

TOWN OF PHILLIPSBURG

COUNTY OF WARREN

REPORT OF AUDIT

2009

*NISIVOCCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
REPORT OF AUDIT
2009

TOWN OF PHILLIPSBURG
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009

<u>Part I – Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-2
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenue	A-2
Statement of Expenditures	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet	B
Statement of Fund Balance - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
Statement of Fund Balance	C-1
<u>Water Utility Fund (Not Applicable)</u>	D
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet	E
Comparative Statement of Operations and Change in Fund Balance – Sewer Utility Operating Fund	E-1
Statement of Fund Balance - Sewer Utility Capital Fund	E-1a
Statement of Revenue - Sewer Utility Operating Fund	E-2
Statement of Expenditures - Sewer Utility Operating Fund	E-3
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet	F
	<u>Page</u>
<u>Notes to Financial Statements</u>	1-19
	<u>Schedule</u>
<u>Supplementary Data</u>	
Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash - Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Clerk	A-5a
Schedule of Cash - Federal and State Grant Fund (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens Receivable	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Federal and State Grants Receivable - Federal and State Grant Fund	A-10
Schedule of 2008 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14

TOWN OF PHILLIPSBURG
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

<u>Part I – Financial Statements and Supplementary Data (Continued)</u>	<u>Schedule</u>
<u>Supplementary Data (Continued)</u>	
<u>Trust Funds</u>	
Schedule of Cash	B-4
Analysis of Assessment Trust Fund Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of NJ Wastewater Treatment Loans Payable	C-9
Schedule of Green Acres Loan Payable	C-9a
Schedule of Bonds and Notes Authorized but not Issued	C-10
<u>Water Utility Fund (Not Applicable)</u>	D
<u>Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	E-4
Analysis of Sewer Utility Capital Cash - Sewer Utility Capital Fund	E-5
Schedule of Cash - Sewer Collector - Sewer Utility Operating Fund	E-6
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-7
Schedule of Sewer Liens Receivable - Sewer Utility Operating Fund	E-8
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-9
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-10
Schedule of 2008 Appropriation Reserves - Sewer Utility Operating Fund	E-11
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-12
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-13
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-14
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-15
Schedule of NJ Wastewater Treatment Loans Payable - Sewer Utility Capital Fund	E-16
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund (Not Applicable)	E-17
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-18
 <u>Part II – Single Audit</u>	
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2-4
Notes to Schedules of Expenditures of Federal and State Awards	5-6
Independent Auditors' 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	7-8
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04	9-10
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	12

TOWN OF PHILLIPSBURG
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Page</u>
<u>Part III</u> – Comments and Recommendations	
Comments and Recommendations	13-18
Summary of Recommendations	19

TOWN OF PHILLIPSBURG
PART I
FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2009



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 Mount Arlington, NJ 07856
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Independent Auditors' Report

The Honorable Mayor and Members
 of the Town Council
 Town of Phillipsburg
 Phillipsburg, New Jersey

We have audited the financial statements of the various funds of the Town of Phillipsburg in the County of Warren (the "Town") as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the Town prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town as of December 31, 2009 and 2008, and the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Town at December 31, 2009 and 2008, and the results of operations and changes in fund balances, where applicable, of such funds thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

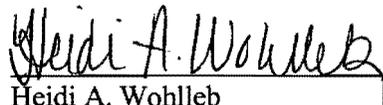
The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2010, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
May 28, 2010

NISIVOCCIA & COMPANY LLP


Heidi A. Wohlleb
Registered Municipal Accountant No. 481
Certified Public Accountant

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 1,460,960.96	\$ 3,738,749.91
Cash - Collector	A-5	2,240,760.64	39,809.28
Cash - Clerk	A-5a	6,719.79	5,597.67
Change Funds		1,050.00	1,050.00
		<u>3,709,491.39</u>	<u>3,785,206.86</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,005,263.08	930,924.36
Tax Title Liens Receivable	A-8	67,818.98	19,654.33
Property Acquired for Taxes at Assessed Valuation		1,153,000.00	1,192,300.00
Municipal Lien Charges Receivable		5,485.35	4,725.00
Municipal Charges Receivable		12,780.63	31,038.98
Revenue Accounts Receivable	A-9	18,354.05	25,568.61
Due from:			
Other Trust Funds	B	530.44	885.21
General Capital Fund	C	1,021.90	1,929.36
Claims Account		211.58	16.64
Payroll Accounts		95.49	8.13
Total Receivables and Other Assets With Full Reserves	A	<u>2,264,561.50</u>	<u>2,207,050.62</u>
Deferred Charges:			
Special Emergency Authorization		<u>270,000.00</u>	<u>360,000.00</u>
Total Regular Fund		<u>6,244,052.89</u>	<u>6,352,257.48</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	1,825,179.92	1,834,413.17
Due from Current Fund	A	522,781.77	232,570.86
		<u>2,347,961.69</u>	<u>2,066,984.03</u>
<u>TOTAL ASSETS</u>		<u>\$ 8,592,014.58</u>	<u>\$ 8,419,241.51</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 743,919.49	\$ 844,968.54
Encumbered	A-3;A-11	192,316.58	240,681.21
Total Appropriation Reserves		<u>936,236.07</u>	<u>1,085,649.75</u>
Other Encumbrances Payable		45,465.00	290,712.00
Accounts Payable		210.45	
Prepaid Taxes		116,335.83	90,395.09
Tax Overpayments		1,062.24	6,155.95
County Taxes Payable		19,810.00	16,946.82
Local School Taxes Payable	A-12	486,912.00	525,550.00
Due to:			
Federal and State Grant Fund	A	522,781.77	232,570.86
Animal Control Fund	B		6.50
Sewer Utility Operating Fund	E		367.65
State of New Jersey:			
Senior Citizen and Veteran Deductions		51,882.06	49,137.31
Marriage License Fees		500.00	550.00
Burial Permit Fees		10.00	70.00
Reserve for:			
Library		191,930.48	159,414.68
Sale of Municipal Assets		138.90	5,138.90
Garden State Trust		1,068.62	1,269.58
Tax Sale Premiums		244,500.00	319,100.00
2005 Federal Emergency Management Agency			
Flooding Reimbursement		8,937.54	117,826.50
Redemption of Outside Liens		3,947.93	3,773.81
Revaluation		45,394.52	45,394.52
		<u>2,677,123.41</u>	<u>2,950,029.92</u>
Reserve for Receivables and Other Assets	A	2,264,561.50	2,207,050.62
Fund Balance	A-1	1,302,367.98	1,195,176.94
Total Regular Fund		<u>6,244,052.89</u>	<u>6,352,257.48</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	1,490,241.57	1,922,758.90
Unappropriated Reserves	A-14	34,003.21	23,869.52
Reserve for Encumbrances	A-13	823,716.91	120,355.61
Total Federal and State Grant Fund		<u>2,347,961.69</u>	<u>2,066,984.03</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 8,592,014.58</u>	<u>\$ 8,419,241.51</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 750,000.00	\$ 1,200,000.00
Miscellaneous Revenue Anticipated		6,196,461.64	5,656,304.08
Receipts from:			
Delinquent Taxes		918,869.56	729,150.25
Current Taxes		21,998,768.89	21,372,554.50
Nonbudget Revenue		281,708.39	289,648.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		456,362.13	509,794.62
Cancellation of Federal and State Grant Fund Appropriated Reserves		247,647.27	
Cancellation of Tax Overpayments			38.36
Cancellation of Tax Sale Premiums			3,150.00
Interfunds and Other Receivables Returned		2,839.34	9,041.69
Total Income		<u>30,852,657.22</u>	<u>29,769,681.56</u>
<u>Expenditures</u>			
Budget Appropriations		16,415,353.64	16,017,867.01
County Taxes		6,124,751.55	5,922,892.55
County Share of Added and Omitted Taxes		19,810.00	16,946.82
Local School District Taxes		7,157,839.00	7,123,585.00
Refund of Prior Year Taxes		7,847.19	
Prior Year Senior Citizens' Deductions Disallowed		2,233.55	1,556.17
Cancellation of Federal and State Grant Fund Receivables		265,771.84	
Interfunds and Other Receivables Advanced		1,859.41	2,839.34
Total Expenditures		<u>29,995,466.18</u>	<u>29,085,686.89</u>
Excess in Revenue		857,191.04	683,994.67
<u>Fund Balance</u>			
Balance January 1		1,195,176.94	1,711,182.27
		<u>2,052,367.98</u>	<u>2,395,176.94</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>750,000.00</u>	<u>1,200,000.00</u>
Balance December 31	A	<u>\$ 1,302,367.98</u>	<u>\$ 1,195,176.94</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 750,000.00		\$ 750,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	33,000.00		32,945.00	\$ 55.00 *
Other	15,150.00		13,871.00	1,279.00 *
Fees and Permits	66,540.00		81,122.93	14,582.93
Fines and Costs:				
Municipal Court	290,000.00		304,039.87	14,039.87
Interest and Costs on Taxes	140,000.00		204,823.12	64,823.12
Interest on Investments and Deposits	90,000.00		65,740.05	24,259.95 *
Payment in Lieu of Taxes - Federal Housing Project	85,000.00		95,833.27	10,833.27
Payment in Lieu of Taxes - Sewage Treatment	78,000.00		88,500.01	10,500.01
Consolidated Municipal Property Tax Relief Aid	1,244,110.00		1,244,110.00	
Energy Receipts Tax	1,141,853.00		1,141,853.00	
Payment in Lieu of Taxes - Garden State Trust	1,269.58		1,269.58	
Uniform Construction Code Fees	207,000.00		193,648.60	13,351.40 *
N.J. Transportation Trust Fund Authority Act	197,308.00		197,308.00	
N.J. Transportation Trust Fund Authority Act - Morris Street		\$ 170,000.00	170,000.00	
Recycling Tonnage Grant	15,577.81		15,577.81	
Drunk Driving Enforcement Fund	4,701.13	7,304.41	12,005.54	
Clean Communities Program	21,192.37	5,845.16	27,037.53	
Municipal Alliance on Alcoholism and Drug Abuse - State	11,760.00	208.00	11,968.00	
N.J. Youth Corps - 2008 - ALWY9N		49,703.00	49,703.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Continued):				
N.J. Youth Corps - 2008 - SLWY9N	\$ 60,874.00		\$ 60,874.00	
N.J. Youth Corps - 2009 - ALWY10N		\$ 642,334.00	642,334.00	
Emergency Management Grant	5,000.00		5,000.00	
Body Armor Replacement Grant	3,590.58		3,590.58	
Municipal Alliance on Alcoholism and Drug Abuse:				
Board of Education Match	2,500.00		2,500.00	
Urban Enterprise Projects:				
Kays Electric Project	52,500.00		52,500.00	
Tenant Incentive Project - Phase III	75,000.00		75,000.00	
Golf Academy	50,000.00		50,000.00	
SFY 2010 Administrative Budget		75,000.00	75,000.00	
Marketing Program Phase VII		86,750.00	86,750.00	
Morris Canal Arch Architecture		35,900.00	35,900.00	
NY Susquehanna & Western Train Maintenance Project		50,000.00	50,000.00	
LaBella Via Expansion		25,000.00	25,000.00	
Delaware River Joint Bridge Commission:				
Compact Authorized Investments	429,422.00		429,422.00	
State of NJ Highlands Council:				
2009 Plan Conformance Grant	50,000.00		50,000.00	
2009 Initial Assessment Grant	15,000.00		15,000.00	
Donations - Atlantic States Cast Iron Pipe Co.:				
Energy Improvement District (EID)		50,000.00	50,000.00	
McWane Foundation Donations - Walters Park Improvement Project		75,000.00	75,000.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Continued):				
NJ Department of Law and Public Safety:				
Over the Limit Under Arrest:				
2009 Impaired Driving Crackdown Grant		\$ 6,000.00	\$ 6,000.00	
2010 Mobilization		5,000.00	5,000.00	
U.S. Department of Justice:				
Edward Byrne Memorial Justice Assistance Grant		32,796.00	32,796.00	
Interlocal Service Agreement - Borough of Alpha:				
Sewer Allocation		100,000.00	100,000.00	
Utility Operating Surplus of Prior Year	\$ 300,000.00		300,000.00	
Reserve for Sale of Municipal Assets	5,000.00		5,000.00	
Pool Receipts and Passes	17,000.00		12,438.75	\$ 4,561.25 *
Total Miscellaneous Revenue	<u>4,708,348.47</u>	<u>1,416,840.57</u>	<u>6,196,461.64</u>	<u>71,272.60</u>
Receipts from Delinquent Taxes	<u>835,000.00</u>		<u>918,869.56</u>	<u>83,869.56</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>9,688,882.08</u>		<u>9,676,659.49</u>	<u>(12,222.59)</u>
Budget Totals	15,982,230.55	1,416,840.57	17,541,990.69	142,919.57
Nonbudget Revenue			<u>281,708.39</u>	<u>281,708.39</u>
	<u>\$ 15,982,230.55</u>	<u>\$ 1,416,840.57</u>	<u>\$ 17,823,699.08</u>	<u>\$ 424,627.96</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

Allocation of Current Tax Collections

Collections		\$ 21,998,768.89
Allocated to:		
County Taxes	\$ 6,124,751.55	
Due to County for Added and Omitted Taxes	19,810.00	
School Taxes	<u>7,157,839.00</u>	
		<u>13,302,400.55</u>
		8,696,368.34
Add: Appropriation "Reserve for Uncollected Taxes"		<u>980,291.15</u>
Realized for Support of Municipal Budget		<u>\$ 9,676,659.49</u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections		\$ 911,530.40
Tax Title Liens Redeemed		<u>7,339.16</u>
		<u>\$ 918,869.56</u>
<u>Interest on Investments and Deposits:</u>		
Cash Received - Treasurer		\$ 50,961.86
Cash Received - Collector		12,870.51
Cash Received - Clerk		48.27
Due from Other Trust Funds		530.44
Due from General Capital Fund		1,021.90
Due from Payroll Accounts		95.49
Due from Claims Account		<u>211.58</u>
		<u>\$ 65,740.05</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
 (Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Cable TV Franchise Fee	\$ 43,578.00	
Other Miscellaneous Receipts	44,741.30	
Recycling Revenue	256.00	
Tax Lien Discharge Fees	400.00	
Library Fees	1,507.00	
Administrative Fee - Senior Citizens and Veterans Deductions	4,234.32	
Returned Check Fees	180.00	
Restitution	745.00	
Police Outside Services - Administrative Fees	8,299.81	
Workers' Compensation and Other Insurance Refunds	35,322.52	
Pavilion Rental Fees	1,115.00	
Public Works Billings Reimbursements	2,423.92	
Gasoline Billings Reimbursements	36,772.32	
Parking Authority Receipts	13,830.84	
Rent & Utilities - Board of Education	<u>37,766.36</u>	
		\$ 231,172.39

Clerk - Other Miscellaneous 190.50

Collector:

