

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Alpha*

*in the*

*County of Warren*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2012*



BOROUGH OF ALPHA

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BOROUGH OF ALPHA

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2012 AND 2011



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Alpha  
County of Warren  
Alpha, New Jersey 08865

### ***Report on the Financial Statements***

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



## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 regulatory 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 regulatory financial statements, the regulatory financial statements are prepared by the Borough of Alpha 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 the various individual funds and account group of the Borough of Alpha as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2012.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2012 and 2011, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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## **Other Matters**

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Alpha's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 and data listed in the table of contents, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2013 on our consideration of the Borough of Alpha'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 Alpha's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 10, 2013

CURRENT FUND

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Current Fund:			
Cash	A-4	\$ 2,644,250.03	\$ 2,490,887.30
Change Funds	A-6	175.00	175.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	14,925.32	14,425.32
		<u>\$ 2,659,350.35</u>	<u>\$ 2,505,487.62</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 157,754.82	\$ 163,130.11
Tax Title Liens Receivable	A-10	213,071.82	204,682.95
Property Acquired for Taxes - Assessed Valuation	A-11	9,592.50	9,592.50
Revenue Accounts Receivable	A-12	1,359.21	1,422.34
Interfunds Receivable	A-13	45,820.30	
	A	<u>\$ 427,598.65</u>	<u>\$ 378,827.90</u>
Deferred Charges:			
Special Emergency	A-7	\$ 21,000.00	\$ 28,000.00
		<u>\$ 3,107,949.00</u>	<u>\$ 2,912,315.52</u>
Grant Fund:			
Cash	A-4	\$ 36,185.85	\$ 13,841.98
Grants Receivable	A-17	87,979.40	4,761.90
		<u>\$ 124,165.25</u>	<u>\$ 18,603.88</u>
		<u>\$ 3,232,114.25</u>	<u>\$ 2,930,919.40</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-18	\$ 121,437.89	\$ 96,842.76
Encumbrances Payable	A-19	18,929.24	7,756.61
Tax Overpayments	A-16		10.74
Interfunds Payable	A-13	755,718.70	676,038.03
Prepaid Taxes	A-21	30,709.01	32,630.54
County Taxes Payable	A-22	275.90	16,340.34
Local District School Tax Payable	A-23	434,793.38	406,109.88
Reserve for Miscellaneous Deposits	A-14	22,781.04	35,669.94
		<u>\$ 1,384,645.16</u>	<u>\$ 1,271,398.84</u>
Reserve for Receivables	A	427,598.65	378,827.90
Fund Balance	A-1	<u>1,295,705.19</u>	<u>1,262,088.78</u>
		<u>\$ 3,107,949.00</u>	<u>\$ 2,912,315.52</u>
Grant Fund:			
Reserve for Grants-Appropriated	A-20	\$ 120,006.14	\$ 17,071.24
Reserve for Grants-Unappropriated	A-15	<u>4,159.11</u>	<u>1,532.64</u>
		<u>\$ 124,165.25</u>	<u>\$ 18,603.88</u>
		<u>\$ 3,232,114.25</u>	<u>\$ 2,930,919.40</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## BOROUGH OF ALPHA

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
Fund Balance Utilized	A-1:A-2	\$ 323,939.00	\$ 338,079.00
Miscellaneous Revenues Anticipated	A-2	481,196.67	502,715.76
Receipts from Delinquent Taxes	A-2	202,426.82	169,747.35
Receipts from Current Taxes	A-2	5,973,789.54	5,952,277.24
Non-Budget Revenues	A-2	163,322.83	130,834.26
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-18	74,467.80	73,783.20
Encumbrances Payable Canceled	A-19	14.35	
Interfunds Returned			344,034.17
<u>Total Income</u>		<u>\$ 7,219,157.01</u>	<u>\$ 7,511,470.98</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations including Contingent	A-3	\$ 1,285,741.00	\$ 1,307,906.00
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	82,155.00	79,240.00
Excluded from "CAPS"			
Operations	A-3	768,386.56	823,490.08
Capital Improvement Fund		185,000.00	182,000.00
Municipal Debt Service	A-3	115,567.50	116,046.84
Deferred Charges and Judgments	A-3	17,000.00	18,000.00
County Tax	A-22	1,350,593.23	1,315,437.22
County Tax for Added and Omitted Taxes	A-22	275.90	16,340.34
Local District School Tax	A-23	2,925,681.00	2,868,314.00
Municipal Open Space Tax	A-24	85,081.11	86,180.66
Interfund Advances		45,820.30	
Refund of Prior Years Revenues	A-4	300.00	
<u>Total Expenditures</u>		<u>\$ 6,861,601.60</u>	<u>\$ 6,812,955.14</u>
Excess in Revenue		\$ 357,555.41	\$ 698,515.84
<u>Fund Balance</u>			
Balance, January 1	A	1,262,088.78	901,651.94
		<u>\$ 1,619,644.19</u>	<u>\$ 1,600,167.78</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	323,939.00	338,079.00
Balance, December 31	A	<u>\$ 1,295,705.19</u>	<u>\$ 1,262,088.78</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 323,939.00		\$ 323,939.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-12	\$ 7,000.00	\$	\$ 7,454.59	\$ 454.59
Other Licenses	A-12	3,000.00		6,950.00	3,950.00
Construction Code Official - Fees and Permits	A-12	23,000.00		17,281.00	(5,719.00)
Fines and Costs - Municipal Court	A-12	20,000.00		20,119.60	119.60
Interest and Costs on Taxes	A-12	30,000.00		50,956.94	20,956.94
Interest on Investments and Deposits	A-12	3,200.00		2,122.14	(1,077.86)
Energy Receipts Tax	A-12	198,074.00		198,074.00	
Consolidated Municipal Property Tax Relief Aid	A-12	27,673.00		27,673.00	
Shared Services Agreement - Greenwich	A-12	35,000.00		41,713.84	6,713.84
Clean Communities Grant	A-17	5,751.56		5,751.56	
Highlands Plan Conformance	A-17		103,100.00	103,100.00	
	A-1	\$ 352,698.56	\$ 103,100.00	\$ 481,196.67	\$ 25,398.11
Receipts From Delinquent Taxes	A-2	\$ 160,000.00	\$	\$ 202,426.82	\$ 42,426.82
Amount to be Raised by Taxes for Support of Municipal Budget	A-9:A-2	\$ 1,823,205.00	\$	\$ 1,921,158.30	\$ 97,953.30
<u>Budget Totals</u>		\$ 2,659,842.56	\$ 103,100.00	\$ 2,928,720.79	\$ 165,778.23
Non-Budget Revenues	A-2			163,322.83	163,322.83
		\$ 2,659,842.56	\$ 103,100.00	\$ 3,092,043.62	\$ 329,101.06
	REF.	A-3	A-3		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>		
Allocations of Current Tax Collections:			
Revenues from Collections	A-1:A-9	\$	5,973,789.54
Allocated to:			
School and County Taxes		\$	4,276,550.13
Municipal Open Space Tax			<u>85,081.11</u>
			<u>4,361,631.24</u>
Balance for Support of Municipal Appropriations		\$	1,612,158.30
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>309,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>1,921,158.30</u></u>

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-9	\$	153,289.59
Tax Title Lien Collections	A-10		<u>49,137.23</u>
	A-1:A-2	\$	<u><u>202,426.82</u></u>

ANALYSIS OF NON-BUDGET REVENUE

	<u>REF.</u>		
Miscellaneous Revenue Not Anticipated:			
Marriage Licenses		\$	45.00
Clerk - Miscellaneous			1,276.20
Pavilion Fees			1,400.00
Street Openings			8,000.00
Lease			125,674.71
Cable TV Franchise Fee			8,929.00
Treasurer - Miscellaneous			12,114.82
Tax Assessor			60.00
Payment in Lieu of Taxes			2,000.00
Miscellaneous			2,945.50
Senior Citizen and Veteran Administration Fees			<u>877.60</u>
	A-1:A-2	\$	<u><u>163,322.83</u></u>



BOROUGH OF ALPHA  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION				
<b>GENERAL GOVERNMENT</b>						
Administrative and Executive:						
Salaries and Wages	\$ 18,006.00	\$ 18,006.00	\$ 17,999.06	\$ 6.94	\$	
Other Expenses	31,200.00	36,200.00	36,187.72	12.28		
Municipal Clerk:						
Salaries and Wages	74,750.00	74,750.00	74,534.19	215.81		
Other Expenses	6,000.00	6,000.00	4,587.77	1,412.23		
Elections:						
Other Expenses	700.00	700.00	629.00	71.00		
Financial Administration:						
Salaries and Wages	87,000.00	87,000.00	85,655.97	1,344.03		
Other Expenses	4,200.00	4,200.00	3,091.49	1,108.51		
Audit Services	19,000.00	19,000.00	18,000.00	1,000.00		
Payroll Services:						
Other Expenses	11,000.00	11,000.00	9,069.94	1,930.06		
Assessment of Taxes:						
Salaries and Wages	18,950.00	18,950.00	18,950.00			
Other Expenses	2,950.00	2,950.00	2,808.15	141.85		
Revenue Administration (Collection of Taxes):						
Salaries and Wages	22,630.00	22,630.00	21,759.62	870.38		
Other Expenses	2,890.00	2,890.00	2,481.39	408.61		
Liquidation of Tax, Title Liens and Foreclosed Property:						
Other Expenses	1,000.00	1,000.00		1,000.00		
Legal Services and Costs:						
Other Expenses	48,000.00	48,000.00	47,752.00	248.00		
Engineering Services and Costs:						
Other Expenses	25,000.00	25,000.00	25,000.00			
Planning Board:						
Salaries and Wages	20,288.00	20,288.00	19,958.46	329.54		
Other Expenses	18,315.00	18,315.00	10,648.44	7,666.56		
Insurance:						
Group Insurance for Employees	99,157.00	96,457.00	91,865.58	4,591.42		
General Liability	120,000.00	120,000.00	120,000.00			
Municipal Court:						
Salaries and Wages	25,500.00	25,000.00	24,978.65	21.35		
Other Expenses	2,750.00	3,250.00	2,820.53	429.47		
Public Defender:						
Salaries and Wages	1,800.00	1,800.00	600.00	1,200.00		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

