

*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, 2014*



BOROUGH OF ALPHA

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BOROUGH OF ALPHA

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2014 AND 2013



# SUPLEE, CLOONEY & COMPANY

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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, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2014, 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 Borough of Alpha'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, 2014 and 2013, 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, 2014.

### ***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, 2014 and 2013, 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, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of 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 August 13, 2015 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

August 13, 2015

CURRENT FUND

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
Current Fund:			
Cash	A-4	\$ 3,449,916.10	\$ 3,252,179.42
Change Funds	A-6	175.00	175.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	16,131.48	14,337.65
		<u>\$ 3,466,222.58</u>	<u>\$ 3,266,692.07</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 176,635.93	\$ 145,923.84
Tax Title Liens Receivable	A-10	86,410.61	73,545.72
Property Acquired for Taxes - Assessed Valuation	A-11	9,592.50	9,592.50
Revenue Accounts Receivable	A-12	708.28	431.14
Interfunds Receivable	A-13	453,479.86	448,229.67
	A	<u>\$ 726,827.18</u>	<u>\$ 677,722.87</u>
Deferred Charges:			
Special Emergency	A-7	\$ 23,000.00	\$ 34,000.00
Overexpenditure of Appropriations	A-7	7,695.33	
		<u>\$ 30,695.33</u>	<u>\$ 34,000.00</u>
		<u>\$ 4,223,745.09</u>	<u>\$ 3,978,414.94</u>
Grant Fund:			
Cash	A-4	\$ 19,121.12	\$ 19,121.25
Grants Receivable	A-17	38,703.41	59,015.40
Interfunds Receivable	A-25	2,679.98	12.85
		<u>\$ 60,504.51</u>	<u>\$ 78,149.50</u>
		<u>\$ 4,284,249.60</u>	<u>\$ 4,056,564.44</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, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-18	\$ 371,813.91	\$ 152,699.94
Encumbrances Payable	A-19	40,620.08	31,661.43
Interfunds Payable	A-13	1,511,106.02	1,221,545.45
Prepaid Taxes	A-21	29,149.37	37,171.62
County Taxes Payable	A-22	2.17	268.42
Local District School Tax Payable	A-23	194,503.68	464,049.88
Reserve for Miscellaneous Deposits	A-14	31,933.04	33,301.04
		<u>\$ 2,179,128.27</u>	<u>\$ 1,940,697.78</u>
Reserve for Receivables	A	726,827.18	677,722.87
Fund Balance	A-1	<u>1,317,789.64</u>	<u>1,359,994.29</u>
		<u>\$ 4,223,745.09</u>	<u>\$ 3,978,414.94</u>
Grant Fund:			
Reserve for Grants-Appropriated	A-20	\$ 50,290.12	\$ 71,425.11
Reserve for Grants-Unappropriated	A-15	<u>10,214.39</u>	<u>6,724.39</u>
		<u>\$ 60,504.51</u>	<u>\$ 78,149.50</u>
		<u>\$ 4,284,249.60</u>	<u>\$ 4,056,564.44</u>

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

BOROUGH OF ALPHACURRENT FUNDSTATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2014</u>	YEAR ENDED DECEMBER <u>31, 2013</u>
Fund Balance Utilized	A-1:A-2	\$ 334,886.00	\$ 194,825.00
Miscellaneous Revenues Anticipated	A-2	339,774.11	813,808.20
Receipts from Delinquent Taxes	A-2	138,789.36	300,324.74
Receipts from Current Taxes	A-2	6,262,072.31	6,130,176.05
Non-Budget Revenues	A-2	69,910.53	211,201.37
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-18	128,138.60	115,214.33
Encumbrances Payable Canceled		212.24	
<u>Total Income</u>		<u>\$ 7,273,783.15</u>	<u>\$ 7,765,549.69</u>
 <u>EXPENDITURES</u> 			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations including Contingent	A-3	\$ 1,379,012.33	\$ 1,347,157.00
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	84,400.00	82,450.00
Excluded from "CAPS"			
Operations	A-3	469,520.00	864,895.00
Capital Improvement Fund		339,000.00	339,000.00
Municipal Debt Service	A-3	57,027.72	14,790.91
Deferred Charges and Judgments	A-3	21,000.00	17,000.00
County Tax	A-22	1,493,968.27	1,389,206.25
County Tax for Added and Omitted Taxes	A-22	526.15	268.42
Local District School Tax	A-23	3,048,877.00	2,984,194.00
Municipal Open Space Tax	A-24	85,081.36	85,064.64
Interfund Advances		5,250.19	402,409.37
Refund of Prior Years Revenues		5,134.11	
<u>Total Expenditures</u>		<u>\$ 6,988,797.13</u>	<u>\$ 7,526,435.59</u>
Excess in Revenue		\$ 284,986.02	\$ 239,114.10
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	7,695.33	20,000.00
Statutory Excess to Fund Balance		\$ 292,681.35	\$ 259,114.10
<u>Fund Balance</u>			
Balance, January 1	A	1,359,994.29	1,295,705.19
		\$ 1,652,675.64	\$ 1,554,819.29
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	334,886.00	194,825.00
Balance, December 31	A	<u>\$ 1,317,789.64</u>	<u>\$ 1,359,994.29</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, 2014

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>EXCESS OR (DEFICIT)</u>
		<u>BUDGET</u>	<u>REALIZED</u>	
Fund Balance Anticipated	A-1	\$ 334,886.00	\$ 334,886.00	
Miscellaneous Revenues:				
Alcoholic Beverage Licenses	A-12	\$ 5,500.00	\$ 7,324.99	\$ 1,824.99
Other Licenses	A-12	3,000.00	6,925.00	3,925.00
Construction Code Official - Fees and Permits	A-12	17,500.00	17,388.00	(112.00)
Fines and Costs - Municipal Court	A-12	14,000.00	15,967.26	1,967.26
Interest and Costs on Taxes	A-12	40,000.00	27,482.39	(12,517.61)
Interest on Investments and Deposits	A-12	1,500.00	2,154.09	654.09
Energy Receipts Tax	A-12	203,895.00	203,895.00	
Consolidated Municipal Property Tax Relief Aid	A-12	21,852.00	21,852.00	
Shared Services Agreement - Greenwich	A-12	40,000.00	31,285.38	(8,714.62)
Clean Communities Grant	A-17	5,500.00	5,500.00	
	A-1	\$ 352,747.00	\$ 339,774.11	\$ (12,972.89)
Receipts From Delinquent Taxes	A-2	\$ 150,000.00	\$ 138,789.36	\$ (11,210.64)
Amount to be Raised by Taxes for Support of:				
Library		\$ 69,016.88	\$ 69,016.88	
Municipal Budget	A-9:A-2	1,754,187.12	1,874,602.65	\$ 120,415.53
		<u>1,823,204.00</u>	<u>1,943,619.53</u>	<u>120,415.53</u>
<u>Budget Totals</u>		\$ 2,660,837.00	\$ 2,757,069.00	\$ 96,232.00
Non-Budget Revenues	A-2		69,910.53	69,910.53
		\$ 2,660,837.00	\$ 2,826,979.53	\$ 166,142.53

REF. 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, 2014

	<u>REF.</u>		
Allocations of Current Tax Collections:			
Revenues from Collections	A-1:A-9	\$	6,262,072.31
Allocated to:			
School and County Taxes		\$	4,543,371.42
Municipal Open Space Tax			<u>85,081.36</u>
			<u>4,628,452.78</u>
Balance for Support of Municipal Appropriations		\$	1,633,619.53
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>310,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>1,943,619.53</u></u>

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-9	\$	<u>138,789.36</u>
	A-1:A-2	\$	<u><u>138,789.36</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:			
Marriage Licenses		\$	42.00
Clerk - Miscellaneous			868.65
Pavilion Fees			750.00
Street Openings			4,500.00
Lease			35,350.00
Cable TV Franchise Fee			9,584.00
Tax Assessor			10.00
Miscellaneous			16,876.23
Senior Citizen and Veteran Administration Fees			<u>820.22</u>
	A-4		68,801.10
Tax Collector	A-5		<u>1,109.43</u>
	A-1:A-2	\$	<u><u>69,910.53</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, 2014

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION					
<u>OPERATIONS WITHIN "CAPS":</u>							
<u>GENERAL GOVERNMENT</u>							
Administrative and Executive:							
Salaries and Wages	\$ 18,003.00	\$ 18,003.00	\$ 17,410.33	\$ 592.67	\$		
Other Expenses	30,850.00	30,850.00	29,400.00	1,450.00			
Municipal Clerk:							
Salaries and Wages	74,640.00	74,640.00	73,603.25	1,036.75			
Other Expenses	4,100.00	4,100.00	3,452.01	647.99			
Elections:							
Other Expenses	750.00	750.00	612.50	137.50			
Financial Administration:							
Salaries and Wages	88,860.00	88,860.00	88,121.00	739.00			
Other Expenses	4,100.00	4,100.00	3,618.67	481.33			
Audit Services	18,750.00	18,750.00	18,725.00	25.00			
Payroll Services:							
Other Expenses	10,000.00	10,000.00	9,490.06	509.94			
Assessment of Taxes:							
Salaries and Wages	19,329.00	19,329.00	18,586.53	742.47			
Other Expenses	3,000.00	3,000.00	2,984.22	15.78			
Tax Maps							
Revenue Administration (Collection of Taxes):							
Salaries and Wages	23,082.00	23,082.00	23,069.76	12.24			
Other Expenses	2,200.00	2,200.00	1,551.08	648.92			
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	55,000.00	55,000.00	54,402.48	597.52			
Engineering Services and Costs:							
Salaries and Wages	22,000.00	22,000.00	19,332.93	2,667.07			
Other Expenses	19,088.00	19,088.00	18,417.13	670.87			
Planning Board:							
Salaries and Wages	15,500.00	15,500.00	5,292.48	10,207.52			
Other Expenses							
Insurance:							
Group Insurance for Employees	106,200.00	106,200.00	103,806.35	2,393.65			
General Liability	127,500.00	127,500.00	124,477.00	3,023.00			
Municipal Court:							
Salaries and Wages	27,975.00	27,975.00	15,773.20	12,201.80			
Other Expenses	2,300.00	9,800.00	8,846.62	953.38			
Public Defender:							
Salaries and Wages	1,800.00	1,800.00	150.00	1,650.00			

