

**BOROUGH OF GIBBSBORO**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**



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**BOROUGH OF GIBBSBORO**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of Borough Council  
Borough of Gibbsboro  
County of Camden, New Jersey

**Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Gibbsboro, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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 New Jersey.

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

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting 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 of Gibbsboro's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates 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 information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Ford, Scott & Associates, P.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Registered Municipal Accountant  
No. 393

March 13, 2013

**EXHIBIT - A  
CURRENT FUND**

Cash:			
Treasurer	A-4	\$ 1,988,442.73	\$ 2,122,532.07
Collector	A-5	223,176.25	208,049.47
Change and Petty Cash Funds		410.00	410.00
		<u>2,212,028.98</u>	<u>2,330,991.54</u>

Receivables and Other Assets with Full Reserves:

Delinquent Property Taxes Receivable	A-7	16.12	2.53
Tax Title Liens Receivable	A-8	91,465.69	75,228.29
Camden County MUA Liens		-	2,224.92
Property Acquired for Taxes at Assessed Valuation		413,006.00	413,006.00
Revenue Accounts Receivable	A-9	6,153.94	6,474.48
Interfunds:			
Due from Trust Other Fund		4,214.97	4,066.34
Due from Animal Control		5,940.62	5,940.62
Due from CCO Trust - DCA Fees		516.07	722.39
Due from Grant Fund		38,214.18	42,871.99
Due from Open Space Trust		129,193.35	-
Due from Tax Title Lien Redemption Trust		21.30	4.06
		<u>688,742.24</u>	<u>550,541.62</u>

Deferred Charges:

Overexpenditure of Appropriations	A-3	-	777.28
		-	777.28
		<u>2,900,771.22</u>	<u>2,882,310.44</u>

Federal and State Grant Fund:

Grant Receivables	A-11	118,387.72	115,021.97
Due from General Capital		83,485.10	83,485.10
		<u>201,872.82</u>	<u>198,507.07</u>
		<u>\$ 3,102,644.04</u>	<u>\$ 3,080,817.51</u>

Regular Fund:

Liabilities:

Appropriation Reserves	A-3:A-10	\$	568,632.01	\$	621,744.76
Reserve for Encumbrances	A-3		12,439.96		37,043.04
Prepaid Taxes			61,931.37		49,385.04
Overpaid Taxes			17,090.71		2,346.91
Accounts Payable			-		-
Payroll Taxes Payable			520.07		520.07
County Tax Payable			694.88		2,714.95
Local District School Tax Payable			47,903.50		47,903.50
Regional High School Tax Payable			273,676.82		324,384.81
Due to State - Marriage Licenses			75.00		25.00
Due to State - Senior Citizens & Vets			11,351.58		10,257.55
Due to General Capital Fund			59,967.40		3,116.00
Due to Sewer Collector			23,820.58		17,329.14
Due to CCMUA Collector			184.24		-
Due to Public Assistance Trust Fund			420.00		420.00
Reserve for Library State Aid			2,504.74		2,504.74
Reserve for Revaluation Program			28,104.50		28,104.50
Reserve for Receivables and Other Assets			1,109,317.36		1,147,800.01
Fund Balance	A-1		688,742.24		550,541.62
			1,102,711.62		1,183,968.81
			<u>2,900,771.22</u>		<u>2,882,310.44</u>
Federal and State Grant Fund:					
Unappropriated Reserves	A-12		17,762.28		12,172.38
Appropriated Reserves	A-13		93,522.59		69,048.93
Encumbrances Payable			52,373.77		74,413.77
Due to Current Fund			38,214.18		42,871.99
			<u>201,872.82</u>		<u>198,507.07</u>
		\$	<u>3,102,644.04</u>	\$	<u>3,080,817.51</u>

Fund Balance Utilized	\$	830,000.00	\$	830,000.00
Miscellaneous Revenue Anticipated		442,732.53		438,286.52
Receipts from Delinquent Taxes		16,447.76		345.72
Receipts from Current Taxes		7,525,046.62		7,681,601.57
Non-Budget Revenue		97,008.08		96,287.16
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves		606,774.81		571,048.11
Interfunds Returned		12,014.13		23,622.55
Reserve to Pay Bonds		40,000.00		25,000.00
Cancellation of Prior Year Accounts Payable		-		739.55
<b>Total Income</b>		<b>9,570,023.93</b>		<b>9,666,931.18</b>
<b>Expenditures</b>				
Budget and Emergency Appropriations:				
Appropriations Within "CAP"				
Operations:				
Salaries and Wages		616,664.00		606,400.00
Other Expenses		1,302,370.71		1,284,660.16
Deferred Charges & Regulatory Expenditures		121,569.28		137,504.30
Appropriations Excluded from "CAP"				
Operations:				
Salaries and Wages		96,000.00		94,100.00
Other Expenses		13,198.00		20,414.17
Capital Improvement		15,000.00		-
Municipal Debt Service		605,769.28		586,307.28
Deferred Charges & Regulatory Expenditures		29,218.66		30,833.71
County Taxes		1,864,270.13		1,924,908.83
County Added and Omitted Taxes		694.88		2,714.95
Local District School Tax		2,700,501.00		2,714,952.00
Regional High School Tax		1,271,553.66		1,372,969.64
Local Open Space Tax		47,962.30		53,614.82
Interfunds Created		136,509.22		703.88
<b>Total Expenditures</b>		<b>8,821,281.12</b>		<b>8,830,083.74</b>

Excess In Revenue		\$ 748,742.81	\$ 836,847.44
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		-	777.28
		-	777.28
Statutory Excess to Fund Balance		748,742.81	837,624.72
Fund Balance January 1	A	1,183,968.81	1,176,344.09
		1,932,711.62	2,013,968.81
Decreased by:			
Utilization as Anticipated Revenue		830,000.00	830,000.00
Fund Balance December 31	A	\$ 1,102,711.62	\$ 1,183,968.81

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	Anticipated		Rea
		Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated		\$ 830,000.00	\$ -	\$ 83
		<u>830,000.00</u>	<u>-</u>	<u>83</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		5,000.00		
Fees and Permits		2,000.00		
Fines and Costs:				
Municipal Court		60,000.00		7
Interest and Costs on Taxes		10,000.00		1
Consolidated Municipal Property Tax Relief Aid		14,095.00		1-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		268,678.00		26
Uniform Construction Code Fees		25,000.00		2

See Accompanying Notes to Financial Statements - Regulator Basis  
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**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	Anticipated		Realized
		Budget	N.J.S. 40A:4-87	
Miscellaneous Revenues (continued):				
Special Items:				
State and Federal Programs Off-Set by Revenues:				
Clean Communities Program		\$ 4,000.00	\$	\$
Alcohol Education & Rehabilitation Fund				
Body Armor Grant				
Safe and Secure Communities Program-PL 1994 Chapter 220		30,000.00		30,000.00
Other Special Items:				
None		-	-	
Total Miscellaneous Revenues	A-1	<u>418,773.00</u>	<u>-</u>	<u>44,000.00</u>
Receipts from Delinquent Taxes	A-1:A-2	<u>400.00</u>	<u>-</u>	<u>10,000.00</u>
Reserve for Payment of Bonds & Notes		40,000.00		40,000.00
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes		1,704,107.51	-	1,830,000.00
Addition to Local District School Tax				
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>1,744,107.51</u>	<u>-</u>	<u>1,830,000.00</u>
Budget Totals		<u>2,993,280.51</u>	<u>-</u>	<u>3,122,000.00</u>
Non-Budget Revenues		-		9,000.00
		<u>\$ 2,993,280.51</u>	<u>\$ -</u>	<u>\$ 3,219,000.00</u>

See Accompanying Notes to Financial Statements - Regulator Basis  
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Allocation of Current Tax Collections:

Revenues from Collections		\$ 7,525,046.62
Allocated to:		
School, County and Other Taxes		<u>5,884,981.97</u>
Balance for Support of Municipal Budget Appropriations		1,640,064.65
Add: Appropriation		
"Reserve for Uncollected Taxes"		<u>193,490.58</u>

Amount for Support of Municipal		
Budget Appropriations		<u>\$ 1,833,555.23</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ (26,397.47)	
Tax Title Lien Collections	<u>42,845.23</u>	
		<u>\$ 16,447.76</u>

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:		
Municipal Clerk's Receipts	2,810.50	
Interest on Investments	2,115.40	
Police Reports	21,102.95	
Cable Franchise Fees	7,762.63	
Clerks Marriage License Fee	36.00	
Tax Collector Miscellaneous	12,178.10	
Fire Official	17,794.23	
Miss Gibbsboro Pageant	315.00	
Animal Fees	810.00	
Miscellaneous	<u>32,083.27</u>	
		<u>\$ 97,008.08</u>

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>OPERATIONS WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT:</b>				
Mayor and Council				
Salaries and Wages	\$ 23,000.00	\$ 23,000.00	\$ 22,928.00	\$ -
Other Expenses	1,000.00	1,000.00	310.00	-
Municipal Clerk				
Salaries and Wages	65,000.00	65,000.00	50,717.68	-
Other Expenses	50,000.00	50,000.00	17,832.96	513.70
Financial Administration				
Salaries and Wages	8,000.00	8,000.00	7,026.00	-
Other Expenses	16,000.00	16,000.00	7,974.17	453.50
Audit Services				
Other Expenses	30,000.00	30,000.00	28,500.00	-
Revenue Administration (Tax Collection)				
Salaries and Wages	10,000.00	10,000.00	9,008.01	-
Other Expenses	7,000.00	7,000.00	3,753.45	833.00
Tax Assessment Administration				
Salaries and Wages	10,200.00	10,200.00	9,530.40	-
Other Expenses	4,000.00	4,000.00	1,909.72	486.25
Legal Services				
Other Expenses	30,000.00	30,000.00	17,531.00	-
Engineering Services and Costs				
Other Expenses	30,000.00	30,000.00	6,659.00	-
<b>LAND USE ADMINISTRATION:</b>				
Planning Board				
Salaries and Wages	3,570.00	3,570.00	2,098.00	-
Other Expenses	15,000.00	15,000.00	2,642.32	175.80
Preparation of a Master Plan	40,000.00	40,000.00	3,223.35	-
Zoning Board of Adjustment				
Salaries and Wages	6,000.00	6,000.00	5,339.04	-
Other Expenses	5,000.00	5,000.00	1,257.14	-
Municipal Court				
Salaries and Wages	53,000.00	53,000.00	46,580.00	-
Other Expenses	6,000.00	6,000.00	3,696.29	398.31
Public Defender				
Salaries and Wages	2,856.00	2,856.00	2,687.00	-