OPERATIONS WITHIN "CAPS" (CONTINUED)	APPROPRIATIONS			RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED		
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$	
Police:					
Salaries and Wages	10,000.00	10,000.00	9,282.00	718.00	
First Aid Organization Contribution:					
Other Expenses	15,000.00	15,000.00	15,000.00		
Emergency Management:					
Salaries and Wages	2,640.00	2,640.00	2,640.00		
Other Expenses	3,050.00	3,050.00	1,931.00	1,119.00	
Municipal Prosecutor:					
Salaries and Wages	2,600.00	2,600.00	2,599.92	0.08	
<u>PUBLIC WORKS</u>					
Streets and Road Maintenance:					
Salaries and Wages	105,718.00	105,718.00	82,387.23	23,330.77	
Other Expenses	46,320.00	38,320.00	38,316.99	3.01	
Sanitation (Garbage and Trash Removal):					
Salaries and Wages	5,500.00	5,500.00	4,802.39	697.61	
Other Expenses	197,096.00	200,096.00	199,403.94	692.06	
Public Buildings and Grounds:					
Salaries and Wages	9,051.00	9,051.00	7,444.59	1,606.41	
Other Expenses	57,400.00	57,400.00	57,391.10	8.90	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	150.00	150.00		150.00	
Animal Control Regulation:					
Salaries and Wages	4,500.00	4,500.00	3,605.00	895.00	
Other Expenses	2,350.00	2,350.00	1,250.00	1,100.00	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Other Expenses	10,000.00	10,000.00	9,909.88	90.12	
Celebration of Public Events:					
Other Expenses	5,000.00	5,000.00	5,000.00		
<u>STATE UNIFORM CONSTRUCTION CODE</u> <u>(N.J.S.A. 52-270-120 ET SEQ)</u>					
Building Inspector:					
Salaries and Wages	29,630.00	29,630.00	29,630.00		
Other Expenses	600.00	600.00	533.50	66.50	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

OPERATIONS WITHIN "CAPS" (CONTINUED)	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION				
<u>UTILITIES:</u>						
Electricity	\$ 15,000.00	\$ 15,000.00	\$	14,992.35	\$ 7.65	\$
Street Lighting	25,000.00	25,000.00		22,705.18	2,294.82	
Telephone	18,000.00	18,000.00		13,052.15	4,947.85	
Natural Gas (Propane)	6,500.00	6,500.00		6,372.86	127.14	
Gasoline	13,500.00	13,500.00		13,447.96	52.04	
Maintaining and Upgrading Computers	9,750.00	9,750.00		9,699.67	50.33	
Accumulated Leave (Deferred Sick)	5,000.00	5,000.00		5,000.00		
<u>TOTAL OPERATIONS WITHIN "CAPS":</u>	<u>\$ 1,288,441.00</u>	<u>\$ 1,285,741.00</u>	<u>\$</u>	<u>1,223,775.67</u>	<u>\$ 61,965.33</u>	<u>\$</u>
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS":</u>	<u>\$ 1,288,441.00</u>	<u>\$ 1,285,741.00</u>	<u>\$</u>	<u>1,223,775.67</u>	<u>\$ 61,965.33</u>	<u>\$</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 48,955.00	\$ 48,955.00	\$	48,955.00		\$
Social Security System (OAS)	28,000.00	30,700.00		30,689.71	10.29	
Unemployment Insurance	2,500.00	2,500.00		2,175.23	324.77	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>	<u>\$ 79,455.00</u>	<u>\$ 82,155.00</u>	<u>\$</u>	<u>81,819.94</u>	<u>\$ 335.06</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS":</u>	<u>\$ 1,367,896.00</u>	<u>\$ 1,367,896.00</u>	<u>\$</u>	<u>1,305,595.61</u>	<u>\$ 62,300.39</u>	<u>\$</u>
MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS":						
Maintenance of Free Public Library	\$ 72,142.00	\$ 72,142.00	\$	72,142.00		\$
Group Insurance for Employees	5,843.00	5,843.00		5,843.00		
Police Services (Township of Pohatcong)	581,550.00	581,550.00		532,412.50	49,137.50	
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS":</u>	<u>\$ 659,535.00</u>	<u>\$ 659,535.00</u>	<u>\$</u>	<u>610,397.50</u>	<u>\$ 49,137.50</u>	<u>\$</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)</u>					
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>					
Plan Performance (N.J.S.A. 40A:4-87 + \$103,100.00)	\$ 5,751.56	\$ 103,100.00	\$ 103,100.00	\$	\$
Clean Communities Program		5,751.56	5,751.56		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	\$ 5,751.56	\$ 108,851.56	\$ 108,851.56	\$	\$
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 665,286.56	\$ 768,386.56	\$ 719,249.06	\$ 49,137.50	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund					
Reserve for:	\$ 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	80,000.00	80,000.00	80,000.00		
Purchase of Public Works Equipment	5,000.00	5,000.00	5,000.00		
Purchase of Public Works Vehicles	10,000.00	10,000.00	10,000.00		
Purchase Loader/Mower	3,000.00	3,000.00	3,000.00		
Improvements to Curbing	5,000.00	5,000.00	5,000.00		
Purchase of Turnout Gear	12,000.00	12,000.00	12,000.00		
Improvements to Public Property	20,000.00	20,000.00	20,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	\$ 185,000.00	\$ 185,000.00	\$ 185,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00	\$	\$
Interest on Bonds	5,560.00	5,560.00	5,560.00		2.50
New Jersey Economic Development Loan	15,100.00	15,100.00	15,010.00		90.00
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	\$ 115,660.00	\$ 115,660.00	\$ 115,567.50	\$	\$ 92.50

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION				
OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)						
DEFERRED CHARGES-EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - (N.J.S.A. 40A: 4-55)	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$	\$
TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$	\$
Judgments	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$	\$ 10,000.00	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 982,946.56	\$ 1,086,046.56	\$ 1,026,816.56	\$ 59,137.50	\$	\$ 92.50
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 2,350,842.56	\$ 2,453,942.56	\$ 2,332,412.17	\$ 121,437.89	\$	\$ 92.50
	\$ 309,000.00	\$ 309,000.00	\$ 309,000.00			
TOTAL GENERAL APPROPRIATIONS	\$ 2,659,842.56	\$ 2,762,942.56	\$ 2,641,412.17	\$ 121,437.89	\$	\$ 92.50
	A-2		A-1		A-A-1	
Appropriation by 40A-4-87		\$ 103,100.00				
Budget		2,659,842.56				
		\$ 2,762,942.56				
Cash Disbursements			\$ 2,197,711.35			
Reserve for Encumbrances			18,849.28			
Reserve for Grants Appropriated			108,851.56			
Deferred Charges			7,000.00			
Reserve for Uncollected Taxes			309,000.00			
			\$ 2,641,412.17			

The accompanying Notes to the Financial Statements are an integral part of this statement.

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TRUST FUND

BOROUGH OF ALPHA

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>425.56</u>	\$ <u>131.31</u>
		\$ <u>425.56</u>	\$ <u>131.31</u>
Other Funds:			
Cash	B-1	\$ 449,815.85	\$ 422,410.62
Due Current Fund	B-6	<u>755,421.70</u>	<u>675,741.03</u>
		\$ <u>1,205,237.55</u>	\$ <u>1,098,151.65</u>
		\$ <u><u>1,205,663.11</u></u>	\$ <u><u>1,098,282.96</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ <u>425.56</u>	\$ <u>131.31</u>
		\$ <u>425.56</u>	\$ <u>131.31</u>
Other Funds:			
Reserve For:			
Encumbrances	B-4	\$	\$ 2,696.72
Various Reserves and Deposits	B-5	<u>1,205,237.55</u>	<u>1,095,454.93</u>
		\$ <u>1,205,237.55</u>	\$ <u>1,098,151.65</u>
		\$ <u><u>1,205,663.11</u></u>	\$ <u><u>1,098,282.96</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



GENERAL CAPITAL FUND

"C"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 123,702.11	\$ 352,376.30
Deferred Charges to Future Taxation - Funded	C-4	42,750.00	152,000.00
Grants Receivable	C-10	<u>280,947.17</u>	<u>362,590.34</u>
		\$ <u>447,399.28</u>	\$ <u>866,966.64</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-12	\$	\$ 95,000.00
Loan Payable - New Jersey Economic Development Loan Payable	C-11	42,750.00	57,000.00
Improvement Authorizations: Funded	C-7	260,254.83	454,958.40
Reserve for:			
Contracts Payable	C-6	19,240.63	
Miscellaneous Deposits	C-5	110,374.03	233,423.10
Capital Improvement Fund	C-8	10,997.46	22,517.46
Fund Balance	C-1	<u>3,782.33</u>	<u>4,067.68</u>
		\$ <u>447,399.28</u>	\$ <u>866,966.64</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	4,067.68
Increased by:			
Improvement Authorizations Canceled	C-7	\$	52,750.00
Miscellaneous Deposits Canceled	C-5		<u>135,164.65</u>
			187,914.65
		\$	<u>191,982.33</u>
Decreased by:			
Appropriation to Finance			
Improvement Authorizations	C-7		<u>188,200.00</u>
Balance, December 31, 2012	C	\$	<u><u>3,782.33</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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WATER/SEWER UTILITY FUND

BOROUGH OF ALPHA

WATER/SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Operating Fund:			
Cash-Treasurer	D-5	\$ 267,010.62	\$ 654,625.13
Change Fund		25.00	25.00
Interfunds Receivable	D-8	0.86	
		<u>\$ 267,036.48</u>	<u>\$ 654,650.13</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-6	\$ 43,003.52	\$ 46,262.91
Deferred Charges:			
Emergency Authorizations	D-9	\$ _____	\$ 47,000.00
<u>Total Operating Fund</u>		<u>\$ 310,040.00</u>	<u>\$ 747,913.04</u>
Capital Fund:			
Cash-Treasurer	D-5	\$ 182,981.70	\$ 82,972.95
Fixed Capital	D-18	3,944,212.13	3,944,212.13
Fixed Capital Authorized and Uncompleted	D-16	<u>1,100,000.00</u>	<u>1,100,000.00</u>
<u>Total Capital Fund</u>		<u>\$ 5,227,193.83</u>	<u>\$ 5,127,185.08</u>
		<u>\$ 5,537,233.83</u>	<u>\$ 5,875,098.12</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
WATER/SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 11,922.84	\$ 25,511.86
Encumbrances Payable	D-11	7,617.51	19,668.73
Accrued Interest	D-7	377.50	10,077.68
Interfunds Payable	D-8	45,820.30	
		\$ <u>65,738.15</u>	\$ <u>55,258.27</u>
Reserve for Receivables	D	43,003.52	46,262.91
Fund Balance	D-2	<u>201,298.33</u>	<u>646,391.86</u>
<u>Total Operating Fund</u>		\$ <u>310,040.00</u>	\$ <u>747,913.04</u>
Capital Fund:			
Capital Improvement Fund	D-14	\$ 23,750.00	23,750.00
Contracts Payable	D-12	45,360.00	15,000.00
Water Supply Loan	D-17		351,936.70
Bond Anticipation Notes	D-13	755,000.00	
Interfunds Payable	D-20	0.86	
Reserve for:			
Deferred Amortization	D-19	260,000.00	260,000.00
Amortization	D-21	3,944,212.13	3,592,275.43
Miscellaneous	D-22	56,164.83	81,012.98
Improvement Authorizations:			
Funded	D-15	4,553.43	17,495.43
Unfunded	D-15	129,284.89	778,401.85
Fund Balance	D-1	<u>8,867.69</u>	<u>7,312.69</u>
<u>Total Capital Fund</u>		\$ <u>5,227,193.83</u>	\$ <u>5,127,185.08</u>
		\$ <u><u>5,537,233.83</u></u>	\$ <u><u>5,875,098.12</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
WATER/SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	7,312.69
Increased by:			
Cash Receipts	D-5		<u>1,555.00</u>
Balance, December 31, 2012	D	\$	<u><u>8,867.69</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



