

*TOWN OF PHILLIPSBURG*

*COUNTY OF WARREN*

*REPORT OF AUDIT*

*2015*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
REPORT OF AUDIT  
2015

TOWN OF PHILLIPSBURG  
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TOWN OF PHILLIPSBURG  
PART I  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2015



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## Independent Auditors' Report

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

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

We have audited the financial statements – *regulatory basis* - 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, 2015 and 2014, and the related notes to the financial statements, as listed in the foregoing table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and Members  
of the Town Council  
Town of Phillipsburg  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the Town on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a 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 regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Town as of December 31, 2015 and 2014, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Town as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Emphasis of Matter***

As discussed in Note 5 to the financial statements, the Town implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Town's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members  
of the Town Council  
Town of Phillipsburg  
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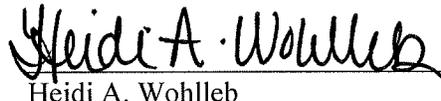
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
May 26, 2016

NISIVOCCIA LLP



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

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
CURRENT FUND

TOWN OF PHILLIPSBURG  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 6,145,237.10	\$ 6,954,730.13
Cash - Collector	A-5	524,333.11	462,667.68
Cash - Clerk	A-5a	5,054.26	7,978.45
Change Funds		1,050.00	1,050.00
		<u>6,675,674.47</u>	<u>7,426,426.26</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	971,176.03	980,747.65
Tax Title Liens Receivable	A-8	219,210.39	278,842.47
Property Acquired for Taxes at Assessed Valuation		1,776,000.00	1,263,500.00
Municipal Lien Charges Receivable	A-8a	9,433.05	82,387.46
Municipal Charges Receivable	A-8b	44,673.55	38,230.25
Revenue Accounts Receivable	A-9	16,055.52	19,654.49
Due from:			
Federal and State Grant Fund	A	420,239.34	
Other Trust Funds	B	126.24	
General Capital Fund	C	443.54	149.74
Claims Account		160.54	42.96
Payroll Accounts		33.39	18.73
Total Receivables and Other Assets With Full Reserves	A	<u>3,457,551.59</u>	<u>2,663,573.75</u>
Total Regular Fund		<u>10,133,226.06</u>	<u>10,090,000.01</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	2,136,943.79	1,461,878.72
Due from Current Fund	A		393,036.79
		<u>2,136,943.79</u>	<u>1,854,915.51</u>
<u>TOTAL ASSETS</u>		<u>\$ 12,270,169.85</u>	<u>\$ 11,944,915.52</u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 1,019,024.45	\$ 914,805.17
Encumbered	A-3;A-11	227,915.06	303,991.92
Total Appropriation Reserves		1,246,939.51	1,218,797.09
Other Encumbrances Payable:			
Reserve for Library		6,803.99	9,227.74
Accounts Payable - Vendors		48,279.10	1,767.53
Prepaid Taxes		294,337.55	220,842.97
Tax Overpayments		24,910.48	1,643.91
County Taxes Payable		3,429.70	5,414.07
Local School Taxes Payable	A-12	1,773,312.50	1,422,906.00
Due to:			
Federal and State Grant Fund	A		393,036.79
Animal Control Fund	B	8.00	100.80
Other Trust Funds	B		7,871.55
State of New Jersey:			
Senior Citizen and Veteran Deductions		49,900.85	51,728.56
Marriage License Fees		575.00	500.00
Dog License Fees			16.20
Phillipsburg Housing Authority		15,000.00	
Reserve for:			
Library		323,126.36	339,835.80
Sale of Municipal Assets		207,173.90	27,173.90
Tax Sale Premiums		350,900.00	373,100.00
Redemption of Outside Liens		2,548.00	3,465.00
Revaluation		22,474.52	27,799.52
Vehicle Damage			9,125.00
Tax Appeals		408,985.50	844,362.95
		4,778,704.96	4,958,715.38
Reserve for Receivables and Other Assets	A	3,457,551.59	2,663,573.75
Fund Balance	A-1	1,896,969.51	2,467,710.88
Total Regular Fund		10,133,226.06	10,090,000.01
Federal and State Grant Fund:			
Appropriated Reserves	A-13	1,100,806.17	1,186,093.91
Unappropriated Reserves	A-14	6,533.95	21,700.53
Reserve for Encumbrances		609,364.33	647,121.07
Due to Current Fund	A	420,239.34	
Total Federal and State Grant Fund		2,136,943.79	1,854,915.51
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 12,270,169.85</u>	<u>\$ 11,944,915.52</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 - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,000,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated		5,521,707.58	5,449,658.35
Receipts from:			
Delinquent Taxes		1,001,096.48	873,313.01
Current Taxes		26,489,774.74	25,693,139.89
Nonbudget Revenue		425,478.54	325,209.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		651,000.88	774,936.78
Cancellation of Federal and State Grant Fund			
Appropriated Reserves		18,160.30	52,647.83
Cancellation of Tax Overpayments		0.04	
Cancellation of Prior Year Accounts Payable		10.01	4,222.53
Interfunds and Other Receivables Returned		211.43	2,365.84
Total Income		<u>35,107,440.00</u>	<u>34,175,493.29</u>
<u>Expenditures</u>			
Budget Appropriations		17,301,819.23	17,032,771.49
County Taxes		5,726,604.84	5,638,411.81
County Share of Added and Omitted Taxes		3,429.70	5,414.07
Local School District Taxes		10,853,711.00	10,150,345.00
Refund of Prior Year Revenue		2,203.25	1,141.00
Prior Year Senior Citizens' Deductions Disallowed		1,250.00	3,536.30
Cancellation of Federal and State Grant Fund Receivables		18,160.30	32,385.67
Interfunds and Other Receivables Advanced		421,003.05	211.43
Reserve for Tax Appeals		350,000.00	500,000.00
Total Expenditures		<u>34,678,181.37</u>	<u>33,364,216.77</u>
Excess in Revenue		429,258.63	811,276.52
<u>Fund Balance</u>			
Balance January 1		<u>2,467,710.88</u>	<u>2,656,434.36</u>
		2,896,969.51	3,467,710.88
Decreased by:			
Utilized as Anticipated Revenue		<u>1,000,000.00</u>	<u>1,000,000.00</u>
Balance December 31	A	<u>\$ 1,896,969.51</u>	<u>\$ 2,467,710.88</u>

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

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 1,000,000.00		\$ 1,000,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	32,500.00		26,900.01	\$ 5,599.99 *
Other	13,400.00		14,917.00	1,517.00
Fees and Permits	91,600.00		83,277.34	8,322.66 *
Fines and Costs:				
Municipal Court	294,000.00		229,354.62	64,645.38 *
Interest and Costs on Taxes	164,500.00		208,447.85	43,947.85
Interest on Investments and Deposits	16,000.00		25,155.89	9,155.89
Payment in Lieu of Taxes - Federal Housing Project	129,000.00		136,731.14	7,731.14
Payment in Lieu of Taxes - Sewage Treatment	83,500.00		83,500.00	
Pool Receipts and Passes	22,500.00		22,957.19	457.19
Rental of Town Facilities - Former Armory and Town Garage	60,000.00		60,000.00	
Consolidated Municipal Property Tax Relief Aid	421,277.00		421,277.00	
Energy Receipts Tax	1,584,124.00		1,584,124.00	
Uniform Construction Code Fees	260,000.00		272,173.00	12,173.00
Shared Service Agreement - Borough of Alpha:				
Police Services	405,000.00		337,500.00	67,500.00 *
Municipal Court	20,000.00		15,199.98	4,800.02 *
Recycling Tonnage Grant	21,700.53		21,700.53	
Municipal Alliance on Alcoholism and Drug Abuse:				
State - 2015	12,440.00		12,440.00	
State - 2016		\$ 12,440.00	12,440.00	
Board of Education Match		2,000.00	2,000.00	
State of NJ Highlands Council:				
2015 Plan Conformance Grant - Supplemental	138,230.00		138,230.00	

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Continued):				
2014 COPS Hiring Program:				
Federal	\$ 62,500.00		\$ 62,500.00	
Phillipsburg School District	20,856.00		20,856.00	
N.J. Youth Corps - 2015 - ALWY16N		\$ 529,336.00	529,336.00	
Clean Communities Program - 2015		34,574.28	34,574.28	
Aqua Road Improvement Donations		63,369.75	63,369.75	
St. Luke's Hospital Donation - Pool		50,000.00	50,000.00	
NJ Department of Law and Public Safety:				
Click It or Ticket - 2015 Seatbelt Mobilization		4,000.00	4,000.00	
N.J. Transportation Trust Fund Authority Act:				
2015 Municipal Aid - Improvements to Main St. Phase VII		274,581.00	274,581.00	
2014 Assistance to Firefighters Grant		447,540.00	447,540.00	
Utility Operating Surplus of Prior Year	300,000.00		300,000.00	
Reserve to Pay Debt Service	17,500.00		17,500.00	
Reserve for Vehicle Damage	9,125.00		9,125.00	
Total Miscellaneous Revenue	<u>4,179,752.53</u>	<u>1,417,841.03</u>	<u>5,521,707.58</u>	<u>\$ 75,885.98 *</u>
Receipts from Delinquent Taxes	<u>925,000.00</u>		<u>1,001,096.48</u>	<u>76,096.48</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	10,732,234.80		10,856,986.00	124,751.20
Minimum Library Tax	268,793.41		268,793.41	
	<u>11,001,028.21</u>		<u>11,125,779.41</u>	<u>124,751.20</u>
Budget Totals	17,105,780.74	1,417,841.03	18,648,583.47	124,961.70
Nonbudget Revenue			425,478.54	425,478.54
	<u>\$ 17,105,780.74</u>	<u>\$ 1,417,841.03</u>	<u>\$ 19,074,062.01</u>	<u>\$ 550,440.24</u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

<u>Allocation of Current Tax Collections</u>		
Collections		\$ 26,489,774.74
Allocated to:		
County Taxes	\$ 5,726,604.84	
Due to County for Added and Omitted Taxes	3,429.70	
School Taxes	<u>10,853,711.00</u>	
		<u>16,583,745.54</u>
		<u>9,906,029.20</u>
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,219,750.21</u>
Realized for Support of Municipal Budget		<u><u>\$ 11,125,779.41</u></u>
 <u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections		\$ 950,643.98
Tax Title Liens Redeemed		<u>50,452.50</u>
		<u><u>\$ 1,001,096.48</u></u>
 <u>Interest on Investments and Deposits:</u>		
Cash Received - Treasurer		\$ 17,401.87
Cash Received - Collector		6,954.45
Cash Received - Clerk		35.86
Due from Other Trust Funds		126.24
Due from General Capital Fund		443.54
Due from Payroll Accounts		33.39
Due from Claims Account		<u>160.54</u>
		<u><u>\$ 25,155.89</u></u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Cable TV Franchise Fee	\$	50,757.00	
Other Miscellaneous Receipts		25,088.59	
Recycling Revenue		240.00	
Tax Lien Discharge Fees		2,900.00	
Library Fees		60.00	
Administrative Fee - Senior Citizens and Veterans Deductions		2,920.75	
Returned Check Fees		660.00	
Restitution		4,560.05	
Police Outside Services - Administrative Fees		30,861.11	
Workers' Compensation and Other Insurance Refunds		58,621.11	
Pavilion Rental Fees		1,175.00	
Public Works Billings Reimbursements		5,736.86	
Gasoline Billings Reimbursements		17,231.19	
Parking Authority Receipts		3,524.77	
Reimbursements/Refunds		29,718.25	
FEMA Reimbursements - Hurricane Irene		89,120.92	
		89,120.92	
	\$		323,175.60

Clerk - Other Miscellaneous 4,147.30

Collector:

Municipal Charges Receivable Collections		53,834.82	
Tax Sale Costs		22,016.93	
Other Miscellaneous		22,303.89	
		22,303.89	
			98,155.64
	\$		425,478.54

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

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 93,851.00	\$ 47,351.00	\$ 27,026.45	\$ 20,324.55	
Other Expenses	126,000.00	151,000.00	138,000.66	12,999.34	
Human Resources:					
Other Expenses	15,000.00	18,000.00	15,000.00	3,000.00	
Mayor and Council:					
Salaries and Wages	57,550.00	57,550.00	57,082.47	467.53	
Other Expenses	10,975.00	10,975.00	7,086.81	3,888.19	
Municipal Clerk:					
Salaries and Wages	119,650.00	124,650.00	121,417.44	3,232.56	
Other Expenses	34,400.00	34,400.00	30,437.32	3,962.68	
Financial Administration:					
Salaries and Wages	137,850.00	137,850.00	125,930.10	11,919.90	
Other Expenses	25,000.00	25,000.00	23,884.69	1,115.31	
Audit Services	35,100.00	35,100.00	34,365.00	735.00	
Revenue Administration:					
Salaries and Wages	78,000.00	78,000.00	73,733.39	4,266.61	
Other Expenses	16,745.00	16,745.00	12,071.44	4,673.56	
Tax Assessment Administration:					
Salaries and Wages	121,000.00	121,000.00	119,148.25	1,851.75	
Other Expenses	16,840.00	16,840.00	14,538.30	2,301.70	
Legal Services:					
Other Expenses	195,000.00	195,000.00	127,784.26	67,215.74	
Engineering Services:					
Other Expenses	75,000.00	75,000.00	53,913.10	21,086.90	

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(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	\$ 3,500.00	\$ 3,500.00	\$ 290.00	\$ 3,210.00	
PUBLIC SAFETY FUNCTIONS:					
Police Department:					
Salaries and Wages	3,900,000.00	3,900,000.00	3,670,076.89	229,923.11	
Other Expenses	126,493.00	126,493.00	125,528.87	964.13	
Emergency Management Services:					
Salaries and Wages	7,050.00	7,050.00	7,037.60	12.40	
Other Expenses	1,200.00	1,200.00	1,180.12	19.88	
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	10,450.00	10,450.00	10,427.02	22.98	
Other Expenses	55,300.00	55,300.00	55,300.00		
Supplemental Fire Services Program	7,000.00	7,000.00	7,000.00		
Municipal Prosecutor:					
Salaries and Wages	35,150.00	35,150.00	35,069.06	80.94	
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	475,000.00	485,000.00	472,417.29	12,582.71	
Other Expenses	215,000.00	205,000.00	203,633.35	1,366.65	
Other Public Works Functions:					
Salaries and Wages	34,000.00	34,000.00	32,121.83	1,878.17	
Other Expenses	11,900.00	11,900.00	5,627.94	6,272.06	
PEOSHA	7,000.00	10,500.00	10,484.75	15.25	

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(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):					
Solid Waste Collections:					
Salaries and Wages	\$ 515,000.00	\$ 515,000.00	\$ 496,253.36	\$ 18,746.64	
Other Expenses	10,850.00	10,850.00	10,000.00	850.00	
Buildings and Grounds:					
Salaries and Wages	395,000.00	395,000.00	367,482.00	27,518.00	
Other Expenses	124,750.00	124,750.00	124,668.33	81.67	
Vehicle Maintenance:					
Salaries and Wages	71,325.00	71,325.00	67,946.16	3,378.84	
Other Expenses	153,100.00	163,100.00	162,574.81	525.19	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Animal Control:					
Salaries and Wages	21,000.00	21,000.00	9,216.33	11,783.67	
Other Expenses	16,078.00	16,078.00	14,688.52	1,389.48	
Contributions to Social Services:					
Other Expenses	69,000.00	69,000.00	64,479.78	4,520.22	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries and Wages	127,400.00	127,400.00	122,524.16	4,875.84	
Other Expenses	48,020.00	48,020.00	40,211.19	7,808.81	
Municipal Swimming Pool:					
Salaries and Wages	58,000.00	58,000.00	57,932.71	67.29	
Other Expenses	25,000.00	25,000.00	25,000.00		
Accumulated Leave Compensation	150,000.00	150,000.00	150,000.00		

