

TOWN OF PHILLIPSBURG

COUNTY OF WARREN

REPORT OF AUDIT

2014

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
REPORT OF AUDIT
2014

TOWN OF PHILLIPSBURG
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TOWN OF PHILLIPSBURG

PART I

FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



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 Mt. Arlington, NJ 07856
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Independent Auditors' Report

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

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, 2014 and 2013, 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 of the Town as of December 31, 2014 and 2013, 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 of the Town as of December 31, 2014 and 2013, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements 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 the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *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 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 various fund 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.

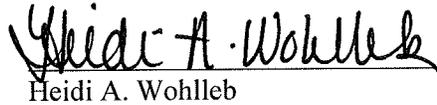
The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2015 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
March 13, 2015

NISIVOCCIA LLP



Heidi A. Wohlleb

Registered Municipal Accountant No. 481
Certified Public Accountant

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 6,954,730.13	\$ 6,580,001.87
Cash - Collector	A-5	462,667.68	497,739.76
Cash - Clerk	A-5a	7,978.45	8,685.88
Change Funds		1,050.00	1,050.00
		<u>7,426,426.26</u>	<u>7,087,477.51</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	980,747.65	923,760.30
Tax Title Liens Receivable	A-8	278,842.47	169,710.54
Property Acquired for Taxes at Assessed Valuation		1,263,500.00	1,263,500.00
Municipal Lien Charges Receivable	A-8a	82,387.46	29,923.35
Municipal Charges Receivable	A-8b	38,230.25	76,265.37
Revenue Accounts Receivable	A-9	19,654.49	22,497.75
Due from:			
General Capital Fund	C	149.74	
Claims Account		42.96	2,349.01
Payroll Accounts		18.73	16.83
Total Receivables and Other Assets With Full Reserves	A	<u>2,663,573.75</u>	<u>2,488,023.15</u>
Deferred Charges:			
Emergency Authorization			94,095.00
Total Regular Fund		<u>10,090,000.01</u>	<u>9,669,595.66</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	1,461,878.72	989,072.27
Due from Current Fund	A	393,036.79	433,491.18
		<u>1,854,915.51</u>	<u>1,422,563.45</u>
<u>TOTAL ASSETS</u>		<u>\$ 11,944,915.52</u>	<u>\$ 11,092,159.11</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 914,805.17	\$ 1,054,441.95
Encumbered	A-3;A-11	303,991.92	277,431.56
Total Appropriation Reserves		1,218,797.09	1,331,873.51
Other Encumbrances Payable:			
Reserve for Library		9,227.74	19,170.57
Reserve for Revaluation			600.00
Accounts Payable - Vendors		1,767.53	4,248.53
Prepaid Taxes		220,842.97	188,177.94
Tax Overpayments		1,643.91	230.06
County Taxes Payable		5,414.07	
Local School Taxes Payable	A-12	1,422,906.00	1,099,513.00
Due to:			
Federal and State Grant Fund	A	393,036.79	433,491.18
Animal Control Fund	B	100.80	
Other Trust Funds	B	7,871.55	25,011.82
General Capital Fund	C		19,182.40
State of New Jersey:			
Senior Citizen and Veteran Deductions		51,728.56	55,665.13
Marriage License Fees		500.00	1,025.00
Dog License Fees		16.20	
Reserve for:			
Library		339,835.80	327,680.67
Sale of Municipal Assets		27,173.90	27,173.90
Tax Sale Premiums		373,100.00	294,500.00
Redemption of Outside Liens		3,465.00	60,225.23
Revaluation		27,799.52	28,149.52
Vehicle Damage		9,125.00	
Tax Appeals		844,362.95	609,219.69
		4,958,715.38	4,525,138.15
Reserve for Receivables and Other Assets	A	2,663,573.75	2,488,023.15
Fund Balance	A-1	2,467,710.88	2,656,434.36
Total Regular Fund		10,090,000.01	9,669,595.66
Federal and State Grant Fund:			
Appropriated Reserves	A-13	1,186,093.91	1,112,933.39
Unappropriated Reserves	A-14	21,700.53	32,129.56
Reserve for Encumbrances	A-13	647,121.07	277,500.50
Total Federal and State Grant Fund		1,854,915.51	1,422,563.45
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,944,915.52</u>	<u>\$ 11,092,159.11</u>

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,000,000.00	\$ 719,000.00
Miscellaneous Revenue Anticipated		5,449,658.35	4,995,923.04
Receipts from:			
Delinquent Taxes		873,313.01	1,086,565.33
Current Taxes		25,693,139.89	25,573,710.61
Nonbudget Revenue		325,209.06	388,188.17
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		774,936.78	793,369.09
Cancellation of Federal and State Grant Fund Appropriated Reserves		52,647.83	
Cancellation of Tax Overpayments			5.00
Cancellation of Prior Year Accounts Payable		4,222.53	
Interfunds and Other Receivables Returned		2,365.84	15,213.20
Total Income		<u>34,175,493.29</u>	<u>33,571,974.44</u>
<u>Expenditures</u>			
Budget Appropriations		17,032,771.49	16,101,300.31
County Taxes		5,638,411.81	6,199,372.87
County Share of Added and Omitted Taxes		5,414.07	2,807.19
Local School District Taxes		10,150,345.00	9,504,104.00
Refund of Prior Year Revenue		1,141.00	
Prior Year Senior Citizens' Deductions Disallowed		3,536.30	3,000.00
Cancellation of Federal and State Grant Fund Receivables		32,385.67	
Interfunds and Other Receivables Advanced		211.43	2,365.84
Reserve for Tax Appeals		500,000.00	300,000.00
Total Expenditures		<u>33,364,216.77</u>	<u>32,112,950.21</u>
Excess in Revenue		811,276.52	1,459,024.23
Adjustments before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>94,095.00</u>
Statutory Excess to Fund Balance		811,276.52	1,553,119.23
<u>Fund Balance</u>			
Balance January 1		<u>2,656,434.36</u>	<u>1,822,315.13</u>
		3,467,710.88	3,375,434.36
Decreased by:			
Utilized as Anticipated Revenue		<u>1,000,000.00</u>	<u>719,000.00</u>
Balance December 31	A	<u>\$ 2,467,710.88</u>	<u>\$ 2,656,434.36</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, 2014

	<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		32,930.00	\$ 430.00
Other	15,000.00		13,481.00	1,519.00 *
Fees and Permits	85,000.00		91,858.36	6,858.36
Fines and Costs:				
Municipal Court	260,000.00		294,466.00	34,466.00
Interest and Costs on Taxes	190,000.00		179,110.26	10,889.74 *
Interest on Investments and Deposits	17,500.00		16,376.12	1,123.88 *
Payment in Lieu of Taxes - Federal Housing Project	138,000.00		129,119.50	8,880.50 *
Payment in Lieu of Taxes - Sewage Treatment	83,500.00		83,500.00	
Consolidated Municipal Property Tax Relief Aid	455,500.00		455,500.00	
Energy Receipts Tax	1,549,901.00		1,549,901.00	
Uniform Construction Code Fees	260,000.00		267,630.20	7,630.20
Recycling Tonnage Grant	21,252.00		21,252.00	
Drunk Driving Enforcement Fund		\$ 11,217.08	11,217.08	
Clean Communities Program		28,446.65	28,446.65	
Municipal Alliance on Alcoholism and Drug Abuse:				
State - 2014	5,984.00		5,984.00	
Board of Education Match	2,000.00		2,000.00	
N.J. Youth Corps - 2014 - ALWY15N		529,336.00	529,336.00	
Body Armor Replacement Grant	4,609.94	3,621.00	8,230.94	
National Park Services:				
Rivers, Trails and Conservation Assistance Program		2,912.70	2,912.70	
St. Luke's Warren Campus Hospital Donation		10,000.00	10,000.00	
Aqua Washington Street Repairs Donations		230,305.00	230,305.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Continued):				
NJ Department of Law and Public Safety:				
Drive Sober or Get Pulled Over:				
2013	\$ 4,267.62		\$ 4,267.62	
2014 - Statewide Labor Day Crackdown		\$ 5,000.00	5,000.00	
2014 - Year End Holiday Crackdown		7,500.00	7,500.00	
Click It or Ticket - 2014 Seatbelt Mobilization		4,000.00	4,000.00	
N.J. Transportation Trust Fund Authority Act:				
Local Aid Infrastructure Fund - Washington St Improvements	450,000.00		450,000.00	
2014 Municipal Aid - Improvements to South Main St. Phase VI		220,000.00	220,000.00	
2014 Urban Aid - Improvements to Main St. Phase VI		17,710.00	17,710.00	
Shared Service Agreement - Borough of Alpha:				
Police Services	395,000.00		395,000.00	
Utility Operating Surplus of Prior Year	300,000.00		300,000.00	
Pool Receipts and Passes	18,000.00		22,623.92	\$ 4,623.92
Rental of Town Facilities - Former Armory and Town Garage	60,000.00		60,000.00	
Total Miscellaneous Revenue	<u>4,348,014.56</u>	<u>1,070,048.43</u>	<u>5,449,658.35</u>	<u>31,595.36</u>
Receipts from Delinquent Taxes	<u>915,000.00</u>		<u>873,313.01</u>	<u>41,686.99 *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	10,658,169.60		10,837,170.06	179,000.46
Minimum Library Tax	274,696.36		274,696.36	
	<u>10,932,865.96</u>		<u>11,111,866.42</u>	<u>179,000.46</u>
Budget Totals	17,195,880.52	1,070,048.43	18,434,837.78	168,908.83
Nonbudget Revenue			325,209.06	325,209.06
	<u>\$ 17,195,880.52</u>	<u>\$ 1,070,048.43</u>	<u>\$ 18,760,046.84</u>	<u>\$ 494,117.89</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Allocation of Current Tax Collections

Collections		\$ 25,693,139.89
Allocated to:		
County Taxes	\$ 5,638,411.81	
Due to County for Added and Omitted Taxes	5,414.07	
School Taxes	<u>10,150,345.00</u>	
		<u>15,794,170.88</u>
		<u>9,898,969.01</u>
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,212,897.41</u>
Realized for Support of Municipal Budget		<u><u>\$ 11,111,866.42</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 855,073.64
Tax Title Liens Redeemed		<u>18,239.37</u>
		<u><u>\$ 873,313.01</u></u>

Interest on Investments and Deposits:

Cash Received - Treasurer		\$ 10,959.77
Cash Received - Collector		5,139.87
Cash Received - Clerk		16.60
Due from Other Trust Funds		48.45
Due from General Capital Fund		149.74
Due from Payroll Accounts		18.73
Due from Claims Account		<u>42.96</u>
		<u><u>\$ 16,376.12</u></u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Cable TV Franchise Fee	\$	49,016.00	
Other Miscellaneous Receipts		44,135.58	
Recycling Revenue		2,200.90	
Tax Lien Discharge Fees		3,500.00	
Library Fees		915.00	
Administrative Fee - Senior Citizens and Veterans Deductions		3,049.28	
Returned Check Fees		230.00	
Alpha - Court Services		6,666.64	
Restitution		1,473.89	
Workers' Compensation and Other Insurance Refunds		73,346.58	
Pavilion Rental Fees		975.00	
Public Works Billings Reimbursements		10,782.05	
Gasoline Billings Reimbursements		14,871.56	
Parking Authority Receipts		5,481.01	
			\$ 216,643.49