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, 2014

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION					
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>							
<u>PUBLIC SAFETY</u>							
Fire:							
Other Expenses	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$	\$	\$	\$
Police:							
Salaries and Wages	15,000.00	15,000.00	9,334.00	5,666.00			
Other Expenses	5,000.00	5,000.00		5,000.00			
First Aid Organization Contribution:							
Other Expenses	15,300.00	15,300.00	15,300.00				
Emergency Management:							
Salaries and Wages	3,450.00	3,450.00	1,939.92	1,510.08			
Other Expenses	3,500.00	3,500.00	1,200.00	2,300.00			
Municipal Prosecutor:							
Salaries and Wages	3,000.00	3,000.00	1,299.96	1,700.04			
<u>PUBLIC WORKS</u>							
Streets and Road Maintenance:							
Salaries and Wages	143,190.00	90,690.00	98,385.33			7,695.33	
Other Expenses	46,500.00	51,500.00	46,097.13	5,402.87			
Sanitation (Garbage and Trash Removal):							
Salaries and Wages	6,000.00	6,000.00	6,000.00				
Other Expenses	206,100.00	206,100.00	203,090.07	3,009.93			
Public Buildings and Grounds:							
Salaries and Wages	9,000.00	9,000.00	6,420.73	2,579.27			
Other Expenses	47,800.00	87,800.00	48,252.93	39,547.07			
<u>HEALTH AND WELFARE</u>							
Board of Health:							
Salaries and Wages	18,000.00	18,000.00	14,800.00	3,200.00			
Other Expenses	4,500.00	4,500.00	4,157.52	342.48			
Animal Control Regulation:							
Salaries and Wages	2,350.00	2,350.00	1,100.00	1,250.00			
Other Expenses							
<u>RECREATION AND EDUCATION</u>							
Recreation:							
Other Expenses	5,000.00	5,000.00	4,998.33	1.67			
Celebration of Public Events:							
Other Expenses	6,000.00	6,000.00	857.61	5,142.39			
<u>STATE UNIFORM CONSTRUCTION CODE</u>							
(N.J.S.A. 52-270-120 ET. SEQ.)							
Building Inspector:							
Salaries and Wages	28,500.00	28,500.00	26,518.79	1,981.21			
Other Expenses	800.00	800.00		800.00			

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, 2014

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION					
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>							
UTILITIES:							
Electricity	\$ 18,000.00	\$ 18,000.00	\$ 13,852.57	\$ 4,147.43	\$	\$	
Street Lighting	24,000.00	24,000.00	21,103.31	2,896.69			
Telephone	14,000.00	14,000.00	9,704.38	4,295.62			
Natural Gas (Propane)	8,000.00	8,000.00	8,000.00				
Gasoline	15,000.00	15,000.00	8,991.85	6,008.15			
Maintaining and Upgrading Computers	14,300.00	14,300.00	11,353.92	2,946.08			
Accumulated Leave (Deferred Sick)	5,000.00	5,000.00		5,000.00			
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 1,371,317.00</u>	<u>\$ 1,371,317.00</u>	<u>\$ 1,231,880.95</u>	<u>\$ 147,131.38</u>	<u>\$ 7,695.33</u>	<u>\$</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	\$ 49,000.00	\$ 49,000.00	\$ 48,989.00	\$ 11.00	\$	\$	
Social Security System (OAS)	33,000.00	33,000.00	32,727.79	272.21			
Unemployment Insurance	2,400.00	2,400.00	1,951.77	448.23			
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 84,400.00</u>	<u>\$ 84,400.00</u>	<u>\$ 83,668.56</u>	<u>\$ 731.44</u>	<u>\$</u>	<u>\$</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 1,455,717.00</u>	<u>\$ 1,455,717.00</u>	<u>\$ 1,315,549.51</u>	<u>\$ 147,862.82</u>	<u>\$ 7,695.33</u>	<u>\$</u>	
<u>MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS"</u>							
Maintenance of Free Public Library	\$ 69,020.00	\$ 69,020.00	\$ 44,047.91	\$ 24,972.09	\$	\$	
Shared Services Agreements:							
Police Services (Township of Pohatcong)	395,000.00	395,000.00	395,000.00				
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 464,020.00</u>	<u>\$ 464,020.00</u>	<u>\$ 439,047.91</u>	<u>\$ 24,972.09</u>	<u>\$</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, 2014

	BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>						
Clean Communities Program	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$	\$	\$
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$	\$	\$
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 469,520.00	\$ 469,520.00	\$ 444,547.91	\$ 24,972.09	\$	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$	\$	\$
Reserve for:						
Purchase of Fire Truck	57,000.00	57,000.00	46,026.00	10,974.00		
Improvements to Roads	190,000.00	190,000.00	85,650.00	104,350.00		
Purchase of Public Works Equipment	5,000.00	5,000.00		5,000.00		
Purchase of Public Works Vehicles	30,000.00	30,000.00		30,000.00		
Improvements to Curbing	10,000.00	10,000.00		10,000.00		
Purchase of Turnout Gear	12,000.00	12,000.00	12,000.00			
Improvements to Public Property	30,000.00	30,000.00	1,345.00	28,655.00		
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	\$ 339,000.00	\$ 339,000.00	\$ 150,021.00	\$ 188,979.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Interest on Bonds	\$ 51,000.00	\$ 51,000.00	\$ 42,453.53	\$	\$	\$ 8,546.47
New Jersey Economic Development Loan	14,600.00	14,600.00	14,574.19			25.81
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	\$ 65,600.00	\$ 65,600.00	\$ 57,027.72	\$	\$	\$ 8,572.28

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, 2014

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION				
\$	11,000.00	\$ 11,000.00	\$ 11,000.00	\$	\$	\$
\$	11,000.00	\$ 11,000.00	\$ 11,000.00	\$	\$	\$
\$	10,000.00	\$ 10,000.00	\$	10,000.00	\$	\$
\$	895,120.00	\$ 895,120.00	\$ 662,596.63	223,951.09	\$	\$ 8,572.28
\$	2,350,837.00	\$ 2,350,837.00	\$ 1,978,146.14	371,813.91	\$ 7,695.33	\$ 8,572.28
	310,000.00	\$ 310,000.00	\$ 310,000.00			
\$	2,660,837.00	\$ 2,660,837.00	\$ 2,288,146.14	371,813.91	\$ 7,695.33	\$ 8,572.28

OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)

DEFERRED CHARGES-EXCLUDED FROM "CAPS"

Special Emergency Authorizations - (N.J.S.A. 40A: 4-55)

TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"

Judgments

TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"

SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES

TOTAL GENERAL APPROPRIATIONS

REF.

A-4	Cash Disbursements	
A-19	Reserve for Encumbrances	\$ 1,953,449.21
A-20	Reserve for Grants Appropriated	40,620.08
A-7	Deferred Charges	5,500.00
A-2	Reserve for Uncollected Taxes	11,000.00
		310,000.00
		\$ 2,320,569.29
A-4	Less: Refunds Cash	32,423.15
		\$ 2,288,146.14

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

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TRUST FUND

"B"

BOROUGH OF ALPHA

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>1,557.61</u>	\$ <u>1,442.26</u>
		\$ <u>1,557.61</u>	\$ <u>1,442.26</u>
Other Funds:			
Cash	B-1	\$ 497,695.50	\$ 447,366.17
Interfunds Receivable	B-6	<u>880,355.22</u>	<u>838,762.38</u>
		\$ <u>1,378,050.72</u>	\$ <u>1,286,128.55</u>
		\$ <u><u>1,379,608.33</u></u>	\$ <u><u>1,287,570.81</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Interfunds Payable	B-4	\$ 1,296.33	\$ 1,296.14
Due From State of New Jersey	B-3	24.20	14.40
Reserve for Animal Control			
Trust Fund Expenditures	B-2	<u>237.08</u>	<u>131.72</u>
		\$ <u>1,557.61</u>	\$ <u>1,442.26</u>
Other Funds:			
Interfunds Payable	B-6	\$ 250,000.00	\$ 250,000.00
Reserve For:			
Various Reserves and Deposits	B-5	<u>1,128,050.72</u>	<u>1,036,128.55</u>
		\$ <u>1,378,050.72</u>	\$ <u>1,286,128.55</u>
		\$ <u><u>1,379,608.33</u></u>	\$ <u><u>1,287,570.81</u></u>

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



GENERAL CAPITAL FUND

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 107,849.77	\$ 831,002.97
Deferred Charges to Future Taxation - Funded	C-4	2,014,250.00	28,500.00
Deferred Charges to Future Taxation - Unfunded	C-13	470,000.00	2,000,000.00
Grants Receivable	C-9	332,926.69	303,694.33
Interfund Receivable	C-10	877,773.82	632,473.22
		<u>\$ 3,802,800.28</u>	<u>\$ 3,795,670.52</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-12	\$	\$ 2,000,000.00
Serial Bonds	C-14	2,000,000.00	
Loan Payable - New Jersey Economic Development Loan Payable	C-11	14,250.00	28,500.00
Improvement Authorizations: Funded	C-7	1,008,228.84	149,526.04
Unfunded	C-7	28,328.26	1,107,119.10
Reserve for:			
Contracts Payable	C-6	508,004.68	254,536.88
Miscellaneous Deposits	C-5	190,053.31	207,053.31
Interfund Payable	C-10	28,409.40	28,409.40
Capital Improvement Fund	C-8	20,997.46	15,997.46
Fund Balance	C-1	4,528.33	4,528.33
		<u>\$ 3,802,800.28</u>	<u>\$ 3,795,670.52</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, 2013 and	C	\$ <u>4,528.33</u>
Balance, December 31, 2014	C	\$ <u><u>4,528.33</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</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Operating Fund:			
Cash-Treasurer	D-5	\$ 346,072.77	\$ 409,196.33
Change Fund	D-9	25.00	25.00
		<u>\$ 346,097.77</u>	<u>\$ 409,221.33</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	\$ 52,946.55	\$ 47,121.42
		<u>\$ 52,946.55</u>	<u>\$ 47,121.42</u>
<u>Total Operating Fund</u>		<u>\$ 399,044.32</u>	<u>\$ 456,342.75</u>
Capital Fund:			
Cash-Treasurer	D-5	\$ 700,752.65	\$ 338,312.86
Fixed Capital	D-18	3,944,212.13	3,944,212.13
Fixed Capital Authorized and Uncompleted	D-16	4,200,000.00	3,500,000.00
Interfunds Receivable	D-20	43,278.11	28,633.21
		<u>\$ 8,888,242.89</u>	<u>\$ 7,811,158.20</u>
<u>Total Capital Fund</u>		<u>\$ 8,888,242.89</u>	<u>\$ 7,811,158.20</u>
		<u>\$ 9,287,287.21</u>	<u>\$ 8,267,500.95</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, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 104,190.38	\$ 93,261.83
Encumbrances Payable	D-11	9,999.96	13,107.54
Prepaid Water/Sewer Rents	D-22	51.46	
Accrued Interest	D-7	17,119.99	533.96
Interfunds Payable	D-8	61,802.24	47,157.34
		\$ <u>193,164.03</u>	\$ <u>154,060.67</u>
Reserve for Receivables	D	52,946.55	47,121.42
Fund Balance	D-2	<u>152,933.74</u>	<u>255,160.66</u>
		\$ <u>399,044.32</u>	\$ <u>456,342.75</u>
<u>Total Operating Fund</u>			
Capital Fund:			
Capital Improvement Fund	D-14	\$ 118,750.00	\$ 3,750.00
Contracts Payable	D-12	71,300.00	111,841.00
Serial Bonds Payable	D-23	2,250,000.00	
Bond Anticipation Notes	D-13	705,000.00	1,745,000.00
Interfunds Payable	D-20	405,250.00	400,000.00
Reserve for:			
Deferred Amortization	D-19	350,000.00	280,000.00
Amortization	D-21	3,994,212.13	3,944,212.13
Miscellaneous	D-17	16,909.03	4,959.03
Improvement Authorizations:			
Funded	D-15	319,587.72	4,553.43
Unfunded	D-15	648,366.32	1,307,974.92
Fund Balance	D-1	<u>8,867.69</u>	<u>8,867.69</u>
		\$ <u>8,888,242.89</u>	\$ <u>7,811,158.20</u>
<u>Total Capital Fund</u>			
		\$ <u>9,287,287.21</u>	\$ <u>8,267,500.95</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, 2013	D	\$ <u>8,867.69</u>
Balance, December 31, 2014	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, 2014

