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, 2017

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, 2017 AND 2016

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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, 2017 and 2016, 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, 2017, 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, 2017 and 2016, 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, 2017.

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, 2017 and 2016, 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, 2017 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 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 are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2018 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.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [signature]

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 24, 2018

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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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 24, 2018. 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.

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.

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.*

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.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [illegible]

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 24, 2018

CURRENT FUND

"A"
SHEET #1

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

ASSETS	REF.	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
Current Fund:			
Cash	A-4	$ 2,123,907.51	$ 1,623,645.69
Change Funds	A-6	175.00	175.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	16,864.95	17,899.99
		$ 2,140,947.46	$ 1,641,720.68
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	$ 140,230.66	$ 128,854.82
Tax Title Liens Receivable	A-10	123,502.01	110,671.83
Property Acquired for Taxes - Assessed Valuation	A-11	9,592.50	9,592.50
Revenue Accounts Receivable	A-12	712.20	512.21
Local District School Tax Prepaid	A-23		66,782.92
Due From Library		13,529.55	
Interfunds Receivable	A-13	29,375.72	29,755.16
	A	$ 316,942.64	$ 346,169.44
Deferred Charges:			
Special Emergency (40A:4-55)	A-7	$ 4,000.00	$ 8,000.00
		$ 4,000.00	$ 8,000.00
		$ 2,461,890.10	$ 1,995,890.12
Grant Fund:			
Cash	A-4	$ 63,923.87	$ 4,905.01
Grants Receivable	A-17	77,849.41	77,849.41
Interfunds Receivable	A-25		47,371.47
		$ 141,773.28	$ 130,125.89
		$ 2,603,663.38	$ 2,126,016.01

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

"A"
SHEET #2

BOROUGH OF ALPHA

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.		BALANCE DECEMBER 31, 2017		BALANCE DECEMBER 31, 2016
LIABILITIES, RESERVES AND FUND BALANCE					
Current Fund:					
Liabilities:					
Appropriation Reserves	A-3:A-18	$	461,993.73	$	284,472.24
Encumbrances Payable	A-19		46,583.62		19,326.85
Interfunds Payable	A-13				70,425.08
Prepaid Taxes	A-21		54,329.84		42,489.79
County Taxes Payable	A-22		2.17		2.17
Local District School Tax Payable	A-23		297,059.98		
Municipal Open Space Tax Payable	A-24		84,674.53		
Reserve for Miscellaneous Deposits	A-14		25,558.04		31,448.04
		$	970,201.91	$	448,164.17
Reserve for Receivables	A		316,942.64		346,169.44
Fund Balance	A-1		1,174,745.55		1,201,556.51
		$	2,461,890.10	$	1,995,890.12
Grant Fund:					
Reserve for Grants-Appropriated	A-20	$	121,914.87	$	129,944.60
Reserve for Grants-Unappropriated	A-15		19,858.41		181.29
		$	141,773.28	$	130,125.89
		$	2,603,663.38	$	2,126,016.01

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

"A-1"

BOROUGH OF ALPHA

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.		YEAR ENDED DECEMBER 31, 2017		YEAR ENDED DECEMBER 31, 2016
REVENUE AND OTHER INCOME					
Fund Balance Utilized	A-1:A-2	$	548,350.00	$	919,000.00
Miscellaneous Revenues Anticipated	A-2		292,194.44		642,706.23
Receipts from Delinquent Taxes	A-2		122,088.55		170,080.48
Receipts from Current Taxes	A-2		6,424,239.35		6,305,560.00
Non-Budget Revenues	A-2		119,939.35		148,702.16
Other Credits to Income:					
Unexpended Balance of Appropriation Reserve	A-18		178,548.68		147,227.79
Encumbrances Payable Canceled					37,847.54
Prepaid School Taxes			66,782.92		
Interfunds Returned			379.44		708,143.46
Total Income		$	7,752,522.73	$	9,079,267.66
EXPENDITURES					
Budget and Emergency Appropriations:					
Within "CAPS":					
Operations including Contingent	A-3	$	1,291,223.00	$	1,336,863.00
Deferred Charges and Statutory Expenditures - Municipal	A-3		75,305.00		91,450.00
Excluded from "CAPS"					
Operations	A-3		521,609.29		873,366.06
Capital Improvement Fund	A-3		327,000.00		539,800.00
Municipal Debt Service	A-3		127,900.00		119,861.16
Deferred Charges and Judgments	A-3		64,000.00		204,055.00
County Tax	A-22		1,475,894.60		1,500,248.04
County Tax for Added and Omitted Taxes	A-22		2,212.27		435.48
Local District School Tax	A-23		3,261,165.00		3,166,849.00
Municipal Open Space Tax	A-24		84,674.53		84,978.25
Reserve for Prepaid School Tax					66,782.92
Total Expenditures		$	7,230,983.69	$	7,984,688.91
Excess in Revenue		$	521,539.04	$	1,094,578.75
Fund Balance					
Balance, January 1	A		1,201,556.51		1,025,977.76
		$	1,723,095.55	$	2,120,556.51
Decreased by:					
Utilization as Anticipated Revenue	A-1:A-2		548,350.00		919,000.00
Balance, December 31	A	$	1,174,745.55	$	1,201,556.51

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

"A-2"
SHEET #1

BOROUGH OF ALPHA

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	$ 548,350.00	$ 548,350.00	
Miscellaneous Revenues:				
Alcoholic Beverage Licenses	A-12	$ 6,000.00	$ 5,899.39	$ (100.61)
Other Licenses	A-12	5,000.00	10,147.00	5,147.00
Construction Code Official - Fees and Permits	A-12	12,000.00	18,240.00	6,240.00
Fines and Costs - Municipal Court	A-12	6,000.00	7,104.39	1,104.39
Interest and Costs on Taxes	A-12	20,000.00	26,385.69	6,385.69
Interest on Investments and Deposits	A-12	1,000.00	1,219.93	219.93
Energy Receipts Tax	A-12	205,428.97	206,725.20	1,296.23
Consolidated Municipal Property Tax Relief Aid	A-12	18,133.83	16,291.55	(1,842.28)
Municipal Court Alcohol Rehab	A-17	181.29	181.29	
	A-1	$ 273,744.09	$ 292,194.44	$ 18,450.35
Receipts From Delinquent Taxes	A-2	$ 140,000.00	$ 122,088.55	$ (17,911.45)
Amount to be Raised by Taxes for Support of:				
Library		$ 70,552.95	$ 70,552.95	
Municipal Budget	A-9:A-2	1,699,390.25	1,854,740.00	$ 155,349.75
		1,769,943.20	1,925,292.95	155,349.75
Budget Totals		$ 2,732,037.29	$ 2,887,925.94	$ 155,888.65
Non-Budget Revenues	A-2		119,939.35	119,939.35
		$ 2,732,037.29	$ 3,007,865.29	$ 275,828.00
	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, 2017

	REF.				
Allocations of Current Tax Collections:					
Revenues from Collections	A-1:A-9			$	6,424,239.35
Allocated to:					
School and County Taxes		$	4,739,271.87		
Municipal Open Space Tax			84,674.53		
					4,823,946.40
Balance for Support of Municipal Appropriations				$	1,600,292.95
Add: Appropriation "Reserve for Uncollected Taxes"	A-3				325,000.00
Amount for Support of Municipal Budget Appropriations	A-2			$	1,925,292.95

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-9	$	122,088.55
	A-1:A-2	$	122,088.55

ANALYSIS OF NON-BUDGET REVENUE

	REF.		
Miscellaneous Revenue Not Anticipated:			
Marriage Licenses		$	
Clerk - Miscellaneous			554.05
Pavilion Fees			725.00
Street Openings			4,500.00
Land Lease			8,250.00
Cable TV Franchise Fee			10,512.00
In Lieu of Construction			2,000.00
Rentals			27,400.00
Cell Tower			24,444.79
Miscellaneous			4,879.50
LUB Fees			3,350.00
Sale of Asset			5,000.00
Insurance Reimbursement			946.00
Stale Dated Checks			22,913.09
Reimbursement of Costs			1,110.54
	A-4		116,584.97
Tax Collector	A-5		3,354.38
	A-1:A-2	$	119,939.35

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, 2017

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	$ 18,033.00	$ 18,033.00	$ 17,311.90	$ 721.10	$
Other Expenses	38,500.00	38,500.00	33,540.13	4,959.87	
Municipal Clerk:					
Salaries and Wages	84,200.00	84,200.00	54,254.49	29,945.51	
Other Expenses	4,000.00	4,000.00	3,735.60	264.40	
Elections:					
Other Expenses	750.00	750.00	628.40	121.60	
Financial Administration:					
Salaries and Wages	53,600.00	53,600.00	36,723.77	16,876.23	
Other Expenses	7,500.00	7,500.00	3,154.65	4,345.35	
Audit Services	20,000.00	20,000.00	19,900.00	100.00	
Payroll Services:					
Other Expenses	10,000.00	10,000.00	9,984.38	15.62	
Assessment of Taxes:					
Salaries and Wages	15,000.00	15,000.00	14,997.21	2.79	
Other Expenses	3,100.00	3,100.00	2,054.17	1,045.83	
Revenue Administration (Collection of Taxes):					
Salaries and Wages	24,480.00	24,480.00	23,977.22	502.78	
Other Expenses	2,200.00	2,200.00	1,395.22	804.78	
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	61,000.00	61,000.00	60,925.10	74.90	
Engineering Services and Costs:					
Salaries and Wages					
Other Expenses	19,500.00	19,500.00	19,500.00		
Planning Board:					
Salaries and Wages	19,090.00	19,090.00	18,034.81	1,055.19	
Other Expenses	20,700.00	20,700.00	16,668.24	4,031.76	
Insurance:					
Group Insurance for Employees	101,000.00	101,000.00	53,564.59	47,435.41	
Other Insurance	125,700.00	125,700.00	119,471.00	6,229.00	