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	\$ 150,000.00	\$ 150,000.00	\$ 137,233.00	\$ 12,767.00	
Street Lighting	170,000.00	170,000.00	139,577.59	30,422.41	
Telephone	70,000.00	70,000.00	67,984.91	2,015.09	
Water	150,000.00	150,000.00	122,832.84	27,167.16	
Gas (Natural or Propane)	45,000.00	45,000.00	25,615.84	19,384.16	
Gasoline	250,000.00	250,000.00	130,224.46	119,775.54	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Waste Disposal:					
Other Expenses	492,000.00	486,000.00	321,319.53	164,680.47	
Municipal Court:					
Salaries and Wages	264,300.00	264,300.00	254,072.36	10,227.64	
Other Expenses	19,970.00	19,970.00	17,679.46	2,290.54	
Public Defender (P.L. 1997, C.256):					
Salaries and Wages	10,400.00	10,400.00	1,409.24	8,990.76	
INSURANCE:					
Liability Insurance	323,217.00	323,217.00	323,104.52	112.48	
Workers Compensation Insurance	254,500.00	254,500.00	252,577.44	1,922.56	
Employee Group Insurance	1,349,600.00	1,344,600.00	1,314,499.96	30,100.04	
Health Benefit Waivers	25,000.00	30,000.00		30,000.00	
UNIFORM CONSTRUCTION CODE:					
Code Enforcement:					
Salaries and Wages	342,000.00	342,000.00	338,500.68	3,499.32	
Other Expenses	20,000.00	20,000.00	13,626.90	6,373.10	
Total Operations Within "CAPS"	11,790,514.00	11,784,514.00	10,813,850.48	970,663.52	

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Contingent	\$ 450.00	\$ 450.00			\$ 450.00
<b>Total Operations Including Contingent Within "CAPS"</b>	<b>11,790,964.00</b>	<b>11,784,964.00</b>	<b>\$ 10,813,850.48</b>	<b>\$ 970,663.52</b>	<b>450.00</b>
Detail:					
Salaries and Wages	6,873,976.00	6,842,476.00	6,466,824.79	375,651.21	
Other Expenses	4,916,988.00	4,942,038.00	4,347,025.69	595,012.31	
<b>STATUTORY EXPENDITURES:</b>					
Contributions to:					
Public Employees' Retirement System	374,027.00	374,027.00	373,982.52	44.48	
Social Security System (O.A.S.I.)	278,500.00	284,500.00	283,710.54	789.46	
Consolidated Police and Firemen's Pension Fund	3,000.00	3,000.00		3,000.00	
Police and Firemen's Retirement System of NJ	761,811.00	761,811.00	760,841.03	969.97	
Unemployment Compensation Insurance	26,000.00	26,000.00	23,684.32	2,315.68	
Defined Contribution Retirement Program	5,000.00	5,000.00	2,500.74	2,499.26	
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>1,448,338.00</b>	<b>1,454,338.00</b>	<b>1,444,719.15</b>	<b>9,618.85</b>	
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>13,239,302.00</b>	<b>13,239,302.00</b>	<b>12,258,569.63</b>	<b>980,282.37</b>	<b>450.00</b>
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	515,000.00	515,000.00	487,512.92	27,487.08	
Recycling Tax (P.L.2007, C.311)	26,000.00	26,000.00	14,745.00	11,255.00	
Reserve for Tax Appeals	200,000.00	200,000.00	200,000.00		

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Shared Service Agreement - Borough of Alpha:					
Police Services	\$ 405,000.00	\$ 405,000.00	\$ 405,000.00		
Municipal Court	20,000.00	20,000.00	20,000.00		
Public and Private Program Offset by Revenue:					
Reserve for Recycling Tonnage Grant	21,700.53	21,700.53	21,700.53		
Municipal Alliance on Alcoholism and Drug Abuse:					
Board of Education (N.J.S.A. 40A:4-87 + \$2,000.00)		2,000.00	2,000.00		
State	12,440.00	12,440.00	12,440.00		
Local	5,600.00	5,600.00	5,598.00		\$ 2.00
State - 2016 (N.J.S.A. 40A:4-87 + \$12,440.00)		12,440.00	12,440.00		
State of NJ Highlands Council:					
Plan Conformance Grant - Supplemental	138,230.00	138,230.00	138,230.00		
Warren County DARE Officers Association					
2014 COPS Hiring Program:					
Federal	62,500.00	62,500.00	62,500.00		
Phillipsburg School District	20,856.00	20,856.00	20,856.00		
Local Match	20,856.00	20,856.00	20,856.00		
Clean Communities Program					
(N.J.S.A. 40A:4-87 + \$34,574.28)		34,574.28	34,574.28		
N.J. Youth Corps - 2015 - ALWY16N					
(N.J.S.A. 40A:4-87 + \$529,336.00)		529,336.00	529,336.00		
St. Luke's Hospital Donation - Pool					
(N.J.S.A. 40A:4-87 + \$50,000.00)		50,000.00	50,000.00		
NJ Department of Law and Public Safety:					
Click It or Ticket - 2015 Seatbelt Mobilization					
(N.J.S.A. 40A:4-87 + \$4,000.00)		4,000.00	4,000.00		

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Public and Private Program Offset by Revenue: (Cont'd)					
Aqua Road Improvement Donations (N.J.S.A. 40A:4-87 + \$63,369.75)		\$ 63,369.75	\$ 63,369.75		
FY 2014 Assistance to Firefighters Grant (N.J.S.A. 40A:4-87 + \$447,540.00)		447,540.00	447,540.00		
<b>Total Operations Excluded from "CAPS"</b>	<b>\$ 1,448,182.53</b>	<b>2,591,442.56</b>	<b>2,552,698.48</b>	<b>\$ 38,742.08</b>	<b>\$ 2.00</b>
Detail:					
Other Expenses	1,448,182.53	2,591,442.56	2,552,698.48	38,742.08	2.00
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
New Jersey Transportation Trust Fund Authority Act: 2015 Municipal Aid - Main St Phase VII (N.J.S.A. 40A:4-87 + \$274,581.00)		274,581.00	274,581.00		
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>100,000.00</b>	<b>374,581.00</b>	<b>374,581.00</b>		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Anticipation Notes	975,000.00	975,000.00	974,969.00		31.00
Interest on Notes	30,000.00	30,000.00	29,879.03		120.97
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	15,546.00	15,546.00	15,545.79		0.21
Capital Lease Obligations	78,000.00	78,000.00	76,551.85		1,448.15
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>1,098,546.00</b>	<b>1,098,546.00</b>	<b>1,096,945.67</b>		<b>1,600.33</b>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(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>	
Total General Appropriations Excluded from "CAPS"	\$ 2,646,728.53	\$ 4,064,569.56	\$ 4,024,225.15	\$ 38,742.08	\$ 1,602.33
Subtotal General Appropriations	15,886,030.53	17,303,871.56	16,282,794.78	1,019,024.45	2,052.33
Reserve for Uncollected Taxes	1,219,750.21	1,219,750.21	1,219,750.21		
Total General Appropriations	<u>\$ 17,105,780.74</u>	<u>\$ 18,523,621.77</u>	<u>\$ 17,502,544.99</u>	<u>\$ 1,019,024.45</u>	<u>\$ 2,052.33</u>

Ref.

A

TOWN OF PHILLIPSBURG  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

		Analysis of	
<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Adopted Budget	\$ 17,105,780.74		
Added by:			
N.J.S.A. 40A:4-87	1,417,841.03		
	\$ 18,523,621.77		
Cash Disbursed		\$ 14,282,338.57	
Reserve for Uncollected Taxes		1,219,750.21	
Encumbrances	A	227,915.06	
Reserve for Tax Appeals		200,000.00	
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants		1,673,567.56	
Local Matching Funds		26,454.00	
		17,630,025.40	
Less: Appropriation Refunds		127,480.41	
		\$ 17,502,544.99	

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

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
TRUST FUNDS

TOWN OF PHILLIPSBURG  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 2,124.36	\$ 6,602.27
Due from Current Fund	A	8.00	100.80
		<u>2,132.36</u>	<u>6,703.07</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	981,194.08	913,320.11
Due from Current Fund	A		7,871.55
Community Development Revolving Loan Program Receivable		389,194.77	471,450.97
		<u>1,370,388.85</u>	<u>1,392,642.63</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,372,521.21</u>	<u>\$ 1,399,345.70</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	\$ 1,380.11	\$ 5,950.82
Reserve for Donation for Dog Park		752.25	752.25
		<u>2,132.36</u>	<u>6,703.07</u>
Other Trust Funds:			
Due to Current Fund	A	126.24	
Reserve for:			
Federally Funded Housing Assistance Program (Section 8)		81,839.56	79,600.25
Planning Board/Zoning Board Escrow		81,849.28	100,290.58
Community Development Revolving Loan Program		743,101.67	810,415.39
Parking Offense Adjudication Act		2,576.56	2,360.56
Bernards Township R.C.A. Program		115,525.62	115,224.77
Accumulated Sick and Vacation		255,714.84	180,921.48
Police Outside Services		1,695.39	11,091.00
Small Cities Block Grants		13,817.75	13,817.75
Neighborhood Preservation Grant		11,443.24	11,443.24
Donations for Celebration of Public Events		26,650.78	25,022.69
Snow Removal		25,000.00	25,000.00
Dog Park User Fees		764.00	340.00
Public Defender Fees		8,383.78	15,192.01
Flexible Spending Benefits		1,900.14	1,922.91
		<u>1,370,388.85</u>	<u>1,392,642.63</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 1,372,521.21</u>	<u>\$ 1,399,345.70</u>

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

TOWN OF PHILLIPSBURG  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

TOWN OF PHILLIPSBURG  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,531,194.21	\$ 1,033,972.63
Prospective Assessments Funded by Taxation		105,839.99	105,839.99
Deferred Charges to Future Taxation:			
Funded		140,266.26	152,818.15
Unfunded	C-4	9,906,205.01	9,986,174.01
<u>TOTAL ASSETS</u>		<u>\$ 11,683,505.47</u>	<u>\$ 11,278,804.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Acres Loan Payable	C-9	\$ 140,266.26	\$ 152,818.15
Bond Anticipation Notes Payable	C-7	4,417,045.00	3,946,969.00
Improvement Authorizations:			
Funded	C-5	10,000.00	198,912.13
Unfunded	C-5	6,004,390.37	6,610,329.94
Due to Current Fund	A	443.54	149.74
Capital Improvement Fund	C-6	64,201.84	4,566.84
Reserve for:			
Encumbrances		741,680.06	183,009.58
Improvements		17,500.00	25,000.00
Boiler Room		19,280.16	19,280.16
Payment of Debt Service			17,500.00
Garbage Truck Purchase		148,429.00	
Prospective Assessments Funded by Taxation		105,839.99	105,839.99
Fund Balance	C-1	14,429.25	14,429.25
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,683,505.47</u>	<u>\$ 11,278,804.78</u>

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

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 14,429.25
Balance December 31, 2015	C	\$ 14,429.25

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

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	E-4	\$ 2,340,631.95	\$ 2,156,232.98
Cash and Cash Equivalents - Collector	E-6	53,491.44	42,597.35
Change Fund		500.00	500.00
		<u>2,394,623.39</u>	<u>2,199,330.33</u>
Due from Sewer Utility Capital Fund	E	1,112.49	731.82
		<u>2,395,735.88</u>	<u>2,200,062.15</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	150,028.40	153,484.16
Other Municipalities Accounts Receivable		11,763.52	40,872.16
Sewer Liens Receivable	E-8	2,020.93	1,529.96
Total Receivables with Full Reserves	E	<u>163,812.85</u>	<u>195,886.28</u>
Total Operating Fund		<u>2,559,548.73</u>	<u>2,395,948.43</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	3,889,321.76	4,665,034.99
NJ Environmental Infrastructure Trust Loan Receivable:			
Trust		644,605.82	1,713,906.82
Fund		1,446,091.00	4,653,995.00
Fixed Capital	E-9	27,529,702.09	27,529,702.09
Fixed Capital Authorized and Uncompleted	E-10	19,069,435.00	18,669,435.00
Total Capital Fund		<u>52,579,155.67</u>	<u>57,232,073.90</u>
<u>TOTAL ASSETS</u>		<u>\$ 55,138,704.40</u>	<u>\$ 59,628,022.33</u>

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

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-11	\$ 555,712.12	\$ 419,668.36
Encumbered	E-3;E-11	20,851.15	159,406.64
Total Appropriation Reserves		<u>576,563.27</u>	<u>579,075.00</u>
Accounts Payable - Vendors		2,507.50	
Accrued Interest on Loans		54,625.00	50,208.33
		<u>633,695.77</u>	<u>629,283.33</u>
Reserve for Receivables	E	163,812.85	195,886.28
Fund Balance	E-1	1,762,040.11	1,570,778.82
Total Operating Fund		<u>2,559,548.73</u>	<u>2,395,948.43</u>
Capital Fund:			
NJ Environmental Infrastructure Trust Loan Payable:			
Trust	E-16	3,305,000.00	3,085,000.00
Fund	E-16	7,174,257.07	6,737,583.06
Improvement Authorizations:			
Funded	E-12	1,891,026.01	1,876,285.06
Unfunded	E-12	946,664.00	1,070,650.35
Due to Sewer Utility Operating Fund	E	1,112.49	731.82
Capital Improvement Fund	E-13	2,124,383.32	2,514,383.32
Reserve for:			
Encumbrances		1,640,473.85	7,685,095.35
Amortization	E-14	29,075,091.02	28,268,839.03
Deferred Amortization	E-15	6,098,125.00	5,698,125.00
NJ Environmental Infrastructure Trust Loan Receivable		103,730.82	76,088.82
Sewer Improvements		34,952.00	34,952.00
Fund Balance	E-1a	184,340.09	184,340.09
Total Capital Fund		<u>52,579,155.67</u>	<u>57,232,073.90</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 55,138,704.40</u>	<u>\$ 59,628,022.33</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 - REGULATORY BASIS

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 200,000.00	\$ 426,374.64
Rents		3,737,300.64	3,672,682.78
Nonbudget Revenue		144,955.92	314,835.82
Other Credits to Income:			
Appropriation Reserves Lapsed		371,305.56	237,800.14
Total Income		<u>4,453,562.12</u>	<u>4,651,693.38</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating		3,097,000.00	2,920,563.64
Capital Improvements		10,000.00	630,000.00
Debt Service		627,300.83	344,436.46
Deferred Charges and Statutory Expenditures		28,000.00	29,000.00
Total Expenditures		<u>3,762,300.83</u>	<u>3,924,000.10</u>
Excess in Revenue		691,261.29	727,693.28
 <u>Fund Balance</u>			
Balance January 1		1,570,778.82	1,569,460.18
		2,262,040.11	2,297,153.46
Decreased by:			
Utilization as Anticipated Revenue		200,000.00	426,374.64
Prior Year Fund Balance Anticipated as Current			
Fund Revenue		<u>300,000.00</u>	<u>300,000.00</u>
Balance December 31	E	<u>\$ 1,762,040.11</u>	<u>\$ 1,570,778.82</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 - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	E	<u>\$ 184,340.09</u>
Balance December 31, 2015	E	<u><u>\$ 184,340.09</u></u>

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

TOWN OF PHILLIPSBURG  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 200,000.00	\$ 200,000.00	
Rents	3,600,000.00	3,737,300.64	\$ 137,300.64
	<u>3,800,000.00</u>	<u>3,937,300.64</u>	<u>137,300.64</u>
Nonbudget Revenue		144,955.92	144,955.92
	<u>\$ 3,800,000.00</u>	<u>\$ 4,082,256.56</u>	<u>\$ 282,256.56</u>

Analysis of Rents:

Other Municipalities	\$ 2,181,406.73	
Consumer Accounts Receivable	<u>1,555,893.91</u>	
		<u>\$ 3,737,300.64</u>

Analysis of Nonbudget Revenue

Collector:

Interest on Investments	\$ 384.71	
Interest on Sewer Rents	12,760.46	
Miscellaneous	<u>5.00</u>	
		\$ 13,150.17

Treasurer:

Sewer Lien Redemption	409.23	
Interest on Investments	14,008.72	
Treatment Works Application Fees	150.00	
Returned Check Fees	120.00	
Insurance Claims for Superstorm Sandy	80,743.00	
Wastewater Treatment Plant Septic Billing	34,542.31	
Miscellaneous	<u>720.00</u>	
		130,693.26

Due from Sewer Utility Capital Fund:

Interest on Investments		<u>1,112.49</u>
		<u>\$ 144,955.92</u>

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

TOWN OF PHILLIPSBURG  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	<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	\$ 315,000.00	\$ 315,000.00	\$ 281,629.42	\$ 33,370.58	
Other Expenses	2,782,000.00	2,782,000.00	2,265,244.62	516,755.38	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Debt Service:					
State of NJ Wastewater Treatment Loans:					
Loan Repayments for Principal and Interest	665,000.00	665,000.00	627,300.83		\$ 37,699.17
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,000.00	25,000.00	21,379.83	3,620.17	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	3,000.00	3,000.00	1,034.01	1,965.99	
	<u>\$ 3,800,000.00</u>	<u>\$ 3,800,000.00</u>	<u>\$ 3,206,588.71</u>	<u>\$ 555,712.12</u>	<u>\$ 37,699.17</u>
				E	
Cash Disbursed			\$ 3,074,203.89		
Accrued Interest on Loans			111,533.67		
Encumbrances Payable			20,851.15		
			<u>\$ 3,206,588.71</u>		

Ref.

