

BOROUGH OF GIBBSBORO
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2014

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BOROUGH OF GIBBSBORO

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

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, 2014 and 2013, 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, 2014, 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Gibbsboro on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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, 2014 and 2013, 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 balance sheets and account group as of December 31, 2014 and 2013, 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, 2014 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the Borough of Gibbsboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Gibbsboro's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.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 31, 2015

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**EXHIBIT - A
CURRENT FUND**

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 1,799,905.44	1,993,688.26
Cash - Collector	225,580.97	159,784.54
Cash - Change	410.00	410.00
Total Cash	<u>2,025,896.41</u>	<u>2,153,882.80</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	9.24	7.59
Tax Title and Other Liens	101,223.70	94,150.11
Property Acquired for Taxes - at Assessed Valuation	812,206.00	413,006.00
Revenue Accounts Receivable	9,568.40	5,303.41
Interfund Receivable:		
Trust Other Fund	4,235.54	4,235.54
General Capital	17,798.07	-
Animal Control	5,940.62	5,940.62
CCO Trust - DCA Fees	1,744.00	1,484.00
Sewer Operating	8,000.00	-
Open Space Trust	210,362.57	210,362.57
Tax Title Lien Redemption Trust	6.32	6.14
Total Receivables and Other Assets	<u>1,171,094.46</u>	<u>734,495.98</u>
Total Regular Fund	<u>3,196,990.87</u>	<u>2,888,378.78</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	110,888.72	118,387.72
Due from General Capital	83,485.10	83,485.10
Due from Current Fund	45,692.10	3,554.97
Total Federal and State Grant Fund	<u>240,065.92</u>	<u>205,427.79</u>
Total Current Fund	<u>\$ 3,437,056.79</u>	<u>3,093,806.57</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	\$	432,899.88	582,315.83
Reserve for Encumbrances		24,259.10	42,900.85
Prepaid Taxes		59,005.68	41,170.85
Overpaid Taxes		4,899.63	4,154.83
Payroll Taxes Payable		-	545.90
Local School Tax Payable		0.50	-
Regional School Tax Payable		218,677.00	200,248.00
County Tax Payable		1,412.25	2,352.54
Due to State:			
Marriage Licenses		-	25.00
Senior Citizens & Vets		11,601.58	11,101.58
Interfund Payable:			
General Capital Fund		-	85,006.76
Sewer Collection		10,607.70	12,528.96
Public Assistance Trust Fund		420.00	420.00
Grant Fund		45,692.10	3,554.97
Tax Title Lien Premium		56,849.30	-
Other			
Reserve for Library State Aid		572.74	572.74
Reserve for Revaluation Program		28,104.50	28,104.50
		<u>895,001.96</u>	<u>1,015,003.31</u>
Reserve for Receivables and Other Assets		1,171,094.46	734,495.98
Fund Balance		<u>1,130,894.45</u>	<u>1,138,879.49</u>
Total Regular Fund		<u>3,196,990.87</u>	<u>2,888,378.78</u>
Federal and State Grant Fund:			
Unappropriated Reserves		33,628.02	27,034.45
Appropriated Reserves		154,034.49	126,019.57
Encumbrances Payable		52,403.41	52,373.77
		<u>240,065.92</u>	<u>205,427.79</u>
Total Federal and State Grant Fund		<u>240,065.92</u>	<u>205,427.79</u>
Total Current Fund	\$	<u><u>3,437,056.79</u></u>	<u><u>3,093,806.57</u></u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 830,000.00	830,000.00
Miscellaneous Revenue Anticipated	492,564.27	467,202.95
Receipts from Delinquent Taxes	2,241.91	26,302.26
Receipts from Current Taxes	7,842,024.86	7,577,785.07
Non Budget Revenue	116,298.98	83,754.18
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	566,201.52	540,522.85
Interfund Returned	-	38,231.42
Reserve to Pay Bonds	-	-
Total Income	9,849,331.54	9,563,798.73
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	642,927.40	621,490.00
Other Expenses	1,393,758.10	1,381,673.70
Deferred Charges & Statutory Expenditures	139,836.20	117,601.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	100,000.00	100,000.00
Other Expenses	27,034.45	23,272.78
Capital Improvements	25,000.00	25,000.00
Debt Service	549,375.78	540,063.28
Transferred to Board of Education	31,686.67	30,124.21
Local District School Tax	2,871,493.00	2,731,531.00
Regional District School Tax	1,161,354.00	1,124,596.01
County Tax	2,008,890.28	1,872,901.84
County Share of Added Tax	1,412.25	2,352.54
Interfund Created	26,058.25	82,159.80
Other:		
Local Open Space Tax	46,740.20	44,864.70
Refund of Prior Year's Revenue	1,750.00	-
Total Expenditures	9,027,316.58	8,697,630.86
Excess in Revenue	822,014.96	866,167.87

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31,**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		-	-
Emergency Appropriation			
Total Adjustments		<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance		<u>822,014.96</u>	<u>866,167.87</u>
Fund Balance January 1		<u>1,138,879.49</u>	<u>1,102,711.62</u>
		1,960,894.45	1,968,879.49
Decreased by:			
Utilization as Anticipated Revenue		<u>830,000.00</u>	<u>830,000.00</u>
Fund Balance December 31	\$	<u><u>1,130,894.45</u></u>	<u><u>1,138,879.49</u></u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 830,000.00	-	-
Total Fund Balance Anticipated	<u>830,000.00</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	5,000.00	-	376.00
Fees and Permits	2,000.00	-	1,766.05
Fines and Costs:			
Municipal Court	60,000.00	-	20,537.41
Interest and Costs on Taxes	10,800.00	-	4,014.36
Total Section A: Local Revenues	<u>77,800.00</u>	<u>-</u>	<u>26,693.82</u>
Section B: State Aid Without Offsetting Appropriations			
Consolidated Municipal Property Tax Relief	7,045.00	-	-
Energy Receipts Tax	275,728.00	-	-
Total Section B: State Aid Without Offsetting Appropriations	<u>282,773.00</u>	<u>-</u>	<u>-</u>
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	25,000.00	-	23,263.00
Total Section C: Uniform Construction Code Fees	<u>25,000.00</u>	<u>-</u>	<u>23,263.00</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Recycling Tonnage Grant	1,790.50	-	-
Clean Communities Program	20,239.19	-	-
Alcohol Education and Rehabilitation Fund	211.10	-	-
Safe and Secure Communities Program	30,000.00	-	-
Body Armor Grant	1,299.16	-	-
DMV Inspections	3,494.50	-	-
	<u>57,034.45</u>	<u>-</u>	<u>-</u>
Total Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
	<u>57,034.45</u>	<u>-</u>	<u>49,956.82</u>
Total Miscellaneous Revenues:			
Receipts from Delinquent Taxes	-		<u>2,241.91</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	1,836,126.67	-	115,123.98
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>1,836,126.67</u>	<u>-</u>	<u>115,123.98</u>
Budget Totals	<u>3,108,734.12</u>	<u>-</u>	<u>167,322.71</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:	-		<u>116,298.98</u>
	<u>3,108,734.12</u>	<u>-</u>	<u>283,621.69</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	7,842,024.86
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	7,842,024.86
Allocated to:	
School, County and Other Taxes	<u>6,089,889.73</u>
Balance for Support of Municipal Budget Appropriations	1,752,135.13
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>199,115.52</u>
Amount for Support of Municipal Budget Appropriations	<u><u>1,951,250.65</u></u>

Receipts from Delinquent Taxes:	
Delinquent Tax Collection	1,757.59
Tax Title Lien Collections	<u>484.32</u>
Total Receipts from Delinquent Taxes	<u><u>2,241.91</u></u>

Analysis of Non-Budget Revenue:	
Miscellaneous Revenue Not Anticipated:	
Interest on Investments	67.55
Police Reports	28,363.25
Cable Franchise Fees	9,034.54
Clerks Marriage License Fee	36.00
Death Certificates	20.00
Insurance Refunds	2,289.84
Vital Fee	120.00
Trash Removal Fees	1,306.22
Permits	120.00
Recycling Rebates	3,358.79
Peddlers License	60.00
Property Certification	90.00
Site Plans	250.00
Sign Fees	285.00
Street Openings	600.00
Tax Collector Miscellaneous	14,174.71
Administrative Fee Vets & Senior	640.00
Employee Health Contributions	11,086.38
Fire Official	26,525.91
Miss Gibbsboro Pageant	550.00
Animal Fees	510.00
High Ridge/Kramer Trust Reimbursement	14,147.20
Miscellaneous	<u>2,663.59</u>
Total Miscellaneous Revenue Not Anticipated:	<u><u>116,298.98</u></u>