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, 2017

OPERATIONS WITHIN "CAPS" (CONTINUED)	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
PUBLIC SAFETY					
Fire:					
Other Expenses	$ 28,000.00	$ 28,000.00	$ 28,000.00	$	$
Police:					
Salaries and Wages	14,250.00	14,250.00	11,502.00	2,748.00	
Other Expenses	2,500.00	2,500.00	105.00	2,395.00	
First Aid Organization Contribution:					
Other Expenses	15,000.00	15,000.00	15,000.00		
Emergency Management:					
Salaries and Wages	3,450.00	3,450.00	2,623.60	826.40	
Other Expenses	3,500.00	3,500.00	1,200.00	2,300.00	
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	134,220.00	134,220.00	134,196.02	23.98	
Other Expenses	52,750.00	52,750.00	52,354.72	395.28	
Sanitation (Garbage and Trash Removal):					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses	170,500.00	170,500.00	157,654.11	12,845.89	
Public Buildings and Grounds:					
Salaries and Wages	10,000.00	10,000.00	9,992.66	7.34	
Other Expenses	51,750.00	51,750.00	51,721.37	28.63	
HEALTH AND WELFARE					
Board of Health:					
Other Expenses	11,000.00	11,000.00	75.00	10,925.00	
Animal Control Regulation:					
Salaries and Wages	7,500.00	7,500.00	6,580.66	919.34	
Other Expenses	1,850.00	1,850.00		1,850.00	
RECREATION AND EDUCATION					
Recreation:					
Other Expenses	5,000.00	5,000.00	5,000.00		
Celebration of Public Events:					
Other Expenses	19,500.00	19,500.00	4,342.90	15,157.10	
STATE UNIFORM CONSTRUCTION CODE (N.J.S.A. 52-270-120 ET.SEQ)					
Building Inspector:					
Salaries and Wages	33,200.00	33,200.00	33,140.21	59.79	
Other Expenses	900.00	900.00		900.00	

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, 2017

	APPROPRIATIONS				
OPERATIONS WITHIN "CAPS" (CONTINUED)	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
UTILITIES:					
Electricity	$ 16,000.00	$ 16,000.00	$ 14,331.30	$ 1,668.70	$
Street Lighting	22,000.00	22,000.00	21,551.55	448.45	
Telephone	12,000.00	12,000.00	11,948.96	51.04	
Natural Gas (Propane)	12,000.00	12,000.00	7,002.83	4,997.17	
Gasoline	11,000.00	11,000.00	6,514.51	4,485.49	
Maintaining and Upgrading Computers	17,500.00	17,500.00	10,925.91	6,574.09	
Accumulated Leave (Deferred Sick)	500.00	500.00		500.00	
TOTAL OPERATIONS WITHIN "CAPS"	$ 1,291,223.00	$ 1,291,223.00	$ 1,101,584.19	$ 189,638.81	$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	$ 1,291,223.00	$ 1,291,223.00	$ 1,101,584.19	$ 189,638.81	$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	$ 39,905.00	$ 39,905.00	$ 39,905.00	$	$
Social Security System (OASI)	33,000.00	33,000.00	32,039.76	960.24	
Unemployment Insurance	2,400.00	2,400.00	2,367.38	32.62	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	$ 75,305.00	$ 75,305.00	$ 74,312.14	$ 992.86	$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	$ 1,366,528.00	$ 1,366,528.00	$ 1,175,896.33	$ 190,631.67	$
MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library:					
Salaries & Wages	$ 56,000.00	$ 56,000.00	$ 51,300.04	$ 4,699.96	$
Other Expenses	14,553.00	14,553.00		14,553.00	
Police Services (Township of Phillipsburg)	425,000.00	425,000.00	425,000.00		
Municipal Court (Township of Phillipsburg)	23,150.00	23,150.00	22,264.20	885.80	
CFO (Township of Mansfield)	2,725.00	2,725.00	2,721.16	3.84	
TOTAL OTHER OPERATIONS -EXCLUDED FROM "CAPS"	$ 521,428.00	$ 521,428.00	$ 501,285.40	$ 20,142.60	$

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, 2017

	APPROPRIATIONS				
OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE					
Municipal Court Alcohol Education Fund	$ 181.29	$ 181.29	$ 181.29	$	$
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE	$ 181.29	$ 181.29	$ 181.29	$	$
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	$ 521,609.29	$ 521,609.29	$ 501,466.69	$ 20,142.60	$
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Reserve for:					
Improvements to Roads	$ 200,000.00	$ 200,000.00	$ 32,085.78	$ 167,914.22	$
Improvements to Fire House	30,000.00	30,000.00	30,000.00		
MS4 Retrofit- Stormwater Basin Retrofit	10,000.00	10,000.00		10,000.00	
Purchase of Turnout Gear	12,000.00	12,000.00	12,000.00		
Improvements to Public Property	75,000.00	75,000.00	11,694.76	63,305.24	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	$ 327,000.00	$ 327,000.00	$ 85,780.54	$ 241,219.46	$
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	$ 70,000.00	$ 70,000.00	$ 70,000.00	$	$
Interest on Bonds	57,900.00	57,900.00	57,900.00		
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	$ 127,900.00	$ 127,900.00	$ 127,900.00	$	$

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, 2017

OPERATIONS EXCLUDED FROM "CAPS" (CONTINUED)	REF.	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
DEFERRED CHARGES-EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - (N.J.S.A. 40A: 4-55)		$ 4,000.00	$ 4,000.00	$ 4,000.00	$	$
Ordinance 2014-12		50,000.00	50,000.00	50,000.00		
TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"		$ 54,000.00	$ 54,000.00	$ 54,000.00	$	$
Judgments		$ 10,000.00	$ 10,000.00	$	$ 10,000.00	$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"		$ 1,040,509.29	$ 1,040,509.29	$ 769,147.23	$ 271,362.06	$
SUB-TOTAL GENERAL APPROPRIATIONS		$ 2,407,037.29	$ 2,407,037.29	$ 1,945,043.56	$ 461,993.73	$
RESERVE FOR UNCOLLECTED TAXES		325,000.00	325,000.00	325,000.00		
TOTAL GENERAL APPROPRIATIONS		$ 2,732,037.29	$ 2,732,037.29	$ 2,270,043.56	$ 461,993.73	$
	REF.	A-2	A-2	A-1	A:A-1	
Cash Disbursements	A-4			$ 1,914,116.13		
Reserve for Encumbrances	A-19			39,817.88		
Reserve for Grants Appropriated	A-20			181.29		
Deferred Charges	A-7			4,000.00		
Reserve for Uncollected Taxes	A-2			325,000.00		
				$ 2,283,115.30		
Less: Refunds Cash	A-4			13,071.74		
				$ 2,270,043.56		

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

	REF.		BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
ASSETS				
Animal Control Trust Fund:				
Cash	B-1	$	6,402.90 $	4,793.96
Due From State of New Jersey	B-3		14.80	2.80
		$	6,417.70 $	4,796.76
Other Funds:				
Cash	B-1	$	626,712.40 $	781,204.39
Interfunds Receivable	B-6			23,053.61
Grants Receivable	B-7		27,934.85	
		$	654,647.25 $	804,258.00
		$	661,064.95 $	809,054.76
LIABILITIES, RESERVES AND FUND BALANCES				
Animal Control Trust Fund:				
Interfunds Payable	B-4	$	$	66.06
Reserve for Animal Control Trust Fund Expenditures	B-2		6,417.70	4,730.70
		$	6,417.70 $	4,796.76
Other Funds:				
Reserve For:				
Various Reserves and Deposits	B-5	$	624,703.73 $	804,258.00
Grant Reserves	B-8		29,943.52	
		$	654,647.25 $	804,258.00
		$	661,064.95 $	809,054.76

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

	REF.	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
ASSETS			
Cash	C-2	$ 97,870.15	$ 35,365.51
Deferred Charges to Future Taxation - Funded	C-4	1,810,000.00	1,880,000.00
Deferred Charges to Future Taxation - Unfunded	C-11	1,870,000.00	970,000.00
Grants Receivable	C-9	261,143.19	211,143.19
		$ 4,039,013.34	$ 3,096,508.70
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-12	$ 1,810,000.00	$ 1,880,000.00
Bond Anticipation Notes	C-13	400,000.00	
Improvement Authorizations:			
Funded	C-7	152,397.91	186,550.34
Unfunded	C-7	1,516,784.63	608,928.80
Reserve for:			
Contracts Payable	C-6	15,428.65	266,465.03
Miscellaneous Deposits	C-5	105,900.36	118,725.36
Interfund Payable	C-10		313.38
Capital Improvement Fund	C-8	30,997.46	30,997.46
Fund Balance	C-1	7,504.33	4,528.33
		$ 4,039,013.34	$ 3,096,508.70

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

	REF.		
Balance, December 31, 2016	C	$	4,528.33
Increased by:			
Premium on Sale of Notes	C-2		2,976.00
		$	7,504.33
Balance, December 31, 2017	C	$	7,504.33

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

	REF.		BALANCE DECEMBER 31, 2017		BALANCE DECEMBER 31, 2016
ASSETS					
Operating Fund:					
Cash-Treasurer	D-5	$	1,122,457.93	$	913,479.37
Change Fund	D-9		25.00		25.00
Interfunds Receivable	D-8				220.02
		$	1,122,482.93	$	913,724.39
Receivables with Full Reserves:					
Consumer Accounts Receivable	D-6	$	35,816.87	$	44,165.93
		$	35,816.87	$	44,165.93
Deferred Charges:					
Overexpenditure of Appropriation	D-24	$		$	22,999.03
Total Operating Fund		$	1,158,299.80	$	980,889.35
Capital Fund:					
Cash-Treasurer	D-5	$	83,296.74	$	175,363.48
Fixed Capital	D-18		8,693,600.98		8,139,662.13
Fixed Capital Authorized and Uncompleted	D-16		1,075,001.00		1,275,001.00
Interfunds Receivable	D-20		63,298.20		
Total Capital Fund		$	9,915,196.92	$	9,590,026.61
		$	11,073,496.72	$	10,570,915.96