E

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

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF PHILLIPSBURG  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2015	2014
<u>ASSETS</u>		
Land	\$ 20,179,750.00	\$ 19,681,750.00
Buildings	15,106,100.00	15,091,600.00
Equipment	8,890,558.82	8,855,564.83
Construction in Progress	12,839,206.16	6,829,077.37
	<u>\$ 57,015,614.98</u>	<u>\$ 50,457,992.20</u>
<u>TOTAL ASSETS</u>	<u>\$ 57,015,614.98</u>	<u>\$ 50,457,992.20</u>
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 57,015,614.98	\$ 50,457,992.20
<u>TOTAL RESERVES</u>	<u>\$ 57,015,614.98</u>	<u>\$ 50,457,992.20</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, 2015

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 and a resulting financial benefit or burden relationship, 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 practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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, 2015  
(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 more significant accounting 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 and the Town's net pension liability and related deferred inflows and outflows would be recorded.

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

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(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.

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 New Jersey Administrative Code accounting requirements, 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, 2015

(Continued)

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

E. Other significant accounting policies include: (Cont'd)

General Fixed Assets Account Group (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 Assets 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. Fixed 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 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, 2015  
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2015	2014	2013
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 4,557,311.26	\$ 4,099,787.15	\$ 5,216,849.71
Sewer Utility:			
Loans and Notes	10,479,257.07	9,822,583.06	2,660,551.87
Net Debt Issued	<u>15,036,568.33</u>	<u>13,922,370.21</u>	<u>7,877,401.58</u>
 <u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	5,489,160.01	6,039,205.01	5,079,129.01
Sewer Utility:			
Bonds and Notes	946,664.00	2,409,590.00	7,820,090.00
Total Authorized but not Issued	<u>6,435,824.01</u>	<u>8,448,795.01</u>	<u>12,899,219.01</u>
 Less:			
Redevelopment and Housing per N.J.S.A. 40A:12A-67d	<u>105,839.99</u>	<u>105,839.99</u>	<u>105,839.99</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 21,366,552.35</u>	<u>\$ 22,265,325.23</u>	<u>\$ 20,670,780.60</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 1.25%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,305,000.00	\$ 4,305,000.00	
Sewer Utility Debt	11,425,921.07	11,425,921.07	
General Debt	<u>10,046,471.27</u>	<u>105,839.99</u>	<u>\$ 9,940,631.28</u>
	<u>\$ 25,777,392.34</u>	<u>\$ 15,836,761.06</u>	<u>\$ 9,940,631.28</u>

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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

Net Debt of \$9,940,631.28 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$795,810,717.00 = 1.25%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 27,853,375.10
Net Debt	<u>9,940,631.28</u>
Remaining Borrowing Power	<u><u>\$ 17,912,743.82</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	\$ 4,082,256.56
Deductions:	
Operating and Maintenance Costs	\$ 3,125,000.00
Debt Service	<u>627,300.83</u>
	<u>3,752,300.83</u>
Excess in Revenue	<u><u>\$ 329,955.73</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 Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current Year

	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/15</u>
Loans Payable:				
General Capital Fund:				
Green Trust Loans	\$ 152,818.15		\$ 12,551.89	\$ 140,266.26
Sewer Utility Capital Fund:				
NJEIT Loans	9,822,583.06	\$ 1,462,926.00	806,251.99	10,479,257.07
Bond Anticipation Notes:				
General Capital Fund	<u>3,946,969.00</u>	<u>4,417,045.00</u>	<u>3,946,969.00</u>	<u>4,417,045.00</u>
Total	<u><u>\$13,922,370.21</u></u>	<u><u>\$ 5,879,971.00</u></u>	<u><u>\$ 4,765,772.88</u></u>	<u><u>\$15,036,568.33</u></u>

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Prior Year

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/14</u>
Serial Bonds:				
General Capital Fund	\$ 638,000.00		\$ 638,000.00	
Loans Payable:				
General Capital Fund:				
Green Trust Loans	165,122.71		12,304.56	\$ 152,818.15
Sewer Utility Capital Fund:				
NJEIT Loans	2,385,551.87	\$ 7,762,500.00	325,468.81	9,822,583.06
Bond Anticipation Notes:				
General Capital Fund	4,413,727.00	3,946,969.00	4,413,727.00	3,946,969.00
Sewer Utility Capital Fund	275,000.00		275,000.00	
Total	<u>\$ 7,877,401.58</u>	<u>\$11,709,469.00</u>	<u>\$ 5,664,500.37</u>	<u>\$13,922,370.21</u>

Analysis of Debt Issued and Outstanding at December 31, 2015

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, 2015</u>
Improvements to Delaware Heights Park	7/11/2025	2.00%	<u>\$ 140,266.26</u>

Sewer Utility Capital NJ Environmental Infrastructure Loans Payable (Trust Loan)

<u>Description</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Trust Loan 1	08/01/29	5.00%	\$ 1,125,000.00
Trust Loan 2	08/01/33	3.00%-5.00%	1,835,000.00
Trust Loan 3	08/01/34	4.00%-5.00%	345,000.00
			<u>\$ 3,305,000.00</u>

Sewer Utility Capital NJ Environmental Infrastructure Loans Payable (Fund Loan)

<u>Description</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Fund Loan 1	08/01/29	0.00%	\$ 1,006,732.89
Fund Loan 2	08/01/33	0.00%	5,361,101.70
Fund Loan 3	08/01/34	0.00%	806,422.48
			<u>\$ 7,174,257.07</u>

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2015 (Cont'd)

General Capital Bond Anticipation Notes Payable

Description	Final Maturity	Interest Rate	Balance Dec. 31, 2015
Various Capital Improvements	04/08/16	0.69%	\$ 250,000.00
Various Capital Improvements	04/08/16	0.69%	230,000.00
Various Capital Improvements	08/17/16	0.74%	170,000.00
Various Capital Improvements	04/08/16	0.69%	270,000.00
Various Capital Improvements	08/17/16	0.74%	100,000.00
Various Capital Improvements	04/08/16	0.69%	367,000.00
Various Capital Improvements	04/08/16	0.69%	600,000.00
Various Capital Improvements	04/08/16	0.69%	530,000.00
Various Capital Improvements	04/08/16	0.69%	455,000.00
Various Capital Improvements	08/17/16	0.74%	1,112,545.00
Various Roadway Improvements	08/17/16	0.74%	332,500.00
			<u>\$ 4,417,045.00</u>
Total Debt Issued and Outstanding			<u>\$ 15,036,568.33</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.

N.J. Environmental Infrastructure (EIT) Loans

The Town of Phillipsburg entered into six loan agreements (two in 2010, two in 2014 and two in 2015) with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure 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 improvements to the Town sewage treatment plant.

At December 31, 2015, the Town has borrowed or "drawn down" \$9,650,741 of the \$11,741,438 Loan funds necessary to complete the improvements to the sewage treatment plant partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2034 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2034.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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

N.J. Environmental Infrastructure Loans (Cont'd)

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.

The project related to the 2010 N.J. Environmental Infrastructure loans was completed and closed during 2013, with a balance of \$162,575 that has not been drawn down by the Town. The N.J. Environmental Infrastructure Trust applied credits totaling \$106,900 to 2014 principal and interest payments and \$55,675 to 2015 principal and interest payments.

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	
2016	\$ 12,804.18	\$ 2,741.62	\$ 552,191.75	\$ 131,100.00	\$ 698,837.55
2017	13,061.54	2,484.26	557,191.75	125,500.00	698,237.55
2018	13,324.07	2,221.73	567,191.75	118,250.00	700,987.55
2019	13,591.89	1,953.90	577,191.75	110,500.00	703,237.54
2020	13,865.09	1,680.72	582,191.75	102,950.00	700,687.56
2021-2025	73,619.49	4,109.51	3,030,958.75	390,350.00	3,499,037.75
2026-2030			3,059,049.29	185,650.00	3,244,699.29
2030-2034			1,553,290.28	35,037.50	1,588,327.78
	<u>\$ 140,266.26</u>	<u>\$ 15,191.74</u>	<u>\$ 10,479,257.07</u>	<u>\$ 1,199,337.50</u>	<u>\$ 11,834,052.57</u>

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$10,842,971 at June 30, 2015. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$18,070,491 at June 30, 2015. See Note 5 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2015, which is included in the adopted budget for the Current and Sewer Utility Operating Funds for the year ending December 31, 2016 is as follows:

Current Fund	\$ 900,000.00
Sewer Utility Operating Fund	397,500.00

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.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans

Town employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee’s Retirement System (PERS) or the State of New Jersey Police and Firemen’s Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Town contributions to PERS amounted to \$369,477 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2015, the Town's liability was \$10,842,971 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Town's proportion was 0.048%, which was an increase of 0.004% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Town recognized actual pension expense in the amount of \$369,477.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Town's proportionate share of the Net Pension Liability	\$ 13,476,486	\$ 10,842,971	\$ 8,635,051

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service. The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The June 30, 2015 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Special Funding Situation (Cont'd)

The pension expense is deemed to be a State administrative expense due to the special funding situation. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific funded amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer.

Town contributions to PFRS amounted to \$751,470 for the year ended December 31, 2015. During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$82,493 to the PFRS for normal pension benefits on behalf of the Town, which is less than the contractually required contribution of \$197,671.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2015, the Town’s liability for its proportionate share of the net pension liability was \$18,070,491. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Town's proportion was 0.108%, which was an increase of 0.010% from its proportion measured as of June 30, 2014.

Additionally, the State’s proportionate share of the net pension liability attributable to the Town is \$1,584,721 as of June 30, 2015. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the Town was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the State's proportion was 0.108%, which was an increase of 0.010% from its proportion measured as of June 30, 2014 which is the same proportion as the Town’s.

Town's Proportionate Share of the Net Pension Liability	\$ 18,070,491
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>1,584,721</u>
Total Net Pension Liability	<u><u>\$ 19,655,212</u></u>

For the year ended December 31, 2015, the Town recognized total pension expense of \$751,470.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.60% - 9.48% based on age
Thereafter	3.60% - 10.48% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the average of the last five years of contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State’s proportionate share of the net pension liability attributable to the Town) to Changes in the Discount Rate

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Town) as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1%	Current	1%
	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town	\$ 25,911,810	\$ 19,655,212	\$ 14,553,516

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Town recognized pension expense of \$3,215 for the year ended December 31, 2015. Employee contributions to DCRP amounted to \$6,979 for the year ended December 31, 2015.

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 \$1,502,000. 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 Pay of \$255,715 reflected on the Other Trust Funds' balance sheet as of December 31, 2015.

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.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 7: Selected Tax Information (Cont'd)

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.

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014*</u>	<u>2013</u>
<u>Tax Rate</u>	\$ 3.872	\$ 3.746	\$ 2.762
<u>Apportionment of Tax Rate</u>			
Municipal	1.506	1.494	1.131
County	.842	.829	.644
Local School	1.524	1.423	.987
<u>Assessed Valuations</u>			
2015	<u>\$ 712,506,551.00</u>		
2014		<u>\$ 713,380,604.00</u>	
2013			<u>\$ 963,361,167.00</u>

\* Reassessment was effective.

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>
2015	\$ 27,604,749.97	\$ 26,489,774.74	95.96%
2014	26,748,877.42	25,693,139.89	96.05%
2013	26,620,075.16	25,573,710.61	96.06%

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.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

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

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.

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 in addition

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;

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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

Investments (Cont'd)

- (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
- (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, 2015, 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	\$ 6,674,624.47	\$ 6,675,674.47
Animal Control		2,124.36	2,124.36
Other Trust		981,194.08	981,194.08
General Capital		1,531,194.21	1,531,194.21
Sewer Utility:			
Operating	500.00	2,394,123.39	2,394,623.39
Capital		3,889,321.76	3,889,321.76
	<u>\$ 1,550.00</u>	<u>\$ 15,472,582.27</u>	<u>\$ 15,474,132.27</u>

The Town did not hold any investments during the year ended December 31, 2015. The carrying amount of the Town's cash and cash equivalents at year end was \$15,474,132.27 and the bank balance was \$15,159,378.80. The carrying amount of the Town's cash and cash equivalents at December 31, 2014 was \$16,244,686.59 and the bank balance was \$16,257,024.01.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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. Health benefits are provided through the State of New Jersey health benefits plan.

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.

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, 2015 audit report was not available as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2014 is as follows:

Total Assets	\$ 37,339,955
Net Position	\$ 5,177,252
Total Revenue	\$ 25,202,318
Total Expenditures	\$ 27,035,844
Change in Net Position	\$ (1,833,526)
Members Dividends	\$ -0-

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

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.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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.

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, 2015.

Various tax appeals on assessed valuations have been filed against the Town and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Town's Tax Assessor will aggressively defend the Town's assessments. The Town has established a reserve in the amount of \$408,985.50 so as to provide for this contingency.

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.

On February 7, 2014 the Township of Lopatcong filed a Complaint in the Superior Court of New Jersey, Law Division, Warren County, Docket No. WRN-L-41-14, against the Town of Phillipsburg ("Phillipsburg"). The complaint concerns the rates charged by the Town to the Township of Lopatcong for sewerage treatment services. The complaint asserts causes of action for breach of contract, violation of the Municipal and County Sewerage Treatment Act, N.J.S.A. 40A:26A-1, et seq., unjust enrichment, preemption and equal protection. The complaint seeks monetary damages of no less than \$1.2 million, declaratory relief and counsel fees. The Town of Phillipsburg's prior counsel for this litigation filed a motion for summary judgment which was denied on December 18, 2014. The current sewer litigation counsel is in the process of conducting additional discovery and the Town has engaged an expert to address the claims of the plaintiff. The sewer litigation counsel anticipates that the litigation may be successfully resolved through litigation and court-ordered mediation, if required. However, the special counsel is unable to determine whether a loss contingency appears remote or probable at this date.

On April 15, 2014 the Township of Greenwich filed a Complaint in the Superior Court of New Jersey, Law Division, Warren County, Docket No. WRN-L-136-14, against the Town of Phillipsburg ("Phillipsburg"). The complaint concerns the rates charged by the Town to the Township of Greenwich for sewerage treatment services. The complaint asserts causes of action for breach of contract, violation of the Municipal and County Sewerage Treatment Act, N.J.S.A. 40A:26A-1, et seq., unjust enrichment, preemption, equal protection and violation of the Consumer Fraud Act, N.J.S.A. 56-8-1 et seq. The complaint seeks compensatory damages, interest and declaratory relief.

TOWN OF PHILLIPSBURG  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 11: Contingencies (Cont'd)

The Consumer Fraud Act count also seeks treble damages available under the statute, as well as attorney fees and costs. The complaint does not set forth the amount of damages sought. On July 11, 2014, the Town's prior counsel for this matter filed an answer on behalf of the Town. The current sewer litigation counsel is in the process of conducting additional discovery and the Town has engaged an expert to address the claims of the plaintiff. The sewer litigation counsel anticipates that the litigation may be successfully resolved through litigation and court-ordered mediation, if required. However, the special counsel is unable to determine whether a loss contingency appears remote or probable at this date. This case was consolidated with the Township of Lopatcong case by way of court order dated May 8, 2015.

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the various balance sheets at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 420,809.12	\$ 8.00
Federal and State Grant		420,239.34
Animal Control	8.00	
Other Trust		126.24
General Capital		443.54
Sewer Utility Operating	1,112.49	
Sewer Utility Capital		1,112.49
	<u>\$ 421,929.61</u>	<u>\$ 421,929.61</u>

The interfund payable in the Federal and State Grant Fund reflects 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 Current Fund is animal license fees collected due to the Animal Control Fund. The interfund payable in the Other Trust Funds is December 2015 interest due to the Current Fund. The interfund receivable in the General Capital Fund is the December 2015 interest due to the Current Fund. The interfund receivable in the Sewer Utility Operating Fund reflects December 2015 interest earnings due from the Sewer Utility Capital Fund.