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized		\$ 231,890.00	\$
Sewer Use Charges	D-3	553,525.73	566,328.81
Water Use Charges	D-3	276,628.54	285,097.37
Miscellaneous	D-3	97,022.24	26,590.08
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	41,574.37	7,296.07
Encumbrance Payables Canceled	D-11	412.20	
		<u>1,201,053.08</u>	<u>885,312.33</u>
<u>TOTAL INCOME</u>		<u>\$ 1,201,053.08</u>	<u>\$ 885,312.33</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 771,490.00	\$ 794,900.00
Capital Improvements	D-4	185,000.00	15,000.00
Debt Service	D-4	107,400.00	11,450.00
Statutory Expenditures and Deferred Charges	D-4	7,500.00	10,100.00
		<u>1,071,390.00</u>	<u>831,450.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,071,390.00</u>	<u>\$ 831,450.00</u>
Excess in Revenue		\$ 129,663.08	\$ 53,862.33
<u>Fund Balance</u>			
Balance, January 1	D	255,160.66	201,298.33
		<u>\$ 384,823.74</u>	<u>\$ 255,160.66</u>
Decreased by:			
Utilization by Sewer Operating Budget		<u>231,890.00</u>	
Balance, December 31	D	<u>\$ 152,933.74</u>	<u>\$ 255,160.66</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, 2014

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Anticipated	D-2	\$ 231,890.00	\$ 231,890.00	\$
Sewer Use Charges	D-2:D-3	560,000.00	553,525.73	(6,474.27)
Water Use Charges	D-2:D-3	280,000.00	276,628.54	(3,371.46)
Miscellaneous	D-2:D-3		97,022.24	97,022.24
	D-4	\$ <u>1,071,890.00</u>	\$ <u>1,159,066.51</u>	\$ <u>87,176.51</u>

ANALYSIS OF REALIZED REVENUE

Water/Sewer Use Charges:

Consumer Accounts Receivable:  
Collected

D-6	\$ <u>830,154.27</u>
D-3	\$ <u>830,154.27</u>

Miscellaneous:

Interest on Investments - Treasurer  
Interest on Delinquent Payments  
Miscellaneous

	\$ 463.37
	5,665.59
	<u>90,893.28</u>
D-5	\$ <u>97,022.24</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 EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 75,290.00	\$ 90,290.00	\$ 78,586.79	\$ 11,703.21
Other Expenses	<u>696,200.00</u>	<u>681,200.00</u>	<u>589,639.65</u>	<u>91,560.35</u>
<u>Total Operating</u>	<u>\$ 771,490.00</u>	<u>\$ 771,490.00</u>	<u>\$ 668,226.44</u>	<u>\$ 103,263.56</u>
Capital Improvements:				
Capital Improvement Fund	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$
Reserve for Purchase Equipment	10,000.00	10,000.00	10,000.00	
Reserve for Facility/Equipment Improv.	15,000.00	15,000.00	15,000.00	
Reserve for Water Treatment Plant Design	80,000.00	80,000.00	80,000.00	
Reserve for Leak Detection/Water Loss Repair	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$
<u>Total Capital Improvements</u>	<u>\$ 185,000.00</u>	<u>\$ 185,000.00</u>	<u>\$ 185,000.00</u>	<u>\$</u>
Debt Service:				
Payment on Bond Anticipation & Capital Notes	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$
Interest on Bonds	43,400.00	43,400.00	43,400.00	
Interest on Notes	<u>14,000.00</u>	<u>14,000.00</u>	<u>14,000.00</u>	
<u>Total Debt Service</u>	<u>\$ 107,400.00</u>	<u>\$ 107,400.00</u>	<u>\$ 107,400.00</u>	
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	\$ 7,500.00	\$ 7,500.00	\$ 6,573.18	\$ 926.82
<u>Total Statutory Expenditures</u>	<u>\$ 7,500.00</u>	<u>\$ 7,500.00</u>	<u>\$ 6,573.18</u>	<u>\$ 926.82</u>
	<u>\$ 1,071,390.00</u>	<u>\$ 1,071,390.00</u>	<u>\$ 967,199.62</u>	<u>\$ 104,190.38</u>
	REF.	D-3	D-2	D:D-2
Cash Disbursements	D-5		\$ 899,799.66	
Accrued Interest	D-7		57,400.00	
Encumbrances Payable	D-11		<u>9,999.96</u>	
			<u>\$ 967,199.62</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, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>ASSETS</u>			
Cash - Treasurer:			
Public Assistance Trust Fund #1	E-1	\$ 10,171.14	\$ 10,165.27
Interfunds Receivable		<u>297.00</u>	<u>297.00</u>
		<u>\$ 10,468.14</u>	<u>\$ 10,462.27</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance:			
Public Assistance Trust Fund #1		\$ <u>10,468.14</u>	\$ <u>10,462.27</u>
		<u>\$ 10,468.14</u>	<u>\$ 10,462.27</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF ALPHA

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2014</u>	<u>DECEMBER</u> <u>31, 2013</u>
General Fixed Assets:		
Land	\$ 3,494,100.00	\$ 3,494,100.00
Buildings and Building Improvements	1,542,435.71	1,542,435.71
Machinery and Equipment	<u>2,472,562.66</u>	<u>2,472,562.66</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 7,509,098.37</u>	<u>\$ 7,509,098.37</u>
Investment in General Fixed Assets	<u>\$ 7,509,098.37</u>	<u>\$ 7,509,098.37</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, 2014 AND 2013

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 (Water/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, 2014:

<u>FUND</u>	<u>Cash on Deposit</u>	<u>NJ Cash Management</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>TOTAL</u>
Current Fund	\$ 3,358,830.04	\$ 29,343.63	\$ 87,168.05	\$ 25,425.62	\$ 3,449,916.10
Grant Fund	19,121.12				19,121.12
Animal Control Trust Fund	1,634.96	21.05	20.00	118.40	1,557.61
Trust Other Fund	361,259.57	104,849.16	35,181.44	3,594.67	497,695.50
General Capital Fund	82,914.61	31,671.06		6,735.90	107,849.77
Water/Sewer Operating Fund	446,695.62	48,986.32	4,026.32	154,036.18	345,672.08
Water/Capital Operating Fund	695,584.12	11,274.03		6,105.50	700,752.65
Public Assistance Trust Fund		10,171.14			10,171.14
<u>Total December 31, 2014</u>	<u>\$ 4,966,040.04</u>	<u>\$ 236,316.39</u>	<u>\$ 126,395.81</u>	<u>\$ 196,016.27</u>	<u>\$ 5,132,735.97</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, 2014, 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 \$4,466,040.04 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, 2014, the Borough had \$236,316.39 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 2014</u>	<u>YEAR 2013</u>	<u>YEAR 2012</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 2,014,250.00	\$ 2,028,500.00	\$ 42,750.00
Water/Sewer Utility:			
Bonds and Notes	<u>2,955,000.00</u>	<u>1,745,000.00</u>	<u>755,000.00</u>
Net Debt Issued	4,969,250.00	3,773,500.00	797,750.00
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>\$ 4,965,827.65</u>	<u>\$ 3,770,077.65</u>	<u>\$ 794,327.65</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	470,000.00		
Water/Sewer Utility:			
Bonds and Notes	<u>845,000.00</u>	<u>1,475,000.00</u>	<u>85,000.00</u>
Total Authorized But Not Issued	<u>1,315,000.00</u>	<u>1,475,000.00</u>	<u>85,000.00</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 6,280,827.65</u>	<u>\$ 5,245,077.65</u>	<u>\$ 879,327.65</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 1.214%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Water/Sewer Utility Debt	\$3,800,000.00	\$3,800,000.00	\$ -0-
General Debt	<u>2,484,250.00</u>	<u>3,422.35</u>	<u>2,480,827.65</u>
	<u>\$6,284,250.00</u>	<u>\$3,803,422.35</u>	<u>\$2,480,827.65</u>

NET DEBT \$2,480,827.65 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$204,290,331.33EQUALS 1.214%.

EQUALIZED VALUATION BASIS

2012 Equalized Valuation Basis of Real Property	\$208,361,888.00
2013 Equalized Valuation Basis of Real Property	206,722,423.00
2014 Equalized Valuation Basis of Real Property	<u>197,786,683.00</u>
	<u>\$204,290,331.33</u>

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

Equalized Valuation Basis* - December 31, 2014	\$204,290,331.33
3-1/2 of Equalized Valuation Basis	7,150,161.60
Net Debt	<u>2,480,827.65</u>
Remaining Borrowing Power	<u>\$4,669,333.95</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.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		\$ 1,158,762.87
Deductions:		
Operating and Maintenance Cost	\$ 779,490.00	
Debt Service	<u>107,400.00</u>	
Total Deductions		<u>886,890.00</u>
Excess/(Deficit) in Revenue		\$ <u><u>271,872.87</u></u>

GENERAL CAPITAL FUND

New Jersey Economic Development Authority Loan

\$250,000.00 Construction of new Municipal Building, due in an annual installment of \$14,250.00 through June 2015, with an interest rate of 1.50%.	\$	28,500.00
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General Serial Bonds

\$2,000,000.00 in General Improvement Bonds due in annual Installments ranging between \$60,000.00 and \$120,000.00 through June 2034 at interest rates from 3.00% and 3.50%		<u>2,000,000.00</u>
Total General Capital Debt	\$	<u><u>2,028,500.00</u></u>

WATER/SEWER CAPITAL FUND

Serial Bonds Improvements to Water System

\$2,250,000.00 in Serial Bonds due in annual installments ranging between \$70,000.00 and \$140,000.00 through June 2034 at interest rates from 3.00% and 3.50%	\$	<u><u>2,250,000.00</u></u>
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NOTE 3: MUNICIPAL DEBT (CONTINUED)

BOND ANTICIPATION NOTES

	<u>Interest Rate</u>	<u>Issue and Maturity Dates</u>	<u>Amount</u>
Water/Sewer Capital Ordinance 2011-12	0.780%	12/16/14 to 12/17/15	<u>\$705,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2014, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$470,000.00</u>
Water/Sewer Utility Capital Fund	<u>\$845,000.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN  
AS OF DECEMBER 31, 2014

CALENDAR <u>YEAR</u>	<u>GENERAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2014	<u>\$14,250.00</u>	<u>\$107.47</u>	<u>\$14,357.47</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$438,000.00
Water/Sewer Operating Fund	\$148,000.00

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, 2014</u>	BALANCE DECEMBER <u>31, 2013</u>
Prepaid Taxes	<u>\$29,149.37</u>	<u>\$37,171.</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2014, PERS provides for employee contributions of 6.92% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2014, members contributed at a uniform rate of 10.00% of base salary.



NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

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 \$48,989.00 for 2014 \$49,950.00 for 2013 and \$48,955.00 for 2012.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Borough employees are also covered by Federal Insurance Contribution Act

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 \$40,000.00. The Borough has a reserve for accumulated leave with a balance of \$34,407.68.

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 2014. 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 2014 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2014, 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, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$453,479.86	\$1,511,106.02
Grant Fund	2,679.98	
Animal Control Fund		1,296.33
Trust Other Fund	880,355.22	250,000.00
General Capital Fund	877,773.82	28,409.40
Sewer Utility Operating Fund		61,802.24
Sewer Utility Capital Fund	43,278.11	405,250.00
Public Assistance Fund	297.00	
	<u>\$2,257,863.99</u>	<u>\$2,257,863.99</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 31, <u>31, 2014</u>	BALANCE DECEMBER 31, <u>31, 2013</u>
Balance of Tax	\$1,222,549.30	\$1,492,095.50
Deferred	1,028,045.62	1,028,045.62
 School Tax Payable	 \$194,503.68	 \$464,049.88

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, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, <u>2014</u>	2015 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Tax Maps	\$23,000.00	\$11,000.00	\$12,000.00
Over-expenditure of Current Appropriations	7,695.33	7,695.33	
	\$30,695.33	\$18,695.33	\$12,000.00

NOTE 15: POST-RETIREMENT HEALTH BENEFITS

As at December 31, 2014, the Borough of Alpha had no obligation to provide post-retirement health benefits.

NOTE 16: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 13, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no material subsequent events needed to be disclosed.

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BOROUGH OF ALPHA  
SUPPLEMENTARY SCHEDULES  
YEARS ENDED DECEMBER 31, 2014 AND 2013

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	CURRENT FUND	CURRENT FUND	GRANT FUND
Balance, December 31, 2013	A		\$ 3,252,179.42	\$ 19,121.25
Increased by Receipts:				
Property Taxes Receivable	A-5	\$ 6,489,272.04		
Reserve for Sale of Municipal Assets	A-15	0.00		
Revenue Accounts Receivable	A-12	306,791.72		
Miscellaneous Revenue Not Anticipated	A-2	68,801.10		
State of N.J.- Senior Citizens and Veterans Deductions	A-8	41,010.96		
Interfunds	A-13:A-25	338,518.03		1.90
Grants Receivable	A-17			25,811.99
Reserve for Grants - Unappropriated	A-15	1,807.00		3,490.00
Reserve for Miscellaneous Deposits	A-14			
2014 Appropriation-Refunds	A-3	32,423.15		
			\$ 7,278,624.00	\$ 29,303.89
			\$ 10,530,803.42	\$ 48,425.14
Decreased by Disbursements:				
2014 Appropriations	A-3	\$ 1,953,449.21		
2013 Appropriation Reserves	A-18	56,010.53		
Local District School Tax	A-23	3,318,423.20		
County Taxes Payable	A-22	1,494,760.67		
Refund of Tax Overpayments	A-16	772.72		
Reserve for Grants-Appropriated	A-20			26,634.99
Interfunds	A-13:A-25	54,207.65		2,669.03
Municipal Open Space Tax	A-24	85,081.36		
Reserve for Miscellaneous Deposits	A-14	113,047.87		
Refund of Prior Year Revenue	A-1	5,134.11		
			\$ 7,080,887.32	\$ 29,304.02
Balance, December 31, 2014	A		\$ 3,449,916.10	\$ 19,121.12

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>			
Increased by Receipts:				
Property Taxes Receivable	A-9	\$	6,320,885.26	
Tax Overpayments	A-16		772.72	
Prepaid Taxes	A-21		29,149.37	
Revenue Accounts Receivable	A-12		27,482.39	
Miscellaneous Revenue Not Anticipated	A-2		1,109.43	
Outside Liens	A-14		<u>109,872.87</u>	
				\$ <u>6,489,272.04</u>
Decreased by Disbursements:				
Payments to Treasurer	A-4			\$ <u><u>6,489,272.04</u></u>

"A-6"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	BALANCE DECEMBER 31, <u>2014</u>	BALANCE DECEMBER 31, <u>2013</u>
Tax Collector	\$ 25.00	\$ 25.00
Municipal Court	50.00	50.00
Clerk	100.00	100.00
	<hr/>	<hr/>
	\$ 175.00	\$ 175.00
	<hr/> <hr/>	<hr/> <hr/>
<u>REF.</u>	A	A



BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>REF.</u>	AUTHORIZATION (N.J.S.A. 40A: 4-55) <u>TAX MAPS - 2009</u>	AUTHORIZATION (N.J.S.A. 40A: 4-55) <u>TAX MAPS - 2010</u>	AUTHORIZATION (N.J.S.A. 40A: 4-55) <u>TAX MAPS - 2013</u>	OVER- EXPENDITURE OF <u>APPROPRIATIONS</u>	<u>TOTAL</u>
Balance, December 31, 2013	\$ 10,000.00	\$ 4,000.00	\$ 20,000.00	\$	\$ 34,000.00
Increased by: 2014 Authorization	\$ 10,000.00	\$ 4,000.00	\$ 20,000.00	7,695.33	7,695.33
	<u>5,000.00</u>	<u>2,000.00</u>	<u>4,000.00</u>	<u>7,695.33</u>	<u>41,695.33</u>
Decreased by: Budget Appropriation	\$ 5,000.00	\$ 2,000.00	\$ 16,000.00	\$ 7,695.33	\$ 30,695.33
Balance, December 31, 2014	<u><u>5,000.00</u></u>	<u><u>2,000.00</u></u>	<u><u>16,000.00</u></u>	<u><u>7,695.33</u></u>	<u><u>30,695.33</u></u>

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, 2013	A	\$	14,337.65
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	10,250.00
Veterans Deductions Per Tax Billing			31,500.00
Veterans Deductions Allowed by Tax Collector			<u>1,500.00</u>
			43,250.00
		\$	<u>57,587.65</u>
Decreased by:			
Deductions Disallowed by Collector:			
Received in Cash From State	A-4	\$	41,010.96
2014 Deductions Disallowed by Tax Collector			<u>445.21</u>
			41,456.17
Balance, December 31, 2014	A	\$	<u><u>16,131.48</u></u>

ANALYSIS OF STATE SHARE OF 2014  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	10,250.00
Veterans Deductions Per Tax Billing			31,500.00
Deductions Allowed by Tax Collector:			
Veterans			<u>1,500.00</u>
		\$	43,250.00
Less: Deductions Disallowed by Tax Collector:			
Senior Citizens			<u>445.21</u>
	A-9	\$	<u><u>42,804.79</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>2014 LEVY</u>	<u>2013</u>	<u>2014</u>	<u>CANCELED</u>	<u>ADDED TAXES</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2014</u>
2011	\$ 3,088.92	\$	\$	\$	\$	\$	\$	\$ 3,088.92
2012	6,409.65			2,901.26				3,508.39
2013	<u>136,425.27</u>			<u>135,888.10</u>		<u>3,562.76</u>		<u>4,099.93</u>
	\$ <u>145,923.84</u>	\$	\$	<u>138,789.36</u>	\$	<u>3,562.76</u>	\$	<u>10,697.24</u>
2014		<u>6,456,657.47</u>	<u>37,171.62</u>	<u>6,224,900.69</u>	<u>16,455.78</u>		<u>12,190.69</u>	<u>165,938.69</u>
	\$ <u>145,923.84</u>	\$ <u>6,456,657.47</u>	\$ <u>37,171.62</u>	\$ <u>6,363,690.05</u>	\$ <u>16,455.78</u>	\$ <u>3,562.76</u>	\$ <u>12,190.69</u>	\$ <u>176,635.93</u>

REF.

A

A-2:A-21

A-2

A-10

A

REF.

Cash-Collector  
State Share of Senior Citizens and Veterans Deductions

\$ 6,320,885.26  
42,804.79  
\$ 6,363,690.05

TAX YIELD

General Property Tax  
Added and Omitted Tax (54:4-63.1 et.seq.)

\$ 6,452,391.44  
4,266.03  
\$ 6,456,657.47

ANALYSIS OF 2014 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.)

\$ 3,048,877.00  
\$ 1,400,202.04  
93,766.23  
526.15  
1,494,494.42

Local Tax for Municipal Purposes  
Municipal Open Space  
Additional Tax Levied

1,823,204.00  
85,081.36  
5,000.69  
1,913,286.05

\$ 6,456,657.47

"A-10"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2013	A		\$ 73,545.72
Increased by:			
Transfers From Taxes Receivable	A-9	\$ 12,190.69	
Interest and Costs		<u>674.20</u>	
			<u>12,864.89</u>
			<u>\$ 86,410.61</u>
Balance, December 31, 2014	A		<u>\$ 86,410.61</u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance, December 31, 2013	A		\$ <u>9,592.50</u>
Balance, December 31, 2014	A		\$ <u><u>9,592.50</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>REF.</u>	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	COLLECTED BY TREASURER/ COLLECTOR	BALANCE DECEMBER 31, 2014
Clerk:				
Licenses:				
Alcoholic Beverage Licenses	\$	7,324.99	\$ 7,324.99	\$
Other		6,925.00	6,925.00	
Construction Code Official:				
Fees and Permits		17,388.00	17,388.00	
Municipal Court:				
Fines and Costs	431.14			708.28
Interest on Investments and Deposits		16,244.40	15,967.26	
Energy Receipts Tax		2,154.09	2,154.09	
Consolidated Municipal Property Tax Relief Aid		203,895.00	203,895.00	
Shared Services Agreement - Greenwich		21,852.00	21,852.00	
Interest and Costs on Taxes		31,285.38	31,285.38	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	431.14	334,551.25	334,274.11	708.28
<u>REF.</u>	A		A	
Tax Collector			\$ 27,482.39	
Treasurer			<u>306,791.72</u>	
			<u>\$ 334,274.11</u>	

