

REPORT OF AUDIT

BOROUGH OF ALPHA

COUNTY OF WARREN

DECEMBER 31, 2009

BOROUGH OF ALPHA, N.J.
YEAR ENDED DECEMBER 31, 2009
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BOROUGH OF ALPHA

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITOR'S REPORT

September 14, 2010

The Honorable Mayor and
Members of the Borough Council
Borough of Alpha
1001 East Boulevard
Alpha, New Jersey 08865

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Alpha in the County of Warren, as of and for the years ended December 31, 2009 and 2008, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2009. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits 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, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



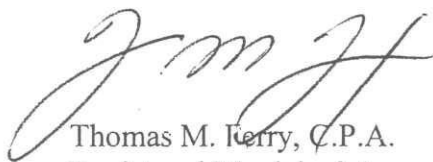
The Honorable Mayor and
Members of the Borough Council
September 14, 2010
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In our opinion, because of the Borough of Alpha's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Alpha, New Jersey as of December 31, 2009 and 2008 or the results of its operation for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Alpha, New Jersey at December 31, 2009 and 2008, and the results of its operations and the changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2009, on the basis of accounting described in Note 1.

In accordance with the Government Auditing Standards, we have also issued a report dated September 14, 2010 on our consideration of the Borough of Alpha, New Jersey internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Alpha, State of New Jersey, taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Alpha, State of New Jersey. Such information has been subject to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Thomas M. Kerry, C.P.A.
Registered Municipal Accountant
No. 497