See Accompanying Notes to Financial Statements - Regulator Basis  
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**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>PUBLIC SAFETY:</b>				
Fire Department				
Other Expenses				
Fire Hydrant Service	\$ 39,500.00	\$ 39,500.00	\$ 38,086.65	\$ -
Aid to Volunteer Fire Company	49,863.90	49,863.90	49,863.90	-
Police Department				
Salaries and Wages	310,000.00	310,000.00	257,365.61	-
Other Expenses	135,000.00	135,000.00	89,196.98	3,172.17
Office of Emergency Management				
Salaries and Wages	1,938.00	1,938.00	1,876.00	-
Other Expenses	500.00	500.00	50.00	-
Municipal Prosecutor				
Salaries and Wages	4,500.00	4,500.00	4,476.00	-
<b>PUBLIC WORKS:</b>				
Public Works				
Salaries and Wages	60,000.00	60,000.00	46,102.92	-
Other Expenses	105,000.00	105,000.00	34,561.74	2,352.63
Public Buildings and Grounds				
Other Expenses	110,000.00	110,000.00	55,913.80	2,328.83
Recycling Program				
Contractual	90,000.00	90,000.00	77,517.00	-
Garbage and Trash Removal				
Contractual	175,000.00	175,000.00	123,579.76	-
<b>HEALTH AND HUMAN SERVICES:</b>				
Dog Regulation				
Other Expenses	10,000.00	10,000.00	4,732.89	-
Administration of Public Assistance				
Salaries and Wages	3,600.00	3,600.00	3,536.00	-
Other Expenses	500.00	500.00	-	-
Environmental Commission				
Other Expenses	3,000.00	3,000.00	280.00	-
<b>PARKS AND RECREATION:</b>				
Recreation				
Other Expenses	2,000.00	2,000.00	-	-
Library				
Salaries and Wages	10,000.00	10,000.00	2,734.22	-
Other Expenses	2,500.00	2,500.00	822.42	-
Senior Citizen's Program				
Other Expenses	5,000.00	5,000.00	170.40	-

See Accompanying Notes to Financial Statements - Regulator Basis  
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**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>INSURANCE</b>				
Insurance				
General Liability	\$ 40,814.04	\$ 40,814.04	\$ 39,624.76	\$ -
Workers Compensation Insurance	35,390.77	35,390.77	35,390.77	-
Employee Group Health	152,302.00	152,302.00	142,712.00	-
Other Insurance Premiums	10,000.00	10,000.00	721.20	-
Health Benefit Waiver - Salaries & Wages	1,000.00	1,000.00	-	-
<b>UNIFORM CONSTRUCTION CODE:</b>				
State Uniform Construction Code				
Construction Official				
Salaries and Wages	23,000.00	23,000.00	22,917.39	-
Other Expenses	15,000.00	15,000.00	1,550.15	-
Fire Safety Official				
Salaries and Wages	3,000.00	3,000.00	2,894.25	-
Other Expenses	6,000.00	6,000.00	3,334.92	1,667.97
Plumbing Inspector				
Salaries and Wages	3,000.00	3,000.00	2,244.00	-
Other Expenses	-	-	-	-
Electrical Inspector				
Salaries and Wages	3,000.00	3,000.00	2,244.00	-
Other Expenses	-	-	-	-
Fire Inspector				
Salaries and Wages	2,500.00	2,500.00	1,785.00	-
Fire Official - Sub Code				
Salaries and Wages	3,000.00	3,000.00	2,244.00	-
Other Expenses	-	-	-	-
Building Subcode Inspector				
Salaries and Wages	7,500.00	7,500.00	3,727.92	-
<b>UNCLASSIFIED:</b>				
Celebration of Public Events				
Other Expenses	36,000.00	36,000.00	17,498.37	-
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>				
Street Lighting	44,000.00	44,000.00	31,182.79	57.80
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>1,919,034.71</u>	<u>1,919,034.71</u>	<u>1,352,141.34</u>	<u>12,439.96</u>
Contingent		-		

See Accompanying Notes to Financial Statements - Regulator Basis  
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**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	\$ 1,919,034.71	\$ 1,919,034.71	\$ 1,352,141.34	\$ 12,439.96
Detail:				
Salaries and Wages	617,664.00	616,664.00	510,061.44	-
Other Expenses	1,301,370.71	1,302,370.71	842,079.90	12,439.96
<b>DEFERRED CHARGES:</b>				
Overexpenditure of Appropriations	777.28	777.28	777.28	-
<b>REGULATORY EXPENDITURES:</b>				
Contributions to:				
Social Security System (O.A.S.I.)	51,000.00	51,000.00	48,579.98	-
Unemployment Compensation Insurance	2,754.00	2,754.00	193.42	-
Police and Firemen's Retirement System	43,398.00	43,398.00	43,398.00	-
Public Employees' Retirement System	23,640.00	23,640.00	23,640.00	-
<b>TOTAL DEFERRED CHARGES AND REGULATORY EXPENDITURES WITHIN "CAPS"</b>	121,569.28	121,569.28	116,588.68	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	2,040,603.99	2,040,603.99	1,468,730.02	12,439.96
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>				
<b>INSURANCE:</b>				
Employee Group Health	9,198.00	9,198.00	-	-
<b>TOTAL INSURANCE</b>	9,198.00	9,198.00	-	-

See Accompanying Notes to Financial Statements - Regulator Basis  
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**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>				
Clean Communities Program	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ -
Alcohol Education and Rehabilitation Fund	-	-	-	-
Body Armor Grant	-	-	-	-
Safe and Secure Communities Program				
Police				
Salaries and Wages	96,000.00	96,000.00	96,000.00	-
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<u>109,198.00</u>	<u>109,198.00</u>	<u>100,000.00</u>	<u>-</u>
Detail:				
Salaries and Wages	96,000.00	96,000.00	96,000.00	-
Other Expenses	4,000.00	13,198.00	4,000.00	-
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	-
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>-</u>
<b>DEBT SERVICE</b>				
Payment of Bond Principal	431,000.00	431,000.00	431,000.00	-
Interest on Bonds	146,268.50	146,268.50	146,268.50	-
Green Trust Loan Program:				
Loan Repayments for Principal & Interest	28,500.78	28,500.78	28,500.78	-
<b>TOTAL DEBT SERVICE</b>	<u>605,769.28</u>	<u>605,769.28</u>	<u>605,769.28</u>	<u>-</u>

See Accompanying Notes to Financial Statements - Regulator Basis  
15

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered
<b>DEFERRED CHARGES EXCLUDED FROM "CAPS"</b> Transferred to Board of Education for Use of Local School	\$ 29,218.66	\$ 29,218.66	\$ 29,218.66	\$ -
<b>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</b>	<u>29,218.66</u>	<u>29,218.66</u>	<u>29,218.66</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<u>759,185.94</u>	<u>759,185.94</u>	<u>749,987.94</u>	<u>-</u>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<u>2,799,789.93</u>	<u>2,799,789.93</u>	<u>2,218,717.96</u>	<u>12,439.96</u>
Reserve for Uncollected Taxes	<u>193,490.58</u>	<u>193,490.58</u>	<u>193,490.58</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 2,993,280.51</u>	<u>\$ 2,993,280.51</u>	<u>\$ 2,412,208.54</u>	<u>\$ 12,439.96</u>

Adopted Budget	\$ 2,993,280.51
Appropriation by 40A:4-87	-
	<u>\$ 2,993,280.51</u>

	Paid or Charged
Federal and State Grants	\$ 100,000.00
Deferred Charges	777.28
Reserve for Uncollected Taxes	193,490.58
Disbursed	<u>2,117,940.68</u>
	<u>\$ 2,412,208.54</u>

**EXHIBIT - B  
TRUST FUND**

Animal Control Fund

Cash and Investments	B-1	\$	16,014.83	\$	17,101.24
Due from State of New Jersey	B-4				-

			<u>16,014.83</u>		<u>17,101.24</u>
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Other Funds

Cash and Investments	B-2		726,284.88		666,035.21
Grant Receivable - C.D.B.G.					-
Due from CCO Trust			14.00		274.00

			<u>726,298.88</u>		<u>666,309.21</u>
		\$	<u>742,313.71</u>	\$	<u>683,410.45</u>

Animal Control Fund

Reserve for Animal Control Expenditures	B-3	\$	10,074.21	\$	10,955.22
Due to Current Fund			5,940.62		5,940.62
Prepaid 2013 Dog Licenses			-		205.40

			<u>16,014.83</u>		<u>17,101.24</u>
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Other Funds

Deposits for Redemption and Premiums			37,074.42		33,900.10
Reserve for Trust Other			212,493.79		201,838.03
Reserve for Local Open Space Tax			303,147.59		405,816.88
Reserve for CCO Fees			-		1,921.61
Reserve for Affordable Housing Dev. Fee			17,671.43		17,658.80
Due to State of New Jersey - Uniform					
Construction Code Training Fees			178.00		107.00
Due to Current Fund			133,945.69		4,792.79
Due to General Capital			21,773.96		-
Due to Trust Other - DCA Training Fees			14.00		274.00

			<u>726,298.88</u>		<u>666,309.21</u>
		\$	<u>742,313.71</u>	\$	<u>683,410.45</u>

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**

Cash and Investments				
Deferred Charges to Future Taxation:				
Funded	C-2-C-3	\$ 277,353.42	\$	358,707.89
Unfunded	C-5	3,900,701.23		4,355,825.53
Federal and State Grant Receivable	C-6	712,728.91		674,728.91
Due from County Open Space		1,982,533.01		2,429,348.95
Due from Current Fund		125,000.00		25,000.00
Due from Open Space Trust		59,967.40		3,116.00
		21,773.96		-
		<u>\$ 7,080,057.93</u>	\$	<u>7,846,727.28</u>

Liabilities, Reserves and Fund Balance

Serial Bonds Payable	C-8	\$ 3,700,000.00	\$	4,131,000.00
Green Trust Loan Payable	C-8A	200,701.23		224,825.53
Improvement Authorizations:				
Funded	C-7	481,030.85		661,715.17
Unfunded	C-7	240,616.42		283,353.67
Encumbrances Payable		75,167.40		136,290.88
County Advance for Open Space		1,381,058.00		1,881,058.00
Due to Utility Capital		2,129.59		2,129.59
Due to Grant Fund		83,485.10		83,485.10
Reserve to Pay Debt Service		272,799.02		312,799.02
Reserve for Capital Projects	C-4	33,991.38		33,991.38
Capital Improvement Fund	C-4	84,483.09		71,483.09
Fund Balance	C-1	24,595.85		24,595.85
		<u>\$ 7,080,057.93</u>	\$	<u>7,846,727.28</u>