Municipal Charges Receivable Collections	43,756.90	
Municipal Charges Liens Redemption	4,725.00	
Other Miscellaneous	<u>1,863.60</u>	
		<u>50,345.50</u>
		<u>\$ 281,708.39</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 34,063.00	\$ 34,063.00	\$ 33,711.44	\$ 351.56	
Other Expenses	46,800.00	46,800.00	29,721.85	17,078.15	
Human Resources:					
Other Expenses	10,000.00	7,500.00	3,487.80	4,012.20	
Mayor and Council:					
Salaries and Wages	50,078.00	50,078.00	49,846.28	231.72	
Other Expenses	9,850.00	9,850.00	5,358.51	4,491.49	
Municipal Clerk:					
Salaries and Wages	130,791.00	130,791.00	126,795.39	3,995.61	
Other Expenses	31,975.00	31,975.00	15,491.13	16,483.87	
Financial Administration:					
Salaries and Wages	61,788.00	61,788.00	57,413.69	4,374.31	
Other Expenses	16,245.00	16,245.00	6,762.95	9,482.05	
Audit Services	38,400.00	38,400.00	37,286.67	1,113.33	
Revenue Administration:					
Salaries and Wages	102,798.00	102,798.00	98,691.32	4,106.68	
Other Expenses	13,683.00	13,683.00	8,276.63	5,406.37	
Tax Assessment Administration:					
Salaries and Wages	73,793.00	69,793.00	68,069.31	1,723.69	
Other Expenses	15,315.00	15,315.00	14,263.05	1,051.95	
Legal Services:					
Other Expenses	164,500.00	158,000.00	72,958.06	85,041.94	
Engineering Services:					
Other Expenses	60,000.00	60,000.00	54,268.25	5,731.75	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
LAND USE ADMINISTRATION:					
Planning Board:					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 420.00	\$ 1,580.00	
Zoning Board:					
Other Expenses	3,000.00				
PUBLIC SAFETY FUNCTIONS:					
Police Department:					
Salaries and Wages	3,380,856.00	3,436,356.00	3,389,730.53	46,625.47	
Other Expenses	112,561.00	114,261.00	112,546.60	1,714.40	
Safe and Clean Program - Salaries and Wages	177,314.00	177,314.00	177,314.00		
Supplemental Safe Neighborhood Program:					
Salaries and Wages	53,657.00	53,657.00	53,657.00		
Emergency Management Services:					
Salaries and Wages	6,000.00	6,000.00	5,999.72	0.28	
Other Expenses	2,000.00	2,000.00	820.02	1,179.98	
Aid to Volunteer Fire Company	18,000.00	18,000.00	18,000.00		
Aid to First Aid Organization	5,000.00	5,000.00	5,000.00		
Fire Department:					
Salaries and Wages	7,500.00	7,500.00	7,500.00		
Other Expenses	68,502.00	68,502.00	64,908.35	3,593.65	
Supplemental Fire Services Program	8,461.00	8,461.00		8,461.00	
Municipal Prosecutor:					
Salaries and Wages	30,500.00	30,500.00	30,500.00		
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	414,682.00	420,182.00	409,872.34	10,309.66	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PUBLIC WORKS FUNCTIONS (Continued):					
Streets and Roads Maintenance (Continued):					
Other Expenses	\$ 143,000.00	\$ 143,000.00	\$ 138,221.17	\$ 4,778.83	
Other Public Works Functions:					
Salaries and Wages	27,385.00	27,385.00	26,664.30	720.70	
Other Expenses	13,190.00	13,190.00	3,887.00	9,303.00	
PEOSHA	9,500.00	9,500.00	2,078.34	7,421.66	
Solid Waste Collections:					
Salaries and Wages	536,760.00	519,260.00	494,837.86	24,422.14	
Other Expenses	12,400.00	12,400.00	7,654.64	4,745.36	
Buildings and Grounds:					
Salaries and Wages	279,442.00	279,442.00	269,242.52	10,199.48	
Other Expenses	96,920.00	96,920.00	91,638.87	5,281.13	
Vehicle Maintenance:					
Salaries and Wages	65,579.00	65,579.00	59,235.72	6,343.28	
Other Expenses	121,300.00	146,300.00	124,235.95	22,064.05	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Animal Control:					
Salaries and Wages	4,625.00	4,625.00	4,576.88	48.12	
Other Expenses	6,400.00	4,700.00	1,701.42	2,998.58	
Contributions to Social Services:					
Other Expenses	47,000.00	47,000.00	42,590.50	4,409.50	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries and Wages	111,150.00	109,350.00	107,322.78	2,027.22	
Other Expenses	42,465.00	42,465.00	29,007.04	13,457.96	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PARKS AND RECREATION FUNCTIONS (Continued):					
Municipal Swimming Pool:					
Salaries and Wages	\$ 36,750.00	\$ 34,550.00	\$ 34,491.48	\$ 58.52	
Other Expenses	31,250.00	23,750.00	22,587.69	1,162.31	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	198,000.00	198,000.00	163,247.00	34,753.00	
Street Lighting	216,000.00	216,000.00	178,000.85	37,999.15	
Telephone:					
Other Expenses	65,000.00	65,000.00	62,214.54	2,785.46	
Water	125,000.00	131,500.00	100,903.46	30,596.54	
Gas (Natural or Propane)	72,000.00	91,000.00	80,957.50	10,042.50	
Gasoline	194,000.00	186,500.00	155,106.98	31,393.02	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Waste Disposal:					
Other Expenses	594,670.00	539,170.00	485,385.80	53,784.20	
Municipal Court:					
Salaries and Wages	235,696.00	242,196.00	242,089.57	106.43	
Other Expenses	20,395.00	20,395.00	18,455.72	1,939.28	
Public Defender (P.L. 1997, C.256):					
Salaries and Wages	7,500.00	7,500.00	7,499.96	0.04	
INSURANCE:					
Liability Insurance	264,544.00	264,544.00	256,521.06	8,022.94	
Workers Compensation Insurance	220,516.00	220,516.00	212,380.64	8,135.36	
Employee Group Insurance	1,505,942.00	1,505,942.00	1,391,713.62	114,228.38	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UNIFORM CONSTRUCTION CODE:					
Code Enforcement:					
Salaries and Wages	\$ 296,656.00	\$ 290,656.00	\$ 284,078.09	\$ 6,577.91	
Other Expenses	22,175.00	22,175.00	14,528.51	7,646.49	
Total Operations Within "CAPS"	10,773,322.00	10,777,322.00	10,071,728.35	705,593.65	
Detail:					
Salaries and Wages	6,125,363.00	6,161,363.00	6,039,140.18	122,222.82	
Other Expenses	4,647,959.00	4,615,959.00	4,032,588.17	583,370.83	
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	267,803.00	267,803.00	267,803.00		
Social Security System (O.A.S.I.)	266,300.00	259,800.00	248,266.37	11,533.63	
Consolidated Police and Firemen's Pension Fund	7,869.71	7,869.71	7,869.71		
Police and Firemen's Retirement System of NJ	624,711.00	624,711.00	624,711.00		
Unemployment Compensation Insurance	16,000.00	18,500.00	16,071.33	2,428.67	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,182,683.71	1,178,683.71	1,164,721.41	13,962.30	
Total General Appropriations for Municipal Purposes Within "CAPS"	11,956,005.71	11,956,005.71	11,236,449.76	719,555.95	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	\$ 528,991.00	\$ 528,991.00	\$ 513,158.46	\$ 15,832.54	
Recycling Tax (P.L.2007, C.311)	26,000.00	26,000.00	17,469.00	8,531.00	
Interlocal Service Agreement - Borough of Alpha:					
Sewer Allocation (N.J.S.A. 40A:4-87 + \$100,000.00)		100,000.00	100,000.00		
Public and Private Program Offset by Revenue:					
Reserve for Recycling Tonnage Grant	15,577.81	15,577.81	15,577.81		
Clean Communities Program					
(N.J.S.A. 40A:4-87 + \$5,845.16)	21,192.37	27,037.53	27,037.53		
Municipal Alliance on Alcoholism and Drug Abuse:					
State (N.J.S.A.40A:4-87 + \$208.00)	11,760.00	11,968.00	11,968.00		
Local	2,940.00	2,940.00	2,940.00		
Board of Education	2,500.00	2,500.00	2,500.00		
N.J. Youth Corps - 2008 - ALWY9N					
(N.J.S.A. 40A:4-87 + \$49,703.00)		49,703.00	49,703.00		
N.J. Youth Corps - 2008 - SLWY9N	60,874.00	60,874.00	60,874.00		
N.J. Youth Corps - 2009 - ALWY10N					
(N.J.S.A. 40A:4-87 + \$642,334.00)		642,334.00	642,334.00		
Emergency Management Grant	5,000.00	5,000.00	5,000.00		
Body Armor Replacement Grant	3,590.58	3,590.58	3,590.58		
Urban Enterprise Zone Projects:					
Kays Electric Project	52,500.00	52,500.00	52,500.00		
Tenant Incentive Project - Phase III	75,000.00	75,000.00	75,000.00		
Golf Academy	50,000.00	50,000.00	50,000.00		
SFY 2010 Administrative Budget					
(N.J.S.A.40A:4-87 + \$75,000.00)		75,000.00	75,000.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Public and Private Program Offset by Revenue (Continued):					
Urban Enterprise Zone Projects:					
Marketing Program Phase VII (N.J.S.A.40A:4-87 + \$86,750.00)		\$ 86,750.00	\$ 86,750.00		
Morris Canal Arch Architecture (N.J.S.A.40A:4-87 + \$35,900.00)		35,900.00	35,900.00		
NY Susquehanna & Western Train Maintenance Project (N.J.S.A. 40A:4-87 + \$50,000.00)		50,000.00	50,000.00		
LaBella Via Expansion (N.J.S.A. 40A:4-87 + \$25,000.00)		25,000.00	25,000.00		
Delaware River Joint Bridge Commission:					
Compact Authorized Investments	\$ 429,422.00	429,422.00	429,422.00		
State of NJ Highlands Council:					
2009 Plan Conformance Grant	50,000.00	50,000.00	50,000.00		
2009 Initial Assessment Grant	15,000.00	15,000.00	15,000.00		
Donations - Atlantic States Cast Iron Pipe Co.:					
Energy Improvement District (EID) (N.J.S.A. 40A:4-87 + \$50,000.00)		50,000.00	50,000.00		
McWane Foundation Donations - Walters Park Improvement Project (N.J.S.A. 40A:4-87 + \$75,000.00)		75,000.00	75,000.00		
NJ Department of Law and Public Safety:					
Over the Limit Under Arrest - 2009 Impaired Driving Crackdown Grant (N.J.S.A. 40A:4-87 + \$6,000.00)		6,000.00	6,000.00		
Over the Limit Under Arrest - 2010 Mobilization (N.J.S.A. 40A:4-87 + \$5,000.00)		5,000.00	5,000.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued):					
Public and Private Program Offset by Revenue (Continued):					
U.S. Department of Justice:					
Edward Byrne Memorial Justice Assistance Grant (N.J.S.A. 40A:4-87 + \$32,796.00)		\$ 32,796.00	\$ 32,796.00		
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87 + \$7,304.41)	\$ 4,701.13	12,005.54	12,005.54		
Total Operations Excluded from "CAPS"	1,355,048.89	2,601,889.46	2,577,525.92	\$ 24,363.54	
Detail:					
Other Expenses	1,355,048.89	2,601,889.46	2,577,525.92	24,363.54	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	26,231.00	26,231.00	26,231.00		
New Jersey Transportation Trust Fund Authority Act - Morris Street (N.J.S.A. 40A:4-87 + \$170,000.00)		170,000.00	170,000.00		
New Jersey Transportation Trust Fund Authority Act	197,308.00	197,308.00	197,308.00		
Total Capital Improvements Excluded from "CAPS"	223,539.00	393,539.00	393,539.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	505,000.00	505,000.00	505,000.00		
Payment of Bond Anticipation Notes	399,800.00	399,800.00	399,800.00		
Interest on Bonds	148,864.00	148,864.00	148,667.59		\$ 196.41
Interest on Notes	115,700.00	115,700.00	114,549.50		1,150.50

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	\$ 15,545.80	\$ 15,545.80	\$ 15,545.80		
State of NJ Wastewater Treatment Loans:					
Loan Repayments for Principal and Interest	157,436.00	157,436.00	155,356.58		\$ 2,079.42
Total Municipal Debt Service Excluded from "CAPS"	1,342,345.80	1,342,345.80	1,338,919.47		3,426.33
Deferred Charges:					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	90,000.00	90,000.00	90,000.00		
Deferred Charges to Future Taxation - Unfunded Ordinance #06-32	35,000.00	35,000.00	35,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	125,000.00	125,000.00	125,000.00		
Total General Appropriations Excluded from "CAPS"	3,045,933.69	4,462,774.26	4,434,984.39	\$ 24,363.54	3,426.33
Subtotal General Appropriations	15,001,939.40	16,418,779.97	15,671,434.15	743,919.49	3,426.33
Reserve for Uncollected Taxes	980,291.15	980,291.15	980,291.15		
Total General Appropriations	\$ 15,982,230.55	\$ 17,399,071.12	\$ 16,651,725.30	\$ 743,919.49	\$ 3,426.33

Ref.

A

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

		Analysis of	
<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Adopted Budget	\$ 15,982,230.55		
Added by:			
N.J.S.A. 40A:4-87	1,416,840.57		
	\$ 17,399,071.12		
Cash Disbursed		\$ 13,013,311.30	
Reserve for Uncollected Taxes		980,291.15	
Encumbrances	A	192,316.58	
Deferred Charges - Special Emergency Authorization		90,000.00	
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants		2,411,266.46	
Local Matching Funds		2,940.00	
		16,690,125.49	
Less: Appropriation Refunds		38,400.19	
		\$ 16,651,725.30	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
TRUST FUNDS

TOWN OF PHILLIPSBURG
TRUST FUNDS
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 8,341.33	\$ 7,005.73
Due from State of NJ - Dog License Fees		1.20	1.20
Due from Current Fund	A		6.50
		<u>8,342.53</u>	<u>7,013.43</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,214,695.48	1,184,498.95
Community Development Revolving Loan Program Receivable		910,381.37	888,608.57
		<u>2,125,076.85</u>	<u>2,073,107.52</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,133,419.38</u>	<u>\$ 2,080,120.95</u>

TOWN OF PHILLIPSBURG
TRUST FUNDS
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	\$ 8,342.53	\$ 7,013.43
		<u>8,342.53</u>	<u>7,013.43</u>
Other Trust Funds:			
Deferred Revenue		149,634.00	
Due to Current Fund	A	530.44	885.21
Reserve for:			
Federally Funded Housing Assistance Program (Section 8)		280,368.49	295,804.32
Planning Board/Zoning Board Escrow		450,570.94	479,588.26
Community Development Revolving Loan Program		965,542.01	958,553.84
Parking Offense Adjudication Act		5,129.34	6,874.85
Bernards Township R.C.A. Program		207,405.99	256,807.29
Accumulated Sick and Vacation		29,302.06	29,302.06
Police Outside Services		7,965.77	3,059.06
Other Deposits			15,099.51
Small Cities Block Grants		10,609.75	10,609.75
Neighborhood Preservation Grant		7,691.99	6,941.74
Public Defender Fees		10,326.07	9,581.63
		<u>2,125,076.85</u>	<u>2,073,107.52</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 2,133,419.38</u>	<u>\$ 2,080,120.95</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008 Restated
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,003,106.42	\$ 1,197,372.10
Prospective Assessments Funded by Taxation		35,000.00	
Deferred Charges to Future Taxation:			
Funded		3,333,588.56	3,987,062.80
Unfunded	C-4	10,843,774.50	10,780,195.50
<u>TOTAL ASSETS</u>		<u>\$ 15,215,469.48</u>	<u>\$ 15,964,630.40</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 2,898,000.00	\$ 3,403,000.00
NJ Wastewater Treatment Loans Payable:			
Trust	C-9	137,629.59	220,213.95
Fund	C-9	85,995.21	140,745.93
Green Acres Loan Payable	C-9a	211,963.76	223,102.92
Bond Anticipation Notes Payable	C-7	5,142,370.00	5,005,800.00
Improvement Authorizations:			
Unfunded	C-5	6,564,206.71	6,686,807.41
Due to Current Fund	NA	1,021.90	1,929.36
Capital Improvement Fund	C-6	25,621.84	25,621.84
Reserve for:			
Encumbrances	C-5	112,859.36	256,607.88
Prospective Assessments Funded by Taxation		35,000.00	
Fund Balance	C-1	801.11	801.11
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 15,215,469.48</u>	<u>\$ 15,964,630.40</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	C	<u>\$ 801.11</u>
Balance December 31, 2009	C	<u><u>\$ 801.11</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Operating Fund:			
Cash - Treasurer	E-4	\$ 805,981.42	\$ 1,901,044.21
Cash - Collector	E-6	1,370,456.46	16,318.37
Change Fund		500.00	500.00
		<u>2,176,937.88</u>	<u>1,917,862.58</u>
Due from Current Fund	A		367.65
Due from Sewer Utility Capital Fund	E		2,223.75
		<u>2,176,937.88</u>	<u>1,920,453.98</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	231,071.88	189,014.86
Sewer Liens Receivable	E-8	5,370.36	
Total Receivables with Full Reserves	E	<u>236,442.24</u>	<u>189,014.86</u>
Total Operating Fund		<u>2,413,380.12</u>	<u>2,109,468.84</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,840,811.66	1,597,402.42
Due from Sewer Utility Operating Fund	E	13,727.38	
NJ Department of Environmental Protection:			
Clean Water State Revolving Fund			
Grant Receivable (ARRA)		2,828,440.00	
Fixed Capital	E-9	27,198,948.95	26,824,848.95
Fixed Capital Authorized and Uncompleted	E-10	6,992,400.00	1,551,250.00
Total Capital Fund		<u>38,874,327.99</u>	<u>29,973,501.37</u>
<u>TOTAL ASSETS</u>		<u>\$ 41,287,708.11</u>	<u>\$ 32,082,970.21</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-11	\$ 522,869.79	\$ 327,235.03
Encumbered	E-3;E-11	201,734.29	141,745.44
Total Appropriation Reserves		<u>724,604.08</u>	<u>468,980.47</u>
Accrued Interest on Wastewater Treatment			
Loans Payable		7,056.29	8,253.08
Due to Sewer Utility Capital Fund	E	13,727.38	
		<u>745,387.75</u>	<u>477,233.55</u>
Reserve for Receivables	E	236,442.24	189,014.86
Fund Balance	E-1	1,431,550.13	1,443,220.43
Total Operating Fund		<u>2,413,380.12</u>	<u>2,109,468.84</u>
Capital Fund:			
New Jersey Wastewater Loans Payable:			
Trust	E-16	342,718.70	568,709.18
Fund	E-16	156,752.61	281,164.70
Improvement Authorizations:			
Funded	E-12	438,497.66	436,993.59
Unfunded	E-12	1,024,772.36	
Due to Sewer Utility Operating Fund	E		2,223.75
Capital Improvement Fund	E-13	927,671.46	522,671.46
Reserve for:			
Encumbrances		4,634,555.47	50,099.19
Amortization	E-14	26,699,477.64	25,959,347.41
Deferred Amortization	E-15	4,005,590.00	1,551,250.00
Sewer Improvements		459,952.00	416,702.00
Fund Balance	E-1a	184,340.09	184,340.09
Total Capital Fund		<u>38,874,327.99</u>	<u>29,973,501.37</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 41,287,708.11</u>	<u>\$ 32,082,970.21</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 282,813.00	\$ 652,725.00
Rents		3,953,800.89	3,962,381.70
Nonbudget Revenue		62,808.87	81,937.70
Other Credits to Income:			
Appropriation Reserves Lapsed		299,390.62	253,994.47
Total Income		<u>4,598,813.38</u>	<u>4,951,038.87</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		3,180,185.00	2,605,225.00
Capital Improvements		405,000.00	269,500.00
Debt Service		397,858.02	1,337,530.24
Deferred Charges and Statutory Expenditures		44,627.66	31,000.00
Total Expenditures		<u>4,027,670.68</u>	<u>4,243,255.24</u>
Excess in Revenue		571,142.70	707,783.63
<u>Fund Balance</u>			
Balance January 1		1,443,220.43	1,638,161.80
		<u>2,014,363.13</u>	<u>2,345,945.43</u>
Decreased by:			
Utilization as Anticipated Revenue		282,813.00	652,725.00
Prior Year Fund Balance Anticipated as Current Fund Revenue		<u>300,000.00</u>	<u>250,000.00</u>
Balance December 31	E	<u>\$ 1,431,550.13</u>	<u>\$ 1,443,220.43</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	E	<u>\$ 184,340.09</u>
Balance December 31, 2009	E	<u>\$ 184,340.09</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

	Anticipated	Realized	Excess
Fund Balance Anticipated	\$ 282,813.00	\$ 282,813.00	
Rents	3,750,000.00	3,953,800.89	\$ 203,800.89
	4,032,813.00	4,236,613.89	203,800.89
Nonbudget Revenue		62,808.87	62,808.87
	\$ 4,032,813.00	\$ 4,299,422.76	\$ 266,609.76
 <u>Analysis of Rents:</u>			
Other Municipalities	\$ 2,229,330.51		
Consumer Accounts Receivable	1,724,470.38		
		\$ 3,953,800.89	
 <u>Analysis of Nonbudget Revenue</u>			
Collector:			
Interest on Investments	\$ 5,675.62		
Interest on Sewer Rents	19,897.09		
Returned Check Fees	120.00		
		\$ 25,692.71	
Treasurer:			
Interest on Investments	32,549.47		
Treatment Works Application Fees	300.00		
Returned Check Fees	140.00		
Other	2,226.41		
		35,215.88	
Due from Sewer Utility Capital Fund:			
Interest on Investments		1,900.28	
		\$ 62,808.87	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 285,289.00	\$ 285,289.00	\$ 285,278.25	\$ 10.75	
Other Expenses	2,894,896.00	2,894,896.00	2,378,629.74	516,266.26	
Capital Improvements:					
Capital Improvement Fund	405,000.00	405,000.00	405,000.00		
Debt Service:					
State of NJ Wastewater Treatment Loans:					
Loan Repayments for Principal and Interest	403,000.00	403,000.00	397,858.02		\$ 5,141.98
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Taxation - Unfunded Ord #90-10	15,628.00	15,628.00	15,627.66		0.34
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,000.00	25,000.00	21,093.82	3,906.18	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	4,000.00	4,000.00	1,313.40	2,686.60	
	<u>\$ 4,032,813.00</u>	<u>\$ 4,032,813.00</u>	<u>\$ 3,504,800.89</u>	<u>\$ 522,869.79</u>	<u>\$ 5,142.32</u>
				E	
Cash Disbursed			\$ 3,239,983.49		
Accrued Interest on Wastewater Treatment Loans			47,455.45		
Deferred Charges - Due to Sewer Utility Capital Fund			15,627.66		
Encumbrances Payable			201,734.29		
			<u>\$ 3,504,800.89</u>		

Ref.