Tax Sale Premium Cancelled 16,300.00

Clerk - Other Miscellaneous 4,074.00

Collector:

Municipal Charges Receivable Collections		41,985.22	
Tax Sale Costs		26,133.09	
Other Miscellaneous		20,073.26	
			88,191.57
			\$ 325,209.06

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, 2014

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 62,050.00	\$ 34,800.00	\$ 23,434.52	\$ 11,365.48	
Other Expenses	125,500.00	124,500.00	116,766.89	7,733.11	
Human Resources:					
Other Expenses	15,000.00	15,000.00	13,085.28	1,914.72	
Mayor and Council:					
Salaries and Wages	58,000.00	58,000.00	53,880.11	4,119.89	
Other Expenses	10,975.00	10,975.00	6,811.10	4,163.90	
Municipal Clerk:					
Salaries and Wages	114,000.00	114,000.00	99,863.07	14,136.93	
Other Expenses	22,300.00	27,300.00	23,624.70	3,675.30	
Financial Administration:					
Salaries and Wages	130,160.00	130,160.00	117,996.39	12,163.61	
Other Expenses	25,000.00	25,000.00	21,208.33	3,791.67	
Audit Services	34,365.00	34,365.00	33,689.99	675.01	
Revenue Administration:					
Salaries and Wages	81,100.00	81,100.00	72,032.97	9,067.03	
Other Expenses	12,795.00	13,795.00	12,589.03	1,205.97	
Tax Assessment Administration:					
Salaries and Wages	113,865.00	113,865.00	103,187.59	10,677.41	
Other Expenses	16,240.00	16,240.00	14,343.62	1,896.38	
Legal Services:					
Other Expenses	195,000.00	195,000.00	105,950.82	89,049.18	
Engineering Services:					
Other Expenses	70,000.00	70,000.00	47,260.00	22,740.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
LAND USE ADMINISTRATION:					
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	
PUBLIC SAFETY FUNCTIONS:					
Police Department:					
Salaries and Wages	3,713,000.00	3,713,000.00	\$ 3,588,763.67	124,236.33	
Other Expenses	126,493.00	126,493.00	94,599.43	31,893.57	
Emergency Management Services:					
Salaries and Wages	6,650.00	6,650.00	6,643.38	6.62	
Other Expenses	1,200.00	1,200.00	437.09	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	9,860.00	9,860.00	9,858.73	1.27	
Other Expenses	55,300.00	63,550.00	63,409.71	140.29	
Supplemental Fire Services Program	7,000.00	7,000.00	7,000.00		
Municipal Prosecutor:					
Salaries and Wages	33,150.00	33,150.00	33,111.73	38.27	
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	460,000.00	460,000.00	451,416.14	8,583.86	
Other Expenses	184,000.00	198,000.00	196,495.05	1,504.95	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(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):					
Other Public Works Functions:					
Salaries and Wages	\$ 32,000.00	\$ 32,000.00	\$ 30,705.40	\$ 1,294.60	
Other Expenses	11,900.00	6,900.00	6,325.37	574.63	
PEOSHA	5,000.00	5,000.00	4,747.38	252.62	
Solid Waste Collections:					
Salaries and Wages	496,000.00	487,000.00	478,590.63	8,409.37	
Other Expenses	10,850.00	10,850.00	7,757.10	3,092.90	
Buildings and Grounds:					
Salaries and Wages	376,876.00	376,876.00	357,165.90	19,710.10	
Other Expenses	114,750.00	116,687.00	111,964.87	4,722.13	
Vehicle Maintenance:					
Salaries and Wages	67,000.00	67,000.00	65,011.03	1,988.97	
Other Expenses	136,100.00	155,100.00	152,265.34	2,834.66	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Animal Control:					
Salaries and Wages	18,750.00	13,750.00	7,193.50	6,556.50	
Other Expenses	15,978.00	15,978.00	12,242.41	3,735.59	
Contributions to Social Services:					
Other Expenses	62,500.00	62,500.00	42,034.68	20,465.32	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries and Wages	121,000.00	121,000.00	117,234.90	3,765.10	
Other Expenses	46,170.00	44,233.00	37,598.06	6,634.94	
Celebration of Public Events:					
Other Expenses	20,000.00	20,000.00	20,000.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PARKS AND RECREATION FUNCTIONS (Continued):					
Municipal Swimming Pool:					
Salaries and Wages	\$ 57,000.00	\$ 56,056.00	\$ 56,055.12	\$ 0.88	
Other Expenses	20,000.00	22,444.00	21,540.40	903.60	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	150,000.00	150,000.00	117,025.13	32,974.87	
Street Lighting	190,000.00	190,000.00	107,585.40	82,414.60	
Telephone:					
Other Expenses	65,000.00	70,000.00	69,546.57	453.43	
Water	145,000.00	147,000.00	112,824.03	34,175.97	
Gas (Natural or Propane)	35,000.00	45,000.00	36,299.81	8,700.19	
Gasoline	250,000.00	250,000.00	206,532.38	43,467.62	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Waste Disposal:					
Other Expenses	492,000.00	492,000.00	416,590.38	75,409.62	
Municipal Court:					
Salaries and Wages	269,000.00	269,000.00	259,842.56	9,157.44	
Other Expenses	17,980.00	17,980.00	17,630.86	349.14	
Public Defender (P.L. 1997, C.256):					
Salaries and Wages	8,320.00	8,320.00		8,320.00	
INSURANCE:					
Liability Insurance	318,391.50	318,391.50	307,038.07	11,353.43	
Workers Compensation Insurance	247,950.00	247,950.00	247,948.82	1.18	
Employee Group Insurance	1,367,400.00	1,367,400.00	1,286,455.80	80,944.20	
Health Benefit Waivers	20,000.00	20,000.00		20,000.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UNIFORM CONSTRUCTION CODE:					
Code Enforcement:					
Salaries and Wages	\$ 330,000.00	\$ 330,000.00	\$ 319,942.63	\$ 10,057.37	
Other Expenses	20,000.00	20,000.00	14,415.64	5,584.36	
Total Operations Within "CAPS"	11,247,418.50	11,265,918.50	10,388,569.51	877,348.99	
Contingent	10,000.00	10,000.00	6,681.10		\$ 3,318.90
Total Operations Including Contingent Within "CAPS"	11,257,418.50	11,275,918.50	10,395,250.61	877,348.99	3,318.90
Detail:					
Salaries and Wages	6,557,781.00	6,515,587.00	6,251,929.97	263,657.03	
Other Expenses	4,699,637.50	4,750,331.50	4,143,320.64	613,691.96	
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	351,877.00	351,877.00	346,227.00		5,650.00
Social Security System (O.A.S.I.)	280,000.00	280,000.00	270,038.41	9,961.59	
Consolidated Police and Firemen's Pension Fund	12,523.00	9,023.00	2,950.99		6,072.01
Police and Firemen's Retirement System of NJ	729,279.00	714,279.00	713,265.39		1,013.61
Unemployment Compensation Insurance	26,000.00	26,000.00	23,165.27	2,834.73	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,399,679.00	1,381,179.00	1,355,647.06	12,796.32	12,735.62
Total General Appropriations for Municipal Purposes Within "CAPS"	12,657,097.50	12,657,097.50	11,750,897.67	890,145.31	16,054.52

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	\$ 500,000.00	\$ 500,000.00	\$ 487,093.14	\$ 12,906.86	
Recycling Tax (P.L.2007, C.311)	26,000.00	26,000.00	14,247.00	11,753.00	
Shared Service Agreement - Borough of Alpha:					
Police Services	395,000.00	395,000.00	395,000.00		
Public and Private Program Offset by Revenue:					
Reserve for Recycling Tonnage Grant	21,252.00	21,252.00	21,252.00		
Clean Communities Program (N.J.S.A. 40A:4-87 + \$28,446.65)		28,446.65	28,446.65		
Municipal Alliance on Alcoholism and Drug Abuse:					
Board of Education	2,000.00	2,000.00	2,000.00		
State	5,984.00	5,984.00	5,984.00		
Local	3,661.00	3,661.00	3,661.00		
N.J. Youth Corps - 2014 - ALWY15N (N.J.S.A. 40A:4-87 + \$529,336.00)		529,336.00	529,336.00		
Body Armor Replacement Grant:					
2014 (N.J.S.A. 40A:4-87 + \$3,621.00)	4,609.94	8,230.94	8,230.94		
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87 + \$11,217.08)		11,217.08	11,217.08		
St. Luke's Warren Campus Hospital Donation (N.J.S.A. 40A:4-87 + \$10,000.00)		10,000.00	10,000.00		
NJ Department of Law and Public Safety:					
Click It or Ticket - 2014 Seatbelt Mobilization (N.J.S.A. 40A:4-87 + \$4,000.00)		4,000.00	4,000.00		
Drive Sober or Get Pulled Over: 2013	4,267.62	4,267.62	4,267.62		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(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)					
NJ Department of Law and Public Safety:					
Drive Sober or Get Pulled Over:					
2014 - Statewide Labor Day Crackdown (N.J.S.A. 40A:4-87 + \$5,000.00)		\$ 5,000.00	\$ 5,000.00		
2014 - Year End Holiday Crackdown (N.J.S.A. 40A:4-87 + \$7,500.00)		7,500.00	7,500.00		
Aqua Washington Street Repairs Donations (N.J.S.A. 40A:4-87 + \$230,305.00)		230,305.00	230,305.00		
Rivers, Trails and Conservation Assistance Program (N.J.S.A. 40A:4-87 + \$2,912.70)		2,912.70	2,912.70		
Total Operations Excluded from "CAPS"	\$ 962,774.56	1,795,112.99	1,770,453.13	\$ 24,659.86	
Detail:					
Other Expenses	962,774.56	1,795,112.99	1,770,453.13	24,659.86	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
New Jersey Transportation Trust Fund Authority Act:					
Municipal Aid:					
2013 - Washington Street	450,000.00	450,000.00	450,000.00		
2014 - S. Main St (N.J.S.A. 40A:4-87 + \$220,000.00)		220,000.00	220,000.00		
2014 Urban Aid (N.J.S.A. 40A:4-87 + \$17,710.00)		17,710.00	17,710.00		
Total Capital Improvements Excluded from "CAPS"	525,000.00	762,710.00	762,710.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 638,000.00	\$ 638,000.00	\$ 638,000.00		
Payment of Bond Anticipation Notes	951,727.00	951,727.00	951,727.00		
Interest on Bonds	28,297.00	28,297.00	28,296.30		\$ 0.70
Interest on Notes	36,184.25	36,184.25	36,083.74		100.51
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	15,545.80	15,545.80	15,545.80		
Capital Lease Obligations	74,262.00	74,262.00	70,157.68		4,104.32
Total Municipal Debt Service Excluded from "CAPS"	1,744,016.05	1,744,016.05	1,739,810.52		4,205.53
Deferred Charges:					
Emergency Authorizations	94,095.00	94,095.00	94,095.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	94,095.00	94,095.00	94,095.00		
Total General Appropriations Excluded from "CAPS"	3,325,885.61	4,395,934.04	4,367,068.65	\$ 24,659.86	4,205.53
Subtotal General Appropriations	15,982,983.11	17,053,031.54	16,117,966.32	914,805.17	20,260.05
Reserve for Uncollected Taxes	1,212,897.41	1,212,897.41	1,212,897.41		
Total General Appropriations	\$ 17,195,880.52	\$ 18,265,928.95	\$ 17,330,863.73	\$ 914,805.17	\$ 20,260.05

Ref.