Increased By:

\$ -

-

None

24,595.85

Decreased By:

None

-

Balance December 31, 2012

C

\$ 24,595.85

**EXHIBIT - D**  
**SEWER UTILITY FUND**

	Ref.	Dec. 31, 2012	Dec. 31, 2011
<b>Assets</b>			
<b>Operating Fund:</b>			
Cash and Investments	D-5	\$ 68,341.68	\$ 87,389.62
Due from Sewer Capital Fund		80,388.99	80,298.77
Due from Tax Collector		23,820.58	17,329.14
		<u>172,551.25</u>	<u>185,017.53</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	24.98	413.64
Sewer Liens	D-8	764.63	1,819.42
		<u>789.61</u>	<u>2,233.06</u>
Deferred Charges:			
Emergency		22,000.00	-
Overexpenditures of Appropriations		<u>4,108.44</u>	<u>4,108.44</u>
		<u>26,108.44</u>	<u>4,108.44</u>
<b>Total Operating Fund</b>		<u>199,449.30</u>	<u>191,359.03</u>
<b>Capital Fund:</b>			
Cash and Investments	D-5	80,642.44	178,861.58
Due from General Capital Fund		2,129.59	2,129.59
Due from State of New Jersey - NJEIT		659,465.00	1,119,411.00
Fixed Capital:			
Completed		7,821,952.18	7,821,952.18
Authorized and Uncompleted		2,157,500.00	2,157,500.00
<b>Total Capital Fund</b>		<u>10,721,689.21</u>	<u>11,279,854.35</u>
		<u>\$ 10,921,138.51</u>	<u>\$ 11,471,213.38</u>

See Accompanying Notes to Financial Statements – Regulator Basis

	Ref.	Dec. 31, 2012	Dec. 31, 2011
<b>Liabilities, Reserves and Fund Balance</b>			
<b>Operating Fund:</b>			
Appropriation Reserves	D-4	\$ 8,966.68	\$ 59,990.45
Encumbrances Payable		795.18	-
Overpaid Rents		736.40	1,256.33
Due to Tax Collector		-	-
Due to Voorhees Township		44,925.00	34,650.00
Accrued Interest on Bonds and Notes	D-11	31,888.03	33,200.53
Reserve for Receivables	D	87,311.29	129,097.31
Fund Balance	D-1	789.61	2,233.06
		111,348.40	60,028.66
<b>Total Operating Fund</b>		<b>199,449.30</b>	<b>191,359.03</b>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-13	1,640,000.00	1,710,000.00
NJETT Bond Payable	D-13A	590,000.00	625,000.00
NJETT Loan Payable	D-13B	1,012,987.79	1,084,072.37
Due to Sewer Operating Fund		80,388.99	80,298.77
Improvement Authorizations			
Unfunded	D-12	742,790.00	2,065,291.00
Encumbrances Payable		-	3,869.75
Reserve for Debt Service		1,960.18	1,960.18
Bond Anticipation Notes		200,000.00	-
Reserve for Improvements		40,000.00	40,000.00
Reserve for Amortization	D-10	5,859,706.33	5,406,121.75
Capital Improvement Fund		5,000.00	5,000.00
Fund Balance	D-2	258,240.53	258,240.53
<b>Total Capital Fund</b>		<b>10,431,073.82</b>	<b>11,279,854.35</b>
		<b>\$ 10,630,523.12</b>	<b>\$ 11,471,213.38</b>

See Accompanying Notes to Financial Statements – Regulator Basis

Revenue and Other Income Realized			
Fund Balance Utilized		\$ 18,750.00	\$ 13,300.00
Sewer Rents		276,374.33	272,748.42
Miscellaneous		1,730.55	5,225.99
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves		57,943.20	25,695.86
Total Income		<u>354,798.08</u>	<u>316,970.27</u>
Expenditures:			
Operations:			
Salaries and Wages		7,000.00	8,000.00
Other Expenses		35,000.00	85,000.00
Debt Service		254,453.34	195,872.78
Refund of Prior Year Revenue		10,275.00	-
Total Expenditures		<u>306,728.34</u>	<u>288,872.78</u>
Excess in Revenue		48,069.74	28,097.49
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years		<u>22,000.00</u>	<u>4,108.44</u>
Fund Balance January 1	D	70,069.74	32,205.93
		60,028.66	41,122.73
		130,098.40	73,328.66
Decreased By:			
Utilization as Anticipated Revenue		18,750.00	13,300.00
Balance December 31	D	<u>\$ 111,348.40</u>	<u>\$ 60,028.66</u>

None

\$

258,240.53

Decreased By:  
None

\_\_\_\_\_

-

Balance December 31, 2012

D

\$ 258,240.53

Anticipated Revenue:

Sewer Rents	252,118.87	276,374.33	24,255.46
Miscellaneous	5,000.00	1,730.55	(3,269.45)

Total Revenue	<u>257,118.87</u>	<u>278,104.88</u>	<u>20,986.01</u>
	\$ <u>275,868.87</u>	\$ <u>296,854.88</u>	\$ <u>20,986.01</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$	270,970.63	
Tax Collector		4,883.77	
Sewer Collector		1,256.33	
Overpayments Applied		(736.40)	
Overpayments Created			
Total Sewer Rents		<u>\$ 276,374.33</u>	

Miscellaneous Revenue			
Interest on Investments		122.88	
Interest & Costs on Utility Rents		1,607.67	
Connection Fees		-	
Total Miscellaneous		<u>\$ 1,730.55</u>	

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations:				
Salaries and Wages	\$ 7,000.00	\$ 7,000.00	\$ 6,522.99	\$ 477.01
Other Expenses	35,000.00	35,000.00	26,510.33	8,489.67
	<u>42,000.00</u>	<u>42,000.00</u>	<u>33,033.32</u>	<u>8,966.68</u>
Debt Service:				
Payment of Bond Principal	84,000.00	84,000.00	84,000.00	-
Interest on Bonds	79,314.00	79,314.00	78,730.67	-
Interest on Notes	-	-	-	-
NJFIT Bonds & Loans	70,554.87	92,554.87	91,722.67	-
	<u>233,868.87</u>	<u>255,868.87</u>	<u>254,453.34</u>	<u>-</u>
	<u>\$ 275,868.87</u>	<u>\$ 297,868.87</u>	<u>\$ 287,486.66</u>	<u>\$ 8,966.68</u>

Ref. D

Statement of Expenditures:

Accrued Interest on Bonds	\$ 31,888.03
Disbursed	<u>255,598.63</u>
	<u>\$ 287,486.66</u>

See Accompanying Notes to Financial Statements – Regulator Basis

**EXHIBIT - E**  
**PUBLIC ASSISTANCE TRUST FUND**

Cash Trust I	E-1	\$	3,066.82	\$	3,064.60
Cash Trust II	E-1		4,947.97		4,742.91
Due from Current Fund	A		420.00		420.00

		\$	<u>8,434.79</u>	\$	<u>8,227.51</u>
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Liabilities and Reserves

Reserve for Public Assistance		\$	8,434.79	\$	8,227.51
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		\$	<u>8,434.79</u>	\$	<u>8,227.51</u>
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**EXHIBIT - F**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

Current Fixed Assets:		
Land and Buildings	\$ 12,196,432.19	\$ 11,758,478.43
Vehicles	514,238.38	546,516.58
Machinery and Equipment	887,036.58	886,101.58

Total General Fixed Assets      \$ 13,597,707.15      \$ 13,191,096.59

Investment in General Fixed Assets      \$ 13,597,707.15      \$ 13,191,096.59

accounting unit's 11001 Accounting Principles Generally Accepted in the United States of America (GAAP). The more significant of the Borough's accounting policies are described below.

#### **Description of Financial Reporting Entity**

The Borough of Gibbsboro is located in central Camden County approximately twelve miles southeast of the City of Philadelphia. The Borough's population according to the 2010 census was 2,274. The Borough provides its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning, sewer service and general administrative services.

The Borough is incorporated and operates under a Mayor and Council form of government. The Mayor is the Chief Executive Officer of the City and is elected by general election for a four-year term. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk. The Council is the legislative body of the Borough and consists of six members elected by popular vote to three-year terms.

#### **Basis of Presentation, Fund Accounting**

The financial statements – regulatory basis of the Borough of Gibbsboro contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices 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. Under this method of accounting, the Borough of Gibbsboro accounts for its financial transactions through the following separate funds that differ from the funds required by GAAP.

#### **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 fund was created.

#### **General Capital Funds**

The General Capital Fund accounts for the receipt and disbursement of funds for the acquisition of general 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 utility.

#### **Budgets and Budgetary Accounting**

The Borough of Gibbsboro must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and

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

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

**Cash and Investments**

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Borough of Gibbsboro requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Borough considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

**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 Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**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 balance sheets.

**General Fixed Assets**

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase.

Account Group (including certain buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost, if actual historical cost is not available.

No depreciation on general fixed assets is recorded in the financial statements – regulatory basis.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants – in – aid or contributed capital have not been accounted for separately.

#### **Utility Fixed Assets**

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund.

#### **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 by returning the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to municipal use, it will be capitalized in the General Fixed Assets Account Group.

#### **Deferred Charges**

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

#### **Appropriation Reserves**

Appropriation Reserves covering unexpended appropriation balance 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

#### **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 other governmental unit net of costs of the sale. The related costs of sale are recognized as revenue when received.

anticipation as revenue in future years budgets, with certain restrictions.