E

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
BOND AND INTEREST FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF PHILLIPSBURG
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

	December 31,	
	2009	Restated 2008
<u>ASSETS</u>		
Land	\$ 10,596,600.00	\$ 10,569,600.00
Buildings	14,931,100.00	14,904,600.00
Equipment	7,675,234.00	7,620,386.00
<u>TOTAL ASSETS</u>	<u>\$ 33,202,934.00</u>	<u>\$ 33,094,586.00</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 33,202,934.00	\$ 33,094,586.00
<u>TOTAL RESERVES</u>	<u>\$ 33,202,934.00</u>	<u>\$ 33,094,586.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Town of Phillipsburg include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town of Phillipsburg, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Town of Phillipsburg do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") *Codification Section 2100, "Defining the Financial Reporting Entity"* establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Town of Phillipsburg 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 (the "Division"). 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 Town of Phillipsburg accounts for its financial transactions through the following separate funds:

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

Trust Funds - 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.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

General Fixed Asset Account Group - These accounts were established with estimated values of land, buildings and certain fixed assets of the Town as discussed in Note 1E.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Town of Phillipsburg conform to the accounting principles applicable to municipalities which have been prescribed by the Division, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are not recorded and are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

Had the Town's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Sewer Utility Capital Fund would be depreciated.

The cash basis of accounting is followed in the Trust Funds.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget or collecting a grant. The unfunded deferred charge may also be funded by selling bonds and by issuing loans or capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid. However, a partial reserve, the Reserve for Accrued Sick and Vacation, has been established in the amount of \$29,302.06 on the Trust Fund balance sheet at December 31, 2009.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

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.

General Fixed Assets Account Group – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Town has developed a fixed assets accounting and reporting system based on the following:

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Town's assets in 2003. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Sewer Utility Funds. The values recorded in the General Fixed Asset Account Group and the Current, General Capital and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current operating and Sewer Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Town during the year.

Note 2: Long-Term Debt

Summary of Municipal Debt

The Local Bond Law governs the issuance of bond to finance general Town capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Town are general obligation bonds. The Town's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2009	2008	2007
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 8,475,958.56	\$ 8,992,862.80	\$ 9,374,625.02
Sewer Utility:			
Loans	499,471.31	849,873.88	2,164,445.71
Net Debt Issued	<u>8,975,429.87</u>	<u>9,842,736.68</u>	<u>11,539,070.73</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	5,701,404.50	5,774,395.50	5,756,325.50
Sewer Utility:			
Bonds and Notes	2,986,810.00	15,627.66	15,627.66
Total Authorized but not Issued	<u>8,688,214.50</u>	<u>5,790,023.16</u>	<u>5,771,953.16</u>
Less:			
Redevelopment and Housing per N.J.S.A. 40A:12A-67d	4,700,000.00	4,700,000.00	4,700,000.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 12,963,644.37</u>	<u>\$ 10,932,759.84</u>	<u>\$ 12,611,023.89</u>

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 .90%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 1,390,000.00	\$ 1,390,000.00	
Sewer Utility Debt	3,486,281.31	3,486,281.31	
General Debt	14,177,363.06	4,700,000.00	\$ 9,477,363.06
	<u>\$ 19,053,644.37</u>	<u>\$ 9,576,281.31</u>	<u>\$ 9,477,363.06</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

(Continued)

Note 2: Long-Term Debt (Cont'd)

Net Debt of \$9,477,363.06 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$1,055,846,443 =.90%.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 36,954,625.51
Net Debt	<u>9,477,363.06</u>
Remaining Borrowing Power	<u><u>\$ 27,477,262.45</u></u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 4,299,422.76
Deductions:	
Operating and Maintenance Costs	\$ 3,209,185.00
Debt Service	<u>397,858.02</u>
	<u>3,607,043.02</u>
Excess in Revenue	<u><u>\$ 692,379.74</u></u>

Note: If there is a deficit in revenue, sewer utility debt is not deductible to the extent of 20 times of said deficit or total debt service, whichever is smaller (40A:2-48).

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current Year

	<u>Balance</u> 12/31/08	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> 12/31/09
Serial Bonds:				
General Capital Fund	\$ 3,403,000.00		\$ 505,000.00	\$ 2,898,000.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	223,102.92		11,139.16	211,963.76
Wastewater Treatment Loans	360,959.88		137,335.08	223,624.80
Sewer Utility Capital Fund:				
Wastewater Treatment Loans	849,873.88		350,402.57	499,471.31
Bond Anticipation Notes:				
General Capital Fund	<u>5,005,800.00</u>	<u>\$ 5,142,370.00</u>	<u>5,005,800.00</u>	<u>5,142,370.00</u>
Total	<u><u>\$ 9,842,736.68</u></u>	<u><u>\$ 5,142,370.00</u></u>	<u><u>\$ 6,009,676.81</u></u>	<u><u>\$ 8,975,429.87</u></u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Prior Year

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/08</u>
Serial Bonds:				
General Capital Fund	\$ 3,888,000.00		\$ 485,000.00	\$ 3,403,000.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	234,022.59		10,919.67	223,102.92
Wastewater Treatment Loans	480,602.43		119,642.55	360,959.88
Sewer Utility Capital Fund:				
Wastewater Treatment Loans	2,164,445.71		1,314,571.83	849,873.88
Bond Anticipation Notes:				
General Capital Fund	<u>4,772,000.00</u>	<u>\$ 5,005,800.00</u>	<u>4,772,000.00</u>	<u>5,005,800.00</u>
Total	<u>\$11,539,070.73</u>	<u>\$ 5,005,800.00</u>	<u>\$ 6,702,134.05</u>	<u>\$ 9,842,736.68</u>

Analysis of Debt Issued and Outstanding at December 31, 2009

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
General Improvement Bonds of 2001	8/15/2014	4.00%-5.00%	<u>\$ 2,898,000.00</u>

General Capital Green Acres Loan Payable

<u>Description</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Improvements to Delaware Heights Park	7/11/2025	2.00%	<u>\$ 211,963.76</u>

General Capital Wastewater Treatment Loans Payable (Trust Loans)

<u>Description</u>	<u>Final</u> <u>Maturity</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Trust Loan 1	2010	\$ 40,559.52
Trust Loan 2	2011	77,070.07
Trust Loan 3	2013	<u>20,000.00</u>
		<u>\$ 137,629.59</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2009 (Cont'd)

General Capital Wastewater Treatment Loans Payable (Fund Loans)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2009</u>
Fund Loan 1	2010	\$ 26,107.04
Fund Loan 2	2011	50,548.09
Fund Loan 3	2013	9,340.08
		<u>\$ 85,995.21</u>

Sewer Utility Capital Wastewater Treatment Loans Payable (Trust Loans)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2009</u>
Trust Loan 1	2010	\$ 172,038.49
Trust Loan 2	2011	86,138.90
Trust Loan 3	2012	44,541.31
Trust Loan 4	2013	40,000.00
		<u>\$ 342,718.70</u>

Sewer Utility Capital Wastewater Treatment Loans Payable (Fund Loans)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2009</u>
Fund Loan 1	2010	\$ 105,917.03
Fund Loan 2	2011	24,261.25
Fund Loan 3	2013	26,574.33
		<u>\$ 156,752.61</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2009 (Cont'd)

General Capital Bond Anticipation Notes Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Various Capital Improvements	09/01/10	3.75%	\$ 298,000.00
Various Capital Improvements	09/01/10	3.75%	312,000.00
Various Capital Improvements	04/27/10	2.75%	594,000.00
Various Capital Improvements	09/01/10	3.75%	1,042,400.00
Various Capital Improvements	09/01/10	3.75%	1,659,600.00
Various Capital Improvements	04/27/10	2.75%	700,000.00
Various Capital Improvements	04/27/10	2.75%	536,370.00
			<u>\$ 5,142,370.00</u>
Total Debt Issued and Outstanding			<u>\$ 8,975,429.87</u>

General Capital New Jersey Green Acres Loan

The Town entered into a \$250,000 loan agreement with the New Jersey Department of Environmental Protection in 2001 for Improvements to Delaware Heights Park. The loan funds were drawn down in 2005. Principal payments for this loan commenced on a semiannual basis beginning on July 11, 2006 and will continue until July 11, 2025 at 2% interest.

Wastewater Treatment Loans

The Town of Phillipsburg entered into three loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Wastewater Treatment Trust (the "Trust") which are recorded in the General Capital Fund. Also, the Town of Phillipsburg entered into five loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Wastewater Treatment Trust (the "Trust") which are recorded in the Sewer Utility Capital Fund.

The loan agreements were obtained to finance a portion of the cost of several wastewater treatment system projects.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2009, the Town has borrowed or "drawn down" all Loan funds necessary to complete the wastewater treatment systems projects partially funded with the Loan funds. Principal payments to the Fund for the General Capital Fund loans will continue on a semiannual basis until February 1, 2013 at zero interest. Principal payments to the Trust for the General Capital Fund loans will continue on an annual basis until February 1, 2013. Principal payments to the Fund for the Sewer Utility Capital Fund loans will continue on a semiannual basis until February 1, 2013 at zero interest. Principal payments to the Trust for the Sewer Utility Capital Fund loans will continue on an annual basis until February 1, 2013. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account for two of the three General Capital Fund loans and four of the five Sewer Utility Capital Fund loans. The Town will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. As the Town did not draw down the entire loan proceeds on certain loans, the semi-annual Trust portion of the related loans' debt service was reduced by the proceeds not drawn down and the interest earnings on the Trust portion of the loan proceeds. The Fund proceeds not drawn down by the Town have been used to reduce the principal repayments at the end of the amortization period of the related loans.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonds and Loans Issued and Outstanding

Year	General		Sewer		Total
	Principal	Interest	Principal	Interest	
2010	\$ 671,501.16	\$ 142,926.00	\$ 362,299.25	\$ 30,230.63	\$ 1,206,957.04
2011	635,612.57	115,696.63	89,774.89	10,567.85	851,651.94
2012	599,108.30	82,982.11	31,190.05	3,779.82	717,060.28
2013	624,243.83	58,144.45	16,207.12	240.00	698,835.40
2014	650,304.56	31,313.24			681,617.80
2015-2019	65,333.56	12,395.42			77,728.98
2020-2024	72,168.90	5,560.11			77,729.01
2025	15,315.68	230.12			15,545.80
	<u>\$ 3,333,588.56</u>	<u>\$ 449,248.08</u>	<u>\$ 499,471.31</u>	<u>\$ 44,818.30</u>	<u>\$ 4,327,126.25</u>

Note 3: Fund Balances Appropriated

As of the date of this report, the budget for the 2010 has not been introduced. Thus, the amount of fund balance at December 31, 2009, which will be introduced in the Current Fund and Sewer Utility Operating Fund budgets for the year ending December 31, 2010, is not known at this time.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 4: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Town of Phillipsburg has elected not to defer school taxes.

Note 5: Pension Plans

Current Town employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Town employees. As a general rule, all full-time employees are eligible to join one of these two public employees' retirement systems. Several retired Town police and firemen are enrolled in the Consolidated Police and Firemen's Pension Fund (CPFPPF) of New Jersey.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on percentages of 5.5% for PERS and 8.5% for PFRS of employees' annual compensation, as defined. There are no active members in the CPFPPF. Employers are required to contribute at an actuarially determined rate in the three Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2006-2008 are as follows:

Three-Year Trend of PERS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 267,803.00	100.00%	\$ 267,803.00
2008	260,849.00	80.00%	208,679.20
2007	191,398.00	60.00%	114,838.80

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 5: Pension Plans (Cont'd)

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PFRS for local employers for State fiscal years 2004-2007. The local employer PFRS normal and accrued liability contributions required for State fiscal years 2006-2008 are as follows:

Three-Year Trend of PFRS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 624,711.00	100.00%	\$ 624,711.00
2008	578,689.00	100.00%	578,689.00
2007	503,636.30	80.00%	402,909.04

Note 6: Accrued Sick and Vacation Benefits and Compensatory Time

The Town permits employees to accrue a limited amount of unused vacation and sick pay and compensatory time, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,487,000. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Town's budget operating expenditures in the year in which it is used. This amount is partially reserved in the Reserve for Accrued Sick and Vacation of \$29,302.06 on the Trust Fund balance sheet at December 31, 2009.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	\$ 4.10	\$ 3.99	\$ 3.74
<u>Apportionment of Tax Rate</u>			
Municipal	1.73	1.65	1.52
County	1.09	1.06	1.03
Local School	1.28	1.28	1.19
<u>Assessed Valuations</u>			
2009	<u>\$ 559,928,438.00</u>		
2008		<u>\$ 557,308,293.00</u>	
2007			<u>\$ 556,129,342.00</u>

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2009	\$ 23,048,101.04	\$ 21,998,768.89	95.44%
2008	22,322,390.72	21,372,554.50	95.74%
2007	20,845,304.27	20,095,622.64	96.40%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Town classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Town in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Town ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Town limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below and on the following page.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Town to purchase the following types 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;
- (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;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
- (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 statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2009, cash and cash equivalents of the Town of Phillipsburg consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Totals</u>
Current	\$ 1,050.00	\$ 3,708,441.39	\$ 3,709,491.39
Animal Control		8,341.33	8,341.33
Other Trust		1,214,695.48	1,214,695.48
General Capital		1,003,106.42	1,003,106.42
Sewer Utility:			
Operating	500.00	2,176,437.88	2,176,937.88
Capital		1,840,811.66	1,840,811.66
	<u>\$ 1,550.00</u>	<u>\$ 9,951,834.16</u>	<u>\$ 9,953,384.16</u>

The Town did not hold any investments during the year ended December 31, 2009. The carrying amount of the Town's cash and cash equivalents at year end was \$9,953,384.16 and the bank balance was \$9,912,810.18.

Note 9: Risk Management

The Town 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 Town obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ.

The Town of Phillipsburg is currently a member of the Statewide Insurance Fund (the "Fund"). The Fund provides its members with Auto, Liability, Property Insurance, Workers' Compensation and Employee Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 9: Risk Management (Cont'd)

As a member of this Fund, the Town could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2009 audit report was not available as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2008 is as follows:

	Statewide Insurance Fund Dec. 31, 2008
Total Assets	\$ 36,796,917
Fund Equity/Retained Earnings	\$ 4,366,131
Total Revenue	\$ 21,473,386
Total Expenditures	\$ 21,908,649
Net Loss for the Year Ended December 31, 2008	\$ (435,263)
Fund Equity Distribution to Participating Members	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Statewide Insurance Fund
Statewide Insurance Fund
26 Columbia Turnpike
P.O. Box 678
Florham Park, NJ 07932-0678
(973) 549-1900

New Jersey Unemployment Compensation Insurance

The Town has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Town is required to remit employee withholdings to the State on a quarterly basis. All of the Town's claims are paid by the State.

Note 10: Community Development Revolving Loan Program

In 1982, the Town of Phillipsburg received two Small Cities Community Development Block Grants from the New Jersey Department of Community Affairs. These grant funds were utilized to revitalize the downtown area of Phillipsburg and to create jobs for low-income people in the community. The grant funds were provided to eligible participants through low-interest loans. In 1984, the Town was granted approval from the New Jersey Department of Community Affairs to utilize loan repayments received for the provision of new loans for other projects which would provide for the creation of jobs for low-income people in the community. This program is included in the Other Trust Funds as the Community Development Revolving Loan Program.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 11: Contingencies

The Town is periodically involved in various other lawsuits arising in the normal course of business, which often include claims for property damage, personal injury, and various contract disputes. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Town's financial position as of December 31, 2009.

Amounts received or receivable from grantors, principally the federal and state governments, are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Town as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Town officials expect such amounts, if any, to be immaterial.

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the various balance sheets at December 31, 2009:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 1,552.34	\$ 522,781.77
Federal and State Grant	522,781.77	
Other Trust		530.44
General Capital		1,021.90
Sewer Utility Operating		13,727.38
Sewer Utility Capital	13,727.38	
	<u>\$ 538,061.49</u>	<u>\$ 538,061.49</u>

The interfund receivable in the Current Fund reflects December 2009 interest earnings due from the Other Trust Fund and the General Capital Fund. The interfund payable in the Current Fund represents the net of Federal and State Grant Fund expenditures paid by the Current Fund and Federal and State Grant Fund receipts collected by the Current Fund. The interfund payable in the Sewer Utility Operating Fund reflects December 2009 interest earnings due from the Sewer Utility Capital Fund; offset by deferred charges appropriated in the Sewer Utility Operating Fund's 2009 budget due to the Sewer Utility Capital Fund for the unfunded portion of a capital improvement ordinance.

Note 13: Economic Dependency

The Town receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Town's programs and activities.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 14: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2009 and 2008:

	Restated Balance Dec. 31, 2008	Additions	Deletions	Balance Dec. 31, 2009
Land	\$ 10,569,600	\$ 62,500	\$ 35,500	\$ 10,596,600
Buildings	14,904,600	67,900	41,400	14,931,100
Machinery and Equipment	7,620,386	62,312	7,464	7,675,234
	<u>\$ 33,094,586</u>	<u>\$ 192,712</u>	<u>\$ 84,364</u>	<u>\$ 33,202,934</u>

	Balance Dec. 31, 2007	Additions	Deletions	Restated Balance Dec. 31, 2008
Land	\$ 12,211,700	\$ 1,008,800	\$ 2,650,900	\$ 10,569,600
Buildings	13,854,400	1,145,200	95,000	14,904,600
Machinery and Equipment	7,428,235	216,755	24,604	7,620,386
	<u>\$ 33,494,335</u>	<u>\$ 2,370,755</u>	<u>\$ 2,770,504</u>	<u>\$ 33,094,586</u>

Note 15: Accounts Payable

Payables at December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
Current Fund:		
Vendors	\$ 210.45	\$ -0-
	<u>\$ 210.45</u>	<u>\$ -0-</u>

Note 16: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charge is shown on the balance sheet of the Current Fund:

	Balance Dec. 31, 2009	Required 2010 Budget Appropriation	Balance to Succeeding Years' Budgets
Current Fund:			
Special Emergency Authorization (N.J.S.A. 40A:4-53)	\$ 270,000.00	\$ 90,000.00	\$ 180,000.00

The appropriation in the 2010 budget will not be less than that required by statute.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 17: Prior Period Adjustments

The balance sheet for the General Capital Fund was restated to correct the amount recorded as Prospective Assessments Funded by Taxation to be the value of the actual amount funded to date and not the total amount of the related improvement authorization.