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUNDS	GENERAL CAPITAL FUND	SEWER CAPITAL FUND	WATER/SEWER UTILITY OPERATING FUND	PUBLIC ASSISTANCE FUND
Balance, December 31, 2013								
Due From	\$ 448,229.67	\$	\$ 1,296.14	\$ 838,762.38	\$ 382,473.22	\$ 400,000.00	\$ 46,933.53	\$ 297.00
Due To	<u>1,221,545.45</u>	<u>12.85</u>						
Treasurer-Receipts	338,518.03	2,669.03		85,081.36	250,767.64			
Treasurer-Disbursements	<u>54,207.65</u>	<u>1.90</u>	<u>0.19</u>	<u>43,488.52</u>	<u>5,467.04</u>	<u>5,250.00</u>		
Balance, December 31, 2014								
Due From	\$ 453,479.86	\$	\$ 1,296.33	\$ 880,355.22	\$ 627,773.82	\$ 405,250.00	\$ 46,933.53	\$ 297.00
Due To	<u>1,511,106.02</u>	<u>2,679.98</u>						

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	BUDGET APPROPRIATION	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2014
Due State of New Jersey:	\$	\$	\$	\$	\$
DCA Fees	280.00	1,457.00		990.00	747.00
Marriage License Fees	175.00	350.00		500.00	25.00
Plumbing Inspections	2,769.00				2,769.00
Master Plan	10,526.44				10,526.44
Tax Maps	14,198.00			1,685.00	12,513.00
Community Day	1,583.60				1,583.60
Revaluation of Property	2,289.00				2,289.00
Historical Books	1,480.00				1,480.00
Outside Liens		109,872.87		109,872.87	
	<u>\$ 33,301.04</u>	<u>\$ 111,679.87</u>	<u>\$</u>	<u>\$ 113,047.87</u>	<u>\$ 31,933.04</u>

REF.

A

A-3

A-4

A

Treasurer

Tax Collector

\$

1,807.00

109,872.87

\$

111,679.87

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2013	RECEIPTS	BALANCE DECEMBER 31, 2014
Recycling Tonnage Grant	\$ 3,928.98	\$ 2,669.03	\$ 6,598.01
Clean Communities Program	1,612.98	702.81	2,315.79
Alcohol Education and Rehabilitation	1,182.43	118.16	1,300.59
	<u>\$ 6,724.39</u>	<u>\$ 3,490.00</u>	<u>\$ 10,214.39</u>

REF.

A

A-4

A



BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

Increased by:		
Cash Receipts	A-5	\$ <u>772.72</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>772.72</u></u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>ACCRUED</u> <u>2014</u> <u>BUDGET</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
Clean Communities Grant	\$ 4,761.90	\$ 5,500.00	\$ 5,500.00	\$ 4,761.90
Highlands Grant	54,253.50		20,311.99	33,941.51
Highlands Plan Conformance	<u>\$ 59,015.40</u>	<u>\$ 5,500.00</u>	<u>\$ 25,811.99</u>	<u>\$ 38,703.41</u>

REF.

A

A-2

A-4

A

## BOROUGH OF ALPHA

## CURRENT FUND

## SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2013</u>	ADJUSTED <u>BALANCE</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>Salaries and Wages:</u>				
Administrative and Executive	\$ 106.07	\$ 106.07	\$	\$ 106.07
Municipal Clerk				
Financial Administration	4,353.20	4,353.20		4,353.20
Collector of Taxes	0.12	0.12		0.12
Assessment of Taxes	0.16	0.16		0.16
Public Buildings and Grounds	248.56	248.56		248.56
Planning Board	97.87	97.87		97.87
Municipal Court	944.70	944.70	419.31	525.39
Public Defender	1,500.00	1,500.00		1,500.00
Municipal Prosecutor	400.00	400.00		400.00
Emergency Management Services	310.12	310.12		310.12
Streets and Roads	21,369.35	21,369.35		21,369.35
Sanitation	1,500.00	1,500.00		1,500.00
Animal Regulation	263.45	263.45		263.45
<u>Other Expenses:</u>				
Administrative and Executive	7,235.73	7,493.99	995.29	6,498.70
Municipal Clerk	1,168.25	1,485.31	411.00	1,074.31
Elections	370.00	370.00		370.00
Financial Administration:				
Other Expenses	963.58	996.57	138.66	857.91
Audit Services	640.00	640.00		640.00
Payroll Services	757.78	887.83	237.96	649.87
Assessment of Taxes	122.14	122.14		122.14
Collector of Revenues	894.33	894.33		894.33
Liquidation of Tax, Title Liens and Foreclosed Property	1,000.00	1,000.00		1,000.00
Legal Services	3,846.66	3,995.16	1,556.10	2,439.06
Engineering Services	5,759.00	5,759.00	4,420.00	1,339.00
Public Buildings and Grounds	8,534.31	9,883.31	9,883.31	
Planning Board	6,357.63	6,537.63	180.00	6,357.63
Insurance:				
General Liability	11,002.00	11,002.00		11,002.00
Group Insurance for Employees	6,286.96	6,286.96		6,286.96
Municipal Court	1,873.07	1,873.07		1,873.07
Emergency Management Services	3,316.10	3,316.10		3,316.10
Streets and Roads	3,515.18	9,969.12	7,405.74	2,563.38
Board of Health	5,150.00	5,150.00		5,150.00
Sanitation	141.58	141.58		141.58
Animal Regulation	226.08	226.08		226.08
Celebration of Public Events	7,500.00	7,500.00		7,500.00

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Other Expenses (Continued):</u>				
Recreation Department	\$ 4,985.04	\$ 4,985.04	\$ 4,985.04	\$
Building Inspection	386.91	386.91		386.91
Accumulated Leave (Deferred Sick)	5,000.00	5,000.00		5,000.00
Unclassified:				
Gasoline	430.47	2,402.95	2,402.95	
Street Lighting	495.81	495.81		495.81
Gas (Propane)	2,049.86	2,079.86	49.86	2,030.00
Telephone	1,766.75	1,766.75	100.37	1,666.38
Electricity	6,968.53	7,312.97	7,312.97	
Maintaining and Upgrading Computers	2,484.50	2,687.00	122.50	2,564.50
Salary Adjustment	10,000.00	10,000.00		10,000.00
Contribution to:				
Unemployment Compensation Insurance	378.09	378.09		378.09
Purchase of Fire Truck		2,829.97	1,589.47	1,240.50
Improvements to Public Property		14,563.59	11,163.59	3,400.00
Judgements	10,000.00	10,000.00		10,000.00
Purchase of Public Works Equipment		2,636.41	2,636.41	
	<u>\$ 152,699.94</u>	<u>\$ 184,149.13</u>	<u>\$ 56,010.53</u>	<u>\$ 128,138.60</u>
<u>REF.</u>	A: A-18		A-4	A-1
Budget - Reserved	A-18	\$ 152,699.94		
Reserve for Encumbrances	A-19	<u>31,449.19</u>		
		<u>\$ 184,149.13</u>		

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2013	A		\$ 31,661.43
Increased by:			
Budget Appropriations	A-3		<u>40,620.08</u>
			\$ <u>72,281.51</u>
Decreased by:			
Cash Disbursements	A-4	\$	
Transferred to Appropriation Reserves	A-18		31,449.19
Canceled	A-1		<u>212.24</u>
Transferred to Appropriation Reserves	A-18		<u>31,661.43</u>
Balance, December 31, 2014	A		<u><u>\$ 40,620.08</u></u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2013	2014 BUDGET APPROPRIATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2014
Clean Communities Grant	\$ 1,081.64	\$ 5,500.00	\$ 6,323.00	\$ 258.64
Recycling Tonnage Grant	6,934.30			6,934.30
Drunk Driving Enforcement Fund	848.40			848.40
Highlands Grant	599.77			599.77
Municipal Court Alcohol Rehabilitation Fund	3,120.79			3,120.79
Municipal Alliance	4,083.80			4,083.80
S.L.A.H.E.O.P.	124.72			124.72
Body Armor Replacement Fund	378.19			378.19
Highlands Plan Conformance	54,253.50		20,311.99	33,941.51
	<u>\$ 71,425.11</u>	<u>\$ 5,500.00</u>	<u>\$ 26,634.99</u>	<u>\$ 50,290.12</u>

REF. A A-3 A-4 A

Cash Disbursements	\$ 26,634.99
Grants Receivable	5,500.00
	<u>26,634.99</u>

"A-21"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2013 (2014 Taxes)	A	\$	37,171.62
Increased by:			
Collection - 2015 Taxes	A-5		29,149.37
		\$	<u>66,320.99</u>
Decreased by:			
Applied to Taxes Receivable	A-9		<u>37,171.62</u>
Balance, December 31, 2014 (2015 Taxes)	A	\$	<u><u>29,149.37</u></u>

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2013	A	\$	268.42
2014 Tax Levy:			
County Tax	A-1:A-9	\$	1,400,202.04
County Open Space	A-1:A-9		93,766.23
Added County Taxes	A-1:A-9		<u>526.15</u>
			<u>1,494,494.42</u>
		\$	<u>1,494,762.84</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,494,760.67</u>
Balance, December 31, 2014	A	\$	<u><u>2.17</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>			
Balance, December 31, 2013				
School Tax Deferred		\$	1,028,045.62	
School Tax Payable	A		<u>464,049.88</u>	\$
				1,492,095.50
Increased by:				
Levy Calendar Year 2014	A-9			<u>3,048,877.00</u>
				\$ <u>4,540,972.50</u>
Decreased by:				
Payment to Local District School	A-4			<u>3,318,423.20</u>
Balance, December 31, 2014:				
School Tax Deferred		\$	1,028,045.62	
School Tax Payable	A		<u>194,503.68</u>	\$
				<u>1,222,549.30</u>
2014 Liability for Local District School Tax:				
Taxes Paid				\$ 3,318,423.20
Taxes Payable, December 31, 2014				<u>194,503.68</u>
				\$ <u>3,512,926.88</u>
Less: Taxes Payable, December 31, 2013				<u>464,049.88</u>
Amount Charged to 2014 Operations	A-1			\$ <u><u>3,048,877.00</u></u>

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:				
Levy Calendar Year 2014	A-1:A-9			\$ <u>85,081.36</u>
Decreased by:				
Cash Disbursements	A-4			\$ <u><u>85,081.36</u></u>



BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2013			
Due From	A	\$ 12.85	\$ 12.85
Cash Receipts	A-4	1.90	1.90
Cash Disbursements	A-4	<u>2,669.03</u>	<u>2,669.03</u>
Balance, December 31, 2014			
Due From	A	\$ <u>2,679.98</u>	\$ <u>2,679.98</u>