BOROUGH OF ALPHAWATER/SEWER UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 507,288.00	\$ 67,192.00
Sewer Use Charges	D-3	573,031.97	584,432.29
Water Use Charges	D-3	287,595.63	287,318.91
Miscellaneous	D-3	41,637.00	108,612.81
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	4,387.44	2,647.97
Accrued Interest Cancelled	D-7	8,479.13	
		<u>1,422,419.17</u>	<u>1,050,203.98</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	\$ 810,788.00	\$ 777,792.00
Capital Improvements	D-4	130,000.00	175,000.00
Debt Service	D-4	360,936.70	32,297.95
Statutory Expenditures and Deferred Charges	D-4	58,500.00	14,100.00
Refund of Prior Year Revenues			6,127.25
		<u>1,360,224.70</u>	<u>1,005,317.20</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 62,194.47	\$ 44,886.78
Adjustments to Income Before Surplus:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			47,000.00
Statutory Excess to Surplus		62,194.47	91,886.78
<u>Fund Balance</u>			
Balance, January 1	D	646,391.86	621,697.08
		\$ <u>708,586.33</u>	\$ <u>713,583.86</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-2;D-3	507,288.00	67,192.00
Balance, December 31	D	\$ <u><u>201,298.33</u></u>	\$ <u><u>646,391.86</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Anticipated	D-2	\$ 507,288.00	\$ 507,288.00	\$
Sewer Use Charges	D-2:D-3	570,000.00	573,031.97	3,031.97
Water Use Charges	D-2:D-3	285,000.00	287,595.63	2,595.63
Miscellaneous	D-2:D-3		41,637.00	41,637.00
		<u>                    </u>	<u>                    </u>	<u>                    </u>
	D-4	\$ <u>1,362,288.00</u>	\$ <u>1,409,552.60</u>	\$ <u>47,264.60</u>

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:

Consumer Accounts Receivable:

Collected D-6 \$ 860,627.60

D-3 \$ 860,627.60

Miscellaneous:

Interest on Investments - Treasurer \$ 221.55

Interest on Delinquent Payments 5,254.22

Meters 1,220.00

Miscellaneous 34,941.23

D-5 \$ 41,637.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:					
Salaries and Wages	\$ 119,163.00	\$ 143,363.00	\$ 143,296.92	\$ 66.08	\$
Other Expenses	693,025.00	667,425.00	655,853.42	11,571.58	\$
<u>Total Operating</u>	<u>\$ 812,188.00</u>	<u>\$ 810,788.00</u>	<u>\$ 799,150.34</u>	<u>\$ 11,637.66</u>	<u>\$</u>
Capital Improvements:					
Reserve for Hydrant Replacement	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$	\$
Reserve for Purchase Equipment	10,000.00	10,000.00	10,000.00		
Reserve for Facility/Equipment Improv.	100,000.00	100,000.00	100,000.00		
Reserve for Leak Detection/Water Loss Repair	10,000.00	10,000.00	10,000.00		
<u>Total Capital Improvements</u>	<u>\$ 130,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 130,000.00</u>	<u>\$</u>	<u>\$</u>
Debt Service:					
Payment of Bond Principal	\$ 354,000.00	\$ 354,000.00	\$ 351,936.70		\$ 2,063.30
Interest on Bonds	9,000.00	9,000.00	9,000.00		\$
<u>Total Debt Service</u>	<u>\$ 363,000.00</u>	<u>\$ 363,000.00</u>	<u>\$ 360,936.70</u>	<u>\$</u>	<u>\$ 2,063.30</u>
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	\$ 9,500.00	\$ 10,600.00	\$ 10,560.47	\$ 39.53	\$
Unemployment Compensation Insurance	600.00	900.00	654.35	245.65	
Emergency Authorization	47,000.00	47,000.00	47,000.00		
<u>Total Statutory Expenditures</u>	<u>\$ 57,100.00</u>	<u>\$ 58,500.00</u>	<u>\$ 58,214.82</u>	<u>\$ 285.18</u>	<u>\$</u>
	<u>\$ 1,362,288.00</u>	<u>\$ 1,362,288.00</u>	<u>\$ 1,348,301.86</u>	<u>\$ 11,922.84</u>	<u>\$ 2,063.30</u>
<u>REF.</u>	D-3		D-2	D:D-2	
Cash Disbursements	D-5		\$ 1,291,495.05		
Accrued Interest	D-7		9,000.00		
Deferred Charges - Emergency Authorization	D-9		47,000.00		
Encumbrances Payable	D-11		7,205.31		
			<u>\$ 1,354,700.36</u>		
Less: Refunds	D-4		6,398.50		
			<u>\$ 1,348,301.86</u>		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

"E"

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Cash - Treasurer:			
Public Assistance Trust Fund #1	E-1	\$ 10,159.58	\$ 10,153.86
Interfunds Receivable		<u>297.00</u>	<u>297.00</u>
		<u>\$ 10,456.58</u>	<u>\$ 10,450.86</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance:			
Public Assistance Trust Fund #1		\$ <u>10,456.58</u>	\$ <u>10,450.86</u>
		<u>\$ 10,456.58</u>	<u>\$ 10,450.86</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF ALPHA

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	DECEMBER <u>31, 2012</u>	DECEMBER <u>31, 2011</u>
General Fixed Assets:		
Land	\$ 3,494,100.00	\$ 3,494,100.00
Buildings and Building Improvements	1,542,435.21	1,542,435.21
Machinery and Equipment	<u>2,462,541.95</u>	<u>2,444,509.38</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 7,499,077.16</u>	<u>\$ 7,481,044.59</u>
Investment in General Fixed Assets	<u>\$ 7,499,077.16</u>	<u>\$ 7,481,044.59</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ALPHA

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Alpha is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Alpha include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Alpha, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Alpha do not include the operations of the volunteer fire company or the Board of Education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Alpha 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 respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Alpha are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - 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 capital facilities, other than those acquired in the Current Fund.

Water/Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer Utility.

Public Assistance Trust Funds – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other 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 government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. All grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended 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 and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. 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.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Borough's most recent property revaluation.

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 has not been accounted for separately.

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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water/Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water / 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. The fixed capital reported is as taken from the borough records and does not necessarily reflect the true condition of such fixed capital. 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 cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Compensated Absences - The Borough has adopted written policies through employee contract and municipal ordinances which set forth the terms under which an employee may accumulate earned, but not used, vacation and sick leave. The Borough records expenditures for payment of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available resources, and that expenditures be recorded in the enterprise (Sewer Utility) fund on an accrual basis.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Alpha had the following cash and cash equivalents at December 31, 2012:

FUND	CASH		LESS O/S CHECKS & DEDUCTIONS	TOTAL
	ON DEPOSIT	ON HAND		
Current Fund	\$ 2,610,508.73	\$ 321,760.56	\$ 287,844.26	\$ 2,644,425.03
Grant Fund	15,875.75	20,312.14	2.04	36,185.85
Animal Control Fund	405.72	20.00	0.16	425.56
Other Trust Fund	455,033.19		5,217.34	449,815.85
General Capital Fund	35,827.55	203,769.08	115,894.52	123,702.11
Water / Sewer Operating Fund	53,890.04	245,415.80	32,270.22	267,035.62
Water / Sewer Capital Fund	770,977.48		587,995.78	182,981.70
Public Assistance Trust Fund	10,159.58			10,159.58
<u>TOTAL DECEMBER 31,2012</u>	<u>\$ 3,952,678.04</u>	<u>\$ 791,277.58</u>	<u>\$ 1,029,224.32</u>	<u>\$ 3,714,731.30</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,000.00 was covered by Federal Depository Insurance and \$3,216,628.48 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (c.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2012, the Borough had \$236,049.56 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, based by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2012</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 42,750.00	\$ 152,000.00	\$ 256,250.00
Water/Sewer Utility:			
Notes and Loans	<u>755,000.00</u>	<u>351,936.70</u>	<u>366,034.65</u>
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>3,422.35</u>	<u>3,422.35</u>	<u>3,422.35</u>
 <u>Net Debt Issued</u>	 <u>\$ 794,327.65</u>	 <u>\$ 500,514.35</u>	 <u>\$ 618,862.30</u>
Authorized But Not Issued:			
General:	\$	\$	\$
Bonds, Notes and Loans			1,000.00
Water/Sewer Utility:			
Bonds and Notes	<u>85,000.00</u>	<u>840,000.00</u>	<u>2,300,000.00</u>
 <u>Total Authorized But Not Issued</u>	 <u>\$ 85,000.00</u>	 <u>\$ 840,000.00</u>	 <u>\$ 2,301,000.00</u>
 <u>NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED</u>	 <u>\$ 879,327.65</u>	 <u>\$ 1,340,514.35</u>	 <u>\$ 2,919,862.30</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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 .018%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Water/Sewer Utility Debt	\$ 840,000.00	\$ 840,000.00	\$
General Debt	<u>42,750.00</u>	<u>3,422.35</u>	<u>39,327.65</u>
	<u>\$ 882,750.00</u>	<u>\$ 843,422.35</u>	<u>\$ 39,327.65</u>

NET DEBT \$39,327.65 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$215,871,622.33 EQUALS .018%.