Cash Received	116,232.61
Non-Cash Items	<u>66.37</u>
	116,298.98

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Mayor and Council						
Salaries and Wages	23,000.00	23,000.00	22,657.00	-	343.00	-
Other Expenses	1,000.00	1,000.00	520.45	-	479.55	-
Municipal Clerk						
Salaries and Wages	67,626.00	71,596.00	70,556.39	-	1,039.61	-
Other Expenses	56,100.00	56,100.00	23,703.36	967.03	31,429.61	-
Financial Administration						
Salaries and Wages	8,160.00	8,160.00	7,310.00	-	850.00	-
Other Expenses	16,320.00	16,320.00	10,005.11	551.50	5,763.39	-
Audit Services						
Other Expenses	28,500.00	28,500.00	28,500.00	-	-	-
Revenue Administration (Tax Collector)						
Salaries and Wages	10,000.00	10,000.00	9,372.00	-	628.00	-
Other Expenses	7,000.00	7,000.00	6,541.79	200.49	257.72	-
Tax Assessment Administration						
Salaries and Wages	10,200.00	10,200.00	10,071.50	-	128.50	-
Other Expenses	5,500.00	5,500.00	2,694.51	67.70	2,737.79	-
Legal Services						
Other Expenses	30,000.00	30,000.00	9,702.46	2,452.00	17,845.54	-
Engineering Services and Costs						
Other Expenses	35,000.00	35,000.00	11,420.21	-	23,579.79	-
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	3,641.40	3,641.40	2,183.00	-	1,458.40	-
Other Expenses	10,000.00	10,000.00	4,838.06	266.70	4,895.24	-
Preparation of a Master Plan						
Zoning Board of Adjustment						
Salaries and Wages	6,120.00	6,120.00	5,555.00	-	565.00	-
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Municipal Court						
Salaries and Wages	54,060.00	54,060.00	47,421.00	-	6,639.00	-
Other Expenses	6,000.00	6,000.00	5,804.17	195.83	-	-
Public Defender						
Salaries and Wages	3,000.00	3,000.00	2,796.00	-	204.00	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
PUBLIC SAFETY							
Fire							
Other Expenses							
Fire Hydrant Service	43,860.00	43,860.00		38,193.60	-	5,666.40	-
Aid to Volunteer Fire Company	51,612.00	51,612.00		51,612.00	-	-	-
Police Department							
Salaries and Wages	316,200.00	316,200.00		299,924.51	-	16,275.49	-
Other Expenses	142,800.00	142,800.00		111,263.40	3,125.88	28,410.72	-
Office of Emergency Management							
Salaries and Wages	2,100.00	2,100.00		1,953.00	-	147.00	-
Other Expenses	500.00	500.00		125.00	-	375.00	-
Municipal Prosecutor							
Salaries and Wages	4,700.00	4,700.00		4,657.00	-	43.00	-
PUBLIC WORKS							
Public Works							
Salaries and Wages	61,200.00	66,200.00		64,503.61	-	1,696.39	-
Other Expenses	112,200.00	112,200.00		41,655.39	2,120.93	68,423.68	-
Public Buildings and Grounds							
Other Expenses	122,400.00	117,400.00		108,953.80	2,370.34	6,075.86	-
Recycling Program							
Contractual	91,800.00	91,800.00		78,675.75	3,673.00	9,451.25	-
Garbage and Trash Removal							
Contractual	183,600.00	177,130.00		117,606.64	4,993.00	54,530.36	-
HEALTH AND HUMAN SERVICES							
Dog Regulation							
Other Expenses	10,500.00	10,500.00		-	-	10,500.00	-
Administration of Public Assistance							
Salaries and Wages	3,800.00	3,800.00		3,680.00	-	120.00	-
Other Expenses	500.00	500.00		-	-	500.00	-
Environmental Commission							
Other Expenses	3,000.00	3,000.00		290.00	-	2,710.00	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PARKS AND RECREATION						
Recreation						
Other Expenses	2,000.00	2,000.00	-	-	2,000.00	-
Library						
Salaries and Wages	9,000.00	9,000.00	2,568.80	-	6,431.20	-
Other Expenses	2,500.00	2,500.00	1,932.00	-	568.00	-
Senior Citizen's Program						
Other Expenses	5,000.00	5,000.00	982.26	-	4,017.74	-
INSURANCE						
General Liability	37,425.36	37,425.36	36,646.06	-	779.30	-
Workers Compensation Insurance	36,650.74	36,650.74	36,650.74	-	-	-
Employee Group Health	190,000.00	190,000.00	160,890.00	-	29,110.00	-
Other Insurance Premiums	10,000.00	10,000.00	9,769.86	-	230.14	-
Health Benefits Waiver						
Salaries and Wages	1,000.00	1,000.00	-	-	1,000.00	-
Fire Safety Official						
Salaries and Wages	3,100.00	3,100.00	2,864.83	-	235.17	-
Other Expenses	7,500.00	7,500.00	6,524.62	525.00	450.38	-
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	28,050.00	28,050.00	23,585.80	-	4,464.20	-
Other Expenses	15,000.00	15,000.00	1,162.25	-	13,837.75	-
Plumbing Inspector						
Salaries and Wages	3,000.00	3,000.00	2,334.98	-	665.02	-
Electrical Inspector						
Salaries and Wages	3,000.00	3,000.00	2,334.98	-	665.02	-
Fire Inspector						
Salaries and Wages	4,500.00	4,500.00	4,246.23	-	253.77	-
Fire Official - Sub Code						
Salaries and Wages	3,000.00	3,000.00	2,334.98	-	665.02	-
Building Subcode Inspector						
Salaries and Wages	5,500.00	5,500.00	3,879.08	-	1,620.92	-
UNCLASSIFIED						
Celebration of Public Events						
Other Expenses	43,000.00	43,000.00	37,050.82	-	5,949.18	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget				Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES							
Street Lighting	48,960.00		48,960.00	36,445.19	-	12,514.81	-
TOTAL OPERATIONS WITHIN "CAPS"	<u>2,039,185.50</u>		<u>2,036,685.50</u>	<u>1,588,863.72</u>	<u>24,259.10</u>	<u>423,562.68</u>	<u>-</u>
Contingent	-		-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>2,039,185.50</u>		<u>2,036,685.50</u>	<u>1,588,863.72</u>	<u>24,259.10</u>	<u>423,562.68</u>	<u>-</u>
Detail:							
Salaries and Wages	633,957.40		642,927.40	596,789.69	-	46,137.71	-
Other Expenses	1,405,228.10		1,393,758.10	992,074.03	24,259.10	377,424.97	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:							
Statutory Expenditures:							
Contributions to:							
Public Employees' Retirement System	24,523.00		24,523.00	22,022.00	-	2,501.00	-
Social Security System (O.A.S.I.)	52,530.00		55,030.00	55,030.00	-	-	-
Police and Firemen's Retirement System	57,417.00		57,417.00	53,447.00	-	3,970.00	-
Unemployment Compensation Insurance	2,866.20		2,866.20	-	-	2,866.20	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>137,336.20</u>		<u>139,836.20</u>	<u>130,499.00</u>	<u>-</u>	<u>9,337.20</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>2,176,521.70</u>		<u>2,176,521.70</u>	<u>1,719,362.72</u>	<u>24,259.10</u>	<u>432,899.88</u>	<u>-</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues							
Clean Communities Program	20,239.19	20,239.19	20,239.19	-	-	-	-
Alcohol Education and Rehabilitation Fund	211.10	211.10	211.10	-	-	-	-
Safe and Secure Communities Program							
Police							
Salaries and Wages	100,000.00	100,000.00	100,000.00	-	-	-	-
Body Armor Grant	1,299.16	1,299.16	1,299.16	-	-	-	-
Recycling Tonnage Grant	1,790.50	1,790.50	1,790.50	-	-	-	-
DMV Inspections	3,494.50	3,494.50	3,494.50	-	-	-	-
Total Public and Private Programs Off-Set by Revenues	<u>127,034.45</u>	<u>127,034.45</u>	<u>127,034.45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS" Detail:	127,034.45	127,034.45	127,034.45	-	-	-	-
Salaries and Wages	100,000.00	100,000.00	100,000.00	-	-	-	-
Other Expenses	27,034.45	23,539.95	27,034.45	-	-	-	-
(C) Capital Improvements							
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-	-
Total Capital Improvements	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Debt Service							
Payment of Bond Principal	400,000.00	400,000.00	400,000.00	-	-	-	-
Interest on Bonds	120,875.00	120,875.00	120,875.00	-	-	-	-
Green Trust Loan Program:							
Loan Repayments for P principal and Interest	28,500.78	28,500.78	28,500.78	-	-	-	-
Total Debt Service	<u>549,375.78</u>	<u>549,375.78</u>	<u>549,375.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(N) Transferred to Board of Education for Use of Local Schools							
Transferred to Board of Education	31,686.67	31,686.67	31,686.67	-	-	-	-
Total Transferred to Board of Education	<u>31,686.67</u>	<u>31,686.67</u>	<u>31,686.67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	733,096.90	733,096.90	733,096.90	-	-	-
SUBTOTAL GENERAL APPROPRIATIONS	2,909,618.60	2,909,618.60	2,452,459.62	24,259.10	432,899.88	-
(M) Reserve for Uncollected Taxes	199,115.52	199,115.52	199,115.52	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 3,108,734.12	3,108,734.12	2,651,575.14	24,259.10	432,899.88	-
Budget Appropriations by 40A:4-87 Emergency Appropriations		3,108,734.12			Cancelled Overexpended	-
		-				-
		<u>3,108,734.12</u>				<u>-</u>
Reserve for Uncollected Taxes			199,115.52			
Federal and State Grants			127,034.45			
Deferred Charges			-			
Capital Improvement Fund			25,000.00			
Disbursements			2,300,425.17			
			<u>2,651,575.14</u>			<u>-</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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**EXHIBIT - B
TRUST FUND**

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 9,890.80	\$ 14,579.30
	9,890.80	14,579.30
<u>Other Funds</u>		
Cash and Investments	1,053,514.66	1,466,458.56
Due from Current	56,842.98	-
Due from CCO Trust	126.00	98.00
	1,110,483.64	1,466,556.56
	\$ 1,120,374.44	\$ 1,481,135.86

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

<u>Liabilities, Reserves and Fund Balance</u>	2014	2013
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 3,948.98	\$ 8,638.68
Due to Current Fund	5,940.62	5,940.62
Due to State	1.20	-
	9,890.80	14,579.30
<u>Other Funds</u>		
Deposits for Premiums	109,300.00	-
Deposits for Redemption	2,379.25	-
Deposits for Redemption & Premiums	-	710,111.97
Reserve for Trust Other	427,645.15	232,976.20
Reserve for Local Open Space Tax	314,787.05	267,413.07
Reserve for Affordable Housing Dev. Fee	17,673.12	17,673.11
Due to State of New Jersey - Uniform Construction Code Training Fees	457.00	422.00
Due to Current Fund	216,342.11	216,088.25
Due to General Capital	21,773.96	21,773.96
Due to Trust Other - DCA Training Fees	126.00	98.00
	1,110,483.64	1,466,556.56
	\$ 1,120,374.44	\$ 1,481,135.86

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

EXHIBIT - C
GENERAL CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 97,001.82	293,079.36
Deferred Charges to Future Taxation -		
Funded	3,070,988.19	3,496,092.03
Unfunded	940,478.91	826,728.91
Interfunds and Receivables		
Federal and State Grant Receivable	1,440,389.69	1,868,173.00
Due from County Open Space	100,000.00	50,000.00
Due from Current Fund	-	85,006.76
Due from Sewer Utility Capital	154,985.41	13,985.41
Due from Open Space Trust	21,773.96	21,773.96
	<u>5,825,617.98</u>	<u>6,654,839.43</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	29,650.26	76,213.28
County Advance for Open Space	1,001,000.00	1,881,058.00
Interfunds:		
Due to Current Fund	17,798.07	-
Due to Grant Fund	83,485.10	83,485.10
Bond Anticipation Notes Payable	356,000.00	-
Serial Bonds Payable	2,920,000.00	3,320,000.00
Green Trust Loan Payable	150,988.19	176,092.03
Improvement Authorizations:		
Funded	528,826.15	474,121.68
Unfunded	285,250.87	209,000.00
Reserve for Debt Service	272,799.02	272,799.02
Reserve for Capital Projects	33,991.38	33,991.38
Capital Improvement Fund	121,233.09	103,483.09
Fund Balance	24,595.85	24,595.85
	<u>\$ 5,825,617.98</u>	<u>6,654,839.43</u>