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF CASH-TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2013	\$ 1,442.26	\$ 447,366.17
Increased by Receipts:		
Animal License Fees	\$ 2,777.40	\$
Due to State of New Jersey	283.20	
Various Reserves and Deposits		777,831.60
Interfunds	0.19	43,488.52
	<u>3,060.79</u>	<u>821,320.12</u>
	\$ 4,503.05	\$ 1,268,686.29
Decreased by Disbursements:		
Expenditures Under R. S. 4:19-15.11		
Due to State of New Jersey	\$ 2,672.04	\$
Various Reserves and Deposits	273.40	685,909.43
Interfunds		85,081.36
	<u>2,945.44</u>	<u>770,990.79</u>
Balance, December 31, 2014	\$ <u>1,557.61</u>	\$ <u>497,695.50</u>

"B-2"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2013	B	\$	131.72
Increased by:			
License Fees Collected	B-1	\$	<u>2,777.40</u>
			2,909.12
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		<u>2,672.04</u>
Balance, December 31, 2014	B	\$	<u><u>237.08</u></u>

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2012	\$	3,453.40
2013		<u>3,914.15</u>
	\$	<u><u>7,367.55</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

Balance, December 31, 2013 (Due To)	B	\$	14.40
Increased by:			
Cash Receipts	B-1	\$	<u>283.20</u>
			297.60
Decreased by:			
Cash Disbursements	B-1		<u>273.40</u>
Balance, December 31, 2014	B	\$	<u><u>24.20</u></u>

BOROUGH OF ALPHA  
ANIMAL CONTROL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2013: Due To	B	\$ 1,296.14 \$	1,296.14
Increased by: Cash Receipts	B-1	<u>0.19</u>	<u>0.19</u>
Balance, December 31, 2014: Due To	B	\$ <u>1,296.33</u> \$	<u>1,296.33</u>

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	CASH DISBURSED	BALANCE DECEMBER 31, 2014
Escrow Deposits	\$ 299,789.33	2,000.00	7,587.75	\$ 294,201.58
Accumulated Leave	45,000.00		10,592.32	34,407.68
Tax Sale Premiums	33,400.00	52,100.00	22,000.00	63,500.00
Open Space	653,541.96	85,141.83	10,250.00	728,433.79
Veteran's Memorial Park	0.98	0.32		1.30
POAA	8.00	2.00		10.00
Public Defender	1,205.51			1,205.51
Pool Fundraiser	2,210.93			2,210.93
Payroll	755.99	638,587.45	635,479.36	3,864.08
Historical Trust	215.85			215.85
	<u>\$ 1,036,128.55</u>	<u>777,831.60</u>	<u>685,909.43</u>	<u>\$ 1,128,050.72</u>

REF.

B

B-1

B-1

B

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2013:				
Due From	B	\$ 838,762.38	\$	838,762.38
Due To	B	<u>250,000.00</u>	<u>250,000.00</u>	<u>                    </u>
Increased by:				
Cash Receipts	B-1	<u>43,488.52</u>	<u>                    </u>	<u>43,488.52</u>
Decreased by:				
Cash Disbursements	B-1	<u>85,081.36</u>	<u>                    </u>	<u>85,081.36</u>
Balance, December 31, 2014:				
Due From	B	\$ 880,355.22	\$	880,355.22
Due To	B	<u>250,000.00</u>	<u>250,000.00</u>	<u>                    </u>

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2013	C	\$	831,002.97
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$	5,000.00
Grants Receivable	C-9		170,767.64
Interfunds Receivable	C-10		5,467.04
Serial Bonds	C-14		2,000,000.00
Miscellaneous Deposits	C-5		<u>118,000.00</u>
			<u>2,299,234.68</u>
		\$	<u>3,130,237.65</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$	771,620.24
Bond Anticipation Notes	C-12		2,000,000.00
Interfunds Payable	C-10		<u>250,767.64</u>
			<u>3,022,387.88</u>
Balance, December 31, 2014	C:C-3	\$	<u><u>107,849.77</u></u>

"C-3"

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

BALANCE  
DECEMBER  
31, 2014

Capital Improvement Fund	\$	20,997.46
Fund Balance		4,528.33
Contracts Payable		508,004.68
Various Reserves		190,053.31
Interfund Payable		28,409.40
Improvement Authorizations:		
Funded Improvements Listed on "C-7"		1,008,228.84
Improvements Expended Set Forth on "C-5"		(441,671.74)
Interfund Receivable		(877,773.82)
Grants Receivable		(332,926.69)
		<hr/>
	\$	<u>107,849.77</u>

REF.

C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2013	C	\$	28,500.00
Increased by:			
Bond Sale	C-14		<u>2,000,000.00</u>
		\$	<u>2,028,500.00</u>
Decreased by:			
2014 Budget Appropriation to Pay:			
Loan Principal	C-11		<u>14,250.00</u>
Balance, December 31, 2014	C	\$	<u>2,014,250.00</u>



BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	APPROPRIATED TO FINANCE IMPROVEMENT AUTHORIZATION	BALANCE DECEMBER 31, 2014
Debt Service	\$ 3,422.35	\$	\$	\$ 3,422.35
Improvements to Roads	89,375.00	75,000.00	75,000.00	89,375.00
Purchase of Public Works Equipment	7,363.54			7,363.54
Purchase of Mower	25,712.52			25,712.52
Veteran's Memorial Park	2,812.95			2,812.95
Improvements to Public Property	246.68			246.68
Improvements to Public Works Building	7,046.00			7,046.00
Purchase Public Works Vehicle	28,000.00			28,000.00
Police/Emergency Equipment	2,500.00			2,500.00
Improvements to Curbing	21,312.50			21,312.50
Recreation Equipment	2,238.11			2,238.11
Purchase of Fire Truck	17,023.66	43,000.00	60,000.00	23.66
	<u>\$ 207,053.31</u>	<u>\$ 118,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 190,053.31</u>
<u>REF.</u>	C	C-2	C-7	C

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 254,536.88
Increased by:		
Contracts Issued	C-7	<u>1,025,088.04</u>
		\$ <u>1,279,624.92</u>
Decreased by:		
Cash Disbursements	C-2	<u>771,620.24</u>
Balance, December 31, 2014	C	\$ <u><u>508,004.68</u></u>

BOROUGH OF ALPHA  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2014	
				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 Avenue Pedestrian Bridge	09/22/09	290,000.00	51,657.66		1,582.27		50,075.39	
2009-12	Site Preparation of Erection of Salt Shed	10/27/09	10,000.00	744.00				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	
2012-07	Removal and Replacement of North Boulevard Curbing	09/11/12	12,000.00	2,000.00				2,000.00	
2012-10	Reconstruction of North Boulevard	10/09/12	200,000.00	21,249.06				21,249.06	
2012-16	Construction of an Access Road to Municipal Property	12/27/12	10,000.00	981.25				981.25	
2013-10	Road Improvements	05/28/13	2,670,000.00		1,107,119.10		508,765.19	598,353.91	
2013-15	Purchase of a Pickup Truck	11/12/13	22,000.00	417.00				417.00	
2013-22	Improvements to Information Technology Infrastructure	12/10/13	17,000.00	17,000.00			13,068.84	3,931.16	
2014-9	Installation of Curbing and Sidewalks	06/10/14	275,000.00					275,000.00	
2014-12	Acquisition of Fire Pumper	08/12/14	530,000.00				501,671.74		28,328.26
			\$	149,526.04	\$ 1,107,119.10	\$	1,025,088.04	1,008,228.84	\$ 28,328.26
				C	C		C-6	C-C-3	C-3-C-13
			<u>REF.</u>						
	Reserves					\$ 135,000.00			
	Grants Receivable					200,000.00			
	Bonds and Notes Authorized					470,000.00			
						\$ 805,000.00			

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2013	C	\$	15,997.46
Increased by:			
2014 Budget Appropriation	C-2		<u>5,000.00</u>
Balance, December 31, 2014	C	\$	<u><u>20,997.46</u></u>

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 303,694.33
Increased by:		
New Ordinance Funded	C-7	<u>200,000.00</u>
		\$ <u>503,694.33</u>
Decreased by:		
Cash Receipts	C-2	<u>170,767.64</u>
Balance, December 31, 2014	C	\$ <u><u>332,926.69</u></u>

ANALYSIS OF BALANCE

ORDIANNCE

09-07	\$	57,837.50
09-08		47,589.19
13-10		27,500.00
14-09		<u>200,000.00</u>
	\$	<u><u>332,926.69</u></u>

BOROUGH OF ALPHA

CAPITAL FUND

SCHEDULE OF INTERFUNDS

WATER/SEWER  
UTILITY  
CAPITAL  
FUND

TRUST  
OTHER  
FUNDS

CURRENT  
FUND

TOTAL

REF.

Balance, December 31, 2013					
Due From	\$	632,473.22	\$	382,473.22	\$
Due To	C	28,409.40			28,409.40
Treasurer-Receipts	C-2	\$	5,467.04	\$	5,467.04
Treasurer-Disbursements	C-2		250,767.64		
Balance, December 31, 2014					
Due From	C	\$	877,773.82	\$	627,773.82
Due To	C		28,409.40		28,409.40

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, 2013</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
				<u>DECEMBER 31, 2014</u>	<u>AMOUNT</u>				
Construction of New Municipal Building	3/1/96	\$ 250,000.00	3/1/15	\$ 14,250.00	\$ 14,250.00	1.50%	\$ 28,500.00	\$ 14,250.00	\$ 14,250.00
						<u>REF.</u>	C	C-4	C

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>DECREASED</u>
2013-10	Road Improvements	10/3/2013	10/03/13	03/20/14	1.04%	\$ 2,000,000.00	2,000,000.00
						\$ 2,000,000.00	2,000,000.00
					<u>REF.</u>	C	C-2



BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>INCREASED BY NEW ORDINANCES</u>	<u>DECREASED BY BOND SALE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>ANALYSIS OF BALANCE</u>	
						<u>EXPENDITURES</u>	<u>UNEXPENDED BALANCE</u>
2013-10	Road Improvements	\$ 2,000,000.00	\$ 470,000.00	\$ 2,000,000.00	\$ 470,000.00	\$ 441,671.74	\$ 28,328.26
2014-12	Acquisition of Fire Pumper						
		<u>\$ 2,000,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 441,671.74</u>	<u>\$ 28,328.26</u>
		C	C-7	C-4	C	C-2	C-7

REF.

