

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, 2013

BOROUGH OF ALPHA

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BOROUGH OF ALPHA

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEARS ENDED DECEMBER 31, 2013 AND 2012



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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, 2013 and 2012, 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, 2013, 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.

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, 2013 and 2012, 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, 2013.

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, 2013 and 2012, 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, 2013 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 July 17, 2014 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

July 17, 2014

CURRENT FUND

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Current Fund:			
Cash	A-4	\$ 3,252,179.42	\$ 2,644,250.03
Change Funds	A-6	175.00	175.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	14,337.65	14,925.32
		<u>\$ 3,266,692.07</u>	<u>\$ 2,659,350.35</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 145,923.84	\$ 157,754.82
Tax Title Liens Receivable	A-10	73,545.72	213,071.82
Property Acquired for Taxes - Assessed Valuation	A-11	9,592.50	9,592.50
Revenue Accounts Receivable	A-12	431.14	1,359.21
Interfunds Receivable	A-13	448,229.67	45,820.30
	A	<u>\$ 677,722.87</u>	<u>\$ 427,598.65</u>
Deferred Charges:			
Special Emergency	A-7	\$ 34,000.00	\$ 21,000.00
		<u>\$ 34,000.00</u>	<u>\$ 21,000.00</u>
		<u>\$ 3,978,414.94</u>	<u>\$ 3,107,949.00</u>
Grant Fund:			
Cash	A-4	\$ 19,121.25	\$ 36,185.85
Grants Receivable	A-17	59,015.40	87,979.40
Interfunds Receivable	A-25	12.85	
		<u>\$ 78,149.50</u>	<u>\$ 124,165.25</u>
		<u>\$ 4,056,564.44</u>	<u>\$ 3,232,114.25</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, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-18	\$ 152,699.94	\$ 121,437.89
Encumbrances Payable	A-19	31,661.43	18,929.24
Interfunds Payable	A-13	1,221,545.45	755,718.70
Prepaid Taxes	A-21	37,171.62	30,709.01
County Taxes Payable	A-22	268.42	275.90
Local District School Tax Payable	A-23	464,049.88	434,793.38
Reserve for Miscellaneous Deposits	A-14	33,301.04	22,781.04
		<u>\$ 1,940,697.78</u>	<u>\$ 1,384,645.16</u>
Reserve for Receivables	A	677,722.87	427,598.65
Fund Balance	A-1	<u>1,359,994.29</u>	<u>1,295,705.19</u>
		<u>\$ 3,978,414.94</u>	<u>\$ 3,107,949.00</u>
Grant Fund:			
Reserve for Grants-Appropriated	A-20	\$ 71,425.11	\$ 120,006.14
Reserve for Grants-Unappropriated	A-15	<u>6,724.39</u>	<u>4,159.11</u>
		<u>\$ 78,149.50</u>	<u>\$ 124,165.25</u>
		<u>\$ 4,056,564.44</u>	<u>\$ 3,232,114.25</u>

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

BOROUGH OF ALPHA

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
Fund Balance Utilized	A-1:A-2	\$ 194,825.00	\$ 323,939.00
Miscellaneous Revenues Anticipated	A-2	813,808.20	481,196.67
Receipts from Delinquent Taxes	A-2	300,324.74	202,426.82
Receipts from Current Taxes	A-2	6,130,176.05	5,973,789.54
Non-Budget Revenues	A-2	211,201.37	163,322.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-18	115,214.33	74,467.80
Encumbrances Payable Canceled			14.35
<u>Total Income</u>		<u>\$ 7,765,549.69</u>	<u>\$ 7,219,157.01</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations including Contingent	A-3	\$ 1,347,157.00	\$ 1,285,741.00
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	82,450.00	82,155.00
Excluded from "CAPS"			
Operations	A-3	864,895.00	768,386.56
Capital Improvement Fund		339,000.00	185,000.00
Municipal Debt Service	A-3	14,790.91	115,567.50
Deferred Charges and Judgments	A-3	17,000.00	17,000.00
County Tax	A-22	1,389,206.25	1,350,593.23
County Tax for Added and Omitted Taxes	A-22	268.42	275.90
Local District School Tax	A-23	2,984,194.00	2,925,681.00
Municipal Open Space Tax	A-24	85,064.64	85,081.11
Interfund Advances		402,409.37	45,820.30
Refund of Prior Years Revenues			300.00
<u>Total Expenditures</u>		<u>\$ 7,526,435.59</u>	<u>\$ 6,861,601.60</u>
Excess in Revenue		\$ 239,114.10	\$ 357,555.41
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>20,000.00</u>	<u> </u>
Statutory Excess to Fund Balance		\$ 259,114.10	\$ 357,555.41
<u>Fund Balance</u>			
Balance, January 1	A	1,295,705.19	1,262,088.78
		<u>\$ 1,554,819.29</u>	<u>\$ 1,619,644.19</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>194,825.00</u>	<u>323,939.00</u>
Balance, December 31	A	<u>\$ 1,359,994.29</u>	<u>\$ 1,295,705.19</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, 2013

	REF.	<u>ANTICIPATED</u>		EXCESS OR (DEFICIT)
		<u>BUDGET</u>	<u>REALIZED</u>	
Fund Balance Anticipated	A-1	\$ 194,825.00	\$ 194,825.00	
Miscellaneous Revenues:				
Alcoholic Beverage Licenses	A-12	\$ 7,000.00	\$ 5,899.39	\$ (1,100.61)
Other Licenses	A-12	5,000.00	3,200.00	(1,800.00)
Construction Code Official - Fees and Permits	A-12	15,000.00	20,683.00	5,683.00
Fines and Costs - Municipal Court	A-12	19,000.00	14,852.95	(4,147.05)
Interest and Costs on Taxes	A-12	40,000.00	94,814.16	54,814.16
Interest on Investments and Deposits	A-12	2,000.00	1,897.68	(102.32)
Energy Receipts Tax	A-12	202,714.00	202,714.18	0.18
Consolidated Municipal Property Tax Relief Aid	A-12	23,033.00	23,033.00	
Shared Services Agreement - Greenwich	A-12	40,000.00	41,713.84	1,713.84
Clean Communities Grant	A-17	5,000.00	5,000.00	
NJ DOT - North Boulevard Grant	A-17	200,000.00	200,000.00	
NJ DOT - 7th Avenue Grant	A-17	200,000.00	200,000.00	
	A-1	\$ 758,747.00	\$ 813,808.20	\$ 55,061.20
Receipts From Delinquent Taxes	A-2	\$ 150,000.00	\$ 300,324.74	\$ 150,324.74
Amount to be Raised by Taxes for Support of:				
Library		\$ 69,575.00	\$ 69,575.00	
Municipal Budget	A-9:A-2	1,753,630.00	1,883,342.74	\$ 129,712.74
		<u>1,823,205.00</u>	<u>1,952,917.74</u>	<u>129,712.74</u>
<u>Budget Totals</u>		\$ 2,926,777.00	\$ 3,261,875.68	\$ 335,098.68
Non-Budget Revenues	A-2		211,201.37	211,201.37
		\$ 2,926,777.00	\$ 3,473,077.05	\$ 546,300.05

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, 2013

	<u>REF.</u>		
Allocations of Current Tax Collections:			
Revenues from Collections	A-1:A-9	\$	6,130,176.05
Allocated to:			
School and County Taxes		\$	4,373,668.67
Municipal Open Space Tax			<u>85,064.64</u>
			<u>4,458,733.31</u>
Balance for Support of Municipal Appropriations		\$	1,671,442.74
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>281,475.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>1,952,917.74</u></u>

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-9	\$	148,256.25
Tax Title Lien Collections	A-10		<u>152,068.49</u>
	A-1:A-2	\$	<u><u>300,324.74</u></u>

ANALYSIS OF NON-BUDGET REVENUE

	<u>REF.</u>		
Miscellaneous Revenue Not Anticipated:			
Marriage Licenses		\$	33.00
Clerk - Miscellaneous			837.70
Pavilion Fees			950.00
Street Openings			4,000.00
Lease			86,714.09
Cable TV Franchise Fee			9,061.00
Tax Assessor			20.00
Miscellaneous			27,338.67
Senior Citizen and Veteran Administration Fees			844.75
Insurance Settlement			15,000.00
Reimbursement of Costs			31,329.47
Hurricane Sandy			<u>32,716.91</u>
	A-4		208,845.59
Tax Collector	A-5		2,405.78
Refunds	A-4		<u>50.00</u>
	A-1:A-2	\$	<u><u>211,201.37</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, 2013

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 18,003.00	\$ 18,003.00	\$ 17,896.93	\$ 106.07	\$
Other Expenses	37,150.00	37,150.00	29,914.27	7,235.73	
Municipal Clerk:					
Salaries and Wages	73,500.00	73,500.00	73,500.00		
Other Expenses	4,650.00	4,650.00	3,481.75	1,168.25	
Elections:					
Other Expenses	1,000.00	1,000.00	630.00	370.00	
Financial Administration:					
Salaries and Wages	87,500.00	91,500.00	87,146.80	4,353.20	
Other Expenses	4,350.00	4,350.00	3,386.42	963.58	
Audit Services	19,000.00	19,000.00	18,360.00	640.00	
Payroll Services:					
Other Expenses	10,000.00	10,000.00	9,242.22	757.78	
Assessment of Taxes:					
Salaries and Wages	18,950.00	18,950.00	18,949.84	0.16	
Other Expenses	3,025.00	3,025.00	2,902.86	122.14	
Tax Maps		20,000.00	20,000.00		
Revenue Administration (Collection of Taxes):					
Salaries and Wages	22,630.00	22,630.00	22,629.88	0.12	
Other Expenses	2,400.00	2,400.00	1,505.67	894.33	
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	57,000.00	57,000.00	53,153.34	3,846.66	
Engineering Services and Costs:					
Other Expenses	22,000.00	22,000.00	16,241.00	5,759.00	
Planning Board:					
Salaries and Wages	17,500.00	17,500.00	17,402.13	97.87	
Other Expenses	17,700.00	17,700.00	11,342.37	6,357.63	
Insurance:					
Group Insurance for Employees	109,680.00	105,680.00	99,393.04	6,286.96	
General Liability	130,000.00	130,000.00	118,998.00	11,002.00	
Municipal Court:					
Salaries and Wages	27,900.00	27,900.00	26,955.30	944.70	
Other Expenses	3,000.00	3,000.00	1,126.93	1,873.07	
Public Defender:					
Salaries and Wages	1,800.00	1,800.00	300.00	1,500.00	