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, 2015  
(Continued)

Note 14: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2015 and 2014:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land	\$19,681,750.00	\$ 514,300.00	\$ 16,300.00	\$20,179,750.00
Buildings	15,091,600.00	33,700.00	19,200.00	15,106,100.00
Machinery and Equipment	8,855,564.83	37,683.99	2,690.00	8,890,558.82
Construction in Progress	6,829,077.37	6,010,128.79		12,839,206.16
	<u>\$50,457,992.20</u>	<u>\$ 6,595,812.78</u>	<u>\$ 38,190.00</u>	<u>\$57,015,614.98</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Land	\$19,681,750.00			\$19,681,750.00
Buildings	15,091,600.00			15,091,600.00
Machinery and Equipment	8,671,788.62	\$ 224,001.21	\$ 40,225.00	8,855,564.83
Construction in Progress	5,516,706.55	1,312,370.82		6,829,077.37
	<u>\$48,961,845.17</u>	<u>\$ 1,536,372.03</u>	<u>\$ 40,225.00</u>	<u>\$50,457,992.20</u>

TOWN OF PHILLIPSBURG

SUPPLEMENTARY DATA

TOWN OF PHILLIPSBURG  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2015

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Harry L. Wyant Jr.	Mayor		
Bernie Fey	President; Councilman		
Todd Tersigni	Vice President; Councilman		
John Lynn	Councilman		
Randy Piazza, Sr.	Councilman		
James P. Stettner	Councilman		
Victoria Kleiner	Municipal Clerk	**	
Robert Merlo	Chief Financial Officer	**	
Sandra Callery	Tax Collector	\$ 350,000.00	Selective Insurance Company
Craig Brotons	Tax Assessor	**	
Richard Wenner	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 through Selective Insurance Company.

\*\* Covered by blanket bond as described below.

There is a blanket bond covering all employees who are not separately bonded. This coverage is \$1,000,000.00 for employee theft and \$250,000 for forgery or alteration. Coverage is through the Statewide Insurance Fund.

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
CURRENT FUND

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 6,954,730.13
Increased by Receipts:		
Tax Collector		\$ 27,117,379.55
Clerk		87,394.76
Taxes Receivable - Homestead Rebates		441,153.81
Revenue Accounts Receivable		3,525,079.87
Due to State of N.J.:		
Veterans and Senior Citizens' Deductions		146,037.36
Nonbudget Revenue		323,175.60
2015 Appropriation Refunds		127,480.41
Interest on Investments and Deposits		17,401.87
Due to Federal and State Grant Fund:		
Federal and State Grants Receivable		958,641.66
Unappropriated Grant Reserves		6,533.95
Due from General Capital Fund:		
Settlement of Prior Year Interfund		149.74
Due from Payroll Accounts:		
Settlement of Prior Year Interfund		18.73
Due from Claims Account:		
Settlement of Prior Year Interfund		42.96
Due to Phillipsburg Housing Authority		15,000.00
Reserve for:		
Sale of Municipal Assets		180,000.00
Library		545,060.00
		<hr/>
		33,490,550.27
		<hr/>
		40,445,280.40
Decreased by Disbursements:		
2015 Appropriation Expenditures		14,282,338.57
2014 Appropriation Reserves		519,517.11
Due from Federal and State Grant Fund:		
Appropriated Grant Reserves		1,274,651.64
Prior Year Encumbrances Payable		530,254.10
Due to Sewer Utility Operating Fund:		
Sewer Lien Redemption		409.23
Due to Other Trust Funds:		
Settlement of Prior Year Interfund		7,861.55
Local School District Taxes		10,503,304.50
County Taxes		5,732,018.91
Accounts Payable		1,757.52
Refund of Tax Overpayments		7,847.56
Refund of Prior Year Revenue		2,203.25
Refund of Tax Sale Premiums		358,900.00
Refund of Outside Liens		3,460.06
Reserve for:		
Revaluation		5,325.00
Tax Appeals		506,001.11
Library		556,210.75
Library - Prior Year Encumbrances Payable		7,982.44
		<hr/>
		34,300,043.30
		<hr/>
Balance December 31, 2015	A	\$ 6,145,237.10

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

Balance December 31, 2014	<u>Ref.</u> A	\$ 462,667.68
Increased by Receipts:		
Taxes Receivable	\$ 26,148,286.66	
Tax Title Liens Redemption	50,452.50	
2016 Prepaid Taxes	294,337.55	
Interest and Costs on Taxes	208,447.85	
Tax Sale Premiums	336,700.00	
Due to Sewer Utility Operating Fund:		
Redemption of Sewer Lien	409.23	
Redemption of Outside Liens	948,168.37	
Interest on Deposits	6,954.45	
Miscellaneous Revenue Not Anticipated:		
Municipal Charges Receivable	53,834.82	
Tax Sale Costs	22,016.93	
Miscellaneous	22,303.89	
Tax Overpayments	32,758.04	
	<hr/>	28,124,670.29
		<hr/> 28,587,337.97
Decreased by:		
Payments to Treasurer	27,117,379.55	
Refund of Outside Liens	945,625.31	
	<hr/>	28,063,004.86
		<hr/> <hr/> 28,063,004.86
Balance December 31, 2015	A	\$ 524,333.11

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF CASH - CLERK

Balance December 31, 2014	<u>Ref.</u> A	\$ 7,978.45
Increased by Receipts:		
Due to State of NJ:		
Marriage License Fees	\$ 2,675.00	
Due to Animal Control Fund:		
Due to State of NJ:		
Dog License Fees	1,588.20	
Dog License Fees	7,532.20	
Dog License Late Fees	1,117.00	
Cat License Fees	1,733.50	
Cat License Late Fees	232.00	
Replacement Tags	4.50	
Due to Other Trust Funds:		
Reserve for Dog Park User Fees	541.00	
Alcoholic Beverages Licenses	26,900.01	
Other Licenses	14,917.00	
Fees and Permits	38,514.40	
Miscellaneous Revenue Not Anticipated	4,147.30	
Interest on Deposits	35.86	
	<hr/>	99,937.97
		<hr/> <hr/> 107,916.42
Decreased by:		
Payments to Treasurer - Current Fund	87,394.76	
Payment to Animal Control Fund:		
Dog and Cat Licenses and Late Fees	10,712.00	
Due to Other Trust Funds:		
Reserve for Dog Park User Fees	551.00	
Payments to State of NJ:		
Department of Health - Dog License Fees	1,604.40	
Marriage License Fees	2,600.00	
	<hr/>	102,862.16
		<hr/> <hr/> 102,862.16
Balance December 31, 2015	A	\$ 5,054.26

TOWN OF PHILLIPSBURG  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

Year	Balance	2015 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Property Acquired for Taxes	Transferred to Tax Title Liens	Balance
	Dec. 31, 2014		2014	2015						Dec. 31, 2015
2010	\$ 2,677.61								\$ 2,677.61	
2011	5,530.63			\$ 1,471.92					4,058.71	
2012	14,413.16			10,280.28					4,132.88	
2013	17,512.89			11,601.73	\$ 1,643.87				4,267.29	
2014	940,613.36			925,646.18		\$ (1,250.00)	\$ 1,307.36		8,937.26	\$ 5,972.56
	980,747.65			949,000.11	1,643.87	(1,250.00)	1,307.36		24,073.75	5,972.56
2014		\$ 27,604,749.97	\$ 220,842.97	25,640,440.36	479,376.34	149,115.07	80,536.49	\$ 448.77	68,786.50	965,203.47
	\$ 980,747.65	\$ 27,604,749.97	\$ 220,842.97	\$ 26,589,440.47	\$ 481,020.21	\$ 147,865.07	\$ 81,843.85	\$ 448.77	\$ 92,860.25	\$ 971,176.03

Ref. A A

\$ 1,643.87 Prior Year Overpayment  
479,376.34 Reserve for Tax Appeals  
\$ 481,020.21

Analysis of 2015 Property Tax Levy:

Tax Yield:

General Purpose Tax \$ 27,588,253.65  
Added Taxes (54:4-63.1 et seq.) 16,496.32  
\$ 27,604,749.97

Tax Levy:

Local School District Taxes \$ 10,853,711.00  
County Taxes:  
County Taxes \$ 5,411,979.50  
County Open Space Taxes 314,625.34  
Due County for Added and Omitted Taxes 3,429.70  
5,730,034.54  
16,583,745.54  
  
Local Tax for Municipal Purposes 10,732,234.80  
Municipal Library Taxes 268,793.41  
Additional Taxes Levied 19,976.22  
11,021,004.43  
\$ 27,604,749.97

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 278,842.47
Increased by:		
Transfer from Taxes Receivable		\$ 92,860.25
Interest and Costs on Tax Sale		22,462.02
		<u>115,322.27</u>
		394,164.74
Decreased by:		
Tax Title Liens Redeemed		50,452.50
Cancelled		2,870.66
Transfers to Property Acquired for Taxes		121,631.19
		<u>174,954.35</u>
Balance December 31, 2015	A	<u>\$ 219,210.39</u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF MUNICIPAL LIEN CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 82,387.46
Increased By:		
Municipal Charges Transferred to Liens		6,500.00
		<u>88,887.46</u>
Decreased by:		
Cancelled		79,454.41
		<u>79,454.41</u>
Balance December 31, 2015	A	<u>\$ 9,433.05</u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF MUNICIPAL CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 38,230.25
Increased By:		
Municipal Charges Imposed		67,040.62
		<u>105,270.87</u>
Decreased By:		
Cancellation		\$ 262.50
Collections - Municipal Charges		53,834.82
Transfer to Municipal Charge Liens		6,500.00
		<u>60,597.32</u>
Balance December 31, 2015	A	<u>\$ 44,673.55</u>

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued In</u> <u>2015</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Collected by</u> <u>Clerk</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Alcoholic Beverages Licenses		\$ 26,900.01		\$ 26,900.01	
Other Licenses		14,917.00		14,917.00	
Fees and Permits		83,277.34	\$ 44,762.94	38,514.40	
Municipal Court:					
Fines and Costs	\$ 19,654.49	225,755.65	229,354.62		\$ 16,055.52
Payment in Lieu of Taxes - Federal Housing Project		136,731.14	136,731.14		
Payment in Lieu of Taxes - Sewage Treatment		83,500.00	83,500.00		
Consolidated Municipal Property Tax Relief Aid		421,277.00	421,277.00		
Energy Receipts Taxes		1,584,124.00	1,584,124.00		
Uniform Construction Code Fees		272,173.00	272,173.00		
Pool Receipts and Passes		22,957.19	22,957.19		
Utility Operating Surplus of Prior Year		300,000.00	300,000.00		
Rental of Town Facilities - Former Armory and Town Garage		60,000.00	60,000.00		
Shared Service Agreement - Borough of Alpha:					
Police Services		337,500.00	337,500.00		
Municipal Court		15,199.98	15,199.98		
Reserve to Pay Debt Service		17,500.00	17,500.00		
	<u>\$ 19,654.49</u>	<u>\$ 3,601,812.31</u>	<u>\$ 3,525,079.87</u>	<u>\$ 80,331.41</u>	<u>\$ 16,055.52</u>

Ref.

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

	Balance Dec. 31, 2014	Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2015
Municipal Alliance:						
2013	\$ 73.62					\$ 73.62
2015		\$ 12,440.00	\$ 11,465.98			974.02
2016		12,440.00				12,440.00
Board of Education Match		2,000.00	2,000.00			
N.J. Department of Labor and Workforce Development:						
N.J. Youth Corps - 2014 - ALWY15N	271,434.00		255,514.00		\$ 15,920.00	
N.J. Youth Corps - 2015 - ALWY16N		529,336.00	264,597.00			264,739.00
N.J. Transportation Trust Fund Authority Act:						
2009 - Morris Street	26,904.52					26,904.52
2013 - Municipal Aid Program - Sitgreaves Street	66,815.00					66,815.00
2013 - Local Aid Infrastructure Fund - Improvements to Washington Street	450,000.00					450,000.00
2014 Municipal Aid - Improvements to South Main St. Phase VI	220,000.00		160,572.50			59,427.50
2014 Urban Aid - Improvements to Main St. Phase VI	17,710.00		17,710.00			
2015 Municipal Aid - Improvements to Main St. Phase VII		274,581.00				274,581.00
Clean Communities Program - 2015		34,574.28	34,574.28			
Recycling Tonnage Grant - 2015		21,700.53		\$ 21,700.53		
Delaware River Joint Bridge Commission:						
Compact Authorized Investments - 2010	131,350.91					131,350.91
NJ Department of Law and Public Safety:						
Click It or Ticket - 2015 Seatbelt Mobilization		4,000.00	3,596.10		403.90	
NJ Department of Law and Public Safety:						
Drive Sober or Get Pulled Over:						
2014 - Year End Holiday Crackdown	7,500.00		5,663.60		1,836.40	
NJ Highlands Council:						
2009 Plan Conformance Grant	38,511.89		22,891.50			15,620.39
2009 Plan Conformance Grant - Supplemental		138,230.00				138,230.00
N.J. Department of Environmental Protection:						
Green Acres Delaware Heights	170,416.51					170,416.51

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

	Balance Dec. 31, 2014	Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2015
Restoration Central Railroad of NJ Interlocking Tower	\$ 46,652.27		\$ 11,938.98			\$ 34,713.29
Westminster Presbyterian Church Stained Glass Window	14,510.00					14,510.00
St. Luke's Hospital Donation - Pool		\$ 50,000.00	50,000.00			
Aqua Road Improvement Donations		63,369.75	63,369.75			
2014 Assistance to Firefighters Grant		447,540.00				447,540.00
2014 COPS Hiring Program:						
Federal		62,500.00	33,891.97			28,608.03
Phillipsburg School District		20,856.00	20,856.00			
	<u>\$ 1,461,878.72</u>	<u>\$ 1,673,567.56</u>	<u>\$ 958,641.66</u>	<u>\$ 21,700.53</u>	<u>\$ 18,160.30</u>	<u>\$ 2,136,943.79</u>
<u>Ref.</u>	A					A
Federal Grants			\$ 221,434.17			
State Grants			589,042.76			
Local Grants			148,164.73			
			<u>\$ 958,641.66</u>			

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> Dec. 31, 2014	<u>Balance</u> After Modification	<u>Paid or</u> Charged	<u>Balance</u> Lapsed
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 11,365.48	\$ 2,365.48	\$ 1,371.59	\$ 993.89
Other Expenses	62,852.27	61,055.27	56,692.17	4,363.10
Human Resources:				
Other Expenses	3,047.22	3,047.22	2,362.50	684.72
Mayor and Council:				
Salaries and Wages	4,119.89	4,119.89	69.05	4,050.84
Other Expenses	4,472.08	4,472.08	306.98	4,165.10
Municipal Clerk:				
Salaries and Wages	14,136.93	14,136.93	2,339.81	11,797.12
Other Expenses	4,203.30	4,203.30	527.00	3,676.30
Financial Administration:				
Salaries and Wages	12,163.61	12,163.61	1,873.39	10,290.22
Other Expenses	5,594.20	5,594.20	4,303.40	1,290.80
Audit Services	675.01	675.01		675.01
Revenue Administration:				
Salaries and Wages	9,067.03	9,067.03	1,554.24	7,512.79
Other Expenses	1,227.97	1,227.97	22.00	1,205.97
Tax Assessment Administration:				
Salaries and Wages	10,677.41	10,677.41	1,229.27	9,448.14
Other Expenses	2,704.38	2,704.38	808.00	1,896.38
Legal Services:				
Other Expenses	94,539.18	94,539.18	27,736.47	66,802.71
Engineering Services:				
Other Expenses	26,840.00	26,840.00	9,492.65	17,347.35
<b>LAND USE ADMINISTRATION:</b>				
Planning Board:				
Other Expenses	2,000.00	2,000.00		2,000.00
Zoning Board:				
Other Expenses	1,500.00	1,500.00		1,500.00
<b>PUBLIC SAFETY FUNCTIONS:</b>				
Police Department:				
Salaries and Wages	124,236.33	124,236.33	63,154.30	61,082.03
Other Expenses	54,747.49	54,747.49	24,537.72	30,209.77
Emergency Management Services:				
Salaries and Wages	6.62	6.62		6.62
Other Expenses	762.91	762.91	762.91	
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	1.27	1.27		1.27
Other Expenses	19,685.17	19,685.17	19,685.17	