There were bonds and notes authorized but not issued at December 31

2013	826,728.91
2014	584,478.91

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 24,595.85	24,595.85
Ending Balance December 31	\$ <u>24,595.85</u>	<u>24,595.85</u>

EXHIBIT - D
SEWER UTILITY FUND

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 1,559.11	33,918.77
Interfunds and Receivables		
Due from Sewer Capital Fund	161,718.32	127,418.32
Due from Tax Collector	10,607.70	12,528.96
	173,885.13	173,866.05
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	497.57	264.35
	497.57	264.35
Total Operating Fund	174,382.70	174,130.40
Capital Fund:		
Cash - Treasurer	402.01	1,712.46
Interfunds and Receivables		
Due from State of New Jersey - NJEIT	612,162.00	617,124.00
Due from USDA	175,000.00	175,000.00
Due from NJDOT - Grant	47,500.00	190,000.00
Fixed Capital	7,821,952.18	7,821,952.18
Fixed Capital - Authorized and Uncompleted	2,157,500.00	2,157,500.00
Total Capital Fund	10,814,516.19	10,963,288.64
	\$ 10,988,898.89	11,137,419.04

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Operating Fund:		
Appropriation Reserves	\$ 12,984.56	14,929.99
Reserve for Encumbrances	550.00	-
Utility Overpayments	396.76	828.11
Accrued Interest on Bonds and Notes	28,580.74	30,591.15
Interfunds:		
Due to Voorhees Township	47,550.00	47,550.00
Due to Current Fund	8,000.00	-
	<u>98,062.06</u>	<u>93,899.25</u>
Reserve for Receivables	497.57	264.35
Fund Balance	75,823.07	79,966.80
 Total Operating Fund	 <u>174,382.70</u>	 <u>174,130.40</u>
Capital Fund:		
Encumbrances Payable	8,211.40	160,130.06
Interfunds:		
Due to Sewer Operating Fund	161,718.32	127,418.32
Due to General Capital	154,985.41	13,985.41
Bond Anticipation Notes Payable	340,000.00	200,000.00
Serial Bonds Payable	1,465,000.00	1,575,000.00
NJEIT Bonds Payable	515,000.00	555,000.00
NJEIT Loan Payable	870,047.99	942,714.41
Improvement Authorizations:		
Funded	285,716.23	289,500.39
Unfunded	402,790.00	399,359.63
Reserve for Amortization	6,117,646.13	6,029,979.71
Reserve for Improvements	40,000.00	40,000.00
Reserve for USDA Receivable	175,000.00	175,000.00
Reserve for NJDOT - Grant Receivable	47,500.00	190,000.00
Reserve for Debt Service	1,960.18	1,960.18
Capital Improvement Fund	5,000.00	5,000.00
Fund Balance	223,940.53	258,240.53
 Total Capital Fund	 <u>10,814,516.19</u>	 <u>10,963,288.64</u>
	 <u>\$ 10,988,898.89</u>	 <u>11,137,419.04</u>

There were bonds and notes authorized but not issued at December 31

2013	589,258.06
2014	449,258.06

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance	\$ 30,000.00	40,948.44
Rents	275,390.78	275,464.63
Miscellaneous Revenue Anticipated	9,442.82	1,845.21
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	13,829.88	8,211.78
Utility Capital Surplus	34,300.00	-
Total Income	<u>362,963.48</u>	<u>326,470.06</u>
Expenditures		
Operations	43,800.00	42,840.00
Debt Service	293,307.21	245,329.78
Deferred Charges	-	26,108.44
Refund of Prior Year Revenue	-	2,625.00
Total Expenditures	<u>337,107.21</u>	<u>316,903.22</u>
Excess in Revenue	<u>25,856.27</u>	<u>9,566.84</u>
Excess in Operations	<u>25,856.27</u>	<u>9,566.84</u>
Fund Balance January 1	<u>79,966.80</u>	<u>111,348.40</u>
	105,823.07	120,915.24
Decreased by:		
Utilization as Anticipated Revenue	<u>30,000.00</u>	<u>40,948.44</u>
Fund Balance December 31	<u>\$ 75,823.07</u>	<u>79,966.80</u>

**SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Beginning Balance January 1	\$ 258,240.53	258,240.53
Decreased by:		
Utility Capital Surplus Appropriation	34,300.00	-
	223,940.53	258,240.53
Ending Balance December 31	\$ 223,940.53	258,240.53

**SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 30,000.00	30,000.00	-
Rents	275,000.00	275,390.78	390.78
Miscellaneous	1,000.00	9,442.82	8,442.82
Utility Capital Surplus	34,300.00	34,300.00	-
	<u>\$ 340,300.00</u>	<u>349,133.60</u>	<u>8,833.60</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Tax Collector	277,857.51
Sewer Collector	(2,898.08)
Overpayments Applied	828.11
Overpayments Collected	(396.76)
	<u>275,390.78</u>

Miscellaneous

Interest on Rents	976.82
Sewer Connection Fees	8,466.00
	<u>9,442.82</u>

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 7,300.00	7,300.00	6,786.00	-	514.00	-
Other Expenses	36,500.00	36,500.00	23,479.44	550.00	12,470.56	-
	<u>43,800.00</u>	<u>43,800.00</u>	<u>30,265.44</u>	<u>550.00</u>	<u>12,984.56</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	110,000.00	110,000.00	110,000.00	-	-	-
Interest on Bonds	48,000.00	48,000.00	46,547.93	-	-	1,452.07
Other Debt Service - NJEIT	138,500.00	138,500.00	136,759.28	-	-	1,740.72
	<u>296,500.00</u>	<u>296,500.00</u>	<u>293,307.21</u>	<u>-</u>	<u>-</u>	<u>3,192.79</u>
	<u>340,300.00</u>	<u>340,300.00</u>	<u>323,572.65</u>	<u>550.00</u>	<u>12,984.56</u>	<u>3,192.79</u>
Statement of Expenditures:						
Accrued Interest on Bonds			28,580.74			
Deferred Charge			-			
Disbursed			<u>294,991.91</u>			
			<u>323,572.65</u>			

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT - E
PUBLIC ASSISTANCE TRUST FUND

**PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash Trust I	\$ 3,067.11	\$ 3,067.11
Cash Trust II	1,608.45	2,428.45
Due from Current Fund	420.00	420.00
	<u>\$ 5,095.56</u>	<u>\$ 5,915.56</u>
<u>Liabilities and Reserves</u>		
Reserve for Public Assistance	\$ 5,095.56	\$ 5,915.56
	<u>\$ 5,095.56</u>	<u>\$ 5,915.56</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

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EXHIBIT - F
GENERAL FIXED ASSETS ACCOUNT GROUP

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land and Buildings	\$ 12,196,433.19	\$ 12,196,433.19
Vehicles	576,936.38	542,237.38
Machinery and Equipment	924,408.44	891,522.76
Total General Fixed Assets	<u>\$ 13,697,778.01</u>	<u>\$ 13,630,193.33</u>
Investment in General Fixed Assets	<u>\$ 13,697,778.01</u>	<u>\$ 13,630,193.33</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

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NOTES TO THE FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Gibbsboro include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Gibbsboro, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

B. Description of Funds

The accounting policies of the Borough of Gibbsboro conform to the accounting principles applicable to municipalities which have been prescribed 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 the respect to public funds. Under this method of accounting, the Borough of Gibbsboro accounts for its financial transactions through the following separate funds:

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

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

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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 Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than 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 except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$1,000.00 are capitalized.

No depreciation has been provided for in the financial statements.

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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Gibbsboro to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The entity operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in on July 1.

Interest on Delinquent Utility Charges -- It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Borough of Gibbsboro to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. 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 Position and Statement of Activities in addition to the fund financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

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 entity'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 entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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 entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$199,115.52 and \$192,707.64. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$830,000.00 and \$830,000.00. In addition, the entity operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$30,000.00 and \$40,948.44.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Council. The following significant budget transfers were approved in the 2014 and 2013 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Office of Emergency Management		
Salaries and Wages	-	300.00
Other Expenses	-	(300.00)
Fire Safety Official		
Salaries and Wages	-	(500.00)
Fire Official - Subcode		
Salaries and Wages	-	500.00
Municipal Clerk		
Salaries and Wages	3,970.00	-
Public Works		
Salaries and Wages	5,000.00	-
Building and Grounds		
Other Expenses	(5,000.00)	-
Garbage and Trash Removal Contractural	(6,470.00)	-
Social Security	2,500.00	-

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. No significant budget insertions were approved during 2014 or 2013 calendar years

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. The Governing Body did not approve any emergency authorizations during the 2014 and 2013 calendar years. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years.

NOTE 3: INVESTMENTS

As of December 31, 2014 and 2013, the municipality had no investments.

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Concentration of Credit Risk. The municipality places no limit on the amount the entity can invest in any one issuer.