	<u>Balance 12/31/2008</u>	<u>Retroactive Adjustments</u>	<u>Balance 12/31/2008 Restated</u>
Prospective Assessments Funded by Taxation	\$ 4,700,000.00	\$ (4,700,000.00)	\$ -0-
Reserve for Prospective Assessments Funded by Taxation	4,700,000.00	(4,700,000.00)	-0-

The balance sheet for the General Fixed Assets Account Group was restated to include a property purchased by the Town in 2008 which was not recorded in the fixed assets records until 2009.

	<u>Balance 12/31/2008</u>	<u>Retroactive Adjustments</u>	<u>Balance 12/31/2008 Restated</u>
Assets:			
Land	\$10,499,600.00	\$ 70,000.00	\$ 10,569,600.00
Buildings	14,634,600.00	270,000.00	14,904,600.00
Reserves:			
Reserve for General Fixed Assets	32,744,586.00	350,000.00	33,094,586.00

TOWN OF PHILLIPSBURG

SUPPLEMENTARY DATA

TOWN OF PHILLIPSBURG
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2009

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Harry L. Wyant Jr.	Mayor		
David DeGerolamo	President; Councilman		
William Merrick	Vice President; Councilman		
Stephanie Rummerfield	Councilwoman		
James M. Shelly	Councilman		
James P. Stettner	Councilman		
Michele D. Broubalow	Municipal Clerk; Administrator		
Joseph Hriczak	Chief Financial Officer;	\$ 105,000.00	Selective Insurance Company
	Tax Collector; Sewer Collector	350,000.00	Selective Insurance Company
Lydia Schmidt	Tax Assessor		
Joel A. Kobert	Town Attorney		
Anthony J. Pannella	Bond Counsel		
Kevin Duddy	Construction Official		
John Fritts	Zoning Officer		
Stanley J. Schrek	Engineer		
Dennis Yoder	Engineer for Wastewater Treatment Plant		
Dennis Baptista	Magistrate	(1)	
Lauri Kaulius	Municipal Court Administrator	(1)	
Christopher M. Troxell	Prosecutor		

(1) - Court personnel are covered by a separate blanket bond in the amount of \$60,000.00.

In addition to the surety bonds listed, there is a Faithful Performance Bond of \$250,000.00 for employee theft and \$250,000 for forgery or alteration covering all employees who are not separately bonded.

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 3,738,749.91
Increased by Receipts:		
Tax Collector		\$ 20,916,451.12
Clerk		75,737.15
Revenue Accounts Receivable		3,431,625.43
Due to State of N.J.:		
Veterans and Senior Citizens' Deductions		211,716.00
Nonbudget Revenue		231,172.39
2009 Appropriation Refunds		38,400.19
Interest on Investments and Deposits		50,961.86
Due to Federal and State Grant Fund:		
Federal and State Grants Receivable		2,130,858.35
Unappropriated Grant Reserves		34,003.21
Due from Other Trust Funds:		
Settlement of Prior Year Interfund		885.21
Due from General Capital Fund:		
Settlement of Prior Year Interfund		1,929.36
Due from Payroll Accounts:		
Settlement of Prior Year Interfund		8.13
Due from Claims Account:		
Settlement of Prior Year Interfund		16.64
Reserve for:		
Garden State Trust		1,068.62
Library		663,410.00
		27,788,243.66
		31,526,993.57

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

Ref.

Decreased by Disbursements:

2009 Appropriation Expenditures	\$ 13,013,311.30	
2008 Appropriation Reserves	629,077.17	
Due from Federal and State Grant Fund:		
Appropriated Grant Reserves	1,777,703.73	
Prior Year Encumbrances Payable	118,011.49	
Due to Sewer Utility Operating Fund:		
Settlement of Prior Year Interfund	367.65	
Local School District Taxes	7,196,477.00	
County Taxes	6,141,698.37	
Refund of Tax Overpayments	18,155.74	
Refund of Tax Sale Premiums	186,200.00	
Reserve for:		
Revaluation:		
Prior Year Encumbrances Payable	244,920.00	
2005 Federal Emergency Management Agency		
Flooding Reimbursement	108,888.96	
Library	630,894.20	
Library - Prior Year Encumbrances Payable	327.00	

\$ 30,066,032.61

Balance December 31, 2009

A

\$ 1,460,960.96

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 39,809.28
Increased by Receipts:		
Taxes Receivable		\$ 22,602,437.30
Tax Title Liens Redemption		7,339.16
2010 Prepaid Taxes		116,335.83
Interest and Costs on Taxes		204,823.12
Tax Sale Premiums		111,600.00
Redemption of Outside Liens		509,595.27
Interest on Deposits		12,870.51
Miscellaneous Revenue Not Anticipated:		
Municipal Charges Receivable		43,756.90
Municipal Charges Liens Receivable		4,725.00
Miscellaneous		1,863.60
Tax Overpayments		11,476.94
		<u>23,626,823.63</u>
		23,666,632.91
Decreased by:		
Payments to Treasurer		20,916,451.12
Refund of Outside Liens		509,421.15
		<u>21,425,872.27</u>
Balance December 31, 2009	A	<u>\$ 2,240,760.64</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - CLERK

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 5,597.67
Increased by Receipts:		
Due to State of NJ:		
Marriage License Fees	\$ 2,325.00	
Burial Permit Fees	180.00	
Due to Animal Control Fund:		
Due to State of NJ:		
Dog License Fees	1,209.00	
Dog License Fees	4,111.00	
Dog License Late Fees	401.00	
Cat License Fees	915.50	
Cat License Late Fees	47.00	
Replacement Tags	1.00	
Alcoholic Beverages Licenses	32,945.00	
Other Licenses	13,871.00	
Fees and Permits	29,921.00	
Miscellaneous Revenue Not Anticipated	190.50	
Interest on Deposits	48.27	
	<hr/>	86,165.27
		<hr/>
		91,762.94
Decreased by:		
Payments to Treasurer - Current Fund	75,737.15	
Payment to Animal Control Fund:		
Settlement of Prior Year Interfund	6.50	
Dog and Cat Licenses and Late Fees	5,475.50	
Payments to State of NJ:		
Department of Health - Dog License Fees	1,209.00	
Payments to State of NJ:		
Marriage License Fees	2,375.00	
Burial Permit Fees	240.00	
	<hr/>	85,043.15
		<hr/>
Balance December 31, 2009	A	\$ 6,719.79

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2009 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2008		2008	2009					Dec. 31, 2009
2007	\$ 8,967.28			\$ 4,012.26					\$ 4,955.02
2008	921,957.08			907,518.14		\$ (2,233.55)	\$ 108.72	\$ 11,925.78	4,637.99
	930,924.36			911,530.40		(2,233.55)	108.72	11,925.78	9,593.01
2009		\$ 23,048,101.04	\$ 90,395.09	21,690,906.90	\$ 6,262.10	211,204.80	14,419.84	39,242.24	995,670.07
	\$ 930,924.36	\$ 23,048,101.04	\$ 90,395.09	\$ 22,602,437.30	\$ 6,262.10	\$ 208,971.25	\$ 14,528.56	\$ 51,168.02	\$1,005,263.08

Ref. A

A

Analysis of 2009 Property Tax Levy:

Tax Yield:

General Purpose Tax \$ 22,973,866.68
 Added Taxes (54:4-63.1 et seq.) 74,234.36

\$ 23,048,101.04

Tax Levy:

Local School District Taxes 7,157,839.00

County Taxes:

County Taxes \$ 5,463,710.29
 County Open Space Taxes 661,041.26
 Due County for Added and Omitted
 Taxes 19,810.00

6,144,561.55

Local Tax for Municipal Purposes 9,688,882.08

Additional Taxes Levied 56,818.41

9,745,700.49

\$ 23,048,101.04

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2008	A	\$	19,654.33
Increased by:			
Transfer from Taxes Receivable		\$	51,168.02
Transfer from Municipal Charges Receivable			800.00
Interest and Costs on Tax Sale			3,535.79
			<u>55,503.81</u>
			<u>75,158.14</u>
Decreased by:			
Tax Title Lien Redeemed			<u>7,339.16</u>
Balance December 31, 2009	A	\$	<u><u>67,818.98</u></u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accrued In</u> <u>2009</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Collected by</u> <u>Clerk</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Alcoholic Beverages Licenses		\$ 32,945.00		\$ 32,945.00	
Other Licenses		13,871.00		13,871.00	
Fees and Permits		81,122.93	\$ 51,201.93	29,921.00	
Municipal Court:					
Fines and Costs	\$ 25,568.61	296,825.31	304,039.87		\$ 18,354.05
Payment in Lieu of Taxes - Federal Housing Project		95,833.27	95,833.27		
Payment in Lieu of Taxes - Sewage Treatment		88,500.01	88,500.01		
Consolidated Municipal Property Tax Relief Aid		1,244,110.00	1,244,110.00		
Energy Receipts Taxes		1,141,853.00	1,141,853.00		
Uniform Construction Code Fees		193,648.60	193,648.60		
Pool Receipts and Passes		12,438.75	12,438.75		
Utility Operating Surplus of Prior Year		300,000.00	300,000.00		
	<u>\$ 25,568.61</u>	<u>\$ 3,501,147.87</u>	<u>\$ 3,431,625.43</u>	<u>\$ 76,737.00</u>	<u>\$ 18,354.05</u>

Ref.

A

A

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2008	Budget Revenue Realized	Received	Transferred From Unappropriated Reserves	Prior Year Adjustment	Cancelled	Balance Dec. 31, 2009
Municipal Alliance:							
2008	\$ 6,212.00		\$ 6,212.00				
2009		\$ 11,968.00	5,126.00				\$ 6,842.00
N.J. Department of Human Services:							
N.J. Youth Corps - 2003 - ALWY4N	35,829.00						35,829.00
ALWY5N - Repairs for Youth Corps	10,224.00						10,224.00
N.J. Department of Labor and Workforce Development:							
N.J. Youth Corps - 2008 - ALWY9N	319,778.00	49,703.00	369,481.00				
N.J. Youth Corps - 2008 - SLWY9N		60,874.00	60,874.00				
N.J. Youth Corps - 2009 - ALWY10N		642,334.00	321,909.00				320,425.00
N.J. Transportation Trust Fund Authority Act:							
2005 - Gateway to Phillipsburg Grant	300,000.00		300,000.00				
2008 - Municipal Aid Program	41,493.17						41,493.17
2009 - Municipal Aid Program		197,308.00					197,308.00
2009 - Morris Street		170,000.00					170,000.00
Clean Communities Program - 2009		27,037.53	27,037.53				
Recycling Tonnage Grant - 2008		15,577.81		\$ 15,577.81			
Municipal and Charitable Conservance Trust -							
Roseberry-Gess House - 2003	65,100.00						65,100.00
Urban Enterprise Projects:							
Administrative Budget - 1998	23,691.82					\$ 23,691.82	
Administrative Budget - 2000	6,693.23					6,693.23	
Ingersoll-Rand Redevelopment - 2000	2,700.57					2,700.57	
Ingersoll-Rand Acquisition - 2001/2002	7,992.97					7,992.97	
Union Square Engineering - 2003	16,897.00					16,897.00	
Administrative Budget - 2003	3,206.79					3,206.79	
Marketing Program - 2003	1,279.88		229.90			1,049.98	
Market Street Streetscape - 2003	36,780.00					36,780.00	
U.S. Gas Redevelopment Plan - 2003	2,736.00					2,736.00	
Ingersoll Rand Grant Application - 2003	132.75					132.75	
Administrative Budget - 2004	8,344.77					8,344.77	
Tenant Incentive Package - 2004	11,092.66						11,092.66
123 South Main Street Façade Grant - 2004	15,000.00					15,000.00	

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
(Continued)

	Balance Dec. 31, 2008	Budget Revenue Realized	Received	Transferred From Unappropriated Reserves	Prior Year Adjustment	Cancelled	Balance Dec. 31, 2009
Urban Enterprise Projects:							
Curbside Appeal Project - 2004	\$ 2,326.00		\$ 1,234.00				\$ 1,092.00
Shappell Park Restoration - Phase II - 2004							
Neighborhood Revitalization Tax Credit Plan - 2004	21,810.10						21,810.10
Phillipsburg Railroad Museum Engineering Project - 2005	11,078.50						11,078.50
Police Patrols - Phase IV - 2005	866.25					\$ 866.25	
Railroad Museum Grant Administration Project - 2005	12,449.55		6,298.00				6,151.55
Administrative Budget - 2005	3,339.82					3,339.82	
11 Union Square Restoration Loan - 2005	2,500.00		2,500.00				
Administrative Budget - 2006	5,567.65					5,567.65	
Adventure Mini Golf Grant - 2006	1,852.01					1,852.01	
Architectural Fees - Jersey Central Railroad - 2006	297.18					297.18	
Rent Subsidy Incentive Program - 2006	46,650.00		13,000.00				33,650.00
Bel Del Runaround Track Loan - 2006	30,000.00					30,000.00	
Trolley Bus Operation Project - 2006	1,118.21					1,118.21	
Marketing Phase IV - Amendment - 2007	2,066.73				\$ 1,205.00	3,271.73	
Railroad Museum Administration Grant - Phase III - 2007	17,950.00		11,314.09				6,635.91
Business Recruitment Project - 2007	144.41					144.41	
Industrial Park Rail Spur Project - 2007	2,540.10					2,540.10	
Marketing Phase V - 2007	11,784.61		3,911.45		(1,205.00)		6,668.16
Website Administration - Phase II - 2007	7,537.50					7,537.50	
Downtown Incentive Program - Phase II - 2007	24,489.25		15,378.25				9,111.00
Administrative Budget - FY 2008 - 2007	9,272.34		13.30			9,259.04	
Shamrock Carpet Renovation Project - 2007	50,000.00					50,000.00	
TV Marketing & Promotions Project - 2007	14,102.00		8,398.00				5,704.00
Police Patrols - Phase V - 2008	27,266.33		14,446.79				12,819.54
Police Patrols - Phase VI - 2008	16,442.00		13,305.58				3,136.42
W&C LLC Façade Grant - 2008	4,450.00		4,450.00				
Union Signal Tower Roof Phase I - 2008	34,965.00		20,285.00			14,680.00	
Shappell Park Phase III - 2008	41,504.71		40,325.00				1,179.71
Website Project - 2008	2,741.00		1,799.00				942.00
Home Decore Project - 2008	5,000.00					5,000.00	
Marketing Program Phase VI Amendment - 2008	31,300.63		31,300.63				

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
(Continued)

	Balance Dec. 31, 2008	Budget Revenue Realized	Received	Transferred From Unappropriated Reserves	Prior Year Adjustment	Cancelled	Balance Dec. 31, 2009
Urban Enterprise Projects:							
Administrative Budget - FY 2009 - 2008	\$ 119,916.47		\$ 114,844.41			\$ 5,072.06	
Morris Canal Arch Engineering Project - 2008	27,000.00		16,171.57				\$ 10,828.43
Bittone Equipment Services - 2008	25,000.00		25,000.00				
Realty Partners Project - 2008	11,299.00		11,299.00				
Moussa LLC Façade Grant - 2008	25,000.00		25,000.00				
Pottery Zone Grant - 2008	26,250.00		26,250.00				
Trolley Bus Operation - Phase II - 2008	10,000.00		1,170.00				8,830.00
309 Main Street Façade Grant - 2008	25,000.00		25,000.00				
Co-op Marketing Grant Project - 2008	36,400.00		7,472.42				28,927.58
Kays Electric Project - 2009		\$ 52,500.00	52,500.00				
Tenant Incentive Project - Phase III - 2009		75,000.00	19,531.10				55,468.90
Golf Academy - 2009		50,000.00	26,480.00				23,520.00
SFY 2010 Administrative Budget - 2009		75,000.00					75,000.00
Marketing Program Phase VII - 2009		86,750.00	43,219.50				43,530.50
Morris Canal Arch Architecture - 2009		35,900.00	2,475.90				33,424.10
NY Susquehanna & Western Train Maintenance Project - 2009		50,000.00					50,000.00
LaBella Expansion - 2009		25,000.00					25,000.00
DRJTBC Compact Authorized Investment Grant	163,311.21		121,271.04				42,040.17
Delaware River Joint Bridge Commission:							
Compact Authorized Investments		429,422.00	20,962.10				408,459.90
Emergency Management - 2009		5,000.00	5,000.00				
Municipal Alliance on Alcoholism and Drug Abuse:							
Board of Education		2,500.00	2,500.00				
Drunk Driving Enforcement Grant:							
2008		4,701.13		\$ 4,701.13			
2009		7,304.41	7,304.41				
Body Armor Replacement Grant - 2008		3,590.58		3,590.58			
NJ Department of Law and Public Safety:							
Over the Limit Under Arrest:							
Impaired Driving Crackdown - 2009		6,000.00	6,000.00				
2010 Mobilization		5,000.00					5,000.00
Cops In Shops Grant - 2008	1,600.00						1,600.00

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
(Continued)