C-13

Bond Anticipation Notes  
Cash on Hand - Ord. 05-11

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>INCREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
			<u>DATE</u>	<u>AMOUNT</u>			
General Improvement	6/1/14	\$ 2,000,000.00	6/1/15-16	\$ 60,000.00	3.00%	\$	\$
			6/1/17	70,000.00	3.00%		
			6/1/18	75,000.00	3.00%		
			6/1/19	80,000.00	3.00%		
			6/1/20	85,000.00	3.00%		
			6/1/21	90,000.00	3.00%		
			6/1/22	95,000.00	3.00%		
			6/1/23	100,000.00	3.00%		
			6/1/24	105,000.00	3.00%		
			6/1/25-26	110,000.00	3.00%		
			6/1/27-28	120,000.00	3.00%		
			6/1/29	120,000.00	3.125%		
			6/1/30-31	120,000.00	3.25%		
			6/1/32-34	120,000.00	3.50%		
						<u>2,000,000.00</u>	<u>2,000,000.00</u>
						<u>\$ 2,000,000.00</u>	<u>\$ 2,000,000.00</u>

REF.

C-2

C

"C-15"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>
14-12	Acquisition of Fire Pumper	\$ <u>470,000.00</u>
		\$ <u><u>470,000.00</u></u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2013	D	\$ <u>409,196.33</u>	\$ <u>338,312.86</u>
Increased by Receipts:			
Collector	D-6	\$ 830,154.27	\$
Miscellaneous	D-3	97,022.24	
Interfunds	D-8:D-20	15,000.00	5,605.10
Prepaid Rents	D-22	51.46	
Budget Appropriation			
Capital Improvement Fund	D-14		185,000.00
Bond Anticipation Notes	D-13		705,000.00
Serial Bonds Payable	D-23		2,250,000.00
Miscellaneous Reserves	D-17		15,000.00
		\$ <u>942,227.97</u>	\$ <u>3,160,605.10</u>
		\$ <u>1,351,424.30</u>	\$ <u>3,498,917.96</u>
Decreased by Disbursements:			
2014 Appropriations	D-4	\$ 899,799.66	\$
2013 Appropriation Reserves	D-10	64,382.80	
Contracts Payable	D-12		1,085,115.31
Miscellaneous Reserves	D-17		3,050.00
Interfunds	D-8:D-20	355.10	15,000.00
Bond Anticipation Notes	D-13		1,695,000.00
Accrued Interest	D-7	40,813.97	
		\$ <u>1,005,351.53</u>	\$ <u>2,798,165.31</u>
Balance, December 31, 2014	D	\$ <u><u>346,072.77</u></u>	\$ <u><u>700,752.65</u></u>

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

	<u>REF.</u>	
Balance, December 31, 2013	D	\$ 47,121.42
Increased by:		
Water/Sewer Rents Levied-Net		835,979.40
		\$ <u>883,100.82</u>
Decreased by:		
Collection	D-3:D-5	<u>830,154.27</u>
Balance, December 31, 2014	D	\$ <u><u>52,946.55</u></u>

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

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	533.96
Increased by:			
Budget Appropriation	D-4		57,400.00
		\$	<u>57,933.96</u>
Decreased by:			
Cash Disbursements	D-5		<u>40,813.97</u>
Balance, December 31, 2014	D	\$	<u><u>17,119.99</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>
Balance, December 31, 2013:				
Due From	D	\$	\$	\$
Due To	D	<u>47,157.34</u>	<u>46,933.53</u>	<u>223.81</u>
Increased by:				
Cash Receipts	D-5	<u>\$ 15,000.00</u>	<u>\$</u>	<u>\$ 15,000.00</u>
Decreased by:				
Disbursements	D-5	<u>\$ 355.10</u>	<u>\$</u>	<u>\$ 355.10</u>
Balance, December 31, 2014:				
Due To	D	<u>\$ 61,802.24</u>	<u>\$ 46,933.53</u>	<u>\$ 14,868.71</u>

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF CHANGE FUND

	<u>REF.</u>	
Balance, December 31, 2013	D	\$ <u>25.00</u>
Balance, December 31, 2014	D	\$ <u><u>25.00</u></u>



BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 18,919.64	\$ 18,919.64	\$	18,919.64
Other Expenses	57,311.10	70,006.44	49,382.80	20,623.64
Capital Improvement Fund:				
Reserve for Facility/Equipment Improvement	15,000.00	15,000.00	15,000.00	
Regulatory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	1,973.16	1,973.16		1,973.16
Unemployment Compensation	<u>57.93</u>	<u>57.93</u>		<u>57.93</u>
	<u>\$ 93,261.83</u>	<u>\$ 105,957.17</u>	<u>\$ 64,382.80</u>	<u>\$ 41,574.37</u>
	<u>REF.</u>	D		D-2
Balance, December 31, 2013	D-10	\$ 93,261.83	\$	
Cash Disbursements	D-5		64,382.80	
Encumbrances Payable	D-11	<u>12,695.34</u>		
		<u>\$ 105,957.17</u>	<u>\$ 64,382.80</u>	

"D-11"

BOROUGH OF ALPHA  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	13,107.54
Increased by:			
Charges to 2014 Appropriations	D-4		9,999.96
		\$	<u>23,107.50</u>
Decreased by:			
Canceled	D-2	\$	412.20
Transferred to Appropriation Reserves	D-10		12,695.34
Transferred to Appropriation Reserves	D-10		<u>13,107.54</u>
Balance, December 31, 2014	D	\$	<u><u>9,999.96</u></u>

"D-12"

WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2013	D	\$	111,841.00
Increased by:			
Charges to Improvement Authorizations	D-15		1,052,524.31
		\$	<u>1,164,365.31</u>
Decreased by:			
Cash Disbursements	D-5	\$	1,085,115.31
Cancelled Contracts	D-15		7,950.00
Cash Disbursements	D-5		<u>1,093,065.31</u>
Balance, December 31, 2014	D	\$	<u><u>71,300.00</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 ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>		<u>BALANCE DECEMBER 31, 2013</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
2011-12	Improvement to Water Utility	12/19/2012	12/16/2014 12/17/2013	12/17/15 3/20/14	0.78% 1.03%	\$	755,000.00	705,000.00	755,000.00	\$ 705,000.00
2013-04	Improvements to Sewer Infrastructure	10/3/2013	10/3/2013	3/20/14	1.04%		100,000.00		100,000.00	
2013-06	Improvements to Water Utility	10/3/2013	10/3/2013	3/20/14	1.04%		890,000.00		890,000.00	
						\$	<u>1,745,000.00</u>	<u>705,000.00</u>	<u>1,745,000.00</u>	<u>\$ 705,000.00</u>
						<u>REF.</u>	D	D-5	D-5	D
						Cash Disbursements			\$ 1,695,000.00	
						Notes Paid by Budget			<u>50,000.00</u>	
									<u>\$ 1,745,000.00</u>	

"D-14"

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

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	3,750.00
Increased by:			
Budget Appropriation	D-5		185,000.00
		\$	<u>188,750.00</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	D-15:D-19		<u>70,000.00</u>
Balance, December 31, 2014	D	\$	<u><u>118,750.00</u></u>



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, 2013</u>	<u>AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2014</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
2013-04	Improvements to Sewer Infrastructure	04/09/13	900,000.00	900,000.00		900,000.00
2013-06	Improvements to Water System	04/28/13	1,500,000.00	1,500,000.00		1,500,000.00
2014-10	Improvements to Water System	05/21/14	700,000.00	700,000.00		700,000.00
			\$	<u>\$ 3,500,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 4,200,000.00</u>
			<u>REF.</u>	D	D-15	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2014
Waste Water Treatment Plant Facility and Equipment	\$ 1,193.37	\$	\$	\$ 1,193.37
Leak Detection	45.66	15,000.00	3,050.00	11,950.00
Well Closings	3,720.00			45.66
	<u>3,720.00</u>	<u>15,000.00</u>	<u>3,050.00</u>	<u>3,720.00</u>
	\$ <u>4,959.03</u>	\$ <u>15,000.00</u>	\$ <u>3,050.00</u>	\$ <u>16,909.03</u>
<u>REF.</u>	D	D-5	D-5	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2014	BALANCE DECEMBER 31, 2013
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, 2013</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>BALANCE DECEMBER 31, 2014</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
2013-04	Improvements to Sewer Infrastructure	04/09/13	10,000.00		10,000.00
2013-16	Improvements to Water System	04/28/13	10,000.00		10,000.00
2014-10	Improvements to Water System	05/21/14		70,000.00	70,000.00
			<u>\$ 280,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 350,000.00</u>

REF.

D

D-14

D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER/SEWER OPERATING FUND</u>
Balance, December 31, 2013:					
Due From	D	\$ 28,633.21	\$	\$ 28,409.40	\$ 223.81
Due To	D	400,000.00	400,000.00		
Increased by:					
Cash Receipts	D-5	\$ 5,605.10	\$ 5,250.00	\$	\$ 355.10
Decreased by:					
Cash Disbursements	D-5	\$ 15,000.00	\$	\$	\$ 15,000.00
Balance, December 31, 2014:					
Due From	D	\$ 43,278.11	\$	\$ 28,409.40	\$ 14,868.71
Due To	D	405,250.00	405,250.00		

"D-21"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2013	D	\$	3,944,212.13
Increased by:			
Notes Paid by Budget	D-13		<u>50,000.00</u>
Balance, December 31, 2014	D	\$	<u><u>3,994,212.13</u></u>

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

	<u>REF.</u>	
Increased by:		
Receipts	D-6	\$ <u>51.46</u>
Balance, December 31, 2014	D	\$ <u><u>51.46</u></u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER/SEWER SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF</u>		<u>INTEREST RATE</u>	<u>ISSUED</u>	<u>BALANCE DECEMBER 31, 2014</u>
			<u>LOANS OUTSTANDING DECEMBER 31, 2014</u>	<u>AMOUNT</u>			
Improvements to Water System	6/1/2014	\$ 2,250,000.00	\$	70,000.00	3.000%	\$	
				75,000.00	3.000%		
				80,000.00	3.000%		
				85,000.00	3.000%		
				90,000.00	3.000%		
				95,000.00	3.000%		
				100,000.00	3.000%		
				105,000.00	3.000%		
				110,000.00	3.000%		
				115,000.00	3.000%		
				115,000.00	3.000%		
				120,000.00	3.000%		
				125,000.00	3.000%		
				130,000.00	3.000%		
			135,000.00	3.125%			
			140,000.00	3.250%			
			140,000.00	3.250%			
			140,000.00	3.500%			
			140,000.00	3.500%			
			140,000.00	3.500%			
						2,250,000.00	2,250,000.00
						\$	\$ 2,250,000.00

REF.