A

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 17,195,880.52	
Added by:			
N.J.S.A. 40A:4-87		1,070,048.43	
		\$ 18,265,928.95	
Cash Disbursed			\$ 14,343,469.95
Reserve for Uncollected Taxes			1,212,897.41
Encumbrances	A		303,991.92
Deferred Charges - Emergency Authorization			94,095.00
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants			1,558,161.99
Local Matching Funds			3,661.00
			17,516,277.27
Less: Appropriation Refunds			185,413.54
			\$ 17,330,863.73

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
TRUST FUNDS

TOWN OF PHILLIPSBURG
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 6,602.27	\$ 20,774.64
Due from Current Fund	A	100.80	
		<u>6,703.07</u>	<u>20,774.64</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	913,320.11	895,633.35
Due from Current Fund	A	7,871.55	25,011.82
Community Development Revolving Loan Program Receivable		471,450.97	489,420.14
		<u>1,392,642.63</u>	<u>1,410,065.31</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,399,345.70</u>	<u>\$ 1,430,839.95</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	\$ 5,950.82	\$ 10,824.64
Reserve for Donation for Dog Park		752.25	9,950.00
		<u>6,703.07</u>	<u>20,774.64</u>
Other Trust Funds:			
Reserve for:			
Federally Funded Housing Assistance Program (Section 8)		79,600.25	156,887.42
Planning Board/Zoning Board Escrow		100,290.58	187,052.40
Community Development Revolving Loan Program		810,415.39	805,490.37
Parking Offense Adjudication Act		2,360.56	2,080.56
Bernards Township R.C.A. Program		115,224.77	107,444.93
Accumulated Sick and Vacation		180,921.48	49,045.48
Police Outside Services		11,091.00	20,190.47
Other Deposits			4,850.00
Small Cities Block Grants		13,817.75	13,817.75
Neighborhood Preservation Grant		11,443.24	8,442.24
Donations for Celebration of Public Events		25,022.69	9,979.94
Snow Removal		25,000.00	25,000.00
Dog Park User Fees		340.00	
Public Defender Fees		15,192.01	19,021.13
Flexible Spending Benefits		1,922.91	762.62
		<u>1,392,642.63</u>	<u>1,410,065.31</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 1,399,345.70</u>	<u>\$ 1,430,839.95</u>

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

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

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, 2014

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,033,972.63	\$ 605,912.30
Due from Current Fund	A		19,182.40
Prospective Assessments Funded by Taxation		105,839.99	105,839.99
Deferred Charges to Future Taxation:			
Funded		152,818.15	803,122.71
Unfunded	C-4	9,986,174.01	9,492,856.01
<u>TOTAL ASSETS</u>		<u>\$ 11,278,804.78</u>	<u>\$ 11,026,913.41</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8		\$ 638,000.00
Green Acres Loan Payable	C-9	\$ 152,818.15	165,122.71
Bond Anticipation Notes Payable	C-7	3,946,969.00	4,413,727.00
Improvement Authorizations:			
Funded	C-5	198,912.13	10,000.00
Unfunded	C-5	6,610,329.94	5,330,862.97
Due to Current Fund	A	149.74	
Capital Improvement Fund	C-6	4,566.84	5,621.84
Reserve for:			
Encumbrances		183,009.58	299,029.49
Improvements		25,000.00	25,000.00
Boiler Room		19,280.16	19,280.16
Payment of Debt Service		17,500.00	
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>\$ 11,278,804.78</u>	<u>\$ 11,026,913.41</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, 2013	C	<u>\$ 14,429.25</u>
Balance December 31, 2014	C	<u><u>\$ 14,429.25</u></u>

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

TOWN OF PHILLIPSBURG

COUNTY OF WARREN

2014

WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
SEWER UTILITY FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	E-4	\$ 2,156,232.98	\$ 1,792,368.98
Cash and Cash Equivalents - Collector	E-6	42,597.35	54,084.22
Change Fund		500.00	500.00
		<u>2,199,330.33</u>	<u>1,846,953.20</u>
Due from Sewer Utility Capital Fund	E	731.82	781.47
		<u>2,200,062.15</u>	<u>1,847,734.67</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	153,484.16	153,317.40
Other Municipalities Accounts Receivable		40,872.16	16,111.72
Sewer Liens Receivable	E-8	1,529.96	1,021.08
Total Receivables with Full Reserves	E	<u>195,886.28</u>	<u>170,450.20</u>
Total Operating Fund		<u>2,395,948.43</u>	<u>2,018,184.87</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	4,665,034.99	4,282,614.71
NJ Environmental Infrastructure Trust Loan Receivable:			
Trust		1,713,906.82	162,574.82
Fund		4,653,995.00	
Fixed Capital	E-9	27,529,702.09	27,198,948.95
Fixed Capital Authorized and Uncompleted	E-10	18,669,435.00	17,339,900.00
Total Capital Fund		<u>57,232,073.90</u>	<u>48,984,038.48</u>
<u>TOTAL ASSETS</u>		<u>\$ 59,628,022.33</u>	<u>\$ 51,002,223.35</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-11	\$ 419,668.36	\$ 251,765.08
Encumbered	E-3;E-11	159,406.64	4,792.74
Total Appropriation Reserves		<u>579,075.00</u>	<u>256,557.82</u>
Accrued Interest on Loans		50,208.33	21,625.00
Accrued Interest on Notes			91.67
		<u>629,283.33</u>	<u>278,274.49</u>
Reserve for Receivables	E	195,886.28	170,450.20
Fund Balance	E-1	<u>1,570,778.82</u>	<u>1,569,460.18</u>
Total Operating Fund		<u>2,395,948.43</u>	<u>2,018,184.87</u>
Capital Fund:			
NJ Environmental Infrastructure Trust Loan Payable:			
Trust	E-16	3,085,000.00	1,235,000.00
Fund	E-16	6,737,583.06	1,150,551.87
Bond Anticipation Notes Payable	E-17		275,000.00
Improvement Authorizations:			
Funded	E-12	1,876,285.06	2,608,728.72
Unfunded	E-12	1,070,650.35	7,769,099.76
Due to Sewer Utility Operating Fund	E	731.82	781.47
Capital Improvement Fund	E-13	2,514,383.32	1,467,671.46
Reserve for:			
Encumbrances		7,685,095.35	171,117.21
Amortization	E-14	28,268,839.03	27,612,617.08
Deferred Amortization	E-15	5,698,125.00	6,445,590.00
NJ Environmental Infrastructure Trust Loan Receivable		76,088.82	28,588.82
Sewer Improvements		34,952.00	34,952.00
Fund Balance	E-1a	<u>184,340.09</u>	<u>184,340.09</u>
Total Capital Fund		<u>57,232,073.90</u>	<u>48,984,038.48</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 59,628,022.33</u>	<u>\$ 51,002,223.35</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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 426,374.64	\$ 1,120,935.76
Rents		3,672,682.78	3,618,992.80
Nonbudget Revenue		314,835.82	94,225.28
Other Credits to Income:			
Appropriation Reserves Lapsed		237,800.14	296,927.26
Accounts Payable Cancelled			6,809.00
Total Income		<u>4,651,693.38</u>	<u>5,137,890.10</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,920,563.64	2,888,369.74
Capital Improvements		630,000.00	900,000.00
Debt Service		344,436.46	209,179.84
Deferred Charges and Statutory Expenditures		29,000.00	29,000.00
Total Expenditures		<u>3,924,000.10</u>	<u>4,026,549.58</u>
Excess in Revenue		727,693.28	1,111,340.52
<u>Fund Balance</u>			
Balance January 1		<u>1,569,460.18</u>	<u>1,879,055.42</u>
		2,297,153.46	2,990,395.94
Decreased by:			
Utilization as Anticipated Revenue		426,374.64	1,120,935.76
Prior Year Fund Balance Anticipated as Current			
Fund Revenue		<u>300,000.00</u>	<u>300,000.00</u>
Balance December 31	E	<u><u>\$ 1,570,778.82</u></u>	<u><u>\$ 1,569,460.18</u></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, 2013	E	<u>\$ 184,340.09</u>
Balance December 31, 2014	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, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 426,374.64	\$ 426,374.64	
Rents	3,600,000.00	3,672,682.78	\$ 72,682.78
	<u>4,026,374.64</u>	<u>4,099,057.42</u>	<u>72,682.78</u>
Nonbudget Revenue		314,835.82	314,835.82
	<u>\$ 4,026,374.64</u>	<u>\$ 4,413,893.24</u>	<u>\$ 387,518.60</u>
 <u>Analysis of Rents:</u>			
Other Municipalities	\$ 2,100,152.37		
Consumer Accounts Receivable	<u>1,572,530.41</u>		
		<u>\$ 3,672,682.78</u>	
 <u>Analysis of Nonbudget Revenue</u>			
Collector:			
Interest on Investments	\$ 370.15		
Interest on Sewer Rents	11,744.39		
Miscellaneous	<u>0.01</u>		
		\$ 12,114.55	
Treasurer:			
Interest on Investments	10,427.93		
Returned Check Fees	150.00		
Insurance Claims for Superstorm Sandy	223,755.23		
FEMA Reimbursements - Superstorm Sandy	11,272.96		
Refund of Prior Year Expenses	<u>56,475.00</u>		
		302,081.12	
Due from Sewer Utility Capital Fund:			
Interest on Investments		<u>640.15</u>	
		<u>\$ 314,835.82</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, 2014

	<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	\$ 295,187.64	\$ 295,187.64	\$ 266,155.08	\$ 29,032.56	
Other Expenses	2,625,376.00	2,625,376.00	2,242,099.73	383,276.27	
Capital Improvements:					
Capital Improvement Fund	630,000.00	630,000.00	630,000.00		
Debt Service:					
Interest on Notes	1,811.00	1,811.00	1,810.42		\$ 0.58
State of NJ Wastewater Treatment Loans:					
Loan Repayments for Principal and Interest	445,000.00	445,000.00	342,626.04		102,373.96
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,000.00	25,000.00	20,556.56	4,443.44	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	4,000.00	4,000.00	1,083.91	2,916.09	
	<u>\$ 4,026,374.64</u>	<u>\$ 4,026,374.64</u>	<u>\$ 3,504,331.74</u>	<u>\$ 419,668.36</u>	<u>\$ 102,374.54</u>
				E	
Cash Disbursed			\$ 3,272,676.20		
Accrued Interest on Loans			72,248.90		
Encumbrances Payable			159,406.64		
			<u>\$ 3,504,331.74</u>		

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
GENERAL FIXED ASSETS ACCOUNT GROUP

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

<u>ASSETS</u>	December 31,	
	2014	2013
Land	\$ 19,681,750.00	\$ 19,681,750.00
Buildings	15,091,600.00	15,091,600.00
Equipment	8,855,564.83	8,671,788.62
Construction in Progress	6,829,077.37	5,516,706.55
<u>TOTAL ASSETS</u>	\$ 50,457,992.20	\$ 48,961,845.17
<u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 50,457,992.20	\$ 48,961,845.17
<u>TOTAL RESERVES</u>	\$ 50,457,992.20	\$ 48,961,845.17

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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, 2014
(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.