**Revenues**

Revenues are recorded as received in cash except for certain amounts that are due from other governmental units. Revenue from Federal and State Grants is realized as revenue when anticipated as such in the Borough's budget. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

**Property Tax Revenues**

Property tax revenues are collected in quarterly installments due February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup>. Property taxes unpaid on April 1, of the year following their final due date are subject to tax sale in accordance with statutes. 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 entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

**School Taxes**

The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Gibbsboro School District as well as for the Borough's share of the Eastern Regional High School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the school districts from July 1 through June 30, increased by the amount deferred at December 31, 2011, and decreased by the amount deferred at December 31, 2012. GAAP would require the recording of deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31<sup>st</sup> for the last two years:

<u>Category</u>	<u>2012</u>	<u>2011</u>
Regional School Tax Payable	\$ 273,676.82	\$ 324,384.81
Regional School Tax Deferred	362,000.00	362,000.00
	<u>\$ 635,676.82</u>	<u>\$ 686,384.81</u>

**County Taxes**

The Borough is responsible for levying, collecting and remitting county taxes for the County of Camden. Fund Balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition Fund Balance is charged for the County Share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> 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 minimum amount of the reserve, determined by the percentage of

## **Expenditures**

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance system. Outstanding encumbrances at December 31<sup>st</sup> are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

## **Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Assets and Statement of Activities.

## **Recent Accounting Pronouncements Not Yet Effective**

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Borough's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Borough's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Borough's financial reporting.

for post employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

**NOTE 2: LONG-TERM DEBT**

**Summary of Municipal Debt**

	Year 2012	Year 2011	Year 2010
Issued:			
General:			
Bonds, Notes and Loans	\$ 3,900,701.23	\$ 4,355,825.53	\$ 4,777,474.48
Sewer Utility:			
Bonds, Notes and Loans	<u>3,242,987.79</u>	<u>3,419,072.37</u>	<u>2,492,940.94</u>
Total Issued	7,143,689.02	7,774,897.90	7,270,415.42
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	(272,799.02)	(312,799.02)	(229,642.84)
Sewer Utility	(1,960.18)	(1,960.18)	(1,960.18)
Self-Liquidating Debt	<u>(4,030,285.67)</u>	<u>(4,208,330.43)</u>	<u>(3,739,409.00)</u>
Net Debt Issued	2,838,644.15	3,251,808.27	3,299,403.40
Authorized But Not Issued:			
General:			
Bonds and Notes	712,728.91	674,728.91	503,728.91
Sewer Utility:			
Bonds and Notes	<u>789,258.06</u>	<u>789,258.06</u>	<u>1,246,468.06</u>
Total Authorized But Not Issued	1,501,986.97	1,463,986.97	1,750,196.97
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 4,340,631.12</u>	<u>\$ 4,715,795.24</u>	<u>\$ 5,049,600.37</u>

	Gross Debt	Deductions	Net Debt
School Purpose Debt	\$ 3,002,173.63	\$ 3,002,173.63	\$ -
Sewer Utility Debt	4,032,245.85	4,032,245.85	-
General Debt	4,613,430.14	272,799.02	4,340,631.12
	<u>\$ 11,647,849.62</u>	<u>\$ 7,307,218.50</u>	<u>\$ 4,340,631.12</u>

Net debt \$4,340,631.12 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$247,284,094 = 1.755%.

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

3-1/2% of Equalized Valuation Basis	\$ 8,654,943.29
Net Debt	(4,340,631.12)
Remaining Borrowing Power	<u>\$ 4,314,312.17</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 347,696.49
---	---------------

Deductions:	
Operating & Maintenance Costs	\$ 42,000.00
Debt Service per Sewer Funds	<u>254,453.34</u>
Total Deductions	<u>296,453.34</u>
Deficit in Revenues	-
Excess in Revenue	<u>\$ 51,243.15</u>

**Description of Bonds and Loans Payable**

At December 31, 2012, bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$2,100,000 General Improvement Bonds dated October 1, 2004, due in annual installments through October 1, 2018, bearing interest at various rates. The balance remaining as of December 31, 2012 is \$1,300,000.00.

\$2,760,000 General Improvement Bonds dated August 15, 2009, due in annual installments through August 2033, bearing interest at various rates. The balance remaining as of December 31, 2012 is \$2,400,000.00.

rate of 2.00%. The balance remaining as of December 31, 2012 is \$25,793.90.

At December 31, 2012, bonds payable in the Sewer Utility Fund consisted of the following individual issues:

\$1,780,000 Sewer Utility Refunding Bond dated October 19, 2010, due in annual installments through February 2025, bearing interest at various rates. The balance remaining as of December 31, 2012 is \$1,640,000.00.

\$525,000 New Jersey Environmental Infrastructure Trust Fund Bond dated November 1, 2002, due in annual installments through August 1, 2022, bearing interest of various rates. The balance remaining as of December 31, 2012 is \$330,000.00.

\$523,001 New Jersey Environmental Infrastructure Trust Fund Loan dated November 1, 2002, due in semi-annual installments through August 1, 2022, bearing zero interest. The balance remaining as of December 31, 2012 is \$276,595.00.

\$270,000 New Jersey Environmental Infrastructure Trust Fund Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest of varying rates. The balance remaining as of December 31, 2012 is \$260,000.00.

\$779,710 New Jersey Environmental Infrastructure Trust Fund Loan dated March 10, 2010, due in semi-annual installments through August 1, 2029, bearing zero interest. The balance remaining as of December 31, 2012 is \$736,392.79.

**Changes in Long-Term Debt**

The following schedule represents the changes in the Long-Term Debt:

	Outstanding 12/31/11	Issues or Additions	Payments or Expenditures	Outstanding 12/31/12
<b>General Capital Fund:</b>				
Bonds Payable	\$ 4,131,000.00	\$	\$ 431,000.00	\$ 3,700,000.00
Loans Payable	224,825.53	-	24,124.30	200,701.23
<b>Total General Capital Fund</b>	<b>4,355,825.53</b>	<b>-</b>	<b>455,124.30</b>	<b>3,900,701.23</b>
<b>Utility Capital Fund:</b>				
Bonds Payable	2,335,000.00	-	105,000.00	2,230,000.00
Loans Payable	1,084,072.37	-	71,084.58	1,012,987.79
<b>Total Utility Capital Fund</b>	<b>3,419,072.37</b>	<b>-</b>	<b>176,084.58</b>	<b>3,242,987.79</b>
<b>Total All Funds</b>	<b>\$ 7,774,897.90</b>	<b>\$ -</b>	<b>\$ 631,208.88</b>	<b>\$ 7,143,689.02</b>

	Principal	Interest	Principal	Interest
2013	\$ 404,609.20	\$ 135,454.08	\$ 170,273.38	\$ 76,531.26
2014	425,103.84	124,271.94	222,666.42	73,418.76
2015	425,608.42	111,517.36	226,644.31	68,593.76
2016	446,123.16	97,752.62	230,670.87	63,718.76
2017	483,637.05	83,052.54	234,697.43	58,718.76
2018-2022	1,485,619.56	197,454.85	1,274,814.69	204,243.80
2023-2027	230,000.00	9,200.00	756,586.05	50,668.76
2028-2029	-	-	126,634.64	2,400.00
	<u>\$ 3,900,701.23</u>	<u>\$ 758,703.39</u>	<u>\$ 3,242,987.79</u>	<u>\$ 598,293.86</u>

**NOTE 3: COMPENSATED ABSENCES**

During the year ended December 31, 2000, the Borough implemented a compensated absences program for the Police Department only. Police department employees were permitted to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets or prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2012, the Borough estimates this liability to approximate \$3,619.50 based on 2012 pay rates and compensated absence balances.

**NOTE 4: DEFERRED COMPENSATION ACCOUNT**

The Borough does not offer its employees a deferred compensation plan.

**NOTE 5: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

	Balance December 31, 2012	Balance December 31, 2011
Prepaid Taxes - Cash Liability	\$ 61,931.37	\$ 49,385.04

been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

**Defined Contribution Retirement Program (DCRP)** was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq. For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary.

#### **Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation are generally determined to be 1/55 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55 and generally determined to be 2% of final average compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final average compensation equals the average compensation for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek special retirement after achieving 20 or 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final average compensation for each year of service.

member year of membership. Upon commencing the second year of DCNR membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

Retirement benefits for members are determined according to the applicable Tier level:

**Tier 1 Membership:** The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement, a member must have at least 25 years of service credit; however, if a member is under the age of 55 at the time of retirement, the retirement allowance is reduced 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

**Tier 2 Membership:** The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 60 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 60 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

**Tier 3 Membership:** The retirement age is 62 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 62 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 62 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

### **Funding Policy**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. In accordance with Chapter 415, P.L. 1999, the member rate was set at 5.5% (increased to 6.5% effective 10/1/11, increased to 6.64% effective 10/1/12) of base salary. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Members contribute at a uniform rate of 8.5% (increased to 10% effective 10/1/11) of base salary.

Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 23,640.00	100% \$	23,640.00
12/31/2011	23,355.00	100%	23,355.00
12/31/2010	18,801.00	100%	18,801.00

For the Police and Firemen's Retirement System, the Borough's contributions, equal to the required contribution for each fiscal year, was as follows:

Funding Year	Three Year Trend Information for PFRS		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 43,398.00	100% \$	43,398.00
12/31/2011	63,686.00	100%	63,686.00
12/31/2010	42,006.00	100%	42,006.00

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were no employees in the DCRP for the year ended December 31, 2012.

**NOTE 7: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. Operating cash, in the form various checking are held in the Borough's name by a commercial banking institution. At December 31, 2012, the carrying amount of the Borough's deposits was \$3,188,211.02 and the bank balance was \$3,193,872.62. Of the bank balance, \$250,000.00 was insured with Federal Deposit Insurance and \$2,943,872.62 was covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Borough's bank accounts are profiled in order to determine exposure, if any to Custodial Credit Risk (risk that in the event of failure of the counterparty the Borough would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged by the depositor), collateralized with securities held by the pledging institution or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2012, all of the Borough's deposits were insured with Federal Deposit Insurance or under the provisions of the Governmental Unit Deposit Protection Act (GUDPA) and not exposed to custodial credit risk. The Borough does not have a policy for custodial credit risk.

as to which the principal and interest therein is guaranteed by the United States of America or other obligations as the Borough may approve. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

The Borough had no investments during 2012.

#### **NOTE 8: PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

Upon the filing of certified adopted budgets by the municipality, the local and regional school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due February 1 and May 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due August 1 and November 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement and any losses in tax collection from prior years are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

	2012	2011	2010
Tax Rate	\$ 4.449	\$ 4.400	\$ 4.249

Apportionment of Tax Rate:

Municipal	0.999	0.944	0.896
Municipal Open Space	0.028	0.030	0.032
County	1.094	1.097	1.016
Local School	1.583	1.547	1.543
Regional School	0.745	0.782	0.762

Assessed Valuation

2012	\$ 170,564,122.00
2011	175,530,288.00
2010	176,314,741.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2012	\$ 7,591,224.14	\$ 7,525,046.62	99.12%
2011	7,734,221.97	7,681,601.57	99.31%
2010	7,517,085.40	7,474,401.04	99.43%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	\$ 91,465.69	\$ 16.12	\$ 91,481.81	1.18%
2011	75,228.29	2.53	75,230.82	0.97%
2010	97,583.86	38.56	97,622.42	1.30%

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, was as follows:

Year	Amount
2012	\$ 413,006.00
2011	413,006.00
2010	413,006.00

The following schedule details the amount of Fund Balances available at the end of each year and the amounts utilized in the subsequent year's budgets.