	<u>Balance Dec. 31, 2008</u>	<u>Budget Revenue Realized</u>	<u>Received</u>	<u>Transferred From Unappropriated Reserves</u>	<u>Prior Year Adjustment</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2009</u>
McWane Foundation Donations - Walters Park Improvement Project		\$ 75,000.00	\$ 75,000.00				
Interlocal Service Agreement - Borough of Alpha: Sewer Allocation		100,000.00	100,000.00				
NJ Department of Community Affairs: Sharing Available Resources Efficiently (SHARE) Grant - Feasibility Study Public Works Service	\$ 5,040.00						\$ 5,040.00
State of NJ Highlands Council: 2009 Plan Conformance Grant		50,000.00	24,069.99				25,930.01
2009 Initial Assessment Grant		15,000.00	10,712.39				4,287.61
Donations - Atlantic States Cast Iron Pipe Co.: Energy Improvement District (EID)		50,000.00	50,000.00				
U.S. Department of Justice: Edward Byrne Memorial Justice Assistance Grant		32,796.00	32,796.00				
	<u>\$ 1,834,413.17</u>	<u>\$ 2,411,266.46</u>	<u>\$ 2,130,858.35</u>	<u>\$ 23,869.52</u>	<u>\$ -0-</u>	<u>\$ 265,771.84</u>	<u>\$ 1,825,179.92</u>
	<u>Ref.</u> A						A
Federal Grants			\$ 338,796.00				
State Grants			1,422,329.21				
Local Grants			369,733.14				
			<u>\$ 2,130,858.35</u>				

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 384.35	\$ 384.35	\$ 233.80	\$ 150.55
Other Expenses	97,444.99	97,444.99	79,725.09	17,719.90
Human Resources:				
Other Expenses	8,914.00	8,914.00	1,853.61	7,060.39
Mayor and Council:				
Salaries and Wages	1,541.48	1,541.48		1,541.48
Other Expenses	871.79	871.79	1.46	870.33
Municipal Clerk:				
Salaries and Wages	3,100.25	3,100.25	2,551.86	548.39
Other Expenses	16,387.34	16,387.34	4,955.12	11,432.22
Financial Administration:				
Salaries and Wages	6,120.49	6,120.49	838.62	5,281.87
Other Expenses	9,204.31	9,204.31	590.88	8,613.43
Audit Services	14,800.00	14,800.00	13,300.00	1,500.00
Revenue Administration:				
Salaries and Wages	4,468.90	4,468.90	2,757.03	1,711.87
Other Expenses	7,441.94	7,441.94	651.81	6,790.13
Tax Assessment Administration:				
Salaries and Wages	814.14	814.14		814.14
Other Expenses	2,140.23	2,140.23	2,064.00	76.23
Legal Services:				
Other Expenses	78,237.83	78,237.83	36,534.91	41,702.92
Engineering Services:				
Other Expenses	18,936.50	18,936.50	8,200.00	10,736.50
LAND USE ADMINISTRATION:				
Planning Board:				
Other Expenses	2,000.00	2,000.00	36.00	1,964.00
Zoning Board:				
Other Expenses	3,000.00	3,000.00		3,000.00
PUBLIC SAFETY FUNCTIONS:				
Police Department:				
Salaries and Wages	73,613.47	58,613.47	35,343.16	23,270.31
Other Expenses	17,811.85	17,811.85	12,936.62	4,875.23
Emergency Management Services:				
Salaries and Wages	500.50	500.50		500.50
Other Expenses	2,435.61	2,435.61		2,435.61
Fire Department:				
Other Expenses	32,798.08	32,798.08	28,568.42	4,229.66

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

(Continued)

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	\$ 27,583.94	\$ 27,583.94	\$ 6,972.62	\$ 20,611.32
Other Expenses	67,837.81	67,837.81	50,014.56	17,823.25
Other Public Works Functions:				
Salaries and Wages	670.35	670.35		670.35
Other Expenses	6,935.59	6,935.59	1,064.02	5,871.57
PEOSHA	5,837.79	5,837.79	60.00	5,777.79
Solid Waste Collection:				
Salaries and Wages	44,942.78	34,942.78	3,423.98	31,518.80
Other Expenses	5,807.78	5,807.78		5,807.78
Buildings and Grounds:				
Salaries and Wages	9,936.60	9,936.60	3,674.89	6,261.71
Other Expenses	15,754.09	15,754.09	15,025.18	728.91
Vehicle Maintenance:				
Salaries and Wages	6,583.36	6,583.36	1,516.16	5,067.20
Other Expenses	23,757.24	23,757.24	23,605.03	152.21
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Animal Control Services:				
Salaries and Wages	6,307.72	6,307.72		6,307.72
Other Expenses	10,397.00	10,397.00	40.00	10,357.00
Contributions to Social Services:				
Other Expenses	2,433.42	2,433.42	970.00	1,463.42
PARKS AND RECREATION FUNCTIONS:				
Recreation Services and Programs:				
Salaries and Wages	5,382.52	5,382.52	1,851.14	3,531.38
Other Expenses	17,194.51	17,194.51	5,138.18	12,056.33
Municipal Swimming Pool:				
Salaries and Wages	7,366.91	7,366.91		7,366.91
Other Expenses	6,312.32	6,312.32	2,441.73	3,870.59
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	26,070.75	26,070.75	18,307.24	7,763.51
Street Lighting	17,922.91	17,922.91	17,365.84	557.07
Telephone:				
Salaries and Wages	4,085.27	4,085.27		4,085.27
Other Expenses	45,069.83	45,069.83	8,667.45	36,402.38
Water	44,014.14	44,014.14	36,895.47	7,118.67
Gas (Natural or Propane)	14,770.08	14,770.08	14,770.08	
Gasoline	17,342.85	17,342.85	10,160.15	7,182.70
SOLID WASTE DISPOSAL COSTS:				
Waste Disposal:				
Other Expenses	10,855.00	10,855.00	538.40	10,316.60

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

(Continued)

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Court:				
Salaries and Wages	\$ 3,016.55	\$ 3,016.55	\$ 1,010.14	\$ 2,006.41
Other Expenses	1,929.15	1,929.15	1,322.95	606.20
Public Defender (P.L. 1998 Chapter 256):				
Salaries and Wages	0.04	0.04		0.04
INSURANCE:				
Liability Insurance	15,427.12	15,427.12		15,427.12
Workers Compensation Insurance	9,107.20	9,107.20		9,107.20
Employees Group Insurance	128,516.80	153,516.80	147,212.43	6,304.37
UNIFORM CONSTRUCTION CODE:				
Code Enforcement:				
Salaries and Wages	6,875.71	6,875.71	2,868.72	4,006.99
Other Expenses	9,746.04	9,746.04	6,026.30	3,719.74
STATUTORY EXPENDITURES:				
Social Security System (O.A.S.I)	28,737.80	28,737.80	6,963.18	21,774.62
Unemployment Compensation Insurance	220.98	220.98	220.98	
Maintenance of Free Public Library	19,393.75	19,393.75	4,345.41	15,048.34
Recycling Tax (P.L.2007, C.311)	8,538.00	8,538.00	5,673.00	2,865.00
	<u>\$1,085,649.75</u>	<u>\$1,085,649.75</u>	<u>\$ 629,287.62</u>	<u>\$ 456,362.13</u>

Ref.

Analysis of Balance on December 31, 2008:

Unencumbered	A	\$ 844,968.54
Encumbered	A	<u>240,681.21</u>
		<u>\$1,085,649.75</u>

Cash Disbursed	\$ 629,077.17
Accounts Payable	<u>210.45</u>
	<u>\$ 629,287.62</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 525,550.00
Increased by:		
2009 School Tax Levy		<u>7,157,839.00</u>
		7,683,389.00
Decreased by:		
Payments to Local School District		<u>7,196,477.00</u>
Balance December 31, 2009	A	<u><u>\$ 486,912.00</u></u>

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2008	Transferred from Budget Appropriations	Expended	Prior Year Adjustment	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2009
Clean Communities Program:								
2006	\$ 19.43		\$ 10.00					\$ 9.43
2007	29.30							29.30
2008	207.70		100.00					107.70
2009		\$ 27,037.53	20,653.52		\$ 1,729.79			4,654.22
Drunk Driving Enforcement Fund:								
2006	4,130.69		4,130.69					
2007	2,878.98		1,955.55					923.43
2008		4,701.13						4,701.13
2009		7,304.41	224.95		240.00			6,839.46
Reserve for Drunk Driving Enforcement Fund:								
2006	4,548.13		4,548.13					
Municipal Alliance Program:								
2004 - Local	182.79							182.79
2007 - Local	353.99							353.99
2008 - State	1,049.37		1,049.36					0.01
2008 - Local	1,516.12		104.08					1,412.04
2009 - State		11,968.00	10,536.00		1,358.00			74.00
2009 - Local		2,940.00	800.00		1,428.00			712.00
Body Armor Replacement Grant:								
2005	3,040.54		3,001.50					39.04
2006	3,476.50		3,361.00					115.50
2007	3,981.82		3,938.20					43.62
2008		3,590.58						3,590.58
FY04 Exercise Program Implementation Action Grant	2,278.20							2,278.20
Hepatitis B Fund	3,780.00							3,780.00
N.J. Department of Human Services:								
N.J. Youth Corps - 2003 - ALWY4N	46,053.00							46,053.00
N.J. Department of Labor and Workforce Development:								
N.J. Youth Corps - 2008 - ALWY9N	475,984.00	49,703.00	525,687.00					
N.J. Youth Corps - 2008 - SLWY9N		60,874.00	60,874.00					
N.J. Youth Corps - 2009 - ALWY10N		642,334.00	157,844.00					484,490.00
Municipal Stormwater Regulation Program:								
2004	3,997.25		3,997.25					
2006	9,022.00							9,022.00
2008	3,007.00		2,877.75					129.25

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	Balance Dec. 31, 2008	Transferred from Budget Appropriations	Expended	Prior Year Adjustment	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2009
Pollution Control Financing Authority of Warren County:								
Solid Waste and Stormwater Management Grant	\$ 5,000.00		\$ 5,000.00					
Preferred Real Estate Developers Legal Fees - 2005	2,537.87		818.40					\$ 1,719.47
Municipal and Charitable Conservance Trust -								
Roseberry-Gess House - 2001/2003	65,100.00							65,100.00
Recycling Tonnage Grant:								
2004	571.04							571.04
2005	4,233.12							4,233.12
2006	8,432.33							8,432.33
2007	6,688.54		(368.00)					7,056.54
2008		\$ 15,577.81						15,577.81
Rotary - Shade Tree Commission Donation	47.95							47.95
Municipal Alliance on Alcoholism and Drug Abuse -								
Board of Education:								
2008	2,500.00							2,500.00
2009		2,500.00						2,500.00
Emergency Management:								
2007	826.20							826.20
2008	5,000.00							5,000.00
2009		5,000.00						5,000.00
Urban Enterprise Project:								
Administrative Budget - 2000	6,693.23						\$ 6,693.23	
Ingersoll-Rand Redevelopment - 2000	2,700.57							2,700.57
Ingersoll-Rand Acquisition - 2001/2002	7,992.97							7,992.97
Administrative Budget - 2001	23,691.82							23,691.82
Union Square Engineering - 2003	16,897.00							16,897.00
Administrative Budget - 2003	3,206.79							3,206.79
Marketing Program - 2003	432.47		229.90					202.57
Market Street Streetscape - 2003	35,775.00							35,775.00
U.S. Gas Redevelopment Plan - 2003	2,736.00							2,736.00
Ingersoll Rand Grant Application - 2003	132.75							132.75
Administrative Budget - 2004	8,344.77							8,344.77
Tenant Incentive Package - 2004	1,180.26		(3,000.00)	\$ (1,000.00)				5,180.26
123 South Main Street Façade Grant - 2004	7,600.00							7,600.00
Curbside Appeal Project - 2004	1,380.00		288.00	1,000.00				92.00
Neighborhood Revitalization Tax Credit Plan - 2004	21,810.10							21,810.10
Phillipsburg Railroad Museum Engineering Project - 2005	11,078.50							11,078.50

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	Balance Dec. 31, 2008	Transferred from Budget Appropriations	Expended	Prior Year Adjustment	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2009
Urban Enterprise Project:								
Railroad Museum Grant Administration Project - 2005	\$ 12,089.42		\$ 6,298.00					\$ 5,791.42
Administrative Budget - 2005	3,339.82						\$ 3,339.82	
Administrative Budget - 2006	5,567.65						5,567.65	
Adventure Mini Golf Grant - 2006	1,852.01						1,852.01	
Architectural Fees - Jersey Central Railroad - 2006	297.18						297.18	
Rent Subsidy Incentive Program - 2006	44,300.00		15,350.00					28,950.00
Bel Del Runaround Track Loan - 2006	30,000.00						30,000.00	
Trolley Bus Operation Project - 2006	48.21		(910.00)				958.21	
Railroad Museum Administration Grant - Phase III - 2007	17,950.00		11,314.09					6,635.91
Business Recruitment Project - 2007	144.41						144.41	
Marketing Phase V - 2007	5,517.29		4,441.43	\$ (237.92)				1,313.78
Website Administration - Phase II - 2007	7,537.50						7,537.50	
Downtown Incentive Program - Phase II - 2007	21,352.00		14,041.00					7,311.00
Administrative Budget - FY 2008 - 2007	7,238.26		13.30				7,224.96	
Shamrock Carpet Renovation Project - 2007	50,000.00						50,000.00	
TV Marketing & Promotions Project - 2007	14,102.00		10,447.00					3,655.00
Police Patrols - Phase V - 2008	22,198.12		17,258.59					4,939.53
Police Patrols - Phase VI - 2008	16,442.00		15,041.58					1,400.42
W&C LLC Façade Grant - 2008	4,450.00		4,450.00					
Union Signal Tower Roof Phase I - 2008	17,055.00		2,375.00				14,680.00	
Shappell Park Phase III - 2008	12,504.71		11,325.00					1,179.71
Website Project - 2008	2,741.00		1,799.00					942.00
Home Decore Project - 2008	5,000.00						5,000.00	
Marketing Program Phase VI Amendment - 2008	22,663.63		22,425.71	237.92				
Administrative Budget - FY 2009 - 2008	82,416.51		77,344.45				5,072.06	
Morris Canal Arch Engineering Project - 2008	27,000.00		22,031.57					4,968.43
Bittone Equipment Services - 2008	25,000.00		25,000.00					
Trolley Bus Operation - Phase II - 2008	10,000.00		6,180.00					3,820.00
309 Main Street Façade Grant - 2008	25,000.00		25,000.00					
Co-op Marketing Grant Project - 2008	36,400.00		15,022.48					21,377.52
Kays Electric Project		\$ 52,500.00	52,500.00					
Tenant Incentive Project - Phase III		75,000.00	35,556.10					39,443.90
Golf Academy		50,000.00	50,000.00					
SFY 2010 Administrative Budget		75,000.00	15,034.66					59,965.34
Marketing Program Phase VII		86,750.00	60,930.30					25,819.70
Morris Canal Arch Architecture		35,900.00	2,475.90					33,424.10

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	Balance Dec. 31, 2008	Transferred from Budget Appropriations	Expended	Prior Year Adjustment	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2009
Urban Enterprise Project:								
NY Susquehanna & Western Train Maintenance Project		\$ 50,000.00						\$ 50,000.00
LaBella Expansion		25,000.00						25,000.00
Hazardous Discharge Site Remediation:								
1998	\$ 15,178.47							15,178.47
DRJTBC Compact Authorized Investments Grant	105,561.09		\$ 121,271.04	\$ (300,000.00)	\$ 188,655.76			95,634.29
Delaware River Joint Bridge Commission:								
Resurfacing Northampton Street Toll Supported Bridge	63,000.00							63,000.00
Compact Authorized Investments		429,422.00	33,700.00		395,722.00			
3 J&R Green Street Donation	3,000.00							3,000.00
Reserve for Domestic Violence Grant	839.00							839.00
N.J. Transportation Trust Fund Authority Act:								
2005 - Gateway to Phillipsburg Grant	300,000.00			300,000.00				
2008 - Municipal Aid Program	1,657.56				3,539.86	\$ 2,344.12		461.82
2009 - Municipal Aid Program		197,308.00			148,149.00			49,159.00
2009 - Morris Street		170,000.00						170,000.00
NJ Department of Law and Public Safety:								
Over the Limit Under Arrest:								
Impaired Driving Crackdown - 2009		6,000.00	6,000.00					
2010 Mobilization		5,000.00	1,216.65					3,783.35
Cops In Shops	1,149.97		950.14					199.83
Interlocal Service Agreement - Borough of Alpha:								
Sewer Allocation		100,000.00	100,000.00					
McWane Foundation Donations - Walters Park								
Improvement Project:								
2008	75,000.00		75,000.00					
2009		75,000.00			73,502.08			1,497.92
NJ Department of Community Affairs:								
Sharing Available Resources Efficiently (SHARE) Grant -								
Feasibility Study Public Works Service	5,040.00							5,040.00
State of NJ Highlands Council:								
2009 Plan Conformance Grant		50,000.00	24,069.99					25,930.01
2009 Initial Assessment Grant		15,000.00	10,712.39					4,287.61
Donations - Atlantic States Cast Iron Pipe Co.:								
Energy Improvement District (EID)		50,000.00	50,000.00					

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	Balance Dec. 31, 2008	Transferred from Budget Appropriations	Expended	Prior Year Adjustment	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2009
U.S. Department of Justice: Edward Byrne Memorial Justice Assistance Grant		\$ 32,796.00	\$ 23,377.08		\$ 9,392.42			\$ 26.50
	<u>\$ 1,922,758.90</u>	<u>\$ 2,414,206.46</u>	<u>\$ 1,777,703.73</u>	<u>\$ -0-</u>	<u>\$ 823,716.91</u>	<u>\$ 2,344.12</u>	<u>\$ 247,647.27</u>	<u>\$ 1,490,241.57</u>
<u>Ref</u> A					A			A
Federal/State/Local Grants		\$ 2,411,266.46					\$ 247,647.27	
Local Matching Funds		2,940.00					-0-	
		<u>\$ 2,414,206.46</u>					<u>\$ 247,647.27</u>	
Federal Grants			\$ 38,418.87	\$ 300,000.00	\$ 161,081.28	\$ 2,344.12		
State Grants			1,352,591.34		3,327.79			
Local Grants			386,693.52	(300,000.00)	659,307.84			
			<u>\$ 1,777,703.73</u>	<u>\$ -0-</u>	<u>\$ 823,716.91</u>	<u>\$ 2,344.12</u>		

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Grant</u> <u>Funds</u> <u>Received</u>	<u>Transferred</u> <u>to 2009</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Drunk Driving Enforcement Fund:				
2008	\$ 4,701.13		\$ 4,701.13	
Body Armor Replacement Grant:				
2008	3,590.58		3,590.58	
Recycling Tonnage Grant:				
2008	15,577.81		15,577.81	
2009		\$ 34,003.21		\$ 34,003.21
	<u>\$ 23,869.52</u>	<u>\$ 34,003.21</u>	<u>\$ 23,869.52</u>	<u>\$ 34,003.21</u>

Ref.