Ferraioli, Wielkutz, Cerullo, + Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	2,338,223.56	1,870,132.96
Change Fund	A-5	175.00	175.00
		<u>2,338,398.56</u>	<u>1,870,307.96</u>
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-6	14,425.32	14,012.31
		<u>2,352,823.88</u>	<u>1,884,320.27</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	192,973.02	153,220.76
Tax Title Liens Receivable	A-8	12,250.75	2,701.88
Property Acquired for Taxes	A-9	9,592.50	9,592.50
Revenue Accounts Receivable	A-10	3,283.06	2,470.34
Interfund Receivables:			
Federal and State Grants	A-11	537.89	
Animal Control Trust Fund	A-11	3.55	2.68
Water/Sewer Operating Fund	A-11		14,910.14
		<u>218,640.77</u>	<u>182,898.30</u>
Deferred Charges:			
Special Emergency	A-12	25,000.00	
		<u>25,000.00</u>	
		<u>2,596,464.65</u>	<u>2,067,218.57</u>
Federal and State Grant Fund:			
Cash	A-4	3,034.02	8,890.18
Interfund Current Fund	A-21		4,687.88
Grants Receivable	A-22	32,444.81	
		<u>35,478.83</u>	<u>13,578.06</u>
		<u>2,631,943.48</u>	<u>2,080,796.63</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	124,643.58	131,397.46
Encumbrances Payable	A-14	11,865.94	44,241.53
Prepaid Taxes	A-15	18,629.24	28,122.88
Interfunds Payable:			
Federal and State Grant Fund	A-11		4,687.88
Other Trust Fund	A-11	488,768.54	396,786.99
General Capital Fund	A-11	178,703.76	119,567.35
Public Assistance Fund	A-11	297.00	297.00
Local School Taxes Payable	A-18	350,354.88	71,194.88
Tax Overpayments	A-16	13,830.22	
County Taxes Payable	A-17	259.28	6,698.16
Due State of NJ Marriage License	A-20	25.00	50.00
Due State of NJ DCA Fees	A-20	1,089.00	190.00
Reserve for:			
Plumbing Inspections	A-20	2,769.00	3,124.00
Master Plan	A-20	10,526.44	12,593.44
Revaluation of Real Property	A-20	2,289.00	2,289.00
Community Day	A-20	4,288.14	2,405.50
		<u>1,208,339.02</u>	<u>823,646.07</u>
Reserve for Receivables	Contra	218,640.77	182,898.30
Fund Balance	A-1	1,169,484.86	1,060,674.20
		<u>2,596,464.65</u>	<u>2,067,218.57</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-21	537.89	
Appropriated Reserve for Grants	A-23	32,042.38	12,729.30
Unappropriated Reserve for Grants	A-24	2,898.56	848.76
		<u>35,478.83</u>	<u>13,578.06</u>
		<u>2,631,943.48</u>	<u>2,080,796.63</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	243,000.00	238,000.00
Miscellaneous Revenue Anticipated	A-2	810,538.54	452,385.05
Receipts from Delinquent Taxes	A-2	123,387.09	165,603.39
Receipts from Current Taxes	A-2	5,737,933.51	5,755,896.94
Non-Budget Revenue	A-2	178,189.42	160,408.83
Other Credits to Income:			
Encumbrances Cancelled	A-14	38,343.45	43,004.85
Interfund Returned	A-11	14,910.14	13,043.24
Unexpended Balance of Appropriation Reserves	A-13	92,709.44	38,698.90
Stale dated Checks Voided			2,392.48
County Taxes Canceled			343.66
Cancellation of Various Reserves			560.00
Total Revenues and Other Income		<u>7,239,011.59</u>	<u>6,870,337.34</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	324,408.00	308,613.00
Other Expenses	A-3	934,564.00	879,350.00