Current Fund	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized	
Sewer Utility Operating Fund	2012	\$ 1,102,711.62	\$ 830,000.00	*	75.27%
	2011	1,183,968.81	830,000.00		70.10%
	2010	1,176,344.09	830,000.00		70.56%
Sewer Utility Operating Fund	2009	963,425.44	735,000.00		76.29%
	2008	1,076,333.65	735,000.00		68.29%
	2012	121,623.40	40,948.44	*	33.67%
Sewer Utility Operating Fund	2011	60,028.66	18,750.00		31.24%
	2010	41,122.73	13,300.00		32.34%
	2009	40,301.94	25,000.00		62.03%
2008	58,462.29	42,000.00		71.84%	

\*=As Introduced

**NOTE 11: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY**

Receivables and payables at December 31, 2012 are as follows:

Fund	Interfund	
	Receivable	Payable
Current Fund	\$ 178,100.49	\$ 60,387.40
Federal & State Grant Fund	83,485.10	38,214.18
General Capital Fund	81,741.36	85,614.69
Animal Control Trust Fund	-	5,940.62
Open Space Trust	-	21,773.96
Other Trust Funds	14.00	133,959.69
Public Assistance Trust Fund	420.00	-
Sewer Utility Operating Fund	80,388.99	-
Sewer Utility Capital Fund	2,129.59	80,388.99
	\$ 426,279.53	\$ 426,279.53

The balances are primarily the result of disbursements made from the Current Fund which were not reimbursed prior to year end.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Borough Council approves the transfers by resolution. Budgetary transfers during the year were not significant.

**NOTE 13: FEDERAL AND STATE GRANTS**

In the normal course of operations, the Borough participates in a number of federal and state grant programs. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the granting of funds. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor. As of December 31, 2012, significant amounts of grant expenditures have not been audited by the various grantor agencies, nor is there any known liability for reimbursement as a result of any such audit.

**NOTE 14: GENERAL FIXED ASSETS**

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2012:

	Balance as of December 31, 2011	Additions	Disposals	Balance as of December 31, 2012
Land & Improvements	\$ 11,758,478.43	\$ 437,953.76	-	\$ 12,196,432.19
Vehicles	546,516.58	28,722.00	(61,000.20)	514,238.38
Machinery & Equipment	886,101.58	935.00	-	887,036.58
Total	<u>\$ 13,191,096.59</u>	<u>\$ 467,610.76</u>	<u>\$ (61,000.20)</u>	<u>\$ 13,597,707.15</u>

**NOTE 15: 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.

**Property and Liability Insurance**

The Borough maintains insurance coverage for property, liability and surety bonds. During the year ended December 31, 2012 the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2012 through March 13, 2013 the date that the financial statements were issued for possible disclosure and recognition in the financial statements.

**SUPPLEMENTARY SCHEDULES**

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federa</u>
Balance December 31, 2011	A	\$ 2,122,532.07	
Increased By Receipts:			
Collector	\$	7,399,992.79	\$
Taxes Receivable - Homestead Rebate		162,553.01	
Miscellaneous Revenue Anticipated		392,044.58	
Miscellaneous Revenue Not Anticipated		83,924.73	
Payroll Taxes Payable			
Due State for Marriage Licenses		300.00	
Due State for Vets and Seniors		36,094.03	
Due from CCO Trust		206.32	
Due from Grant Fund		36,224.15	
Due from Current Fund		-	97,5
Due to General Capital		97,259.23	
Federal & State Grants Receivable			26,6
Federal & State Grants - Unappropriated			9,5
		<u>8,208,598.84</u>	
		10,331,130.91	

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**

Ref.	<u>Current Fund</u>	<u>Federal</u>
	\$	
Decreased By Disbursements:		
2012 Appropriations	\$ 2,117,940.68	\$
2011 Appropriation Reserves	52,012.99	
County Taxes	1,866,985.08	
Local District School Tax	2,700,501.00	
Regional High School Tax	1,322,261.65	
Local Open Space Tax	47,962.30	
Refund of Tax Overpayments	8,014.79	
Due State for Marriage Licenses	250.00	
Due to Grant Fund	97,566.34	
Due to Open Space Trust	129,193.35	
Due to General Capital	-	
Payroll Taxes Payable		
Due to Current Fund		36,2
Federal & State Grant Expenditures		97,5
	<u>8,342,688.18</u>	
Balance December 31, 2012	A \$ <u><u>1,988,442.73</u></u>	

Increased By Receipts:

Taxes Receivable	\$	7,274,469.69	
Interest On Taxes		16,687.95	
Prepaid Taxes		61,931.37	
Miscellaneous Revenue Not Anticipated		12,509.65	
Tax Title Liens Redeemed		42,845.23	
Due to TTL Redemption		-	
Due to CCMUA		36,790.79	
Due from Sewer Collector		277,462.07	
		<u>7,722,696.75</u>	
		7,930,746.22	

Decreased By Disbursements:

Payment to Treasurer		7,399,992.79	
Due to CCMUA		36,606.55	
Due to Sewer Collector		270,970.63	
Due to TTL Redemption		-	
		<u>7,707,569.97</u>	

Balance December 31, 2012

A

\$ 223,176.25

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	Collections		Adjustments	Tran Tit
				2011	2012		
Arrears \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$
2011	2.53	-	-	-	(26,397.47)	26,400.00	
	2.53	-	-	-	(26,397.47)	26,400.00	
2012	-	7,590,529.26	694.88	49,385.04	7,475,661.58	8,780.29	
	\$ 2.53	\$ 7,590,529.26	\$ 694.88	\$ 49,385.04	\$ 7,449,264.11	\$ 35,180.29	\$
Ref.	A						

\$ 7,437,022.70	Taxes Receivable
35,000.00	Senior Citizens and Veterans
(22,758.59)	Overpayments
<u>\$ 7,449,264.11</u>	

Analysis of 2012 Property Tax Levy

Tax Yield:

General Property Tax

Added Taxes (54:4-63.1 et seq.)

\$ 7,591,224.14

\$ 7,591,224.14

Tax Levy:

Local District School Tax:

Levy

\$ 2,700,501.00

Addition to Local District School Tax

2,700,501.00

Regional High School Tax

1,271,553.66

County Taxes

1,864,270.13

County Taxes Added and Omitted

694.88

Local Open Space Tax

47,962.30

Local Tax for Municipal Purposes

1,704,107.51

Add: Additional Tax Levied

2,134.66

1,706,242.17

\$ 7,591,224.14

Increased By:  
Transfers from Taxes Receivable  
Interest and Costs at Tax Sale

\$ 57,381.11  
1,701.52

59,082.63  
134,310.92

Decreased By:  
Tax Title Liens Redeemed  
Cancellation of Tax Title Liens

42,845.23  
-

42,845.23  
\$ 91,465.69

Balance December 31, 2012

A

\$ 91,465.69

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

<u>Miscellaneous Revenue Anticipated:</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Accrued In 2012</u>	<u>Collecte</u>
Licenses:				
Alcoholic Beverages	\$	-	\$ 5,626.00	\$ 5,6
Fees and Permits		-	3,232.00	3,2
Municipal Court - Fines and Costs		6,474.48	71,937.02	72,2
Interest on Taxes		-	16,687.95	16,6
Energy Receipts Tax		-	268,678.00	268,6
Consolidated Municipal Property Tax Relief		-	14,095.00	14,0
Uniform Construction Code Fees		-	28,156.02	28,1
Miscellaneous Non-Budget Revenue		-	97,008.08	97,0
<b>TOTALS</b>		<b>\$ 6,474.48</b>	<b>\$ 505,420.07</b>	<b>\$ 505,7</b>
	Ref.	A		
			Cash Received by Treasurer	\$ 475.9
			Cash Received by Collector	29,1
			Non-Cash Miscellaneous Non-Budgeted Revenue	5
			<b>\$</b>	<b>505,7</b>

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Ba</u> <u>La</u>
<b><u>OPERATIONS - Within "CAPS"</u></b>				
<b><u>SALARIES AND WAGES</u></b>				
Administration of Public Assistance	\$ 134.00	\$ 134.00	\$ -	\$ -
Building Subcode	3,079.37	3,079.37	-	
Electrical Inspector	1,506.95	1,506.95	-	
Financial Administration	1,112.00	1,112.00	-	
Fire Inspector	548.66	548.66	-	
Fire Official - Sub Code	233.33	233.33	-	
Fire Safety Official	987.51	987.51	-	
Library	3,923.82	3,923.82	-	
Mayor and Council	72.00	72.00	-	
Municipal Clerk	13,277.14	13,277.14	-	13
Municipal Court	734.17	734.17	-	
Municipal Prosecutor	294.83	294.83	-	
Planning Board	1,279.58	1,279.58	-	
Plumbing Inspector	1,486.10	1,486.10	-	
Police Department	61,747.54	61,747.54	-	6
Public Defender	166.00	166.00	-	
Public Works	14,974.44	14,974.44	-	14
Office of Emergency Management	61.00	61.00	-	
Revenue Administration (Tax Collection)	649.20	649.20	-	
State Uniform Construction Code	781.55	781.55	-	
Tax Assessment	3,894.05	3,894.05	-	
Zoning Board of Adjustment	282.91	282.91	-	

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Ba</u> <u>La</u>
<b>OTHER EXPENSES:</b>				
Administration of Public Assistance	\$ 400.00	\$ 400.00	\$ -	\$
Audit Services	1,400.00	1,400.00	-	
Dog Regulation	2,472.75	2,472.75	500.00	
Electrical Inspector	3,874.40	3,874.40	-	
Engineering Services and Costs	20,928.50	20,928.50	1,749.50	19
Environmental Commission	2,720.00	2,720.00	-	2
Financial Administration	1,177.07	1,177.07	471.75	
Fire Department - Hydrant Service	3,976.11	3,976.11	3,151.41	
Fire Safety Official	2,500.00	2,500.00	2,500.00	
Fire Official - Sub Code	1,878.20	1,878.20	1,495.00	
Garbage and Trash Removal	26,179.77	26,179.77	5,439.00	20
Legal Services	17,505.00	17,505.00	-	17
Library	627.06	627.06	616.97	
Mayor and Council	525.00	525.00	-	
Municipal Clerk	38,128.49	38,128.49	2,324.37	35
Municipal Court	1,696.90	1,696.90	566.50	
Planning Board - Other Expenses	11,753.86	11,753.86	-	11
Planning Board - Prep. of Master Plan	42,158.26	42,158.26	38.50	42
Plumbing Inspector	3,906.40	3,906.40	-	3
Police Department	77,803.88	77,803.88	3,830.99	73
Public Buildings and Grounds	37,533.21	37,533.21	6,027.74	37
Public Works	70,299.00	70,299.00	2,088.29	68
Office of Emergency Management	375.00	375.00	-	
Recreation	2,000.00	2,000.00	-	2
Recycling Program	50,245.00	50,245.00	4,352.00	45
Revenue Administration (Tax Collection)	4,730.80	4,730.80	118.00	4
Senior Citizen's Program	5,000.00	5,000.00	-	5
State Uniform Construction Code	37,439.05	37,439.05	-	37
Tax Assessment Administration	2,054.44	2,054.44	323.28	
Zoning Board of Adjustment	4,276.90	4,276.90	-	4