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
<b>PUBLIC SAFETY FUNCTIONS:</b>				
Fire Department:				
Supplemental Fire Services Program	3,721.80	\$ 3,721.80	\$ 3,721.80	
Municipal Prosecutor:				
Salaries and Wages	38.27	38.27		\$ 38.27
<b>PUBLIC WORKS FUNCTIONS:</b>				
Streets and Roads Maintenance:				
Salaries and Wages	8,583.86	8,583.86	6,085.58	2,498.28
Other Expenses	43,815.43	43,815.43	40,218.49	3,596.94
Other Public Works Functions:				
Salaries and Wages	1,294.60	1,294.60	874.34	420.26
Other Expenses	2,164.59	2,164.59	1,710.97	453.62
PEOSHA	563.30	563.30	310.68	252.62
Solid Waste Collection:				
Salaries and Wages	8,409.37	8,409.37	3,809.10	4,600.27
Other Expenses	3,542.26	3,542.26	2,304.26	1,238.00
Buildings and Grounds:				
Salaries and Wages	19,710.10	19,710.10	6,761.79	12,948.31
Other Expenses	29,484.57	29,484.57	28,558.29	926.28
Vehicle Maintenance:				
Salaries and Wages	1,988.97	1,988.97	1,173.37	815.60
Other Expenses	50,832.19	61,629.19	58,060.81	3,568.38
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>				
Animal Control Services:				
Salaries and Wages	6,556.50	6,556.50		6,556.50
Other Expenses	4,367.49	4,367.49	651.90	3,715.59
Contributions to Social Services:				
Other Expenses	22,780.00	22,780.00	2,324.66	20,455.34
<b>PARKS AND RECREATION FUNCTIONS:</b>				
Recreation Services and Programs:				
Salaries and Wages	3,765.10	3,765.10	2,592.76	1,172.34
Other Expenses	22,209.63	22,209.63	8,885.99	13,323.64
Municipal Swimming Pool:				
Salaries and Wages	0.88	0.88		0.88
Other Expenses	3,347.60	3,347.60	2,444.00	903.60
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>				
Electricity	32,974.87	32,974.87	12,819.67	20,155.20
Street Lighting	82,414.60	76,414.60	12,120.48	64,294.12
Telephone:				
Other Expenses	3,205.21	9,205.21	7,234.00	1,971.21
Water	34,175.97	35,175.97	34,252.92	923.05
Gas (Natural or Propane)	8,700.19	13,700.19	11,616.83	2,083.36

TOWN OF PHILLIPSBURG  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
UTILITY EXPENSES AND BULK PURCHASES:				
Gasoline	\$ 63,467.62	\$ 63,467.62	\$ 20,646.30	\$ 42,821.32
SOLID WASTE DISPOSAL COSTS:				
Waste Disposal:				
Other Expenses	76,159.62	76,159.62	750.00	75,409.62
Municipal Court:				
Salaries and Wages	9,157.44	9,157.44	1,278.22	7,879.22
Other Expenses	1,017.11	1,017.11	1,017.11	
Public Defender (P.L. 1998 Chapter 256):				
Salaries and Wages	8,320.00	2,320.00		2,320.00
INSURANCE:				
Liability Insurance	11,353.43	11,353.43		11,353.43
Workers Compensation Insurance	1.18	1.18		1.18
Employees Group Insurance	82,683.68	72,683.68	3,158.17	69,525.51
Health Benefit Waivers	20,000.00	20,000.00	20,000.00	
UNIFORM CONSTRUCTION CODE:				
Code Enforcement:				
Salaries and Wages	10,057.37	10,057.37	3,756.28	6,301.09
Other Expenses	6,850.36	16,850.36	12,781.95	4,068.41
STATUTORY EXPENDITURES:				
Social Security System (O.A.S.I)	9,961.59	9,961.59	3,363.23	6,598.36
Unemployment Compensation Insurance	2,834.73	2,834.73	1,637.96	1,196.77
Maintenance of Free Public Library	12,906.86	12,906.86	7,257.68	5,649.18
Recycling Tax (P.L.2007, C.311)	11,753.00	11,753.00	1,788.00	9,965.00
	<u>\$ 1,218,797.09</u>	<u>\$ 1,218,797.09</u>	<u>\$ 567,796.21</u>	<u>\$ 651,000.88</u>

	<u>Ref.</u>	
<u>Analysis of Balance on December 31, 2014:</u>		
Unencumbered	A	\$ 914,805.17
Encumbered	A	303,991.92
		<u>\$ 1,218,797.09</u>

Cash Disbursed	\$ 519,517.11
Accounts Payable	48,279.10
	<u>\$ 567,796.21</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 1,422,906.00
Increased by:		
Levy School Year - July 1, 2014 through June 30, 2015		<u>10,853,711.00</u>
		12,276,617.00
Decreased by:		
Payments to Local School District		<u>10,503,304.50</u>
Balance December 31, 2015	A	<u><u>\$ 1,773,312.50</u></u>

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

	Balance Dec. 31, 2014	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Cancelled	Balance Dec. 31, 2015
Clean Communities Program:						
2014	\$ 6,799.51		\$ 6,638.46			\$ 161.05
2015		\$ 34,574.28	29,629.49			4,944.79
Drunk Driving Enforcement Fund:						
2013	141.69		141.69			
2014	7,436.20		3,770.21	\$ 2,880.00		785.99
Municipal Alliance Program:						
2013 - State	122.37					122.37
2015 - State		12,440.00	12,440.00			
2016 - State		12,440.00	1,990.00			10,450.00
2014 - Local	1,558.00		1,558.00			
2015 - Local		1,866.00	715.00	1,000.00		151.00
2016 - Local		3,732.00				3,732.00
Board of Education - 2013	1,037.60		1,037.60			
Board of Education - 2014	2,000.00		1,655.13			344.87
Board of Education - 2015		2,000.00				2,000.00
Body Armor Replacement Grant:						
2013	1,249.65		1,249.65			
2014	8,230.94		673.75			7,557.19
FY04 Exercise Program Implementation Action Grant	2,278.20			1,250.00		1,028.20
N.J. Department of Labor and Workforce Development:						
N.J. Youth Corps - 2014 - ALWY15N	321,086.00		305,166.00		\$ 15,920.00	
N.J. Youth Corps - 2015 - ALWY16N		529,336.00	260,520.00			268,816.00
Municipal Stormwater Regulation Program - 2006	4,251.25					4,251.25
Recycling Tonnage Grant:						
2008	110.00		110.00			
2009	25,232.21		18,532.35	2,909.90		3,789.96
2011	23,487.00					23,487.00
2012	29,353.46					29,353.46
2013	22,249.00					22,249.00

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

(Continued)

	Balance Dec. 31, 2014	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Cancelled	Balance Dec. 31, 2015
Recycling Tonnage Grant:						
2014	\$ 21,252.00					\$ 21,252.00
2015		\$ 21,700.53				21,700.53
Emergency Management:						
2012	462.48		\$ 462.48			
DRJTBC Compact Authorized Investments Grant	45,440.96					45,440.96
Delaware River Joint Bridge Commission:						
Resurfacing Northampton Street Toll Supported Bridge	63,000.00					63,000.00
Compact Authorized Investments - 2010	131,350.91					131,350.91
N.J. Transportation Trust Fund Authority Act:						
2009 - Morris Street	23,941.00					23,941.00
2012 - Municipal Aid Program - Main St, Phase V	13,733.04					13,733.04
2014 Municipal Aid - Improvements to South Main St. Phase VI	220,000.00		220,000.00			
2015 Municipal Aid - Improvements to Main St. Phase VII		274,581.00	274,581.00			
2014 Urban Aid - Improvements to Main St. Phase VI	17,710.00		17,710.00			
Reserve for Domestic Violence Grant	2,973.00					2,973.00
Drive Sober or Get Pulled Over:						
2014 - Year End Holiday Crackdown	4,926.40		3,090.00		\$ 1,836.40	
Click It or Ticket - 2015 Seatbelt Mobilization		4,000.00	3,596.10		403.90	
Division of State Police:						
CERT Trailer Equipment & Supply	1,150.00					1,150.00
State of NJ Highlands Council:						
2009 Plan Conformance Grant	3,744.11		3,744.11			
2009 Plan Conformance Grant - Supplemental		138,230.00	6,383.89			131,846.11
NJ Department of Environmental Protection:						
Green Acres Delaware Heights	99,440.33					99,440.33
National Park Services:						
Rivers, Trails and Conservation Assistance Program	2,912.70		218.75			2,693.95
St. Luke's Hospital Donation - Pool		50,000.00				50,000.00
Warren County DARE Officers Association	242.08					242.08

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

	Balance Dec. 31, 2014	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Cancelled	Balance Dec. 31, 2015
St. Luke's Warren Campus Hospital Donation - Pool	\$ 8,770.57		\$ 8,770.57			
St. Luke's Warren Campus Hospital Donation	10,000.00		4,885.23	\$ 2,204.17		\$ 2,910.60
Restoration Central Railroad of NJ Interlocking Tower	43,911.25		9,197.96	34,713.29		
Westminster Presbyterian Church Stained Glass Window	14,510.00					14,510.00
Aqua Road Improvement Donations		\$ 63,369.75				63,369.75
2014 Assistance to Firefighters Grant		447,540.00		447,540.00		
2014 COPS Hiring Program:						
Federal		62,500.00	45,690.81			16,809.19
Phillipsburg School District		20,856.00	15,246.76			5,609.24
Local Match		20,856.00	15,246.65			5,609.35
	<u>\$ 1,186,093.91</u>	<u>\$ 1,700,021.56</u>	<u>\$ 1,274,651.64</u>	<u>\$ 492,497.36</u>	<u>\$ 18,160.30</u>	<u>\$ 1,100,806.17</u>
<u>Ref</u>	A					A
Federal/State/Local Grants		\$ 1,673,567.56			\$ 18,160.30	
Local Matching Funds		26,454.00				
		<u>\$ 1,700,021.56</u>			<u>\$ 18,160.30</u>	
Federal Grants			\$ 565,349.14	\$ 447,540.00		
State Grants			650,989.60	7,039.90		
Local Grants			58,312.90	37,917.46		
			<u>\$ 1,274,651.64</u>	<u>\$ 492,497.36</u>		

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

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Grant</u> <u>Funds</u> <u>Received</u>	<u>Transferred</u> <u>to 2015</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Drunk Driving Enforcement Fund		\$ 2,918.77		\$ 2,918.77
Body Armor Replacement Grant		3,615.18		3,615.18
Recycling Tonnage Grant	\$ 21,700.53		\$ 21,700.53	
	<u>\$ 21,700.53</u>	<u>\$ 6,533.95</u>	<u>\$ 21,700.53</u>	<u>\$ 6,533.95</u>
<u>Ref.</u>	A			A
State Grants		<u>\$ 6,533.95</u>		
		<u>\$ 6,533.95</u>		

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
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, 2014	B	\$ 6,602.27	\$ 913,320.11
Increased by Receipts:			
Dog License Fees		\$ 7,532.20	
Cat License Fees		1,725.50	
Dog/Cat License Late Fees		1,349.00	
Replacement Tags		4.50	
Interest Earned		22.64	
Due to/from Current Fund:			
Settlement of Prior Year Interfund		100.80	\$ 7,871.55
Interest Earned			126.24
Community Development Revolving Loan Program:			
Program Receivable - Principal Repayments			15,366.39
Interest on Deposits/Loans			4,726.09
Reserve for:			
Planning/Zoning Board Escrow			147,859.28
Public Defender:			
Receipts			3,068.00
Interest Earned			30.75
Parking Offense Adjudication Act			216.00
Bernards Township R.C.A. Program:			
Interest Earned			300.85
Police Outside Services			217,735.91
Accumulated Sick and Vacation			150,000.00
Donations for Celebration of Public Events			2,250.00
Dog Park User Fees			541.00
Federally Funded Housing Assistance (Section 8 Program):			
2014 Grant Funds			1,758,880.00
Flexible Spending Benefits Deposits			17,704.70
		<u>10,734.64</u>	<u>2,326,676.76</u>
		17,336.91	3,239,996.87
Decreased by Disbursements:			
Administrative Expenses		15,212.55	
Reserve for:			
Public Defender			9,906.98
Planning/Zoning Board Escrow			166,300.58
Accumulated Sick and Vacation			75,206.64
Federally Funded Housing Assistance (Section 8 Program):			
Program Expenditures			1,756,640.69
Police Outside Services			227,131.52
Donations for Celebration of Public Events			621.91
Community Development Revolving Loan Program:			
Legal Fees			5,150.00
Dog Park User Fees			117.00
Flexible Spending Benefits Disbursements			17,727.47
		<u>15,212.55</u>	<u>2,258,802.79</u>
Balance December 31, 2015	B	<u>\$ 2,124.36</u>	<u>\$ 981,194.08</u>

TOWN OF PHILLIPSBURG  
ASSESSMENT TRUST FUND  
ANALYSIS OF ASSESSMENT TRUST FUND CASH  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

	<u>Ref.</u>		
Balance December 31, 2014	B	\$	5,950.82
Increased by:			
Cash Received in Animal Control Fund:			
Dog License Fees		\$	7,532.20
Cat License Fees			1,725.50
Cat/Dog License Late Fees			1,349.00
Replacement Tags			4.50
Interest Earned			22.64
Cash Received in Current Fund:			
Cat License Fees			8.00
			10,641.84
			16,592.66
Decreased by:			
Expenditures Under R.S.4:19-15.11			15,212.55
Balance December 31, 2015	B	\$	1,380.11

License Fees Collected

<u>Year</u>		<u>Amount</u>
2013	\$	9,716.40
2014		10,675.20
		20,391.60
Maximum Allowable Reserve	\$	20,391.60

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 1,033,972.63
Increased by:		
Capital Improvement Fund:		
2015 Budget Appropriation		\$ 100,000.00
Reserve for Garbage Truck Purchase		148,429.00
Bond Anticipation Notes Issued		1,445,045.00
Due to Current Fund:		
Interest Earned		443.54
		<u>1,693,917.54</u>
		<u>2,727,890.17</u>
Decreased by:		
Due to Current Fund:		
Settlement of Prior Year Interfund		149.74
Anticipated Revenue:		
Reserve for Debt Service		17,500.00
Prior Year Encumbrances		148,261.19
Improvement Authorization Expenditures		1,030,785.03
		<u>1,196,695.96</u>
Balance December 31, 2015	C	<u><u>\$ 1,531,194.21</u></u>

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

	Balance (Deficit) Dec. 31, 2014	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2015		
		Miscellaneous	Bond	Budget	Miscellaneous	Improvement	Transfers			
			Anticipation Notes	Appropriation		Authorization Expenditures	From		To	
Fund Balance	\$ 14,429.25							\$ 14,429.25		
Capital Improvement Fund	4,566.84		\$ 100,000.00			\$ 40,365.00		64,201.84		
Due To Current Fund	149.74	\$ 443.54		\$ 149.74				443.54		
Reserve for Encumbrances	183,009.58			148,261.19			\$ 706,931.67	741,680.06		
Reserve for Improvements	25,000.00					7,500.00		17,500.00		
Reserve for Boiler Room	19,280.16							19,280.16		
Reserve for Payment of Debt Service	17,500.00			17,500.00						
Reserve for Garbage Truck Purchase		148,429.00						148,429.00		
Ord. No.	Improvement Description									
02-04	Various Capital Improvements	3,504.05						3,504.05		
03-04	Various Capital Improvements	5,894.00						5,894.00		
05-18	Various Capital Improvements	4,362.26						4,362.26		
06-20	Various Capital Improvements	118,200.48			\$ 3,950.00			114,250.48		
07-07	Various Capital Improvements	62,288.28			9,833.00	6,058.92		46,396.36		
08-12	Various Capital Improvements	3,642.44						3,642.44		
09-10	Various Capital Improvements	40,892.69			2,591.01	10,148.08		28,153.60		
11-09	Various Capital Improvements	20,371.76			20,108.00			263.76		
12-07	Various Capital Improvements	161,461.01			59,891.82	33.45		101,535.74		
13-10	Various Capital Improvements	328,035.65			47,568.74	20,600.00		259,866.91		
13-13	Walter's Park Improvements Project	10,000.00						10,000.00		
14-11	Various Capital Improvements	(177,527.69)	\$ 1,112,545.00		286,727.33	338,017.19		310,272.79		
14-23	Various Roadway Improvements	17,500.00	332,500.00		229,827.80	120,172.20				
14-24	Road Improvements for Various Streets	171,412.13			171,412.13					
15-05	Various Improvements to Walter's Park Pool					64,484.62	7,500.00	(56,984.62)		
15-13	Various Capital Improvements				161,475.20	147,417.21	37,865.00	(271,027.41)		
15-17	Installation of New Town Phone System				37,400.00		2,500.00	(34,900.00)		
		<u>\$1,033,972.63</u>	<u>\$ 148,872.54</u>	<u>\$1,445,045.00</u>	<u>\$ 100,000.00</u>	<u>\$ 165,910.93</u>	<u>\$1,030,785.03</u>	<u>\$ 754,796.67</u>	<u>\$ 754,796.67</u>	<u>\$ 1,531,194.21</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>								
05-18	Various Capital Improvements	\$ 150,000.00		\$ 150,000.00				
06-20	Various Capital Improvements	415,000.00		415,000.00				
07-07	Various Capital Improvements	350,000.00		100,000.00	\$ 250,000.00	\$ 250,000.00		
08-12	Various Capital Improvements	480,000.00		80,000.00	400,000.00	400,000.00		
09-10	Various Capital Improvements	435,000.00		65,000.00	370,000.00	370,000.00		
10-10	Various Capital Improvements	432,000.00		65,000.00	367,000.00	367,000.00		
11-09	Various Capital Improvements	640,000.00		40,000.00	600,000.00	600,000.00		
12-07	Various Capital Improvements	560,000.00		30,000.00	530,000.00	530,000.00		
13-10	Various Capital Improvements	484,969.00		29,969.00	455,000.00	455,000.00		
14-11	Various Capital Improvements	1,112,545.00			1,112,545.00	1,112,545.00		
14-23	Road Improvements for Various Streets	332,500.00			332,500.00	332,500.00		
15-05	Various Improvements to Walter's Park Pool		\$ 142,500.00		142,500.00		\$ 56,984.62	\$ 85,515.38
15-13	Various Capital Improvements		705,000.00		705,000.00		271,027.41	433,972.59
15-17	Installation of New Town Phone System		47,500.00		47,500.00		34,900.00	12,600.00
<u>Local Improvements</u>								
06-32	Various Local Improvements	4,594,160.01			4,594,160.01			4,594,160.01
		<u>\$ 9,986,174.01</u>	<u>\$ 895,000.00</u>	<u>\$ 974,969.00</u>	<u>\$ 9,906,205.01</u>	<u>\$ 4,417,045.00</u>	<u>\$ 362,912.03</u>	<u>\$ 5,126,247.98</u>
	<u>Ref.</u>	C			C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded

\$ 6,004,390.37

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ord. #02-04	\$ 3,504.05
Ord. #03-04	5,894.00
Ord. #05-18	4,362.26
Ord. #06-20	114,250.48
Ord. #07-07	46,396.36
Ord. #08-12	3,642.44
Ord. #09-10	28,153.60
Ord. #11-09	263.76
Ord. #12-07	101,535.74
Ord. #13-10	259,866.91
Ord. #14-11	310,272.79

878,142.39

\$ 5,126,247.98

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance December 31, 2014		2015 Authorizations			Balance December 31, 2015		
				Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded	Other Financing Sources	Paid or Charged	Funded	Unfunded	
<u>General Improvements:</u>											
02-04	Various Capital Improvements	04/16/02	\$ 915,000.00		\$ 3,504.05					\$ 3,504.05	
03-04	Various Capital Improvements	04/01/03	967,385.00		5,894.00					5,894.00	
05-18	Various Capital Improvements	05/03/05	1,288,320.00		4,362.26					4,362.26	
06-20	Various Capital Improvements	05/26/06	2,283,842.00		118,200.48			\$ 3,950.00		114,250.48	
07-07	Various Capital Improvements	05/01/07	795,800.00		62,288.28			15,891.92		46,396.36	
08-12	Various Capital Improvements	05/06/08	814,600.00		3,642.44					3,642.44	
09-10	Various Capital Improvements	05/19/09	524,610.00		40,892.69			12,739.09		28,153.60	
11-09	Various Capital Improvements	05/17/11	692,815.00		20,371.76			20,108.00		263.76	
12-07	Various Capital Improvements	04/17/12	599,766.00		161,461.01			59,925.27		101,535.74	
13-10	Various Capital Improvements	05/07/13	517,500.00		328,035.65			68,168.74		259,866.91	
13-13	Walter's Park Improvements Project	06/18/13	10,000.00	\$ 10,000.00					\$ 10,000.00		
14-11	Various Capital Improvements	04/15/14	1,171,100.00		935,017.31			624,744.52		310,272.79	
14-23	Various Roadway Improvements	11/17/14	350,000.00	17,500.00	332,500.00			350,000.00			
14-24	Road Improvements for Various Streets	12/02/14	171,412.13	171,412.13				171,412.13			
15-05	Various Improvements to Walter's Park Pool	02/17/15	150,000.00			\$ 142,500.00	\$ 7,500.00	64,484.62		85,515.38	
15-13	Various Capital Improvements	05/05/15	742,865.00			705,000.00	37,865.00	308,892.41		433,972.59	
15-17	Installation of New Town Phone System	09/15/15	50,000.00			47,500.00	2,500.00	37,400.00		12,600.00	
<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>\$ 198,912.13</u>	<u>\$ 6,610,329.94</u>	<u>\$ 895,000.00</u>	<u>\$ 47,865.00</u>	<u>\$ 1,737,716.70</u>	<u>\$ 10,000.00</u>	<u>\$ 6,004,390.37</u>	
<u>Ref.</u>				C	C				C	C	
Capital Improvement Fund							\$ 40,365.00				
Reserve for Improvements							7,500.00				
							<u>\$ 47,865.00</u>				
							<u>Ref.</u>				
Cash Disbursed							\$ 1,030,785.03				
Encumbrances							C 706,931.67				
							<u>\$ 1,737,716.70</u>				

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 4,566.84
Increased by:		
2015 Budget Appropriation		100,000.00
		<hr/> 104,566.84
Decreased by:		
Appropriated to Finance Improvement Authorizations		40,365.00
		<hr/> 40,365.00
Balance December 31, 2015	C	<u>\$ 64,201.84</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, 2014	Issued	Matured	Balance Dec. 31, 2015
			Issue	Maturity					
05-18	Various Capital Improvements	09/06/06	08/19/14	08/18/15	0.80%	\$ 150,000.00		\$ 150,000.00	
06-20	Various Capital Improvements	09/06/06	04/14/14	04/13/15	0.75%	165,000.00		165,000.00	
			08/19/14	08/18/15	0.80%	250,000.00		250,000.00	
07-07	Various Capital Improvements	05/01/08	04/14/14	04/13/15	0.75%	350,000.00		350,000.00	
			04/10/15	04/08/16	0.69%		\$ 250,000.00		\$ 250,000.00
08-12	Various Capital Improvements	04/28/09	04/14/14	04/13/15	0.75%	280,000.00		280,000.00	
			08/19/14	08/18/15	0.80%	200,000.00		200,000.00	
			04/10/15	04/08/16	0.69%		230,000.00		230,000.00
			08/18/15	08/17/16	0.74%		170,000.00		170,000.00
09-10	Various Capital Improvements	04/19/11	04/14/14	04/13/15	0.75%	315,000.00		315,000.00	
			08/19/14	08/18/15	0.80%	120,000.00		120,000.00	
			04/10/15	04/08/16	0.69%		270,000.00		270,000.00
			08/18/15	08/17/16	0.74%		100,000.00		100,000.00
10-10	Various Capital Improvements	04/19/11	04/14/14	04/13/15	0.75%	432,000.00		432,000.00	
			04/10/15	04/08/16	0.69%		367,000.00		367,000.00
11-09	Various Capital Improvements	04/18/12	04/14/14	04/13/15	0.75%	640,000.00		640,000.00	
			04/10/15	04/08/16	0.69%		600,000.00		600,000.00
12-07	Various Capital Improvements	04/18/12	04/14/14	04/13/15	0.75%	560,000.00		560,000.00	
			04/10/15	04/08/16	0.69%		530,000.00		530,000.00
13-10	Various Capital Improvements	04/14/14	04/14/14	04/13/15	0.75%	484,969.00		484,969.00	
			04/10/15	04/08/16	0.69%		455,000.00		455,000.00

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, 2014	Issued	Matured	Balance Dec. 31, 2015
			Issue	Maturity					
14-11	Various Capital Improvements	08/18/15	08/18/15	08/17/16	0.74%		\$ 1,112,545.00		\$ 1,112,545.00
14-23	Various Roadway Improvements	08/18/15	08/18/15	08/17/16	0.74%		332,500.00		332,500.00
						<u>\$ 3,946,969.00</u>	<u>\$ 4,417,045.00</u>	<u>\$ 3,946,969.00</u>	<u>\$ 4,417,045.00</u>
					<u>Ref.</u>	<u>C</u>			<u>C</u>
					New Issues		\$ 1,445,045.00		
					Renewals		2,972,000.00	\$ 2,972,000.00	
					Paid by Budget Appropriation			974,969.00	
							<u>\$ 4,417,045.00</u>	<u>\$ 3,946,969.00</u>	

TOWN OF PHILLIPSBURG  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
01-16	Improvements to Delaware Heights Park	\$ 152,818.15	\$ 12,551.89	\$ 140,266.26
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 140,266.26
9	1/11/16	\$ 1,402.66	\$ 6,370.24	133,896.02
10	7/11/16	1,338.96	6,433.94	127,462.08
11	1/11/17	1,274.62	6,498.28	120,963.80
12	7/11/17	1,209.64	6,563.26	114,400.54
13	1/11/18	1,144.01	6,628.89	107,771.65
14	7/11/18	1,077.72	6,695.18	101,076.47
15	1/11/19	1,010.76	6,762.14	94,314.33
16	7/11/19	943.14	6,829.75	87,484.58
17	1/11/20	874.85	6,898.05	80,586.53
18	7/11/20	805.87	6,967.04	73,619.49
19	1/11/21	736.19	7,036.70	66,582.79
20	7/11/21	665.83	7,107.07	59,475.72
21	1/11/22	594.76	7,178.14	52,297.58
22	7/11/22	522.98	7,249.93	45,047.65
23	1/11/23	450.48	7,322.42	37,725.23
24	7/11/23	377.25	7,395.65	30,329.58
25	1/11/24	303.30	7,469.60	22,859.98
26	7/11/24	228.60	7,544.30	15,315.68
27	1/11/25	153.16	7,619.74	7,695.94
28	7/11/25	76.96	7,695.94	-0-
		<u>\$ 15,191.74</u>	<u>\$ 140,266.26</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Bond Anticipation Notes Matured	Bond Anticipation Notes Issued	Balance Dec. 31, 2015
05-18	Various Capital Improvements			\$ 150,000.00	\$ 150,000.00		
06-20	Various Capital Improvements			415,000.00	415,000.00		
06-32	Various Local Improvements	\$ 4,594,160.01					\$ 4,594,160.01
07-07	Various Capital Improvements			100,000.00	350,000.00	\$ 250,000.00	
08-12	Various Capital Improvements			80,000.00	480,000.00	400,000.00	
09-10	Various Capital Improvements			65,000.00	435,000.00	370,000.00	
10-10	Various Capital Improvements			65,000.00	432,000.00	367,000.00	
11-09	Various Capital Improvements			40,000.00	640,000.00	600,000.00	
12-07	Various Capital Improvements			30,000.00	560,000.00	530,000.00	
13-10	Various Capital Improvements			29,969.00	484,969.00	455,000.00	
14-11	Various Capital Improvements	1,112,545.00				1,112,545.00	
14-23	Various Roadway Improvements	332,500.00				332,500.00	
15-05	Various Improvements to Walter's Park Pool		\$ 142,500.00				142,500.00
15-13	Various Capital Improvements		705,000.00				705,000.00
15-17	Installation of New Town Phone System		47,500.00				47,500.00
		<u>\$ 6,039,205.01</u>	<u>\$ 895,000.00</u>	<u>\$ 974,969.00</u>	<u>\$ 3,946,969.00</u>	<u>\$ 4,417,045.00</u>	<u>\$ 5,489,160.01</u>

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG  
COUNTY OF WARREN  
2015  
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

		<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	E	\$ 2,156,232.98	\$ 4,665,034.99
Increased by Receipts:			
Utility Collector		\$ 1,558,149.99	
Sewer Rents - Other Municipalities		2,181,406.73	
Nonbudget Revenue		130,693.26	
Due from Sewer Utility Capital Fund:			
Settlement of Prior Year Interfund		731.82	
2015 Budget Appropriation:			
Capital Improvement Fund			\$ 10,000.00
Environmental Infrastructure Loan Receivable:			
Fund Loan			4,325,830.00
Trust Loan			1,441,943.00
Due to Sewer Utility Operating Fund:			
Interest Earned			1,112.49
		<u>3,870,981.80</u>	<u>5,778,885.49</u>
		6,027,214.78	10,443,920.48
Decreased by Disbursements:			
2015 Appropriation Expenditures		3,074,203.89	
2014 Appropriation Reserves		205,261.94	
Accrued Interest on Loans		107,117.00	
Prior Year Encumbrances			6,429,615.52
Improvement Authorization Expenditures			124,251.38
Due to Current Fund:			
Anticipated Revenue - 2015 Budget		300,000.00	
Due to Sewer Utility Operating Fund:			
Partial Settlement of Prior Year Interfund			731.82
		<u>3,686,582.83</u>	<u>6,554,598.72</u>
Balance December 31, 2015	E	<u>\$ 2,340,631.95</u>	<u>\$ 3,889,321.76</u>

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

	Balance (Deficit) Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2015	
		Budget	Miscellaneous	Miscellaneous	Improvement	From	To		
		Appropriation			Authorizations				
Capital Improvement Fund	\$ 2,514,383.32	\$ 10,000.00				\$ 400,000.00		\$ 2,124,383.32	
Due to/(from) Sewer Utility Operating Fund	731.82		\$ 1,112.49	\$ 731.82				1,112.49	
NJ Environmental Infrastructure Loan Receivable: Trust	(1,713,906.82)		1,441,943.00			372,642.00		(644,605.82)	
NJ Environmental Infrastructure Loan Receivable: Fund	(4,653,995.00)		4,325,830.00			1,117,926.00		(1,446,091.00)	
Reserve for Encumbrances	7,685,095.35			6,429,615.52		10,290.00	\$ 395,284.02	1,640,473.85	
Reserve for Sewer Improvements	34,952.00							34,952.00	
Reserve for NJ Environmental Infrastructure Trust									
Loan Receivable	76,088.82						27,642.00	103,730.82	
Fund Balance	184,340.09							184,340.09	
Ord.									
No.	Improvement Authorizations								
01-13	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement Pump	10,229.96						10,229.96	
03-01	Additional Services for Wastewater Treatment Management Plan	9,567.25						9,567.25	
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	25,924.01				6,125.12		19,798.89	
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	176,677.95			91,000.10	17,788.90		67,888.95	
09-13	Improvements to Town Sewage Treatment Plant	436,943.69						436,943.69	
12-08	Capital Purchases	868,916.75				371,370.00		497,546.75	
13-20	Improvements to Sewage Treatment Plant	348,025.45			58.33		10,290.00	358,257.12	
14-20	Improvements to Town Sewage Treatment Plant	(1,338,939.65)			33,192.95		1,462,926.00	90,793.40	
15-21	General Improvements to the Wastewater Treatment Plant						400,000.00	400,000.00	
		<u>\$ 4,665,034.99</u>	<u>\$ 10,000.00</u>	<u>\$ 5,768,885.49</u>	<u>\$ 6,430,347.34</u>	<u>\$ 124,251.38</u>	<u>\$ 2,296,142.02</u>	<u>\$ 2,296,142.02</u>	<u>\$ 3,889,321.76</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 42,597.35
Increased by:		
Consumer Accounts Receivable		\$ 1,555,893.91
Interest on Sewer Rents		12,760.46
Interest on Investments		384.71
Other Miscellaneous Revenue not Anticipated		5.00
		1,569,044.08
		1,611,641.43
Decreased by:		
Disbursed to Sewer Treasurer		1,558,149.99
		1,558,149.99
Balance December 31, 2015	E	\$ 53,491.44

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

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 153,484.16
Increased by:		
Sewer Rents Levied		1,553,748.73
		<u>1,707,232.89</u>
Decreased by:		
Collections:		
Transfer to Sewer Liens Receivable		\$ 1,310.58
Sewer Collector - Cash Received		<u>1,555,893.91</u>
		<u>1,557,204.49</u>
Balance December 31, 2015	E	<u><u>\$ 150,028.40</u></u>

SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 1,529.96
Increased by:		
Transfer from Consumer Accounts Receivable		\$ 1,310.58
Interest and Costs Accrued at Tax Sale		<u>46.80</u>
		<u>1,357.38</u>
		2,887.34
Decreased by:		
Sewer Lien Redemption		409.23
Cancelled		<u>457.18</u>
		<u>866.41</u>
Balance December 31, 2015	E	<u><u>\$ 2,020.93</u></u>

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Sewer Treatment Plant	\$ 26,651,726.85	\$ 26,651,726.85
Various Capital Improvements	201,881.57	201,881.57
General Equipment	676,093.67	676,093.67
	<u>\$ 27,529,702.09</u>	<u>\$ 27,529,702.09</u>

Ref.