Deferred Charges and Statutory Expenditures - Municipal - Within Caps	A-3	61,577.00	26,500.00
Operations - Excluded from Caps:			
Salaries and Wages	A-3	65,000.00	169.14
Other Expenses	A-3	613,054.91	628,030.06
Capital Improvement Fund-Excluded from Caps	A-3	478,500.00	193,500.00
Municipal Debt Service - Excluded from Caps	A-3	242,812.69	245,468.05
Deferred Charges and Statutory Expenditures - Municipal - Excluded from Caps	A-3	20,000.00	18,000.00
Judgments	A-3	10,000.00	10,000.00
Interfund Advances	A-11	538.76	2.68
County Taxes including Added Taxes	A-17	1,319,487.31	1,394,981.43
Local School District Tax	A-18	2,756,804.00	2,748,105.00
Municipal Open Space Tax	A-19	85,454.26	85,872.33
Total Expenditures		<u>6,912,200.93</u>	<u>6,538,591.69</u>
Excess (Deficit) Revenue Over Expenditures		326,810.66	331,745.65
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		25,000.00	
Statutory Excess to Fund Balance		351,810.66	331,745.65
Fund Balance, January 1,	A	<u>1,060,674.20</u>	<u>966,928.55</u>
		1,412,484.86	1,298,674.20
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-1	<u>243,000.00</u>	<u>238,000.00</u>
Fund Balance, December 31,	A	<u>1,169,484.86</u>	<u>1,060,674.20</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	243,000.00		243,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	4,000.00		5,996.16	1,996.16
Other Licenses	A-10	1,450.00		1,351.00	(99.00)
Municipal Court Fines and Costs	A-10	40,000.00		39,746.25	(253.75)
Interest and Costs on Taxes	A-10	30,000.00		31,141.40	1,141.40
Interest on Investments and Deposits	A-10	45,000.00		14,669.82	(30,330.18)
Consolidated Municipal Property Tax Relief Aid	A-10	81,388.00		81,388.00	
Energy Receipts Tax	A-10	192,079.00		192,079.00	
Uniform Construction Code Fees	A-10	15,000.00		22,415.00	7,415.00
Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services:					
Public and Private Revenues:					
Clean Communities Grant	A-22	5,903.15		5,903.15	
Reserve for Recycling Tonnage Grant	A-22	848.76		848.76	
Highlands Grant	A-22	65,000.00		65,000.00	
NJDOT - Safe Routes to School	A-11	250,000.00		250,000.00	
Other Special Items:					
Utility Operating Surplus	A-10	100,000.00		100,000.00	
Total Miscellaneous Revenues	A-1	830,668.91		810,538.54	(20,130.37)
Receipts from Delinquent Taxes	A-1;A-2	145,000.00		123,387.09	(21,612.91)
Subtotal General Revenues		1,218,668.91		1,176,925.63	(41,743.28)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	1,756,885.00		1,826,537.94	69,652.94
Budget Totals	A-3	2,975,553.91		3,003,463.57	27,909.66
Non-Budget Revenue	A-1;A-2			178,189.42	178,189.42
		2,975,553.91		3,181,652.99	206,099.08

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2009

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1;A-7	5,737,933.51
Allocated to School and County Taxes	A-7	<u>4,161,745.57</u>
Balance for Support of Municipal Budget Appropriations		1,576,187.94
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>250,350.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>1,826,537.94</u></u>
Receipts from Delinquent Taxes: Delinquent Taxes	A-7	<u><u>123,387.09</u></u>