**BOROUGH OF GIBBSBORO**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	<u>Balance</u> Dec. 31, 2011	<u>Balance</u> After Transfers	<u>Paid or</u> <u>Charged</u>	<u>Bal</u> <u>La</u>
<b><u>INSURANCE</u></b>				
Workers Compensation Insurance	\$ 68.74	\$ 68.74	\$ -	\$
Employee Group Health	16,210.00	16,210.00	11,360.00	4
Other Insurance Premiums	8,699.80	8,699.80	721.20	7
<b><u>UNCLASSIFIED</u></b>				
Celebration of Public Events	19,994.65	19,994.65	4,264.00	15
<b><u>UTILITY EXPENSES AND BULK PURCHASES</u></b>				
Street Lighting	9,083.41	9,083.41	74.49	9
<b><u>REGULATORY EXPENDITURES</u></b>				
Contributions to:				
Unemployment Compensation Ins.	2,700.00	2,700.00	-	2
<b><u>OPERATIONS - EXCLUDED FROM "CAPS"</u></b>				
Employee Group Health	15,240.00	15,240.00	-	15
<b>TOTALS</b>	<b>\$ <u>658,787.80</u></b>	<b>\$ <u>658,787.80</u></b>	<b>\$ <u>52,012.99</u></b>	<b>\$ <u>600</u></b>
	Ref. A			
Appropriation Reserves	\$ 621,744.76			
Encumbrances Payable	<u>37,043.04</u>			
	<b>\$ <u>658,787.80</u></b>			
Cash Disbursed - Encumbrances Payable			\$ 37,043.04	
Cash Disbursed - Appropriation Reserves			<u>14,969.95</u>	
			<b>\$ <u>52,012.99</u></b>	

**BOROUGH OF GIBBSBORO**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Anticipated</u> <u>Revenues</u>	<u>Received</u>	<u>Cance</u>
State:				
Safe and Secure Program	\$ 4,133.25	\$ 30,000.00	\$ 26,634.25	\$
Thomas Edison Grant	3,000.00			
NJ Department of Treasury - Municipal Library	4,082.61			
NJ Transportation Trust	-			
Federal:				
COPS Fast Program	43,814.90			
COPS Universal Program	59,991.21			
 TOTALS	 \$ <u>115,021.97</u>	 \$ <u>30,000.00</u>	 \$ <u>26,634.25</u>	 \$
Ref.	A		26,634.25	Received
			-	Due from Ge
			<u>26,634.25</u>	

**BOROUGH OF GIBBSBORO**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Anticipated Revenues</u>	<u>Received</u>
State:			
Alcohol Education Rehabilitation	\$ 593.28	\$ -	\$ 53.96
Body Armor	1,096.45	-	1,025.39
Recycling Tonnage Grant	4,559.54	-	3,473.05
DMV Inspection	1,850.00	-	1,037.50
Clean Communities	4,073.11	4,000.00	4,000.00
<b>TOTALS</b>	<b>\$ 12,172.38</b>	<b>\$ 4,000.00</b>	<b>\$ 9,589.90</b>
Ref.	A		

Exh

**BOROUGH OF GIBBSBORO**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Local Match</u>	<u>B Dec.</u>
<b>State:</b>					
Emergency Road Repair	\$ 3,593.96	\$	\$ -	\$	\$
Alcohol Rehabilitation Program	11,065.62		1,600.00		
Recycling Grant	14,387.42		-		
Clean Communities	7,261.75	4,000.00	-		
Safe and Secure	18,395.37	30,000.00	77,944.76	66,000.00	
Drunk Driving Enforcement	6,056.08		-		
Body Armor	3,443.70		1,589.97		
County Open Space Trust - Rec. Facilities	-		(5,330.25)		
Library - Compact Disc Antitrust	575.00				
NJ Department of Treasury - Municipal Library	70.05		(278.14)		
<b>Federal:</b>					
COPS Universal Program	4,199.98		-		
<b>TOTALS</b>	<b>\$ 69,048.93</b>	<b>\$ 34,000.00</b>	<b>\$ 75,526.34</b>	<b>\$ 66,000.00</b>	<b>\$</b>
Ref.	A				
		Cash Disbursed	\$ 97,566.34		
		Prior Year Encumbrances Cancelled	(74,413.77)		
		Encumbrances Payable	52,373.77		
			<u>\$ 75,526.34</u>		

**Increased By Receipts:**  
 Dog Licenses Fees \$ 4,526.40  
 State License Fees 411.60  
 Prepaid 2013 Dog Licenses  
 Late Fees -  
 Interest Eamed 13.13

4,951.13  
22,052.37

**Decreased By Disbursements:**  
 State of New Jersey 427.20  
 Animal Control Expenditures 5,610.34

6,037.54

Balance December 31, 2012 B \$ 16,014.83

Increased By Receipts:

Trust Other	\$ 18,887.98
Tax Title Lien Redemption:	
Redemption of Tax Sale Certificates	192,743.22
TTL Interest Due to Current	17.24
Affordable Housing Development Fee	12.63
Construction Code Official:	
Reserve for CCO Fees	30,923.41
DCA Fees Due to Trust Other	
Reserve for Local Open Space Trust	48,298.02

290,882.50

956,917.71

Decreased By Disbursements:

Trust Other	7,752.59
Refunds of Tax Sale Certificates	189,568.90
DCA Fees Paid to Trust Other	1,717.00
Construction Code Official Fees	31,594.34

230,632.83

\$ 726,284.88

Balance December 31, 2012

B

Increased By:  
 Dog Licenses Fees Collected \$ 4,526.40  
 Late Fees  
 Licenses Purchased in Prior Year 205.40  
 Interest Earned 13.13

4,744.93  
15,700.15

Decreased By Disbursements:  
 Statutory Excess due to Current Fund  
 Animal Control Expenditures

15.60  
 5,610.34

Balance December 31, 2012

B

5,625.94  
\$ 10,074.21

License Fees Collected

Year

2010	\$ 5,812.01
2011	<u>4,262.20</u>
	<u>\$ 10,074.21</u>

**SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY**

Exhibit B-4

Balance December 31, 2011

Ref.  
 B

\$ -

Increased By:  
 Collected in 2012  
 Statutory Excess

\$ 411.60  
15.60

427.20  
427.20

Decreased By:  
 Paid to State of New Jersey

427.20

Balance December 31, 2012

B

427.20  
\$ -

Increased By Receipts:

Due from Current Fund \$ 407.83  
Reserve to Pay Debt Service 364,556.71

364,964.54  
723,672.43

Decreased By Disbursements:

Due From Open Space Trust Fund 21,773.96  
Improvement Authorizations 424,545.05

446,319.01

Balance December 31, 2012

C

\$ 277,353.42

**BOROUGH OF GIBBSBORO  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2011	Receipts			Disbursements		From
		Bonds Issued	Notes Issued	Misc.	Improvement Authorizations	Misc.	
Fund Balance	\$ 24,595.85	\$	\$	\$	\$	\$	
Capital Improvement Fund	71,483.09						2,000.00
Due to Current Fund	(3,116.00)			407.83			97,259.23
Due from Utility Capital Fund	2,129.59						
Due from Grant Fund	83,485.10						
Due from Open Space						21,773.96	
County Advance for Open Space	1,881,058.00						
Encumbrances Payable	136,290.88						136,290.88
Reserve to Pay Debt Service	312,799.02						40,000.00
State Grant Receivable	(2,429,348.95)			364,556.71			-
County Open Space Receivable	(25,000.00)						100,000.00
Reserve for Capital Project - Curbing	183.13						
Reserve for Capital Project - Open Space	33,808.25						
<b>Improvement Authorizations</b>							
Ord.							
<b>Number</b>							
99-16 Ridgewood Road	(6,000.00)						
00-03 Senior Recreation Center	663.88						
01-03 Parking Lots and Roads	2,709.72				1,459.50		
02-01 Public Works Vehicle	(500.00)				180.57		
02-06 Recreation Facilities	-						5,523.35
03-02 Bicycle/Pedestrian Amenities	(6,562.50)						
03-16 Acquisition of Open Space, Recreation Facilities, and Preservation of Historic Sites	185,876.27				185,876.27		
03-17 Purchase of Fire Equipment	2,683.10						7,494.35
05-01 Reconstruction of Roadways & Bikeways	-						
06-14 Roadways, Sidewalks, Curbing etc.	(285,000.00)				12,473.50		
06-15 RCA Housing	70,000.00						
06-16 Roadways, Sidewalks, Curbing etc.	(6,600.04)				59,771.75		
06-17 Roadways, Sidewalks, Curbing etc.	-						9,945.00
08-02 Roadways, Sidewalks, etc. - Alden Road	-						47,992.08
08-03 Senior Center & Rec Facilities	44,708.20				30,189.30		1,800.00
09-08 Roadways, Sidewalks, Curbing etc.	(45,775.20)				14,403.00		
09-09 Acquisition of Open Space (2003-16)	-				6,974.38		2,412.12
09-10 Improvements to Municipal B & G	4,452.00				4,924.50		
10-01 Roadways, Sidewalks, Curbing, Bikepath	172,665.25				2,830.50		
11-06 Public Works Equipment	(47,500.00)				42,370.03		
11-08 Roadways, Sidewalks, Curbing, Bikepath	158,769.25				63,311.75		
11-09 Roadways, Sidewalks, Curbing, Bikepath	25,750.00						
12-06 Bikeway	-						
	\$ 358,707.89	\$ -	\$ -	\$ 364,964.54	\$ 424,545.05	\$ 21,773.96	\$ 450,717.51
Ref.	C						