EQUALIZED VALUATION BASIS

2010 Equalized Valuation Basis of Real Property	\$ 223,193,566.00
2011 Equalized Valuation Basis of Real Property	216,059,413.00
2012 Equalized Valuation Basis of Real Property	<u>208,361,888.00</u>
	<u>\$ 215,871,622.33</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2012	\$ <u>215,871,622.33</u>
3-1/2% of Equalized Valuation Basis	\$ 7,555,506.78
Net Debt	<u>39,327.65</u>
Remaining Borrowing Power	\$ <u>7,516,179.13</u>

\*Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Local School District.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER/SEWER UTILITY  
PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$1,409,552.60
Deduction:		
Operating and Maintenance Cost	\$822,288.00	
Debt Service Per Sewer Utility Account	<u>360,936.70</u>	
		<u>1,183,224.70</u>
Excess in Revenue - Self Liquidating		<u>\$226,327.90</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

GENERAL CAPITAL FUND

New Jersey Economic Development Authority

\$250,000, Construction of new municipal building, due in annual installments of \$14,250.00 through March 2015, with an interest rate of 1.50%.	\$ <u>42,750.00</u>
TOTAL GENERAL CAPITAL DEBT	\$ <u><u>42,750.00</u></u>

WATER/SEWER UTILITY CAPITAL

	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUED DATE</u>	<u>AMOUNT</u>
Ord. 2011-12	1.50%	12/19/2012	\$ <u>755,000.00</u>
			\$ <u><u>755,000.00</u></u>

Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>None</u>
Water/Sewer Utility Capital Fund	<u>\$85,000.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN  
AS OF DECEMBER 31, 2012

<u>CALENDAR YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$ 14,250.00	\$ 540.91	\$ 14,790.91
2014	14,250.00	324.19	14,574.19
2015	<u>14,250.00</u>	<u>107.47</u>	<u>14,357.47</u>
TOTAL	<u>\$ 42,750.00</u>	<u>\$ 972.57</u>	<u>\$ 43,722.57</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2012 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013 were as follows:

Current Fund	\$194,825.00
Water/Sewer Operating Fund	None

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Prepaid Taxes	<u>\$30,709.01</u>	<u>\$32,630.54</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in the Public Employees Retirement System administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$38,792.00 for 2010, \$47,840.00 for 2011 and \$48,955.00 for 2012.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation pay over the life of their working careers which may be taken as time off or paid at a later date. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but has been calculated to be \$55,789.03. The Borough has a reserve for accumulated leave with a balance of \$45,000.00.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2012. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2012 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2012, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage through the Public Alliance Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2012:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 45,820.30	\$ 755,718.70
Trust Other Fund	755,421.70	
Water/Sewer Utility Operating Fund	0.86	45,820.30
Water/Sewer Utility Capital Fund		0.86
Public Assistance Fund	<u>297.00</u>	
	<u>\$ 801,539.86</u>	<u>\$ 801,539.86</u>

All balances resulted from the time lag between the dates that payments between funds are made.



NOTE 13: DEFERRED LOCAL DISTRICT SCHOOL TAXES

New Jersey statutes provide for the deferral of liability for not more than 50% of the annual levy when school taxes are raised on a school year basis and such taxes have not been requisitioned by the school district.

LOCAL DISTRICT SCHOOL TAX

	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Balance of Tax	\$1,462,839.45	\$1,434,155.95
Deferred	<u>1,028,046.07</u>	<u>1,028,046.07</u>
School Tax Payable	<u>\$434,793.38</u>	<u>\$406,109.88</u>

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2012</u>	2013 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>BUDGETS</u>
Current:			
Tax Maps	<u>\$21,000.00</u>	<u>\$7,000.00</u>	<u>\$14,000.00</u>

NOTE 15: POST-RETIREMENT HEALTH BENEFITS

As at December 31, 2012, the Borough of Alpha had no obligation to provide post-retirement health benefits.

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BOROUGH OF ALPHA  
SUPPLEMENTARY SCHEDULES  
YEARS ENDED DECEMBER 31, 2012 AND 2011

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A	\$ 2,490,887.30	\$	13,841.98
A-5	\$ 6,205,929.04	\$	
A-12	321,388.17		
A-2	163,322.83		
A-8	40,380.14		
A-13:A-25	384,963.61		431.68
A-17			25,514.98
A-15			2,626.47
A-14	<u>2,825.50</u>		
	\$ 7,118,809.29	\$	<u>28,573.13</u>
	9,609,696.59	\$	<u>42,415.11</u>
A-3	\$ 2,197,711.35	\$	
A-18	29,859.45		
A-23	2,896,997.50		
A-22	1,366,933.57		
A-16	2,846.25		
A-20			5,797.58
A-13:A-25	351,103.24		431.68
A-24	85,081.11		
A-14	34,614.09		
A-1	<u>300.00</u>		
	\$ 6,965,446.56	\$	<u>6,229.26</u>
A	\$ 2,644,250.03	\$	<u>36,185.85</u>
			<u>36,185.85</u>

Increased by Receipts:  
 Property Taxes Receivable  
 Revenue Accounts Receivable  
 Miscellaneous Revenue Not Anticipated  
 State of N.J.- Senior Citizens and Veterans Deductions  
 Interfunds  
 Grants Receivable  
 Reserve for Grants - Unappropriated  
 Reserve for Miscellaneous Deposits

Decreased by Disbursements:  
 2012 Appropriations  
 2011 Appropriation Reserves  
 Local District School Tax  
 County Taxes Payable  
 Refund of Tax Overpayments  
 Reserve for Grants-Appropriated  
 Interfunds  
 Municipal Open Space Tax  
 Reserve for Miscellaneous Deposits  
 Refund of Prior Year Revenue

Balance, December 31, 2011

Balance, December 31, 2012

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by Receipts:

Property Taxes Receivable	A-9	\$	6,048,448.59	
Tax Overpayments	A-16		2,835.51	
Prepaid Taxes	A-21		30,709.01	
Tax Title Liens	A-10		49,137.23	
Revenue Accounts Receivable	A-12		50,956.94	
Senior Citizens Disallowed	A-8		5,119.86	
Outside Liens	A-14		18,721.90	
			<u>18,721.90</u>	
		\$		<u>6,205,929.04</u>

Decreased by Disbursements:

Payments to Treasurer	A-4	\$		<u>6,205,929.04</u>
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BOROUGH OF ALPHA  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	BALANCE DECEMBER 31, <u>2012</u>	BALANCE DECEMBER 31, <u>2011</u>
Tax Collector	\$ 25.00	\$ 25.00
Municipal Court	50.00	50.00
Clerk	<u>100.00</u>	<u>100.00</u>
	\$ <u>175.00</u>	\$ <u>175.00</u>
<u>REF.</u>	A	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>REF.</u>	<u>AUTHORIZATION</u> (N.J.S.A. 40A: 4-55) <u>TAX MAPS - 2009</u>	<u>AUTHORIZATION</u> (N.J.S.A. 40A: 4-55) <u>TAX MAPS - 2010</u>	<u>TOTAL</u>
A	\$ 20,000.00	\$ 8,000.00	\$ 28,000.00
A-3	5,000.00	2,000.00	7,000.00
A	\$ 15,000.00	\$ 6,000.00	\$ 21,000.00

Balance, December 31, 2011

Decreased by:

Budget Appropriation

Balance, December 31, 2012

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	14,425.32
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	14,250.00
Veterans Deductions Per Tax Billing			32,750.00
Senior Citizens Deductions Allowed by Tax Collector			<u>1,250.00</u>
			<u>48,250.00</u>
		\$	<u>62,675.32</u>
Decreased by:			
Deductions Disallowed by Collector:			
Received in Cash From State	A-4	\$	40,380.14
2012 Deductions Disallowed by Tax Collector			2,250.00
2011 Deductions Disallowed by Tax Collector	A-5		<u>5,119.86</u>
			<u>47,750.00</u>
Balance, December 31, 2012	A	\$	<u><u>14,925.32</u></u>

ANALYSIS OF STATE SHARE OF 2012  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	14,250.00
Veterans Deductions Per Tax Billing			32,750.00
Deductions Allowed by Tax Collector:			
Senior Citizens			<u>1,250.00</u>
		\$	<u>48,250.00</u>
Less: Deductions Disallowed by Tax Collector:			
Senior Citizens			<u>2,250.00</u>
	A-9	\$	<u><u>46,000.00</u></u>



BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2011	2012 LEVY	CASH COLLECTIONS 2011	2012	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2012
2011	\$ 163,130.11		\$	\$ 153,289.59		\$ 1,649.66	\$ 8,190.86
	\$ 163,130.11		\$	\$ 153,289.59		\$ 1,649.66	\$ 8,190.86
2012		6,187,522.91	32,630.54	5,941,159.00	12,037.22	52,132.19	149,563.96
	\$ 163,130.11	\$ 6,187,522.91	\$ 32,630.54	\$ 6,094,448.59	\$ 12,037.22	\$ 53,781.85	\$ 157,754.82

REF.

A

A-2:A-21

A-2

A-10 A

REF.

Cash-Collector  
State Share of Senior Citizens and Veterans Deductions

A-5

A-8

\$ 6,048,448.59

46,000.00

\$ 6,094,448.59

TAX YIELD

General Property Tax  
Added and Omitted Tax (54.4-63.1 et.seq.)

\$ 6,186,260.84

1,262.07

\$ 6,187,522.91

ANALYSIS OF 2012 PROPERTY TAX LEVY

TAX LEVY

Local District School Tax  
County Taxes:  
County Tax  
County Open Space  
Due County for Added Taxes (54.4-63.1 et.seq.)