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, 2014	2015 Authorizations	Balance Dec. 31, 2015
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
03-01	01/21/03	Additional Services for Wasterwater Management Plan	15,500.00		15,500.00
05-19	05/03/05	General Improvements to the Wastewater Treatment Plant and Associated Facilities	525,000.00		525,000.00
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
12-08	04/17/12	Capital Purchases	1,800,000.00		1,800,000.00
13-20	10/15/13	Improvements to Sewage Treatment Plant	7,907,500.00		7,907,500.00
14-08	03/18/14	Raw Water Influent Pump	38,635.00		38,635.00
14-20	10/07/14	Improvements to Town Sewage Treatment Plant	2,077,000.00		2,077,000.00
15-21	12/01/15	General Improvements to the Wastewater Treatment Plant		\$ 400,000.00	400,000.00
			<u>\$ 18,669,435.00</u>	<u>\$ 400,000.00</u>	<u>\$ 19,069,435.00</u>
		<u>Ref.</u>	E		E

TOWN OF PHILLIPSBURG  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 29,032.56	\$ 29,032.56	\$ 4,884.35	\$ 24,148.21
Other Expenses	542,682.91	542,682.91	201,881.63	340,801.28
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	4,443.44	4,443.44	373.65	4,069.79
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	2,916.09	2,916.09	629.81	2,286.28
	<u>\$ 579,075.00</u>	<u>\$ 579,075.00</u>	<u>\$ 207,769.44</u>	<u>\$ 371,305.56</u>

	<u>Ref.</u>	
<u>Analysis of Balance December 31, 2014</u>		
Unencumbered	E	\$ 419,668.36
Encumbered	E	<u>159,406.64</u>
		<u>\$ 579,075.00</u>

Cash Disbursed	\$ 205,261.94
Accounts Payable	<u>2,507.50</u>
	<u>\$ 207,769.44</u>

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Prior Year Encumbrances Cancelled	Balance Dec. 31, 2015		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund			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	\$ 10,229.96					\$ 10,229.96		
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00	9,567.25					9,567.25		
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/03/05	525,000.00	25,924.01			\$ 6,125.12		19,798.89		
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	07/17/07	394,550.00	176,677.95			108,789.00		67,888.95		
09-13	Improvements to Town Sewage Treatment Plant	06/16/09	5,815,250.00	436,943.69	\$ 187,590.00				436,943.69	\$ 187,590.00	
12-08	Capital Purchases	04/17/12	1,800,000.00	868,916.75			371,370.00		497,546.75		
13-20	Improvements to Sewage Treatment Plant	10/15/13	7,907,500.00	348,025.45	145,000.00		58.33	\$ 10,290.00	358,257.12	145,000.00	
14-20	Improvements to Town Sewage Treatment Plant	10/07/14	2,077,000.00		738,060.35		33,192.95		90,793.40	614,074.00	
15-21	General Improvements to the Wastewater Treatment Plant	12/01/15	400,000.00			\$ 400,000.00			400,000.00		
				<u>\$ 1,876,285.06</u>	<u>\$ 1,070,650.35</u>	<u>\$ 400,000.00</u>	<u>\$ 519,535.40</u>	<u>\$ 10,290.00</u>	<u>\$ 1,891,026.01</u>	<u>\$ 946,664.00</u>	
<u>Ref.</u>				E	E				E	E	
							Cash Disbursed	\$ 124,251.38			
							Encumbrances	395,284.02			
								<u>\$ 519,535.40</u>			

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

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 2,514,383.32
Increased by:		
2015 Budget Appropriation		10,000.00
		<u>2,524,383.32</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		400,000.00
		<u>400,000.00</u>
Balance December 31, 2015	E	<u><u>\$ 2,124,383.32</u></u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 28,268,839.03
Increased by:		
NJ Environmental Infrastructure Trust Loans Paid by Operating Budget	\$	515,767.16
NJ Environmental Infrastructure Trust Loans Credited by NJ Environmental Infrastructure Trust		7,276.83
NJ Environmental Infrastructure Trust Loan (ARRA) Forgiveness by NJ Environmental Infrastructure Trust		283,208.00
		<u>806,251.99</u>
Balance December 31, 2015	E	<u><u>\$ 29,075,091.02</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	2015 Authorization	Balance Dec. 31, 2015
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
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00		15,500.00
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/03/05	525,000.00		525,000.00
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
12-08	Capital Purchases	04/17/12	1,800,000.00		1,800,000.00
14-08	Raw Water Influent Pump	03/18/14	38,635.00		38,635.00
15-21	General Improvements to the Wastewater Treatment Plant	12/01/15		\$ 400,000.00	400,000.00
			<u>\$ 5,698,125.00</u>	<u>\$ 400,000.00</u>	<u>\$ 6,098,125.00</u>
		<u>Ref.</u>	E		E

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

	<u>Ref.</u>	<u>Trust Loan</u>	<u>Fund Loan</u>
Balance December 31, 2014	E	\$ 3,085,000.00	\$ 6,737,583.06
Increased by:			
Issued		345,000.00	1,117,926.00
		3,430,000.00	7,855,509.06
Decreased by:			
Loans Paid by Operating Budget		117,723.17	398,043.99
Credit Issued by NJ EIT		7,276.83	
ARRA Loan Forgiveness			283,208.00
Balance December 31, 2015	E	\$ 3,305,000.00	\$ 7,174,257.07

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340874-04  
TRUST LOAN OUTSTANDING DECEMBER 31, 2015

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 1,125,000.00
12	2/1/16	\$ 23,200.00		1,125,000.00
13	8/1/16	23,200.00	\$ 60,000.00	1,065,000.00
14	2/1/17	21,700.00		1,065,000.00
15	8/1/17	21,700.00	65,000.00	1,000,000.00
16	2/1/18	20,075.00		1,000,000.00
17	8/1/18	20,075.00	65,000.00	935,000.00
18	2/1/19	18,450.00		935,000.00
19	8/1/19	18,450.00	70,000.00	865,000.00
20	2/1/20	17,050.00		865,000.00
21	8/1/20	17,050.00	70,000.00	795,000.00
22	2/1/21	15,300.00		795,000.00
23	8/1/21	15,300.00	75,000.00	720,000.00
24	2/1/22	14,175.00		720,000.00
25	8/1/22	14,175.00	80,000.00	640,000.00
26	2/1/23	12,575.00		640,000.00
27	8/1/23	12,575.00	80,000.00	560,000.00
28	2/1/24	10,975.00		560,000.00
29	8/1/24	10,975.00	85,000.00	475,000.00
30	2/1/25	9,275.00		475,000.00
31	8/1/25	9,275.00	90,000.00	385,000.00
32	2/1/26	7,475.00		385,000.00
33	8/1/26	7,475.00	90,000.00	295,000.00
34	2/1/27	5,900.00		295,000.00
35	8/1/27	5,900.00	95,000.00	200,000.00
36	2/1/28	4,000.00		200,000.00
37	8/1/28	4,000.00	100,000.00	100,000.00
38	2/1/29	2,000.00		100,000.00
39	8/1/29	2,000.00	100,000.00	-0-
		\$ 364,300.00	\$ 1,125,000.00	

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010 LOAN #S340874-04  
FUND LOAN OUTSTANDING DECEMBER 31, 2015

Payment Number	Maturity Date	Principal	Balance of Loan
			\$ 1,006,732.89
12	2/1/16	\$ 23,969.83	982,763.06
13	8/1/16	47,939.66	934,823.40
14	2/1/17	23,969.83	910,853.57
15	8/1/17	47,939.66	862,913.91
16	2/1/18	23,969.83	838,944.08
17	8/1/18	47,939.66	791,004.42
18	2/1/19	23,969.83	767,034.59
19	8/1/19	47,939.66	719,094.93
20	2/1/20	23,969.83	695,125.10
21	8/1/20	47,939.66	647,185.44
22	2/1/21	23,969.83	623,215.61
23	8/1/21	47,939.66	575,275.95
24	2/1/22	23,969.83	551,306.12
25	8/1/22	47,939.66	503,366.46
26	2/1/23	23,969.83	479,396.63
27	8/1/23	47,939.66	431,456.97
28	2/1/24	23,969.83	407,487.14
29	8/1/24	47,939.66	359,547.48
30	2/1/25	23,969.83	335,577.65
31	8/1/25	47,939.66	287,637.99
32	2/1/26	23,969.83	263,668.16
33	8/1/26	47,939.66	215,728.50
34	2/1/27	23,969.83	191,758.67
35	8/1/27	47,939.66	143,819.01
36	2/1/28	23,969.83	119,849.18
37	8/1/28	47,939.66	71,909.52
38	2/1/29	23,969.83	47,939.69
39	8/1/29	47,939.69	0.00
		<u>\$ 1,006,732.89</u>	

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2014A TRUST LOAN #S340874-05  
TRUST LOAN OUTSTANDING DECEMBER 31, 2015

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 1,835,000.00
4	2/1/16	\$ 34,625.00		1,835,000.00
5	8/1/16	34,625.00	\$ 70,000.00	1,765,000.00
6	2/1/17	33,575.00		1,765,000.00
7	8/1/17	33,575.00	70,000.00	1,695,000.00
8	2/1/18	31,825.00		1,695,000.00
9	8/1/18	31,825.00	75,000.00	1,620,000.00
10	2/1/19	29,950.00		1,620,000.00
11	8/1/19	29,950.00	80,000.00	1,540,000.00
12	2/1/20	27,950.00		1,540,000.00
13	8/1/20	27,950.00	85,000.00	1,455,000.00
14	2/1/21	25,825.00		1,455,000.00
15	8/1/21	25,825.00	90,000.00	1,365,000.00
16	2/1/22	23,575.00		1,365,000.00
17	8/1/22	23,575.00	90,000.00	1,275,000.00
18	2/1/23	21,325.00		1,275,000.00
19	8/1/23	21,325.00	95,000.00	1,180,000.00
20	2/1/24	18,950.00		1,180,000.00
21	8/1/24	18,950.00	100,000.00	1,080,000.00
22	2/1/25	16,450.00		1,080,000.00
23	8/1/25	16,450.00	105,000.00	975,000.00
24	2/1/26	14,875.00		975,000.00
25	8/1/26	14,875.00	110,000.00	865,000.00
26	2/1/27	13,225.00		865,000.00
27	8/1/27	13,225.00	115,000.00	750,000.00
28	2/1/28	11,500.00		750,000.00
29	8/1/28	11,500.00	115,000.00	635,000.00
30	2/1/29	9,775.00		635,000.00
31	8/1/29	9,775.00	120,000.00	515,000.00
32	2/1/30	7,975.00		515,000.00
33	8/1/30	7,975.00	125,000.00	390,000.00
34	2/1/31	6,100.00		390,000.00
35	8/1/31	6,100.00	125,000.00	265,000.00
36	2/1/32	4,225.00		265,000.00
37	8/1/32	4,225.00	130,000.00	135,000.00
38	2/1/33	2,193.75		135,000.00
39	8/1/33	2,193.75	135,000.00	-0-
		<u>\$ 667,837.50</u>	<u>\$ 1,835,000.00</u>	

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2014A FUND LOAN #S340874-05  
FUND LOAN OUTSTANDING DECEMBER 31, 2015

Payment Number	Maturity Date	Principal	Balance of Loan
			\$ 5,361,101.70
4	2/1/16	\$ 99,279.66	5,261,822.04
5	8/1/16	198,559.32	5,063,262.72
6	2/1/17	99,279.66	4,963,983.06
7	8/1/17	198,559.32	4,765,423.74
8	2/1/18	99,279.66	4,666,144.08
9	8/1/18	198,559.32	4,467,584.76
10	2/1/19	99,279.66	4,368,305.10
11	8/1/19	198,559.32	4,169,745.78
12	2/1/20	99,279.66	4,070,466.12
13	8/1/20	198,559.32	3,871,906.80
14	2/1/21	99,279.66	3,772,627.14
15	8/1/21	198,559.32	3,574,067.82
16	2/1/22	99,279.66	3,474,788.16
17	8/1/22	198,559.32	3,276,228.84
18	2/1/23	99,279.66	3,176,949.18
19	8/1/23	198,559.32	2,978,389.86
20	2/1/24	99,279.66	2,879,110.20
21	8/1/24	198,559.32	2,680,550.88
22	2/1/25	99,279.66	2,581,271.22
23	8/1/25	198,559.32	2,382,711.90
24	2/1/26	99,279.66	2,283,432.24
25	8/1/26	198,559.32	2,084,872.92
26	2/1/27	99,279.66	1,985,593.26
27	8/1/27	198,559.32	1,787,033.94
28	2/1/28	99,279.66	1,687,754.28
29	8/1/28	198,559.32	1,489,194.96
30	2/1/29	99,279.66	1,389,915.30
31	8/1/29	198,559.32	1,191,355.98
32	2/1/30	99,279.66	1,092,076.32
33	8/1/30	198,559.32	893,517.00
34	2/1/31	99,279.66	794,237.34
35	8/1/31	198,559.32	595,678.02
36	2/1/32	99,279.66	496,398.36
37	8/1/32	198,559.32	297,839.04
38	2/1/33	99,279.66	198,559.38
39	8/1/33	198,559.38	-0-
		<u>\$ 5,361,101.70</u>	

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2015A TRUST LOAN #S340874-07  
TRUST LOAN OUTSTANDING DECEMBER 31, 2015

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 345,000.00
2	02/01/16	\$ 7,725.00		345,000.00
3	08/01/16	7,725.00	\$ 10,000.00	335,000.00
4	02/01/17	7,475.00		335,000.00
5	08/01/17	7,475.00	10,000.00	325,000.00
6	02/01/18	7,225.00		325,000.00
7	08/01/18	7,225.00	15,000.00	310,000.00
8	02/01/19	6,850.00		310,000.00
9	08/01/19	6,850.00	15,000.00	295,000.00
10	02/01/20	6,475.00		295,000.00
11	08/01/20	6,475.00	15,000.00	280,000.00
12	02/01/21	6,100.00		280,000.00
13	08/01/21	6,100.00	15,000.00	265,000.00
14	02/01/22	5,725.00		265,000.00
15	08/01/22	5,725.00	15,000.00	250,000.00
16	02/01/23	5,350.00		250,000.00
17	08/01/23	5,350.00	15,000.00	235,000.00
18	02/01/24	4,975.00		235,000.00
19	08/01/24	4,975.00	15,000.00	220,000.00
20	02/01/25	4,600.00		220,000.00
21	08/01/25	4,600.00	20,000.00	200,000.00
22	02/01/26	4,100.00		200,000.00
23	08/01/26	4,100.00	20,000.00	180,000.00
24	02/01/27	3,600.00		180,000.00
25	08/01/27	3,600.00	20,000.00	160,000.00
26	02/01/28	3,200.00		160,000.00
27	08/01/28	3,200.00	20,000.00	140,000.00
28	02/01/29	2,800.00		140,000.00
29	08/01/29	2,800.00	20,000.00	120,000.00
30	02/01/30	2,400.00		120,000.00
31	08/01/30	2,400.00	20,000.00	100,000.00
32	02/01/31	2,000.00		100,000.00
33	08/01/31	2,000.00	25,000.00	75,000.00
34	02/01/32	1,500.00		75,000.00
35	08/01/32	1,500.00	25,000.00	50,000.00
36	02/01/33	1,000.00		50,000.00
37	08/01/33	1,000.00	25,000.00	25,000.00
38	02/01/34	500.00		25,000.00
39	08/01/34	500.00	25,000.00	-0-
		<u>\$ 167,200.00</u>	<u>\$ 345,000.00</u>	

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2015A FUND LOAN #S340874-07  
FUND LOAN OUTSTANDING DECEMBER 31, 2015