Increased By:  
2012 Budget Appropriation \$ 15,000.00

\_\_\_\_\_ \$ 15,000.00  
86,483.09

Decreased By:  
Improvement Authorizations Funded

2,000.00

\_\_\_\_\_ 2,000.00  
\$ 84,483.09

Balance December 31, 2012

C

Exhibit C-5

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2011

Ref.  
C

\_\_\_\_\_ \$ 4,355,825.53

Increased By:  
None

\$ -

\_\_\_\_\_ 4,355,825.53

Decreased By:  
Serial Bonds Paid  
Green Trust Loans Paid

431,000.00  
24,124.30

\_\_\_\_\_ 455,124.30  
\$ 3,900,701.23

Balance December 31, 2012

C

**BOROUGH OF GIBBSBORO**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Bonds, Notes or Grants Issued	Adjustment	Balance Dec. 31, 2012	Bond Anticipation Note
99-16	Ridgewood Road	\$ 7,666.41	\$	\$	\$	\$ 7,666.41	\$
02-01	Acquisition of Public Works Vehicle	500.00				500.00	
03-02	Bicycle/Pedestrian Amenities	6,562.50				6,562.50	
03-03	Scenic Trails to Blueberry Hill	-				-	
06-14	Roadways, Sidewalks, Curbing etc.	285,000.00				285,000.00	
06-16	Roadways, Sidewalks, Curbing etc.	71,000.00				71,000.00	
06-17	Roadways, Sidewalks, Curbing etc.	-				-	
08-02	Roadways, Sidewalks, etc. - Alden Road	-				-	
09-08	Roadways, Sidewalks, Curbing etc.	76,000.00				76,000.00	
10-01	Roadways, Sidewalks, Curbing, Bikepath	57,000.00				57,000.00	
11-06	Public Works Equipment	47,500.00				47,500.00	
11-08	Roadways, Sidewalks, Curbing, Bikepath	109,250.00				109,250.00	
11-09	Roadways, Sidewalks, Curbing, Bikepath	14,250.00				14,250.00	
12-06	Bikeway	-	38,000.00			38,000.00	
		<u>\$ 674,728.91</u>	<u>\$ 38,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712,728.91</u>	<u>\$ -</u>
	Ref. C					C	

**BOROUGH OF GIBBSBORO  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2011		2012 Authorizations			Paid or Charged
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation	Other	
99-16	Ridgewood Road	11/15/99	\$ 75,000	\$ -	\$ 1,666.41	\$	\$	\$	\$
00-03	Senior Recreation Center	04/26/01	250,000	663.88					
01-03	Parking Lots & Roads	03/14/02	100,000	2,709.72	-				1,458
02-01	Public Works Vehicle	02/27/02	50,000						
03-02	Bicycle/Pedestrian Amenities	02/26/03	200,000						
03-16	Acquisition of Open Space, Recreation Facilities, and Preservation of Historic Sites	12/15/03	5,200,000	185,876.27					185,876
03-17	Purchase of Fire Equipment	12/15/03	40,000	2,683.10	-				
06-14	Roadways, Sidewalks, Curbing etc.	08/23/06	800,000	-	-				
06-15	RCA Housing	11/20/06	1,470,000	70,000.00					
06-16	Roadways, Sidewalks, Curbing etc.	12/18/06	100,000		64,399.96				59,771
06-17	Roadways, Sidewalks, Curbing etc.	12/18/06	227,000	-	-				
08-02	Roadways, Sidewalks, etc. - Alden Road	03/26/08	200,000	-	-				
08-03	Senior Center & Rec Facilities	03/26/08	500,000	44,708.20					31,989
09-08	Roadways, Sidewalks, Curbing etc.	08/15/09	300,000		30,224.80				14,403
09-09	Acquisition of Open Space (2003-18)	08/15/09	2,600,000		-				
09-10	Improvements to Municipal Buildings	08/15/09	200,000	4,452.00					4,452
10-01	Roadways, Sidewalks, Curbing, Bikepath	03/24/10	240,000	172,665.25	57,000.00				2,630
11-06	Public Works Equipment	06/08/11	50,000						
11-08	Roadways, Sidewalks, Curbing, Bikepath	07/13/11	280,000	158,769.25	109,250.00				62,839
11-09	Roadways, Sidewalks, Curbing, Bikepath	11/09/11	40,000	25,750.00	14,250.00				
12-06	Bikeway	11/12/12	140,000	-	-	2,000.00	38,000.00	100,000.00	
				\$ 668,277.67	\$ 276,791.17	\$ 2,000.00	\$ 38,000.00	\$ 100,000.00	\$ 363,421
Ref.				C	C				
							Cash Disbursed		\$ 424,545
							Current Year Encumbrances		75,167
							Prior Year Encumbrances		(136,290)
							Expenditures Paid by Current Fund		\$ 363,421

**BOROUGH OF GIBBSBORO**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	
			<u>Date</u>	<u>Amount</u>				
General Obligation Refunding Bonds of 1998	07/22/98	\$ 995,000		\$		\$ 136,000.00	\$	
General Obligation Bonds of 2004	10/01/04	2,100,000	2013	190,000.00	3.625%	1,470,000.00		
			2014	200,000.00	3.625%			
			2015	200,000.00	3.625%			
			2016	210,000.00	3.750%			
			2017	240,000.00	3.750%			
			2018	260,000.00	4.000%			
General Obligation Bonds of 2009	08/15/09	2,760,000	2013	190,000.00	2.00%	2,525,000.00		
			2014	200,000.00	2.50%			
			2015	200,000.00	3.00%			
			2016	210,000.00	3.00%			
			2017	220,000.00	3.00%			
			2018	230,000.00	4.00%			
			2019	230,000.00	4.00%			
			2020	230,000.00	4.00%			
			2021	230,000.00	4.00%			
			2022	230,000.00	4.00%			
			2023	230,000.00	4.00%			

**BOROUGH OF GIBBSBORO**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>
			<u>Date</u>	<u>Amount</u>			
Greenway Project	05/15/02	\$ 346,162	2013	\$ 19,075.16	2.000%	\$ 193,606.64	\$ -
			2014	19,458.57			
			2015	19,849.69			
			2016	20,248.68			
			2017	20,655.67			
			2018	21,070.85			
			2019	21,494.37			
			2020	21,926.41			
			2021	11,127.93			
			Acquisition of Hillard's Creek	05/08/97			
2014	5,645.27						
2015	5,758.73						
2016	5,874.49						
2017	2,981.38						
\$ <u>224,825.53</u>						\$ <u>-</u>	\$ <u>-</u>
Ref. C							

**BOROUGH OF GIBBSBORO**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Bonds, Notes or Grants Issued	Adjustm
99-16	Ridgewood Road	\$ 7,666.41	\$	\$	\$
02-01	Acquisition of Public Works Vehicle	500.00			
03-02	Bicycle/Pedestrian Amenities	6,562.50			
06-14	Roadways, Sidewalks, Curbing etc.	285,000.00			
06-16	Roadways, Sidewalks, Curbing etc.	71,000.00			
09-08	Roadways, Sidewalks, Curbing etc.	76,000.00			
10-01	Roadways, Sidewalks, Curbing, Bikepath	57,000.00			
11-06	Public Works Equipment	47,500.00			
11-08	Roadways, Sidewalks, Curbing, Bikepath	109,250.00			
11-09	Roadways, Sidewalks, Curbing, Bikepath	14,250.00			
12-06	Bikeway	-	38,000.00		
		<u>\$ 674,728.91</u>	<u>\$ 38,000.00</u>	<u>\$ -</u>	<u>\$</u>
	Ref. C				

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY FUNDS**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Operating</u>	
Balance December 31, 2011	D	\$ 87,389.62	
Increased by Receipts:			
Sewer Rent Received From Tax Collector		\$ 270,970.63	\$
Miscellaneous Revenue		32.66	
State of NJ NJEIT 2010			459,9
Bond Anticipation Notes - Due to Current Fund			200,0
Reserve for Amortization			277,5
Interest Earned			
		<u>271,003.29</u>	
		358,392.91	
Decreased by Disbursements:			
Current Appropriations		255,598.63	
Encumbrances Payable		1252.07	
Improvement Authorizations			1,035,7
Accrued Interest on Bonds and Notes		33,200.53	
Disbursed to Tax Collector		-	
		<u>290,051.23</u>	
Balance December 31, 2012	D	\$ <u><u>68,341.68</u></u>	

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance Dec. 31, 2011	Receipts			Disbursements		Transfers
		Bonds Issued	Notes Issued	Misc.	Improvement Authorizations	Misc.	From
Fund Balance	\$ 258,240.53	\$	\$	\$	\$	\$	\$
Due to Sewer Operating	80,298.77			90.22			
Capital Improvement Fund	5,000.00						
Encumbrances Payable	3,869.75						3,869.75
Reserve to Pay Notes	-		200,000.00				
Reserve to Pay Debt Service	1,960.18						
Due to General Capital	(2,129.59)						
NJEIT Receivable (2002)	(69,701.00)						
NJEIT Receivable (2010)	-			459,946.00			
Reserve for Amortization	-			277,500.00			
Reserve for Improvements	40,000.00						
<b>Improvement Authorizations</b>							
Ord.							
Number							
01-01 Collection System	(46,468.06)						
09-12 Replace Sewer Main	(65,801.50)				756,146.16		
11-07 Reconstruction of Sanitary Sewer System	(26,407.50)				279,609.20		
	<u>\$ 178,861.58</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>	<u>\$ 737,536.22</u>	<u>\$ 1,035,755.36</u>	<u>\$ -</u>	<u>\$ 3,869.75</u>
Ref.	D						

Increased By  
Sewer Levy \$ 274,930.88  
Overpayments & Adjustments 736.40

275,667.28  
276,080.92

Decreased By:  
Collections 274,799.61  
Overpayments Applied 1,256.33  
Transferred to Liens -  
Adjustments -

Balance December 31, 2012

D 276,055.94  
\$ 24.98

**SCHEDULE OF UTILITY LIENS**

Exhibit D-8

Balance December 31, 2011

Ref. D \$ 1,819.42

Increased By:  
None \$

1,819.42

Decreased By:  
Collections 1,054.79

Balance December 31, 2012

D 1,054.79  
\$ 764.63

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,624.80	\$ 1,624.80	\$ -	\$ 1,624.80
Other Expenses	58,365.65	58,365.65	2,047.25	56,318.40
TOTALS	<u>\$ 59,990.45</u>	<u>\$ 59,990.45</u>	<u>\$ 2,047.25</u>	<u>\$ 57,943.20</u>
	Ref. D			
Appropriation Reserves	\$ 59,990.45			
	<u>\$ 59,990.45</u>			

Increased By:

\$ -

-

None

5,000.00

Decreased By:

