. Jackson	Acting Borough Clerk, Dog License Clerk,	(A)
Donna Condo	Chief Financial Officer, QPA	(A)
Kareemah Press	Payroll/Finance Clerk (01/01/17 -06/09/17)	(A)
Stacey Brugler	Payroll/Finance Clerk (08/04/17 -12/31/17)	(A)
Tanyika L. Johns	Tax Collector	(A)
	Deputy Tax Collector	
Marie Nagle	Deputy Municipal Clerk, Registrar of Vital	(A)
	Statistics, Tax Clerk	
Annely Gomez	Technical Assistant	(A)
Corey Ahart	Municipal Court Judge	(A)
Tracy McGill	Court Administrator	(A)
Donna Browne	Deputy Court Administrator	(A)
Tracy Kilmer	Construction Official, Zoning Officer, Fire Official	(A)
	and Inspector	
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

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