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, 2013

OPERATIONS WITHIN "CAPS" (CONTINUED)	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$	\$
Police:					
Salaries and Wages	10,400.00	10,400.00	10,400.00		
First Aid Organization Contribution:					
Other Expenses	15,000.00	15,000.00	15,000.00		
Emergency Management:					
Salaries and Wages	2,950.00	2,950.00	2,639.88	310.12	
Other Expenses	6,200.00	6,200.00	2,883.90	3,316.10	
Municipal Prosecutor:					
Salaries and Wages	3,000.00	3,000.00	2,600.00	400.00	
<u>PUBLIC WORKS</u>					
Streets and Road Maintenance:					
Salaries and Wages	105,718.00	98,718.00	77,348.65	21,369.35	
Other Expenses	44,800.00	44,800.00	41,284.82	3,515.18	
Sanitation (Garbage and Trash Removal):					
Salaries and Wages	7,500.00	7,500.00	6,000.00	1,500.00	
Other Expenses	203,150.00	203,150.00	203,008.42	141.58	
Public Buildings and Grounds:					
Salaries and Wages	9,001.00	9,001.00	8,752.44	248.56	
Other Expenses	53,050.00	53,050.00	44,515.69	8,534.31	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	150.00	5,150.00		5,150.00	
Animal Control Regulation:					
Salaries and Wages	4,500.00	4,500.00	4,236.55	263.45	
Other Expenses	2,350.00	2,350.00	2,123.92	226.08	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Other Expenses	5,000.00	5,000.00	14.96	4,985.04	
Celebration of Public Events:					
Other Expenses	7,500.00	7,500.00		7,500.00	
<u>STATE UNIFORM CONSTRUCTION CODE</u> <u>(N.J.S.A. 52-270-120 ET SEQ)</u>					
Building Inspector:					
Salaries and Wages	28,500.00	28,500.00	28,500.00		
Other Expenses	900.00	900.00	513.09	386.91	

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, 2013

OPERATIONS WITHIN "CAPS" (CONTINUED)	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
UTILITIES:					
Electricity	\$ 16,000.00	\$ 16,000.00	\$ 9,031.47	\$ 6,968.53	\$
Street Lighting	24,000.00	24,000.00	23,504.19	495.81	
Telephone	14,000.00	14,000.00	12,233.25	1,766.75	
Natural Gas (Propane)	7,000.00	9,000.00	6,950.14	2,049.86	
Gasoline	14,000.00	14,000.00	13,569.53	430.47	
Maintaining and Upgrading Computers	9,750.00	9,750.00	7,265.50	2,484.50	
Accumulated Leave (Deferred Sick)	5,000.00	5,000.00		5,000.00	
Salary Adjustment	10,000.00	10,000.00		10,000.00	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 1,327,157.00	\$ 1,347,157.00	\$ 1,204,835.15	\$ 142,321.85	\$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 1,327,157.00	\$ 1,347,157.00	\$ 1,204,835.15	\$ 142,321.85	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 49,950.00	\$ 49,950.00	\$ 49,950.00	\$	\$
Social Security System (OASI)	30,000.00	30,000.00	30,000.00		
Unemployment Insurance	2,500.00	2,500.00	2,121.91	378.09	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 82,450.00	\$ 82,450.00	\$ 82,071.91	\$ 378.09	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 1,409,607.00	\$ 1,429,607.00	\$ 1,286,907.06	\$ 142,699.94	\$
MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	\$ 69,575.00	\$ 69,575.00	\$ 69,575.00	\$	\$
Group Insurance for Employees	5,320.00	5,320.00	5,320.00		
Police Services (Township of Pohatcong)	385,000.00	385,000.00	385,000.00		
TOTAL OTHER OPERATIONS -EXCLUDED FROM "CAPS"	\$ 459,895.00	\$ 459,895.00	\$ 459,895.00	\$	\$

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, 2013

OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>					
New Jersey D.O.T. - North Boulevard	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	\$
Safe Routes to School - Schley	200,000.00	200,000.00	200,000.00		
Clean Communities Program	5,000.00	5,000.00	5,000.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	<u>\$ 405,000.00</u>	<u>\$ 405,000.00</u>	<u>\$ 405,000.00</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 864,895.00</u>	<u>\$ 864,895.00</u>	<u>\$ 864,895.00</u>	<u>\$</u>	<u>\$</u>
<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	57,000.00		
Improvements to Roads	200,000.00	200,000.00	200,000.00		
Purchase of Public Works Equipment	5,000.00	5,000.00	5,000.00		
Purchase of Public Works Vehicles	10,000.00	10,000.00	10,000.00		
Improvements to Curbing	20,000.00	20,000.00	20,000.00		
Purchase of Turnout Gear	12,000.00	12,000.00	12,000.00		
Improvements to Public Property	30,000.00	30,000.00	30,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>\$ 339,000.00</u>	<u>\$ 339,000.00</u>	<u>\$ 339,000.00</u>	<u>\$</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
New Jersey Economic Development Loan	\$ 14,800.00	\$ 14,800.00	\$ 14,790.91	\$	\$ 9.09
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>\$ 14,800.00</u>	<u>\$ 14,800.00</u>	<u>\$ 14,790.91</u>	<u>\$</u>	<u>\$ 9.09</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, 2013

OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)	APPROPRIATIONS			RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED		
<u>DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations - (N.J.S.A. 40A: 4-55)	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$	\$
<u>TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$	\$
Judgments	\$ 10,000.00	\$ 10,000.00	\$	\$ 10,000.00	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 1,235,695.00	\$ 1,235,695.00	\$ 1,225,685.91	\$ 10,000.00	\$ 9.09
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 2,645,302.00	\$ 2,665,302.00	\$ 2,512,592.97	\$ 152,699.94	\$ 9.09
RESERVE FOR UNCOLLECTED TAXES	281,475.00	281,475.00	281,475.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 2,926,777.00</u>	<u>\$ 2,946,777.00</u>	<u>\$ 2,794,067.97</u>	<u>\$ 152,699.94</u>	<u>\$ 9.09</u>
	<u>REF.</u>	A-2	A-1	A:A-1	
Emergency Authorizations	A-7	\$ 20,000.00			
Budget	A-2	2,926,777.00			
		<u>\$ 2,946,777.00</u>			
Cash Disbursements	A-4		\$ 2,049,143.78		
Reserve for Encumbrances	A-19		31,449.19		
Reserve for Grants Appropriated	A-20		405,000.00		
Deferred Charges	A-7		7,000.00		
Miscellaneous Reserves	A-14		20,000.00		
Reserve for Uncollected Taxes	A-2		281,475.00		
			<u>\$ 2,794,067.97</u>		

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

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TRUST FUND

BOROUGH OF ALPHA

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>1,442.26</u>	\$ <u>425.56</u>
		\$ <u>1,442.26</u>	\$ <u>425.56</u>
Other Funds:			
Cash	B-1	\$ 447,366.17	\$ 449,815.85
Interfunds Receivable	B-6	<u>838,762.38</u>	<u>755,421.70</u>
		\$ <u>1,286,128.55</u>	\$ <u>1,205,237.55</u>
		\$ <u><u>1,287,570.81</u></u>	\$ <u><u>1,205,663.11</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Interfunds Payable	B-4	\$ 1,296.14	\$
Due From State of New Jersey	B-3	14.40	
Reserve for Animal Control			
Trust Fund Expenditures	B-2	<u>131.72</u>	<u>425.56</u>
		\$ <u>1,442.26</u>	\$ <u>425.56</u>
Other Funds:			
Interfunds Payable	B-6	\$ 250,000.00	\$
Reserve For:			
Various Reserves and Deposits	B-5	<u>1,036,128.55</u>	<u>1,205,237.55</u>
		\$ <u>1,286,128.55</u>	\$ <u>1,205,237.55</u>
		\$ <u><u>1,287,570.81</u></u>	\$ <u><u>1,205,663.11</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, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 831,002.97	\$ 123,702.11
Deferred Charges to Future Taxation - Funded	C-4	28,500.00	42,750.00
Deferred Charges to Future Taxation - Unfunded	C-13	2,000,000.00	
Grants Receivable	C-9	303,694.33	280,947.17
Interfund Receivable	C-10	<u>632,473.22</u>	<u></u>
		\$ <u>3,795,670.52</u>	\$ <u>447,399.28</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-13	\$ 2,000,000.00	\$
Loan Payable - New Jersey Economic Development Loan Payable	C-11	28,500.00	42,750.00
Improvement Authorizations:			
Funded	C-7	149,526.04	260,254.83
Unfunded	C-7	1,107,119.10	
Reserve for:			
Contracts Payable	C-6	254,536.88	19,240.63
Miscellaneous Deposits	C-5	207,053.31	110,374.03
Interfund Payable	C-10	28,409.40	
Capital Improvement Fund	C-8	15,997.46	10,997.46
Fund Balance	C-1	<u>4,528.33</u>	<u>3,782.33</u>
		\$ <u>3,795,670.52</u>	\$ <u>447,399.28</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, 2012	C	\$ 3,782.33
Increased by:		
Miscellaneous Deposits Canceled	C-5	<u>29,746.00</u>
		\$ <u>33,528.33</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>29,000.00</u>
Balance, December 31, 2013	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 DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Operating Fund:			
Cash-Treasurer	D-5	\$ 409,196.33	\$ 267,010.62
Change Fund	D-9	25.00	25.00
Interfunds Receivable	D-8		0.86
		\$ <u>409,221.33</u>	\$ <u>267,036.48</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	\$ 47,121.42	\$ 43,003.52
		\$ <u>47,121.42</u>	\$ <u>43,003.52</u>
<u>Total Operating Fund</u>		\$ <u>456,342.75</u>	\$ <u>310,040.00</u>
Capital Fund:			
Cash-Treasurer	D-5	\$ 338,312.86	\$ 182,981.70
Fixed Capital	D-18	3,944,212.13	3,944,212.13
Fixed Capital Authorized and Uncompleted	D-16	3,500,000.00	1,100,000.00
Interfunds Receivable	D-20	28,633.21	
<u>Total Capital Fund</u>		\$ <u>7,811,158.20</u>	\$ <u>5,227,193.83</u>
		\$ <u>8,267,500.95</u>	\$ <u>5,537,233.83</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, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4;D-10	\$ 93,261.83	\$ 11,922.84
Encumbrances Payable	D-11	13,107.54	7,617.51
Accrued Interest	D-7	533.96	377.50
Interfunds Payable	D-8	47,157.34	45,820.30
		\$ <u>154,060.67</u>	\$ <u>65,738.15</u>
Reserve for Receivables	D	47,121.42	43,003.52
Fund Balance	D-2	<u>255,160.66</u>	<u>201,298.33</u>
<u>Total Operating Fund</u>		\$ <u>456,342.75</u>	\$ <u>310,040.00</u>
Capital Fund:			
Capital Improvement Fund	D-14	\$ 3,750.00	\$ 23,750.00
Contracts Payable	D-12	111,841.00	45,360.00
Bond Anticipation Notes	D-13	1,745,000.00	755,000.00
Interfunds Payable	D-20	400,000.00	0.86
Reserve for:			
Deferred Amortization	D-19	280,000.00	260,000.00
Amortization	D-21	3,944,212.13	3,944,212.13
Miscellaneous	D-17	4,959.03	56,164.83
Improvement Authorizations:			
Funded	D-15	4,553.43	4,553.43
Unfunded	D-15	1,307,974.92	129,284.89
Fund Balance	D-1	<u>8,867.69</u>	<u>8,867.69</u>
<u>Total Capital Fund</u>		\$ <u>7,811,158.20</u>	\$ <u>5,227,193.83</u>
		\$ <u>8,267,500.95</u>	\$ <u>5,537,233.83</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, 2012	D	\$	8,867.69
Balance, December 31, 2013	D	\$	<u>8,867.69</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, 2013