A-23

\$

2,925,681.00

\$ 1,220,133.98

130,459.25

275.90

1,350,869.13

Local Tax for Municipal Purposes  
Municipal Open Space  
Additional Tax Levied

A-2

1,823,205.00

85,081.11

2,686.67

1,910,972.78

\$ 6,187,522.91

"A-10"

BOROUGH OF ALPHA  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	204,682.95
Increased by:			
Transfers From Taxes Receivable	A-9	\$	53,781.85
Interest and Costs			<u>3,744.25</u>
			57,526.10
		\$	<u>262,209.05</u>
Decreased by:			
Cash Receipts	A-2:A-5		<u>49,137.23</u>
Balance, December 31, 2012	A	\$	<u><u>213,071.82</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance, December 31, 2011	A	\$	9,592.50
Balance, December 31, 2012	A	\$	<u><u>9,592.50</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>ACCRUED IN 2012</u>	<u>COLLECTED BY TREASURER/ COLLECTOR</u>	<u>BALANCE DECEMBER 31, 2012</u>
A-2	\$	7,454.59	7,454.59	\$
A-2		6,950.00	6,950.00	
A-2		17,281.00	17,281.00	
A-2	1,422.34	20,056.47	20,119.60	1,359.21
A-2		2,122.14	2,122.14	
A-2		198,074.00	198,074.00	
A-2		27,673.00	27,673.00	
A-2		41,713.84	41,713.84	
A-2		50,956.94	50,956.94	
	<u>\$ 1,422.34</u>	<u>\$ 372,281.98</u>	<u>\$ 372,345.11</u>	<u>\$ 1,359.21</u>

REF. A

Tax Collector A-5 \$ 50,956.94  
 Treasurer A-4 321,388.17  
 \$ 372,345.11

A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF INTERFUNDS

<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>TRUST OTHER FUNDS</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER/SEWER UTILITY OPERATING FUND</u>	<u>PUBLIC ASSISTANCE FUND</u>
Balance, December 31, 2011						
Due To	A \$ 676,038.03	\$	675,741.03	\$	\$	297.00
Treasurer-Receipts	A-4 384,963.61	19,882.50	90,081.11	110,000.00	165,000.00	
Treasurer-Disbursements	A-4 351,103.24	19,882.50	10,400.44	110,000.00	210,820.30	
Balance, December 31, 2012						
Due From	A \$ 45,820.30	\$	\$	\$	45,820.30	297.00
Due To	A 755,718.70		755,421.70			

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

		BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Due State of New Jersey:	\$		\$	\$	\$
DCA Fees		258.00	1,378.00	1,208.00	428.00
Marriage License Fees		75.00	375.00	400.00	50.00
Plumbing Inspections		2,769.00			2,769.00
Master Plan		10,526.44			10,526.44
Tax Maps		4,485.00		730.00	3,755.00
Community Day		14,320.29	817.50	13,554.19	1,583.60
Revaluation of Property		2,289.00			2,289.00
Historical Books		1,125.00	255.00		1,380.00
Outside Liens			18,721.90	18,721.90	
	\$	<u>35,847.73</u>	\$	<u>34,614.09</u>	\$
			<u>21,547.40</u>		<u>22,781.04</u>
	<u>REF.</u>			A-4	A
Balance, December 31, 2011	A	\$ 35,669.94	\$		
Encumbrances Payable	A-19	<u>177.79</u>			
		<u>\$ 35,847.73</u>			
Treasurer	A-4		\$ 2,825.50		
Tax Collector	A-5		<u>18,721.90</u>		
			<u>\$ 21,547.40</u>		

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2011	RECEIPTS	BALANCE DECEMBER 31, 2012
Recycling Tonnage Grant	\$ 1,532.64	\$ 1,655.14	\$ 3,187.78
Alcohol Education and Rehabilitation		971.33	971.33
	<u>\$ 1,532.64</u>	<u>\$ 2,626.47</u>	<u>\$ 4,159.11</u>
<u>REF.</u>	A	A-4	A

BOROUGH OF ALPHA  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	10.74
Increased by:			
Cash Receipts	A-5		2,835.51
		\$	<u>2,846.25</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u>2,846.25</u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	BALANCE DECEMBER 31, 2011	ACCRUED 2012 BUDGET	RECEIVED	CANCELED	BALANCE DECEMBER 31, 2012
Clean Communities Grant	\$ 4,761.90	\$ 5,751.56	\$ 5,632.48	\$ 119.08	\$ 4,761.90
Highlands Grant		103,100.00	19,882.50		83,217.50
Highlands Plan Conformance					
	<u>\$ 4,761.90</u>	<u>\$ 108,851.56</u>	<u>\$ 25,514.98</u>	<u>\$ 119.08</u>	<u>\$ 87,979.40</u>
<u>REF.</u>	A	A-2	A-4	A-20	A



BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2011	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Salaries and Wages:</u>				
Municipal Clerk	\$ 1.26	\$ 1.26	\$	1.26
Public Buildings and Grounds	128.78	128.78		128.78
Planning/Zoning Board	1,331.50	1,331.50		1,331.50
Police	2,226.00	2,226.00		2,226.00
Municipal Court	208.52	208.52		208.52
Prosecutor	133.40	133.40		133.40
Streets and Roads	4,824.02	4,824.02		4,824.02
Garbage	875.48	875.48		875.48
Animal Control	595.00	595.00		595.00
Building Inspection	806.00	806.00		806.00
<u>Other Expenses:</u>				
Administrative and Executive:				
Miscellaneous Other Expenses	837.19	4,368.19	3,724.51	643.68
Municipal Clerk:				
Miscellaneous Other Expenses	632.02	657.01	184.94	472.07
Elections	479.69	479.69		479.69
Financial Administration:				
Miscellaneous Other Expenses	509.43	609.43	100.00	509.43
Audit Services	18,700.00	18,700.00		18,700.00
Payroll Services	1,703.88	1,703.88	528.36	1,175.52
Assessment of Taxes	0.45	0.45		0.45
Collection of Taxes	785.16	899.15	143.99	755.16
Liquidation of Tax, Title Liens and Foreclosed Property	1,000.00	1,000.00		1,000.00
Legal Services	2,812.50	2,812.50		2,812.50
Engineering Services	2,370.00	2,370.00	2,367.50	2.50
Public Buildings and Grounds	37.25	812.25	775.00	37.25
Planning/Zoning Board of Adjustment	656.10	656.10	14.97	641.13
Insurance:				
General Liability	2,743.00	2,743.00		2,743.00
Employee Health	3,776.75	3,776.75		3,776.75
Municipal Court	921.73	1,390.73	700.00	690.73
Emergency Management Services	32.50	228.00	195.50	32.50
Streets and Roads	14,869.04	15,364.48	10,019.95	5,344.53
Board of Health	150.00	150.00		150.00
Garbage	2,545.36	3,144.91	808.17	2,336.74
Animal Control	2,150.60	2,150.60		2,150.60
Celebration of Public Events	16.25	16.25		16.25
Recreation Department	3,564.93	3,564.93	3,563.24	1.69
Building Inspection	235.20	235.20	155.00	80.20
Unclassified:				
Gasoline	283.28	283.28		283.28
Street Lighting	4,516.65	4,516.65	2,072.53	2,444.12
Gas (Propane)	5,318.30	5,318.30	1,667.31	3,650.99
Telephone	1,522.31	1,582.31	60.00	1,522.31
Electric	1,330.44	1,330.44	1,247.21	83.23
Maintaining and Upgrading computers	992.06	2,192.06	1,611.25	580.81
Contribution to:				
Social Security System	167.70	167.70		167.70
Unemployment Compensation Insurance	53.03	53.03		53.03
Judgements	10,000.00	10,000.00		10,000.00
	<u>\$ 96,842.76</u>	<u>\$ 104,407.23</u>	<u>\$ 29,939.43</u>	<u>\$ 74,467.80</u>
REF.	A: A-18			A-1
Cash Disbursements	A-4		\$ 29,859.45	
Reserve for Encumbrances	A-19		79.98	
			<u>\$ 29,939.43</u>	
Budget - Reserved	A-18	\$ 96,842.76		
Reserve for Encumbrances	A-19	7,564.47		
		<u>\$ 104,407.23</u>		

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2011	A		\$ 7,756.61
Increased by:			
Budget Appropriations	A-3	\$ 18,849.26	
Appropriation Reserves	A-18	<u>79.98</u>	
			<u>18,929.24</u>
			\$ <u>26,685.85</u>
Decreased by:			
Transferred to Appropriation Reserves	A-18	\$ 7,564.47	
Reserve for Miscellaneous Reserves	A-14	177.79	
Canceled	A-1	<u>14.35</u>	
			<u>7,756.61</u>
Balance, December 31, 2012	A		\$ <u><u>18,929.24</u></u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>2012 BUDGET APPROPRIATIONS</u>	<u>PAID OR CHARGED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2012</u>
Clean Communities Grant	\$ 165.10	\$ 5,751.56	\$ 5,797.58	\$ 119.08	\$ 6,934.30
Recycling Tonnage Grant	6,934.30				1,148.40
Drunk Driving Enforcement Fund	1,148.40				599.77
Highlands Grant	599.77				3,636.96
Municipal Court Alcohol Rehabilitation Fund	3,636.96				4,083.80
Municipal Alliance	4,083.80				124.72
S.L.A.H.E.O.P.	124.72				378.19
Body Armor Replacement Fund	378.19				103,100.00
Highlands Plan Conformance		103,100.00			
	<u>\$ 17,071.24</u>	<u>\$ 108,851.56</u>	<u>\$ 5,797.58</u>	<u>\$ 119.08</u>	<u>\$ 120,006.14</u>

REF.

A

A-3

A-4

A-17

A

"A-21"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2011 (2012 Taxes)	A	\$	32,630.54
Increased by:			
Collection - 2013 Taxes	A-5		30,709.01
		\$	<u>63,339.55</u>
Decreased by:			
Applied to Taxes Receivable	A-9		<u>32,630.54</u>
Balance, December 31, 2012 (2013 Taxes)	A	\$	<u><u>30,709.01</u></u>

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2011	A	\$	16,340.34
2012 Tax Levy:			
County Tax	A-1:A-9	\$	1,220,133.98
County Open Space	A-1:A-9		130,459.25
Added County Taxes	A-1:A-9		<u>275.90</u>
			<u>1,350,869.13</u>
		\$	<u>1,367,209.47</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,366,933.57</u>
Balance, December 31, 2012	A	\$	<u><u>275.90</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>			
Balance, December 31, 2011				
School Tax Deferred		\$	1,028,045.62	
School Tax Payable	A		<u>406,109.88</u>	\$
				<u>1,434,155.50</u>
Increased by:				
Levy Calendar Year 2012	A-9			<u>2,925,681.00</u>
				\$ <u>4,359,836.50</u>
Decreased by:				
Payment to Local District School	A-4			<u>2,896,997.50</u>
Balance, December 31, 2012:				
School Tax Deferred		\$	1,028,046.07	
School Tax Payable	A		<u>434,793.38</u>	\$
				<u><u>1,462,839.45</u></u>
2012 Liability for Local District School Tax:				
Taxes Paid				\$ 2,896,997.50
Taxes Payable, December 31, 2012				<u>434,793.38</u>
				\$ <u>3,331,790.88</u>
Less: Taxes Payable, December 31, 2011				<u>406,109.88</u>
Amount Charged to 2012 Operations	A-1			\$ <u><u>2,925,681.00</u></u>

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:				
Levy Calendar Year 2012	A-1:A-9			\$ 85,081.11
Decreased by:				
Cash Disbursements	A-4			\$ <u><u>85,081.11</u></u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	A-4	\$ <u>431.68</u>	\$ <u>431.68</u>
Cash Disbursements	A-4	\$ <u><u>431.68</u></u>	\$ <u><u>431.68</u></u>

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF CASH-TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2011	\$ 131.31	\$ 422,410.62
Increased by Receipts:		
Animal License Fees	3,453.40	
Due to State of New Jersey	276.60	
Various Reserves and Deposits		807,676.54
Due Current Fund	0.16	10,400.44
	<u>3,730.16</u>	<u>818,076.98</u>
	\$ 3,861.47	\$ 1,240,487.60
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	3,159.15	
Due to State of New Jersey	276.60	
Various Reserves and Deposits		700,590.64
Due Current Fund	0.16	90,081.11
	<u>3,435.91</u>	<u>790,671.75</u>
Balance, December 31, 2012	\$ 425.56	\$ 449,815.85

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	131.31
Increased by:			
License Fees Collected	B-1		3,453.40
		\$	<u>3,584.71</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		<u>3,159.15</u>
Balance, December 31, 2012	B	\$	<u><u>425.56</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2010	\$ 2,081.20
2011	<u>3,211.20</u>
	\$ <u><u>5,292.40</u></u>

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

Increased by:			
Cash Receipts	B-1	\$	276.60
Decreased by:			
Cash Disbursements	B-1	\$	<u><u>276.60</u></u>



BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE  
TRUST OTHER FUND

REF.