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

	REF.		BALANCE DECEMBER 31, 2017		BALANCE DECEMBER 31, 2016
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves	D-4:D-10	$	296,574.88	$	26,710.20
Encumbrances Payable	D-11		223,063.98		65,400.65
Prepaid Water/Sewer Rents	D-22				21,266.42
Accrued Interest	D-7		7,856.77		35,317.50
Interfunds Payable	D-8		92,673.92		29,375.72
		$	620,169.55	$	178,070.49
Reserve for Receivables	D		35,816.87		44,165.93
Fund Balance	D-2		502,313.38		758,652.93
Total Operating Fund		$	1,158,299.80	$	980,889.35
Capital Fund:					
Capital Improvement Fund	D-14	$	3,749.00	$	3,749.00
Contracts Payable	D-12		137,907.84		415,101.21
Serial Bonds Payable	D-23		2,025,000.00		2,105,000.00
Bond Anticipation Notes	D-13		2,445,000.00		1,400,000.00
Interfunds Payable	D-20				220.02
Reserve for:					
Deferred Amortization	D-19		165,001.00		165,001.00
Amortization	D-21		5,023,600.98		4,574,662.13
Miscellaneous	D-17		12,814.03		12,814.03
Improvement Authorizations:					
Funded	D-15		392.75		9,693.37
Unfunded	D-15		63,298.20		883,544.73
Fund Balance	D-1		38,433.12		20,241.12
Total Capital Fund		$	9,915,196.92	$	9,590,026.61
		$	11,073,496.72	$	10,570,915.96

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

	REF.		
Balance, December 31, 2016	D	$	20,241.12
Increased by:			
Premium on Sale of Notes	D-5		18,192.00
		$	38,433.12
Balance, December 31, 2017	D	$	38,433.12

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

"D-2"

BOROUGH OF ALPHA

WATER/SEWER UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	$ 469,749.03	$ 101,710.00
Sewer Use Charges	D-3	609,209.43	612,270.50
Water Use Charges	D-3	472,116.71	543,351.58
Miscellaneous	D-3	71,502.17	157,378.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	58,411.11	140,323.43
Encumbrance Payables Canceled	D-11	1,550.30	
TOTAL INCOME		$ 1,682,538.75	$ 1,555,034.21
EXPENDITURES			
Operating	D-4	$ 711,900.00	$ 746,160.00
Capital Improvements	D-4	567,000.00	65,000.00
Debt Service	D-4	158,922.22	168,611.97
Statutory Expenditures and Deferred Charges	D-4	29,849.03	6,950.00
Refund of Prior Year Revenues		1,458.02	
TOTAL EXPENDITURES		$ 1,469,129.27	$ 986,721.97
Excess in Revenue		$ 213,409.48	$ 568,312.24
Fund Balance			
Balance, January 1	D	758,652.93	292,050.69
		$ 972,062.41	$ 860,362.93
Decreased by:			
Utilization by Sewer Operating Budget		469,749.03	101,710.00
Balance, December 31	D	$ 502,313.38	$ 758,652.93

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, 2017

	REF.		ANTICIPATED		REALIZED		EXCESS
Fund Balance Anticipated	D-2	$	469,749.03	$	469,749.03	$	
Sewer Use Charges	D-2:D-3		550,000.00		609,209.43		59,209.43
Water Use Charges	D-2:D-3		450,000.00		472,116.71		22,116.71
Miscellaneous	D-2:D-3				71,502.17		71,502.17
	D-4	$	1,469,749.03	$	1,622,577.34	$	152,828.31

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:			
Consumer Accounts Receivable:			
Collected	D-6	$	1,060,059.72
	D-3	$	1,081,326.14
Miscellaneous:			
Interest on Investments - Treasurer		$	497.26
Interest on Delinquent Payments			4,305.96
Miscellaneous			66,698.95
	D-5	$	71,502.17

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

"D-4"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	APPROPRIATIONS		EXPENDED		
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Operating:						
Salaries and Wages		$ 78,800.00	$ 78,800.00	$ 52,608.36	$ 26,191.64	$
Other Expenses		633,100.00	633,100.00	590,216.74	42,883.26	
Total Operating		$ 711,900.00	$ 711,900.00	$ 642,825.10	$ 69,074.90	$
Capital Improvements:						
Reserve for Facility/Equipment Improvements		$ 427,000.00	$ 427,000.00	$ 342,093.49	$ 84,906.51	
Reserve for Water Tower Repair		30,000.00	30,000.00		30,000.00	
Reserve for Chlorination		110,000.00	110,000.00		110,000.00	
Total Capital Improvements		$ 567,000.00	$ 567,000.00	$ 342,093.49	$ 224,906.51	$
Debt Service:						
Payment of Bond Principal		$ 80,000.00	$ 80,000.00	$ 80,000.00	$	$
Payment on Bond Anticipation and Capital Notes		15,000.00	15,000.00	15,000.00		
Interest on Bonds		36,000.00	36,000.00	36,000.00		
Interest on Notes		$ 30,000.00	$ 30,000.00	$ 27,922.22		2,077.78
Total Debt Service		$ 161,000.00	$ 161,000.00	$ 158,922.22	$	$ 2,077.78
Deferred Charges						
Emergency Authorizations		$ 22,999.03	$ 22,999.03	$ 22,999.03	$	$
Total Deferred Charges		$ 22,999.03	$ 22,999.03	$ 22,999.03	$	$
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)		$ 6,000.00	$ 6,000.00	$ 3,959.84	$ 2,040.16	$
Unemployment Compensation Insurance		850.00	850.00	296.69	553.31	
Total Statutory Expenditures		$ 6,850.00	$ 6,850.00	$ 4,256.53	$ 2,593.47	$
		$ 1,469,749.03	$ 1,469,749.03	$ 1,171,096.37	$ 296,574.88	$ 2,077.78
	REF.	D-3			D:D-2	D-4
Cash Disbursements	D-5			$ 861,111.14		
Accrued Interest	D-7			63,922.22		
Deferred Charges - Emergency Authorization	D-24			22,999.03		
Encumbrances Payable	D-11			223,063.98		
				$ 1,171,096.37		

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

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PUBLIC ASSISTANCE TRUST FUND

"E"

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
ASSETS			
Cash - Treasurer:			
Public Assistance Trust Fund #1	E-1	$ 10,497.04	$ 10,493.98
		$ 10,497.04	$ 10,493.98
LIABILITIES AND RESERVES			
Reserve for Public Assistance:			
Public Assistance Trust Fund #1		$ 10,497.04	$ 10,493.98
		$ 10,497.04	$ 10,493.98

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF ALPHA

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	DECEMBER 31, 2017	DECEMBER 31, 2016
General Fixed Assets:		
Land	$ 3,819,352.92	$ 3,822,353.00
Buildings and Building Improvements	1,542,435.71	1,573,321.36
Machinery and Equipment	4,253,100.00	2,528,780.16
TOTAL GENERAL FIXED ASSETS	$ 9,614,888.63	$ 7,924,454.52
Investment in General Fixed Assets	$ 9,614,888.63	$ 7,924,454.52

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

NOTES TO FINANCIAL STATEMENTS

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.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2017:

FUND	Cash on Deposit	NJ Cash Management	Deposits in Transit	Outstanding Checks	TOTAL
Current Fund	$2,971,097.11	$29,408.92	$736,764.75	$1,697,914.03	$2,039,356.75
Grant Fund	66,607.98			2,684.11	63,923.87
Animal Control Trust Fund	7,003.61			600.71	6,402.90
Trust Other Fund	567,705.25		84,550.76	25,543.61	626,712.40
General Capital Fund	475.20		452,976.00	355,581.05	97,870.15
Water/Sewer Operating Fund	445,706.11		1,004,204.17	327,452.35	1,122,457.93
Water/Capital Operating Fund	554.47		1,078,252.00	995,509.73	83,296.74
Public Assistance Trust Fund	10,497.04				10,497.04
Total December 31, 2017	$4,069,646.77	$29,408.92	$3,356,747.68	$3,405,285.59	$4,050,517.78

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, 2017, 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 $250,000.00 was covered by Federal Depository Insurance, $3,819,646.77 was covered under the provisions of NJGUDPA and $29,408.92 invested in the New Jersey Cash Management fun (cash equivalents) is uninsured.

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 Local Government Services of the Department of Community Affairs 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, 2017, the Borough had $29,408.92 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

	YEAR 2017	YEAR 2016	YEAR 2015
Issued:			
General:			
Bonds, Notes and Loans	$ 2,210,000.00	$ 1,880,000.00	$ 1,940,000.00
Water/Sewer Utility:			
Bonds and Notes	4,470,000.00	3,505,000.00	3,275,000.00
Net Debt Issued	6,680,000.00	5,385,000.00	5,215,000.00
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	3,422.35	3,422.35	3,422.35
	$ 6,676,577.65	$ 5,381,577.65	$ 5,211,577.65
Authorized But Not Issued			
General:			
Bonds and Notes	1,470,000.00	970,000.00	420,000.00
Water/Sewer Utility:			
Bonds and Notes	110,000.00	1,170,000.00	375,000.00
Total Authorized But Not Issued	1,580,000.00	2,140,000.00	795,000.00
Net Bonds and Notes Issued and Authorized But Not Issued	$ 8,256,577.65	$ 7,521,577.65	$ 6,006,577.65

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.769%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Water/Sewer Utility Debt	$4,580,000.00	$4,580,000.00	-0-
General Debt	3,680,000.00	3,422.35	$3,676,577.65
	$8,260,000.00	$4,583,422.35	$3,676,577.65

NET DEBT $3,676,577.65 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, $207,860,040.00 EQUALS 1.769%.