A

A

Federal Grants	\$ -0-
State Grants	<u>34,003.21</u>
	<u>\$ 34,003.21</u>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
TRUST FUNDS

TOWN OF PHILLIPSBURG
TRUST FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2008	B	\$ 7,005.73	\$ 1,184,498.95
Increased by Receipts:			
Dog License Fees		\$ 4,111.00	
Cat License Fees		915.50	
Dog/Cat License Late Fees		448.00	
Replacement Tags		1.00	
Interest Earned		100.28	
Due to Current Fund:			
Interfund Returned		6.50	
Interest Earned			\$ 530.44
Community Development Revolving Loan			
Program Receivable - Principal Repayments			218,327.20
Reserve for:			
Planning Board/Zoning Board Escrow			22,287.12
Public Defender			744.44
Parking Offense Adjudication Act			660.00
Bernards Township R.C.A. Program:			
Interest Earned			2,883.60
Miscellaneous Receipts			150.00
Neighborhood Preservation Program - Other Receipts			750.25
Police Outside Services			57,129.06
Other Deposits			149.69
Federally Funded Housing Assistance (Section 8 Program):			
2009 Grant Funds			1,797,257.00
2010 Grant Funds - Deferred Revenue			149,634.00
Community Development Revolving Loan Program:			
Interest on Deposits/Loans			23,950.89
		<u>5,582.28</u>	<u>2,274,453.69</u>
		12,588.01	3,458,952.64

TOWN OF PHILLIPSBURG
TRUST FUNDS
SCHEDULE OF CASH
(Continued)

<u>Ref.</u>	<u>Animal Control</u> <u>Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Administrative Expenses	\$ 4,246.68	
Due to Current Fund:		
Settlement of Prior Year Interfund		\$ 885.21
Reserve for:		
Planning/Zoning Board Escrow		51,304.44
Federally Funded Housing Assistance - Section 8 Program:		
Program Expenditures		1,812,692.83
Police Outside Services		52,222.35
Parking Offense Adjudication Act		2,405.51
Community Development Revolving Loan Program:		
Legal Fees		16,962.72
Loans Issued		240,100.00
Other Deposits		15,249.20
Bernards Township R.C.A. Expenditures		52,434.90
	\$ 4,246.68	\$ 2,244,257.16
Balance December 31, 2009	\$ 8,341.33	\$ 1,214,695.48

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
ANALYSIS OF ASSESSMENT TRUST FUND CASH
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

TOWN OF PHILLIPSBURG
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 7,013.43
Increased by:		
Cash Received:		
Dog License Fees		\$ 4,111.00
Cat License Fees		915.50
Cat/Dog License Late Fees		448.00
Replacement Tags		1.00
Interest Earned		100.28
		5,575.78
		12,589.21
Decreased by:		
Expenditures Under R.S.4:19-15.11		4,246.68
Balance December 31, 2009	B	\$ 8,342.53

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$ 5,130.00
2008	4,288.00
	9,418.00
Maximum Allowable Reserve	\$ 9,418.00

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 1,197,372.10
Increased by:			
Capital Improvement Fund:			
2009 Budget Appropriation		\$ 26,231.00	
Bond Anticipation Notes Issued		536,370.00	
Due to Current Fund:			
Interest Earned		1,021.90	
Deferred Charges - Unfunded - Ord. #2006-32 - Budget Appropriation		<u>35,000.00</u>	
			<u>598,622.90</u>
			1,795,995.00
Decreased by:			
Due to Current Fund:			
Settlement of Prior Year Interfund		1,929.36	
Prior Year Encumbrances		256,322.88	
Improvement Authorization Expenditures		<u>534,636.34</u>	
			<u>792,888.58</u>
Balance December 31, 2009	C		<u>\$ 1,003,106.42</u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance (Deficit) Dec. 31, 2008	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2009	
		Miscellaneous	Bond	Budget	Miscellaneous	Improvement	Transfers		
			Anticipation	Appropriation		Authorization	From		To
		Notes		Expenditures					
Fund Balance	\$ 801.11							\$ 801.11	
Capital Improvement Fund	25,621.84		\$ 26,231.00		\$ 26,231.00			25,621.84	
Due To Current Fund	1,929.36	\$ 1,021.90		\$ 1,929.36				1,021.90	
Encumbrances Payable	256,607.88			256,322.88		285.00	\$ 112,859.36	112,859.36	
<u>Ord.</u>									
<u>No.</u>	<u>Improvement Description</u>								
99-16	Various Capital Improvements	(476.50)						(476.50)	
02-04	Various Capital Improvements	63,353.26			\$ 26,772.56	800.00		35,780.70	
03-04	Various Capital Improvements	153,928.17			15,354.36			138,573.81	
04-08	Various Capital Improvements	20,997.02			4,863.08	8,975.55	285.00	7,443.39	
05-18	Various Capital Improvements	13,571.28				1,959.00		11,612.28	
06-20	Various Capital Improvements	503,521.02				21,338.10		417,145.47	
06-32	Various Local Improvements	(105,839.99)		35,000.00		65,037.45		(70,839.99)	
07-07	Various Capital Improvements	381,454.22			86,133.07	1,296.00		294,025.15	
08-12	Various Capital Improvements	(118,096.57)	\$ 536,370.00		290,687.44	24,923.76		102,662.23	
09-10	Various Capital Improvements				89,487.73	9,867.60	26,231.00	(73,124.33)	
		<u>\$ 1,197,372.10</u>	<u>\$ 1,021.90</u>	<u>\$ 536,370.00</u>	<u>\$ 61,231.00</u>	<u>\$ 258,252.24</u>	<u>\$ 534,636.34</u>	<u>\$ 139,375.36</u>	<u>\$ 139,375.36</u>
								<u>\$ 1,003,106.42</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Balance Dec. 31, 2009	Analysis of Balance December 31, 2009		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>									
99-05;									
99-16	Various Capital Improvements	\$ 476.50				\$ 476.50		\$ 476.50	
02-04	Various Capital Improvements	368,000.00		\$ 70,000.00		298,000.00	\$ 298,000.00		
03-04	Various Capital Improvements	387,000.00		75,000.00		312,000.00	312,000.00		
04-08	Various Capital Improvements	643,000.00		49,000.00		594,000.00	594,000.00		
05-18	Various Capital Improvements	1,102,400.00		60,000.00		1,042,400.00	1,042,400.00		
06-20	Various Capital Improvements	2,049,649.00		90,000.00		1,959,649.00	1,659,600.00		\$ 300,049.00
07-07	Various Capital Improvements	755,800.00		55,800.00		700,000.00	700,000.00		
08-12	Various Capital Improvements	773,870.00				773,870.00	536,370.00		237,500.00
09-10	Various Capital Improvements		\$ 498,379.00			498,379.00		73,124.33	425,254.67
<u>Local Improvements</u>									
06-32	Various Local Improvements	4,700,000.00			\$ 35,000.00	4,665,000.00		70,839.99	4,594,160.01
		<u>\$10,780,195.50</u>	<u>\$ 498,379.00</u>	<u>\$ 399,800.00</u>	<u>\$ 35,000.00</u>	<u>\$10,843,774.50</u>	<u>\$ 5,142,370.00</u>	<u>\$ 144,440.82</u>	<u>\$ 5,556,963.68</u>
	<u>Ref.</u>								
		C				C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded									\$ 6,564,206.71
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
Ord. #02-04							\$ 35,780.70		
Ord. #03-04							138,573.81		
Ord. #04-08							7,443.39		
Ord. #05-18							11,612.28		
Ord. #06-20							417,145.47		
Ord. #07-07							294,025.15		
Ord. #08-12							102,662.23		
									1,007,243.03
									<u>\$ 5,556,963.68</u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2008 Unfunded	2009 Authorization		Paid or Charged	Prior Year Encumbrances Canceled	Balance Dec. 31, 2009 Unfunded
					Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund			
<u>General Improvements:</u>									
02-04	Various Capital Improvements	04/16/02	915,000.00	\$ 63,353.26			\$ 27,572.56		\$ 35,780.70
03-04	Various Capital Improvements	04/01/03	967,385.00	153,928.17			15,354.36		138,573.81
04-08	Various Capital Improvements	04/20/04	967,800.00	20,997.02			13,838.63	\$ 285.00	7,443.39
05-18	Various Capital Improvements	05/03/05	1,288,320.00	13,571.28			1,959.00		11,612.28
06-20	Various Capital Improvements	05/26/06	2,283,842.00	803,570.02			86,375.55		717,194.47
07-07	Various Capital Improvements	05/01/07	795,800.00	381,454.22			87,429.07		294,025.15
08-12	Various Capital Improvements	05/06/08	814,600.00	655,773.43			315,611.20		340,162.23
09-10	Various Capital Improvements	05/19/09	524,610.00		\$ 498,379.00	\$ 26,231.00	99,355.33		425,254.67
<u>Local Improvements</u>									
06-32	Various Local Improvements	09/19/06	4,700,000.00	4,594,160.01					4,594,160.01
				<u>\$ 6,686,807.41</u>	<u>\$ 498,379.00</u>	<u>\$ 26,231.00</u>	<u>\$ 647,495.70</u>	<u>\$ 285.00</u>	<u>\$ 6,564,206.71</u>
		<u>Ref.</u>	C						C
			Cash Disbursed				\$ 534,636.34		
			Encumbrances				C 112,859.36		
							<u>\$ 647,495.70</u>		

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 25,621.84
Increased by:		
2009 Budget Appropriation		<u>26,231.00</u>
		51,852.84
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>26,231.00</u>
Balance December 31, 2009	C	<u><u>\$ 25,621.84</u></u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
			Issue	Maturity					
02-04	Various Capital Improvements	09/30/03	09/05/08	09/04/09	2.25%	\$ 368,000.00	\$ 298,000.00	\$ 368,000.00	\$ 298,000.00
			09/02/09	09/01/10	3.75%				
03-04	Various Capital Improvements	09/30/03	09/05/08	09/04/09	2.25%	387,000.00	312,000.00	387,000.00	312,000.00
			09/02/09	09/01/10	3.75%				
04-08	Various Capital Improvements	05/19/05	05/01/08	04/30/09	2.41%	643,000.00	594,000.00	643,000.00	594,000.00
			04/28/09	04/27/10	2.75%				
05-18	Various Capital Improvements	09/06/06	09/05/08	09/04/09	2.25%	1,102,400.00	1,042,400.00	1,102,400.00	1,042,400.00
			09/02/09	09/01/10	3.75%				
06-20	Various Capital Improvements	09/06/06	09/05/08	09/04/09	2.25%	1,749,600.00	1,659,600.00	1,749,600.00	1,659,600.00
			09/02/09	09/01/10	3.75%				
07-07	Various Capital Improvements	05/01/08	05/01/08	04/30/09	2.41%	755,800.00	700,000.00	755,800.00	700,000.00
			04/28/09	04/27/10	2.75%				
08-12	Various Capital Improvements	04/28/09	04/28/09	04/27/10	2.75%		536,370.00		536,370.00
						<u>\$ 5,005,800.00</u>	<u>\$ 5,142,370.00</u>	<u>\$ 5,005,800.00</u>	<u>\$ 5,142,370.00</u>
						Ref.	C		C
							New Issues		\$ 536,370.00
							Renewals		4,606,000.00
							Paid by Budget Appropriation		399,800.00
									<u>\$ 5,142,370.00</u>
									<u>\$ 5,005,800.00</u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Outstanding Date	Dec. 31, 2009 Amount				
General Improvement	10/10/2001	\$ 6,408,000.00	8/15/2010	\$ 525,000.00	4.00%	<u>\$ 3,403,000.00</u>	<u>\$ 505,000.00</u>	<u>\$ 2,898,000.00</u>
			8/15/2011	550,000.00	5.00%			
			8/15/2012	580,000.00	4.20%			
			8/15/2013	605,000.00	4.375%			
			8/15/2014	638,000.00	4.40%			
					<u>\$ 3,403,000.00</u>	<u>\$ 505,000.00</u>	<u>\$ 2,898,000.00</u>	
					<u>\$ 3,403,000.00</u>	<u>\$ 505,000.00</u>	<u>\$ 2,898,000.00</u>	
				<u>Ref.</u>	<u>C</u>		<u>C</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

	<u>Ref.</u>	<u>Trust Loan</u>	<u>Fund Loan</u>
Balance December 31, 2008	C	\$ 220,213.95	\$ 140,745.93
Decreased by:			
Loans Paid by Current Fund		<u>82,584.36</u>	<u>54,750.72</u>
Balance December 31, 2009	C	<u>\$ 137,629.59</u>	<u>\$ 85,995.21</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1997 LOAN #S874-01
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 40,559.52
27	05/15/10	\$ 3,903.39	\$ 40,559.52	-0-
		<u>\$ 3,903.39</u>	<u>\$ 40,559.52</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1993 LOAN #S340874-01-02 -
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 20,000.00
32	02/01/10	\$ 480.00	\$ 5,000.00	15,000.00
33	08/01/10	360.00		15,000.00
34	02/01/11	360.00	5,000.00	10,000.00
35	08/01/11	240.00		10,000.00
36	02/01/12	240.00	5,000.00	5,000.00
37	08/01/12	120.00		5,000.00
38	02/01/13	120.00	5,000.00	-0-
		<u>\$ 1,920.00</u>	<u>\$ 20,000.00</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1998C LOAN #S340874-01-01
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 77,070.07
25	06/01/10	\$ 5,316.48	\$ 36,395.22	40,674.85
26	12/01/10	1,283.23		40,674.85
27	06/01/11	4,741.52	40,674.85	-0-
		<u>\$ 11,341.23</u>	<u>\$ 77,070.07</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1991A LOAN #340874-01-01 -
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 50,548.09
37	06/01/10	\$ 23,831.82	26,716.27
38	12/01/10	756.12	25,960.15
39	06/01/11	25,960.15	-0-
		<u>\$ 50,548.09</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1990 LOAN #S874-01
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 26,107.04
39	5/15/10	\$ 26,107.04	-0-
		<u>\$ 26,107.04</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1993 LOAN #S340874-01-02 -
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 9,340.08
32	2/1/10	\$ 2,334.99	7,005.09
33	8/1/10	153.39	6,851.70
34	2/1/11	2,283.86	4,567.84
35	8/1/11	102.26	4,465.58
36	2/1/12	2,232.73	2,232.85
37	8/1/12	51.13	2,181.72
38	2/1/13	2,181.72	-0-
		<u>\$ 9,340.08</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
01-16	Improvements to Delaware Heights Park	\$ 223,102.92	\$ 11,139.16	\$ 211,963.76
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2009

