

Borough of Alpha, N.J.
Schedule of Fixed Capital
Water / Sewer Utility Capital Fund
Year Ended December 31, 2010

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Sanitary Sewer System	1,192,007.72	1,192,007.72
Capital Outlay	34,527.75	34,527.75
Garage	20,054.13	20,054.13
Pump System Land	778.02	778.02
Springs and Wells	7,430.11	7,430.11
Chemical Treatment Plant	16,304.99	16,304.99
Pumping Station Structure	11,179.88	11,179.88
Electric Power Pumping	15,329.94	15,329.94
Softening and Iron Removal Plant	15,298.80	15,298.80
Storage Reservoir, Tank & Standpipes	11,065.72	11,065.72
Distributions Mains and Accessories	131,561.05	131,561.05
Service Pipes and Stops	20,992.51	20,992.51
Meters, Meter Boxes and Vaults	50,338.64	50,338.64
Fire Hydrants	8,661.63	8,661.63
General Equipment	53,871.99	53,871.99
Attorney Expenditures	875.95	875.95
Engineering and Superintendent	8,216.66	8,216.66
Miscellaneous Construction	717.60	717.60
Springtown Road Pump Station	307,140.50	307,140.50
Improvements to Water Supply System	562,137.92	562,137.92
Expansion of Water System	783,848.45	783,848.45
Installation of Sewer in Industrial Park	15,596.22	15,596.22
Construction of Sanitary Sewer System within Industrial Drive	348,089.45	348,089.45
Replacement of Water Mains on Hunterdon & Garfield Streets and Resurfacing	181,786.50	181,786.50
Trailer Vacuum	41,400.00	41,400.00
	<u>3,839,212.13</u>	<u>3,839,212.13</u>
	D	D

Borough of Alpha, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water / Sewer Utility Capital Fund

Year Ended December 31, 2010

Improvement Description	Ordinance		Improvement Authorizations	Balance, Dec. 31, 2010
	Date	Amount		
Hydrants/Values (10-03)	2/23/2010	35,000.00	35,000.00	35,000.00
Franklin/Ringwood Line/Hydrants/Values (10-06)	6/14/2010	70,000.00	70,000.00	70,000.00
Meters and Radio Frequency Remotes (10-18)	6/14/2010	245,000.00	245,000.00	245,000.00
Construction of a New Water Treatment Plant (10-10)	7/13/2010	2,300,000.00	2,300,000.00	2,300,000.00
			<u>2,650,000.00</u>	<u>2,650,000.00</u>

D-16

D

Borough of Alpha
Schedule of Appropriation Reserves
Water /Sewer Utility Operating Fund
Year Ended December 31, 2010

	<u>Balance, Dec. 31, 2009</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	18,373.68	18,373.68		18,373.68
Other Expenses	<u>22,637.79</u>	<u>22,637.79</u>	<u>22,551.21</u>	<u>86.58</u>
	<u>41,011.47</u>	<u>41,011.47</u>	<u>22,551.21</u>	<u>18,460.26</u>
Statutory Expenditures:				
Unemployment Compensation Fund	<u>3.02</u>	<u>3.02</u>		<u>3.02</u>
	<u>41,014.49</u>	<u>41,014.49</u>	<u>22,551.21</u>	<u>18,463.28</u>
	D		D-5	D-1

Borough of Alpha, N.J.

Schedule of Encumbrances Payable

Water / Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	3,461.97
Increased by:		
Transfer From Budget		
Appropriations	D-4	59,564.21
		<u>63,026.18</u>
Decreased by:		
Cancelled	D-1	3,461.97
		<u>3,461.97</u>
Balance - December 31, 2010	D	<u><u>59,564.21</u></u>

Schedule of Prepaid Water/Sewer Rents

Water / Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	252.63
Increased by:		
Collections	D-5	12,676.28
		<u>12,928.91</u>
Decreased by:		
Applied	D-7	252.63
		<u>252.63</u>
Balance - December 31, 2010	D	<u><u>12,676.28</u></u>

Borough of Alpha, N.J.
Schedule of Accrued Interest
Water / Sewer Utility Operating Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	9,975.06
Increased by:		
Budget Appropriations	D-4	19,000.00
		28,975.06
Decreased by:		
Disbursements	D-5	18,971.33
		18,971.33
Balance - December 31, 2010	D	10,003.73

<u>Principal Outstanding</u> <u>December 31, 2010</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u> <u>in Days</u>	<u>Required</u> <u>Amount</u>	<u>Excess/</u> <u>(Deficit)</u>	<u>Actual</u> <u>Amount</u>
366,034.65	5.0%	7/1/10	12/31/10	183	9,303.38	700.35	10,003.73

Borough of Alpha, N.J.