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	$210,666,728.00
2016 Equalized Valuation Basis of Real Property	211,419,192.00
2017 Equalized Valuation Basis of Real Property	201,494,200.00
	$207,860,040.00

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

Equalized Valuation Basis* - December 31, 2017	$207,860,040.00
3-1/2 of Equalized Valuation Basis	7,275,101.40
Net Debt	3,676,577.65
Remaining Borrowing Power	$3,598,523.75

*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.A. 40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		$ 1,131,561.89
Deductions:		
Operating and Maintenance Cost	$ 718,750.00	
Debt Service	161,000.00	
Total Deductions		879,750.00
Excess in Revenue (Self-Liquidating)		$ 251,811.89

NOTE 3: MUNICIPAL DEBT (CONTINUED)

GENERAL CAPITAL FUND

General Serial Bonds

$2,000,000.00 in General Improvement Bonds due in annual Installments ranging between $75,000.00 and $120,000.00 through June 2034 at interest rates from 3.00% and 3.50%	$1,810,000.00

WATER/SEWER CAPITAL FUND

Improvements to Water System

$2,250,000.00 in Serial Bonds due in annual installments ranging between $85,000.00 and $140,000.00 through June 2034 at interest rates from 3.00% and 3.50%	$2,025,000.00

BOND ANTICIPATION NOTES

	Interest Rate	Issue and Maturity Dates	Amount
General Capital Ordinance 2016-05	2.500%	12/11/17 to 12/10/18	$400,000.00
Water/Sewer Capital			
Various Ordinances	2.000%	12/11/17 to 12/10/18	2,445,000.00
			$2,445,000.00

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2017, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	$520,000.00
Water/Sewer Utility Capital Fund	$110,000.00

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 were as follows:

Current Fund	$510,000.00
Water/Sewer Operating Fund	$308,506.00

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 31, 2017	BALANCE DECEMBER 31, 2016
Prepaid Taxes	$54,329.84	$42,489.79

NOTE 6: PENSION PLANS

Plan Descriptions

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

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2017, PERS provides for employee contributions of 7.34% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by Slate of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2017, members contributed at a uniform rate of 10.00% of base salary.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to $39,905.00 for 2017, $51,986.41 for 2016 and $35,665.00 for 2015. All contributions were equal to the required contributions for each of the three years, respectively. Certain Borough employees are also covered by Federal Insurance Contribution Act

Accounting and Financial Reporting for Pensions - GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions”, which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of $1,001,828.00 for the Borough of Alpha’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough’s proportion was 0.0043036801 percent, which was a decrease of 0.0001645367 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of $18,080.00 for the Borough of Alpha’s proportionate share of the total pension expense. The pension expense recognized in the Borough’s financial statement based on the April 1, 2017 billing was $39,695.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	-	$23,590.00
Changes of assumptions	$201,094.00	201,834.00
Net difference between projected and actual earnings on pension plan investments		6,822.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	260,299.00	57,063.00
	$461,393.00	$289,309.00

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2018	($29,121.00)
2019	(13,997.00)
2020	(31,137.00)
2021	(73,086.00)
2022	(24,743.00)
	($172,084.00)

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	June 30, 2017	June 30, 2016
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement morality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

	June 30, 2017	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	100.00%	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease 4.00%	At Current Discount Rate 5.00%	1% Increase 6.00%
Borough's proportionate share of the pension liability	$1,242,836.00	$1,001,828.00	$801,039.00

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

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 $9,792.14. The Borough has a reserve for accumulated leave with a balance of $20,081.55.

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 2017. 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 2017 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, 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, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$29,375.72	
Utility Operating Fund		$92,673.92
Utility Capital Fund	63,298.20	
	$92,673.92	$92,673.92

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

NOTE 13: DEFERRED LOCAL DISTRICT SCHOOL TAXES

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

LOCAL DISTRICT SCHOOL TAX

	BALANCE DECEMBER 31, 31, 2017	BALANCE DECEMBER 31, 31, 2016
Balance of Tax	$1,325,105.60	$961,262.70
Deferred	1,028,045.62	1,028,045.62
School Tax Payable (Prepaid)	$297,059.98	($66,782.92)

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, 2017, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2017	2018 BUDGET APPROPRIATION
Current Fund:		
Tax Maps	$4,000.00	$4,000.00
	$4,000.00	$4,000.00

NOTE 15: POST-RETIREMENT HEALTH BENEFITS

As at December 31, 2017, the Borough of Alpha had no obligation to provide post-retirement health benefits.

NOTE 16: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 24, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no material subsequent events needed to be disclosed.

BOROUGH OF ALPHA

SUPPLEMENTARY SCHEDULES

YEARS ENDED DECEMBER 31, 2017 AND 2016

"A-4"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	CURRENT FUND		GRANT FUND	
Balance, December 31, 2016	A		$ 1,623,645.69		$ 4,905.01
Increased by Receipts:					
Property Taxes Receivable	A-5	$ 6,564,195.03		$	
Revenue Accounts Receivable	A-12	265,627.46			
Miscellaneous Revenue Not Anticipated	A-2	116,584.97			
State of N.J.- Senior Citizens and Veterans Deductions	A-8	34,517.92			
Interfunds	A-13:A-25	861,169.92		47,371.47	
Reserve for Grants - Unappropriated	A-15			19,858.41	
Reserve for Miscellaneous Deposits	A-14	1,610.00			
2017 Appropriation-Refunds	A-3	13,071.74			
2016 Appropriation Reserve - Refunds	A-18	477.40			
			7,857,254.44		67,229.88
			$ 9,480,900.13		$ 72,134.89
Decreased by Disbursements:					
2017 Appropriations	A-3	$ 1,914,116.13		$	
2016 Appropriation Reserves	A-18	118,962.07			
Local District School Tax	A-23	2,897,322.10			
County Taxes Payable	A-22	1,478,106.87			
Refund of Tax Overpayments	A-16	3,202.44			
Reserve for Grants-Appropriated	A-20			8,211.02	
Interfunds	A-13:A-25	931,215.56			
Reserve for Miscellaneous Deposits	A-14	14,067.45			
			7,356,992.62		8,211.02
Balance, December 31, 2017	A		$ 2,123,907.51		$ 63,923.87

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	REF.		
Increased by Receipts:			
Property Taxes Receivable	A-9	$ 6,470,355.23	
Tax Overpayments	A-16	3,202.44	
Prepaid Taxes	A-21	54,329.84	
Revenue Accounts Receivable	A-12	26,385.69	
Miscellaneous Revenue Not Anticipated	A-2	3,354.38	
Outside Liens	A-14	6,567.45	
			$ 6,564,195.03
Decreased by Disbursements:			
Payments to Treasurer	A-4		$ 6,564,195.03

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

DEPARTMENT		BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
Tax Collector		$ 25.00	$ 25.00
Municipal Court		50.00	50.00
Clerk		100.00	100.00
		$ 175.00	$ 175.00
	REF.	A	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	REF.	AUTHORIZATION (N.J.S.A. 40A: 4-55) TAX MAPS - 2014	TOTAL
Balance, December 31, 2016	A	$ 8,000.00	$ 8,000.00
Decreased by:			
Budget Appropriation	A-3	4,000.00	4,000.00
Balance, December 31, 2017	A	$ 4,000.00	$ 4,000.00

BOROUGH OF ALPHA

CURRENT FUND

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

	REF.				
Balance, December 31, 2016	A			$	17,899.99
Increased by:					
Senior Citizens Deductions Per Tax Billing		$	8,250.00		
Veterans Deductions Per Tax Billing			26,500.00		
Veterans Deductions Allowed by Tax Collector			500.00		
					35,250.00
				$	53,149.99
Decreased by:					
Deductions Disallowed by Collector:					
Received in Cash From State	A-4	$	34,517.92		
2016 Deductions Disallowed by Tax Collector			1,767.12		
					36,285.04
Balance, December 31, 2017	A			$	16,864.95

ANALYSIS OF STATE SHARE OF 2017
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		$	8,250.00
Veterans Deductions Per Tax Billing			26,500.00
Deductions Allowed by Tax Collector:			
Veterans			500.00
		$	35,250.00
Less: Deductions Disallowed by Tax Collector:			
Senior Citizens			1,767.12
	A-9	$	33,482.88

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED	CASH COLLECTIONS 2016	CASH COLLECTIONS 2017	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
2011	$ 3,088.92	$	$	$	$	$	$	$ 3,088.92
2012	2,808.63							2,808.63
2013	2,170.29							2,170.29
2015	1,150.28		1,323.29		2,473.57			
2016	119,636.70				119,614.98			21.72
	$ 128,854.82	$	$ 1,323.29	$	$ 122,088.55	$	$	$ 8,089.56
2017		6,604,287.98		42,489.79	6,381,749.56	35,077.35	12,830.18	132,141.10
	$ 128,854.82	$ 6,604,287.98	$ 1,323.29	$ 42,489.79	$ 6,503,838.11	$ 35,077.35	$ 12,830.18	$ 140,230.66
REF.	A			A-2:A-21	A-2		A-10	A

	REF.	
Cash-Collector	A-5	$ 6,470,355.23
State Share of Senior Citizens and Veterans Deductions	A-8	33,482.88
		$ 6,503,838.11

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD				
General Property Tax				$ 6,592,535.04
Added and Omitted Tax (54:4-63.1 et.seq.)				11,752.94
				$ 6,604,287.98
TAX LEVY				
Local District School Tax	A-23		$ 3,261,165.00	
County Taxes:				
County Tax	A-22	$ 1,392,797.17		
County Open Space	A-22	83,097.43		
Due County for Added Taxes (54:4-63.1 et.seq.)	A-22	2,212.27		
			1,478,106.87	
Local Tax for Municipal Purposes	A-2	1,769,943.20		
Municipal Open Space	A-24	84,550.76		
Additional Tax Levied		10,522.15		
			1,865,016.11	
				$ 6,604,287.98

"A-10"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	REF.		
Balance, December 31, 2016	A	$	110,671.83
Increased by:			
Transfers From Taxes Receivable	A-9		12,830.18
		$	123,502.01
Balance, December 31, 2017	A	$	123,502.01

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2016	A	$	9,592.50
Balance, December 31, 2017	A	$	9,592.50