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014, \$0 of the municipality's bank balance of \$2,562,093.41 and \$1,011,374.75 was exposed to custodial credit risk.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
Land	\$ 11,063,256.27	-	1.00	11,063,257.27
Building	1,133,176	-	-	1,133,175.92
Equipment and Machinery	887,037	5,685.18	(1,199.00)	891,522.76
Vehicles	514,238	27,999.00	-	542,237.38
	<u>\$ 13,597,707.15</u>	<u>33,684.18</u>	<u>(1,198.00)</u>	<u>13,630,193.33</u>

	Balance 12/31/2013	Additions	Retirements/ Adjustments	Balance 12/31/2014
Land	\$ 11,063,257.27	-	-	11,063,257.27
Building	1,133,175.92	-	-	1,133,175.92
Equipment and Machinery	891,522.76	67,885.68	(35,000.00)	924,408.44
Vehicles	542,237.38	34,699.00	-	576,936.38
	<u>\$ 13,630,193.33</u>	<u>102,584.68</u>	<u>(35,000.00)</u>	<u>13,697,778.01</u>

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation				
Notes payable:				
General	\$ -	-	-	-
Utility	200,000.00	-	-	200,000.00
	<u>\$ 200,000.00</u>	<u>-</u>	<u>-</u>	<u>200,000.00</u>
	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation				
Notes payable:				
General	\$ -	356,000.00	-	356,000.00
Utility	200,000.00	140,000.00	-	340,000.00
	<u>\$ 200,000.00</u>	<u>496,000.00</u>	<u>-</u>	<u>696,000.00</u>

A note was issued in the amount of \$200,000.00 in 2012 by the Current Fund to the Sewer Capital Fund. In 2014, an additional amount was issued in the amount of \$140,000.00 by the Current Fund to the Sewer Capital. Also in 2014, a note was issued in the amount of \$356,000.00 to the General Capital Fund. There is no interest on this loan as this loan. As of December 31, 2014 the entity has authorized the transfer of funds back to the Current Fund.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2013 and 2012 consisted of the following:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 3,700,000.00	-	380,000.00	3,320,000.00	400,000.00
Utility	2,230,000.00	-	100,000.00	2,130,000.00	150,000.00
Total	<u>\$ 5,930,000</u>	<u>-</u>	<u>480,000.00</u>	<u>5,450,000.00</u>	<u>550,000.00</u>
Other liabilities:					
Loans Payable General	\$ 200,701.23	-	24,609.19	176,092.04	25,103.84
Loans Payable Sewer	1,012,987.79	-	70,273.38	942,714.41	72,666.42
Compensated Absences Payable	3,619.50	643.40	-	4,262.90	-
Total long-term liabilities	<u>\$ 7,147,308.52</u>	<u>643.40</u>	<u>574,882.57</u>	<u>6,573,069.35</u>	<u>647,770.26</u>

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 3,320,000.00	-	400,000.00	2,920,000.00	400,000.00
Utility	2,130,000.00	-	150,000.00	1,980,000.00	155,000.00
Total	<u>\$ 5,450,000.00</u>	<u>-</u>	<u>550,000.00</u>	<u>4,900,000.00</u>	<u>555,000.00</u>
Other liabilities:					
Loans Payable General	\$ 176,092.04	-	25,103.85	150,988.19	25,608.42
Loans Payable Sewer	942,714.41	-	72,666.42	870,047.99	71,644.31
Compensated Absences Payable	4,262.90	2,291.56	1,391.69	5,162.77	-
Total long-term liabilities	<u>\$ 6,573,069.35</u>	<u>2,291.56</u>	<u>649,161.96</u>	<u>5,926,198.95</u>	<u>652,252.73</u>

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:

\$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, 2014 is \$910,000.00

\$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, 2014 is \$2,010,000.00.

\$346,162 Green Trust Loan dated May 15, 2002, due in annual installments, through May 2021, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014 is \$136,373.59.

\$96,849 Green Trust Loan dated May 8, 1997, due in annual installments through June 2017, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014 is \$14,614.60.

Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the entity:

\$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, 2014 is \$1,465,000.00

\$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, 2014 is \$275,000.00.

\$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, 2014 is \$220,289.62.

\$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, 2014 is \$240,000.00.

\$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, 2014 is \$649,758.37.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	400,000.00	108,625.00	155,000.00	68,593.76
2016	420,000.00	95,375.00	160,000.00	63,718.76
2017	460,000.00	81,200.00	165,000.00	58,718.76
2018	490,000.00	65,600.00	175,000.00	53,468.76
2019	230,000.00	46,000.00	175,000.00	47,218.76
2020-2024	920,000.00	92,000.00	895,000.00	139,400.04
2025-2029	-	-	255,000.00	17,225.00
	<u>\$ 2,920,000.00</u>	<u>488,800.00</u>	<u>1,980,000.00</u>	<u>448,343.84</u>

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	97,252.73	2,892.36
2016	96,794.03	2,377.62
2017	93,334.48	1,852.54
2018	93,039.64	1,407.55
2019	92,327.48	984.03
2020-2024	331,701.55	663.27
2025-2029	216,586.27	-
	<u>1,021,036.18</u>	<u>10,177.37</u>

As of December 31, 2014 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$149,375.78 and to the utility budget was \$48,000.00.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 3,070,988.19	\$ 3,496,092.03	3,900,701.23
Sewer Utility - Bonds and Notes	2,850,047.99	3,072,714.41	3,242,987.79
Total Issued	<u>5,921,036.18</u>	<u>6,568,806.44</u>	<u>7,143,689.02</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	940,478.91	826,728.91	712,728.91
Sewer Utility - Bonds and Notes	649,258.06	789,258.06	789,258.06
Total Authorized But Not Issued	<u>1,589,736.97</u>	<u>1,615,986.97</u>	<u>1,501,986.97</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 7,510,773.15</u>	<u>\$ 8,184,793.41</u>	<u>8,645,675.99</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.633%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,631,332.35	2,631,332.35	-
Sewer Utility Debt	3,839,306.05	3,839,306.05	-
General Debt	4,011,467.10	272,799.02	3,738,668.08
	<u>10,482,105.50</u>	<u>6,743,437.42</u>	<u>3,738,668.08</u>

Net Debt \$3,738,668.08 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$228,875,165.33 = 1.633%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 8,010,631.00
Net Debt	3,738,668.08
Remaining Borrowing Power	<u>\$ 4,271,962.92</u>

The Borough of Gibbsboro School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 and 2014 were as follows:

		<u>2015</u>	<u>2014</u>
Current Fund	\$	830,000.00	830,000.00
Sewer Utility		28,800.00	40,948.00

As of the date of this audit, the Borough has not adopted their 2015 municipal budget and the amount of fund balance appropriated for 2015 is subject to change. Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of NJ for Senior Citizens and Veterans Deductions, deferred charges, and cash deficit.

NOTE 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, there were no deferred charges shown on the balance sheets of the various funds.

NOTE 10: SCHOOL TAXES

Local District School Tax in the amounts of \$2,871,493.00 and \$2,779,435.00 have been raised for the 2014 and 2013 calendar years and remitted or due to the local school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service, if any.

Regional High School Tax in the amounts of \$1,161,354.00 and \$1,124,596.01 have been raised for the 2014 and 2013 calendar years and remitted to the regional high school district.

		Regional School Tax Balance <u>12/31/2014</u>	Regional School Tax Balance <u>12/31/2013</u>
Balance of Tax	\$	580,677.00	\$ 562,248.00
Deferred		362,000.00	362,000.00
Tax Payable	\$	<u>218,677.00</u>	<u>\$ 200,248.00</u>

NOTE 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/14</u>	<u>Balance 12/31/13</u>
Prepaid Taxes	<u>\$ 59,005.68</u>	<u>\$ 41,170.85</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 59,005.68</u>	<u>\$ 41,170.85</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 12: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have 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 the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 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 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.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10.51% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$22,022.00, \$22,704.00 and \$23,640.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2014, 2013, and 2012 were \$63,447.00, \$40,587.00, and \$43,398.00.

The total payroll for the year ended December 31, 2014, 2013 and 2012 was \$685,903.11, \$626,633.51, and \$596,129.19. Payroll covered by PFRS was \$251,627.00., \$270,531.00, and \$212,297.00. Payroll covered by PERS was \$209,457.00, \$202,852.00 and \$199,421.00.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 13: POST-RETIREMENT BENEFITS

Plan Coverage The entity currently has 1 collective bargaining unit as well as several non-union employees. The employee's post employment benefits are dependent upon the collective bargaining unit to which they are a member as well as the year of retirement. The benefits by collective bargaining unit are:

Fraternal Order of Police Lodge #9 – Individuals with at least 25 years of service in the Police and Fireman's Retirement System may receive hospitalization, major medical and prescription for the employee and spouse in effect at the time of retirement.

Non Affiliated Employees - Individuals who retired with at least 25 years of service in the Public Employees' Retirement System may receive hospitalization, major medical and prescription for the employee and spouse in effect at the time of retirement.

The Borough of Gibbsboro contributions for post-retirement benefits for the year ended December 31, 2014 and 2013, were \$8,004.00 and \$7,608.00 respectively.

NOTE 14: ACCRUED SICK AND VACATION BENEFITS

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. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. 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. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$6,162.77 in 2014 and \$4,263.00 in 2013.

NOTE 15: ECONOMIC DEPENDENCY

The Borough of Gibbsboro is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 16: RISK MANAGEMENT

The entity 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 entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2014 and 2013 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Camden County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Camden County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$1,450,000 under JIF, which increases to \$5,000,000 under MEL.

NOTE 17: DEFERRED COMPENSATION

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

NOTE 18: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 19: INTERFUND BALANCES

During the most current calendar year ended December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Borough of Gibbsboro:

	Due From	Due To
Current Fund:		
General Capital Fund	17,798.07	-
Animal Control Fund	5,940.62	-
Trust Other	4,235.54	-
CCO Trust	1,744.00	-
Tax Title Lien Redemption	6.32	-
Tax Title Lien Premium	-	56,849.30
Sewer Operating	8,000.00	-
Public Assistance	-	420.00
Open Space Trust	210,362.57	-
Sewer - Collector	-	10,607.70
Grant Fund	-	45,692.10
Grant Fund:		
Current Fund	45,692.10	-
General Capital Fund	83,485.10	-
Trust Fund:		
Current - Animal Control Fund	-	5,940.62
Current - Tax Title Lien	56,842.98	-
Current - CCO Trust	-	1,870.00
Current - Open Space	-	210,362.57
Current - Trust Other	126.00	4,235.54
General Capital - Open Space	-	21,773.96
General Capital Fund:		
Grant Fund	-	83,485.10
Sewer Capital	154,985.41	-
Trust Fund - Open Space	21,773.96	-
Current Fund	-	17,798.07
Sewer Operating:		
Current Fund	-	8,000.00
Tax Collector	10,607.70	-
Sewer Capital	161,718.32	-
Sewer Capital Fund:		
General Capital Fund	-	154,985.41
Sewer Operating	-	161,718.32
Public Assistance :		
Current Fund	420.00	-
	<u>\$ 783,738.69</u>	<u>783,738.69</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

The amounts due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The amount due to the Current Fund from the Trust Local Open Space fund is due to appropriations related to Open Space Projects being charged to the Current Fund that need to be reimbursed. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

NOTE 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through March 31, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAYEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

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 groups as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated March 31, 2015, 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 the 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 the 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiency as item 2014-1.

Compliance and Other Matters

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

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.