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized		\$	\$ 507,288.00
Sewer Use Charges	D-3	566,328.81	573,031.97
Water Use Charges	D-3	285,097.37	287,595.63
Miscellaneous	D-3	26,590.08	41,637.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	7,296.07	4,387.44
Accrued Interest Cancelled			8,479.13
		<u> </u>	<u> </u>
<u>TOTAL INCOME</u>		\$ <u>885,312.33</u>	\$ <u>1,422,419.17</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 794,900.00	\$ 810,788.00
Capital Improvements	D-4	15,000.00	130,000.00
Debt Service	D-4	11,450.00	360,936.70
Statutory Expenditures and Deferred Charges	D-4	10,100.00	58,500.00
		<u> </u>	<u> </u>
<u>TOTAL EXPENDITURES</u>		\$ <u>831,450.00</u>	\$ <u>1,360,224.70</u>
Excess in Revenue		\$ 53,862.33	\$ 62,194.47
<u>Fund Balance</u>			
Balance, January 1	D	201,298.33	646,391.86
		\$ <u>255,160.66</u>	\$ <u>708,586.33</u>
Decreased by:			
Utilization by Sewer Operating Budget			<u>507,288.00</u>
Balance, December 31	D	\$ <u><u>255,160.66</u></u>	\$ <u><u>201,298.33</u></u>

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

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Sewer Use Charges	D-2:D-3	\$ 560,000.00	\$ 566,328.81	\$ 6,328.81
Water Use Charges	D-2:D-3	271,450.00	285,097.37	13,647.37
Miscellaneous	D-2:D-3		<u>26,590.08</u>	<u>26,590.08</u>
	D-4	\$ <u>831,450.00</u>	\$ <u>878,016.26</u>	\$ <u>46,566.26</u>

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:		
Consumer Accounts Receivable:		
Collected	D-6	\$ <u>851,426.18</u>
	D-3	\$ <u>851,426.18</u>
Miscellaneous:		
Interest on Investments - Treasurer		\$ 198.30
Interest on Delinquent Payments		5,130.59
Miscellaneous		<u>21,261.19</u>
	D-5	\$ <u>26,590.08</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, 2013

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 120,000.00	\$ 120,000.00	\$ 101,080.36	\$ 18,919.64
Other Expenses	<u>674,900.00</u>	<u>674,900.00</u>	<u>617,588.90</u>	<u>57,311.10</u>
<u>Total Operating</u>	<u>\$ 794,900.00</u>	<u>\$ 794,900.00</u>	<u>\$ 718,669.26</u>	<u>\$ 76,230.74</u>
Capital Improvements:				
Reserve for Leak Detection/Water Loss Repair	\$ 15,000.00	\$ 15,000.00	\$ _____	\$ 15,000.00
<u>Total Capital Improvements</u>	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ _____</u>	<u>\$ 15,000.00</u>
Debt Service:				
Interest on Notes	\$ 11,450.00	\$ 11,450.00	\$ 11,450.00	
<u>Total Debt Service</u>	<u>\$ 11,450.00</u>	<u>\$ 11,450.00</u>	<u>\$ 11,450.00</u>	
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	\$ 9,500.00	\$ 9,500.00	\$ 7,526.84	\$ 1,973.16
Unemployment Compensation Insurance	<u>600.00</u>	<u>600.00</u>	<u>542.07</u>	<u>57.93</u>
<u>Total Statutory Expenditures</u>	<u>\$ 10,100.00</u>	<u>\$ 10,100.00</u>	<u>\$ 8,068.91</u>	<u>\$ 2,031.09</u>
	<u>\$ 831,450.00</u>	<u>\$ 831,450.00</u>	<u>\$ 738,188.17</u>	<u>\$ 93,261.83</u>
REF.	D-3		D-2	D:D-2
Cash Disbursements	D-5		\$ 725,336.37	
Accrued Interest	D-7		156.46	
Encumbrances Payable	D-11		<u>12,695.34</u>	
			<u>\$ 738,188.17</u>	

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PUBLIC ASSISTANCE TRUST FUND

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BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Cash - Treasurer:			
Public Assistance Trust Fund #1	E-1	\$ 10,165.27	\$ 10,159.58
Interfunds Receivable		<u>297.00</u>	<u>297.00</u>
		<u>\$ 10,462.27</u>	<u>\$ 10,456.58</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance:			
Public Assistance Trust Fund #1		\$ <u>10,462.27</u>	\$ <u>10,456.68</u>
		<u>\$ 10,462.27</u>	<u>\$ 10,456.68</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF ALPHA

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2013</u>	<u>DECEMBER</u> <u>31, 2012</u>
General Fixed Assets:		
Land	\$ 3,494,100.00	\$ 3,494,100.00
Buildings and Building Improvements	1,542,435.71	1,542,435.21
Machinery and Equipment	<u>2,472,562.66</u>	<u>2,462,541.95</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 7,509,098.37</u>	<u>\$ 7,499,077.16</u>
Investment in General Fixed Assets	<u>\$ 7,509,098.37</u>	<u>\$ 7,499,077.16</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, 2013 AND 2012

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, 2013:

FUND	Bank Balance	N.J. Cash Management	Reconciling Items		Reconciled Balance
			Additions	Deletions	
Current Fund	\$ 3,265,731.34	\$ 29,326.70	\$ 16,239.87	\$ 58,943.49	\$ 3,252,354.42
Grant Fund	19,121.25				19,121.25
Animal Control Fund	1,404.81	21.05	20.00	3.60	1,442.26
Other Trust Fund	313,538.66	104,788.69	33,100.00	4,061.18	447,366.17
General Capital Fund	821,409.40	31,652.79		22,059.22	831,002.97
Water / Sewer Operating Fund	21,346.30	48,958.07	356,864.74	17,947.78	409,221.33
Water / Sewer Capital Fund	697,666.75	11,267.53		370,621.42	338,312.86
Public Assistance Trust Fund		10,165.27			10,165.27
<u>TOTAL DECEMBER 31, 2013</u>	<u>\$ 5,140,218.51</u>	<u>\$ 236,180.10</u>	<u>\$ 406,224.61</u>	<u>\$ 473,636.69</u>	<u>\$ 5,308,986.53</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, 2013, 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 \$4,640,218.51 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, 2013, the Borough had \$236,180.10 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 2013</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 2,028,500.00	\$ 42,750.00	\$ 152,000.00
Water/Sewer Utility:			
Notes and Loans	<u>1,745,000.00</u>	<u>755,000.00</u>	<u>351,936.70</u>
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>3,422.35</u>	<u>3,422.35</u>	<u>3,422.35</u>
 <u>Net Debt Issued</u>	 <u>\$ 3,770,077.65</u>	 <u>\$ 794,327.65</u>	 <u>\$ 500,514.35</u>
Authorized But Not Issued:			
Water/Sewer Utility:			
Bonds and Notes	<u>\$ 1,475,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 840,000.00</u>
 <u>Total Authorized But Not Issued</u>	 <u>\$ 1,475,000.00</u>	 <u>\$ 85,000.00</u>	 <u>\$ 840,000.00</u>
 <u>NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED</u>	 <u>\$ 5,245,077.65</u>	 <u>\$ 879,327.65</u>	 <u>\$ 1,340,514.35</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 .963%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Water/Sewer Utility Debt	\$ 3,220,000.00	\$ 3,220,000.00	\$
General Debt	<u>2,028,500.00</u>	<u>3,422.35</u>	<u>2,025,077.65</u>
	<u>\$ 5,248,500.00</u>	<u>\$ 3,223,422.35</u>	<u>\$ 2,025,077.65</u>

NET DEBT \$2,025,077.65 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$210,381,241.33 EQUALS .963%.