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	COLLECTED BY TREASURER/ COLLECTOR	BALANCE DECEMBER 31, 2017
Clerk:					
Licenses:					
Alcoholic Beverage Licenses	A-2	$	$ 5,899.39	$ 5,899.39	$
Other	A-2		10,147.00	10,147.00	
Construction Code Official:					
Fees and Permits	A-2		18,240.00	18,240.00	
Municipal Court:					
Fines and Costs	A-2	512.21	7,304.38	7,104.39	712.20
Interest on Investments and Deposits	A-2		1,219.93	1,219.93	
Energy Receipts Tax	A-2		206,725.20	206,725.20	
Consolidated Municipal Property Tax Relief Aid	A-2		16,291.55	16,291.55	
Interest and Costs on Taxes	A-2		26,385.69	26,385.69	
		$ 512.21	$ 292,213.14	$ 292,013.15	$ 712.20
	REF.	A			A
Tax Collector	A-5			$ 26,385.69	
Treasurer	A-4			265,627.46	
				$ 292,013.15	

"A-13"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUNDS	GENERAL CAPITAL FUND	WATER/SEWER UTILITY OPERATING FUND
Balance, December 31, 2016							
Due From	A	$ 29,755.16	$	$ 66.06	$	$ 313.38	$ 29,375.72
Due To	A	70,425.08	47,371.47		23,053.61		
Treasurer-Receipts	A-4	861,169.92		66.06	255,790.48	355,313.38	250,000.00
Treasurer-Disbursements	A-4	931,215.56	47,371.47		278,844.09	355,000.00	250,000.00
Balance, December 31, 2017							
Due From	A	$ 29,375.72	$	$	$	$	$ 29,375.72

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

		BALANCE DECEMBER 31, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2017
Due State of New Jersey:		$	$	$	$
DCA Fees		37.00	1,260.00	1,260.00	37.00
Marriage License Fees		250.00	225.00	50.00	425.00
Plumbing Inspections		2,769.00			2,769.00
Master Plan		10,526.44			10,526.44
Tax Maps		12,513.00		6,190.00	6,323.00
Community Day		1,583.60			1,583.60
Revaluation of Property		2,289.00			2,289.00
Historical Books		1,480.00	125.00		1,605.00
Outside Liens			6,567.45	6,567.45	
		$ 31,448.04	$ 8,177.45	$ 14,067.45	$ 25,558.04
	REF.	A		A-4	A
Treasurer	A-4		$ 1,610.00		
Tax Collector	A-5		6,567.45		
			$ 8,177.45		

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

GRANT/PROGRAM	BALANCE DECEMBER 31, 2016	RECEIPTS	APPLIED TO RECEIVABLES	BALANCE DECEMBER 31, 2017
Clean Communities Program	$	$ 7,322.07	$	$ 7,322.07
Municipal Court Alcohol Education and Rehabilitation Fund	181.29		181.29	
Alcohol Education and Rehab		64.34		64.34
Recycling Tonnage Grant		12,472.00		12,472.00
	$ 181.29	$ 19,858.41	$ 181.29	$ 19,858.41
REF.	A	A-4	A-17	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	REF.	
Increased by:		
Cash Receipts	A-5	$ 3,202.44
Decreased by:		
Cash Disbursements	A-4	$ 3,202.44

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

GRANT	BALANCE DECEMBER 31, 2016	ACCRUED 2017 BUDGET	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2017
Municipal Court Alcohol Rehab	$	$ 181.29	$ 181.29	$
FEMA Mitigation Grant	52,000.00			52,000.00
Highlands Grant	4,761.90			4,761.90
Highlands Plan Conformance	21,087.51			21,087.51
	$ 77,849.41	$ 181.29	$ 181.29	$ 77,849.41
REF.	A	A-2	A-15	A

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages:				
Administrative and Executive	$ 320.60	$ 320.60	$	$ 320.60
Municipal Clerk	3,920.91	3,920.91		3,920.91
Financial Administration	1.77	1.77		1.77
Collector of Taxes	202.92	202.92		202.92
Assessment of Taxes	0.86	0.86		0.86
Public Property	99.98	99.98		99.98
Planning Board	0.90	0.90		0.90
Police	4,962.00	4,962.00		4,962.00
Emergency Management Services	666.88	666.88		666.88
Streets and Roads	24,343.18	24,343.18		24,343.18
Sanitation	1.86	1.86		1.86
Animal Regulation	570.99	570.99		570.99
Building Inspection	2,460.27	2,460.27		2,460.27
Other Expenses:				
Administrative and Executive	4,363.58	5,340.07	2,380.95	2,959.12
Municipal Clerk	1,185.34	1,410.34	1,281.26	129.08
Elections	125.00	125.00		125.00
Financial Administration:				
Other Expenses	2.98	2,427.98	2,025.00	402.98
Payroll Services	297.52	297.52	233.12	64.40
Assessment of Taxes	1,194.00	1,194.00		1,194.00
Collector of Revenues				
Liquid. of Tax, Title Liens and Forecl. Prop.	1,000.00	1,000.00		1,000.00
Legal Services	13,237.37	13,237.37	8,925.00	4,312.37
Engineering Services	5,431.75	5,431.75	5,428.40	3.35
Public Property	41.99	9,403.24	9,403.24	
Planning Board	23,324.78	20,899.78	525.00	20,374.78
Insurance:				
Other Insurance	500.00	500.00		500.00
Group Insurance for Employees	16,045.89	16,045.89	(477.40)	16,523.29
Fire				
Police Services	2,500.00	2,500.00		2,500.00
Municipal Court	798.00	798.00	(286.00)	1,084.00
Emergency Management Services	3,496.00	3,496.00		3,496.00
Streets and Roads	8,981.84	17,253.53	7,662.76	9,590.77
Board of Health	5,322.52	5,322.52		5,322.52
CFO (Phillipsburg)	11,180.37	11,180.37	11,019.45	160.92
Interlocal Police Service (Phillipsburg)	0.02	0.02		0.02
Sanitation	28,833.37	28,833.37	13,103.27	15,730.10
Animal Regulation	1,250.00	1,250.00		1,250.00
Celebration of Public Events	15,286.80	15,286.80		15,286.80

"A-18"
SHEET #2

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

		BALANCE DECEMBER 31, 2016	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (Continued):					
Building Inspection		$ 7,900.00	$ 7,900.00	$	$ 7,900.00
Maintenance of Free Public Library		7,421.65	7,421.65		7,421.65
Accumulated Leave (Deferred Sick)		500.00	500.00		500.00
Unclassified:					
Gasoline		6,281.22	6,281.22	2,469.56	3,811.66
Street Lighting		2,063.65	2,063.65	1,871.59	192.06
Gas (Propane)		7,618.75	7,618.75	4,127.16	3,491.59
Telephone		64.84	64.84	50.55	14.29
Electricity		6,466.29	6,466.29	343.58	6,122.71
Maintaining and Upgrading Computers		12.68	12.68		12.68
Contribution to:					
Social Security System		1.02	1.02		1.02
Public Employees Retirement System		3,013.59	3,013.59		3,013.59
Unemployment Compensation Insurance		121.85	121.85	121.85	
Fire House Generator		181.50	181.50	181.50	
Purchase of Park Ridge Property		1,747.08	1,747.08		1,747.08
Improvements to Curbing		10,000.00	10,000.00	10,000.00	
Judgements		10,000.00	10,000.00	6,498.74	3,501.26
Improvements to Roads		38,361.83	38,361.83	38,361.83	
Improvements to Public Property		764.05	1,256.47		1,256.47
		$ 284,472.24	$ 303,799.09	$ 125,250.41	$ 178,548.68
	REF.	A: A-18			A-1
Cash Disbursements	A-4			$ 118,962.07	
Reserve for Encumbrances	A-19			6,765.74	
Less: Refunds	A-4			477.40	
				$ 125,250.41	
Budget - Reserved	A-18		$ 284,472.24		
Reserve for Encumbrances	A-19		19,326.85		
			$ 303,799.09		

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.				
Balance, December 31, 2016	A			$	19,326.85
Increased by:					
Budget Appropriations	A-3	$	39,817.88		
Appropriation Reserves	A-18		6,765.74		
					46,583.62
				$	65,910.47
Decreased by:					
Transferred to Appropriation Reserves	A-18				19,326.85
Balance, December 31, 2017	A			$	46,583.62

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

GRANT/PROGRAM	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2017
Clean Communities Grant	$ 12,172.55	$	$ 2,678.64	$ 9,493.91
Recycling Tonnage Grant	28,041.48		5,532.38	22,509.10
Drunk Driving Enforcement Fund	848.40			848.40
Safe and Secure Communities	176.80			176.80
FEMA Mitigation Grant	52,000.00			52,000.00
FEMA Mitigation Grant - Local Match	5,200.00			5,200.00
Highlands Grant	599.77			599.77
Municipal Court Alcohol Rehabilitation Fund	4,421.38	181.29		4,602.67
Municipal Alliance - Alcohol Educ. and Rehab.	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	21,897.51			21,897.51
	$ 129,944.60	$ 181.29	$ 8,211.02	$ 121,914.87
REF.	A	A-3	A-4	A

"A-21"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	REF.		
Balance, December 31, 2016 (2017 Taxes)	A	$	42,489.79
Increased by:			
Collection - 2018 Taxes	A-5		54,329.84
		$	96,819.63
Decreased by:			
Applied to Taxes Receivable	A-9		42,489.79
Balance, December 31, 2017 (2018 Taxes)	A	$	54,329.84

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2016	A			$	2.17
2017 Tax Levy:					
County Tax	A-1:A-9	$	1,392,797.17		
County Open Space	A-1:A-9		83,097.43		
Added County Taxes	A-1:A-9		2,212.27		
					1,478,106.87
				$	1,478,109.04
Decreased by:					
Cash Disbursements	A-4				1,478,106.87
Balance, December 31, 2017	A			$	2.17

"A-23"

BOROUGH OF ALPHA

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	REF.				
Balance, December 31, 2016					
School Tax Deferred		$	1,028,045.62		
School Tax Payable (Prepaid)	A		(66,782.92)	$	961,262.70
Increased by:					
Levy Calendar Year 2017	A-9				3,261,165.00
				$	4,222,427.70
Decreased by:					
Payment to Local District School	A-4				2,897,322.10
Balance, December 31, 2017:					
School Tax Deferred		$	1,028,045.62		
School Tax Payable (Prepaid)	A		297,059.98		
				$	1,325,105.60

"A-24"