Very truly yours,

Ford, Scott & Associates, L.L.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 31, 2015

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

Finding #2014-1:

Criteria:

Interfund receivables and payables arise from transactions between funds and are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Condition:

Several interfunds exist among all the Borough's funds that consist of amounts from the current year and prior years.

Cause:

The interfunds are the result of funds being advanced to other funds for expenditures made during the year.

Effect:

The interfund balances affect the operating positions of the funds involved.

Recommendation:

That all interfund balances be liquidated at year end.

Management Response:

The Chief Financial Officer will attempt to close out the interfunds prior to year end.

STATUS OF PRIOR YEAR FINDINGS

No Prior year Findings.

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**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2013	\$ 1,993,688.26	-
Increased by Receipts:		
Tax Collector	7,847,717.22	-
Miscellaneous Revenue Anticipated	420,455.46	-
Miscellaneous Revenue Not Anticipated	102,057.76	-
Due State for Marriage Licenses	300.00	-
Due State for Vets and Seniors	32,000.00	-
Due to Grant Fund	71,128.02	-
Due from Current Fund	-	98,990.89
Due to General Capital	400,000.00	-
Bond Anticipation Notes	356,000.00	-
Federal and State Unallocated	-	63,628.02
Federal and State Receivables	-	7,499.00
	9,229,658.46	170,117.91
	11,223,346.72	170,117.91
Decreased by Disbursements:		
Current Year Appropriation	2,300,425.17	-
Prior Year Appropriations	59,015.16	-
County Taxes	2,011,242.82	-
Local District School Taxes	2,871,492.50	-
Regional School Taxes	1,142,925.00	-
Local Open Space Tax	46,740.20	-
Due State for Marriage Licenses	325.00	-
Due from Grant Fund	98,990.89	-
Payroll Taxes Payable	545.90	-
Due from Sewer Operating	8,000.00	-
Due from General Capital	883,738.64	-
Due to Current Fund	-	71,128.02
Federal and State Disbursements	-	98,989.89
	9,423,441.28	170,117.91
Balance December 31, 2014	\$ <u>1,799,905.44</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2013		\$	159,784.54
Increased by Receipts:			
Prepaid Taxes	59,005.68		
Taxes Receivable	7,770,106.40		
Interest on Taxes	14,814.36		
Miscellaneous Revenue	14,174.85		
Tax Title and Other Liens	57,333.62		
Due to CCMUA	30,263.91		
Due from Sewer Collector	<u>275,936.25</u>		
			<u>8,221,635.07</u>
			8,381,419.61
Decreased By Disbursements:			
Payments to Treasurer	7,847,717.22		
Due to CCMUA	30,263.91		
Due to Sewer Collector	<u>277,857.51</u>		
			<u>8,155,838.64</u>
		\$	<u><u>225,580.97</u></u>

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
				2013	2014				
Arrears \$	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	7.59	-	-	-	1,757.59	(1,750.00)	-	-	-
	7.59	-	-	-	1,757.59	(1,750.00)	-	-	-
2014	-	7,930,322.81	1,412.25	41,170.85	7,800,854.01	82,359.68	7,341.28	-	9.24
	7.59	7,930,322.81	1,412.25	41,170.85	7,802,611.60	80,609.68	7,341.28	-	9.24

7,770,106.40	Cash Receipts
33,250.00	Senior Citizens and Veterans
(744.80)	Other
<u>7,802,611.60</u>	

Analysis of Current Year Tax Levy

<u>Tax Yield:</u>	
General Property Tax	7,930,322.81
Added Taxes (54:4-63.1 et. Seq.)	1,412.25
	<u>7,931,735.06</u>
<u>Tax Levy:</u>	
General County Taxes	1,845,597.71
County Library Taxes	116,206.23
County Open Space Taxes	47,086.34
County Added and Omitted Taxes	1,412.25
Total County Taxes	<u>2,010,302.53</u>
Local School District Tax	2,871,493.00
Additional Local Open Space Tax	46,740.20
Regional School District Tax	1,161,354.00
Local Tax for Municipal Purposes	1,836,126.67
Add: Additional Tax Levied	<u>5,718.66</u>
	<u>1,841,845.33</u>
	<u>7,931,735.06</u>

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2013		\$ 94,150.11
Increased by:		
Transfers from Taxes Receivable	7,341.28	
Interest and Costs Accrued by Sale of December 17, 2014	216.63	
	<hr/>	<hr/>
		7,557.91
		101,708.02
Decreased by:		
Collections	484.32	
	<hr/>	<hr/>
		484.32
Balance December 31, 2014		\$ <u><u>101,223.70</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	-	5,376.00	-	5,376.00	-
Other	-	-	-	-	-
Fees and Permits	-	3,766.05	-	3,766.05	-
Fines and Costs:					
Municipal Court	5,303.41	84,802.40	-	80,537.41	9,568.40
Interest and Costs on Taxes	-	14,814.36	14,814.36	-	-
Interest Earned on Investments	-	0.14	0.14	-	-
Energy Receipts Tax	-	275,728.00	-	275,728.00	-
Consolidated Municipal Property Tax Relief	-	7,045.00	-	7,045.00	-
Uniform Construction Code Fees	-	48,263.00	-	48,263.00	-
Miscellaneous Revenue Not Anticipated	-	116,298.84	14,174.71	102,124.13	-
	<u>5,303.41</u>	<u>556,093.79</u>	<u>28,989.21</u>	<u>522,839.59</u>	<u>9,568.40</u>
				Cash Received by Treasurer	525,622.74
				Cash Received by Collector	25,879.69
				Non-Cash Miscellaneous Non-Budgeted Revenue	326.37
				<u>551,828.80</u>	

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:					
Mayor and Council					
Salaries and Wages	885.00	885.00	-	885.00	-
Other Expenses	279.05	279.05	-	279.05	-
Municipal Clerk					
Salaries and Wages	11,879.76	11,879.76	-	11,879.76	-
Other Expenses	34,939.28	34,939.28	1,292.07	33,647.21	-
Financial Administration					
Salaries and Wages	833.00	833.00	-	833.00	-
Other Expenses	5,856.54	5,856.54	560.00	5,296.54	-
Revenue Administration (Tax Collection)					
Salaries and Wages	812.08	812.08	-	812.08	-
Other Expenses	3,176.38	3,176.38	2,512.84	663.54	-
Tax Assessment Administration					
Salaries and Wages	403.88	403.88	-	403.88	-
Other Expenses	1,987.93	1,987.93	207.60	1,780.33	-
Legal Services					
Other Expenses	14,963.54	14,963.54	1,767.00	13,196.54	-
Engineering Services and Costs					
Other Expenses	28,899.25	28,899.25	-	28,899.25	-
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	1,429.92	1,429.92	-	1,429.92	-
Other Expenses	6,176.63	6,176.63	-	6,176.63	-
Preparation of a Master Plan					
Zoning Board of Adjustment	35,819.94	35,819.94	2,418.58	33,401.36	-
Salaries and Wages	673.92	673.92	-	673.92	-
Other Expenses	3,829.51	3,829.51	-	3,829.51	-
Municipal Court					
Salaries and Wages	6,509.00	6,509.00	-	6,509.00	-
Other Expenses	2,237.48	2,237.48	478.47	1,759.01	-
Public Defender					
Salaries and Wages	259.00	259.00	-	259.00	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
PUBLIC SAFETY					
Fire Department					
Fire Hydrant Service	7,989.20	7,989.20	3,182.80	4,806.40	-
Police Department					
Salaries and Wages	34,205.33	34,205.33	-	34,205.33	-
Other Expenses	45,144.18	45,144.18	5,518.75	39,625.43	-
Office of Emergency Management					
Salaries and Wages	67.00	67.00	-	67.00	-
Other Expenses	75.00	75.00	-	75.00	-
Municipal Prosecutor					
Salaries and Wages	34.00	34.00	-	34.00	-
PUBLIC WORKS					
Public Works					
Salaries and Wages	10,197.89	10,197.89	-	10,197.89	-
Other Expenses	78,337.90	78,337.90	2,746.32	75,591.58	-
Public Buildings and Grounds					
Other Expenses	65,944.22	65,944.22	24,191.05	41,753.17	-
Recycling Program					
Contractual	16,005.00	16,005.00	-	16,005.00	-
Garbage and Trash Removal					
Contractual	73,483.29	73,483.29	5,834.04	67,649.25	-
HEALTH AND HUMAN SERVICES					
Dog Regulation					
Other Expenses	8,923.25	8,923.25	-	8,923.25	-
Administration of Public Assistance					
Salaries and Wages	193.00	193.00	-	193.00	-
Other Expenses	26.00	26.00	-	26.00	-
Environmental Commission					
Other Expenses	2,710.00	2,710.00	-	2,710.00	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
PARKS AND RECREATION					
Recreation					
Other Expenses	2,000.00	2,000.00	-	2,000.00	-
Library					
Salaries and Wages	6,519.36	6,519.36	-	6,519.36	-
Other Expenses	349.79	349.79	-	349.79	-
Senior Citizen's Program					
Other Expenses	4,840.20	4,840.20	79.90	4,760.30	-
INSURANCE					
Insurance					
Employee Group Health	22,318.00	22,318.00	-	22,318.00	-
Other Insurance Premiums	8,319.93	8,319.93	-	8,319.93	-
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official					
Salaries and Wages	4,209.68	4,209.68	-	4,209.68	-
Other Expenses	12,919.55	12,919.55	-	12,919.55	-
Fire Safety Official					
Salaries and Wages	291.04	291.04	-	291.04	-
Other Expenses	5,096.89	5,096.89	-	5,096.89	-
Plumbing Inspector					
Salaries and Wages	710.88	710.88	-	710.88	-
Electrical Inspector					
Salaries and Wages	710.88	710.88	-	710.88	-
Fire Inspector					
Salaries and Wages	710.88	710.88	-	710.88	-
Fire Official - Sub Code					
Salaries and Wages	465.15	465.15	-	465.15	-
Building SubCode Inspector					
Salaries and Wages	1,697.08	1,697.08	-	1,697.08	-
UNCLASSIFIED					
Celebration of Public Events					
Other Expenses	17,002.11	17,002.11	5,082.40	11,919.71	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
UTILITY EXPENSES AND BULK PURCHASES					
Street Lighting	20,159.54	20,159.54	3,143.34	17,016.20	-
REGULATORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)	687.36	687.36	-	687.36	-
Unemployment Compensation Insurance	2,624.01	2,624.01	-	2,624.01	-
OPERATIONS EXCLUDED FROM "CAPS" INSURANCE					
Employee Group Health	8,398.00	8,398.00	-	8,398.00	-
	<u>\$ 625,216.68</u>	<u>625,216.68</u>	<u>59,015.16</u>	<u>566,201.52</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	-	
School Tax Deferred		-	
		-	\$ -
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			2,871,493.00
			2,871,493.00
Decreased by:			
Cancellation of Payable			-
Payments			2,871,492.50
Balance December 31, 2014			
School Tax Payable		0.50	
School Tax Deferred		-	
		-	0.50
Current Year Liability for Local School District School Tax:			
Tax Paid			2,871,492.50
Tax Payable Ending			0.50
			2,871,493.00
Less: Tax Payable Beginning			-
Amount charged to Current Year Operations			\$ 2,871,493.00

**CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	200,248.00	
School Tax Deferred		362,000.00	
		<u> </u>	\$ 562,248.00
Increased by:			
Adjustment of Payable			-
Levy - School Year July 1, 2014 to June 30, 2015			<u>1,161,354.00</u>
			1,723,602.00
Decreased by:			
Payments			<u>1,142,925.00</u>
Balance December 31, 2014			
School Tax Payable		218,677.00	
School Tax Deferred		362,000.00	
		<u> </u>	<u>580,677.00</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,142,925.00
Tax Payable Ending			<u>218,677.00</u>
			1,361,602.00
Less: Tax Payable Beginning			<u>200,248.00</u>
Amount charged to Current Year Operations			<u>\$ 1,161,354.00</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Adjustments	Balance Dec. 31, 2014
FEDERAL GRANTS:					
COPS Fast Program	\$ 43,814.90	-	-	-	43,814.90
COPS Universal Program	59,991.21	-	-	-	59,991.21
Total Federal	<u>103,806.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,806.11</u>
STATE GRANTS:					
Safe and Secure Program	7,499.00	-	7,499.00	-	-
Thomas Edison Grant	3,000.00	-	-	-	3,000.00
NJ Department of Treasury - Municipal Library	4,082.61	-	-	-	4,082.61
Total State	<u>14,581.61</u>	<u>-</u>	<u>7,499.00</u>	<u>-</u>	<u>7,082.61</u>
	<u>\$ 118,387.72</u>	<u>-</u>	<u>7,499.00</u>	<u>-</u>	<u>110,888.72</u>
		Cash	(49,535.45)		
		Unappropriated Reserves	57,034.45		
			<u>7,499.00</u>		

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		2014		Balance	
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed	Encumbrances	Dec. 31, 2014
FEDERAL GRANTS:						
COPS Universal Program	\$ 4,199.98	-	-	-	29.64	4,170.34
Total Federal	<u>4,199.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29.64</u>	<u>4,170.34</u>
STATE GRANTS:						
Emergency Road Repair	3,593.96	-	-	-	-	3,593.96
Alcohol Rehabilitation Program	8,323.22	-	211.10	-	-	8,534.32
Recycling Tonnage Grant	22,420.01	-	1,790.50	-	-	24,210.51
Clean Communities	15,334.86	-	20,239.19	14,429.25	-	21,144.80
Safe and Secure	55,862.45	-	100,000.00	82,386.50	-	73,475.95
Drunk Driving Enforcement	6,056.08	-	-	-	-	6,056.08
Body Armor Replacement	3,975.57	-	1,299.16	2,174.14	-	3,100.59
County Open Space Trust - Rec. Facilities	5,330.25	-	-	-	-	5,330.25
Library - Compact Disc Antitrust	575.00	-	-	-	-	575.00
NJ Department of Treasury - Municipal Library	348.19	-	-	-	-	348.19
2006 Bikeway	-	-	-	-	-	-
DMV Inspections	-	-	3,494.50	-	-	3,494.50
Total State	<u>121,819.59</u>	<u>-</u>	<u>127,034.45</u>	<u>98,989.89</u>	<u>-</u>	<u>149,864.15</u>
	<u>126,019.57</u>	<u>-</u>	<u>127,034.45</u>	<u>98,989.89</u>	<u>29.64</u>	<u>154,034.49</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	Balance	Transferred	Received	Adjustments	Balance
	Dec. 31, 2013	To 2014 Appropriations			Dec. 31, 2014
STATE GRANTS:					
Alcohol Education Rehabilitation	211.10	211.10	177.24	-	177.24
Body Armor Replacement Fund	1,299.16	1,299.16	1,090.46	-	1,090.46
Recycling Tonnage Grant	1,790.50	1,790.50	3,288.00	-	3,288.00
DMV Inspection	3,494.50	3,494.50	751.84	-	751.84
Clean Communities	20,239.19	20,239.19	17,969.73	-	17,969.73
Drunk Driving Enforcement	-	-	10,350.75	-	10,350.75
Safe and Secure	-	30,000.00	30,000.00	-	-
Total State	<u>27,034.45</u>	<u>57,034.45</u>	<u>63,628.02</u>	<u>-</u>	<u>33,628.02</u>
\$	<u>27,034.45</u>	<u>57,034.45</u>	<u>63,628.02</u>	<u>-</u>	<u>33,628.02</u>

**TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2013		\$	14,579.30
Increased By Receipts:			
Dog Licenses Fees	\$	5,587.00	
State License Fees		399.00	
Interest Earned		0.01	
			5,986.01
			20,565.31
Decreased By Disbursements:			
State of New Jersey		397.80	
Animal Control Expenditures		10,276.71	
			10,674.51
Balance December 31, 2014		\$	9,890.80

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2013		\$ 1,466,458.56
Increased By Receipts:		
Trust Other	\$ 243,112.91	
Tax Title Lien Redemption:		
Redemption of Tax Sale Certificates	498,158.81	
TTL Interest Due to Current	0.18	
Due to Current Fund	48,263.00	
Due to Sewer Operating	8,466.00	
Affordable Housing Development Fee	0.01	
Construction Code Official:		
Reserve for CCO Fees	59,343.00	
Reserve for Local Open Space Trust	47,373.98	
	<hr/>	<u>904,717.89</u>
		2,371,176.45
Decreased By Disbursements:		
Trust Other	48,436.96	
Refunds of Tax Sale Certificates	1,153,440.83	
Due to Current Fund	48,003.00	
Due to Sewer Operating	8,466.00	
DCA Fees Paid to Trust Other	2,586.00	
Construction Code Official Fees	56,729.00	
	<hr/>	<u>1,317,661.79</u>
Balance December 31, 2014		\$ <u><u>1,053,514.66</u></u>

TRUST FUND
SCHEDULE OF RESERVE/(DEFICIT) FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2013		\$	8,638.68
Increased By:			
Dog Licenses Fees Collected	\$	5,587.00	
Interest Earned		0.01	
			5,587.01
			14,225.69
Decreased By Disbursements:			
Animal Control Expenditures		10,276.71	
			10,276.71
Balance December 31, 2014		\$	3,948.98

License Fees Collected	<u>Year</u>		
	2012	\$	4,526.40
	2013		5,654.20
		\$	10,180.60
			10,180.60

TRUST FUND
SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY

Balance December 31, 2013		\$	-
Increased By:			
Collected in 2014	\$	399.00	
			399.00
			399.00
Decreased By:			
Paid to State of New Jersey		397.80	
			397.80
Balance December 31, 2014		\$	1.20

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$ 293,079.36
Increased by:		
Due from Current Fund	3,746.83	
Reserve to Pay Debt Service	566,783.31	
	<hr/>	<hr/> 570,530.14
		863,609.50
Decreased by:		
Due to Current Fund	400,000.00	
Due to Sewer Utility Capital Improvement Authorizations	6,000.00 360,607.68	
	<hr/>	<hr/> 766,607.68
Balance December 31, 2014		\$ <u><u>97,001.82</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
	Dec. 31, 2013		Debt Issued		Improvement Authorizations		Miscellaneous		
	Miscellaneous		Miscellaneous		Miscellaneous		From	To	
Fund Balance	\$ 24,595.85	-	-	-	-	-	-	-	24,595.85
Capital Improvement Fund	103,483.09	-	-	-	-	-	-	-	121,233.09
Due to Current Fund	(85,006.76)	-	-	-	-	-	7,250.00	25,000.00	17,798.07
Due to Utility Capital Fund	(13,985.41)	3,746.83	-	-	-	400,000.00	381,000.00	880,058.00	(154,985.41)
Due from Grant Fund	83,485.10	-	-	-	-	6,000.00	135,000.00	-	83,485.10
Due from Open Space	(21,773.96)	-	-	-	-	-	-	-	(21,773.96)
County Advance for Open Space	1,881,058.00	-	-	-	-	-	880,058.00	-	1,001,000.00
Reserve for Debt Service	272,799.02	-	-	-	-	-	-	-	272,799.02
Encumbrances Payable	76,213.28	-	-	-	-	-	76,213.28	29,650.26	29,650.26
State Grant Receivable	(1,868,173.00)	-	-	-	-	-	274,000.00	135,000.00	(1,440,389.69)
County Open Space Receivable	(50,000.00)	566,783.31	-	-	-	-	50,000.00	-	(100,000.00)
Reserve for Capital Project - Curbing	183.13	-	-	-	-	-	-	-	183.13
Reserve for Capital Project - Open Space	33,808.25	-	-	-	-	-	-	-	33,808.25
Improvement Authorizations:									
99-16 Ridgewood Road	(7,666.41)	-	-	-	-	-	-	-	(7,666.41)
00-03 Senior Recreation Center	663.88	-	-	-	663.88	-	-	-	-
01-03 Parking Lots and Roads	1,250.22	-	-	-	-	-	-	-	1,250.22
02-01 Public Works Vehicle	(500.00)	-	-	-	-	-	-	-	(500.00)
02-06 Recreation Facilities	-	-	-	-	-	-	-	5,523.35	5,523.35
03-02 Bicycle/Pedestrian Amenities	(6,562.50)	-	-	-	-	-	-	-	(6,562.50)
03-17 Purchase of Fire Equipment	2,683.10	-	-	-	-	-	-	-	2,683.10
05-01 Reconstruction of Roadways & Bikeways	-	-	-	-	-	-	2,090.50	7,494.35	5,403.85
06-14 Roadways, Sidewalks, Curbing, etc.	(285,000.00)	-	-	-	-	-	-	285,000.00	-
06-15 RCA Housing	70,000.00	-	-	-	-	-	-	-	70,000.00
06-16 Roadways, Sidewalks, Curbing, etc.	(71,000.00)	-	-	-	-	-	-	71,000.00	-
06-17 Roadways, Sidewalks, Curbing, etc.	-	-	-	-	-	-	-	9,945.50	9,945.50
08-02 Roadways, Sidewalks, etc. - Alden Road	-	-	-	-	-	-	-	47,992.08	47,992.08
08-03 Senior Center & Rec Facilities	12,360.25	-	-	-	13,945.59	-	214.66	1,800.00	(76,000.00)
09-08 Roadways, Sidewalks, Curbing, etc.	(76,000.00)	-	-	-	943.75	-	-	-	1,468.37
09-09 Acquisition of Open Space (2003-16)	2,412.12	-	-	-	-	-	-	-	-
09-10 Improvements to Municipal B & G	-	-	-	-	-	-	-	-	-
10-01 Roadways, Sidewalks, Curbing, Bikepath	132,762.25	-	-	-	1,344.50	-	-	-	131,417.75
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	45,989.86	-	-	-	-	-	3,458.00	-	29,743.36
13-08 Bikeway	153,500.00	-	-	-	16,246.50	-	-	-	127,724.50
13-09 Recreation Equipment	52,500.00	-	-	-	25,775.50	-	-	-	(37,499.13)
14-04 Lucas House	-	-	-	-	88,674.13	-	1,325.00	-	35,066.50
14-06 Bikeway	-	-	-	-	16,183.50	-	-	51,250.00	20,960.50
14-07 Roadways, Sidewalks, Curbing, Bikepath	-	-	-	-	4,789.50	-	-	25,750.00	11,709.17
14-09 Recreation Equipment	-	-	-	-	192,040.83	-	-	50,500.00	27,937.90
Total	\$ 293,079.36	570,530.14	-	-	360,607.68	406,000.00	1,833,171.54	1,833,171.54	97,001.82