EQUALIZED VALUATION BASIS

2011 Equalized Valuation Basis of Real Property	\$ 216,059,413.00
2012 Equalized Valuation Basis of Real Property	208,361,888.00
2013 Equalized Valuation Basis of Real Property	<u>206,722,423.00</u>
	<u>\$ 210,381,241.33</u>

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

Equalized Valuation Basis* - December 31, 2013	\$ <u>210,381,241.33</u>
3-1/2% of Equalized Valuation Basis	\$ 7,363,343.45
Net Debt	<u>2,025,077.65</u>
Remaining Borrowing Power	<u>\$ 5,338,265.80</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

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$878,016.26
Deduction:		
Operating and Maintenance Cost	\$805,000.00	
Debt Service Per Sewer Utility Account	<u>11,450.00</u>	
		<u>816,450.00</u>
Excess in Revenue - Self-Liquidating		<u><u>\$61,566.26</u></u>

GENERAL CAPITAL FUND

New Jersey Economic Development Authority

\$250,000, Construction of new municipal building, due in annual installments of \$14,250.00 through March 2015, with an interest rate of 1.50%.	\$ <u>28,500.00</u>
TOTAL GENERAL CAPITAL DEBT	\$ <u><u>28,500.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUED DATE</u>	<u>AMOUNT</u>
General Capital:			
Ord. 2013-10	1.04%	10/03/2013	\$ <u>2,000,000.00</u>
			\$ <u><u>2,000,000.00</u></u>
Water/Sewer Capital:			
Ord. 2011-12	1.03%	12/19/2012	\$ 755,000.00
Ord. 2013-04	1.04%	10/03/2013	100,000.00
Ord. 2013-06	1.04%	10/03/2013	<u>890,000.00</u>
			\$ <u><u>1,745,000.00</u></u>

Bonds and Notes Authorized But Not Issued

At December 31, 2013, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u><u>None</u></u>
Water/Sewer Utility Capital Fund	<u><u>\$1,475,000.00</u></u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN
AS OF DECEMBER 31, 2013

CALENDAR <u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$ 14,250.00	\$ 324.19	\$ 14,574.19
2015	<u>14,250.00</u>	<u>107.47</u>	<u>14,357.47</u>
TOTAL	<u><u>\$ 28,500.00</u></u>	<u><u>\$ 431.66</u></u>	<u><u>\$ 28,931.66</u></u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 were as follows:

Current Fund	\$334,886.00
Water/Sewer Operating Fund	\$227,640.00

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, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Prepaid Taxes	<u>\$37,171.62</u>	<u>\$30,709.01</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in the Public Employees Retirement System administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$47,840.00 for 2011, \$48,955.00 for 2012 and \$49,950.00 for 2013.

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

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation pay over the life of their working careers which may be taken as time off or paid at a later date. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but has been calculated to be \$58,062.25. The Borough has a reserve for accumulated leave with a balance of \$45,000.00.

NOTE 8: LITIGATION

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

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2013. 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 2013 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, 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, 2013:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 448,229.67	\$ 1,221,545.45
Grant Fund	12.85	
Animal Control Trust Fund		1,296.14
Trust Other Fund	838,762.38	250,000.00
General Capital Fund	632,473.22	28,409.40
Water/Sewer Utility Operating Fund		47,157.34
Water/Sewer Utility Capital Fund	28,633.21	400,000.00
Public Assistance Fund	297.00	
	<u>\$ 1,948,408.33</u>	<u>\$ 1,948,408.33</u>

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

NOTE 13: DEFERRED LOCAL DISTRICT SCHOOL TAXES

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

LOCAL DISTRICT SCHOOL TAX

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Balance of Tax	\$1,492,095.50	\$1,462,839.00
Deferred	<u>1,028,045.62</u>	<u>1,028,045.62</u>
School Tax Payable	<u><u>\$464,049.88</u></u>	<u><u>\$434,793.38</u></u>

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2013</u>	2014 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>BUDGETS</u>
Current:			
Tax Maps	<u>\$34,000.00</u>	<u>\$11,000.00</u>	<u>\$23,000.00</u>

NOTE 15: POST-RETIREMENT HEALTH BENEFITS

As at December 31, 2013, the Borough of Alpha had no obligation to provide post-retirement health benefits.

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BOROUGH OF ALPHA
SUPPLEMENTARY SCHEDULES
YEARS ENDED DECEMBER 31, 2013 AND 2012

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2012	A	\$ 2,644,250.03	\$ 36,185.85
Increased by Receipts:			
Property Taxes Receivable	A-5	\$ 6,631,749.88	\$
Revenue Accounts Receivable	A-12	313,994.04	
Miscellaneous Revenue Not Anticipated	A-2	208,845.59	
State of N.J.- Senior Citizens and Veterans Deductions	A-8	42,237.66	
Interfunds	A-13:A-25	645,600.61	1.15
Grants Receivable	A-17		433,964.00
Reserve for Grants - Unappropriated	A-15		2,565.28
Reserve for Miscellaneous Deposits	A-14	<u>2,290.00</u>	
		<u>7,844,717.78</u>	<u>436,530.43</u>
		\$ <u>10,488,967.81</u>	\$ <u>472,716.28</u>
Decreased by Disbursements:			
2013 Appropriations	A-3	\$ 2,049,143.78	\$
2012 Appropriation Reserves	A-18	24,940.56	
Local District School Tax	A-23	2,954,937.50	
County Taxes Payable	A-22	1,389,482.15	
Refund of Tax Overpayments	A-16	6,050.72	
Reserve for Grants-Appropriated	A-20		453,581.03
Interfunds	A-13:A-25	582,183.23	14.00
Municipal Open Space Tax	A-24	85,064.64	
Reserve for Miscellaneous Deposits	A-14	144,935.81	
Refund of Miscellaneous Revenue	A-2	<u>50.00</u>	
		<u>7,236,788.39</u>	<u>453,595.03</u>
Balance, December 31, 2013	A	\$ <u><u>3,252,179.42</u></u>	\$ <u><u>19,121.25</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Increased by Receipts:			
Property Taxes Receivable	A-9	\$ 6,204,224.66	
Tax Overpayments	A-16	6,050.72	
Prepaid Taxes	A-21	37,171.62	
Tax Title Liens	A-10	152,068.49	
Revenue Accounts Receivable	A-12	94,814.16	
Miscellaneous Revenue Not Anticipated	A-2	2,405.78	
Senior Citizens Disallowed	A-8	1,848.64	
Outside Liens	A-14	<u>133,165.81</u>	
			\$ <u>6,631,749.88</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		\$ <u><u>6,631,749.88</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	BALANCE DECEMBER 31, <u>2013</u>	BALANCE DECEMBER 31, <u>2012</u>
Tax Collector	\$ 25.00	\$ 25.00
Municipal Court	50.00	50.00
Clerk	100.00	100.00
	<hr/>	<hr/>
	\$ <u>175.00</u>	\$ <u>175.00</u>
<u>REF.</u>	A	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	<u>AUTHORIZATION</u> <u>(N.J.S.A. 40A: 4-55)</u> <u>TAX MAPS - 2009</u>	<u>AUTHORIZATION</u> <u>(N.J.S.A. 40A: 4-55)</u> <u>TAX MAPS - 2010</u>	<u>AUTHORIZATION</u> <u>(N.J.S.A. 40A: 4-55)</u> <u>TAX MAPS - 2013</u>	<u>TOTAL</u>
Balance, December 31, 2012	A	\$ 15,000.00	\$ 6,000.00	\$	\$ 21,000.00
Increased by:					
2013 Authorization	A-3			20,000.00	20,000.00
		<u>\$ 15,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 41,000.00</u>
Decreased by:					
Budget Appropriation	A-3	<u>5,000.00</u>	<u>2,000.00</u>		<u>7,000.00</u>
Balance, December 31, 2013	A	<u><u>\$ 10,000.00</u></u>	<u><u>\$ 4,000.00</u></u>	<u><u>\$ 20,000.00</u></u>	<u><u>\$ 34,000.00</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, 2012	A	\$	14,925.32
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	12,250.00
Veterans Deductions Per Tax Billing			32,000.00
Veterans Deductions Allowed by Tax Collector			<u>250.00</u>
			44,500.00
		\$	<u>59,425.32</u>
Decreased by:			
Deductions Disallowed by Collector:			
Received in Cash From State	A-4	\$	42,237.66
2013 Deductions Disallowed by Tax Collector			1,001.37
2012 Deductions Disallowed by Tax Collector	A-5		<u>1,848.64</u>
			<u>45,087.67</u>
Balance, December 31, 2013	A	\$	<u><u>14,337.65</u></u>

ANALYSIS OF STATE SHARE OF 2013
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	12,250.00
Veterans Deductions Per Tax Billing			32,000.00
Deductions Allowed by Tax Collector:			
Veterans			<u>250.00</u>
		\$	<u>44,500.00</u>
Less: Deductions Disallowed by Tax Collector:			
Senior Citizens			<u>1,001.37</u>
	A-9	\$	<u><u>43,498.63</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2012	2013 LEVY	CASH COLLECTIONS		CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2013
			2012	2013			
2011	\$ 8,190.86	\$	\$	\$ 5,101.94	\$	\$	\$ 3,088.92
2012	149,563.96			143,154.31			6,409.65
	\$ 157,754.82	\$	\$	\$ 148,256.25	\$	\$	\$ 9,498.57
2013		6,284,434.15	30,709.01	6,099,467.04	5,947.81	11,885.02	136,425.27
	\$ 157,754.82	\$ 6,284,434.15	\$ 30,709.01	\$ 6,247,723.29	\$ 5,947.81	\$ 11,885.02	\$ 145,923.84
REF.	A		A-2:A-21	A-2		A-10	A

REF.

Cash-Collector	A-5	\$ 6,204,224.66
State Share of Senior Citizens and Veterans Deductions	A-8	43,498.63
		\$ 6,247,723.29

ANALYSIS OF 2013 PROPERTY TAX LEVY

TAX YIELD	
General Property Tax	\$ 6,283,288.53
Added and Omitted Tax (54:4-63.1 et.seq.)	1,145.62
	\$ 6,284,434.15

TAX LEVY		
Local District School Tax	A-23	\$ 2,984,194.00
County Taxes:		
County Tax	A-22	\$ 1,294,782.68
County Open Space	A-22	94,423.57
Due County for Added Taxes (54:4-63.1 et.seq.)	A-22	268.42
		1,389,474.67
Local Tax for Municipal Purposes	A-2	1,823,205.00
Municipal Open Space	A-24	85,064.64
Additional Tax Levied		2,495.84
		1,910,765.48
		\$ 6,284,434.15