Analysis of Non-Budget Revenues

	<u>Ref.</u>	
Revenues Accounts Receivable: Borough Clerk	A-10	<u>1,303.50</u>
Cable T.V. Franchise Fee		8,278.00
Treasurer Miscellaneous		74,384.56
Payment on Lieu of Taxes		2,004.95
Assessor Fees		20.00
Street Openings		3,000.00
Lease of Property		88,198.41
Sr. Cit. & Veteran Ded. Admin. Fees		<u>1,000.00</u>
	A-4	<u>176,885.92</u>
	A-2	<u><u>178,189.42</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>For 2009</u>	<u>For 2009</u> By Emergency Appropriation	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
Operations - Within "CAPS"							
General Appropriations							
General Government:							
Administrative and Executive:							
Salaries and Wages		18,000.00		18,050.00	18,001.00	49.00	
Miscellaneous Other Expenses		33,550.00		33,500.00	26,355.96	7,144.04	
Clerk:							
Salaries and Wages		82,340.00		71,340.00	69,491.65	1,848.35	
Other Expenses		8,050.00		8,050.00	4,921.54	3,128.46	
Elections:							
Other Expenses		1,500.00		1,500.00	70.00	1,430.00	
Financial Administration:							
Salaries and Wages		65,600.00		65,600.00	59,112.43	6,487.57	
Other Expenses		5,750.00		5,750.00	5,733.00	17.00	
Audit Costs		17,000.00		17,000.00	11,750.00	5,250.00	
Assessment of Taxes:							
Salaries and wages		19,000.00		19,000.00	18,210.00	790.00	
Other Expenses		3,900.00		3,900.00	3,008.84	891.16	
Collection of Taxes:							
Salaries and Wages		22,415.00		22,415.00	21,755.00	660.00	
Other Expenses		3,750.00		3,750.00	3,026.75	723.25	
Liquidation of Tax Title Liens & Foreclosed Property		450.00		450.00		450.00	
Tax Maps			25,000.00	25,000.00	25,000.00		
Legal Services and Costs:							
Other Expenses		55,000.00		57,500.00	57,092.64	407.36	
Engineering Services and Costs:							
Other Expenses		19,750.00		22,750.00	22,701.51	48.49	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>For 2009</u>	<u>For 2009</u> <u>By Emergency</u> <u>Appropriation</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
<u>General Appropriations</u>							
Public Buildings and Grounds:							
Salaries and Wages		10,500.00		10,500.00	8,811.81	1,688.19	
Other Expenses		24,100.00		24,100.00	22,448.43	1,651.57	
Municipal Land Use Law (NJS 40:55 D-1)							
Planning/Zoning Board:							
Salaries and Wages		18,968.00		18,968.00	18,851.38	116.62	
Other Expenses		36,900.00		24,950.00	6,018.43	18,931.57	
Insurance:							
General Liability		175,000.00		170,500.00	170,408.60	91.40	
Employee Group Health		75,000.00		90,500.00	90,259.54	240.46	
Fire:							
Other Expenses		28,000.00		28,000.00	28,000.00		
Police:							
Salaries and Wages		9,500.00		9,500.00	8,762.50	737.50	
Municipal Court:							
Salaries and Wages		28,460.00		28,460.00	25,632.50	2,827.50	
Other Expenses		3,750.00		3,750.00	2,949.75	800.25	
Public Defender:							
Salaries and Wages		1,350.00		1,350.00	600.00	750.00	
Prosecutor:							
Salaries and Wages		3,000.00		3,000.00	2,575.00	425.00	
Emergency Management Services:							
Salaries and Wages		2,705.00		2,705.00	2,560.00	145.00	
Other Expenses		1,750.00		1,750.00	922.48	827.52	
First Aid Contribution		8,000.00		8,000.00	8,000.00		
Streets and Roads:							
Salaries and Wages		18,000.00		18,000.00	15,221.54	2,778.46	
Other Expenses		56,750.00		62,750.00	52,521.35	10,228.65	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>For 2009</u>	<u>For 2009</u> <u>By Emergency</u> <u>Appropriation</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
Board of Health:							
Other Expenses		150.00		150.00		150.00	
Garbage:							
Salaries and Wages		2,000.00		2,000.00	1,837.94	162.06	
Other Expenses		207,164.00		207,164.00	201,231.44	5,932.56	
Animal Regulation:							
Salaries and Wages		4,000.00		4,450.00	4,416.25	33.75	
Other Expenses		5,300.00		5,300.00	5,234.37	65.63	
Celebration of Public Events:							
Other Expenses		9,000.00		9,000.00	1,075.00	7,925.00	
Utilities:							
Gasoline		14,000.00		14,000.00	7,248.45	6,751.55	
Street Lighting		25,000.00		25,000.00	23,753.67	1,246.33	
Gas (Propane)		11,000.00		11,000.00	7,385.19	3,614.81	
Telephone		16,000.00		16,000.00	15,444.58	555.42	
Electric		20,000.00		20,000.00	10,904.71	9,095.29	
Recreation Department:							
Other Expenses		6,000.00		6,000.00	3,747.76	2,252.24	
Pool Recreation:							
Other Expenses		7,500.00		7,500.00	7,500.00		
Uniform Construction Code - Appropriations							
Offset by Dedicated Revenues							
Sub-Code Officials							
Building Inspection:							
Salaries and Wages		29,070.00		29,070.00	26,096.62	2,973.38	
Other Expenses		1,000.00		1,000.00		1,000.00	
Unclassified:							
Maintaining and Upgrading Computers		14,000.00		14,000.00	13,965.24	34.76	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	Ref.	For 2009	For 2009 By Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