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013		\$ 103,483.09
Increased by:		
2013 Budget Appropriation	25,000.00	
	25,000.00	25,000.00
		128,483.09
Decreased by:		
Improvement Authorizations Funded	7,250.00	
	7,250.00	7,250.00
Balance December 31, 2014		\$ <u><u>121,233.09</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2013		\$ 3,496,092.03
Decreased by:		
Serial Bonds Paid	400,000.00	
Green Trust Loans Paid	<u>25,103.84</u>	
		<u>425,103.84</u>
Balance December 31, 2014		\$ <u><u>3,070,988.19</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance			
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
99-16	Ridgewood Road	\$ 7,666.41	-	-	-	7,666.41	-	7,666.41	-	
02-01	Acquisition of Public Works Vehicle	500.00	-	-	-	500.00	-	500.00	-	
03-02	Bicycle/Pedestrian Amenities	6,562.50	-	-	-	6,562.50	-	6,562.50	-	
06-14	Roadways, Sidewalks, Curbing etc.	285,000.00	-	-	-	285,000.00	285,000.00	-	-	
06-16	Roadways, Sidewalks, Curbing etc.	71,000.00	-	-	-	71,000.00	71,000.00	-	-	
09-08	Roadways, Sidewalks, Curbing etc.	76,000.00	-	-	-	76,000.00	-	76,000.00	-	
10-01	Roadways, Sidewalks, Curbing, Bikepath	57,000.00	-	-	-	57,000.00	-	-	57,000.00	
11-06	Public Works Equipment	47,500.00	-	-	-	47,500.00	-	47,500.00	-	
11-08	Roadways, Sidewalks, Curbing, Bikepath	109,250.00	-	-	-	109,250.00	-	109,250.00	-	
11-09	Roadways, Sidewalks, Curbing, Bikepath	14,250.00	-	-	-	14,250.00	-	14,250.00	-	
12-06	Bikeway	38,000.00	-	-	-	38,000.00	-	-	38,000.00	
13-08	Bikeway	66,500.00	-	-	-	66,500.00	-	-	66,500.00	
13-09	Recreation Equipment	47,500.00	-	-	-	47,500.00	-	37,499.13	10,000.87	
14-04	Lucas House	-	23,750.00	-	-	23,750.00	-	-	23,750.00	
14-06	Bikeway	-	9,250.00	-	-	9,250.00	-	-	9,250.00	
14-07	Roadways, Sidewalks, Curbing, Bikepath	-	71,250.00	-	-	71,250.00	-	-	71,250.00	
14-09	Recreation Equipment	-	9,500.00	-	-	9,500.00	-	-	9,500.00	
		<u>\$ 826,728.91</u>	<u>113,750.00</u>	<u>-</u>	<u>-</u>	<u>940,478.91</u>	<u>356,000.00</u>	<u>299,228.04</u>	<u>285,250.87</u>	
							Improvement Authorizations Unfunded	285,250.87		
							Less:			
							Unexpended Proceeds of Bond	-		
							Anticipation Notes Issued:			
							Ord. Number			
							None	\$ -		
										<u>\$ 285,250.87</u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations		Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
00-03	Senior Recreation Center	4/26/2001	250,000	663.88	-	-	-	663.88	-	-
01-03	Parking Lots & Roads	3/14/2002	100,000	1,250.22	-	-	-	1,250.22	-	-
02-06	Construction of Recreation Facilities	6/26/2002	350,000	-	-	-	-	(5,523.35)	5,523.35	-
03-17	Purchase of Fire Equipment	12/15/2003	40,000	2,683.10	-	-	-	2,683.10	-	-
05-01	Bikeway Phase	2/9/2005	300,000	-	-	-	-	(5,403.85)	5,403.85	-
06-15	RCA Housing	11/20/2006	1,470,000	70,000.00	-	-	-	70,000.00	-	-
06-16	Roadways, Sidewalks, Curbing etc.	12/18/2006	100,000	-	-	-	-	-	-	-
06-17	Roadways, Sidewalks, Curbing etc.	12/18/2006	227,000	-	-	-	-	(9,945.50)	9,945.50	-
08-02	Roadways, Sidewalks, etc. - Alden Road	3/26/2008	200,000	-	-	-	-	(47,992.08)	47,992.08	-
08-03	Senior Center & Rec Facilities	3/26/2008	500,000	12,360.25	-	-	-	12,360.25	-	-
09-08	Roadways, Sidewalks, Curbing etc.	8/15/2009	300,000	-	-	-	-	-	-	-
09-09	Acquisition of Open Space (2003-16)	8/15/2009	260,000	2,412.12	-	-	-	943.75	1,468.37	-
10-01	Roadways, Sidewalks, Curbing, Bikepath	3/24/2010	240,000	132,762.25	57,000.00	-	-	1,344.50	131,417.75	57,000.00
11-08	Roadways, Sidewalks, Curbing, Bikepath	7/13/2011	280,000	-	-	-	-	-	-	-
11-09	Roadways, Sidewalks, Curbing, Bikepath	11/9/2011	40,000	-	-	-	-	-	-	-
12-06	Bikeway	11/12/2012	140,000	45,989.86	38,000.00	-	-	16,246.50	29,743.36	38,000.00
13-08	Bikeway	8/14/2013	220,000	153,500.00	66,500.00	-	-	25,775.50	127,724.50	66,500.00
13-09	Recreation Equipment	12/11/2013	100,000	52,500.00	47,500.00	-	-	89,999.13	-	10,000.87
14-04	Lucas House	2/18/2014	75,000	-	-	51,250.00	-	16,183.50	35,066.50	23,750.00
14-06	Bikeway	5/14/2014	35,000	-	-	25,750.00	-	4,789.50	20,960.50	9,250.00
14-07	Roadways, Sidewalks, Curbing, Bikepath	5/14/2014	275,000	-	-	203,750.00	-	192,040.83	11,709.17	71,250.00
14-09	Recreation Equipment	10/8/2014	60,000	-	-	50,500.00	-	22,562.10	27,937.90	9,500.00
				\$ 474,121.68	209,000.00	331,250.00	113,750.00	314,044.66	528,826.15	285,250.87

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014				Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount	Interest Rate	Balance Dec. 31, 2013					
General Obligation Bonds of 2004	10/1/2004	2,100,000	2015	200,000.00	3.625%	\$ 1,110,000.00	-	200,000.00	910,000.00		
			2016	210,000.00	3.750%						
			2017	240,000.00	3.750%						
			2018	260,000.00	4.000%						
General Obligation Bonds of 2009	8/15/2009	2,760,000	2015	200,000.00	3.000%	2,210,000.00	-	200,000.00	2,010,000.00		
			2016	210,000.00	3.000%						
			2017	220,000.00	3.000%						
			2018	230,000.00	4.000%						
			2019	230,000.00	4.000%						
			2020	230,000.00	4.000%						
			2021	220,000.00	4.000%						
			2022	230,000.00	4.000%						
			2023	230,000.00	4.000%						
							\$ 3,320,000.00		400,000.00	2,920,000.00	

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Greenway Project	5/15/2002	346,162	2015	19,849.69	2.000% \$	155,832.16	-	19,458.57	136,373.59
			2016	20,248.68					
			2017	20,655.67					
			2018	21,070.85					
			2019	21,494.37					
Acquisition of Hillard's Creek			2020	21,926.41					
			2021	11,127.93					
		96,849	2015	5,758.73	2.000%	20,259.87	-	5,645.27	14,614.60
			2016	5,874.49					
			2017	2,981.38					
						\$ 176,092.03		25,103.84	150,988.19

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
* Roadways, Sidewalks, Curbing	2006-14	12/31/2014	12/31/2014	12/31/2015	None	-	285,000.00	-	285,000.00
* Roadways, Sidewalks, Curbing	2006-16	12/31/2014	12/31/2014	12/31/2015	None	-	71,000.00	-	71,000.00
					\$	-	356,000.00	-	356,000.00

* Bond Anticipation Note is held by current fund

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance	2014	Debt	Other	Balance
		Dec. 31, 2013	Authorizations	Issued		Dec. 31, 2014
99-16	Ridgeewood 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
06-14	Roadways, Sidewalks, Curbing, etc.	285,000.00	-	285,000.00	-	-
06-16	Roadways, Sidewalks, Curbing, etc.	71,000.00	-	71,000.00	-	-
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
13-08	Bikeway	66,500.00	-	-	-	66,500.00
13-09	Recreation Equipment	47,500.00	-	-	-	47,500.00
14-04	Lucas House	-	23,750.00	-	-	23,750.00
14-06	Bikeway	-	9,250.00	-	-	9,250.00
14-07	Roadways, Sidewalks, Curbing, Bikepath	-	71,250.00	-	-	71,250.00
14-09	Recreation Equipment	-	9,500.00	-	-	9,500.00
		<u>\$ 826,728.91</u>	<u>113,750.00</u>	<u>356,000.00</u>	<u>-</u>	<u>584,478.91</u>

**SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2013	\$ 33,918.77	1,712.46
Increased by Receipts:		
Collector	277,857.51	-
Miscellaneous Revenue	8,466.00	-
State of NJ NJEIT 2010	-	4,962.00
Bond Anticipation Notes - Due to Current Fund	-	140,000.00
Interest Earned	-	-
Due from General Capital	-	6,000.00
Due from Current Fund	8,000.00	-
	294,323.51	150,962.00
	328,242.28	152,674.46
Decreased by Disbursements:		
Current Year Appropriation	294,991.91	-
Prior Year Appropriations	1,100.11	-
Improvement Authorizations	-	152,272.45
Accrued Interest on Bonds and Notes	30,591.15	-
Due to Current Fund	-	-
	326,683.17	152,272.45
Balance December 31, 2014	\$ 1,559.11	402.01

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013		Receipts		Disbursements		Transfers		Balance Dec. 31, 2014	
			Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$	258,240.53								223,940.53
Due to Sewer Operating		127,418.32					34,300.00	34,300.00		161,718.32
Capital Improvement Fund		5,000.00								5,000.00
Reserve for Debt Service		1,960.18								1,960.18
Encumbrances Payable		160,130.06					160,130.06	8,211.40		8,211.40
Reserve to Pay Notes										-
Due to General Capital		13,985.41	6,000.00					135,000.00		154,985.41
Due from USDA		(175,000.00)								(175,000.00)
Due from NJDOT - Grant		(190,000.00)						142,500.00		(47,500.00)
NJEIT Receivable (2002)		(69,701.00)								(69,701.00)
NJEIT Receivable (2010)		(547,423.00)	4,962.00							(542,461.00)
Reserve for Amortization		277,500.00					277,500.00			-
Reserve for Improvements		40,000.00								40,000.00
Improvement Authorizations:										
Ord.										
Number										
01-01 Collection System		(46,468.06)								(46,468.06)
09-12 Replace Sewer Main		142,818.38		140,000.00	10,030.04		2,719.44	13,719.44		143,788.34
11-07 Reconstruction of Sanitary Sewer System		3,251.64			142,242.41		5,491.96	146,410.62		141,927.89
	\$	1,712.46	10,962.00	140,000.00	152,272.45	-	480,141.46	480,141.46		402.01

**SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2013		\$ 33,918.77
Increased by Receipts:		
Consumer Accounts Receivable	294,323.51	
	<hr/>	<hr/>
		294,323.51
		328,242.28
Payments to Treasurer		<hr/>
		326,683.17
Balance December 31, 2014		\$ <u><u>1,559.11</u></u>

**SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2013	\$	264.35
Increased by Receipts:		
Consumer Accounts Charges and Levies	275,624.00	
Overpayments & Adjustments	396.76	
		276,020.76
		276,285.11
Decreased by Disbursements:		
Collections	274,959.43	
Overpayments Applied	828.11	
		275,787.54
Balance December 31, 2014	\$	497.57

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	486.92	486.92	-	486.92	-
Other Expenses	14,443.07	14,443.07	1,100.11	13,342.96	-
	<u>14,929.99</u>	<u>14,929.99</u>	<u>1,100.11</u>	<u>13,829.88</u>	<u>-</u>
\$	<u>14,929.99</u>	<u>14,929.99</u>	<u>1,100.11</u>	<u>13,829.88</u>	<u>-</u>

**SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE**

Balance December 31, 2013		\$	30,591.15
Increased by:			
Budget Appropriations			28,580.74
			28,580.74
			59,171.89
Decreased By:			
Payments of Debt Service Interest			30,591.15
			30,591.15
			28,580.74
Balance December 31, 2014		\$	28,580.74

Analysis of Accrued Interest December 31, 2014

	Principal Outstanding December 31, 2014	Interest Rate	From	To	Days	Amount
<u>Serial Bonds</u>						
\$	1,465,000.00	Var	8/1/2014	12/31/2014	152	18,726.57
<u>NJEIT Bond & Loan</u>						
	275,000.00	Var	8/1/2014	12/31/2014	152	5,687.50
	240,000.00	Var	8/1/2014	12/31/2014	152	4,166.67
						28,580.74
						28,580.74

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

Ord #	Improvement Description	Ord. Date	Amount	Authorizations			Paid or Charged	Balance December 31, 2014	
				Balance December 31, 2013 Funded	Balance December 31, 2013 Unfunded	Other Funding		Deferred Charges to Future Taxation	Funded
2009-12	Replace Sewer Main	8/26/2009	1,200,000	142,818.38	150,290.00	-	(969.96)	143,788.34	150,290.00
2011-07	Reconstruction of Sanitary Sewer System	7/13/2011	957,500	62,853.05	332,898.59	-	1,323.75	141,927.89	252,500.00
				<u>205,671.43</u>	<u>483,188.59</u>	<u>-</u>	<u>353.79</u>	<u>285,716.23</u>	<u>402,790.00</u>
			\$						

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014				Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount	Amount	Interest Rate					
Sewer Utility Refunding Bonds of 2010	10/19/2010	1,780,000	2/1/2015	115,000.00	2.500%	\$	1,575,000.00	-	110,000.00	1,465,000.00	
			2/1/2016	120,000.00	2.500%						
			2/1/2017	120,000.00	2.500%						
			2/1/2018	125,000.00	3.000%						
			2/1/2019	125,000.00	3.000%						
			2/1/2020	130,000.00	3.000%						
			2/1/2021	140,000.00	3.250%						
			2/1/2022	140,000.00	3.250%						
			2/1/2023	145,000.00	3.375%						
			2/1/2024	150,000.00	3.500%						
		2/1/2025	155,000.00	3.500%							
						\$	1,575,000.00	-	110,000.00	1,465,000.00	

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	December 31, 2014 Amount					
Sewer Improvements Trust Series 2002A	11/1/2002	523,001	2/1/2015	4,429.15	N/A	\$ 249,638.83	-	29,349.21	220,289.62
			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						

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Sewer Improvements Trust Series 2002A	3/10/2010	779,710	2/1/2015	14,439.07	N/A	693,075.58	-	43,317.21	649,758.37
			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						
						\$ 942,714.41	-	72,666.42	870,047.99

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Reconstruction of Sanitary Sewer	*11-07	12/31/2012	12/31/2013 12/31/2014	12/31/2014 12/31/2015	NONE NONE	\$ 200,000.00	340,000.00	200,000.00	- 340,000.00
						<u>\$ 200,000.00</u>	<u>340,000.00</u>	<u>200,000.00</u>	<u>340,000.00</u>

* Bond Anticipation Notes are held by current fund

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
2001-01	Sewer Construction Collection System	\$ 46,468.06	-	-	-	46,468.06
2009-12	Replace Sewer Main	150,290.00	-	-	-	150,290.00
2011-07	Reconstruction of Sanitary Sewer	392,500.00	-	140,000.00	-	252,500.00
		<u>\$ 589,258.06</u>	<u>-</u>	<u>140,000.00</u>	<u>-</u>	<u>449,258.06</u>

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

	Trust Fund I	Trust Fund II
Balance December 31, 2013	\$ 3,067.11	\$ 2,428.45
Increased By Receipts:		
State Aid	\$ 1,700.00	
Interest	-	1,700.00
	3,067.11	4,128.45
Decreased By Disbursements:		
Public Assistance	2,520.00	2,520.00
Balance December 31, 2014	\$ 3,067.11	\$ 1,608.45

See Accompanying Auditor's Report

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

	Trust Fund I	Trust Fund II
Balance December 31, 2013	\$ 3,067.11	\$ 1,608.45
Increased By Receipts:		
State Aid	\$ -	-
Due to Current Fund	-	-
Interest	-	-
	3,067.11	1,608.45
Decreased By Disbursements:		
General Assistance	-	-
Balance January 31, 2015	\$ 3,067.11	\$ 1,608.45
Reconciliation January 31, 2015		
Balance on Deposit per Statement:		
Bank of America	\$ -	-
Less: Outstanding Checks	-	-
Plus: Deposits in Transit	-	-
Book Balance	\$ -	\$ -

See Accompanying Auditor's Report

**PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES**

	Trust Fund I	Trust Fund II
Interest	\$ -	\$ -
State Aid	-	1,700.00
Total Revenues (PATF)	-	1,700.00
Due to Current Fund	-	-
Total Receipts (PATF)	\$ -	\$ 1,700.00

SCHEDULE OF EXPENDITURES

	Trust Fund I	Trust Fund II
Current Year Assistance (State Matching):		
Client Assistance	\$ -	\$ 2,520.00
Total Reported	-	2,520.00
Total Disbursements (PATF)	\$ -	\$ 2,520.00

BOROUGH OF GIBBSBORO

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2014

BOROUGH OF GIBBSBORO

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S.A. 40A: 11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Due to the Borough not having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$26,000.

The governing body of the Borough of Gibbsboro has the responsibility of determining whether the expenditures in any category will exceed \$17,500 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.

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any payments in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies" 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. 40A:11-6.

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, on January 7, 2014, 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 2014.

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

BOROUGH OF GIBBSBORO

GENERAL COMMENTS (CONTINUED)

Delinquent Taxes and Tax Title Liens

The tax sale was held on December 17, 2014 and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2014	3
2013	3
2012	3

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 2014 and 2015 Taxes	10
Payment of Sewer Rents	10
Total	<u>20</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

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.

BOROUGH OF GIBBSBORO

FINDINGS AND RECOMMENDATIONS

Finding #2014-1:

Criteria:

Interfund receivables and payables arise from transactions between funds and are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Condition:

Several interfunds exist among all the Borough's funds that consist of amounts from the current year and prior years.

Cause:

The interfunds are the result of funds being advanced to other funds for expenditures made during the year.

Effect:

The interfund balances affect the operating positions of the funds involved.

Recommendation:

That all interfund balances be liquidated at year end.

Management Response

The Chief Financial Officer will attempt to close out the interfunds prior to year end.

In accordance with Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Borough in response to my recommendations.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Ford, Scott & Associates, L.L.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 31, 2015

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