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 211,963.76
7	1/11/10	\$ 2,119.64	\$ 5,653.26	206,310.50
8	7/11/10	2,063.10	5,709.80	200,600.70
9	1/11/11	2,006.01	5,766.89	194,833.81
10	7/11/11	1,948.34	5,824.56	189,009.25
11	1/11/12	1,890.09	5,882.80	183,126.45
12	7/11/12	1,831.26	5,941.64	177,184.81
13	1/11/13	1,771.85	6,001.05	171,183.76
14	7/11/13	1,711.84	6,061.06	165,122.70
15	1/11/14	1,651.23	6,121.67	159,001.03
16	7/11/14	1,590.01	6,182.89	152,818.14
17	1/11/15	1,528.18	6,244.72	146,573.42
18	7/11/15	1,465.73	6,307.16	140,266.26
19	1/11/16	1,402.66	6,370.24	133,896.02
20	7/11/16	1,338.96	6,433.94	127,462.08
21	1/11/17	1,274.62	6,498.28	120,963.80
22	7/11/17	1,209.64	6,563.26	114,400.54
23	1/11/18	1,144.01	6,628.89	107,771.65
24	7/11/18	1,077.72	6,695.18	101,076.47
25	1/11/19	1,010.76	6,762.14	94,314.33
26	7/11/19	943.14	6,829.75	87,484.58
27	1/11/20	874.85	6,898.05	80,586.53
28	7/11/20	805.87	6,967.04	73,619.49
29	1/11/21	736.19	7,036.70	66,582.79
30	7/11/21	665.83	7,107.07	59,475.72
31	1/11/22	594.76	7,178.14	52,297.58
32	7/11/22	522.98	7,249.93	45,047.65
33	1/11/23	450.48	7,322.42	37,725.23
34	7/11/23	377.25	7,395.65	30,329.58
35	1/11/24	303.30	7,469.60	22,859.98
36	7/11/24	228.60	7,544.30	15,315.68
37	1/11/25	153.16	7,619.74	7,695.94
38	7/11/25	76.96	7,695.94	-0-
		<u>\$ 36,769.02</u>	<u>\$ 211,963.76</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorization	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Bond Anticipation Notes Matured	Bond Anticipation Notes Issued	Balance Dec. 31, 2009
99-05; 99-16	Various Capital Improvements	\$ 476.50						\$ 476.50
02-04	Various Capital Improvements				\$ 70,000.00	\$ 368,000.00	\$ 298,000.00	
03-04	Various Capital Improvements				75,000.00	387,000.00	312,000.00	
04-08	Various Capital Improvements				49,000.00	643,000.00	594,000.00	
05-18	Various Capital Improvements				60,000.00	1,102,400.00	1,042,400.00	
06-20	Various Capital Improvements	300,049.00			90,000.00	1,749,600.00	1,659,600.00	300,049.00
06-32	Various Local Improvements	4,700,000.00		\$ 35,000.00				4,665,000.00
07-07	Various Capital Improvements				55,800.00	755,800.00	700,000.00	
08-12	Various Capital Improvements	773,870.00					536,370.00	237,500.00
09-10	Various Capital Improvements		\$ 498,379.00					498,379.00
		<u>\$ 5,774,395.50</u>	<u>\$ 498,379.00</u>	<u>\$ 35,000.00</u>	<u>\$ 399,800.00</u>	<u>\$ 5,005,800.00</u>	<u>\$ 5,142,370.00</u>	<u>\$ 5,701,404.50</u>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2009
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	E	\$ 1,901,044.21	\$ 1,597,402.42
Increased by Receipts:			
Utility Collector		\$ 396,025.00	
Sewer Rents - Other Municipalities		2,229,330.51	
Nonbudget Revenue		35,215.88	
Due from Current Fund:			
Settlement of Prior Year Interfund		367.65	
Due from Sewer Utility Capital Fund:			
Settlement of Prior Year Interfund		2,223.75	
2009 Budget Appropriation:			
Capital Improvement Fund			\$ 405,000.00
Reserve for Sewer Improvements			43,250.00
Due to Sewer Utility Operating Fund:			
Interest Earned			1,900.28
		<u>2,663,162.79</u>	<u>450,150.28</u>
		4,564,207.00	2,047,552.70
Decreased by Disbursements:			
2009 Appropriation Expenditures		3,239,983.49	
2008 Appropriation Reserves		169,589.85	
Accrued Interest on Loans		48,652.24	
Prior Year Encumbrances			15,982.72
Improvement Authorization Expenditures			188,534.57
Due to Current Fund:			
Anticipated Revenue - 2009 Budget		300,000.00	
Due to Sewer Utility Operating Fund:			
Settlement of Prior Year Interfund			2,223.75
		<u>3,758,225.58</u>	<u>206,741.04</u>
Balance December 31, 2009	E	<u>\$ 805,981.42</u>	<u>\$ 1,840,811.66</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2009	
		Budget Appropriation	Miscellaneous	Miscellaneous	Improvement Authorizations	From	To		
Capital Improvement Fund	\$ 522,671.46	\$ 405,000.00						\$ 927,671.46	
Due to/(from) Sewer Utility Operating Fund	2,223.75		\$ 1,900.28	\$ 2,223.75		\$ 15,627.66		(13,727.38)	
NJ Department of Environmental Protection Grant Receivable						2,828,440.00		(2,828,440.00)	
Encumbrances Payable	50,099.19			15,982.72		1,504.07	\$ 4,601,943.07	4,634,555.47	
Reserve for Sewer Improvements	416,702.00		43,250.00					459,952.00	
Fund Balance	184,340.09							184,340.09	
Ord. No.	Improvement Authorizations								
90-10	Reconstruction and Rehabilitation of the Wastewater Disposal Facility	(15,627.66)					15,627.66		
01-13	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement Pump	20,579.96						20,579.96	
02-12	Services Associated with New Sanitary Sewer Outfall in the Delaware River	59,973.54						59,973.54	
03-01	Additional Services for Wastewater Treatment Management Plan	9,567.25						9,567.25	
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	16,300.00						16,300.00	
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant	1,302.00						1,302.00	
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	53,993.64					1,504.07	55,497.71	
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	275,277.20						275,277.20	
09-13	Improvements to Town Sewage Treatment Plant				\$ 188,534.57	4,601,943.07	2,828,440.00	(1,962,037.64)	
		<u>\$ 1,597,402.42</u>	<u>\$ 405,000.00</u>	<u>\$ 45,150.28</u>	<u>\$ 18,206.47</u>	<u>\$ 188,534.57</u>	<u>\$ 7,447,514.80</u>	<u>\$ 7,447,514.80</u>	<u>\$ 1,840,811.66</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - SEWER COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 16,318.37
Increased by:		
Consumer Accounts Receivable		\$ 1,724,470.38
Interest on Sewer Rents		19,897.09
Interest on Investments		5,675.62
Returned Check Fees		120.00
		<u>1,750,163.09</u>
		<u>1,766,481.46</u>
Decreased by:		
Disbursed to Sewer Treasurer		<u>396,025.00</u>
Balance December 31, 2009	E	<u>\$ 1,370,456.46</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 189,014.86
Increased by:		
Sewer Rents Levied		1,771,821.95
		<u>1,960,836.81</u>
Decreased by:		
Collections:		
Transfer to Sewer Liens Receivable		\$ 5,294.55
Sewer Collector - Cash Received		1,724,470.38
		<u>1,729,764.93</u>
Balance December 31, 2009	E	<u>\$ 231,071.88</u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ -0-
Increased by:		
Transfer from Consumer Accounts Receivable		\$ 5,294.55
Interest and Costs Accrued at Tax Sale		75.81
		<u>5,370.36</u>
Balance December 31, 2009	E	<u>\$ 5,370.36</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Sewer Treatment Plant	\$ 26,285,386.85	\$ 300,000.00	\$ 26,585,386.85
Various Capital Improvements	113,359.91	74,100.00	187,459.91
General Equipment	426,102.19		426,102.19
	<u>\$ 26,824,848.95</u>	<u>\$ 374,100.00</u>	<u>\$ 27,198,948.95</u>
<u>Ref.</u>	E		E

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Authorization	Costs to Fixed Capital	Balance Dec. 31, 2009
01-13	06/05/01	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement of Pump	\$ 96,000.00			\$ 96,000.00
02-12	08/06/02	Services Associated With New Sanitary Sewer Outfall in the Delaware River	71,100.00			71,100.00
03-01	01/21/03	Additional Services for Wasterwater Management Plan	15,500.00			15,500.00
04-10	04/06/04	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	45,000.00			45,000.00
04-26	10/05/04	Purchase of a Sutor Blower for the Wastewater Treatment Plant	30,000.00			30,000.00
05-19	05/03/05	General Improvements to the Wastewater Treatment Plant and Associated Facilities	525,000.00			525,000.00
05-26	06/28/05	General Improvements Including but not Limited to Phosphorous Study and Laboratory Services for Local Limit Analysis	74,100.00		\$ 74,100.00	
06-21	05/02/06	General Improvements to the Wastewater Treatment Plant and Associated Facilities	300,000.00		300,000.00	
07-12	07/17/07	General Improvements to the Wastewater Treatment Plant and Associated Facilities	394,550.00			394,550.00
09-13	06/16/09	Improvements to Town Sewage Treatment Plant		\$ 5,815,250.00		5,815,250.00
			<u>\$ 1,551,250.00</u>	<u>\$ 5,815,250.00</u>	<u>\$ 374,100.00</u>	<u>\$ 6,992,400.00</u>
		<u>Ref.</u>	E			E

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 19,566.34	\$ 19,566.34	\$ 6,231.71	\$ 13,334.63
Other Expenses	439,122.08	439,122.08	161,706.05	277,416.03
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	4,974.55	4,974.55	787.74	4,186.81
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,317.50	5,317.50	864.35	4,453.15
	\$ 468,980.47	\$ 468,980.47	\$ 169,589.85	\$ 299,390.62
		<u>Ref.</u>		
<u>Analysis of Balance December 31, 2008</u>				
Unencumbered	E \$ 327,235.03			
Encumbered	E 141,745.44			
	\$ 468,980.47			

**TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2008 Funded	2009 Authorization Deferred Charges to Future Revenue	Paid or Charged	Prior Year Encumbrances Cancelled	Balance Dec. 31, 2009	
		Date	Amount					Funded	Unfunded
01-13	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement Pump	06/05/01	\$ 96,000.00	\$ 20,579.96				\$ 20,579.96	
02-12	Services Associated With New Sanitary Sewer Outfall in Delaware River	08/06/02	71,100.00	59,973.54				59,973.54	
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00	9,567.25				9,567.25	
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	04/06/04	45,000.00	16,300.00				16,300.00	
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant	10/05/04	30,000.00	1,302.00				1,302.00	
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/03/05	525,000.00	53,993.64			\$ 1,504.07	55,497.71	
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	07/17/07	394,550.00	275,277.20				275,277.20	
09-13	Improvements to Town Sewage Treatment Plant	06/16/09	5,815,250.00		\$ 5,815,250.00	\$ 4,790,477.64			\$1,024,772.36
				<u>\$ 436,993.59</u>	<u>\$ 5,815,250.00</u>	<u>\$ 4,790,477.64</u>	<u>\$ 1,504.07</u>	<u>\$ 438,497.66</u>	<u>\$1,024,772.36</u>
			<u>Ref.</u>	<u>E</u>				<u>E</u>	<u>E</u>
				<u>Ref.</u>					
			Cash Disbursed			\$ 188,534.57			
			Encumbrances	<u>E</u>		<u>4,601,943.07</u>			
						<u>\$ 4,790,477.64</u>			

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 522,671.46
Increased by:		
2009 Budget Appropriation		<u>405,000.00</u>
Balance December 31, 2009	E	<u>\$ 927,671.46</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 25,959,347.41
Increased by:		
NJ Wastewater Treatment Loans Paid by		
Operating Budget		\$ 350,402.57
Funded by Budget Appropriation		15,627.66
Transferred from Deferred Reserve for Amortization		<u>374,100.00</u>
		<u>740,130.23</u>
Balance December 31, 2009	E	<u>\$ 26,699,477.64</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2008	2009 Authorization	Transferred to Reserve for Amortization	Balance Dec. 31, 2009
01-13	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement of Pump	06/19/01	\$ 96,000.00			\$ 96,000.00
02-12	Services Associated With New Sanitary Sewer Outfall in the Delaware River	08/06/02	71,100.00			71,100.00
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00			15,500.00
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	04/06/04	45,000.00			45,000.00
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant	10/05/04	30,000.00			30,000.00
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/03/05	525,000.00			525,000.00
05-26	General Improvements Including but not Limited to Phosphorous Study and Laboratory Services for Local Limit Analysis	06/28/05	74,100.00		\$ 74,100.00	
06-21	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/02/06	300,000.00		300,000.00	
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	07/17/07	394,550.00			394,550.00
09-13	Improvements to Town Sewage Treatment Plant	06/16/09		\$ 2,828,440.00		2,828,440.00
			<u>\$ 1,551,250.00</u>	<u>\$ 2,828,440.00</u>	<u>\$ 374,100.00</u>	<u>\$ 4,005,590.00</u>
		<u>Ref.</u>	E			E

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

	<u>Ref.</u>	<u>Trust Loan</u>	<u>Fund Loan</u>
Balance December 31, 2008	E	\$ 568,709.18	\$ 281,164.70
Decreased by:			
Loans Paid by Operating Budget		<u>225,990.48</u>	<u>124,412.09</u>
Balance December 31, 2009	E	<u>\$ 342,718.70</u>	<u>\$ 156,752.61</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1993 LOAN #S340580-03-02
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 40,000.00
32	2/1/10	\$ 960.00	\$ 10,000.00	30,000.00
33	8/1/10	720.00		30,000.00
34	2/1/11	720.00	10,000.00	20,000.00
35	8/1/11	480.00		20,000.00
36	2/1/12	480.00	10,000.00	10,000.00
37	8/1/12	240.00		10,000.00
38	2/1/13	240.00	10,000.00	-0-
		<u>\$ 3,840.00</u>	<u>\$ 40,000.00</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1998C LOAN #S340874-01
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 86,138.90
25	06/01/10	\$ 5,963.65	\$ 40,944.63	45,194.27
26	12/01/10	1,425.85		45,194.27
27	06/01/11	5,268.81	45,194.27	-0-
		<u>\$ 12,658.31</u>	<u>\$ 86,138.90</u>	

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1998D LOAN
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 44,541.31
25	04/01/10	\$ 4,090.59	\$ 15,027.03	29,514.28
26	10/01/10	1,002.32		29,514.28
27	04/01/11	3,601.32	14,822.34	14,691.94
28	10/01/11	497.72		14,691.94
29	04/01/12	3,059.82	14,691.94	-0-
		<u>\$ 12,251.77</u>	<u>\$ 44,541.31</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1997 LOAN #S580-03
TRUST LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 172,038.49
27	05/15/10	\$ 16,068.22	\$ 172,038.49	-0-
		<u>\$ 16,068.22</u>	<u>\$ 172,038.49</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1990 LOAN - S580-03
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 105,917.03
39	05/15/10	\$ 105,917.03	-0-
		<u>\$ 105,917.03</u>	

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ WASTEWATER TREATMENT LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1992 LOAN
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 24,261.25
33	04/01/10	\$ 12,256.08	12,005.17
34	10/01/10	713.13	11,292.04
35	04/01/11	11,292.04	-0-
		<u>\$ 24,261.25</u>	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 1993 LOAN #S340580-03-02
FUND LOAN OUTSTANDING DECEMBER 31, 2009

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 26,574.33
32	2/1/10	\$ 6,643.59	19,930.74
33	8/1/10	436.44	19,494.30
34	2/1/11	6,498.11	12,996.19
35	8/1/11	290.96	12,705.23
36	2/1/12	6,352.63	6,352.60
37	8/1/12	145.48	6,207.12
38	2/1/13	6,207.12	-0-
		<u>\$ 26,574.33</u>	

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Authorization	Funded by Budget Appropriation	Funded by NJ Department of Environmental Protection Grant Receivable	Balance Dec. 31, 2009
90-10	06/05/90	Reconstruction and Rehabilitation of the Wastewater Disposal Facility	\$ 15,627.66		\$ 15,627.66		
09-13	06/16/09	Improvements to Town Sewage Treatment Plant		\$ 5,815,250.00		\$ 2,828,440.00	\$ 2,986,810.00
			<u>\$ 15,627.66</u>	<u>\$ 5,815,250.00</u>	<u>\$ 15,627.66</u>	<u>\$ 2,828,440.00</u>	<u>\$ 2,986,810.00</u>

TOWN OF PHILLIPSBURG
PART II – SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2009

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Name of Federal Agency or Department	C.F.D.A. Account No.	Name of Program/ State Account #	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures
				From	To			
<u>Environmental Protection Agency:</u>								
(Passed Thru NJ Department of Environmental Protection)	66.605	Municipal Stormwater Regulation Program State #04-100-042-4850-118	\$ 12,029.00	03/01/04	02/28/09		\$ 3,997.25	\$ 12,029.00
			3,007.00	01/01/08	12/31/09		2,877.75	2,877.75
			15,036.00				6,875.00	14,906.75
Total Environmental Protection Agency			15,036.00				6,875.00	14,906.75
<u>U.S. Department of Housing and Urban Development</u>								
	14.856	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	1,811,857.00	01/01/07	12/31/07		15,435.83	1,678,219.04
			1,797,257.00	01/01/09	12/31/09	\$ 1,797,257.00	1,797,257.00	1,797,257.00
			149,634.00	01/01/09	12/31/10		149,634.00	
			3,758,748.00				1,946,891.00	3,475,476.04
Total Department of Housing and Urban Development			3,758,748.00			1,946,891.00	1,812,692.83	3,475,476.04
<u>U.S. Department of Justice</u>								
	16.738	Edward Byrne Memorial Justice Assistance Grant - ARRA	32,796.00	01/01/09	12/31/09	32,796.00	32,769.50	32,769.50
<u>U.S. Department of Transportation</u>								
(Passed thru State of NJ Department of Transportation)	20.205	Transportation Trust Fund Authority Act: Gateway to Phillipsburg Grant Municipal Aid State #480-078-6320-TCAP-6010	300,000.00	01/01/05	12/31/09	300,000.00	300,000.00	300,000.00
			161,000.00	01/01/08	12/31/09		1,195.74	160,538.18
			197,308.00	01/01/09	12/31/09		148,149.00	148,149.00
			658,308.00			300,000.00	449,344.74	608,687.18
	20.605	Over the Limit Under Arrest: Impaired Driving Crackdown Grant Mobilization Grant	6,000.00	01/01/09	12/31/09	6,000.00	6,000.00	6,000.00
			5,000.00	01/01/09	12/31/10		1,216.65	1,216.65
			11,000.00				6,000.00	7,216.65
	20.601	Cops-in-Shops Grant	1,600.00	01/01/08	12/31/09		950.14	1,400.17
Total Department of Transportation			670,908.00			306,000.00	457,511.53	617,304.00
Total Federal Awards			\$ 4,477,488.00			\$ 2,285,687.00	\$ 2,309,848.86	\$ 4,140,456.29

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	Name of Program	Grant I.D. No.	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures
				From	To			
<u>Department of Commerce and Economic Growth</u>								
	Urban Enterprise Zone:							
	Marketing Program	763-020-2830-037-5825	\$ 94,837.00	06/01/03	05/31/09	\$ 229.90	\$ 229.90	\$ 94,634.43
	Tenant Incentive Package	763-020-2830-037-5825	115,000.00	06/01/04	05/31/09		(4,000.00)	109,819.74
	Curbside Appeal Project	763-020-2830-037-5825	10,000.00	08/11/04	08/31/09	1,234.00	1,288.00	9,908.00
	Railroad Museum Grant Administration Project	763-020-2830-037-5825	15,960.00	07/13/05	07/31/09	6,298.00	6,298.00	10,168.58
	11 Union Square Restoration Loan	763-020-2830-037-5825	50,000.00	09/14/05	09/30/09	2,500.00		50,000.00
	Rent Subsidy Incentive Program	763-020-2830-037-5825	50,000.00	01/01/06	12/31/09	13,000.00	15,350.00	21,050.00
	Trolley Bus Operation Project	763-020-2830-037-5825	20,000.00	08/09/06	08/31/09		(910.00)	19,041.79
	Railroad Museum Administration - Phase III	763-020-2830-037-5825	24,450.00	01/10/07	01/31/09	11,314.09	11,314.09	17,814.09
	Marketing Phase V	763-020-2830-037-5825	85,850.00	02/14/07	02/29/09	3,911.45	4,203.51	84,536.22
	Downtown Incentive Program - Phase II	763-020-2830-037-5825	50,000.00	06/13/07	06/30/09	15,378.25	14,041.00	42,689.00
	Administrative Budget - FY 2008	763-020-2830-037-5825	129,897.14	07/01/07	06/30/09	13.30	13.30	122,672.18
	TV Marketing & Promotions Project	763-020-2830-037-5825	30,000.00	11/14/07	11/30/09	8,398.00	10,447.00	26,345.00
	Police Patrols - Phase V	763-020-2830-037-5825	43,200.00	01/09/08	01/31/11	14,446.79	17,258.59	38,260.47
	Police Patrols - Phase VI	763-020-2830-037-5825	16,442.00	09/10/08	09/30/10	13,305.58	15,041.58	15,041.58
	W&C LLC Façade Grant	763-020-2830-037-5825	4,450.00	01/01/08	12/31/09	4,450.00	4,450.00	4,450.00
	Union Signal Tower Roof Phase I	763-020-2830-037-5825	49,875.00	02/13/08	02/28/10	20,285.00	2,375.00	35,195.00
	Shappell Park Phase III	763-020-2830-037-5825	42,000.00	02/13/08	02/28/11	40,325.00	11,325.00	40,820.29
	Website Project	763-020-2830-037-5825	5,000.00	02/13/08	02/28/13	1,799.00	1,799.00	4,058.00
	Marketing Program Phase VI Amendment	763-020-2830-037-5825	85,850.00	03/12/08	03/31/09	31,300.63	22,663.63	85,850.00
	Administrative Budget - FY 2009	763-020-2830-037-5825	128,691.13	07/01/08	06/30/09	114,844.41	77,344.45	123,619.07
	Morris Canal Arch Engineering Project	763-020-2830-037-5825	27,000.00	01/01/08	12/31/09	16,171.57	22,031.57	22,031.57
	Bittone Equipment Services	763-020-2830-037-5825	25,000.00	04/09/08	04/30/10	25,000.00	25,000.00	25,000.00
	Realty Partners Project	763-020-2830-037-5825	11,299.00	06/11/08	-06/30/09	11,299.00		11,299.00
	Moussa LLC Façade Grant	763-020-2830-037-5825	25,000.00	07/09/08	07/31/09	25,000.00		25,000.00
	Potter Zone Grant	763-020-2830-037-5825	26,250.00	07/09/08	07/31/09	26,250.00		26,250.00
	Trolley Bus Operation - Phase II	763-020-2830-037-5825	10,000.00	01/01/08	12/31/09	1,170.00	6,180.00	6,180.00
	309 Main Street Façade Grant	763-020-2830-037-5825	25,000.00	09/10/08	09/30/09	25,000.00	25,000.00	25,000.00
	Co-op Marketing Grant Project	763-020-2830-037-5825	36,400.00	01/01/08	12/31/09	7,472.42	15,022.48	15,022.48
	Kays Electric Project	763-020-2830-037-5825	52,500.00	11/05/08	11/30/10	52,500.00	52,500.00	52,500.00
	Tenant Incentive Project - Phase III	763-020-2830-037-5825	75,000.00	02/11/09	02/28/11	19,531.10	35,556.10	35,556.10
	Golf Academy	763-020-2830-037-5825	50,000.00	02/11/09	02/28/10	26,480.00	50,000.00	50,000.00
	SFY 2010 Administrative Budget	763-020-2830-037-5825	75,000.00	07/01/09	06/30/10		15,034.66	15,034.66
	Marketing Program Phase VII	763-020-2830-037-5825	86,750.00	04/08/09	04/30/11	43,219.50	60,930.30	60,930.30
	Morris Canal Arch Architecture	763-020-2830-037-5825	35,900.00	04/08/09	04/30/11	2,475.90	2,475.90	2,475.90
Total Department of Commerce and Economic Growth				1,612,601.27		584,602.89	520,263.06	1,328,253.45

