

## SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a summary or synopsis of the audit report, together with the recommendations, is the minimum required to be published pursuant to NJSA 40A:5-7.

Summary or Synopsis of 2017 Audit Report of the  
Borough of Paulsboro as required by NJSA 40A:5-7

### COMPARATIVE BALANCE SHEET

	December 31,	
	Year 2017	Year 2016
<b>ASSETS</b>		
Cash and Investments	\$ 7,429,986.99	\$ 5,102,302.80
Taxes, Utility and Liens Receivable	1,436,573.53	1,341,181.21
Property Acquired for Taxes - Assessed Value	1,009,700.00	1,009,700.00
Deferred Charges to Future Taxation - Other Funds	1,006.83	15,161.10
Deferred Charges to Future Taxation - General Capital	10,573,057.84	6,402,154.86
Fixed Capital	14,356,369.65	14,356,369.65
Fixed Capital - Authorized & Uncompleted - Utility	6,125,066.21	2,777,666.21
General Fixed Assets		16,290,400.09
Accounts Receivable	3,221,896.41	3,378,676.39
	<u>\$ 44,153,657.46</u>	<u>\$ 50,673,612.31</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>		
Bonds and Notes Payable	\$ 12,261,415.10	\$ 10,278,797.17
Other Liabilities and Special Funds	3,839,519.14	3,366,743.77
Improvement Authorizations	9,716,966.52	2,731,709.41
Reserves for Certain Assets Receivable	2,584,444.04	2,615,469.91
Amortization of Debt for Fixed Capital	13,337,228.60	13,257,393.55
Investment in Fixed Assets	0.00	16,290,400.09
Fund Balance	2,414,084.06	2,133,098.31
	<u>\$ 44,153,657.46</u>	<u>\$ 50,673,612.21</u>

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND**

	Year 2017	Year 2016
<b>Revenue &amp; Other Income Realized</b>		
Fund Balance Utilized	\$ 808,324.00	\$ 138,102.31
Miscellaneous - From Other Than Local Property		
Tax Levies	2,740,843.61	3,178,719.48
Collection of Delinquent Taxes & Tax Title Liens	532,644.00	667,143.57
Collection of Current Tax Levy	13,067,630.00	12,528,744.21
	17,149,441.61	16,512,709.57
 <b>Expenditures</b>		
Budget Expenditures:		
Municipal Purposes	7,426,467.03	7,487,849.87
County Taxes	2,523,404.96	2,453,630.79
Local School Taxes	6,117,249.00	5,696,372.00
Other Expenditures	96,458.77	256,294.93
	16,163,579.76	15,894,147.59
Excess in Revenue	985,861.85	618,561.98
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		8,288.65
		8,288.65
Statutory Excess to Fund Balance	985,861.85	626,850.63
Fund Balance January 1	1,433,722.01	944,973.69
	2,419,583.86	1,571,824.32
Less: Utilization as Anticipated Revenue	808,324.00	138,102.31
Fund Balance December 31	\$ 1,611,259.86	\$ 1,433,722.01

Operating	1,480,000.00	1,425,616.42
Capital Improvements	5,000.00	5,000.00
Debt Service	169,246.72	146,136.22
Deferred Charges & Statutory Expenditures	<u>195,350.25</u>	<u>102,749.26</u>
	<u>1,849,596.97</u>	<u>1,679,501.90</u>
Excess in Revenue	400,665.70	532,237.47
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>1,006.83</u>	<u>816.42</u>
Statutory Excess to Fund Balance	401,672.53	533,053.89
Fund Balance January 1	<u>668,496.89</u>	<u>457,643.26</u>
	1,070,169.42	990,697.15
Less: Utilization as Anticipated Revenue	<u>314,964.63</u>	<u>322,200.26</u>
Fund Balance December 31	<u>\$ 755,204.79</u>	<u>\$ 668,496.89</u>

## FINDINGS AND RECOMMENDATIONS

### MATERIAL WEAKNESSES

\*2017-001: Finding: The required journal entries to lapse appropriation reserves, cancel encumbrances, adjust interfund receivables/payables, record the tax levies, transfer delinquent taxes to tax title liens, record tax appeals, and recognize tax overpayments were not posted to the general ledger. Expenditures for appropriation reserves were commingled with current year appropriations and accounts payable.

Recommendation: The Chief Financial Officer ensure that required journal entries are made to the general ledger.

### COMPLIANCE

\*2017-002: Finding: There was one line item in the Utility Operating Fund appropriation reserve budget that was an expenditure without appropriation for \$1,006.83 which resulted from a prior year line item that was overexpended.

Recommendation: The CFO ensure sufficient appropriations are available in budget line items prior to encumbering/expending funds; and, if not, secure the transfer resolution within the prescribed statutory period.

\* These recommendations appeared in prior reports and corrective action was not taken.

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The above summary or synopsis was prepared from the Report of Audit of the Borough of Paulsboro, County of Gloucester for the calendar year 2017. This report of Audit, submitted by Nick L. Petroni, Registered Municipal Accountant, of Petroni & Associates LLC, is on file at the City Clerk's office and may be inspected by any interested person.

Kathy VanScoy  
Borough Clerk