"A-10"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 213,071.82
Increased by:			
Transfers From Taxes Receivable	A-9	\$ 11,885.02	
Added Charges		<u>657.37</u>	
			12,542.39
			<u>\$ 225,614.21</u>
Decreased by:			
Cash Receipts	A-2:A-5		<u>152,068.49</u>
Balance, December 31, 2013	A		<u><u>\$ 73,545.72</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2012	A	\$ 9,592.50
Balance, December 31, 2013	A	<u><u>\$ 9,592.50</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>ACCRUED IN 2013</u>	<u>COLLECTED BY TREASURER/ COLLECTOR</u>	<u>BALANCE DECEMBER 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverage Licenses	A-2	\$	\$ 5,899.39	\$ 5,899.39	\$
Other	A-2		3,200.00	3,200.00	
Construction Code Official:					
Fees and Permits	A-2		20,683.00	20,683.00	
Municipal Court:					
Fines and Costs	A-2	1,359.21	13,924.88	14,852.95	431.14
Interest on Investments and Deposits	A-2		1,897.68	1,897.68	
Energy Receipts Tax	A-2		202,714.18	202,714.18	
Consolidated Municipal Property Tax Relief Aid	A-2		23,033.00	23,033.00	
Shared Services Agreement - Greenwich	A-2		41,713.84	41,713.84	
Interest and Costs on Taxes	A-2		94,814.16	94,814.16	
		<u>\$ 1,359.21</u>	<u>\$ 407,880.13</u>	<u>\$ 408,808.20</u>	<u>\$ 431.14</u>
	<u>REF.</u>	A			A
Tax Collector	A-5			\$ 94,814.16	
Treasurer	A-4			<u>313,994.04</u>	
				<u>\$ 408,808.20</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, 2012									
Due From	A	\$ 45,820.30	\$	\$	\$	\$	\$	\$ 45,820.30	\$
Due To	A	<u>755,718.70</u>			<u>755,421.70</u>				<u>297.00</u>
Treasurer-Receipts	A-4	645,600.61	21,232.85		85,064.64	539,303.12			
Treasurer-Disbursements	A-4	<u>582,183.23</u>	<u>21,220.00</u>	<u>1,296.14</u>	<u>1,723.96</u>	<u>156,829.90</u>	<u>400,000.00</u>	<u>1,113.23</u>	
Balance, December 31, 2013									
Due From	A	\$ 448,229.67	\$	\$ 1,296.14	\$	\$	\$ 400,000.00	\$ 46,933.53	\$
Due To	A	<u>1,221,545.45</u>	<u>12.85</u>		<u>838,762.38</u>	<u>382,473.22</u>			<u>297.00</u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER <u>31, 2012</u>	CASH <u>RECEIPTS</u>	BUDGET <u>APPROPRIATION</u>	CASH <u>DISBURSEMENTS</u>	BALANCE DECEMBER <u>31, 2013</u>
Due State of New Jersey:	\$	\$	\$	\$	\$
DCA Fees	428.00	1,915.00		2,063.00	280.00
Marriage License Fees	50.00	275.00		150.00	175.00
Plumbing Inspections	2,769.00				2,769.00
Master Plan	10,526.44				10,526.44
Tax Maps	3,755.00		20,000.00	9,557.00	14,198.00
Community Day	1,583.60				1,583.60
Revaluation of Property	2,289.00				2,289.00
Historical Books	1,380.00	100.00			1,480.00
Outside Liens		133,165.81		133,165.81	
	<u>\$ 22,781.04</u>	<u>\$ 135,455.81</u>	<u>\$ 20,000.00</u>	<u>\$ 144,935.81</u>	<u>\$ 33,301.04</u>

REF.

A

A-3

A-4

A

Treasurer

A-4

\$ 2,290.00

Tax Collector

A-5

133,165.81

\$ 135,455.81

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2012	<u>RECEIPTS</u>	BALANCE DECEMBER 31, 2013
Recycling Tonnage Grant	\$ 3,187.78	\$ 741.20	\$ 3,928.98
Clean Communities Program		1,612.98	1,612.98
Alcohol Education and Rehabilitation	<u>971.33</u>	<u>211.10</u>	<u>1,182.43</u>
	\$ <u>4,159.11</u>	\$ <u>2,565.28</u>	\$ <u>6,724.39</u>
<u>REF.</u>	A	A-4	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

Increased by:			
Cash Receipts	A-5	\$	6,050.72
Decreased by:			
Cash Disbursements	A-4	\$	<u>6,050.72</u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	BALANCE DECEMBER 31, 2012	ACCRUED 2013 BUDGET	RECEIVED	BALANCE DECEMBER 31, 2013
Clean Communities Grant	\$	\$ 5,000.00	\$ 5,000.00	\$
Highlands Grant	4,761.90			4,761.90
Highlands Plan Conformance	83,217.50		28,964.00	54,253.50
NJ DOT - North Boulevard Grant		200,000.00	200,000.00	
NJ DOT - 7th Avenue Grant		200,000.00	200,000.00	
	<u>87,979.40</u>	<u>405,000.00</u>	<u>433,964.00</u>	<u>59,015.40</u>
<u>REF.</u>	A	A-2	A-4	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Salaries and Wages:</u>				
Administrative and Executive	\$ 6.94	\$ 6.94	\$	\$ 6.94
Municipal Clerk	215.81	215.81		215.81
Financial Administration	1,344.03	1,344.03		1,344.03
Collector of Taxes	870.38	870.38		870.38
Public Buildings and Grounds	1,606.41	1,606.41		1,606.41
Planning Board	329.54	329.54		329.54
Police	718.00	718.00		718.00
Municipal Court	21.35	21.35		21.35
Public Defender	1,200.00	1,200.00		1,200.00
Municipal Prosecutor	0.08	0.08		0.08
Streets and Roads	23,330.77	23,330.77		23,330.77
Sanitation	697.61	697.61		697.61
Animal Regulation	895.00	895.00		895.00
<u>Other Expenses:</u>				
Administrative and Executive	12.28	287.88	275.60	12.28
Municipal Clerk	1,412.23	1,412.23	52.00	1,360.23
Elections	71.00	71.00		71.00
Financial Administration:				
Other Expenses	1,108.51	1,148.54	120.48	1,028.06
Audit Services	1,000.00	1,000.00		1,000.00
Payroll Services	1,930.06	1,930.06		1,930.06
Assessment of Taxes	141.85	141.85		141.85
Collector of Revenues	408.61	495.67	87.06	408.61
Liquidation of Tax, Title Liens and Foreclosed Property	1,000.00	1,000.00		1,000.00
Legal Services	248.00	248.00		248.00
Public Buildings and Grounds	8.90	93.67	84.77	8.90
Planning Board	7,666.56	7,666.56		7,666.56
Insurance:				
Group Insurance for Employees	4,591.42	12,454.65	10,119.67	2,334.98
Municipal Court	429.47	481.81	52.34	429.47
Emergency Management Services	1,119.00	1,119.00	1,116.87	2.13
Streets and Roads	3.01	6,962.21	6,707.20	255.01
Board of Health	150.00	150.00	109.55	40.45
Sanitation	692.06	692.06	675.00	17.06
Animal Regulation	1,100.00	1,100.00		1,100.00
Recreation Department	90.12	90.12	90.12	
Building Inspection	66.50	66.50		66.50
Unclassified:				
Gasoline	52.04	52.04		52.04
Street Lighting	2,294.82	4,855.41	4,203.81	651.60
Gas (Propane)	127.14	655.26	655.26	
Telephone	4,947.85	5,051.58	103.73	4,947.85
Electricity	7.65	24.29	16.64	7.65
Maintaining and Upgrading computers	50.33	50.33		50.33
Contribution to:				
Social Security System	10.29	10.29		10.29
Unemployment Compensation Insurance	324.77	324.77	324.77	
Police Services (Township of Pohatcong)	49,137.50	49,137.50		49,137.50
Improvements to Public Property		277.95	277.95	
Judgements	10,000.00	10,000.00		10,000.00
	<u>\$ 121,437.89</u>	<u>\$ 140,287.15</u>	<u>\$ 25,072.82</u>	<u>\$ 115,214.33</u>
<u>REF.</u>	A: A-18			A-1
Cash Disbursements	A-4		\$ 24,940.56	
Reserve for Encumbrances	A-19		<u>132.26</u>	
			<u>\$ 25,072.82</u>	
Budget - Reserved	A-18	\$ 121,437.89		
Reserve for Encumbrances	A-19	<u>18,849.26</u>		
		<u>\$ 140,287.15</u>		

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 18,929.24
Increased by:			
Budget Appropriations	A-3	\$ 31,449.19	
Appropriation Reserves	A-18	<u>132.26</u>	
			<u>31,581.45</u>
			\$ <u>50,510.69</u>
Decreased by:			
Transferred to Appropriation Reserves	A-18		<u>18,849.26</u>
Balance, December 31, 2013	A		\$ <u><u>31,661.43</u></u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>2013 BUDGET APPROPRIATIONS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Clean Communities Grant	\$	\$ 5,000.00	\$ 3,918.36	\$ 1,081.64
Recycling Tonnage Grant	6,934.30			6,934.30
Drunk Driving Enforcement Fund	1,148.40		300.00	848.40
Highlands Grant	599.77			599.77
Municipal Court Alcohol Rehabilitation Fund	3,636.96		516.17	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	103,100.00		48,846.50	54,253.50
NJ DOT - North Boulevard Grant		200,000.00	200,000.00	
NJ DOT - 7th Avenue Grant		200,000.00	200,000.00	
	<u>\$ 120,006.14</u>	<u>\$ 405,000.00</u>	<u>\$ 453,581.03</u>	<u>\$ 71,425.11</u>
<u>REF.</u>	A	A-3	A-4	A

"A-21"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2012 (2013 Taxes)	A	\$	30,709.01
Increased by:			
Collection - 2014 Taxes	A-5		37,171.62
		\$	<u>67,880.63</u>
Decreased by:			
Applied to Taxes Receivable	A-9		<u>30,709.01</u>
Balance, December 31, 2013 (2014 Taxes)	A	\$	<u><u>37,171.62</u></u>

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2012	A	\$	275.90
2013 Tax Levy:			
County Tax	A-1:A-9	\$	1,294,782.68
County Open Space	A-1:A-9		94,423.57
Added County Taxes	A-1:A-9		<u>268.42</u>
			<u>1,389,474.67</u>
		\$	<u>1,389,750.57</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,389,482.15</u>
Balance, December 31, 2013	A	\$	<u><u>268.42</u></u>