Schedule of Improvement Authorizations

Water / Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>2010 Authorizations</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2010</u>	
						<u>Funded</u>	<u>Unfunded</u>
10-03	Hydrants/Values	02/23/10	35,000.00	35,000.00	34,996.57	3.43	
10-06	Franklin/Ringwood Line/Hydrants/Values	06/14/10	70,000.00	70,000.00	67,908.29	2,091.71	
10-10	Construction of a New Water Treatment Plant	07/13/10	2,300,000.00	2,300,000.00			2,300,000.00
10-18	Meters and Radio Frequency Remotes	12/14/10	245,000.00	245,000.00		245,000.00	
				<u>2,650,000.00</u>	<u>102,904.86</u>	<u>247,095.14</u>	<u>2,300,000.00</u>
					D-5	D	D
		<u>Ref.</u>					
	Authorized but not Issued	D-22		2,300,000.00			
	Fund Balance	D-2		310,000.00			
	Capital Improvement Fund	D-18		40,000.00			
				<u>2,650,000.00</u>			

Borough of Alpha, N.J.
Schedule of Reserves
Water / Sewer Utility Capital Fund
Year Ended December 31, 2010

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Reserve for:				
Waste Water Treatment Plant		1,193.37		1,193.37
Hydrant Replacement	24,309.35	9,613.00	20,049.00	13,873.35
Purchase of Equipment	97,938.03		96,400.00	1,538.03
Facility and Equipment	115,444.70		113,600.00	1,844.70
	<u>237,692.08</u>	<u>10,806.37</u>	<u>230,049.00</u>	<u>18,449.45</u>
	D			D
	<u>Ref.</u>			
Cancelled to Fund Balance	D-2		230,000.00	
Cash Disbursed	D-5		49.00	
Interfund - Water Sewer Operating	D-9	10,806.37		
		<u>10,806.37</u>	<u>230,049.00</u>	

Borough of Alpha, N.J.
Schedule of Capital Improvement Fund
Water / Sewer Utility Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	78,750.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-16	<u>40,000.00</u>
Balance - December 31, 2010	D	<u><u>38,750.00</u></u>

Schedule of Reserve for Amortization
Water / Sewer Utility Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	3,451,167.73
Increased by:		
FHA Water Supply Loan	D-21	<u>22,009.75</u>
Balance - December 31, 2010	D	<u><u>3,473,177.48</u></u>

Borough of Alpha, N.J.

Schedule of Deferred Reserve for Amortization

Water / Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Increased</u>	<u>Balance, Dec. 31, 2010</u>
10-03	Hydrants/Values	2/23/2010	35,000.00	35,000.00
10-06	Franklin/Ringwood Line/Hydrants/Values	6/14/2010	70,000.00	70,000.00
10-18	Meters and Radio Frequency Remotes	12/14/10	245,000.00	245,000.00
			<u>350,000.00</u>	<u>350,000.00</u>

D

Borough of Alpha, N.J.

Schedule of General Obligation Loan Payable

Water / Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount Issued</u>	<u>Semi-Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
Expansion of Water System	07/01/87	555,000.00			5.00%	379,427.35	13,392.70	366,034.65
Improvements to Water Supply System	08/29/01	129,168.50			"See Notes"	8,617.05	8,617.05	
						<u>388,044.40</u>	<u>22,009.75</u>	<u>366,034.65</u>
					D	D	D-19	D

Borough of Alpha, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water / Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Ord. No./Date</u>	<u>Improvement Description</u>	2010 <u>Improvement Authorization</u>	<u>Balance, Dec. 31, 2010</u>
10-10	Construction of a New Water Treatment Plant	<u>2,300,000.00</u>	<u>2,300,000.00</u>
		D-16	Footnote D

Borough of Alpha, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>P.A.T.F.</u> <u>Account #1</u>
Balance - December 31, 2009	E	10,117.18
Increased by Receipts:		
Other Receipts	E-4	<u>25.67</u>
Balance - December 31, 2010	E	<u><u>10,142.85</u></u>

Borough of Alpha, N.J.

Schedule of Cash and Reconciliation

Per N.J.S. 40A:5-5

Public Assistance Fund

	<u>Ref.</u>	
Balance - December 31, 2010	E-1	10,142.85
Increased by:		
Cash Receipts Record		<u>8.78</u>
Balance June 30, 2011		<u><u>10,151.63</u></u>
Balance June 30, 2011		<u>P.A.T.F. Account #1</u>
Balance on Deposit per Statement of:		
New Jersey Cash Management Fund		<u>10,151.63</u>
Balance June 30, 2011		<u><u>10,151.63</u></u>

Borough of Alpha, N.J.