Balance, December 31, 2011	B	\$	2,696.72
Decreased by:			
Transfer to Reserves and Deposits	B-5	\$	<u>2,696.72</u>

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSED	BALANCE DECEMBER 31, 2012
Escrow Deposits	\$ 293,521.58 \$	23,175.59 \$	15,370.23 \$	301,326.94
Accumulated Leave	40,000.00	5,000.00		45,000.00
Tax Sale Premiums	1,800.00	29,800.00		31,600.00
Open Space	740,636.35	85,140.08	7,357.92	818,418.51
Veteran's Memorial Park	3,040.95	1.57	3,042.52	
POAA	8.00			8.00
Public Defender	805.34	400.14		1,205.48
Pool Fundraiser	2,210.55	0.32		2,210.87
Payroll	1,451.63	647,978.22	649,145.20	284.65
Historical Trust	215.78	0.06		215.84
SWR- Municipal Alliance	14,461.47	16,180.56	25,674.77	4,967.26
	<u>\$ 1,098,151.65 \$</u>	<u>807,676.54 \$</u>	<u>700,590.64 \$</u>	<u>1,205,237.55</u>
	REF. B	B-1	B-1	B
Balance, December 31, 2011	\$ 1,095,454.93			
Encumbrances Payable	<u>2,696.72</u>			
	\$ <u>1,098,151.65</u>			

"B-6"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2011:			
Due From	B	\$ 675,741.03 \$	675,741.03
Increased by:			
Cash Disbursements	B-1	<u>90,081.11</u>	<u>90,081.11</u>
Decreased by:			
Cash Receipts	B-1	<u>10,400.44</u>	<u>10,400.44</u>
Balance, December 31, 2012:			
Due From	B	\$ <u><u>755,421.70</u></u> \$	<u><u>755,421.70</u></u>

BOROUGH OF ALPHA

ANIMAL CONTROL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Increased by:			
Cash Receipts	B-1	\$ <u>0.16</u>	\$ <u>0.16</u>
Decreased by:			
Cash Disbursements	B-1	\$ <u><u>0.16</u></u>	\$ <u><u>0.16</u></u>

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2011	C		\$ 352,376.30
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 5,000.00	
Grants Receivable	C-10	81,643.17	
Due Current Fund	C-9	110,132.52	
Miscellaneous Deposits	C-5	<u>64,375.91</u>	
			<u>261,151.60</u>
			\$ <u>613,527.90</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 370,712.94	
Miscellaneous Deposits	C-5	8,980.33	
Due Current Fund	C-9	<u>110,132.52</u>	
			<u>489,825.79</u>
Balance, December 31, 2012	C:C-3		\$ <u><u>123,702.11</u></u>

"C-3"

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

			BALANCE DECEMBER 31, 2012
Capital Improvement Fund		\$	10,997.46
Fund Balance			3,782.33
Contracts Payable			19,240.63
Various Reserves			110,374.03
Improvement Authorizations:			
Funded Improvements Listed on "C-7"			260,254.83
Grants Receivable			<u>(280,947.17)</u>
		\$	<u>123,702.11</u>
	<u>REF.</u>		C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011	C		\$	152,000.00
Decreased by:				
2012 Budget Appropriation to Pay:				
Bond Principal	C-12	\$	95,000.00	
Loan Principal	C-11		<u>14,250.00</u>	
				<u>109,250.00</u>
Balance, December 31, 2012	C		\$	<u>42,750.00</u>

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>APPROPRIATED</u> <u>TO FINANCE</u> <u>IMPROVEMENT</u> <u>AUTHORIZATION</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
Debt Service	\$ 3,422.35					3,422.35
Improvements to Roads	84,964.57	40,480.03		40,480.00	84,964.60	4,999.95
Purchase of Public Works Equipment	5,000.00	5,000.00			5,000.05	25,712.52
Purchase of Mower	22,712.52	3,000.00				2,812.95
Improvements to Pedestrian Bridge	10,000.00				10,000.00	2,812.95
Veteran's Memorial Park	2,812.95					246.68
Improvements to Public Property	21,320.60	246.41	8,980.33	800.00	11,540.00	7,046.00
Improvements to Public Works Bldg	14,706.00				7,660.00	40,000.00
Purchase Public Works Vehicle	30,000.00	10,000.00				2,500.00
Police/Emergency Equipment	2,500.00					1,312.50
Improvements to Curbing	10,000.00	3,312.50		2,000.00	10,000.00	17,746.00
Improvements to Recreation Facility	23,746.00				6,000.00	2,238.11
Recreation Equipment	2,238.11	2,336.97				2,336.97
Purchase of Fire Truck						
	<u>\$ 233,423.10</u>	<u>\$ 64,375.91</u>	<u>\$ 8,980.33</u>	<u>\$ 43,280.00</u>	<u>\$ 135,164.65</u>	<u>\$ 110,374.03</u>
	C	C-2	C-2	C-7	C-1	C

REF.

"C-6"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Increased by:			
Contracts Issued	C-7	\$	389,953.57
Decreased by:			
Cash Disbursements	C-2		<u>370,712.94</u>
Balance, December 31, 2012	C	\$	<u><u>19,240.63</u></u>



BOROUGH OF ALPHA  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2011		2012 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2012	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1998-06	Tax Refunding Bond	05/12/98	\$ 45,000.00	\$ 5,680.81	\$	\$	\$	\$	5,680.81	\$
2002-07	Various Improvements	06/28/02	200,000.00	369.74					369.74	
2007-09	Purchase of 2008 Dump Truck	07/24/07	105,000.00	1,311.00					1,311.00	
2008-09	Construction and Installation of a Salt Shed	04/22/08	25,000.00	1,045.41					1,045.41	
2009-07	Reconstruction of Edge Road	09/22/09	667,000.00	46,537.04					46,537.04	
2009-08	Reconstruction of the Lee Ave Pedestrian Bridge	09/22/09	290,000.00	186,971.83					186,971.83	
2009-12	Site Preparation of Erection of Salt Shed	10/27/09	10,000.00	744.00		22,933.13			744.00	
2010-04	Rehabilitation of the Bandit Chipper	04/13/10	3,500.00	505.87					505.87	
2010-05	Purchase of a Digital Recording System	04/13/10	6,000.00	27.20					27.20	
2011-06	Reconstruction of North Boulevard	09/27/11	220,000.00	211,765.50			52,750.00			
2012-07	Removal and Replacement of North Boulevard Curbing	09/11/12	12,000.00		12,000.00					12,000.00
2012-09	General Public Property Improvements	09/25/12	10,000.00		10,000.00					10,000.00
2012-10	Reconstruction of North Boulevard	10/09/12	200,000.00		200,000.00					200,000.00
2012-16	Construction of an Access Road to Municipal Property	12/27/12	10,000.00		10,000.00					10,000.00
2012-17	Salt Storage Reinforcement/Salt Shed Reconstruction	12/27/12	16,000.00		16,000.00					16,000.00
				\$ 454,958.40	\$ 248,000.00	\$ 248,000.00	\$ 389,953.57	\$ 52,750.00	\$ 260,254.83	\$
		REF.		C	C		C-6		C-C-3	
	Reserves									
	Capital Improvement Fund	C-5			\$ 43,280.00					
	Fund Balance	C-8			16,520.00					
		C-1			188,200.00			52,750.00		
					\$ 248,000.00	\$ 248,000.00		\$ 52,750.00		

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 22,517.46
Increased by:		
2012 Budget Appropriation	C-2	<u>5,000.00</u>
		\$ <u>27,517.46</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>16,520.00</u>
Balance, December 31, 2012	C	\$ <u><u>10,997.46</u></u>

"C-9"

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

REF.

Increased by:			
Cash Receipts	C-2	\$	110,132.52
Decreased by:			
Cash Disbursements	C-2	\$	<u>110,132.52</u>

"C-10"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2011	C	\$	362,590.34
Decreased by:			
Cash Receipts	C-2		<u>81,643.17</u>
Balance, December 31, 2012	C	\$	<u>280,947.17</u>

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ECONOMIC DEVELOPMENT LOAN PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
Construction of New Municipal Bldg.	3/1/96	\$ 250,000.00	3/1/13-15	\$ 14,250.00	1.50%	\$ 57,000.00	14,250.00	\$ 42,750.00
					<u>REF.</u>	C	C-4	C

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>DECREASED</u>
			<u>DATE</u>	<u>AMOUNT</u>			
General Improvement	10/15/96	\$ 965,000.00	N/A			\$ 95,000.00	
					<u>REF.</u>	C	C-4
						\$ 95,000.00	\$ 95,000.00

BOROUGH OF ALPHA

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2011	D	\$ <u>654,625.13</u>	\$ <u>82,972.95</u>
Increased by Receipts:			
Collector	D-6	\$ 860,627.60	\$
Miscellaneous	D-3	41,637.00	
Interfunds	D-8:D-20	297,218.80	245,034.65
Appropriation Refunds	D-4	6,398.50	
Premium on Sale of Notes	D-1		1,555.00
Bond Anticipation Notes	D-13		755,000.00
		\$ <u>1,205,881.90</u>	\$ <u>1,001,589.65</u>
		\$ <u>1,860,507.03</u>	\$ <u>1,084,562.60</u>
Decreased by Disbursements:			
2012 Appropriations	D-4	\$ 1,291,495.05	\$
2011 Appropriation Reserves	D-10	40,380.95	
Contracts Payable	D-12		631,698.96
Miscellaneous Reserves	D-22		24,848.15
Interfunds	D-8:D-20	251,399.36	245,033.79
Accrued Interest	D-7	10,221.05	
		\$ <u>1,593,496.41</u>	\$ <u>901,580.90</u>
Balance, December 31, 2012	D	\$ <u><u>267,010.62</u></u>	\$ <u><u>182,981.70</u></u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2011	D	\$ 46,262.91
Increased by:		
Water/Sewer Rents Levied-Net		857,368.21
		\$ <u>903,631.12</u>
Decreased by:		
Collection	D-3:D-5	<u>860,627.60</u>
Balance, December 31, 2012	D	\$ <u><u>43,003.52</u></u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	10,077.68
Increased by:			
Budget Appropriation	D-4		<u>9,000.00</u>
		\$	19,077.68
Decreased by:			
Cash Disbursements	D-5	\$	10,221.05
Canceled	D-1		<u>8,479.13</u>
			<u>18,700.18</u>
Balance, December 31, 2012	D	\$	<u><u>377.50</u></u>



BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER/SEWER CAPITAL FUND</u>
Increased by:				
Cash Receipts	D-5	\$ <u>297,218.80</u>	\$ <u>52,218.80</u>	\$ <u>245,000.00</u>
Decreased by:				
Disbursements	D-5	\$ <u>251,399.36</u>	\$ <u>6,398.50</u>	\$ <u>245,000.86</u>
Balance, December 31, 2012:				
Due From	D	\$ 0.86	\$	\$ 0.86
Due To	D	<u>45,820.30</u>	<u>45,820.30</u>	<u></u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	47,000.00
Decreased by:			
Raised in 2012 Budget	D-4	\$	<u>47,000.00</u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 2,451.02	\$ 2,451.02		\$ 2,451.02
Other Expenses	23,011.81	26,758.54	26,743.15	15.39
Capital Improvement Fund:				
Reserve for Facility/Equipment Improvement		15,922.00	14,050.00	1,872.00
Regulatory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	21.85	21.85		21.85
Unemployment Compensation	27.18	27.18		27.18
	<u>\$ 25,511.86</u>	<u>\$ 45,180.59</u>	<u>\$ 40,793.15</u>	<u>\$ 4,387.44</u>
	<u>REF.</u>	D		D-2
Balance, December 31, 2011	D-10	\$ 25,511.86	\$	
Cash Disbursements	D-5		40,380.95	
Encumbrances Payable	D-11	19,668.73	412.20	
		<u>\$ 45,180.59</u>	<u>\$ 40,793.15</u>	

"D-11"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	19,668.73
Increased by:			
Charges to 2012 Appropriations	D-4	\$	7,205.31
Charges to 2011 Appropriation Reserves	D-10		<u>412.20</u>
			7,617.51
		\$	<u>27,286.24</u>
Decreased by:			
Transferred to Appropriation Reserves	D-10		<u>19,668.73</u>
Balance, December 31, 2012	D	\$	<u><u>7,617.51</u></u>

"D-12"

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2011	D	\$	15,000.00
Increased by:			
Charges to Improvement Authorizations	D-15		<u>662,058.96</u>
		\$	<u>677,058.96</u>
Decreased by:			
Cash Disbursements	D-5		<u>631,698.96</u>
Balance, December 31, 2012	D	\$	<u><u>45,360.00</u></u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
2011-12	Improvement to Water Utility	12/19/2012	12/19/2012	12/18/13	1.50%	\$ 755,000.00	\$ 755,000.00

REF.

D-5

D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	23,750.00
Balance, December 31, 2012	D	\$	<u>23,750.00</u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2011		PAID OR CHARGED	BALANCE DECEMBER 31, 2012	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
2010-03	Hydrants/Valves	02/23/10	\$ 35,000.00	\$ 3.43	\$	\$	3.43	\$
2010-18	Meters and Radio Frequency Remotes	12/14/10	245,000.00	4,550.00			4,550.00	
2011-04	Improvements to Water Infrastructure	05/10/11	100,000.00	12,942.00	85,000.00	97,942.00		
2011-12	Improvements to Water Utility	09/13/11	755,000.00		693,401.85	564,116.96		129,284.89
				\$ 17,495.43	\$ 778,401.85	\$ 662,058.96	\$ 4,553.43	\$ 129,284.89
	REF.			D	D	D-12	D	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2012</u>
	General Improvements:				
2010-18	Meters and Radio Frequency Remotes	12/14/10	\$ 245,000.00	245,000.00	245,000.00
2011-04	Improvements to Water Infrastructure	05/10/11	100,000.00	100,000.00	100,000.00
2011-12	Improvements to Water Utility	09/13/11	755,000.00	755,000.00	755,000.00
			\$	<u>1,100,000.00</u>	<u>1,100,000.00</u>

REF.

D

D





BOROUGH OF ALPHA  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2012</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 and 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 and Garfield Streets and Resurfacing	181,786.50	181,786.50
Trailer Vacuum	41,400.00	41,400.00
Hydrants/Valves	35,000.00	35,000.00
Franklin/Ringwood Line/Hydrant	70,000.00	70,000.00
	\$ <u>3,944,212.13</u>	\$ <u>3,944,212.13</u>
<u>REF.</u>	D	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2012</u>
	General Improvements:			
2010-18	Meters and Radio Frequency Remotes	12/14/10	\$ 245,000.00	\$ 245,000.00
2011-04	Improvements to Water Infrastructure	05/10/11	15,000.00	15,000.00
			<u>\$ 260,000.00</u>	<u>\$ 260,000.00</u>
			D	D
			<u>REF.</u>	

BOROUGH OF ALPHA  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER/SEWER OPERATING FUND</u>
Increased by:			
Cash Receipts	D-5	\$ <u>245,034.65</u>	\$ <u>245,034.65</u>
Decreased by:			
Cash Disbursements	D-5	\$ <u>245,033.79</u>	\$ <u>245,033.79</u>
Balance, December 31, 2012:			
Due To	D	\$ <u><u>0.86</u></u>	\$ <u><u>0.86</u></u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	3,592,275.43
Increased by:			
Loans Paid by Budget	D-17		<u>351,936.70</u>
Balance, December 31, 2012	D	\$	<u><u>3,944,212.13</u></u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2011	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Waste Water Treatment Plant	\$ 7,093.67	\$ 5,900.30	\$ 1,193.37
Hydrant Replacement	15,972.30	2,021.50	13,950.80
Purchase of Equipment	15,788.03	11,250.00	4,538.03
Facility and Equipment	38,142.32	5,425.35	32,716.97
Leak Detection	296.66	251.00	45.66
Well Closings	3,720.00		3,720.00
	<u>\$ 81,012.98</u>	<u>\$ 24,848.15</u>	<u>\$ 56,164.83</u>
<u>REF.</u>	D	D-5	D

"D-23"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2012</u>
2011-04	Improvements to Water Infrastructure	\$ <u><u>85,000.00</u></u>

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2011	E	\$ 10,153.86	\$ 10,153.86
Increased by Receipts:			
Interest Earned	E-4	<u>5.72</u>	<u>5.72</u>
Balance, December 31, 2012	E	<u>\$ 10,159.58</u>	<u>\$ 10,159.58</u>



BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2012	E	\$	10,159.58
Increased by:			
Cash Receipts Record			<u>2.28</u>
Balance April 30, 2013		\$	<u><u>10,161.86</u></u>

RECONCILIATION-APRIL 30, 2013

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement: N.J. Cash Management Account #117-92347-171		\$ <u>10,161.86</u>	\$ <u>10,161.86</u>
Balance April 30, 2013		\$ <u><u>10,161.86</u></u>	\$ <u><u>10,161.86</u></u>

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
AS OF DECEMBER 31, 2012

	<u>REF.</u>		
Balance, December 31, 2011	E-1	\$	10,153.86
Increased by:			
Cash Receipts	E-4		<u>5.72</u>
Balance, December 31, 2012	E-1	\$	<u><u>10,159.58</u></u>

RECONCILIATION-DECEMBER 31, 2012

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement:			
N.J. Cash Management			
Account #117-92347-171	\$	<u>10,159.58</u>	\$ <u>10,159.58</u>
Balance, December 31, 2012	\$	<u><u>10,159.58</u></u>	\$ <u><u>10,159.58</u></u>

BOROUGH OF ALPHA  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Interest Earned		\$ <u>5.72</u>	\$ <u>5.72</u>
<u>TOTAL RECEIPTS</u>	E-1	\$ <u>5.72</u>	\$ <u>5.72</u>

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BOROUGH OF ALPHA

PART II

REPORTS 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

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Alpha  
County of Warren  
Alpha, New Jersey 08865

We have audited, in accordance with the 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, the regulatory financial statements of the various individual funds and the account group of the Borough of Alpha, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 10, 2013. Our report disclosed that, as described in Note 1 to the financial statements, 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 and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory 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 Borough's internal control.

# SUPLEE, CLOONEY & COMPANY

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. However, we noted certain immaterial matters involving internal control that we have reported to the Borough of Alpha in the General Comments and Recommendations Section of the audit report.

## ***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*. However, there were immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of the audit report.

## ***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.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 10, 2013

BOROUGH OF ALPHA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2012 RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>						
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/2011 12/31/2011	\$ 5,734.59	\$	165.10	5,734.59
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/2012 12/31/2012	5,632.48	5,632.48	5,632.48	5,632.48
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/2006 12/31/2006	5,000.00			1,369.53
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/2007 12/31/2007	252.65			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/2008 12/31/2008	848.76			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/2009 12/31/2009	2,202.42			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	Unappropriated	3,187.78	1,655.14		
			\$ 7,287.62	\$ 7,287.62	\$ 5,797.58	\$ 12,736.60
<b>DEPARTMENT OF TRANSPORTATION</b>						
Safe Routes to School	N/A	1/1/2009 12/31/2009	250,000.00	81,643.17	81,643.17	81,643.17
North Boulevard	N/A	1/1/2008 12/31/2008	175,000.00			120,247.16
			\$ 81,643.17	\$ 81,643.17	\$ 81,643.17	\$ 201,890.33
<b>HIGHLANDS WATER PROTECTION and PLANNING COUNCIL</b>						
Highlands Council Conformance Assessment Grant	100-082-2078-033	3/13/2009 Open	50,000.00	\$	\$	49,400.23
Highlands Plan Conformance Grant	100-082-2078-033	9/22/2011 Open	103,100.00	19,882.50		
			\$ 19,882.50	\$ 19,882.50	\$ 19,882.50	\$ 49,400.23
<b>Warren County</b>						
Municipal Alliance	1999-475-995120-6	1/1/1999 12/31/1999	8,679.00	\$	\$	4,595.20
<b>Department of Law and Public Safety</b>						
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/2002 12/31/2002	142.53	\$	\$	136.72
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/2003 12/31/2003	761.01			
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/2004 12/31/2004	381.58			
Body Armor Replacement Fund	N/A	1/1/2005 12/31/2005	591.44			213.25
S.L.A.E.H.O.P.	1200-845-YEMR-6120	1/1/2004 12/31/2004	2,405.72			2,281.00
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2005 12/31/2005	397.08			91.61
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2006 12/31/2006	296.17			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2007 12/31/2007	169.14			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2008 12/31/2008	642.55			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2009 12/31/2009	696.14			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2010 12/31/2010	502.73			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/2011 12/31/2011	1,024.76			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	Unappropriated	971.33	971.33		
			\$ 971.33	\$ 971.33	\$	\$ 2,722.58
			\$ 109,784.62	\$ 109,784.62	\$ 87,440.75	\$ 271,344.94