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(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, 2014
(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, 2014

(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 4,099,787.15	\$ 5,216,849.71	\$ 6,205,968.54
Sewer Utility:			
Loans and Notes	9,822,583.06	2,660,551.87	2,523,668.48
Net Debt Issued	<u>13,922,370.21</u>	<u>7,877,401.58</u>	<u>8,729,637.02</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	6,039,205.01	5,079,129.01	5,159,285.01
Sewer Utility:			
Bonds and Notes	2,409,590.00	7,820,090.00	187,590.00
Total Authorized but not Issued	<u>8,448,795.01</u>	<u>12,899,219.01</u>	<u>5,346,875.01</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>\$ 22,265,325.23</u>	<u>\$ 20,670,780.60</u>	<u>\$ 13,970,672.04</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 1.18%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 255,000.00	\$ 255,000.00	
Sewer Utility Debt	12,232,173.06	12,232,173.06	
General Debt	10,138,992.16	105,839.99	\$ 10,033,152.17
	<u>\$ 22,626,165.22</u>	<u>\$ 12,593,013.05</u>	<u>\$ 10,033,152.17</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

(Continued)

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

Net Debt of \$10,033,152.17 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$850,276,426.33 = 1.18%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 29,759,674.92
Net Debt	<u>10,033,152.17</u>
Remaining Borrowing Power	<u><u>\$ 19,726,522.75</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	\$ 4,413,893.24
Deductions:	
Operating and Maintenance Costs	\$ 2,949,563.64
Debt Service	<u>344,436.46</u>
	<u>3,294,000.10</u>
Excess in Revenue	<u><u>\$ 1,119,893.14</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

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14
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	<u>275,000.00</u>		<u>275,000.00</u>	
Total	<u><u>\$ 7,877,401.58</u></u>	<u><u>\$11,709,469.00</u></u>	<u><u>\$ 5,664,500.37</u></u>	<u><u>\$13,922,370.21</u></u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Prior Year

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/13</u>
Serial Bonds:				
General Capital Fund	\$ 1,243,000.00		\$ 605,000.00	\$ 638,000.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	177,184.82		12,062.11	165,122.71
Wastewater Treatment Loans	7,181.72		7,181.72	
Sewer Utility Capital Fund:				
Wastewater Treatment Loans	16,207.12		16,207.12	
NJEIT Loans	2,507,461.36		121,909.49	2,385,551.87
Bond Anticipation Notes:				
General Capital Fund	4,778,602.00	\$ 4,413,727.00	4,778,602.00	4,413,727.00
Sewer Utility Capital Fund		275,000.00		275,000.00
Total	<u>\$ 8,729,637.02</u>	<u>\$ 4,688,727.00</u>	<u>\$ 5,540,962.44</u>	<u>\$ 7,877,401.58</u>

Analysis of Debt Issued and Outstanding at December 31, 2014

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, 2014</u>
Improvements to Delaware Heights Park	7/11/2025	2.00%	<u>\$ 152,818.15</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, 2014</u>
Trust Loan 1	8/1/2029	5.00%	\$ 1,180,000.00
Trust Loan 2	8/1/2033	3.00%-5.00%	1,905,000.00
			<u>\$ 3,085,000.00</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, 2014</u>
Fund Loan 1	8/1/2029	0.00%	\$ 1,078,642.38
Fund Loan 2	8/1/2033	0.00%	5,658,940.68
			<u>\$ 6,737,583.06</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014 (Cont'd)

General Capital Bond Anticipation Notes Payable

Description	Final Maturity	Interest Rate	Balance Dec. 31, 2014
Various Capital Improvements	08/18/15	0.80%	\$ 150,000.00
Various Capital Improvements	04/13/15	0.75%	165,000.00
Various Capital Improvements	08/18/15	0.80%	250,000.00
Various Capital Improvements	04/13/15	0.75%	350,000.00
Various Capital Improvements	04/13/15	0.75%	280,000.00
Various Capital Improvements	08/18/15	0.80%	200,000.00
Various Capital Improvements	04/13/15	0.75%	315,000.00
Various Capital Improvements	08/18/15	0.80%	120,000.00
Various Capital Improvements	04/13/15	0.75%	432,000.00
Various Capital Improvements	04/13/15	0.75%	640,000.00
Various Capital Improvements	04/13/15	0.75%	560,000.00
Various Capital Improvements	04/13/15	0.75%	484,969.00
			<u>\$ 3,946,969.00</u>
Total Debt Issued and Outstanding			<u>\$ 13,922,370.21</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 Loans

The Town of Phillipsburg entered into four loan agreements (two in 2010 and two in 2014) 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, 2014, the Town has borrowed or "drawn down" \$4,204,874 of the \$10,561,720 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, 2033 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2033.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(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.

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	
2015	\$ 12,551.89	\$ 2,993.91	\$ 494,748.47 *	\$ 120,500.00	\$ 630,794.27
2016	12,804.18	2,741.62	499,748.47	115,650.00	630,944.27
2017	13,061.54	2,484.26	504,748.47	110,550.00	630,844.27
2018	13,324.07	2,221.73	509,748.47	103,800.00	629,094.27
2019	13,591.89	1,953.90	519,748.47	96,800.00	632,094.26
2020-2024	72,168.90	5,560.11	2,698,742.35	375,400.00	3,151,871.36
2025-2029	15,315.68	230.12	2,888,742.38	188,950.00	3,093,238.18
2030			1,706,355.98	40,987.50	1,747,343.48
	<u>\$ 152,818.15</u>	<u>\$ 18,185.65</u>	<u>\$ 9,822,583.06</u>	<u>\$ 1,152,637.50</u>	<u>\$ 11,146,224.36</u>

*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. The N.J. Environmental Infrastructure Trust will apply the remaining balance as credits to the 2015 principal and interest payments.

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2014, which will be included in the introduced budget for the Current and Sewer Utility Operating Funds for the year ending December 31, 2015 is not known as the budgets for these funds have not been introduced as of the date of this report.

Note 4: Local School District Taxes

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

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

Note 5: Pension Plans

Town employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and the PFRS plans which cover substantially all Town employees.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 5: Pension Plans (Cont'd)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The 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 each of the above systems, funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. 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.

Town contributions to PERS amounted to \$346,227, \$369,284 and \$362,752 for 2014, 2013 and 2012, respectively. Town contributions to PFRS amounted to \$713,265, \$792,592 and \$763,314 for 2014, 2013 and 2012, respectively. Town contributions to DCRP amounted to \$1,026.76, \$1,016.70 and \$1,586.05 for 2014, 2013 and 2012, respectively.

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 \$1,677,000. 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 \$180,921 reflected on the Other Trust Funds' balance sheet as of December 31, 2014.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy.

The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2014*</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 3.746	\$ 2.762	\$ 2.676
<u>Apportionment of Tax Rate</u>			
Municipal	1.494	1.131	1.121
County	.829	.644	.635
Local School	1.423	.987	.920
<u>Assessed Valuations</u>			
2014	<u>\$ 713,380,604.00</u>		
2013		<u>\$ 963,361,167.00</u>	
2012			<u>\$ 975,026,602.00</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>
2014	\$ 26,748,877.42	\$ 25,693,139.89	96.05%
2013	26,620,075.16	25,573,710.61	96.06%
2012	26,105,367.06	24,684,811.50	94.55%

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.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 8: Cash and Cash Equivalents

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

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

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

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;

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

Investments (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (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, 2014, 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	\$ 7,425,376.26	\$ 7,426,426.26
Animal Control		6,602.27	6,602.27
Other Trust		913,320.11	913,320.11
General Capital		1,033,972.63	1,033,972.63
Sewer Utility:			
Operating	500.00	2,198,830.33	2,199,330.33
Capital		4,665,034.99	4,665,034.99
	<u>\$ 1,550.00</u>	<u>\$ 16,243,136.59</u>	<u>\$ 16,244,686.59</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

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

The Town did not hold any investments during the year ended December 31, 2014. The carrying amount of the Town's cash and cash equivalents at year end was \$16,244,686.59 and the bank balance was \$16,257,024.01. The carrying amount of the Town's cash and cash equivalents at December 31, 2013 was \$14,739,365.71 and the bank balance was \$14,687,246.14.

Note 9: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ.

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

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, 2014 audit report was not available as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2013 is as follows:

Total Assets	\$ 36,865,759
Net Position	\$ 7,010,778
Total Revenue	\$ 23,466,411
Total Expenditures	\$ 21,204,866
Change in Net Position	\$ 2,261,545
Members Dividends	\$ -0-

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

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

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

Note 10: Community Development Revolving Loan Program

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

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, 2014.

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 \$844,362.95 and expects to include a budget appropriation in its 2015 budget so as to provide for the full amount of 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 will most likely engage 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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 11: Contingencies (Cont'd)

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. 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 will most likely engage 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.

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the various balance sheets at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 149.74	\$ 401,009.14
Federal and State Grant	393,036.79	
Animal Control	100.80	
Other Trust	7,871.55	
General Capital		149.74
Sewer Utility Operating	731.82	
Sewer Utility Capital		731.82
	<u>\$ 401,890.70</u>	<u>\$ 401,890.70</u>

The interfund receivable 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 receivable in the Other Trust Funds is from an interfund advanced to the Current Fund offset by December 2014 interest due to the Current Fund. The interfund receivable in the General Capital Fund is the December 2014 interest due to the Current Fund. The interfund receivable in the Sewer Utility Operating Fund reflects December 2014 interest earnings due from the Sewer Utility Capital Fund.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 13: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2014 and 2013:

	Balance Dec. 31, 2013	Additions	Deletions	Balance Dec. 31, 2014
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>
	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Land	\$ 19,518,650.00	\$ 182,600.00	\$ 19,500	\$ 19,681,750.00
Buildings	15,091,600.00			15,091,600.00
Machinery and Equipment	8,638,824.62	65,909.00	32,945.00	8,671,788.62
Construction in Progress	5,190,716.31	325,990.24		5,516,706.55
	<u>\$48,439,790.93</u>	<u>\$ 574,499.24</u>	<u>\$ 52,445.00</u>	<u>\$48,961,845.17</u>