Schedule of Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009		10,117.18
Increased by Receipts:		
Interest Earned	E-6	<u>25.67</u>
Balance - December 31, 2010		<u><u>10,142.85</u></u>
		P.A.T.F.
<u>Reconciliation - December 31, 2010</u>		<u>Account #1</u>
Balance on Deposit per Statement of:		
New Jersey Cash Management Fund		<u>10,142.85</u>
Balance - December 31, 2010		<u><u>10,142.85</u></u>

Borough of Alpha, N.J.
Schedule of Revenues
Public Assistance Fund
Year Ended December 31, 2010

	<u>P.A.T.F.</u> <u>Account #1</u>
Interest Earned	<u>25.67</u>
Total Revenues (P.A.T.F.)	<u>25.67</u>
Total Receipts	<u><u>25.67</u></u>

E-1

Borough of Alpha, N.J.
Schedule of Due From Current Fund
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	E	<u>297.00</u>
Balance - December 31, 2010	E	<u>297.00</u>

Borough of Alpha, N.J.
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	E	10,414.18
Increased by:		
Interest Earned	E-3	<u>25.67</u>
Balance - December 31, 2010	E	<u><u>10,439.85</u></u>

BOROUGH OF ALPHA

PART II

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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

July 6, 2011

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

We have audited the financial statements - regulatory basis of the Borough of Alpha, in the County of Warren, State of New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated July 6, 2011. Our report disclosed that, as described in Note 1 to the financial statements - regulatory basis, the Borough of Alpha prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Alpha's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements - regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Alpha's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Alpha's internal control over financial reporting.

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 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.



Honorable Mayor and
Members of the Borough Council
Borough of Alpha
July 6, 2011
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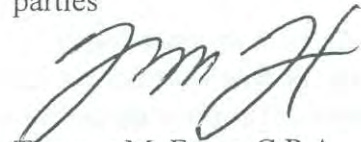
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying Schedule of Findings and Questioned Costs as 10-01 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Alpha's financial statements-regulatory basis are free of 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Alpha in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties



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

Ferraioli, Wielkutz, Cerullo, + Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants



BOROUGH OF ALPHA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010

Summary of Auditor's Results:

An qualified opinion - regulatory basis was issued on the Borough's financial statements prepared on an other comprehensive basis of accounting.

The audit did disclose certain deficiencies in the internal controls of the Borough.

The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 (the "Circular") and State Circular 04-04 OMB for 2010 as grant expenditures were less than the single audit thresholds identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

The audit did disclose findings required to be reported under Generally Accepted Government Auditing Standards, as follows:

Finding 10-1:

Segregation of Duties

The Borough does not maintain an adequate segregation of duties within the Treasury Department, Tax Collector Department, Water Operating Department, Clerk's Office and Construction Code Department. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The Chief Financial Officer controls disbursements of funds, has control of checks, has control of signature stamps and reconciles bank statements. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs and benefits derived. Therefore, no formal recommendation is deemed necessary at this time.

Findings and Questioned Costs for Federal Awards:

Not applicable

Findings and Questioned Costs for State Awards:

Not applicable

BOROUGH OF ALPHA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

The Borough's prior year finding 09-1 regarding segregation of duties has not been corrected and is included in the audit for year ended December 31, 2010.

GENERAL COMMENTS

Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2010, and at July 6, 2011, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

N.J.S.A. 40A:11-3 states:

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

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. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

GENERAL COMMENTS (CONTINUED)

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

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

The Governing Body of the Borough of Alpha have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Borough's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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 or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The Borough is a member of a Cooperative Pricing Council organized in the surrounding area.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides 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 be delinquent.

The Governing Body on January 5, 2010 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

RESOLUTION OF THE BOROUGH OF ALPHA, COUNTY OF WARREN, STATE OF NEW JERSEY, FIXING THE RATE OF INTEREST TO BE CHARGED ON DELINQUENT TAXES OF ASSESSMENTS

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes and Assessments (continued)

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Alpha, County of Warren, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$10,000.00 and remains in arrears beyond December 31st, and additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2010, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.
4. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Borough Attorney and Borough Auditor for this Borough of Alpha.

It appears from an examination of the Collector's records, that interest was collected in accordance with the forgoing resolution.

As part of the audit, an agreement between the Borough and Phillipsburg National Bank, dated October 12, 1992, effective January 1, 1993, established the Bank as the official Tax Receiving Agency, was reviewed. However, the statutes read that the Tax Receiving Agency can only accept current year tax payments. Therefore, the agreement between the bank and Borough was reviewed, and accepted by the Division of Local Government Services for their approval on February 4, 1993.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 14, 2010 and was complete, except for properties in bankruptcy court.

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 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2010	8
2009	4
2008	3