General Appropriations		5,000.00		5,000.00	5,000.00		
Accumulated Leave (Deferred Sick)		1,233,972.00	25,000.00	1,258,972.00	1,145,614.85	113,357.15	
Total Operations Within "CAPS"		1,233,972.00	25,000.00	1,258,972.00	1,145,614.85	113,357.15	
Total Operations Including Contingent-Within "CAPS"							
Detail:							
Salaries and Wages	A-1	334,908.00		324,408.00	301,935.62	22,472.38	
Other Expenses (Including Contingent)	A-1	899,064.00	25,000.00	934,564.00	843,679.23	90,884.77	
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"							
Deferred Charges							
Statutory Expenditures							
Contribution to:							
Public Employees' Retirement System		37,277.00		37,277.00	37,277.00		
Social Security System (O.A.S.I.)		23,000.00		23,000.00	21,969.02	1,030.98	
Unemployment Compensation Insurance		1,300.00		1,300.00	1,044.55	255.45	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	61,577.00		61,577.00	60,290.57	1,286.43	
Cash Deficit of Proceeding Year							
Total General Appropriations for Municipal Purposes within "CAPS"		1,295,549.00	25,000.00	1,320,549.00	1,205,905.42	114,643.58	
Operations - Excluded From "CAPS"							
Maintenance of Free Public Library							
Other Expenses		79,035.00		79,035.00	79,035.00		
Total Other Operations - Excluded From Caps		79,035.00		79,035.00	79,035.00		
Interlocal Municipal Service Agreements							
Police Services (Township of Pohatcong)							
Other Expenses		527,268.00		527,268.00	527,268.00		
Total Interlocal Municipal Service Agreements		527,268.00		527,268.00	527,268.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	Ref.	For 2009	For 2009 By Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
General Appropriations							
Public and Private Programs Offset By Revenues							
Clean Communities Grants							
Other Expenses		5,903.15		5,903.15	5,903.15		
Highlands Grant		65,000.00		65,000.00	65,000.00		
Reserve for Recycling Tonnage Grant		848.76		848.76	848.76		
Total Public and Private Programs Offset							
By Revenues		71,751.91		71,751.91	71,751.91		
Total Operations - Excluded from "CAPS"		678,054.91		678,054.91	678,054.91		
Detail:							
Salaries and Wages	A-1	65,000.00		65,000.00	65,000.00		
Other Expenses	A-1	613,054.91		613,054.91	613,054.91		
Capital Improvements - Excluded From "CAPS":							
Capital Improvement Fund		5,000.00		5,000.00	5,000.00		
Purchase of Fire Truck		45,000.00		45,000.00	45,000.00		
Improvements to Roads		100,000.00		100,000.00	100,000.00		
Purchase of Public Works Vehicle		10,000.00		10,000.00	10,000.00		
Purchase of Public Works Equipment		10,000.00		10,000.00	10,000.00		
Improvements to Public Property		10,000.00		10,000.00	10,000.00		
Purchase Loader/Mower		6,000.00		6,000.00	6,000.00		
Improvements to Curbing		5,000.00		5,000.00	5,000.00		
Improvements to Pedestrian Bridge		10,000.00		10,000.00	10,000.00		
Purchase of Turnout Gear		15,000.00		15,000.00	15,000.00		
Improv. To Municipal Field House - AYAA		2,500.00		2,500.00	2,500.00		
Improvement to Recreation Facility		10,000.00		10,000.00	10,000.00		
Public and Private Programs Offset By Revenues:							
NJ DOT Safe Routes to School		250,000.00		250,000.00	250,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	478,500.00		478,500.00	478,500.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	Ref.	For 2009	For 2009 By Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Municipal Debt Service - Excluded From "CAPS":							
Payment of Bond Principal		165,000.00		165,000.00	165,000.00		
Payment of Bond Anticipation and Capital Notes		30,000.00		30,000.00	29,790.00		210.00
Interest on Bonds		30,000.00		30,000.00	30,000.00		
Interest on Notes		2,400.00		2,400.00	2,364.91		35.09
N.J. Economic Development Loan		15,700.00		15,700.00	15,657.78		42.22
Total Municipal Debt Service-Excluded from "CAPS"	A-1	243,100.00		243,100.00	242,812.69		287.31
Deferred Charges - Municipal - Excluded From "CAPS"							
Deferred Charges:							
Emergency Authorization							
Deferred Charge to Unfunded Ord 07-06 Purchase of Dump Truck		20,000.00		20,000.00	20,000.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	A-1	20,000.00		20,000.00	20,000.00		
Judgments							
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	A-1	10,000.00		10,000.00		10,000.00	
(O) Total General Appropriations - Excluded From "CAPS"		1,429,654.91		1,429,654.91	1,419,367.60	10,000.00	287.31
Subtotal General Appropriations		1,429,654.91		1,429,654.91	1,419,367.60	10,000.00	287.31
Reserve for Uncollected Taxes		2,725,203.91	25,000.00	2,750,203.91	2,625,273.02	124,643.58	287.31
Total General Appropriations		250,350.00		250,350.00	250,350.00		
		2,975,553.91	25,000.00	3,000,553.91	2,875,623.02	124,643.58	287.31
			A-12			A	
Adopted Budget	A-2			2,975,553.91			
Emergency Appropriation 40A:4-47	A-12			25,000.00			
				3,000,553.91			