Note 14: 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

SUPPLEMENTARY DATA

TOWN OF PHILLIPSBURG
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2014

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Harry L. Wyant Jr.	Mayor		
Bernie Fey	President; Councilman		
Todd Tersigni	Vice President; Councilman		
John Lynn	Councilman		
Randy Piazza, Sr.	Councilman		
James P. Stettner	Councilman		
Victoria Kleiner	Acting Municipal Clerk	**	
Robert Merlo	Chief Financial Officer	**	
Rachel Edinger	Interim Tax Collector (to 06/30/14)	\$ 350,000.00	Selective Insurance Company
Sandra Callery	Tax Collector (from 06/30/14)	\$ 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
2014
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 6,580,001.87
Increased by Receipts:		
Tax Collector		\$ 26,830,262.15
Clerk		91,076.68
Revenue Accounts Receivable		3,609,333.33
Due to State of N.J.:		
Veterans and Senior Citizens' Deductions		152,463.70
Nonbudget Revenue		216,643.49
2014 Appropriation Refunds		185,413.54
Interest on Investments and Deposits		10,959.77
Due to Federal and State Grant Fund:		
Federal and State Grants Receivable		1,020,840.31
Unappropriated Grant Reserves		21,700.53
Due to Other Trust Funds:		
Interfund Advanced		7,910.00
Due from Payroll Accounts:		
Settlement of Prior Year Interfund		16.83
Due from Claims Account:		
Settlement of Prior Year Interfund		2,349.01
Reserve for:		
Vehicle Damage		9,125.00
Library		553,847.64
		<hr/>
		32,711,941.98
		<hr/>
		39,291,943.85
Decreased by Disbursements:		
2014 Appropriation Expenditures		14,343,469.95
2013 Appropriation Reserves		555,169.20
Due from Federal and State Grant Fund:		
Appropriated Grant Reserves		802,376.59
Prior Year Encumbrances Payable		264,017.48
Due to General Capital Fund:		
Partial Settlement of Prior Year Interfund		19,182.40
Due to Other Trust Funds:		
Settlement of Prior Year Interfund		25,011.82
Local School District Taxes		9,826,952.00
County Taxes		5,638,411.81
Accounts Payable		26.00
Refund of Tax Overpayments		21,501.25
Refund of Prior Year Revenue		1,141.00
Refund of Tax Sale Premiums		251,200.00
Refund of Outside Liens		4,333.10
Reserve for:		
Revaluation		350.00
Revaluation - Prior Year Encumbrances Payable		600.00
Tax Appeals		31,835.78
Library		534,534.59
Library - Prior Year Encumbrances Payable		17,100.75
		<hr/>
		32,337,213.72
		<hr/>
Balance December 31, 2014	A	\$ 6,954,730.13

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 497,739.76
Increased by Receipts:		
Taxes Receivable	\$ 25,969,244.50	
Tax Title Liens Redemption	18,239.37	
2015 Prepaid Taxes	218,446.47	
Interest and Costs on Taxes	179,110.26	
Tax Sale Premiums	346,100.00	
Redemption of Outside Liens	1,127,889.03	
Interest on Deposits	5,139.87	
Miscellaneous Revenue Not Anticipated:		
Municipal Charges Receivable	41,985.22	
Tax Sale Costs	26,133.09	
Miscellaneous	20,073.26	
Tax Overpayments	23,145.16	
	<u>27,975,506.23</u>	<u>28,473,245.99</u>
Decreased by:		
Payments to Treasurer	26,830,262.15	
Refund of Outside Liens	1,180,316.16	
	<u>28,010,578.31</u>	<u>28,010,578.31</u>
Balance December 31, 2014	A	<u>\$ 462,667.68</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - CLERK

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 8,685.88
Increased by Receipts:			
Due to State of NJ:			
Marriage License Fees		\$ 2,725.00	
Due to Animal Control Fund:			
Due to State of NJ:			
Dog License Fees		1,580.20	
Dog License Fees		7,685.20	
Dog License Late Fees		1,183.00	
Cat License Fees		2,122.00	
Replacement Tags		2.00	
Due to Other Trust Funds:			
Reserve for Dog Park User Fees		340.00	
Alcoholic Beverages Licenses		32,930.00	
Other Licenses		13,481.00	
Fees and Permits		40,265.65	
Miscellaneous Revenue Not Anticipated		4,074.00	
Interest on Deposits		16.60	
		<hr/>	
			106,404.65
			<hr/>
			115,090.53
Decreased by:			
Payments to Treasurer - Current Fund		91,076.68	
Payment to Animal Control Fund:			
Dog and Cat Licenses and Late Fees		10,891.40	
Due to Other Trust Funds:			
Reserve for Dog Park User Fees		330.00	
Payments to State of NJ:			
Department of Health - Dog License Fees		1,564.00	
Marriage License Fees		3,250.00	
		<hr/>	
			107,112.08
			<hr/>
Balance December 31, 2014	A		\$ 7,978.45
			<hr/> <hr/>

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Year	Balance	2014 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2013		2013	2014					Dec. 31, 2014
2010	\$ 2,677.61								\$ 2,677.61
2011	12,391.61			\$ 6,860.98					5,530.63
2012	14,501.74			88.58					14,413.16
2013	894,189.34			848,124.08		\$ (3,536.30)		\$ 32,088.67	17,512.89
	923,760.30			855,073.64		(3,536.30)		32,088.67	40,134.29
2014		\$ 26,748,877.42	\$ 188,177.94	25,114,170.86	\$ 230,854.52	159,936.57	\$ 29,101.02	86,023.15	940,613.36
	\$ 923,760.30	\$ 26,748,877.42	\$ 188,177.94	\$ 25,969,244.50	\$ 230,854.52	\$ 156,400.27	\$ 29,101.02	\$ 118,111.82	\$ 980,747.65

Ref. A

A

Analysis of 2014 Property Tax Levy:

Tax Yield:

General Purpose Tax \$ 26,723,237.63
 Added Taxes (54:4-63.1 et seq.) 25,639.79

\$ 26,748,877.42

Tax Levy:

Local School District Taxes \$ 10,150,345.00

County Taxes:

County Taxes \$ 5,284,856.37
 County Open Space Taxes 353,555.44
 Due County for Added and Omitted Taxe 5,414.07

5,643,825.88

15,794,170.88

Local Tax for Municipal Purposes 10,658,169.60

Municipal Library Taxes 274,696.36

Additional Taxes Levied 21,840.58

10,954,706.54

\$ 26,748,877.42

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 169,710.54
Increased by:		
Transfer from Taxes Receivable		\$ 118,111.82
Interest and Costs on Tax Sale		9,259.48
		<u>127,371.30</u>
		<u>297,081.84</u>
Decreased by:		
Tax Title Liens Redeemed		18,239.37
		<u>18,239.37</u>
Balance December 31, 2014	A	<u><u>\$ 278,842.47</u></u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF MUNICIPAL LIEN CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 29,923.35
Increased By:		
Municipal Charges Transferred to Liens		\$ 52,296.40
Interest and Costs on Tax Sale		167.71
		<u>52,464.11</u>
Balance December 31, 2014	A	<u>\$ 82,387.46</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF MUNICIPAL CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 76,265.37
Increased By:		
Municipal Charges Imposed		57,009.00
		<u>133,274.37</u>
Decreased By:		
Cancellation		\$ 762.50
Collections - Municipal Charges		41,985.22
Transfer to Municipal Charge Liens		52,296.40
		<u>95,044.12</u>
Balance December 31, 2014	A	<u>\$ 38,230.25</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued In 2014	Collected by Treasurer	Collected by Clerk	Balance Dec. 31, 2014
Alcoholic Beverages Licenses		\$ 32,930.00		\$ 32,930.00	
Other Licenses		13,481.00		13,481.00	
Fees and Permits		91,858.36	\$ 51,592.71	40,265.65	
Municipal Court:					
Fines and Costs	\$ 22,497.75	291,622.74	294,466.00		\$ 19,654.49
Payment in Lieu of Taxes - Federal Housing Project		129,119.50	129,119.50		
Payment in Lieu of Taxes - Sewage Treatment		83,500.00	83,500.00		
Consolidated Municipal Property Tax Relief Aid		455,500.00	455,500.00		
Energy Receipts Taxes		1,549,901.00	1,549,901.00		
Uniform Construction Code Fees		267,630.20	267,630.20		
Pool Receipts and Passes		22,623.92	22,623.92		
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		395,000.00	395,000.00		
	<u>\$ 22,497.75</u>	<u>\$ 3,693,166.72</u>	<u>\$ 3,609,333.33</u>	<u>\$ 86,676.65</u>	<u>\$ 19,654.49</u>

Ref.

A

A

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

	Balance Dec. 31, 2013	Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2014
Municipal Alliance:						
2013	\$ 5,740.69	\$ 5,984.00	\$ 11,651.07			\$ 73.62
Board of Education Match		2,000.00		\$ 2,000.00		
N.J. Department of Labor and Workforce Development:						
ARRA - N.J. Youth Corps - 2012 - BLWY12N	10,544.00				\$ 10,544.00	
N.J. Youth Corps - 2013 - ALWY14N	278,067.00		278,067.00			
N.J. Youth Corps - 2014 - ALWY15N		529,336.00	257,902.00			271,434.00
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				220,000.00
2014 Urban Aid - Improvements to Main St. Phase VI		17,710.00				17,710.00
Clean Communities Program:						
2012	517.36				517.36	
2014		28,446.65	28,446.65			
Recycling Tonnage Grant - 2014		21,252.00		21,252.00		
Delaware River Joint Bridge Commission:						
Compact Authorized Investments - 2010	230,828.00		99,477.09			131,350.91
Drunk Driving Enforcement Grant:						
2010	7,304.41				7,304.41	
2011	5,343.45				5,343.45	
2014		11,217.08	11,217.08			
Body Armor Replacement Grant - 2014		8,230.94	3,621.00	4,609.94		
NJ Department of Law and Public Safety:						
Cops In Shops - College Fall Initiative 2011	124.21				124.21	
Cops In Shops - College/Fall Initiative	155.88				155.88	
Click It or Ticket - 2014 Seatbelt Mobilization		4,000.00	3,910.72		89.28	

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

	Balance Dec. 31, 2013	Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2014
NJ Department of Law and Public Safety:						
Drive Sober or Get Pulled Over:						
2012	\$ 113.90				\$ 113.90	
2013		\$ 4,267.62		\$ 4,267.62		
2013 - Holiday Crackdown	4,400.00		\$ 3,788.67		611.33	
2014 - Statewide Labor Day Crackdown		5,000.00	4,635.96		364.04	
2014 - Year End Holiday Crackdown		7,500.00				\$ 7,500.00
NJ Highlands Council:						
2009 Plan Conformance Grant	83,389.53		44,877.64			38,511.89
2009 Initial Assessment Grant	4,287.61				4,287.61	
N.J. Department of Environmental Protection:						
Green Acres Delaware Heights	170,416.51					170,416.51
Division of Parks & Forestry:						
ARRA - 2009 Business Stimulus Fund Grant	2,859.20				2,859.20	
National Park Services:						
Rivers, Trails and Conservation Assistance Program		2,912.70	2,912.70			
AmeriCorps Heat Grant	71.00				71.00	
Restoration Central Railroad of NJ Interlocking Tower	60,850.00		14,197.73			46,652.27
Westminster Presbyterian Church Stained Glass Window	30,340.00		15,830.00			14,510.00
St. Luke's Warren Campus Hospital Donation		10,000.00	10,000.00			
Aqua Washington Street Repairs Donations		230,305.00	230,305.00			
	<u>\$ 989,072.27</u>	<u>\$ 1,558,161.99</u>	<u>\$ 1,020,840.31</u>	<u>\$ 32,129.56</u>	<u>\$ 32,385.67</u>	<u>\$ 1,461,878.72</u>
Ref.	A					A
Federal Grants			\$ 15,248.05			
State Grants			635,782.44			
Local Grants			369,809.82			
			<u>\$ 1,020,840.31</u>			