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 806,422.48
2	02/01/16	\$ 14,147.76	792,274.72
3	08/01/16	28,295.52	763,979.20
4	02/01/17	14,147.76	749,831.44
5	08/01/17	28,295.52	721,535.92
6	02/01/18	14,147.76	707,388.16
7	08/01/18	28,295.52	679,092.64
8	02/01/19	14,147.76	664,944.88
9	08/01/19	28,295.52	636,649.36
10	02/01/20	14,147.76	622,501.60
11	08/01/20	28,295.52	594,206.08
12	02/01/21	14,147.76	580,058.32
13	08/01/21	28,295.52	551,762.80
14	02/01/22	14,147.76	537,615.04
15	08/01/22	28,295.52	509,319.52
16	02/01/23	14,147.76	495,171.76
17	08/01/23	28,295.52	466,876.24
18	02/01/24	14,147.76	452,728.48
19	08/01/24	28,295.52	424,432.96
20	02/01/25	14,147.76	410,285.20
21	08/01/25	28,295.52	381,989.68
22	02/01/26	14,147.76	367,841.92
23	08/01/26	28,295.52	339,546.40
24	02/01/27	14,147.76	325,398.64
25	08/01/27	28,295.52	297,103.12
26	02/01/28	14,147.76	282,955.36
27	08/01/28	28,295.52	254,659.84
28	02/01/29	14,147.76	240,512.08
29	08/01/29	28,295.52	212,216.56
30	02/01/30	14,147.76	198,068.80
31	08/01/30	28,295.52	169,773.28
32	02/01/31	14,147.76	155,625.52
33	08/01/31	28,295.52	127,330.00
34	02/01/32	14,147.76	113,182.24
35	08/01/32	28,295.52	84,886.72
36	02/01/33	14,147.76	70,738.96
37	08/01/33	28,295.52	42,443.44
38	02/01/34	14,147.76	28,295.68
39	08/01/34	28,295.68	-0-
		<u>\$ 806,422.48</u>	

TOWNSHIP OF PHILLIPSURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

TOWN OF PHILLIPSBURG  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2015

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, 2014	NJ Environmental Infrastructure Loan Issued	Balance Dec. 31, 2015
09-13	06/16/09	Improvements to Town Sewage Treatment Plant	\$ 187,590.00		\$ 187,590.00
13-20	10/15/13	Improvements to Sewage Treatment Plant	145,000.00		145,000.00
14-20	10/07/14	Improvements to Town Sewage Treatment Plant	<u>\$ 2,077,000.00</u>	<u>\$ 1,462,926.00</u>	<u>614,074.00</u>
			<u>\$ 2,409,590.00</u>	<u>\$ 1,462,926.00</u>	<u>\$ 946,664.00</u>

TOWN OF PHILLIPSBURG  
PART II – SINGLE AUDIT  
YEAR ENDED DECEMBER 31, 2015

TOWN OF PHILLIPSBURG  
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department/Cluster Title	C.F.D.A. Account No.	Name of Program	State Account #	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	Provided to Subrecipients
					From	To				
<u>U.S. Department of Housing and Urban Development</u>	14.871	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	N/A	\$ 1,758,880.00	01/01/15	12/31/15	\$ 1,758,880.00	\$ 1,756,640.69	\$ 1,756,640.69	
Total Department of Housing and Urban Development				1,758,880.00			1,758,880.00	1,756,640.69	1,756,640.69	
<u>U.S. Department of the Interior</u> (Passed thru the Greater Lehigh Valley Chamber of Commerce)	15.921	Rivers, Trails and Conservation Assistance Program	N/A	2,912.70	01/01/14	12/31/16		218.75	218.75	
Total Department of the Interior				2,912.70				218.75	218.75	
<u>U.S. Department of Justice</u>	16.710	Public Safety Partnership and Community Policing Grants - COPS Hiring Program	N/A	62,500.00	09/01/14	08/31/17	33,891.97	45,690.81	45,690.81	
Total Department of Justice				62,500.00			33,891.97	45,690.81	45,690.81	
<u>U.S. Department of Transportation</u> (Passed thru NJ Department of Transportation)	20.205	Highway Planning and Construction Cluster: Transportation Trust Fund Authority Act: Municipal Aid: 2014 - South Main St. Phase VI 2015 - Main St. Phase VI Urban Aid: 2014 - South Main St. Phase VI	078-6320-480- ALS-600854 078-6320-480- ALW-609164	220,000.00 274,581.00 17,710.00	01/01/13 01/01/15 01/01/14	12/31/15 12/31/15 12/31/15	160,572.50 274,581.00 17,710.00	220,000.00 274,581.00 17,710.00	220,000.00 274,581.00 17,710.00	
Total Highway Planning and Construction Cluster				512,291.00			178,282.50	512,291.00	512,291.00	
(Passed thru NJ Department of Law and Public Safety)	20.616	Drive Sober or Get Pulled Over: 2014 Year End Holiday Crackdown	066-1160-100- 157-031020	7,500.00	01/01/14	12/31/15	5,663.60	3,090.00	5,663.60	
	20.616	Click It or Ticket - 2015 Seatbelt Mobilization	066-1160-100- 155-031000	4,000.00	01/01/15	12/31/15	3,596.10	3,596.10	3,596.10	
Total Department of Transportation				523,791.00			187,542.20	518,977.10	521,550.70	
<u>Environmental Protection Agency</u> (Passed thru NJ Department of Environmental Protection)	66.458	ARRA Clean Water State Revolving Fund: NJEIT Fund Loan	042-4860-009- V27E-6510	283,208.00	01/01/15	12/31/16	194,343.00	194,343.00	194,343.00	
Total Department of Environmental Protection				283,208.00			194,343.00	194,343.00	194,343.00	

TOWN OF PHILLIPSBURG  
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department/Cluster Title	C.F.D.A. Account No.	Name of Program	State Account #	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	Provided to Subrecipients
					From	To				
U.S. Department of Homeland Security (Passed Through NJ Department of Law and Public Safety)	97.036	Disaster Grants - Public Assistance - FEMA: Hurricane Irene	A70-068250 066-1200-100-	\$ 89,120.92	01/01/11	12/31/11	\$ 89,120.92	\$ 89,120.92	* \$ 89,120.92	
	97.042	Office of Emergency Management - Emergency Management Grant	N/A	5,000.00	01/01/12	12/31/15		462.48	5,000.00	
	97.044	Assistance to Firefighters Grant	N/A	447,540.00	07/17/15	07/16/16		447,540.00	447,540.00	
Total U.S. Department of Homeland Security				541,660.92			89,120.92	537,123.40	541,660.92	
Total Federal Awards				\$ 3,172,952.62			\$ 2,263,778.09	\$ 3,052,993.75	\$ 3,060,104.87	\$ -0-

\* Expended in 2011.

N/A - Not Available/Applicable

TOWN OF PHILLIPSBURG  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

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	\$ 8,519.67	01/01/13	12/31/15		\$ 141.69	\$ 8,519.67
			11,217.08	01/01/14	12/31/16		6,650.21	10,431.09
			2,918.77	01/01/15	12/31/16	\$ 2,918.77		
			<u>22,655.52</u>			<u>2,918.77</u>	<u>6,791.90</u>	<u>18,950.76</u>
	Body Armor Replacement Grant	718-066-1020- 001-6120	3,564.80	01/01/13	12/31/15		1,249.65	3,564.80
			8,230.94	01/01/14	12/31/16		673.75	673.75
			3,615.18	01/01/15	12/31/16	3,615.18		
			<u>15,410.92</u>			<u>3,615.18</u>	<u>1,923.40</u>	<u>4,238.55</u>
	Exercise Implementation Grant	N/A	2,278.20	01/01/05	12/31/16		1,250.00	1,250.00
	Total Department of Law and Public Safety			<u>40,344.64</u>			<u>6,533.95</u>	<u>9,965.30</u>
<u>N.J. Highlands Council</u>	Plan Conformance Grant	N/A	217,800.00	01/01/09	12/31/15	22,891.50	3,744.11	213,512.39
	Plan Conformance Grant - Supplemental	N/A	138,230.00	01/01/09	12/31/16		6,383.89	6,383.89
	Total N.J. Highlands Council			<u>356,030.00</u>			<u>22,891.50</u>	<u>10,128.00</u>
<u>Department of Labor and Workforce Development</u>	N.J. Youth Corps - 2014 - ALWY15N N.J. Youth Corps - 2015 - ALWY15N	100-062-4545- 095-6140	529,336.00	07/01/14	06/30/15	255,514.00	305,166.00	513,416.00
			529,336.00	07/01/15	06/30/16	264,597.00	260,520.00	260,520.00
			<u>1,058,672.00</u>			<u>520,111.00</u>	<u>565,686.00</u>	<u>773,936.00</u>
			Total Department of Labor and Workforce Development			<u>1,058,672.00</u>		
<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	12,440.00	07/01/14	06/30/15	11,465.98	12,440.00	12,440.00
			12,440.00	07/01/15	06/30/16		1,990.00	1,990.00
			<u>17,952.00</u>			<u>11,465.98</u>	<u>14,430.00</u>	<u>14,430.00</u>
Total Department of Treasury			<u>17,952.00</u>			<u>11,465.98</u>	<u>14,430.00</u>	<u>14,430.00</u>

TOWN OF PHILLIPSBURG  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

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 Environmental Protection</u>	NJ Environmental Infrastructure Trust:							
	2014A Trust Loan	S340874-05	\$ 1,952,500.00	05/01/14	05/01/17	\$ 1,186,228.00	\$ 1,126,747.00	\$ 1,587,396.00
	2014A Fund Loan	S340874-05	5,857,500.00	05/01/14	05/01/17	3,558,687.00	3,380,243.00	4,762,192.00
	2015A Trust Loan	S340874-07	372,642.00	05/01/15	05/01/18	255,715.00	255,715.00	255,715.00
	2015A Fund Loan	S340874-07	834,718.00	05/01/15	05/01/18	572,800.00	572,800.00	572,800.00
			<u>9,017,360.00</u>			<u>5,573,430.00</u>	<u>5,335,505.00</u>	<u>7,178,103.00</u>
	Clean Communities Grant	765-042-4900- 004-6020	28,446.65	01/01/14	12/31/16		6,638.46	28,285.60
			34,574.28	01/01/15	12/31/16	34,574.28	29,629.49	29,629.49
			<u>63,020.93</u>			<u>34,574.28</u>	<u>36,267.95</u>	<u>57,915.09</u>
	Recycling Tonnage Grant	752-042-4900- 001-6020	15,577.81	01/01/08	12/31/15		110.00	15,577.81
			34,003.21	01/01/09	12/31/16		21,442.25	30,213.25
			<u>49,581.02</u>				<u>21,552.25</u>	<u>45,791.06</u>
Total Department of Environmental Protection			<u>9,129,961.95</u>			<u>5,608,004.28</u>	<u>5,393,325.20</u>	<u>7,281,809.15</u>
Total State Awards			<u>\$ 10,606,088.59</u>			<u>\$ 6,169,006.71</u>	<u>\$ 5,993,534.50</u>	<u>\$ 8,314,665.74</u>

N/A - Not Available

TOWN OF PHILLIPSBURG  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") includes the federal and state grant activity of the Town of Phillipsburg under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Town of Phillipsburg, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Town of Phillipsburg.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Town has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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. 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.

E. GREEN ACRES LOANS PAYABLE

At December 31, 2015, the Town has a \$140,266.26 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.

TOWN OF PHILLIPSBURG  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

F. NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

At December 31, 2015, the Town has \$3,305,000.00 and \$7,174,257.07 of NJ Environmental Infrastructure 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. At December 31, 2015, the Town has drawn down \$9,734,722.00 of the \$11,741,438 Loan funds for the completion of the improvements to the sewage treatment plant partially funded with the Loan funds. The project which relates to the 2010 loans was finalized in 2013. The projects which relate to the 2014 and 2015 loans are in progress and are expected to be completed in 2016.



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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*

Independent Auditors' Report

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

We have audited 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, the financial statements - *regulatory basis* - 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, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated May 26, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Compliance and Other Matters**

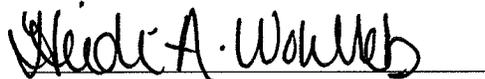
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
May 26, 2016

NISIVOCCIA LLP



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



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Report on Compliance for Each Major Federal and State Program;  
 Report on Internal Control Over Compliance Required by the Uniform Guidance  
 and New Jersey's OMB Circular 15-08

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Town of Phillipsburg's (the "Town's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that that could have a direct and material effect on each of the Town's major federal and state programs for the year ended December 31, 2015. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2015.

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

### Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town's internal control over compliance.

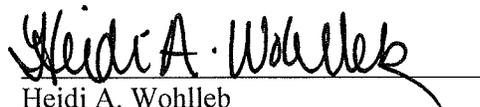
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
May 26, 2016

NISIVOCCIA 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, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the Town which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey's OMB Circular 15-08*.
- The auditor's report on compliance for the major federal and state programs for the Town expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The Town's programs selected as major federal and state programs for the current year consisted of the following federal and state programs:

	CFDA No./ State Account No.	Budgetary Expenditures
<u>Federal:</u>		
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.871	\$ 1,756,640.69
<u>State:</u>		
NJ Environmental Infrastructure Trust Loan Program:		
2014A Trust Loan	S340874-05	1,126,747.00
2014A Fund Loan	S340874-05	3,380,243.00
2015A Trust Loan	S340874-07	255,715.00
2015A Fund Loan	S340874-07	572,800.00

- The threshold used for distinguishing between Type A and Type B for both federal and state programs was \$750,000.
- The Township was determined to be a "low-risk" auditee for both federal and state programs.

TOWN OF PHILLIPSBURG  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2015

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 the Uniform Guidance.

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 15-08 or the Uniform Guidance.

TOWN OF PHILLIPSBURG  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015

There were no prior year findings.

TOWN OF PHILLIPSBURG

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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 January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000. Effective July 1, 2015 and thereafter, the bid threshold in accordance with N.J.S.A. 40A:11-3 has been increased to \$40,000 for a contracting unit with a qualified purchasing agent.

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".

TOWN OF PHILLIPSBURG  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

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. None were noted.

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:

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.

TOWN OF PHILLIPSBURG  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Delinquent Taxes and Tax Title Liens/Sewer Liens

The last tax sale was held on June 2, 2015, 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>
2015	19
2014	24
2013	18

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 2016 Taxes	20
Payments of 2015 Taxes	20
Payments of Sewer Utility Charges	10
Delinquent Taxes	20
Delinquent Sewer Utility Charges	10
Sewer and Tax Title Liens	3

Municipal Court

A summary of Municipal Court transactions for the year 2015 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
State of New Jersey	\$ 12,709.22	\$ 142,831.40	\$ 145,765.14	\$ 9,775.48
County	7,025.00	73,680.82	75,711.82	4,994.00
Municipality	19,654.49	225,755.65	229,354.62	16,055.52
Municipality - POAA	16.00	212.00	216.00	12.00
Conditional Discharge	169.00	970.00	784.00	355.00
Public Defender	450.00	2,993.00	3,068.00	375.00
Weights and Measures		3,500.00	3,500.00	
Restitution	120.29	1,137.21	1,137.50	120.00
	<u>\$ 40,144.00</u>	<u>\$ 451,080.08</u>	<u>\$ 459,537.08</u>	<u>\$ 31,687.00</u>

During our review of the Municipal Court records, we noted that there were a 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 is aware of this and is pursuing collection of these older tickets so that these tickets may be voided or reassigned. As such, a formal recommendation is not deemed necessary.

TOWN OF PHILLIPSBURG  
COMMENTS AND RECOMMENDATIONS  
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Town is currently in compliance with the above accounting requirements.

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 repaying their loan balances. The Town has made a significant effort in pursuing collection of these delinquent balances and has cancelled certain delinquent balances deemed uncollectible. The Town continues to review uncollectible delinquent balances for cancellation. Therefore, a formal recommendation is not judged to be warranted.

Management Suggestions

Outside Departments

The permits issued by the Public Works Department are issued in numerical sequence; however, the permits are not always pre-numbered. During the year, the Town pre-numbered a limited number of permits with a stamp. Consideration be given to the consistent use of pre-numbered permits by the Public Works Department.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information (“PII”), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the Town consider options to test and protect the Town from cyber-crime.

Federal and State Grant Fund

There are certain older grant receivable and appropriated reserve balances in the Federal and State Grant Fund. It is suggested that these older grant balances be reviewed for possible cancellation.

Improvement Authorizations

There are certain older improvement authorization balances in the General Capital Fund and Sewer Capital Fund. It is suggested that these older improvement authorization balances be reviewed for possible cancellation.

Statewide Insurance Fund

The net position of the Statewide Insurance Fund (the “Fund”) decreased during the year ended December 31, 2014. It is suggested that the Town monitor operations of the Fund as supplemental assessments appear likely if net position continues to decline.

Corrective Action Plan

There were no recommendations from the 2014 audit.

TOWN OF PHILLIPSBURG  
SUMMARY OF RECOMMENDATIONS

NONE

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