D-5

D

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, 2014</u>
2011-04	Improvements to Water Infrastructure	\$ 85,000.00
2013-04	Improvements to Sewer Infrastructure	130,000.00
2013-06	Improvements to Water Infrastructure	<u>630,000.00</u>
		<u>\$ 845,000.00</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, 2013	E	\$ 10,165.27	\$ 10,165.27
Increased by Receipts:			
Interest Earned	E-4	<u>5.87</u>	<u>5.87</u>
Balance, December 31, 2014	E	<u>\$ 10,171.14</u>	<u>\$ 10,171.14</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, 2014	E	\$	10,171.14
Increased by:			
Cash Receipts Record			<u>1.15</u>
Balance February 28, 2015		\$	<u><u>10,172.29</u></u>

RECONCILIATION-FEBRURARY, 2014

	<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>10,172.29</u>	\$	<u>10,172.29</u>
Balance February 28, 2015	\$ <u><u>10,172.29</u></u>	\$	<u><u>10,172.29</u></u>



BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
AS OF DECEMBER 31, 2014

	<u>REF.</u>		
Balance, December 31, 2013	E-1	\$	10,165.27
Increased by:			
Cash Receipts	E-4		<u>5.87</u>
Balance, December 31, 2014	E-1	\$	<u><u>10,171.14</u></u>

RECONCILIATION-DECEMBER 31, 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>10,171.14</u>	\$ <u>10,171.14</u>
Balance, December 31, 2014	\$	<u><u>10,171.14</u></u>	\$ <u><u>10,171.14</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>5.87</u>	\$ <u>5.87</u>
<u>TOTAL RECEIPTS</u>	E-1	\$ <u><u>5.87</u></u>	\$ <u><u>5.87</u></u>

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



# 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, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 13, 2015. 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 Borough of Alpha'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 Borough of Alpha'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 Borough of Alpha's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 13, 2015

BOROUGH OF ALPHA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2014 RECEIVED	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
		FROM	TO				
<u>Department of Environmental Protection</u>							
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/06	12/31/06	\$ 5,000.00	\$	\$	1,369.53
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/07	12/31/07	252.65			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/08	12/31/08	848.78			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/09	12/31/09	2,202.42			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	Unappropriated		6,598.01	2,669.03		
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/14	12/31/14	5,500.00	5,500.00	5,241.36	5,241.36
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/13	12/31/13	5,000.00		1,081.64	5,000.00
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	Unappropriated		2,315.79	702.81		
				\$	8,871.84	6,323.00	11,610.89
<u>Highlands Water Protection and Planning Council</u>							
Highlands Initial Assessment	100-082-2078-033	3/13/09		\$ 50,000.00	\$	\$	49,400.23
Highlands Plan Conformance Grant	100-082-2078-033	9/22/11		103,100.00	20,311.99	20,311.99	69,158.49
				\$	20,311.99	20,311.99	118,558.72
<u>Department of Transportation</u>							
Safe Routes to School	n/a	Continuous		\$ 250,000.00	120,767.64	120,767.64	202,410.81
Safe Routes to School	n/a	Continuous		200,000.00			
West Vulcanite Avenue	n/a	Continuous		110,000.00		27,500.00	110,000.00
Seventh Avenue	n/a	Continuous		200,000.00	50,000.00	50,000.00	200,000.00
				\$	170,767.64	198,267.64	512,410.81
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/03	12/31/03	\$ 761.01	\$	\$	294.19
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/04	12/31/04	381.58			
Body Armor Replacement Fund	n/a	1/1/05	12/31/05	591.44			213.25
S.L.E.H.O.P.	1200-845-YEMR-6120	1/1/04	12/31/04	2,405.72			2,281.00
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/06	12/31/06	296.17			210.70
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/07	12/31/07	169.14			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/08	12/31/08	642.55			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/09	12/31/09	696.14			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/10	12/31/10	502.73			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/11	12/31/11	1,024.76			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	Unappropriated		1,300.59	118.16		
				\$	118.16	\$	2,999.14
<u>Warren County</u>							
Municipal Alliance	1989-475-995120-6	1/1/99	12/31/99	\$ 8,679.00	\$	\$	4,595.20
Totals				\$	200,069.63	224,902.63	650,174.76

BOROUGH OF ALPHA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014

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 are included on the Schedule 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 schedule agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule 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	\$ 29,301.99	\$ 29,301.99
General Capital Fund	<u>170,767.64</u>	<u>170,767.64</u>
	<u>\$ 200,069.63</u>	<u>\$ 200,069.63</u>

Expenditures:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 26,634.99	\$ 26,634.99
General Capital Fund	<u>198,267.64</u>	<u>198,267.64</u>
	<u>\$ 224,902.63</u>	<u>\$ 224,902.63</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, 2014

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

	<u>YEAR 2014</u>		<u>YEAR 2013</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 334,886.00	4.60	\$ 194,825.00	2.51
Miscellaneous-From Other Than Local				
Property Tax Levies	537,823.24	7.39	1,140,223.90	14.67
Collection of Delinquent Taxes and				
Tax Title Liens	138,789.36	1.91	300,324.74	3.87
Collection of Current Tax Levy	<u>6,262,072.31</u>	<u>86.09</u>	<u>6,130,176.05</u>	<u>78.94</u>
<u>TOTAL INCOME</u>	<u>\$ 7,273,570.91</u>	<u>100.00%</u>	<u>\$ 7,765,549.69</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 2,349,960.05	33.62	\$ 2,665,292.91	35.41
County Taxes	1,494,494.42	21.38	1,389,474.67	18.46
School Taxes	3,048,877.00	43.63	2,984,194.00	39.65
Municipal Open Space Taxes	85,081.36	1.22	85,064.64	1.13
Other	<u>10,384.30</u>	<u>0.15</u>	<u>402,409.37</u>	<u>5.35</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 6,988,797.13</u>	<u>100.00%</u>	<u>\$ 7,526,435.59</u>	<u>100.00%</u>
Excess in Revenue	\$ 284,773.78		\$ 239,114.10	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year	<u>7,695.33</u>		<u>20,000.00</u>	
Statutory Excess to Fund Balance	\$ 292,469.11		\$ 259,114.10	
Fund Balance, January 1	<u>1,359,994.29</u>		<u>1,295,705.19</u>	
	\$ 1,652,463.40		\$ 1,554,819.29	
Less: Utilization as Anticipated Revenue	<u>334,886.00</u>		<u>194,825.00</u>	
Fund Balance, December 31	<u>\$ 1,317,577.40</u>		<u>\$ 1,359,994.29</u>	

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

	<u>YEAR 2014</u>		<u>YEAR 2013</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 231,890.00	19.31	\$	
Collection of Sewer Use Charges	553,525.73	46.09	566,328.81	63.97
Collection of Water Use Charges	276,628.54	23.02	285,097.37	32.21
Miscellaneous-From Other Than Use	139,008.81	11.57	33,886.15	3.83
	<u>1,201,053.08</u>	<u>100.00%</u>	<u>885,312.33</u>	<u>100.00%</u>
<u>TOTAL INCOME</u>				
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 771,490.00	71.97	\$ 794,900.00	95.60
Capital Improvements	185,000.00	17.26	15,000.00	1.80
Debt Service	107,400.00	10.02	11,450.00	1.38
Deferred Charges and Statutory Expenditures	8,000.00	0.75	10,100.00	1.21
	<u>1,071,890.00</u>	<u>100.00%</u>	<u>831,450.00</u>	<u>100.00%</u>
<u>TOTAL EXPENDITURES</u>				
Excess in Revenue	\$ 129,163.08		\$ 53,862.33	
Fund Balance, January 1	<u>255,160.66</u>		<u>201,298.33</u>	
	\$ 384,323.74		\$ 255,160.66	
Decreased by:				
Utilization as Anticipated Revenue	<u>231,890.00</u>		<u>                    </u>	
Fund Balance, December 31	<u><u>152,433.74</u></u>		<u><u>255,160.66</u></u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$3.031</u>	<u>\$2.955</u>	<u>\$2.909</u>
Appointment of Tax Rate:			
Municipal	\$0.824	\$0.825	\$0.824
Municipal Library	\$0.032	\$0.032	\$0.033
Municipal Open Space	0.039	0.040	0.040
County	0.658	0.609	0.574
County Open Space	0.045	0.045	0.062
Local District School	<u>1.433</u>	<u>1.404</u>	<u>1.376</u>

Assessed Valuation:

2014	\$ <u>212,879,955.00</u>		
2013		\$ <u>212,632,361.00</u>	
2012			\$ <u>212,659,347.00</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>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2014	\$6,456,657.47	\$6,262,072.31	96.98%
2013	6,284,434.15	6,130,176.05	97.55%
2012	6,187,522.91	5,973,789.54	96.55%

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>
2014	\$176,635.93	\$86,410.43	\$263,046.36	4.07%
2013	145,923.84	73,545.72	219,469.56	3.49%
2012	157,754.82	213,071.82	370,826.64	5.99%

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>
2014	\$9,592.50
2013	9,592.50
2012	9,592.50

COMPARISON OF WATER/SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS*</u>
2014	\$ 835,979.40	\$ 830,154.27
2013	855,544.08	851,426.18
2012	857,368.21	860,627.60

\*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	2014	\$ 1,317,789.64	\$ 438,000.00
	2013	1,359,994.29	334,886.00
	2012	1,295,705.19	194,825.00
	2011	1,262,088.78	323,939.00
	2010	901,651.94	338,079.00
Water/Sewer Utility Operating Fund	2014	\$ 152,433.74	\$ 148,000.00
	2013	255,160.66	227,640.00
	2012	201,298.33	-0-
	2011	646,391.86	507,288.00
	2010	621,697.08	67,192.00

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		
Louis Cartabona	Councilperson		
Tracy Grossman	Councilperson		
Michael Schwar	Councilperson		
Millard Rooks	Councilperson		
Peter Pettinelli	Councilperson		
Thomas Seiss	Councilperson		
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		
Dennis Baptista	Magistrate	\$1,000,000.00	
Katherine Cupon	Court Administrator	\$1,000,000.00	
Dawn Laird	Deputy Court Administrator		
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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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, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 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:

Various Road Improvement Projects  
Water System Improvement Projects  
Purchase of Armored Vehicles  
Purchase of Fire Truck  
Repair of Sanitary Sewer

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 \$17,500.00 "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.

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2014 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 1, 2014 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, 2013, 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 November 20, 2014 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2014	5
2013	5
2012	6

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.

### Finance

Our audit of the detailed charges to the 2014 budget revealed mispostings of salaries and other expenses between budgeted line items.

We noted numerous grants receivable and appropriated grant reserves from prior years which should be reviewed and cleared of record.

### Payroll

We noted that the Borough did not designate a responsible individual to authorize and supervise the activities of the provider and did not monitor the internal controls of the provider as required by N.J.A.C. 5:30-17.6.

### Departments

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

### Fixed Assets

A complete record of General Fixed Assets was not currently maintained.

## RECOMMENDATIONS

\*That due care be taken in the posting of transactions to the Borough's financial records.

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

That a complete and accurate record of general fixed assets be maintained in accordance with N.J.A.C. 5:30-5.6.

That all grant receivable and appropriated reserve balances be reviewed for possible, collection, cancellation or expenditure as appropriate.

That the Borough's use of third party payroll processing and disbursement services be in accordance with the requirements of N.J.A.C. 5:30-17 and Local Finance Notice 2003-15.

\*Unresolved 2013 Audit Recommendations