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> Dec. 31, 2013	<u>Balance</u> After Modification	<u>Paid or</u> Charged	<u>Balance</u> Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 27,343.39	\$ 21,343.39	\$ 549.51	\$ 20,793.88
Other Expenses	59,769.75	59,769.75	4,998.60	54,771.15
Human Resources:				
Other Expenses	5,000.00	5,000.00	2,022.39	2,977.61
Mayor and Council:				
Salaries and Wages	982.83	982.83		982.83
Other Expenses	2,387.12	2,387.12	4.68	2,382.44
Municipal Clerk:				
Salaries and Wages	4,181.23	4,181.23	1,744.06	2,437.17
Other Expenses	1,665.18	1,665.18	641.96	1,023.22
Financial Administration:				
Salaries and Wages	19,803.10	19,803.10	1,527.78	18,275.32
Other Expenses	7,247.25	7,247.25	4,724.23	2,523.02
Audit Services	1,686.25	1,686.25		1,686.25
Revenue Administration:				
Salaries and Wages	5,559.88	5,559.88	1,001.16	4,558.72
Other Expenses	1,021.63	1,021.63	766.73	254.90
Tax Assessment Administration:				
Salaries and Wages	415.31	1,415.31	1,112.93	302.38
Other Expenses	71,426.68	71,426.68	69,410.20	2,016.48
Legal Services:				
Other Expenses	51,710.37	51,710.37	28,676.48	23,033.89
Engineering Services:				
Other Expenses	39,500.00	39,500.00	32,800.00	6,700.00
LAND USE ADMINISTRATION:				
Planning Board:				
Other Expenses	1,750.00	1,750.00	500.00	1,250.00
Zoning Board:				
Other Expenses	1,500.00	1,500.00		1,500.00
PUBLIC SAFETY FUNCTIONS:				
Police Department:				
Salaries and Wages	172,823.07	172,823.07	60,412.76	112,410.31
Other Expenses	71,969.81	71,969.81	34,983.83	36,985.98
Emergency Management Services:				
Salaries and Wages	87.28	87.28		87.28
Other Expenses	871.40	871.40	871.40	
Aid to First Aid Organization	5,000.00	5,000.00	5,000.00	
Fire Department:				
Salaries and Wages	770.32	770.32		770.32
Other Expenses	16,883.74	16,883.74	16,150.93	732.81

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY FUNCTIONS:				
Fire Department:				
Supplemental Fire Services Program	\$ 374.00	\$ 374.00	\$ 374.00	
Municipal Prosecutor:				
Salaries and Wages	50.04	50.04		\$ 50.04
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	6,396.85	6,396.85	3,916.66	2,480.19
Other Expenses	46,820.68	51,820.68	47,485.42	4,335.26
Other Public Works Functions:				
Salaries and Wages	1,223.23	1,223.23	856.66	366.57
Other Expenses	656.91	656.91	331.85	325.06
PEOSHA	286.27	286.27	218.85	67.42
Solid Waste Collection:				
Salaries and Wages	1,415.55	5,415.55	3,482.78	1,932.77
Other Expenses	3,150.00	3,150.00	1,520.76	1,629.24
Buildings and Grounds:				
Salaries and Wages	18,983.25	14,983.25	5,183.07	9,800.18
Other Expenses	10,456.41	10,456.41	5,769.85	4,686.56
Vehicle Maintenance:				
Salaries and Wages	3,272.03	3,272.03	1,441.54	1,830.49
Other Expenses	29,295.97	29,295.97	24,748.35	4,547.62
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Animal Control Services:				
Salaries and Wages	2,739.92	2,739.92		2,739.92
Other Expenses	6,076.64	6,076.64	2,585.90	3,490.74
Contributions to Social Services:				
Other Expenses	14,875.73	14,875.73	9,246.01	5,629.72
PARKS AND RECREATION FUNCTIONS:				
Recreation Services and Programs:				
Salaries and Wages	3,929.85	3,929.85	2,377.79	1,552.06
Other Expenses	12,381.27	12,381.27	7,869.37	4,511.90
Municipal Swimming Pool:				
Salaries and Wages	2,269.30	2,269.30		2,269.30
Other Expenses	907.40	907.40	418.59	488.81
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	37,961.63	37,961.63	16,595.72	21,365.91
Street Lighting	40,549.44	40,549.44	27,478.18	13,071.26
Telephone:				
Other Expenses	5,485.01	5,485.01	5,485.01	
Water	33,726.34	33,726.34	31,961.07	1,765.27
Gas (Natural or Propane)	2,414.03	7,414.03	5,160.75	2,253.28

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
UTILITY EXPENSES AND BULK PURCHASES:				
Gasoline	\$ 70,625.57	\$ 65,625.57	\$ 35,783.82	\$ 29,841.75
SOLID WASTE DISPOSAL COSTS:				
Waste Disposal:				
Other Expenses	37,926.89	37,926.89		37,926.89
Municipal Court:				
Salaries and Wages	34,390.23	34,390.23	1,300.24	33,089.99
Other Expenses	1,007.12	1,007.12	1,002.51	4.61
Public Defender (P.L. 1998 Chapter 256):				
Salaries and Wages	48.56	48.56		48.56
INSURANCE:				
Liablility Insurance	1,051.00	1,051.00		1,051.00
Workers Compensation Insurance	908.13	908.13		908.13
Employees Group Insurance	254,304.97	249,304.97	4,104.86	245,200.11
Health Benefit Waivers	15,000.00	20,000.00	20,000.00	
UNIFORM CONSTRUCTION CODE:				
Code Enforcement:				
Salaries and Wages	7,842.94	7,842.94	1,107.44	6,735.50
Other Expenses	4,144.20	4,144.20	2,982.61	1,161.59
STATUTORY EXPENDITURES:				
Public Employees Retirement System	2.97	2.97		2.97
Social Security System (O.A.S.I)	7,800.90	7,800.90		7,800.90
Unemployment Compensation Insurance	3,011.76	3,011.76	835.25	2,176.51
Maintenance of Free Public Library	26,381.93	26,381.93	12,672.19	13,709.74
Recycling Tax (P.L.2007, C.311)	10,373.00	10,373.00	4,740.00	5,633.00
	<u>\$ 1,331,873.51</u>	<u>\$ 1,331,873.51</u>	<u>\$ 556,936.73</u>	<u>\$ 774,936.78</u>

Ref.

Analysis of Balance on December 31, 2013:

Unencumbered	A	\$ 1,054,441.95
Encumbered	A	277,431.56
		<u>\$ 1,331,873.51</u>

Cash Disbursed	\$ 555,169.20
Accounts Payable	1,767.53
	<u>\$ 556,936.73</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 1,099,513.00
Increased by:		
Levy School Year - July 1, 2014 through June 30, 2015		<u>10,150,345.00</u>
		11,249,858.00
Decreased by:		
Payments to Local School District		<u>9,826,952.00</u>
Balance December 31, 2014	A	<u><u>\$ 1,422,906.00</u></u>

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

	Balance Dec. 31, 2013	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Prior Year Adjustment	Balance Dec. 31, 2014
Clean Communities Program:								
2012	\$ 520.29		\$ 2.93			\$ 517.36		
2013	11,783.13		11,783.13					
2014		\$ 28,446.65	21,647.14					\$ 6,799.51
Drunk Driving Enforcement Fund:								
2010	4,457.45					7,304.41	\$ (2,846.96)	
2011	5,343.45					5,343.45		
2013	1,513.58		2,792.55				(1,420.66)	141.69
2014		11,217.08	3,780.88					7,436.20
Municipal Alliance Program:								
2013 - State	467.44	5,984.00	6,329.07					122.37
2013 - Local	387.35		387.35					
2014 - Local		3,661.00	1,932.00	\$ 171.00				1,558.00
Board of Education - 2013	1,255.25		167.65	50.00				1,037.60
Board of Education - 2014		2,000.00						2,000.00
Body Armor Replacement Grant:								
2011	754.54			754.54				
2012	1,694.56			1,694.56				
2013	3,564.80			2,315.15				1,249.65
2014		8,230.94						8,230.94
FY04 Exercise Program Implementation Action Grant	2,278.20							2,278.20
N.J. Department of Labor and Workforce Development:								
ARRA - N.J. Youth Corps - 2012 - BLWY12N	10,544.00					10,544.00		
N.J. Youth Corps - 2013 - ALWY14N	394,078.00		394,078.00					
N.J. Youth Corps - 2014 - ALWY15N		529,336.00	208,250.00					321,086.00
Municipal Stormwater Regulation Program - 2006	4,251.25							4,251.25
Recycling Tonnage Grant:								
2007	2.19		19.69		\$ 17.50			
2008	4,042.81		3,932.81					110.00
2009	34,003.21		8,771.00					25,232.21
2011	23,487.00							23,487.00
2012	29,353.46							29,353.46
2013	22,521.00		272.00					22,249.00
2014		21,252.00						21,252.00
Emergency Management:								
2011	222.82		222.82					
2012	5,000.00		4,537.52					462.48

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

	Balance Dec. 31, 2013	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Prior Year Adjustment	Balance Dec. 31, 2014
Hazardous Discharge Site Remediation - 1998	\$ 15,178.47					\$ 15,178.47		
DRJTBC Compact Authorized Investments Grant	33,025.44				\$ 12,415.52			\$ 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
2013 - Local Aid Infrastructure Fund - Improvements to Washington Street		\$ 450,000.00	\$ 44,807.99	\$ 405,192.01				
2014 Municipal Aid - Improvements to South Main St. Phase VI		220,000.00						220,000.00
2014 Urban Aid - Improvements to Main St. Phase VI		17,710.00						17,710.00
Reserve for Domestic Violence Grant	3,128.00		155.00					2,973.00
NJ Department of Law and Public Safety:								
Cops In Shops:								
2010	34.88					34.88		
2011	136.97					136.97		
Drive Sober or Get Pulled Over:								
2012	113.90					113.90		
2013		4,267.62					\$ 4,267.62	
2013 - Holiday Crackdown	3,093.21		2,485.91			607.30		
2014 - Statewide Labor Day Crackdown		5,000.00	4,635.96			364.04		
2014 - Year End Holiday Crackdown		7,500.00	2,573.60					4,926.40
Click It or Ticket - 2014 Seatbelt Mobilization		4,000.00	3,910.72			89.28		0.00
Cops In Shops - College/Fall Initiative - 2013	155.95					155.95		
Division of State Police:								
CERT Trailer Equipment & Supply	1,150.00							1,150.00
NJ Department of Community Affairs:								
Sharing Available Resources Efficiently (SHARE) Grant - Feasibility Study Public Works Service	5,040.00					5,040.00		
State of NJ Highlands Council:								
2009 Plan Conformance Grant	58,698.48		45,749.26	4,917.50		4,287.61		3,744.11
NJ Department of Environmental Protection:								
Green Acres Delaware Heights	99,440.33							99,440.33
Division of Parks & Forestry:								
ARRA - 2009 Business Stimulus Fund Grant	2,859.20					2,859.20		