Borough of Alpha, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2009</u>	<u>For 2009</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Unexpended</u>
		<u>By Emergency</u>	<u>Appropriation</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>
							<u>Canceled</u>
Analysis of Paid or Charged	A-2				250,350.00		
Reserve for Uncollected Taxes	A-4				2,107,066.32		
Cash Disbursed	A-11				434,588.85		
Schedule of Interfunds	A-14				11,865.94		
Encumbrances Payable	A-23				71,751.91		
Reserve for Federal & State Grants					<u>2,875,623.02</u>		

Borough of Alpha, N.J.
Comparative Balance Sheet - Regulatory Basis
Trust Funds
December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	11.70	599.51
Other Trust Funds:			
Cash	B-1	468,871.51	481,496.80
Interfund - Current Fund	B-3	488,768.54	396,786.99
		<u>957,640.05</u>	<u>878,283.79</u>
		<u>957,651.75</u>	<u>878,883.30</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust Fund:			
Interfund - Current Fund	B-2	3.55	2.68
Reserve for Animal Control Fund Expenditures	B-4	8.15	216.83
Prepaid Licenses	B-6		380.00
		<u>11.70</u>	<u>599.51</u>
Other Trust Fund:			
Reserve for:			
Escrow Deposits	B-7	305,099.61	311,430.35
Accumulated Leave	B-7	30,000.00	25,000.00
Tax Sale Premiums	B-7	10,300.00	10,300.00
Open Space	B-7	572,589.20	486,472.77
Veterans Memorial Park	B-7	3,040.95	3,033.75
POAA	B-7	6.00	4.00
Public Defender	B-7	505.34	105.00
Pool Fundraiser	B-7	2,207.53	2,204.22
Payroll	B-7	14,443.90	
Historical Trust	B-7	215.78	890.02
SWR-Mun. Alliance	B-7	19,231.74	38,843.68
		<u>957,640.05</u>	<u>878,283.79</u>
		<u>957,651.75</u>	<u>878,883.30</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.
Comparative Balance Sheet - Regulatory Basis
General Capital Fund
December 31, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Cash	C-2	43,933.41	151,983.20
Deferred Charges to Future Taxation:			
Funded	C-4	435,500.00	614,750.00
Unfunded	C-6	74,504.42	125,252.21
Due From State of New Jersey Department of Transportation	C-5	955,519.98	40,280.98
Interfund Receivable - Current Fund	C-12	178,703.76	119,567.35
		<u>1,688,161.57</u>	<u>1,051,833.74</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-7	350,000.00	515,000.00
N.J. Economic Development Loan Payable	C-8	85,500.00	99,750.00
Bond Anticipation Notes Payable	C-9	54,252.21	85,000.00
Improvement Authorizations:			
Funded	C-10	1,027,994.14	158,802.70
Unfunded	C-10	1,680.74	1,680.74
Capital Improvement Fund	C-11	18,517.46	22,317.46
Various Reserves	C-13	146,149.34	158,804.68
Fund Balance	C-1	4,067.68	10,478.16
		<u>1,688,161.57</u>	<u>1,051,833.74</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued in the amount of \$21,000.00 on December 31, 2009. See Exhibit C-14.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Alpha, N.J.
Statement of Changes in Fund Balance - Regulatory Basis
General Capital Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	10,478.16
Increased by:		
Improvement Authorizations Canceled	C-10	5,350.52
Various Reserves Canceled	C-13	<u>63,000.00</u>
		<u>68,350.52</u>
Decreased by:		<u>78,828.68</u>
Appropriated to Finance		
Improvement Authorizations	C-10	<u>74,761.00</u>
Balance - December 31, 2009	C	<u><u>4,067.68</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Comparative Balance Sheet - Regulatory Basis

Water / Sewer Utility Fund

December 31, 2009 and 2008

	<u>Ref</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Operating Fund:			
Cash-Treasurer	D-5	884,379.17	739,188.21
Change Fund	D-6	25.00	25.00
		<u>884,404.17</u>	<u>739,213.21</u>
Receivables with Full Reserves:			
Consumer Accounts	D-7	<u>50,075.93</u>	<u>49,643.21</u>
Total Operating Fund		<u>934,480.10</u>	<u>788,856.42</u>
Capital Fund:			
Cash	D-5;D-8	291,247.29	332,991.24
Interfund - Water/Sewer Operating	D-9	112,507.48	101,372.06
Fixed Capital*	D-10	<u>3,839,212.13</u>	<u>3,836,667.13</u>
Total Capital Fund		<u>4,242,966.90</u>	<u>4,271,030.43</u>
Total Assets		<u><u>5,177,447.00</u></u>	<u><u>5,059,886.85</u></u>

* The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

Comparative Balance Sheet - Regulatory Basis

Water / Sewer Utility Fund

December 31, 2009 and 2008

	<u>Ref</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4;D-11	41,014.49	78,312.07
Interfund - Water/Sewer Capital	D-9	112,507.48	101,372.06
Interfund - Current Fund	D-9		14,910.14
Encumbrances Payable	D-12	3,461.97	
Prepaid Water/Sewer Rents	D-13	252.63	2,954.09
Accrued Interest on Bonds and Notes	D-14	9,975.06	9,942.91
		<u>167,211.63</u>	<u>207,491.27</u>
Reserve for Receivables	Contra	50,075.93	49,643.21
Fund Balance	D-1	717,192.54	531,721.94
Total Operating Fund		<u>934,480.10</u>	<u>788,856.42</u>
Capital Fund:			
FHA Water Supply Loan	D-18	388,044.40	417,635.94
Various Reserves	D-15	237,692.08	280,812.62
Capital Improvement Fund	D-16	78,750.00	78,750.00
Reserve for Amortization	D-17	3,451,167.73	3,406,519.18
Fund Balance	D-2	87,312.69	87,312.69
Total Capital Fund		<u>4,242,966.90</u>	<u>4,271,030.43</u>
Total Liabilities, Reserves and Fund Balances		<u>5,177,447.00</u>	<u>5,059,886.85</u>

Footnote: There were \$12,512.01 of Bonds and Notes Authorized But Not Issued Per Exhibit D-19 on December 31, 2009.