BOROUGH OF ALPHA

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial awards of the Borough of Alpha, County of Warren, New Jersey. All state financial awards received directly from state agencies, as well as awards passed through other government agencies is included on the Schedules of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 28,141.45	\$ 28,141.45
General Capital Fund	<u>81,643.17</u>	<u>81,643.17</u>
	<u>\$ 109,784.62</u>	<u>\$ 109,784.62</u>

Expenditures:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 5,797.58	\$ 5,797.58
General Capital Fund	<u>81,643.17</u>	<u>81,643.17</u>
	<u>\$ 87,440.75</u>	<u>\$ 87,440.75</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

PART III

BOROUGH OF ALPHA

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

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

	YEAR 2012		YEAR 2011	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 323,939.00	4.49	\$ 338,079.00	4.50
Miscellaneous-From Other Than Local				
Property Tax Levies	719,001.65	9.96	1,051,367.39	13.99
Collection of Delinquent Taxes and Tax Title Liens	202,426.82	2.80	169,747.35	2.26
Collection of Current Tax Levy	<u>5,973,789.54</u>	<u>82.75</u>	<u>5,952,277.24</u>	<u>79.24</u>
<u>TOTAL INCOME</u>	<u>\$ 7,219,157.01</u>	<u>100.00%</u>	<u>\$ 7,511,470.98</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 2,453,850.06	35.76	\$ 2,526,682.92	37.09
County Taxes	1,350,869.13	19.69	1,331,777.56	19.55
School Taxes	2,925,681.00	42.64	2,868,314.00	42.10
Municipal Open Space Taxes	85,081.11	1.24	86,180.66	1.26
Other	<u>46,120.30</u>	<u>0.67</u>		
<u>TOTAL EXPENDITURES</u>	<u>\$ 6,861,601.60</u>	<u>100.00%</u>	<u>\$ 6,812,955.14</u>	<u>100.00%</u>
Excess in Revenue	\$ 357,555.41		\$ 698,515.84	
Fund Balance, January 1	<u>1,262,088.78</u>		<u>901,651.94</u>	
	\$ 1,619,644.19		\$ 1,600,167.78	
Less: Utilization as Anticipated Revenue	<u>323,939.00</u>		<u>338,079.00</u>	
Fund Balance, December 31	<u>\$ 1,295,705.19</u>		<u>\$ 1,262,088.78</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-WATER/SEWER UTILITY FUND

	YEAR 2012		YEAR 2011	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 507,288.00	35.66	\$ 67,192.00	6.40
Collection of Sewer Use Charges	573,031.97	40.29	584,432.29	55.65
Collection of Water Use Charges	287,595.63	20.21	287,318.91	27.37
Miscellaneous-From Other Than Use	<u>54,503.57</u>	<u>3.83</u>	<u>111,260.78</u>	<u>10.60</u>
<u>TOTAL INCOME</u>	<u>\$ 1,422,419.17</u>	<u>100.00%</u>	<u>\$ 1,050,203.98</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 810,788.00	59.61	\$ 777,792.00	77.37
Capital Improvements	130,000.00	9.56	175,000.00	17.41
Debt Service	360,936.70	26.54	32,297.95	3.21
Deferred Charges and Statutory Expenditures	58,500.00	4.30	14,100.00	1.40
Other	<u>                    </u>	<u>                    </u>	<u>6,127.25</u>	<u>0.61</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,360,224.70</u>	<u>100.00%</u>	<u>\$ 1,005,317.20</u>	<u>100.00%</u>
Excess in Revenue	\$ 62,194.47		\$ 44,886.78	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>                    </u>		<u>47,000.00</u>	
Statutory Excess to Surplus	62,194.47		91,886.78	
Fund Balance, January 1	<u>646,391.86</u>		<u>621,697.08</u>	
	\$ 708,586.33		\$ 713,583.86	
Decreased by:				
Utilization as Anticipated Revenue	<u>507,288.00</u>		<u>67,192.00</u>	
Fund Balance, December 31	<u>\$ 201,298.33</u>		<u>\$ 646,391.86</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	<u>\$2.909</u>	<u>\$2.864</u>	<u>\$2.826</u>
Appointment of Tax Rate:			
Municipal	0.857	0.857	0.850
Municipal Open Space	0.040	0.040	0.040
County	0.574	0.555	0.552
County Open Space	0.062	0.064	0.066
Local District School	<u>1.376</u>	<u>1.348</u>	<u>1.318</u>

Assessed Valuation:

2012	\$ <u>212,659,347.00</u>		
2011		\$ <u>212,839,644.00</u>	
2010			\$ <u>213,423,229.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF COLLECTION</u>
2012	\$6,187,522.91	\$5,973,789.54	96.55%
2011	6,197,940.47	5,952,277.24	96.04%
2010	6,038,168.84	5,790,062.24	95.89%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

<u>YEAR</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2012	\$157,754.82	\$213,071.82	\$370,826.64	5.99%
2011	163,130.11	204,682.95	367,813.06	5.93%
2010	166,004.77	141,757.34	307,762.11	5.10%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2012	\$9,592.50
2011	9,592.50
2010	9,592.50

COMPARISON OF WATER/SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS*</u>
2012	\$ 857,368.21	\$ 860,627.60
2011	878,522.63	871,751.20
2010	877,352.60	887,937.05

\*Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
Current Fund	2012	\$ 1,295,705.19	\$ 194,825.00
	2011	1,262,088.78	323,939.00
	2010	901,651.94	338,079.00
	2009	1,169,484.86	322,486.00
	2008	1,060,674.20	243,000.00
Water/Sewer Utility Operating Fund	2012	\$ 201,298.33	\$ -0-
	2011	646,391.86	507,288.00
	2010	621,697.08	67,192.00
	2009	717,192.54	132,180.00
	2008	531,721.94	118,613.00



## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Edward Z. Hanics Jr.	Mayor		
Craig Dunwell	Councilman		
Klara Tarsi	Councilwoman		
Rudolph Pfefferle	Councilman		
Michael Savary	Councilman		
Carol Schwar	Councilwoman		
Harry Zikas Jr.	Councilman		
Laurie A. Barton	Municipal Clerk, Licensing Official, Registrar, Search Officer		
Lorraine Rossetti	Chief Financial Officer, Treasurer, Utility Collector	\$1,000,000.00	
Carrie Emery	Tax Collector, Tax Search Officer	\$1,000,000.00	
Kathy Degan	Tax Assessor		
Kevin Duddy	Construction Code Official		
Louis Mellinger	Magistrate	\$1,000,000.00	
Katherine Cupon	Court Administrator	\$1,000,000.00	
Dawn Laird	Deputy Court Administrator		
Christian Perrucci	Prosecutor		
Scott Wilhelm	Public Defender		

The Public Alliance Insurance Coverage Joint Insurance Fund carries \$50,000.00 of coverage. An additional \$950,000 is provided through the Municipal Excess Liability Joint Insurance Fund.

All bonds were examined and were properly executed.

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GENERAL COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$26,000.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$26,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

North Boulevard Improvements  
Auxiliary Power Installation at Frace St. - WTP  
Water Main Improvement Project  
Upgrade to Water Softener at Frace St. - WTP

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing 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 audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$26,000.00 "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.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)  
(CONTINUED)

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2012 for the following professional services:

Borough Auditor  
Borough Engineer  
Borough Attorney

Municipal Prosecutor  
Public Defender  
Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The governing body on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes.

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

WHEREAS, NJSA 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% to 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 Common Council of the Borough of Alpha, County of Warren, and 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 in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.
2. Effective January 1, 2012, 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.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 18, 2012 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 OF LIENS</u>
2012	6
2011	8
2010	8

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of verification notices as follows:

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	15
Delinquent Utility Rent Positive Confirmation	15
Information Tax Current Positive Confirmation	20
Information Utility Rent Positive Confirmation	20

## OTHER COMMENTS

### Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

### Purchasing

Our review of cash disbursements noted several vouchers were processed after products of services were received.

Our review also revealed that purchases made in excess of the quote threshold were made without the acquisition of multiple quotes.

### Finance

Our audit determined the Borough did not file IRS Form 1099 for all unincorporated vendors receiving payments in excess of \$600.00.

The payroll deduction for employee medical contributions was not set up in the payroll system in a timely manner. As a result, employees did not contribute the correct amount for their share of medical coverage.

Capital Ordinance 2012-09 General Public Property Improvements was not set up separately as an Improvement Authorization in the General Capital Fund. Expenditures exceeding the amount appropriated were posted directly to a reserve account.

The financial records of the Borough were not maintained on a timely basis during 2012. There were two payrolls that were not posted to the Borough's records which resulted in an overexpenditure to the Social Security line in the Current Fund budget prior to transfers being made.

### Municipal Court

The ATS generates a report showing unissued tickets to officers that have been outstanding for more than six months. The Administrative Office of the Courts requires that unissued tickets outstanding over six months be recalled and returned to the Municipal Court. As of the time of our audit, the list shows 651 tickets over six months old that have not been returned. In addition, it was noted that ticket books are not being issued in numerical order.

### Departments

Cash receipts were not deposited within 48 hours per N.J.S.A. 40A:5-15.

## RECOMMENDATIONS

That all vouchers presented for payment be recorded prior to the receipt of goods or services.

\*That multiple quotes be solicited for purchases in excess of the quote threshold.

\*That IRS Form 1099 be sent to all eligible vendors receiving in excess of \$600 in payments.

That payroll deductions for medical contributions be entered into the payroll system in a timely manner.

That all capital ordinances be completely funded and posted properly in the General Capital Fund.

That the Borough's financial records be maintained in a timely manner.

That unissued tickets outstanding for greater than six months be recalled and returned to the Municipal Court.

That ticket books be assigned in numerical order.

\*That all departmental receipts be deposited or remitted to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

\*Unresolved 2011 Audit Recommendations