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

	Balance Dec. 31, 2013	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Prior Year Adjustment	Balance Dec. 31, 2014
National Park Services:								
Rivers, Trails and Conservation Assistance Program		\$ 2,912.70						\$ 2,912.70
AmeriCorps Heat Grant	\$ 71.00					\$ 71.00		
Norfolk Southern Grant	1,000.00		\$ 1,000.00					
ARRA - Energy Efficiency Block Grant	0.01					0.01		
St. Luke's Church Donation - Pool	222.08		222.08					
Warren County DARE Officers Association	242.08							242.08
St. Luke's Warren Campus Hospital Donation - Pool	10,000.00		558.12	\$ 671.31				8,770.57
St. Luke's Warren Campus Hospital Donation		10,000.00						10,000.00
Restoration Central Railroad of NJ Interlocking Tower	55,452.66		11,541.41					43,911.25
Westminster Presbyterian Church Stained Glass Window	30,340.00		15,830.00					14,510.00
Aqua Washington Street Repairs Donations		230,305.00		230,305.00				
	<u>\$ 1,112,933.39</u>	<u>\$ 1,561,822.99</u>	<u>\$ 802,376.59</u>	<u>\$ 646,071.07</u>	<u>\$ 12,433.02</u>	<u>\$ 52,647.83</u>	<u>\$ -0-</u>	<u>\$ 1,186,093.91</u>
<u>Ref</u>	A							A
Federal/State/Local Grants		\$ 1,558,161.99				\$ 52,647.83		
Local Matching Funds		3,661.00						
		<u>\$ 1,561,822.99</u>				<u>\$ 52,647.83</u>		
Federal Grants			\$ 63,174.52	\$ 405,192.01				
State Grants			707,563.46	9,681.75	\$ 17.50			
Local Grants			31,638.61	231,197.31	12,415.52			
			<u>\$ 802,376.59</u>	<u>\$ 646,071.07</u>	<u>\$ 12,433.02</u>			

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Grant</u> <u>Funds</u> <u>Received</u>	<u>Transferred</u> <u>to 2014</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Body Armor Replacement Grant	\$ 4,609.94		\$ 4,609.94	
Recycling Tonnage Grant	21,252.00	\$ 21,700.53	21,252.00	\$ 21,700.53
Municipal Alliance:				
Board of Education	2,000.00		2,000.00	
Drive Sober or Get Pulled Over - 2013	4,267.62		4,267.62	
	<u>\$ 32,129.56</u>	<u>\$ 21,700.53</u>	<u>\$ 32,129.56</u>	<u>\$ 21,700.53</u>

Ref.

A

A

State Grants	<u>\$ 21,700.53</u>
	<u><u>\$ 21,700.53</u></u>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
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, 2013	B	\$ 20,774.64	\$ 895,633.35
Increased by Receipts:			
Dog License Fees		\$ 7,632.40	
Cat License Fees		2,084.00	
Dog/Cat License Late Fees		1,173.00	
Replacement Tags		2.00	
Donations		170.00	
Interest Earned		36.68	
Due to/from Current Fund:			
Settlement of Prior Year Interfund			\$ 25,011.82
Interest Earned			48.45
Community Development Revolving Loan			
Program Receivable - Principal Repayments			17,969.17
Reserve for:			
Planning/Zoning Board Escrow			49,038.74
Public Defender:			
Receipts			5,225.00
Interest Earned			32.97
Parking Offense Adjudication Act			280.00
Bernards Township R.C.A. Program:			
Interest Earned			279.84
Rehabilitation Repayments			7,500.00
Neighborhood Preservation Program - Other Receipts			3,001.00
Police Outside Services			153,200.67
Accumulated Sick and Vacation			131,876.00
Donations for Celebration of Public Events			15,451.00
Other Deposits			1,000.00
Dog Park User Fees			330.00
Federally Funded Housing Assistance (Section 8 Program):			
2014 Grant Funds			1,688,297.00
Community Development Revolving Loan Program:			
Interest on Deposits/Loans			6,072.52
Flexible Spending Benefits Deposits			4,347.98
		<u>11,098.08</u>	<u>2,108,962.16</u>
		31,872.72	3,004,595.51
Decreased by Disbursements:			
Administrative Expenses		16,072.70	
Dog Park Expenditures		9,197.75	
Due to Current Fund:			
Interfund Advanced			7,910.00
Reserve for:			
Public Defender			9,087.09
Planning/Zoning Board Escrow			135,800.56
Federally Funded Housing Assistance (Section 8 Program):			
Program Expenditures			1,765,584.17
Police Outside Services			162,300.14
Donations for Celebration of Public Events			408.25
Community Development Revolving Loan Program:			
Legal Fees			1,147.50
Other Deposits			5,850.00
Flexible Spending Benefits Disbursements			3,187.69
		<u>25,270.45</u>	<u>2,091,275.40</u>
Balance December 31, 2014	B	<u>\$ 6,602.27</u>	<u>\$ 913,320.11</u>

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
ANALYSIS OF ASSESSMENT TRUST FUND CASH
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 10,824.64
Increased by:		
Cash Received in Animal Control Fund:		
Dog License Fees		\$ 7,632.40
Cat License Fees		2,084.00
Cat/Dog License Late Fees		1,173.00
Replacement Tags		2.00
Donations		170.00
Interest Earned		36.68
Cash Received in Current Fund:		
Dog License Fees		52.80
Cat License Fees		38.00
Cat/Dog License Late Fees		10.00
		11,198.88
		22,023.52
Decreased by:		
Expenditures Under R.S.4:19-15.11		16,072.70
Balance December 31, 2014	B	\$ 5,950.82

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 10,675.20
2013	10,115.00
	20,790.20
Maximum Allowable Reserve	\$ 20,790.20

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 605,912.30
Increased by:		
Capital Improvement Fund:		
2014 Budget Appropriation		\$ 75,000.00
Reserve for Payment of Debt Service		17,500.00
Reserve for Aqua Road Improvements		171,412.13
Bond Anticipation Notes Issued		484,969.00
Due to Current Fund:		
Interest Earned		149.74
Settlement of Prior Year Interfund		19,182.40
Improvement Authorization Refund		147,926.40
		916,139.67
		1,522,051.97
Decreased by:		
Prior Year Encumbrances		240,738.50
Improvement Authorization Expenditures		247,340.84
		488,079.34
Balance December 31, 2014	C	\$ 1,033,972.63

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

	Balance (Deficit) Dec. 31, 2013	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2014	
		Miscellaneous	Bond	Budget	Miscellaneous	Improvement	Transfers		
			Anticipation Notes	Appropriation		Expenditures	From		To
Fund Balance	\$ 14,429.25							\$ 14,429.25	
Capital Improvement Fund	5,621.84			\$ 75,000.00		\$ 76,055.00		4,566.84	
Due To Current Fund	(19,182.40)	\$ 19,332.14						149.74	
Encumbrances Payable	299,029.49				\$ 240,738.50	7,195.50	\$ 131,914.09	183,009.58	
Reserve for Improvements	25,000.00							25,000.00	
Reserve for Boiler Room	19,280.16							19,280.16	
Reserve for Payment of Debt Service		17,500.00						17,500.00	
Reserve for Aqua Road Improvements		171,412.13				171,412.13			
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						118,200.48	
07-07	Various Capital Improvements	25,191.92	39,596.36			\$ 2,500.00		62,288.28	
08-12	Various Capital Improvements	3,642.44						3,642.44	
09-10	Various Capital Improvements	40,892.69						40,892.69	
11-09	Various Capital Improvements	20,699.16				435.40	108.00	20,371.76	
12-07	Various Capital Improvements	131,655.18	108,330.04			31,417.35	47,219.36	161,461.01	
13-10	Various Capital Improvements	(102,308.22)		\$ 484,969.00		58,471.89	3,128.24	328,035.65	
13-13	Walter's Park Improvements Project	10,000.00						10,000.00	
14-11	Various Capital Improvements					154,951.60	81,131.09	(177,527.69)	
14-23	Various Roadway Improvements						17,500.00	17,500.00	
14-24	Road Improvements for Various Streets						171,412.13	171,412.13	
	<u>\$ 605,912.30</u>	<u>\$ 356,170.67</u>	<u>\$ 484,969.00</u>	<u>\$ 75,000.00</u>	<u>\$ 240,738.50</u>	<u>\$ 247,340.84</u>	<u>\$ 386,576.72</u>	<u>\$ 386,576.72</u>	<u>\$ 1,033,972.63</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>								
04-08	Various Capital Improvements	\$ 150,000.00		\$ 150,000.00				
05-18	Various Capital Improvements	275,000.00		125,000.00	\$ 150,000.00	\$ 150,000.00		
06-20	Various Capital Improvements	875,000.00		460,000.00	415,000.00	415,000.00		
07-07	Various Capital Improvements	415,000.00		65,000.00	350,000.00	350,000.00		
08-12	Various Capital Improvements	559,000.00		79,000.00	480,000.00	480,000.00		
09-10	Various Capital Improvements	464,428.00		29,428.00	435,000.00	435,000.00		
10-10	Various Capital Improvements	452,000.00		20,000.00	432,000.00	432,000.00		
11-09	Various Capital Improvements	658,174.00		18,174.00	640,000.00	640,000.00		
12-07	Various Capital Improvements	565,125.00		5,125.00	560,000.00	560,000.00		
13-10	Various Capital Improvements	484,969.00			484,969.00	484,969.00		
14-11	Various Capital Improvements		\$ 1,112,545.00		1,112,545.00		\$ 177,527.69	\$ 935,017.31
14-23	Road Improvements for Various Streets		332,500.00		332,500.00			332,500.00
<u>Local Improvements</u>								
06-32	Various Local Improvements	4,594,160.01			4,594,160.01			4,594,160.01
		<u>\$ 9,492,856.01</u>	<u>\$ 1,445,045.00</u>	<u>\$ 951,727.00</u>	<u>\$ 9,986,174.01</u>	<u>\$ 3,946,969.00</u>	<u>\$ 177,527.69</u>	<u>\$ 5,861,677.32</u>
	<u>Ref.</u>		C		C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded	\$ 6,610,329.94
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	118,200.48
Ord. #07-07	62,288.28
Ord. #08-12	3,642.44
Ord. #09-10	40,892.69
Ord. #11-09	20,371.76
Ord. #12-07	161,461.01
Ord. #13-10	328,035.65
	<u>748,652.62</u>
	<u>\$ 5,861,677.32</u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance December 31, 2013		2014 Authorizations		Paid or Charged	Prior Year Encumbrances Canceled	Balance December 31, 2014	
				Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded	Other Financing Sources			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						118,200.48
07-07	Various Capital Improvements	05/01/07	795,800.00		25,191.92			\$ (37,096.36) *			62,288.28
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						40,892.69
11-09	Various Capital Improvements	05/17/11	692,815.00		20,699.16			435.40	\$ 108.00		20,371.76
12-07	Various Capital Improvements	04/17/12	599,766.00		131,655.18			(29,693.33) *	112.50		161,461.01
13-10	Various Capital Improvements	05/07/13	517,500.00		382,660.78			61,600.13	6,975.00		328,035.65
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			\$ 1,112,545.00	\$ 58,555.00	236,082.69			935,017.31
14-23	Various Roadway Improvements	11/17/14	350,000.00			332,500.00	17,500.00			17,500.00	332,500.00
14-24	Road Improvements for Various Streets	12/02/14	171,412.13				171,412.13			171,412.13	
<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>\$ 10,000.00</u>	<u>\$ 5,330,862.97</u>	<u>\$ 1,445,045.00</u>	<u>\$ 247,467.13</u>	<u>\$ 231,328.53</u>	<u>\$ 7,195.50</u>	<u>\$ 198,912.13</u>	<u>\$ 6,610,329.94</u>
<u>Ref.</u>				C	C					C	C
				Capital Improvement Fund				\$ 76,055.00			
				Reserve for Aqua Road Improvements				171,412.13			
								<u>\$ 247,467.13</u>			
								<u>Ref.</u>			
				Cash Disbursed				\$ 247,340.84			
				Encumbrances		C		131,914.09			
				Less: Improvement Authorization Refunds				(147,926.40)			
								<u>\$ 231,328.53</u>			

* Net of improvement authorization refund.