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:					
Levy Calendar Year 2017	A-1:A-9	$	84,550.76		
Added and Omitted Tax (54:4-63.1 et.seq.)	A-1		123.77		
				$	84,674.53
Decreased by:					
Cash Disbursements	A-4				
Balance, December 31, 2017:	A			$	84,674.53

BOROUGH OF ALPHA

GRANT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND
Balance, December 31, 2016			
Due From	A	$ 47,371.47	$ 47,371.47
Cash Receipts	A-4	$ 47,371.47	$ 47,371.47

"B-1"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF CASH-TREASURER

	REF.	ANIMAL CONTROL		TRUST OTHER	
Balance, December 31, 2016	B		$ 4,793.96		$ 781,204.39
Increased by Receipts:					
Animal License Fees	B-2	$ 2,640.00		$	
Due to State of New Jersey	B-3	255.00			
Various Reserves and Deposits	B-5			665,463.10	
Accounts Receivable	B-7			16,905.81	
Reserve for Municipal Alliance	B-8			11,476.78	
Interfunds	B-4:B-6	0.71		33,648.67	
			2,895.71		727,494.36
			$ 7,689.67		$ 1,508,698.75
Decreased by Disbursements:					
Expenditures Under R.S.4:19-15.11	B-2	$ 953.00		$	
Due to State of New Jersey	B-3	267.00			
Reserve for Grants	B-8			26,373.92	
Various Reserves and Deposits	B-5			845,017.37	
Interfunds	B-4:B-6	66.77		10,595.06	
			1,286.77		881,986.35
Balance, December 31, 2017	B		$ 6,402.90		$ 626,712.40

"B-2"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	REF.		
Balance, December 31, 2016	B	$	4,730.70
Increased by:			
License Fees Collected	B-1		2,640.00
		$	7,370.70
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		953.00
Balance, December 31, 2017	B	$	6,417.70

LICENSE FEES COLLECTED

YEAR		AMOUNT
2015	$	3,447.20
2016		3,029.60
	$	6,476.80

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -
ANIMAL CONTROL FUND

Balance, December 31, 2016 (Due From)	B	$	2.80
Decreased by:			
Cash Receipts	B-1		255.00
		$	252.20
Increased by:			
Cash Disbursements	B-1		267.00
Balance, December 31, 2017 (Due From)	B	$	14.80

BOROUGH OF ALPHA

ANIMAL CONTROL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND
Balance, December 31, 2016:			
Due To	B	$ 66.06	$ 66.06
Increased by:			
Cash Receipts	B-1	0.71	0.71
		$ 66.77	$ 66.77
Decreased by:			
Cash Disbursements	B-1	$ 66.77	$ 66.77

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2016	CASH RECEIPTS	CASH DISBURSED	BALANCE DECEMBER 31, 2017
Escrow Deposits	$ 23,237.85	$ 19,567.43	$ 20,224.30	$ 22,580.98
Accumulated Leave	34,407.68		14,326.13	20,081.55
Tax Sale Premiums	38,700.00		1,900.00	36,800.00
Open Space	686,802.57	85,119.53	240,183.14	531,738.96
Veteran's Memorial Park	1.93		1.93	
POAA	10.01			10.01
Public Defender	887.51	50.00	96.00	841.51
Pool Fundraiser	2,210.93		5.00	2,205.93
Payroll	17,951.67	557,971.84	567,978.02	7,945.49
Historical Trust	47.85		47.85	
Reserve for Outstanding Checks		2,754.30	255.00	2,499.30
	$ 804,258.00	$ 665,463.10	$ 845,017.37	$ 624,703.73
REF.	B	B-1	B-1	B

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND
Balance, December 31, 2016:			
Due From	B	$ 23,053.61	$ 23,053.61
Decreased by:			
Cash Receipts	B-1	33,648.67	33,648.67
Increased by:			
Cash Disbursements	B-1	$ 10,595.06	$ 10,595.06

"B-7"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RECEIVABLE FOR VARIOUS GRANTS

PROGRAM	REF.	AWARDED	DECREASED	BALANCE DECEMBER 31, 2017
Municipal Alliance DEDR		$ 31,938.66	$ 10,454.81	$ 21,483.85
Municipal Alliance DEDR - Match		12,902.00	6,451.00	6,451.00
		$ 44,840.66	$ 16,905.81	$ 27,934.85
	REF.	B-8		B
Cash Receipts	B-1		$ 16,905.81	

"B-8"

BOROUGH OF ALPHA

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS GRANTS

PROGRAM		AWARDED	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
Municipal Alliance DEDR		$ 32,907.82	$	$ 19,772.92	$ 13,134.90
Municipal Alliance DEDR - Misc		11,932.84	11,476.78	6,601.00	16,808.62
		$ 44,840.66	$ 11,476.78	$ 26,373.92	$ 29,943.52
	REF.	B-7	B-1	B-1	B

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	REF.				
Balance, December 31, 2016	C			$	35,365.51
Increased by Receipts:					
Budget Appropriation:					
Deferred Charges to Future Taxation	C-11	$	50,000.00		
Premium on Sale of Notes	C-1		2,976.00		
Interfunds Receivable	C-10		355,146.97		
Bond Anticipation Notes	C-13		400,000.00		
					808,122.97
				$	843,488.48
Decreased by Disbursements:					
Contracts Payable	C-6	$	390,157.98		
Interfunds Payable	C-10		355,460.35		
					745,618.33
Balance, December 31, 2017	C:C-3			$	97,870.15

"C-3"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

ANALYSIS OF CASH

		BALANCE DECEMBER 31, 2017
Capital Improvement Fund	$	30,997.46
Fund Balance		7,504.33
Contracts Payable		15,428.65
Various Reserves		105,900.36
Unexpended Proceeds of Bond Anticipation Notes on "C-13"		400,000.00
Improvement Authorizations:		
Funded Improvements Listed on "C-7"		152,397.91
Improvements Expended Set Forth on "C-11"		(353,215.37)
Grants Receivable		(261,143.19)
	$	97,870.15
REF.		C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2016	C	$	1,880,000.00
Decreased by:			
2017 Budget Appropriation to Pay:			
Bond Principal	C-12		70,000.00
Balance, December 31, 2017	C	$	1,810,000.00

"C-5"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2016	ENCUMBRANCES	BALANCE DECEMBER 31, 2017
Debt Service	$ 3,422.35	$	$ 3,422.35
Purchase of Public Works Equipment	17,363.59	12,825.00	4,538.59
Purchase of Mower	25,712.52		25,712.52
Veteran's Memorial Park	2,812.95		2,812.95
Improvements to Public Property	5,319.68		5,319.68
Improvements to Public Works Building	7,046.00		7,046.00
Police/Emergency Equipment	2,500.00		2,500.00
Improvements to Curbing	41,312.50		41,312.50
Recreation Equipment	2,238.11		2,238.11
Purchase of Fire Truck	10,997.66		10,997.66
	$ 118,725.36	$ 12,825.00	$ 105,900.36
REF.	C		C

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	REF.				
Balance, December 31, 2016	C			$	266,465.03
Increased by:					
Contracts Issued	C-7	$	126,296.60		
Encumbrances Payable	C-5		12,825.00		
				$	139,121.60
					405,586.63
Decreased by:					
Cash Disbursements	C-2				390,157.98
Balance, December 31, 2017	C			$	15,428.65

"C-7"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016 FUNDED	BALANCE DECEMBER 31, 2016 UNFUNDED	2017 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2017 FUNDED	BALANCE DECEMBER 31, 2017 UNFUNDED
2014-9	Installation of Curbing and Sidewalks	06/10/14	$ 275,000.00	$ 153,363.25	$	$	$ 50,965.34	$ 102,397.91	$
2014-12	Acquisition of Fire Pumper	08/12/14	530,000.00		8,928.80				8,928.80
2016-05	Various Capital Improvements	04/12/16	750,000.00	19,406.50	600,000.00		61,550.67		557,855.83
2016-11	Various Road Improvements	06/28/16	326,565.29	13,780.59			13,780.59		
2017-07	Various Open Space and Recreation	06/27/17	1,000,000.00			1,000,000.00		50,000.00	950,000.00
				$ 186,550.34	$ 608,928.80	$ 1,000,000.00	$ 126,296.60	$ 152,397.91	$ 1,516,784.63
		REF.		C	C		C-6	C:C-3	C-11

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance, December 31, 2016 and Balance, December 31, 2017	C	$ 30,997.46

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	REF.		
Balance, December 31, 2016	C	$	211,143.19
Increased by:			
New Ordinance Funded	C-7		50,000.00
		$	261,143.19
Balance, December 31, 2017	C	$	261,143.19

ANALYSIS OF BALANCE

ORDIANCE		
09-07	$	11,143.19
14-09		42,500.00
16-02		157,500.00
17-07		50,000.00
	$	261,143.19

BOROUGH OF ALPHA

CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND
Balance, December 31, 2016			
Due To	C	$ 313.38	313.38
Treasurer-Receipts	C-2	$ 355,146.97	$ 355,146.97
Treasurer-Disbursements	C-2	$ 355,460.35	$ 355,460.35

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2016	INCREASED BY NEW ORDINANCES	DECREASED BY RAISED IN BUDGET	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE: EXPENDITURES	ANALYSIS OF BALANCE: UNEXPENDED BALANCE
2014-12	Acquisition of Fire Pumper	$ 370,000.00	$	$ 50,000.00	$ 320,000.00	$ 311,071.20	$ 8,928.80
2016-05	Various Capital Improvements	600,000.00			600,000.00	42,144.17	557,855.83
2017-07	Various Open Space and Recreation		950,000.00		950,000.00		950,000.00
		$ 970,000.00	$ 950,000.00	$ 50,000.00	$ 1,870,000.00	$ 353,215.37	$ 1,516,784.63
	REF.	C	C-7	C-2	C	C-3	C-7

"C-12"