-

-

None

Balance December 31, 2012

D

\$ 5,000.00

Increased By:  
 Budget Appropriation:  
 Interest on Bonds \$ 31,888.03

31,888.03  
 65,088.56

Decreased By:  
 Interest Paid on Bonds 33,200.53

33,200.53  
 \$ 31,888.03

Balance December 31, 2012 D

Analysis of Accrued Interest December 31, 2012

Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	Days	Amount
\$ 1,640,000.00	Var.	8/1/2012	12/31/2012	152	\$ 20,414.07
330,000.00	Var.	8/1/2012	12/31/2012	152	6,890.63
260,000.00	Var.	8/1/2012	12/31/2012	152	4,583.33
<u>\$ 2,230,000.00</u>					<u>\$ 31,888.03</u>

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2011		2012 Authorizations			Paid or Charged	Cancelled
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Other		
09-12	Replace Sewer Main	08/26/09	\$ 1,200,000	\$	\$ 1,134,198.50	\$	\$	\$	\$ 756,146.18	\$
11-07	Reconstruction of Sanitary Sewer System	07/13/11	957,500		931,092.50				275,739.45	
			\$	\$ -	\$ 2,065,291.00	\$ -	\$ -	\$ -	\$ 1,031,885.61	\$ -
			Ref.	D	D					
								Cash Disbursements	\$ 1,035,755.36	
								Encumbrances Payable	(3,869.75)	
									\$ 1,031,885.61	



**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2011	Increased	De
			Date	Amount				
Sewer Improvements Trust Series 2002A	11/01/02	\$ 525,000	08/01/13	\$ 25,000.00	5.000%	\$ 355,000.00	\$	\$ 2
			08/01/14	30,000.00	5.250%			
			08/01/15	30,000.00	5.250%			
			08/01/16	30,000.00	5.000%			
			08/01/17	30,000.00	5.000%			
			08/01/18	35,000.00	5.000%			
			08/01/19	35,000.00	5.000%			
			08/01/20	35,000.00	5.000%			
			08/01/21	40,000.00	5.000%			
			08/01/22	40,000.00	5.000%			
Sewer Improvements Trust Series 2010A	03/10/10	270,000	08/01/13	10,000.00	5.000%	270,000.00		1
			08/01/14	10,000.00	5.000%			
			08/01/15	10,000.00	5.000%			
			08/01/16	10,000.00	5.000%			
			08/01/17	15,000.00	5.000%			
			08/01/18	15,000.00	5.000%			
			08/01/19	15,000.00	4.000%			
			08/01/20	15,000.00	5.000%			
			08/01/21	15,000.00	3.000%			
			08/01/22	15,000.00	4.000%			
			08/01/23	15,000.00	4.000%			
			08/01/24	15,000.00	4.000%			
			08/01/25	20,000.00	4.000%			
			08/01/26	20,000.00	3.500%			
			08/01/27	20,000.00	4.000%			
08/01/28	20,000.00	4.000%						
08/01/29	20,000.00	4.000%						
						\$ 625,000.00	\$ -	\$ 3
Ref.						C		

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2012		Interest Rate	Balance Dec. 31, 2011	Increased	Decreased
			Date	Amount				
Sewer Improvements Trust Series 2002A	11/01/02	\$ 523,001	2/1/2013	\$ 5,366.08	n/a	\$ 304,362.37	\$	\$ 27,76
			8/1/2013	21,590.09				
			2/1/2014	4,940.20				
			8/1/2014	24,409.01				
			2/1/2015	4,429.15				
			8/1/2015	23,897.95				
			2/1/2016	3,942.43				
			8/1/2016	23,411.23				
			2/1/2017	3,455.71				
			8/1/2017	22,924.51				
			2/1/2018	2,968.99				
			8/1/2018	25,682.59				
			2/1/2019	2,401.15				
			8/1/2019	25,114.75				
			2/1/2020	1,833.31				
			8/1/2020	24,546.91				
			2/1/2021	1,265.47				
8/1/2021	27,223.87							
2/1/2022	616.51							
8/1/2022	26,575.09							

**BOROUGH OF GIBBSBORO  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2012		Interest Rate	Balance Dec. 31, 2011	Increased	Decreased
			Date	Amount				
Sewer Improvements Trust Series 2002A	03/10/10	\$ 779,710	2/1/2013	\$ 14,439.07	n/a	\$ 779,710.00	\$	\$ 43,310.00
			8/1/2013	28,878.14				
			2/1/2014	14,439.07				
			8/1/2014	28,878.14				
			2/1/2015	14,439.07				
			8/1/2015	28,878.14				
			2/1/2016	14,439.07				
			8/1/2016	28,878.14				
			2/1/2017	14,439.07				
			8/1/2017	28,878.14				
			2/1/2018	14,439.07				
			8/1/2018	28,878.14				
			2/1/2019	14,439.07				
			8/1/2019	28,878.14				
			2/1/2020	14,439.07				
			8/1/2020	28,878.14				
			2/1/2021	14,439.07				
			8/1/2021	28,878.14				
			2/1/2022	14,439.07				
			8/1/2022	28,878.14				
			2/1/2023	14,439.07				
			8/1/2023	28,878.14				
			2/1/2024	14,439.07				
			8/1/2024	28,878.14				
			2/1/2025	14,439.07				
			8/1/2025	28,878.14				
			2/1/2026	14,439.07				
			8/1/2026	28,878.14				
			2/1/2027	14,439.07				
			8/1/2027	28,878.14				
			2/1/2028	14,439.07				
			8/1/2028	28,878.14				
			2/1/2029	14,439.07				
			8/1/2029	28,878.36				
						\$ 1,084,072.37	\$ -	\$ 71,080.00
Ref.						C		

**BOROUGH OF GIBBSBORO**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Bonds, Notes or Grants Issued	Cancelled
01-01	Sewer Construction Collection System	\$ 46,468.06	\$	\$	\$
09-12	Replace Sewer Main	150,290.00			
11-07	Reconstruction of Sanitary Sewer	592,500.00			
		<u>\$ 789,258.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		Footnote			

**BOROUGH OF GIBBSBORO**  
**PUBLIC ASSISTANCE FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Trust Fund I</u>	<u>Trust Fund II</u>
Balance December 31, 2011	E	\$ 3,064.60	
Increased By Receipts:			
State Aid	\$		\$ 5,830.00
Interest		<u>2.22</u>	<u>3.06</u>
		<u>2.22</u>	
		3,066.82	
Decreased By Disbursements:			
Public Assistance		<u>-</u>	<u>5,628.00</u>
		-	
Balance December 31, 2012	E	<u>\$ 3,066.82</u>	

**BOROUGH OF GIBBSBORO**  
**PUBLIC ASSISTANCE FUND**  
**STATEMENT OF PUBLIC ASSISTANCE CASH AND RECONCILIATION**  
**PER N.J.S. 40A:5-5**

	<u>Ref.</u>	<u>Trust Fund I</u>	<u>Trus</u>
Balance December 31, 2012	E-1	\$ 3,066.82	
Increased By Receipts:			
State Aid		\$ -	\$ -
Due to Current Fund		-	-
Interest		<u>0.29</u>	<u>0.48</u>
		0.29	
		<u>3,067.11</u>	
Decreased By Disbursements:			
General Assistance		<u>-</u>	<u>210.00</u>
		-	
Balance January 31, 2013	E-2	<u>\$ 3,067.11</u>	
Reconciliation January 31, 2013			
Balance on Deposit per Statement:			
Bank of America		\$ 3,067.11	
Less: Outstanding Checks		-	
Plus: Deposits in Transit		-	
Book Balance		<u>\$ 3,067.11</u>	

State Aid		5,830.00
Total Revenues (PATF)	2.22	5,833.06
Due to Current Fund	-	-
Total Receipts (PATF)	\$ 2.22	\$ 5,833.06

Exhibit E-4

**SCHEDULE OF EXPENDITURES**

	Ref.	Trust Fund I	Trust Fund II
Current Year Assistance (State Matching):			
Client Assistance	\$ -	\$ -	5,628.00
Total Reported		-	5,628.00
Total Disbursements (PATF)	\$ -	\$ -	\$ 5,628.00

**BOROUGH OF GIBBSBORO**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**

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

**INDEPENDENT AUDITORS REPORT**

To the Honorable Mayor and  
Members of Borough Council  
Borough of Gibbsboro  
County of Camden, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Borough of Gibbsboro's basic financial statements, and have issued our report thereon dated March 13, 2013, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Borough's 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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.

**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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, P.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*  
Leon P. Costello  
Certified Public Accountant  
Registered Municipal Accountant  
No. 393

March 13, 2013

Internal control over financial reporting:

- |   |    |
|---|----|
| 1) Material Weakness identified?  | NO |
| 2) Significant deficiencies identified?                                   | NO |
| Non-Compliance material to Financial Statements – Regulatory Basis noted? | NO |

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – regulatory basis that are required to be reported. We did note certain other findings that are reported to the governing body in a separate Letter to those in Governance.

**MANAGEMENT RESPONSES**

Management is required to respond to any findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, Department of Community Affairs, State of New Jersey within 45 days of the filing of this report. A corrective action plan is not required for 2012.

**STATUS OF PRIOR YEAR FINDINGS**

There was one prior year finding.

There were no prior year findings related federal and state assistance programs.

**Finding No. 2011-1:**

**Condition:**

The Borough approved \$4,108,44 of NJEIT Bonds and Notes Expenses in the Sewer Utility Operating Fund, \$13,98 of General Liability Insurance Expenses and \$763,30 of Social Security System Expenses in the Current Fund before verifying that there were sufficient funds available in the budget lines.

**Current Status :**

The Condition has been resolved for 2012.

is \$26,000.

The governing body of the Borough of Gibbsboro has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

The minutes indicate that bids were sought by public advertising for:

Pump Station Inspections, Replacement of Floor tile, Purchase and Delivery of Decorative Street Sign Posts, Reconstruction of Sanitary Sewer System, purchase of 10 low voltage lighting fixtures, Installation of new drywall surfaces over existing ceramic walls, Charger Building Construction, Tree Removal, Pole Hill Park Flagpole Painting of Exterior of Senior Center Building, Cricket Field Repairs, Purchase of Salt Hopper Spreader, Rebuild Transmission of Police Car, Deer Carcass Removal Services, Delivery of Sodium Chloride, Disposal of Solid Waste, and Purchase of Office Supplies.

#### **Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the Borough Council of the Borough of Gibbsboro, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Borough of Gibbsboro, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the Borough Council of the Borough of Gibbsboro, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2012.

This Resolution shall take effect January 1, 2012.

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

<u>Year</u>	<u>Number</u>
2012	3
2011	17
2010	17

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent taxes and charges as well as current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2012 and 2013 Taxes	10
Payment of Sewer Rents	10
Total	<u>20</u>

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

Our examination revealed that municipal funds were deposited within the mandated time.

*Ford, Scott & Associates, P.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Registered Municipal Accountant  
No. 393

March 13, 2013