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	Name of Program	Grant I.D. No.	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	
				From	To				
<u>Department of Law and Public Safety</u>	Drunk Driving Enforcement Fund	100-078-6400-YYYY	\$ 8,648.34	01/01/05	12/31/09		\$ 4,548.13	\$ 8,648.34	
			4,130.69	01/01/06	12/31/09		4,130.69	4,130.69	
			2,878.98	01/01/07	12/31/09		1,955.55	1,955.55	
			7,304.41	01/01/09	12/31/09	\$ 7,304.41	464.95	464.95	
			<u>22,962.42</u>			<u>7,304.41</u>	<u>11,099.32</u>	<u>15,199.53</u>	
	Body Armor Replacement Grant	718-066-1020-001-6120	12,362.04	01/01/05	12/31/09		3,001.50	12,323.00	
			3,476.50	01/01/06	12/31/09		3,361.00	3,361.00	
			3,981.82	01/01/07	12/31/09		3,938.20	3,938.20	
			<u>19,820.36</u>				<u>10,300.70</u>	<u>19,622.20</u>	
	Office of Emergency Management - Emergency Management Grant	100-066-1200-726-6120	5,000.00	01/01/09	12/31/09	5,000.00			
Total Department of Law and Public Safety			<u>47,782.78</u>			<u>12,304.41</u>	<u>21,400.02</u>	<u>34,821.73</u>	
<u>Highlands Council</u>	Plan Conformance Grant	N/A	50,000.00	01/01/09	12/31/09	24,069.99	24,069.99	24,069.99	
	Initial Assessment Grant	N/A	15,000.00	01/01/09	12/31/09	10,712.39	10,712.39	10,712.39	
	Total Highlands Council			<u>65,000.00</u>			<u>34,782.38</u>	<u>34,782.38</u>	<u>34,782.38</u>
<u>Department of Labor and Workforce Development</u>	N.J. Youth Corps - 2008 - ALWY9N	100-062-4545-095-6140	678,854.00	07/01/08	06/30/09	369,481.00	525,687.00	678,854.00	
	N.J. Youth Corps - 2008 - SLWY9N	100-062-4545-095-6140	60,874.00	07/01/08	06/30/09	60,874.00	60,874.00	60,874.00	
	N.J. Youth Corps - 2009 - ALWY10N	100-062-4545-095-6140	642,334.00	07/01/09	06/30/10	321,909.00	157,844.00	157,844.00	
	Total Department of Labor and Workforce Development			<u>1,382,062.00</u>			<u>752,264.00</u>	<u>744,405.00</u>	<u>897,572.00</u>
<u>Department of Environmental Protection</u>	Clean Communities Grant	765-042-4900- 004-6020	15,595.00	01/01/06	12/31/09		10.00	15,585.57	
			20,983.78	01/01/08	12/31/09		100.00	20,876.08	
			27,037.53	01/01/09	12/31/09	27,037.53	22,383.31	22,383.31	
			<u>63,616.31</u>			<u>27,037.53</u>	<u>22,493.31</u>	<u>58,844.96</u>	
			Recycling Grant	752-042-4900- 001-6020	7,280.46	01/01/07	12/31/09		(368.00)
			34,003.21	01/01/09	12/31/10	34,003.21	(368.00)	223.92	
			<u>41,283.67</u>			<u>34,003.21</u>	<u>(368.00)</u>	<u>223.92</u>	
	Total Department of Environmental Protection			<u>104,899.98</u>			<u>61,040.74</u>	<u>22,125.31</u>	<u>59,068.88</u>

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	Name of Program	Grant I.D. No.	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures
				From	To			
<u>Department of Treasury</u>								
Passed through the County of Warren	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance	100-082-2000- 044-995120	\$ 11,760.00	01/01/08	12/31/09	\$ 6,212.00	\$ 1,049.36	\$ 11,759.99
			11,968.00	01/01/09	12/31/09	5,126.00	11,894.00	11,894.00
Total Department of Treasury			<u>23,728.00</u>			<u>11,338.00</u>	<u>12,943.36</u>	<u>23,653.99</u>
	Total State Awards		<u>\$ 3,236,074.03</u>			<u>\$ 1,456,332.42</u>	<u>\$ 1,355,919.13</u>	<u>\$ 2,378,152.43</u>

N/A - Not Available

TOWN OF PHILLIPSBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Town of Phillipsburg. The Town of Phillipsburg is defined in Note 1 to the Town's financial statements. All federal and state financial awards received directly from federal and state agencies, as well as federal and state financial awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal and state Type A and B programs was \$300,000. The Town qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

E. COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM

In 1982, the Town of Phillipsburg received two Small Cities Community Development Block Grants from the New Jersey Department of Community Affairs. These grant funds were utilized to revitalize the downtown area of Phillipsburg and to create jobs for low-income people in the community. The grant funds were provided to eligible participants through low-interest loans. In 1984, the Town was granted approval from the New Jersey Department of Community Affairs to utilize loan repayments received for the provision of new loans for other projects which would provide for the creation of jobs for low-income people in the community. This program is included in the Other Trust Funds as the Community Development Revolving Loan Program.

F. NJ WASTEWATER TREATMENT LOANS PAYABLE

At December 31, 2009, the Town has \$137,629.59 and \$85,995.21 of NJ Wastewater Treatment Trust and Fund Loans Payable outstanding which are recorded in the General Capital Fund. The Town also has \$342,718.70 and \$156,752.61 of NJ Wastewater Treatment Trust and Fund Loans Payable outstanding which are recorded in the Sewer Utility Capital Fund.

Currently, the Town is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.

TOWN OF PHILLIPSBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009
(Continued)

G. GREEN ACRES LOANS PAYABLE

At December 31, 2009, the Town has a \$211,963.76 Green Acres Loan Payable outstanding which is recorded in the General Capital Fund.

Currently, the Town is in the process of repaying this loan balance. There were no loan receipts or expenditures in the current year. The project which relates to the loan is complete.



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 200 Valley Road, Suite 300
 Mount Arlington, NJ 07856
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
 Fax: 973-383-6555

Independent Auditors' 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 Town Council
 Town of Phillipsburg
 Phillipsburg, New Jersey

We have audited the financial statements of the Town of Phillipsburg, in the County of Warren (the "Town") as of, and for the years ended, December 31, 2009 and 2008 and have issued our report thereon dated May 28, 2010, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
Page 2

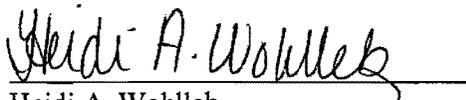
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

This report is intended solely for the information and use of management, the Mayor and Members of the Town Committee, others within the Town and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
May 28, 2010

NISIVOCCIA & COMPANY LLP



Heidi A. Wohlleb
Registered Municipal Accountant No. 481
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in Accordance with OMB Circular
A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
Phillipsburg, New Jersey

Compliance

We have audited the compliance of the Town of Phillipsburg in the County of Warren (the "Town") with the types of compliance requirements described in the U.S. Office of Management and Budget (the "OMB") *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended December 31, 2009. The Town's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
Page 2

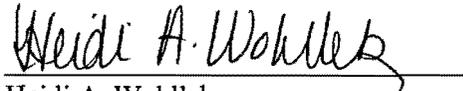
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, the Members of the Town Council, Management of the Town, and to meet the requirements for filing with the Division of Local Government Services, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
May 28, 2010

NISIVOCCIA & COMPANY LLP



Heidi A. Wohlleb

Registered Municipal Accountant No. 481

Certified Public Accountant

TOWN OF PHILLIPSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Summary of Auditors' Results:

- An unqualified report was issued on the Town's financial statements for 2009 prepared on an other comprehensive basis of accounting.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Town.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the Town.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Town's major federal and state programs.
- An unqualified report was issued on the Town's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.
- The Town's major federal and state programs for the year ended December 31, 2009 consisted of the following awards:

	CFDA No./ State Account No.	Budgetary Expenditures
<u>Federal:</u>		
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	\$ 1,812,692.83
<u>State:</u>		
Urban Enterprise Zone Grants	763-020-2830-037-5825	520,263.06

- The threshold for distinguishing Type A and B programs was \$300,000.
- The Town qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in Federal OMB Circular A-133.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in New Jersey's OMB Circular NJOMB 04-04.

TOWN OF PHILLIPSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

There were no prior year findings.

TOWN OF PHILLIPSBURG

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS

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

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2005, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$21,000, and with a qualified purchasing agent the threshold may be up to \$29,000.

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

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

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.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

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

During 2009, the Town had to perform an emergency repair and replacement of a fallen traffic signal and pole. Due to the emergent nature of the situation, the Town was not required to advertise for bids for this project. However, an emergency resolution was not adopted by the governing body.

It is recommended that emergency resolutions be adopted by the governing body for all emergency expenditures.

Management's Response

Extra care will be taken in the future to ensure that emergency resolutions are adopted by the governing body for all emergency project expenditures.

Collection of Interest on Delinquent Taxes and Sewer Rents

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 25, 1994, the governing body adopted the following ordinance authorizing interest to be charged on delinquent taxes:

“WHEREAS, the Town of Phillipsburg wishes to set forth procedures for the collection of taxes;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Phillipsburg that the procedures are set forth as follows:

DELINQUENT TAX PAYMENTS

The below-stated charges shall be assessed against delinquent accounts:

Interest – 8% per annum on first \$1,500. 18% per annum on amounts in excess of \$1,500.

Penalties – Additional 6% on amounts in excess of \$10,000 as of December 31 current year.

Grace Period – A ten (10) day grace period shall be granted for the payment of current taxes.”

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing ordinance.

On January 25, 1994, the governing body adopted the following ordinance authorizing interest to be charged on delinquent sewer payments:

“WHEREAS, the Town of Phillipsburg wishes to set forth procedures for the collection of sewer payments;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Phillipsburg that the procedures are set forth as follows:

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

Collection of Interest on Delinquent Taxes and Sewer Rents (Cont'd)

DELINQUENT SEWER PAYMENTS

The below-stated charges shall be assessed against delinquent accounts:

Interest – 8% per annum on first \$1,500. 18% per annum on amounts in excess of \$1,500.

Penalties – Additional 6% on amounts in excess of \$10,000 as of December 31 current year.

Grace Period – A ten (10) day grace period shall be granted for the payment of current sewer charges.”

It appears from an examination of the Collector’s records that interest was collected in accordance with the foregoing ordinance.

Delinquent Taxes and Tax Title Liens/Sewer Liens

The last tax sale was held on November 24, 2009, and was complete with respect to all items eligible for sale.

The following comparison is made of the number of sewer and tax title liens receivable on December 31, of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2009	26
2008	7
2007	11

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2010 Taxes	20
Payments of 2009 Taxes	20
Payments of Sewer Utility Charges	10
Delinquent Taxes	20
Delinquent Sewer Utility Charges	10
Tax Title Liens	3

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

A summary of Municipal Court transactions for the year 2009 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Receipts	Disbursements	Balance Dec. 31, 2009
State of New Jersey	\$ 12,649.31	\$ 173,193.18	\$ 174,491.43	\$ 11,351.06
County	7,605.18	99,807.88	101,691.20	5,721.86
Municipality	25,568.61	296,825.31	304,039.87	18,354.05
Municipality - POAA	82.00	650.00	660.00	72.00
Conditional Discharge	17.00	1,525.00	1,423.00	119.00
Local Park Commission	198.00	198.00	396.00	
Public Defender		725.00	650.00	75.00
Weights and Measures	200.00	9,750.00	9,950.00	
SPCA		923.00	923.00	
Restitution		1,062.85	1,062.85	
Fish and Game		175.00	175.00	
	<u>\$ 46,320.10</u>	<u>\$ 584,835.22</u>	<u>\$ 595,462.35</u>	<u>\$ 35,692.97</u>

During our review of the Municipal Court records, we noted that there were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. The Court Administrator has made an effort to obtain these tickets from the respective officers and void them.

It is recommended that the Court Administrator continue to pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.

Management's Response

The Court Administrator will continue to pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

Urban Enterprise Zone Federal and State Grant Fund Receivables/Appropriated Grant Reserves

During the course of the audit, we noted that while a definite effort had been made to submit reimbursement requests and pursue collection of older Urban Enterprise Zone grant receivable balances, there are still a few older Urban Enterprise Zone grant receivable balances which have not been collected. Also, while a significant number of older Urban Enterprise Zone appropriated grant reserve and grant receivable balances were cancelled in 2009, there are still some older UEZ appropriated grant reserve and receivable balances.

It is recommended that the Town continue to pursue collection of the older Urban Enterprise Zone receivable balances and review the UEZ appropriated grant reserve balances for cancellation.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

Management's Response

A continued emphasis will be placed on pursuing collection of the Urban Enterprise Zone grant receivable balances. Also, all grant receivable and appropriated reserves balances will be reviewed for cancellation in 2010.

Single Audit

During our review of the Urban Enterprise Zone grants in 2007 and 2008, it was noted that the unexpended balances for certain grants per the Town's accounting records were not reconciled with the unexpended balances reported on the quarterly Urban Enterprise Zone financial reports and supporting records. Although a definite effort has been made during 2009 to reconcile the two sets of records, there remain differences between the Town's accounting records and the unexpended balances reported on the quarterly Urban Enterprise Zone financial reports and supporting records.

It is recommended that the unexpended Urban Enterprise Zone grant balances per the Town's accounting records be fully reconciled with the Urban Enterprise Zone quarterly financial reports and supporting records on at least a quarterly basis.

Management's Response

The Urban Enterprise Zone will ensure that their quarterly financial reports and supporting records are reconciled with the Town's accounting records on at least a quarterly basis.

Capital Fund

There is one General Capital Fund ordinance which is over five years old and which has deficit cash balance at December 31, 2009. This situation arises when expenditures are made from an ordinance without the respective debt being issued. As the amount of the cash deficit is not material to the General Capital Fund, no formal recommendation is judged to be warranted.

Community Development Block Grant Revolving Loan Program

During our review of the Community Development Block Grant Revolving Loan Program receivable analysis, it was noted that there are a number of borrowers who are delinquent in paying back their loan balances and that repayments for two loans were credited to the Economic Development ("UEZ") bank account in error. Additionally, the Town does not prepare monthly bank reconciliations for the Community Development Block Grant account or reconcile the receivable analysis prepared by the bank with the activity per the monthly bank statements.

It is recommended that monthly bank reconciliations be prepared for the Community Development Block Grant account, which are reconciled with the receivable analysis prepared by the bank, and that a continuing effort be made to pursue collection of the delinquent Community Development Block Grant Revolving Loan balances.

Management's Response

The Town will continue to pursue collection of these delinquent balances and will prepare monthly reconciliations which are reconciled with the receivable analysis. The bank has already been contacted to correct the errors between accounts.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation

During our review of the monthly reports filed on the online system for the U.S. Department of Housing and Urban Development (H.U.D.), we noted that total expenditures for the year per the monthly reports was not in agreement with the Town's accounting records. The monthly Voucher Management System ("VMS") reports are prepared and submitted by an outside accountant. The Town does not review the monthly VMS reports to ensure agreement with the Town's accounting records.

It is recommended that procedures be implemented to reconcile amounts reported on the monthly Voucher Management System ("VMS") reports submitted by the outside accountant to HUD for the Section 8 Housing Program with the Town's accounting records.

Management's Response

Monthly VMS reports will be reconciled with the Town's accounting records..

Management's Suggestion

Consideration be given to requiring that prenumbered receipts be issued for all collections in order to strengthen controls over collections.

Corrective Action Plan

The Town has initiated a corrective action plan to resolve comments and recommendations from the 2008 audit report.

TOWN OF PHILLIPSBURG
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Emergency resolutions be adopted by the governing body for all emergency expenditures.
2. The Court Administrator continue to pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.
3. The Town continue to pursue collection of the older Urban Enterprise Zone receivable balances and review the UEZ appropriated grant reserve balances for cancellation.
4. The unexpended Urban Enterprise Zone grant balances per the Town's accounting records be fully reconciled with the Urban Enterprise Zone quarterly financial reports and supporting records on at least a quarterly basis.
5. Monthly bank reconciliations be prepared for the Community Development Block Grant account which are reconciled with the receivable analysis prepared by the bank. Also, a continuing effort should be made to pursue collection of the delinquent Community Development Block Grant Revolving Loan balances.
6. Procedures be implemented to reconcile amounts reported on the monthly Voucher Management System ("VMS") reports submitted by the outside accountant to HUD for the Section 8 Housing Program with the Town's accounting records.

* * * * *