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2017 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
General Improvement	6/1/14	$ 2,000,000.00	6/1/18	$ 75,000.00	3.00%	$	$	$
			6/1/19	80,000.00	3.00%			
			6/1/20	85,000.00	3.00%			
			6/1/21	90,000.00	3.00%			
			6/1/22	95,000.00	3.00%			
			6/1/23	100,000.00	3.00%			
			6/1/24	105,000.00	3.00%			
			6/1/25-26	110,000.00	3.00%			
			6/1/27-28	120,000.00	3.00%			
			6/1/29	120,000.00	3.125%			
			6/1/30-31	120,000.00	3.25%			
			6/1/32-34	120,000.00	3.50%			
						1,880,000.00	70,000.00	1,810,000.00
						$ 1,880,000.00	$ 70,000.00	$ 1,810,000.00
					REF.	C	C-4	C

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	INCREASED	BALANCE DECEMBER 31, 2017
2016-05	Various Capital Improvements	12/11/2017	12/11/17	12/10/18	2.50%	$ 400,000.00	$ 400,000.00
						$ 400,000.00	$ 400,000.00
					REF.	C-2	C

BOROUGH OF ALPHA

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2017
14-12	Acquisition of Fire Pumper	$	320,000.00
16-05	Various Capital Improvements		200,000.00
17-07	Various Open Space and Recreation		950,000.00
		$	1,470,000.00

BOROUGH OF ALPHA

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	REF.		OPERATING		CAPITAL
Balance, December 31, 2016	D	$	913,479.37	$	175,363.48
Increased by Receipts:					
Collector	D-6	$	1,060,059.72	$	
Miscellaneous	D-3		71,502.17		
Interfunds	D-8:D-20		1,308,518.22		995,045.46
Premium on Sale of Notes	D-1				18,192.00
Bond Anticipation Notes	D-13				2,445,000.00
		$	2,440,080.11	$	3,458,237.46
		$	3,353,559.48	$	3,633,600.94
Decreased by Disbursements:					
2017 Appropriations	D-4	$	861,111.14	$	
2016 Appropriation Reserves	D-10		32,149.44		
Contracts Payable	D-12				1,106,740.52
Interfunds	D-8:D-20		1,245,000.00		1,058,563.68
Bond Anticipation Notes	D-13				1,385,000.00
Accrued Interest	D-7		92,840.97		
		$	2,231,101.55	$	3,550,304.20
Balance, December 31, 2017	D	$	1,122,457.93	$	83,296.74

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.				
Balance, December 31, 2016	D			$	44,165.93
Increased by:					
Water/Sewer Rents Levied-Net					1,072,977.08
				$	1,117,143.01
Decreased by:					
Collection	D-3:D-5	$	1,060,059.72		
Prepaid Applied	D-22		21,266.42		
					1,081,326.14
Balance, December 31, 2017	D			$	35,816.87

"D-7"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST

	REF.				
Balance, December 31, 2016	D			$	35,317.50
Increased by:					
Budget Appropriation	D-4		66,000.00		
Miscellaneous			1,458.02		
					67,458.02
				$	102,775.52
Decreased by:					
Cash Disbursements	D-5	$	92,840.97		
Canceled	D-4		2,077.78		
					94,918.75
Balance, December 31, 2017	D			$	7,856.77

"D-8"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND	WATER/SEWER CAPITAL FUND
Balance, December 31, 2016:				
Due From	D	$ 220.02	$	$ 220.02
Due To	D	$ 29,375.72	$ 29,375.72	$
Increased by:				
Cash Receipts	D-5	$ 1,308,518.22	$ 250,000.00	$ 1,058,518.22
Decreased by:				
Disbursements	D-5	$ 1,245,000.00	$ 250,000.00	$ 995,000.00
Balance, December 31, 2017:				
Due To	D	$ 92,673.92	$ 29,375.72	$ 63,298.20

"D-9"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CHANGE FUND

	REF.		
Balance, December 31, 2016	D	$	25.00
Balance, December 31, 2017	D	$	25.00

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Other Expenses	$ 8,235.26	$ 72,085.61	$ 20,282.65	$ 51,802.96
Capital Improvement Fund:				
Reserve for Leak Detection/Water Hose Repair	15,000.00	15,000.00	11,845.36	3,154.64
Regulatory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	2,914.00	2,914.00		2,914.00
Unemployment Compensation	560.94	560.94	21.43	539.51
	$ 26,710.20	$ 90,560.55	$ 32,149.44	$ 58,411.11
REF.	D			D-2

	REF.		
Balance, December 31, 2016	D-10	$ 26,710.20	$
Cash Disbursements	D-5		32,149.44
Encumbrances Payable	D-11	63,850.35	
		$ 90,560.55	$ 32,149.44

"D-11"

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	REF.				
Balance, December 31, 2016	D			$	65,400.65
Increased by:					
Charges to 2017 Appropriations	D-4				223,063.98
				$	288,464.63
Decreased by:					
Canceled	D-2	$	1,550.30		
Transferred to Appropriation Reserves	D-10		63,850.35		
					65,400.65
Balance, December 31, 2017	D			$	223,063.98

"D-12"

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	D	$	415,101.21
Increased by:			
Charges to Improvement Authorizations	D-15		829,547.15
		$	1,244,648.36
Decreased by:			
Cash Disbursements	D-5		1,106,740.52
Balance, December 31, 2017	D	$	137,907.84

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	REF.	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2011-08	Improvement to Water Utility	12/19/2012	12/11/2017	12/10/2018	2.00%		$	$ 600,000.00	$	$ 600,000.00
2013-06	Improvement to Water System	12/13/2016	12/11/2017	12/10/2018	2.00%			130,000.00		130,000.00
2014-10	Improvement to Water Utility	12/13/2016	12/11/2017	12/10/2018	2.00%			630,000.00		630,000.00
2016-06	Improvement to Water Utility	12/13/2016	12/11/2017	12/10/2018	2.00%			25,000.00		25,000.00
2016-06	Improvement to Water Utility	12/11/2017	12/11/2017	12/10/2018	2.50%			900,000.00		900,000.00
2016-10	Improvement to Sewer Utility	12/11/2017	12/11/2017	12/10/2018	2.50%			160,000.00		160,000.00
2011-12	Improvement to Water Utility	12/19/2012	12/13/2016	12/12/2017	2.00%		615,000.00		615,000.00	
2013-06	Improvement to Water System	12/13/2016	12/13/2016	12/12/2017	2.00%		130,000.00		130,000.00	
2014-10	Improvement to Water Utility	12/13/2016	12/13/2016	12/12/2017	2.00%		630,000.00		630,000.00	
2016-06	Improvement to Water Utility	12/13/2016	12/13/2016	12/12/2017	2.00%		25,000.00		25,000.00	
							$ 1,400,000.00	$ 2,445,000.00	$ 1,400,000.00	$ 2,445,000.00
						REF.	D	D-5		D
				Cash Disbursements		D-5			$ 1,385,000.00	
				Notes Paid by Budget		D-21			15,000.00	
									$ 1,400,000.00	

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.		
Balance, December 31, 2016 and December 31, 2017	D	$	3,749.00

"D-15"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016 FUNDED	BALANCE DECEMBER 31, 2016 UNFUNDED	PAID OR CHARGED	BALANCE DECEMBER 31, 2017 FUNDED	BALANCE DECEMBER 31, 2017 UNFUNDED
2014-10	Improvements to Water System	05/21/14	$ 700,000.00	$	$	$ (10,676.25)	$	$ 10,676.25
2016-06	Improvements to Water System	04/12/16	1,000,001.00		840,422.68	787,800.73		52,621.95
2016-10	Improvements to Sewer Infrastructure	06/20/16	200,000.00		43,122.05	43,122.05		
2016-17	Improvements to Sewer Infrastructure	09/27/16	75,000.00	9,693.37		9,300.62	392.75	
				$ 9,693.37	$ 883,544.73	$ 829,547.15	$ 392.75	$ 63,298.20
			REF.	D	D	D-12	D	D

"D-16"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016	TRANSFER TO FIXED CAPITAL	BALANCE DECEMBER 31, 2017
	General Improvements:					
2016-06	Improvements to Water System	04/12/16	$ 1,000,001.00	$ 1,000,001.00	$	$ 1,000,001.00
2016-10	Improvements to Sewer Infrastructure	06/20/16	200,000.00	200,000.00	200,000.00	
2016-17	Improvements to Sewer Infrastructure	09/27/16	75,000.00	75,000.00		75,000.00
				$ 1,275,001.00	$ 200,000.00	$ 1,075,001.00
			REF.	D	D-18	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

ACCOUNT		BALANCE DECEMBER 31, 2017		BALANCE DECEMBER 31, 2016
Waste Water Treatment Plant	$	1,193.37	$	1,193.37
Facility and Equipment		4,750.00		4,750.00
Leak Detection		45.66		45.66
Well Closings		3,720.00		3,720.00
Reserve to Pay Notes		3,105.00		3,105.00
	$	12,814.03	$	12,814.03
REF.		D		D

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

ACCOUNT	BALANCE DECEMBER 31, 2016	TRANSFER FROM FIXED CAPITAL AUTHORIZED UNCOMPLETED	TRANSFER FROM CAPITAL OUTLAY	BALANCE DECEMBER 31, 2017
Sanitary Sewer System	$ 2,092,007.72	$ 200,000.00	$	$ 2,292,007.72
Capital Outlay	34,527.75		353,938.85	388,466.60
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	3,617,137.92			3,617,137.92
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
Meters and Radio Frequency Remotes	240,450.00			240,450.00
	$ 8,139,662.13	$ 200,000.00	$ 353,938.85	$ 8,693,600.98
REF.	D	D-16	D-21	D

"D-19"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
	General Improvements:			
2016-06	Improvements to Water System	04/12/16	$ 50,001.00	$ 50,001.00
2016-10	Improvements to Sewer Infrastructure	06/20/16	40,000.00	40,000.00
2016-17	Improvements to Sewer Infrastructure	09/27/16	75,000.00	75,000.00
			$ 165,001.00	$ 165,001.00
		REF.	D	D

"D-20"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	WATER/SEWER OPERATING FUND
Balance, December 31, 2016:			
Due To	D	$ 220.02	$ 220.02
Increased by:			
Cash Receipts	D-5	$ 995,045.46	$ 995,045.46
Decreased by:			
Cash Disbursements	D-5	$ 1,058,563.68	$ 1,058,563.68
Balance, December 31, 2017:			
Due From	D	$ 63,298.20	$ 63,298.20