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>			
Balance, December 31, 2012				
School Tax Deferred		\$	1,028,045.62	
School Tax Payable	A		<u>434,793.38</u>	\$
				1,462,839.00
Increased by:				
Levy Calendar Year 2013	A-9			<u>2,984,194.00</u>
				\$ 4,447,033.00
Decreased by:				
Payment to Local District School	A-4			<u>2,954,937.50</u>
Balance, December 31, 2013:				
School Tax Deferred		\$	1,028,045.62	
School Tax Payable	A		<u>464,049.88</u>	\$
				<u>1,492,095.50</u>
2013 Liability for Local District School Tax:				
Taxes Paid				\$ 2,954,937.50
Taxes Payable, December 31, 2013				<u>464,049.88</u>
				\$ 3,418,987.38
Less: Taxes Payable, December 31, 2012				<u>434,793.38</u>
Amount Charged to 2013 Operations	A-1			<u>\$ 2,984,194.00</u>

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:				
Levy Calendar Year 2013	A-1:A-9			\$ 85,064.64
Decreased by:				
Cash Disbursements	A-4			<u>\$ 85,064.64</u>

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	A-4	\$ <u>1.15</u>	\$ <u>1.15</u>
Cash Disbursements	A-4	\$ <u>14.00</u>	\$ <u>14.00</u>
Balance, December 31, 2013 Due From	A	\$ <u><u>12.85</u></u>	\$ <u><u>12.85</u></u>

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>		<u>TRUST OTHER</u>	
Balance, December 31, 2012	B	\$	425.56	\$	449,815.85
Increased by Receipts:					
Animal License Fees	B-2	\$	3,914.15	\$	
Due to State of New Jersey	B-3		272.40		
Various Reserves and Deposits	B-5			745,775.73	
Interfunds	B-4:B-6		<u>1,296.14</u>	<u>251,723.96</u>	
			<u>5,482.69</u>		<u>997,499.69</u>
		\$	<u>5,908.25</u>	\$	<u>1,447,315.54</u>
Decreased by Disbursements:					
Expenditures Under R.S.4:19-15.11	B-2	\$	4,207.99	\$	
Due to State of New Jersey	B-3		258.00		
Various Reserves and Deposits	B-5			914,884.73	
Interfunds	B-4:B-6		<u></u>	<u>85,064.64</u>	
			<u>4,465.99</u>		<u>999,949.37</u>
Balance, December 31, 2013	B	\$	<u><u>1,442.26</u></u>	\$	<u><u>447,366.17</u></u>

"B-2"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	425.56
Increased by:			
License Fees Collected	B-1	\$	<u>3,914.15</u>
			4,339.71
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		<u>4,207.99</u>
Balance, December 31, 2013	B	\$	<u><u>131.72</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2011	\$ 3,211.20
2012	<u>3,453.40</u>
	\$ <u><u>6,664.60</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -
ANIMAL CONTROL FUND

Increased by:			
Cash Receipts	B-1	\$	272.40
Decreased by:			
Cash Disbursements	B-1		<u>258.00</u>
Balance, December 31, 2013	B	\$	<u><u>14.40</u></u>

BOROUGH OF ALPHA
ANIMAL CONTROL FUND
SCHEDULE OF INTERFUNDS

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

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2012	CASH RECEIPTS	CASH DISBURSED	BALANCE DECEMBER 31, 2013
Escrow Deposits	\$ 301,326.94	\$ 9,569.83	\$ 11,107.44	\$ 299,789.33
Accumulated Leave	45,000.00			45,000.00
Tax Sale Premiums	31,600.00	33,100.00	31,300.00	33,400.00
Open Space	818,418.51	85,123.45	250,000.00	653,541.96
Veteran's Memorial Park		0.98		0.98
POAA	8.00			8.00
Public Defender	1,205.48	0.03		1,205.51
Pool Fundraiser	2,210.87	0.06		2,210.93
Payroll	284.65	601,397.69	600,926.35	755.99
Historical Trust	215.84	0.01		215.85
SWR- Municipal Alliance	4,967.26	16,583.68	21,550.94	
	<u>\$ 1,205,237.55</u>	<u>\$ 745,775.73</u>	<u>\$ 914,884.73</u>	<u>\$ 1,036,128.55</u>
<u>REF.</u>	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, 2012:				
Due From	B	\$ <u>755,421.70</u>	\$ _____	\$ <u>755,421.70</u>
Increased by:				
Cash Receipts	B-1	<u>251,723.96</u>	<u>250,000.00</u>	<u>1,723.96</u>
Decreased by:				
Cash Disbursements	B-1	<u>85,064.64</u>	_____	<u>85,064.64</u>
Balance, December 31, 2013:				
Due From	B	\$ <u>838,762.38</u>	\$ _____	\$ <u>838,762.38</u>
Due To	B	<u>250,000.00</u>	<u>250,000.00</u>	_____

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 123,702.11
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 5,000.00	
Grants Receivable	C-9	537,252.84	
Interfunds Receivable	C-10	130,626.46	
Bond Anticipation Notes	C-12	2,000,000.00	
Miscellaneous Deposits	C-5	<u>247,050.28</u>	
			<u>2,919,929.58</u>
			\$ <u>3,043,631.69</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 1,477,313.44	
Miscellaneous Deposits	C-5	625.00	
Interfunds Payable	C-10	<u>734,690.28</u>	
			<u>2,212,628.72</u>
Balance, December 31, 2013	C:C-3		\$ <u><u>831,002.97</u></u>

"C-3"

BOROUGH OF ALPHA
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Capital Improvement Fund	\$ 15,997.46
Fund Balance	4,528.33
Contracts Payable	254,536.88
Various Reserves	207,053.31
Interfund Payable	28,409.40
Unexpended Proceeds of Bond Anticipation Notes on "C-5"	1,107,119.10
Improvement Authorizations:	
Funded Improvements Listed on "C-7"	149,526.04
Interfund Receivable	(632,473.22)
Grants Receivable	(303,694.33)
	<hr/>
	\$ <u>831,002.97</u>
<u>REF.</u>	C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2012	C	\$ 42,750.00
Decreased by:		
2013 Budget Appropriation to Pay:		
Loan Principal	C-11	<u>14,250.00</u>
Balance, December 31, 2013	C	<u>\$ 28,500.00</u>

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	APPROPRIATED TO FINANCE IMPROVEMENT AUTHORIZATION	CANCELED	BALANCE DECEMBER 31, 2013
Debt Service	\$ 3,422.35	\$	\$	\$	\$	\$ 3,422.35
Improvements to Roads		200,000.00	625.00	110,000.00		89,375.00
Purchase of Public Works Equipment	4,999.95	2,363.59				7,363.54
Purchase of Mower	25,712.52					25,712.52
Improvements to Pedestrian Bridge						
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	40,000.00	10,000.00		10,000.00	12,000.00	28,000.00
Police/Emergency Equipment	2,500.00					2,500.00
Improvements to Curbing	1,312.50	20,000.00				21,312.50
Improvements to Recreation Facility	17,746.00				17,746.00	
Recreation Equipment	2,238.11					2,238.11
Purchase of Fire Truck	2,336.97	14,686.69				17,023.66
	<u>\$ 110,374.03</u>	<u>\$ 247,050.28</u>	<u>\$ 625.00</u>	<u>\$ 120,000.00</u>	<u>\$ 29,746.00</u>	<u>\$ 207,053.31</u>
<u>REF.</u>	C	C-2	C-2	C-7	C-1	C

"C-6"

BOROUGH OF ALPHA
GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 19,240.63
Increased by:		
Contracts Issued	C-7	<u>1,712,609.69</u>
		\$ <u>1,731,850.32</u>
Decreased by:		
Cash Disbursements	C-2	<u>1,477,313.44</u>
Balance, December 31, 2013	C	\$ <u><u>254,536.88</u></u>

BOROUGH OF ALPHA
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2013	
		DATE	AMOUNT	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	164,038.70			112,381.04	51,657.66	
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	27,495.06			6,246.00	21,249.06	
2012-16	Construction of an Access Road to Municipal Property	12/27/12	10,000.00	1,000.00			18.75	981.25	
2012-17	Salt Storage Reinforcement/Salt Shed Reconstruction	12/27/12	16,000.00	9,500.00			9,500.00		
2013-10	Road Improvements	05/28/13	2,670,000.00			2,670,000.00	1,562,880.90		1,107,119.10
2013-15	Purchase of a Pickup Truck	11/12/13	22,000.00			22,000.00	21,583.00	417.00	
2013-22	Improvements to Information Technology Infrastructure	12/10/13	17,000.00			17,000.00		17,000.00	
				\$ 260,254.83	\$	\$ 2,709,000.00	\$ 1,712,609.69	\$ 149,526.04	\$ 1,107,119.10
		REF.		C	C		C-6	C:C-3	C-3:C-13
	Reserves		C-5			\$ 120,000.00			
	Grants Receivable		C-9			560,000.00			
	Bonds and Notes Authorized					2,000,000.00			
	Fund Balance		C-1			29,000.00			
						\$ 2,709,000.00			

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 10,997.46
Increased by: 2013 Budget Appropriation	C-2	<u>5,000.00</u>
Balance, December 31, 2013	C	<u><u>\$ 15,997.46</u></u>

"C-9"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2012	C	\$ 280,947.17
Increased by:		
New Ordinance Funded	C-7	<u>560,000.00</u>
		\$ <u>840,947.17</u>
Decreased by:		
Cash Receipts	C-2	<u>537,252.84</u>
Balance, December 31, 2013	C	\$ <u><u>303,694.33</u></u>

"C-10"

BOROUGH OF ALPHA

CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUNDS</u>	<u>WATER/SEWER UTILITY CAPITAL FUND</u>
Treasurer-Receipts	C-2	\$ 130,626.46	\$ 102,217.06	\$	\$ 28,409.40
Treasurer-Disbursements	C-2	<u>734,690.28</u>	<u>484,690.28</u>	<u>250,000.00</u>	<u></u>
Balance, December 31, 2013					
Due From	C	\$ 632,473.22	\$ 382,473.22	\$ 250,000.00	\$
Due To	C	<u>28,409.40</u>	<u></u>	<u></u>	<u>28,409.40</u>

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ECONOMIC DEVELOPMENT LOAN PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Construction of New Municipal Building	3/1/96	\$ 250,000.00	3/1/14-15	\$ 14,250.00	1.50%	\$ <u>42,750.00</u>	\$ <u>14,250.00</u>	\$ <u>28,500.00</u>
					<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>INCREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
2013-10	Road Improvements	10/3/2013	10/03/13	03/20/14	1.04%	\$ <u>2,000,000.00</u>	\$ <u>2,000,000.00</u>
						\$ <u>2,000,000.00</u>	\$ <u>2,000,000.00</u>
					<u>REF.</u>	C-2:C-13	C:C-5