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	REF.				
Balance, December 31, 2016	D			$	4,574,662.13
Increased by:					
Notes Paid by Budget	D-13	$	15,000.00		
Serial Bonds Paid	D-23		80,000.00		
Transfer from Capital Outlay	D-18		353,938.85		
					448,938.85
Balance, December 31, 2017	D			$	5,023,600.98

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF PREPAID SEWER CHARGES

	REF.	
Balance, December 31, 2016	D	$ 21,266.42
Decreased by:		
Applied to Receivable	D-6	$ 21,266.42

"D-23"

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER/SEWER SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2017 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
Improvements to Water System	6/1/2014	$ 2,250,000.00	6/1/2018	$ 85,000.00	3.000%	$	$	$
			6/1/2019	90,000.00	3.000%			
			6/1/2020	95,000.00	3.000%			
			6/1/2021	100,000.00	3.000%			
			6/1/2022	105,000.00	3.000%			
			6/1/2023	110,000.00	3.000%			
			6/1/2024	115,000.00	3.000%			
			6/1/2025	115,000.00	3.000%			
			6/1/2026	120,000.00	3.000%			
			6/1/2027	125,000.00	3.000%			
			6/1/2028	130,000.00	3.000%			
			6/1/2029	135,000.00	3.125%			
			6/1/2030	140,000.00	3.250%			
			6/1/2031	140,000.00	3.250%			
			6/1/2032	140,000.00	3.500%			
			6/1/2033	140,000.00	3.500%			
			6/1/2034	140,000.00	3.500%	2,105,000.00	80,000.00	2,025,000.00
						$ 2,105,000.00	$ 80,000.00	$ 2,025,000.00
					REF.	D	D-21	D

BOROUGH OF ALPHA

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

	REF.		
Balance, December 31, 2016	D	$	22,999.03
Decreased by:			
Raised in 2017 Budget	D-4	$	22,999.03

BOROUGH OF ALPHA

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2017
2011-04	Improvements to Water Infrastructure	$	85,000.00
2016-06	Improvements to Water Infrastructure		25,000.00
		$	110,000.00

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	REF.	P.A.T.F. ACCOUNT #1	FUND TOTAL
Balance, December 31, 2016	E	$ 10,493.98	$ 10,493.98
Increased by Receipts:			
Interest Earned	E-4	3.06	3.06
		$ 10,497.04	$ 10,497.04
Balance, December 31, 2017	E	$ 10,497.04	$ 10,497.04

"E-2"

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

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

	REF.	
Balance, December 31, 2017 and Balance April 30, 2018		$ 10,497.04

RECONCILIATION-APRIL 30, 2018

	P.A.T.F. ACCOUNT #1	TOTAL
Balance on Deposit per Statement:		
PNC Bank	$ 10,497.04	$ 10,497.04
Balance, April 30, 2018	$ 10,497.04	$ 10,497.04

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION AS OF DECEMBER 31, 2017

	REF.		
Balance, December 31, 2016	E-1	$	10,493.98
Increased by:			
Cash Receipts	E-4		3.06
Balance, December 31, 2017	E-1	$	10,497.04

RECONCILIATION-DECEMBER 31, 2017

		P.A.T.F. ACCOUNT #1		TOTAL
Balance on Deposit per Statement:				
PNC Bank	$	10,497.04	$	10,497.04
Balance, December 31, 2017	$	10,497.04	$	10,497.04

"E-4"

BOROUGH OF ALPHA

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	REF.	P.A.T.F. ACCOUNT #1	FUND TOTAL
Interest Earned		$ 3.06	$ 3.06
TOTAL RECEIPTS	E-1; E-3	$ 3.06	$ 3.06

PART II

BOROUGH OF ALPHA

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 548,350.00	7.07	$ 919,000.00	10.12
Miscellaneous-From Other Than Local Property Tax Levies	657,844.83	8.49	1,684,627.18	18.54
Collection of Delinquent Taxes and Tax Title Liens	122,088.55	1.57	170,080.48	1.87
Collection of Current Tax Levy	6,424,239.35	82.87	6,305,560.00	69.45
TOTAL INCOME	$ 7,752,522.73	100.00%	$ 9,079,267.66	100.00%
EXPENDITURES				
Budget Expenditures:				
Municipal Purposes	$ 2,407,037.29	33.29	$ 3,165,395.22	39.64
County Taxes	1,478,106.87	20.44	1,500,683.52	18.79
School Taxes	3,261,165.00	45.10	3,166,849.00	39.66
Municipal Open Space Taxes	84,674.53	1.17	84,978.25	1.06
Other			66,782.92	0.84
TOTAL EXPENDITURES	$ 7,230,983.69	100.00%	$ 7,984,688.91	100.00%
Excess in Revenue	$ 521,539.04		$ 1,094,578.75	
Fund Balance, January 1	1,201,556.51		1,025,977.76	
	$ 1,723,095.55		$ 2,120,556.51	
Less: Utilization as Anticipated Revenue	548,350.00		919,000.00	
Fund Balance, December 31	$ 1,174,745.55		$ 1,201,556.51	

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

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 469,749.03	27.92	$ 101,710.00	6.54
Collection of Sewer Use Charges	609,209.43	36.21	612,270.50	39.37
Collection of Water Use Charges	472,116.71	28.05	543,351.58	34.95
Miscellaneous-From Other Than Use	131,463.58	7.81	297,702.13	19.15
TOTAL INCOME	$ 1,682,538.75	100.00%	$ 1,555,034.21	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	$ 711,900.00	48.46	$ 746,160.00	75.62
Capital Improvements	567,000.00	38.59	65,000.00	6.59
Debt Service	158,922.22	10.82	168,611.97	17.09
Deferred Charges and Statutory Expenditures	29,849.03	2.03	6,950.00	0.70
Surplus (General Budget)				
Other	1,458.02	0.10		
TOTAL EXPENDITURES	$ 1,469,129.27	100.00%	$ 986,721.97	100.00%
Excess in Revenue	$ 213,409.48		$ 568,312.24	
Fund Balance, January 1	758,652.93		292,050.69	
	$ 972,062.41		$ 860,362.93	
Decreased by:				
Utilization as Anticipated Revenue	469,749.03		101,710.00	
Fund Balance, December 31	$ 502,313.38		$ 758,652.93	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2017	2016	2015
Tax Rate	$3.190	$3.103	$3.036
Appointment of Tax Rate:			
Municipal	$0.822	$0.824	$0.828
Municipal Library	$0.034	$0.033	$0.031
Municipal Open Space	0.040	0.040	0.040
County	0.674	0.669	0.640
County Open Space	0.041	0.040	0.036
Local District School	1.579	1.497	1.461

Assessed Valuation:

2017	$ 206,662,541.00		
2016		$ 211,616,777.00	
2015			$ 212,445,623.00

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.

		C U R R E N T L Y	
YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2017	$6,604,287.98	$6,424,239.36	97.26%
2016	6,568,372.15	6,305,560.00	95.99%
2015	6,460,360.28	6,281,237.76	97.22%

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:

YEAR	AMOUNT OF DELINQUENT TAXES	AMOUNT OF TAX TITLE LIENS	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2017	$140,230.66	$123,502.01	$263,732.67	3.99%
2016	119,636.70	110,671.83	230,308.53	3.51%
2015	158,266.68	99,867.96	258,134.64	4.00%

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:

YEAR	AMOUNT
2017	$9,592.50
2016	9,592.50
2015	9,592.50

COMPARISON OF WATER/SEWER UTILITY LEVIES

YEAR	LEVY	CASH COLLECTIONS*
2017	$ 1,072,977.08	$ 1,037,160.21
2016	1,115,733.14	1,071,567.21
2015	1,040,836.77	1,003,228.01

*Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	YEAR	BALANCE DECEMBER 31	UTILIZED IN BUDGET OF SUCCEEDING YEAR
Current Fund	2017	$ 1,174,745.55	$ 510,000.00
	2016	1,201,556.51	548,350.00
	2015	1,025,977.76	919,000.00
	2014	1,317,789.64	438,000.00
	2013	1,359,994.29	334,886.00
Water/Sewer Utility Operating Fund	2017	$ 502,313.38	$ 308,506.00
	2016	758,652.93	469,749.03
	2015	292,050.69	101,710.00
	2014	152,433.74	148,000.00
	2013	255,160.66	227,640.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	AMOUNT OF BOND	NAME OF SURETY
Craig S. Dunwell	Mayor		
Louis J. Cartabona	Councilperson		
Tracy Grossman	Councilperson		
Michael Schwar	Councilperson		
Alan Singleton	Councilperson		
Peter Pettinelli	Councilperson		
Thomas Seiss	Councilperson		
Donna Messina	Municipal Clerk, Licensing Official, Registrar, Search Officer		
Charles Daniel	Chief Financial Officer, Treasurer (until April 2017)	$1,000,000.00	
Lorraine Rossetti	Chief Financial Officer, Treasurer (from April 2017 on)	$1,000,000.00	
Carrie Emery	Tax Collector, Tax Search Officer Utility Collector	$1,000,000.00	
Kathy Degan	Tax Assessor		
Kevin Duddy	Construction Code Official		
James Swick	Magistrate	$1,000,000.00	
Laurie Kaulius	Court Administrator	$1,000,000.00	
Kristi Anthes	Deputy Court Administrator		
John Caleca	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.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is $17,500.00 or up to $40,000.00 if the entity has a Qualified Purchasing Agent. The Borough does not have a Qualified Purchasing Agent.

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:

Swimming Pool Reconstruction
Sewer System Improvement Projects

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 2016 for the following professional services:

Borough Auditor
Borough Engineer
Borough Attorney

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The governing body on January 1, 2017 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 rare 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% 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, 2017, there will be a ten (10) day grace period of quarterly tax payments made by cash, check, or money order.

3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 19, 2017 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:

YEAR	NUMBER OF LIENS
2017	5
2016	4
2015	6

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

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

TYPE	NUMBER
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.

RECOMMENDATIONS

NONE