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>			<u>ANALYSIS OF BALANCE DECEMBER 31, 2013</u>		
			<u>BALANCE DECEMBER 31, 2013</u>	<u>BOND ANTICIPATION NOTES</u>	<u>UNEXPENDED BALANCE</u>
2013-10	Road Improvements		\$ 2,000,000.00	\$ 2,000,000.00	\$ _____
			\$ 2,000,000.00	\$ 2,000,000.00	\$ _____
		<u>REF.</u>	C	C-12	
	Improvement Authorizations - Unfunded	C-7			\$ 1,107,119.10
	Unexpended Proceeds of Bond Anticipation Notes	C-3			\$ 1,107,119.10

BOROUGH OF ALPHA

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2012	D	\$ <u>267,010.62</u>	\$ <u>182,981.70</u>
Increased by Receipts:			
Collector	D-6	\$ 851,426.18	\$
Miscellaneous	D-3	26,590.08	
Interfunds	D-8:D-20	346,476.23	745,138.33
Bond Anticipation Notes	D-13		1,745,000.00
		\$ <u>1,224,492.49</u>	\$ <u>2,490,138.33</u>
		\$ <u>1,491,503.11</u>	\$ <u>2,673,120.03</u>
Decreased by Disbursements:			
2013 Appropriations	D-4	\$ 725,336.37	\$
2012 Appropriation Reserves	D-10	11,832.08	
Contracts Payable	D-12		1,154,828.97
Miscellaneous Reserves	D-17		51,205.80
Interfunds	D-8:D-20	345,138.33	373,772.40
Bond Anticipation Notes	D-13		755,000.00
		\$ <u>1,082,306.78</u>	\$ <u>2,334,807.17</u>
Balance, December 31, 2013	D	\$ <u><u>409,196.33</u></u>	\$ <u><u>338,312.86</u></u>

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

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 43,003.52
Increased by:		
Water/Sewer Rents Levied-Net		855,544.08
		\$ <u>898,547.60</u>
Decreased by:		
Collection	D-3:D-5	<u>851,426.18</u>
Balance, December 31, 2013	D	\$ <u><u>47,121.42</u></u>

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

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	377.50
Increased by:			
Budget Appropriation	D-4		<u>156.46</u>
Balance, December 31, 2013	D	\$	<u><u>533.96</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, 2012:				
Due From	D	\$ 0.86	\$	\$ 0.86
Due To	D	<u>45,820.30</u>	<u>45,820.30</u>	<u></u>
Increased by:				
Cash Receipts	D-5	<u>\$ 346,476.23</u>	<u>\$ 1,113.23</u>	<u>\$ 345,363.00</u>
Decreased by:				
Disbursements	D-5	<u>\$ 345,138.33</u>	<u>\$</u>	<u>\$ 345,138.33</u>
Balance, December 31, 2013:				
Due To	D	<u><u>\$ 47,157.34</u></u>	<u><u>\$ 46,933.53</u></u>	<u><u>\$ 223.81</u></u>

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

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	25.00
Balance, December 31, 2013	D	\$	<u>25.00</u>

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 66.08	\$ 66.08	\$	66.08
Other Expenses	11,571.58	18,776.89	11,832.08	6,944.81
Regulatory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	39.53	39.53		39.53
Unemployment Compensation	<u>245.65</u>	<u>245.65</u>		<u>245.65</u>
	\$ <u>11,922.84</u>	\$ <u>19,128.15</u>	\$ <u>11,832.08</u>	\$ <u>7,296.07</u>
	<u>D</u>			<u>D-2</u>
Balance, December 31, 2012	D-10	\$ 11,922.84	\$	
Cash Disbursements	D-5		11,832.08	
Encumbrances Payable	D-11	<u>7,205.31</u>		
		\$ <u>19,128.15</u>	\$ <u>11,832.08</u>	

"D-11"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	7,617.51
Increased by:			
Charges to 2013 Appropriations	D-4	\$	<u>12,695.34</u>
		\$	20,312.85
Decreased by:			
Transferred to Appropriation Reserves	D-10		<u>7,205.31</u>
Balance, December 31, 2013	D	\$	<u><u>13,107.54</u></u>

"D-12"

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2012	D	\$	45,360.00
Increased by:			
Charges to Improvement Authorizations	D-15	\$	<u>1,221,309.97</u>
		\$	1,266,669.97
Decreased by:			
Cash Disbursements	D-5		<u>1,154,828.97</u>
Balance, December 31, 2013	D	\$	<u><u>111,841.00</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, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
2011-12	Improvement to Water Utility	12/19/2012	12/19/2012 12/17/2013	12/18/13 3/20/14	1.50% 1.03%	\$ 755,000.00	\$ 755,000.00	\$ 755,000.00	\$ 755,000.00
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>\$ 755,000.00</u>	<u>\$ 1,745,000.00</u>	<u>\$ 755,000.00</u>	<u>\$ 1,745,000.00</u>
						<u>REF.</u>	<u>D</u>	<u>D-5</u>	<u>D-5</u>

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

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	23,750.00
Decreased by:			
Appropriation to Finance			
Improvement Authorizations	D-15:D-19		<u>20,000.00</u>
Balance, December 31, 2013	D	\$	<u><u>3,750.00</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2013	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2010-03	Hydrants/Valves	02/23/10	\$ 35,000.00	\$ 3.43	\$	\$	\$	\$ 3.43	\$
2010-18	Meters and Radio Frequency Remotes	12/14/10	245,000.00	4,550.00				4,550.00	
2011-12	Improvements to Water Utility	09/13/11	755,000.00		129,284.89		129,259.30		25.59
2013-04	Improvements to Sewer Infrastructure	04/09/13	900,000.00			900,000.00	156,682.67		743,317.33
2013-06	Improvements to Water Infrastructure	04/28/13	1,500,000.00			1,500,000.00	935,368.00		564,632.00
				\$ 4,553.43	\$ 129,284.89	\$ 2,400,000.00	\$ 1,221,309.97	\$ 4,553.43	\$ 1,307,974.92
				REF.	D	D	D-12	D	D
	Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund			D-14		\$ 2,380,000.00 20,000.00			
				D-16		\$ 2,400,000.00			

BOROUGH OF ALPHA
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u>	<u>AUTHORIZED</u>	<u>BALANCE</u>
		<u>DATE</u>	<u>AMOUNT</u>	<u>DECEMBER 31, 2012</u>		<u>DECEMBER 31, 2013</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
				<u>\$ 1,100,000.00</u>	<u>\$ 2,400,000.00</u>	<u>\$ 3,500,000.00</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, 2012	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2013
Waste Water Treatment Plant	\$ 1,193.37	\$	\$ 1,193.37
Hydrant Replacement	13,950.80	13,950.80	
Purchase of Equipment	4,538.03	4,538.03	
Facility and Equipment	32,716.97	32,716.97	
Leak Detection	45.66		45.66
Well Closings	3,720.00		3,720.00
	<u>\$ 56,164.83</u>	<u>\$ 51,205.80</u>	<u>\$ 4,959.03</u>
<u>REF.</u>	D	D-5	D

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

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
Sanitary Sewer System	\$ 1,192,007.72	\$ 1,192,007.72
Capital Outlay	34,527.75	34,527.75
Garage	20,054.13	20,054.13
Pump System Land	778.02	778.02
Springs and Wells	7,430.11	7,430.11
Chemical Treatment Plant	16,304.99	16,304.99
Pumping Station Structure	11,179.88	11,179.88
Electric Power Pumping	15,329.94	15,329.94
Softening and Iron Removal Plant	15,298.80	15,298.80
Storage Reservoir, Tank and Standpipes	11,065.72	11,065.72
Distributions Mains and Accessories	131,561.05	131,561.05
Service Pipes and Stops	20,992.51	20,992.51
Meters, Meter Boxes and Vaults	50,338.64	50,338.64
Fire Hydrants	8,661.63	8,661.63
General Equipment	53,871.99	53,871.99
Attorney Expenditures	875.95	875.95
Engineering and Superintendent	8,216.66	8,216.66
Miscellaneous Construction	717.60	717.60
Springtown Road Pump Station	307,140.50	307,140.50
Improvements to Water Supply System	562,137.92	562,137.92
Expansion of Water System	783,848.45	783,848.45
Installation of Sewer in Industrial Park	15,596.22	15,596.22
Construction of Sanitary Sewer System Within Industrial Drive	348,089.45	348,089.45
Replacement of Water Mains on Hunterdon and Garfield Streets and Resurfacing	181,786.50	181,786.50
Trailer Vacuum	41,400.00	41,400.00
Hydrants/Valves	35,000.00	35,000.00
Franklin/Ringwood Line/Hydrant	70,000.00	70,000.00
	<u>\$ 3,944,212.13</u>	<u>\$ 3,944,212.13</u>
<u>REF.</u>	D	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>BALANCE DECEMBER 31, 2013</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
			<u>\$ 260,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 280,000.00</u>
		<u>REF.</u>	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, 2012:					
Due To	D	\$ <u>0.86</u>	\$ _____	\$ _____	\$ <u>0.86</u>
Increased by:					
Cash Receipts	D-5	\$ <u>745,138.33</u>	\$ <u>400,000.00</u>	\$ _____	\$ <u>345,138.33</u>
Decreased by:					
Cash Disbursements	D-5	\$ <u>373,772.40</u>	\$ _____	\$ <u>28,409.40</u>	\$ <u>345,363.00</u>
Balance, December 31, 2013:					
Due From	D	\$ <u>28,633.21</u>	\$ _____	\$ <u>28,409.40</u>	\$ <u>223.81</u>
Due To	D	<u>400,000.00</u>	<u>400,000.00</u>	<u>_____</u>	<u>_____</u>

"D-21"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	3,944,212.13
Balance, December 31, 2013	D	\$	<u>3,944,212.13</u>

"D-22"

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, 2013</u>
2011-04	Improvements to Water Infrastructure	\$ 85,000.00
2013-04	Improvements to Sewer Infrastructure	790,000.00
2013-06	Improvements to Water Infrastructure	<u>600,000.00</u>
		\$ <u><u>1,475,000.00</u></u>

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2012	E	\$ 10,159.58	\$ 10,159.58
Increased by Receipts:			
Interest Earned	E-4	<u>5.69</u>	<u>5.69</u>
Balance, December 31, 2013	E	<u>\$ 10,165.27</u>	<u>\$ 10,165.27</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, 2013	E	\$	10,165.27
Increased by:			
Cash Receipts Record			<u>3.00</u>
Balance April 30, 2014		\$	<u><u>10,168.27</u></u>

RECONCILIATION-APRIL 30, 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>10,168.27</u>	\$	<u>10,168.27</u>
Balance April 30, 2014	\$ <u><u>10,168.27</u></u>	\$	<u><u>10,168.27</u></u>

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION
AS OF DECEMBER 31, 2013

	<u>REF.</u>		
Balance, December 31, 2012	E-1	\$	10,159.58
Increased by:			
Cash Receipts	E-4		<u>5.69</u>
Balance, December 31, 2013	E-1	\$	<u><u>10,165.27</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>10,165.27</u>	\$ <u>10,165.27</u>
Balance, December 31, 2013	\$	<u><u>10,165.27</u></u>	\$ <u><u>10,165.27</u></u>

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	<u>REF.</u>	<u>P.A.T.F. ACCOUNT #1</u>	<u>FUND TOTAL</u>
Interest Earned		\$ <u>5.69</u>	\$ <u>5.69</u>
<u>TOTAL RECEIPTS</u>	E-1	\$ <u>5.69</u>	\$ <u>5.69</u>

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BOROUGH OF ALPHA

PART II

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

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND
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, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 17, 2014. 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

July 17, 2014

BOROUGH OF ALPHA

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
YEAR ENDED DECEMBER 31, 2013

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013 RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
			FROM	TO				
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> Public Assistance for Presidentially Declared Disasters - Passed Through the New Jersey Office of Emergency Management: Hurricane Sandy	97.036	N/A	Continuous		\$ 32,716.91	\$ 32,716.91	\$ 32,716.91	\$ 32,716.91
Totals					\$	\$ 32,716.91	\$ 32,716.91	\$ 32,716.91

BOROUGH OF ALPHA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013 RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
		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	3,928.98	741.20		
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/13	12/31/13	5,000.00	5,000.00	3,918.36	3,918.36
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Unappropriated	1,612.98	1,612.98		
					\$ 7,354.18	\$ 3,918.36	\$ 5,287.89
<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	28,964.00	48,846.50	48,846.50
					\$ 28,964.00	\$ 48,846.50	\$ 98,246.73
<u>Department of Transportation</u>							
Safe Routes to School	n/a		Continuous	\$ 250,000.00	\$	\$	81,643.17
North Boulevard	n/a		Continuous	175,000.00	54,752.84	54,752.84	175,000.00
West Vulcanite Avenue	n/a		Continuous	110,000.00	82,500.00	82,500.00	82,500.00
Seventh Avenue	n/a		Continuous	200,000.00	150,000.00	150,000.00	150,000.00
					\$ 287,252.84	\$ 287,252.84	\$ 489,143.17
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/02	12/31/02	\$ 142.53	\$	\$ 5.81	142.53
Drunk Driving Enforcement Fund	1110-448-031020-60	1/1/03	12/31/03	761.01		294.19	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.A.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	1/1/05	12/31/05	397.08		305.47	397.08
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1/1/06	12/31/06	296.17		210.70	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	1,182.43	211.10		
					\$ 211.10	\$ 816.17	\$ 3,538.75
<u>Warren County</u>							
Municipal Alliance	1999-475-995120-6	1/1/99	12/31/99	\$ 8,679.00	\$	\$	4,595.20
Totals					\$ 323,782.12	\$ 340,833.87	\$ 600,811.74

BOROUGH OF ALPHA

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and 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 FEDERAL AND STATE FINANCIAL REPORTS

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

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

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 32,716.91	\$	\$ 32,716.91
Grant Fund		36,529.28	36,529.28
General Capital Fund	<u> </u>	<u>287,252.84</u>	<u>287,252.84</u>
	<u>\$ 32,716.91</u>	<u>\$ 323,782.12</u>	<u>\$ 356,499.03</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 32,716.91	\$	\$ 32,716.91
Grant Fund		53,581.03	53,581.03
General Capital Fund	<u> </u>	<u>287,252.84</u>	<u>287,252.84</u>
	<u>\$ 32,716.91</u>	<u>\$ 340,833.87</u>	<u>\$ 373,550.78</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.

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PART III
BOROUGH OF ALPHA
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

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

	YEAR 2013		YEAR 2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 194,825.00	2.51	\$ 323,939.00	4.49
Miscellaneous-From Other Than Local				
Property Tax Levies	1,140,223.90	14.68	719,001.65	9.95
Collection of Delinquent Taxes and Tax Title Liens	300,324.74	3.87	202,426.82	2.80
Collection of Current Tax Levy	6,130,176.05	78.94	5,973,789.54	82.75
<u>TOTAL INCOME</u>	<u>\$ 7,765,549.69</u>	<u>100.00%</u>	<u>\$ 7,219,157.01</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 2,665,292.91	35.41	\$ 2,453,850.06	35.76
County Taxes	1,389,474.67	18.46	1,350,869.13	19.69
School Taxes	2,984,194.00	39.65	2,925,681.00	42.64
Municipal Open Space Taxes	85,064.64	1.13	85,081.11	1.24
Other	402,409.37	5.35	46,120.30	0.67
<u>TOTAL EXPENDITURES</u>	<u>\$ 7,526,435.59</u>	<u>100.00%</u>	<u>\$ 6,861,601.60</u>	<u>100.00%</u>
Excess in Revenue	\$ 239,114.10		\$ 357,555.41	
Fund Balance, January 1	1,295,705.19		1,262,088.78	
	\$ 1,554,819.29		\$ 1,619,644.19	
Less: Utilization as Anticipated Revenue	194,825.00		323,939.00	
Fund Balance, December 31	<u>\$ 1,359,994.29</u>		<u>\$ 1,295,705.19</u>	

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

	<u>YEAR 2013</u>		<u>YEAR 2012</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$		\$ 507,288.00	35.66
Collection of Sewer Use Charges	566,328.81	63.97	573,031.97	40.29
Collection of Water Use Charges	285,097.37	32.19	287,595.63	20.23
Miscellaneous-From Other Than Use	<u>33,886.15</u>	<u>3.83</u>	<u>54,503.57</u>	<u>3.83</u>
<u>TOTAL INCOME</u>	<u>\$ 885,312.33</u>	<u>100.00%</u>	<u>\$ 1,422,419.17</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 794,900.00	95.60	\$ 810,788.00	59.61
Capital Improvements	15,000.00	1.80	130,000.00	9.56
Debt Service	11,450.00	1.38	360,936.70	26.54
Deferred Charges and Statutory Expenditures	<u>10,100.00</u>	<u>1.21</u>	<u>58,500.00</u>	<u>4.30</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 831,450.00</u>	<u>100.00%</u>	<u>\$ 1,360,224.70</u>	<u>100.00%</u>
Excess in Revenue	\$ 53,862.33		\$ 62,194.47	
Fund Balance, January 1	<u>201,298.33</u>		<u>646,391.86</u>	
	\$ 255,160.66		\$ 708,586.33	
Decreased by:				
Utilization as Anticipated Revenue	<u> </u>		<u>507,288.00</u>	
Fund Balance, December 31	<u>\$ 255,160.66</u>		<u>\$ 201,298.33</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$2.955</u>	<u>\$2.909</u>	<u>\$2.864</u>
Appointment of Tax Rate:			
Municipal	\$0.825	\$0.824	\$0.822
Municipal Library	\$0.032	\$0.033	\$0.035
Municipal Open Space	0.040	0.040	0.040
County	0.609	0.574	0.555
County Open Space	0.045	0.062	0.064
Local District School	<u>1.404</u>	<u>1.376</u>	<u>1.348</u>

Assessed Valuation:

2013	\$ <u>212,632,361.00</u>		
2012		\$ <u>212,659,347.00</u>	
2011			\$ <u>212,839,644.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF COLLECTION</u>
2013	\$6,284,434.15	\$6,130,176.05	97.54%
2012	6,187,522.91	5,973,789.54	96.55%
2011	6,197,940.47	5,952,277.24	96.04%

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>
2013	\$145,923.84	\$73,545.72	\$219,469.56	3.49%
2012	157,754.82	213,071.82	370,826.64	5.99%
2011	163,130.11	204,682.95	367,813.06	5.93%

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>
2013	\$9,592.50
2012	9,592.50
2011	9,592.50

COMPARISON OF WATER/SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS*</u>
2013	\$ 855,544.08	\$ 851,426.18
2012	857,368.21	860,627.60
2011	878,522.63	871,751.20

*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	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
	2009	1,169,484.86	322,486.00
Water/Sewer Utility Operating Fund	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
	2009	717,192.54	132,180.00

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		
Craig Dunwell	Councilperson		
Michael Savary	Councilperson		
Carol Schwar	Councilperson		
Michael Schwar	Councilperson		
Harry Zikas Jr.	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		
Louis Mellinger	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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GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 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:

Reconstruction of Seventh Avenue
Piping and Valve Upgrades
Reconstruction of West Vulcanite Avenue
Sewer System Project
Water Improvement Project Phase II

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 2013 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, 2013 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 December 12, 2013 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>
2013	5
2012	6
2011	8

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

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

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

OTHER COMMENTS

Interfunds

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

Finance

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

Capital Ordinance 2013-15 Purchase of a Pickup Truck was not set up separately as an Improvement Authorization in the General Capital Fund. Expenditures exceeding the amount appropriated were posted directly to a reserve account.

Our audit of the detailed charges to the 2013 budget revealed mispostings of salaries and other expenses between budgeted line items. In addition, there were charges against a budgeted capital improvement line titled "Purchase of a Fire Truck" that were not related to that purpose.

Municipal Court

Fines and costs were not always remitted to the proper agencies on or before the 15th day of each month.

Departments

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

RECOMMENDATIONS

- *That IRS Form 1099 be sent to all eligible vendors receiving in excess of \$600 in payments.
- * That all capital ordinances be completely funded and posted properly in the General Capital Fund.

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

That budget account titles accurately reflect the desired purpose as approved by the Borough Council
- That Municipal Court fines and costs be remitted to the proper agencies on or before the 15th day of each month.
- *That all departmental receipts be deposited or remitted to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

*Unresolved 2012 Audit Recommendations