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 5,621.84
Increased by:		
2014 Budget Appropriation		75,000.00
		80,621.84
Decreased by:		
Appropriated to Finance Improvement Authorizations		76,055.00
		76,055.00
Balance December 31, 2014	C	\$ 4,566.84

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, 2013	Issued	Matured	Balance Dec. 31, 2014
			Issue	Maturity					
04-08	Various Capital Improvements	05/19/05	04/16/13	04/15/14	0.85%	\$ 150,000.00		\$ 150,000.00	
			04/14/14	04/13/15	0.75%				
05-18	Various Capital Improvements	09/06/06	08/21/13	08/20/14	0.75%	275,000.00	\$ 150,000.00	275,000.00	\$ 150,000.00
			08/19/14	08/18/15	0.80%				
06-20	Various Capital Improvements	09/06/06	04/16/13	04/15/14	0.85%	700,000.00		700,000.00	
			08/21/13	08/20/14	0.75%				
			04/14/14	04/13/15	0.75%				
			08/19/14	08/18/15	0.80%				
07-07	Various Capital Improvements	05/01/08	04/16/13	04/15/14	0.85%	415,000.00	350,000.00	415,000.00	350,000.00
			04/14/14	04/13/15	0.75%				
08-12	Various Capital Improvements	04/28/09	04/16/13	04/15/14	0.85%	336,000.00		336,000.00	
			08/21/13	08/20/14	0.75%				
			04/14/14	04/13/15	0.75%				
			08/19/14	08/18/15	0.80%				
09-10	Various Capital Improvements	04/19/11	04/16/13	04/15/14	0.85%	330,000.00		330,000.00	
			08/21/13	08/20/14	0.75%				
			04/14/14	04/13/15	0.75%				
			08/19/14	08/18/15	0.80%				
10-10	Various Capital Improvements	04/19/11	04/16/13	04/15/14	0.85%	452,000.00	432,000.00	452,000.00	432,000.00
			04/14/14	04/13/15	0.75%				

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, 2013	Issued	Matured	Balance Dec. 31, 2014
			Issue	Maturity					
11-09	Various Capital Improvements	04/18/12	04/16/13	04/15/14	0.85%	\$ 658,174.00	\$ 640,000.00	\$ 658,174.00	\$ 640,000.00
			04/14/14	04/13/15	0.75%				
12-07	Various Capital Improvements	04/18/12	04/16/13	04/15/14	0.85%	565,125.00	560,000.00	565,125.00	560,000.00
			04/14/14	04/13/15	0.75%				
13-10	Various Capital Improvements	04/14/14	04/14/14	04/13/15	0.75%		484,969.00		484,969.00
						<u>\$ 4,413,727.00</u>	<u>\$ 3,946,969.00</u>	<u>\$ 4,413,727.00</u>	<u>\$ 3,946,969.00</u>
						<u>Ref.</u>	C		C
							New Issues	\$ 484,969.00	
							Renewals	3,462,000.00	\$ 3,462,000.00
							Paid by Budget Appropriation	951,727.00	
							<u>\$ 3,946,969.00</u>	<u>\$ 4,413,727.00</u>	

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Balance Dec. 31, 2013</u>	<u>Matured</u>	<u>Balance Dec. 31, 2014</u>
General Improvement	10/10/2001	\$ 6,408,000.00	<u>\$ 638,000.00</u>	<u>\$ 638,000.00</u>	<u>\$ -0-</u>
		<u>Ref.</u>	C		C

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
01-16	Improvements to Delaware Heights Park	\$ 165,122.71	\$ 12,304.56	\$ 152,818.15
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2014

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 152,818.15
7	1/11/15	\$ 1,528.18	\$ 6,244.72	146,573.43
8	7/11/15	1,465.73	6,307.17	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>\$ 18,185.65</u>	<u>\$ 152,818.15</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Notes Paid by Budget Appropriation	Bond Anticipation Notes Matured	Bond Anticipation Notes Issued	Balance Dec. 31, 2014
04-08	Various Capital Improvements			\$ 150,000.00	\$ 150,000.00		
05-18	Various Capital Improvements			125,000.00	275,000.00	\$ 150,000.00	
06-20	Various Capital Improvements			460,000.00	875,000.00	415,000.00	
06-32	Various Local Improvements	\$ 4,594,160.01					\$ 4,594,160.01
07-07	Various Capital Improvements			65,000.00	415,000.00	350,000.00	
08-12	Various Capital Improvements			79,000.00	559,000.00	480,000.00	
09-10	Various Capital Improvements			29,428.00	464,428.00	435,000.00	
10-10	Various Capital Improvements			20,000.00	452,000.00	432,000.00	
11-09	Various Capital Improvements			18,174.00	658,174.00	640,000.00	
12-07	Various Capital Improvements			5,125.00	565,125.00	560,000.00	
13-10	Various Capital Improvements	484,969.00				484,969.00	
14-11	Various Capital Improvements		\$ 1,112,545.00				1,112,545.00
14-23	Various Roadway Improvements		332,500.00				332,500.00
		<u>\$ 5,079,129.01</u>	<u>\$ 1,445,045.00</u>	<u>\$ 951,727.00</u>	<u>\$ 4,413,727.00</u>	<u>\$ 3,946,969.00</u>	<u>\$ 6,039,205.01</u>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2014
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

		<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 1,792,368.98	\$ 4,282,614.71
Increased by Receipts:			
Utility Collector		\$ 1,596,131.83	
Sewer Rents - Other Municipalities		2,100,152.37	
Nonbudget Revenue		302,081.12	
Due from Sewer Utility Capital Fund:			
Partial Settlement of Prior Year Interfund		689.80	
2014 Budget Appropriation:			
Capital Improvement Fund			\$ 630,000.00
Environmental Infrastructure Loan Receivable:			
Fund Loan			1,203,505.00
Trust Loan			401,168.00
Due to Sewer Utility Operating Fund:			
Interest Earned			640.15
		<u>3,999,055.12</u>	<u>2,235,313.15</u>
		5,791,424.10	6,517,927.86
Decreased by Disbursements:			
2014 Appropriation Expenditures		3,272,676.20	
2013 Appropriation Reserves		18,757.68	
Accrued Interest on Loans		43,665.57	
Accrued Interest on Notes		91.67	
Bond Anticipation Notes Payable			275,000.00
Prior Year Encumbrances			171,117.21
Improvement Authorization Expenditures			1,406,085.86
Due to Current Fund:			
Anticipated Revenue - 2014 Budget		300,000.00	
Due to Sewer Utility Operating Fund:			
Partial Settlement of Prior Year Interfund			689.80
		<u>3,635,191.12</u>	<u>1,852,892.87</u>
Balance December 31, 2014	E	<u>\$ 2,156,232.98</u>	<u>\$ 4,665,034.99</u>

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

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2014		
		Budget	Miscellaneous	Miscellaneous	Bond	Improvement	From		To	
		Appropriation			Anticipation	Authorizations				
Capital Improvement Fund	\$ 1,467,671.46	\$ 630,000.00					\$ 61,835.00	\$ 478,546.86	\$ 2,514,383.32	
Due to/(from) Sewer Utility Operating Fund	781.47		\$ 640.15	\$ 689.80					731.82	
NJ Environmental Infrastructure Loan Receivable: Trust	(162,574.82)		401,168.00				1,952,500.00		(1,713,906.82)	
NJ Environmental Infrastructure Loan Receivable: Fund			1,203,505.00				5,857,500.00		(4,653,995.00)	
Encumbrances Payable	171,117.21			171,117.21				7,685,095.35	7,685,095.35	
Reserve for Sewer Improvements	34,952.00								34,952.00	
Reserve for VFD Replacement/Rewire										
Reserve for Receivable	28,588.82							47,500.00	76,088.82	
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								
02-12	Services Associated with New Sanitary Sewer Outfall in the Delaware River						56,678.34			
		56,678.34								
03-01	Additional Services for Wastewater Treatment Management Plan								9,567.25	
		9,567.25								
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant						7,358.00			
		7,358.00								
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant						1,302.00			
		1,302.00								
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities					\$ 11,194.84	7,705.16		25,924.01	
		44,824.01								
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities					9,003.10	10,542.90		176,677.95	
		196,223.95								
09-13	Improvements to Town Sewage Treatment Plant								436,943.69	
		436,943.69								
10-02	Purchase of Backhoe						1,808.52			
		1,808.52								
11-12	Purchase of Front End Loader						21,400.00			
		21,400.00								
12-08	Capital Purchases					33,916.95	529,559.30		868,916.75	
		1,432,393.00								
13-17	Construction Phase Services for the Wastewater Treatment Plant Upgrades & Outfall Relocation						390,000.00			
		390,000.00								
13-20	Improvements to Sewage Treatment Plant				\$ 275,000.00	1,312,370.82	5,776,113.49	7,762,500.00	348,025.45	
		(50,990.24)								
14-08	Raw Water Influent Pump						38,635.00	38,635.00		
14-12	Pick Up Truck and Equipment					23,200.00		23,200.00		
14-20	Improvements to Town Sewage Treatment Plant					16,400.15	1,322,539.50		(1,338,939.65)	
		<u>\$ 4,282,614.71</u>	<u>\$ 630,000.00</u>	<u>\$ 1,605,313.15</u>	<u>\$ 171,807.01</u>	<u>\$ 275,000.00</u>	<u>\$ 1,406,085.86</u>	<u>\$ 16,035,477.21</u>	<u>\$ 16,035,477.21</u>	<u>\$ 4,665,034.99</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 54,084.22
Increased by:		
Consumer Accounts Receivable		\$ 1,572,530.41
Interest on Sewer Rents		11,744.39
Interest on Investments		370.15
Other Miscellaneous Revenue not Anticipated		<u>0.01</u>
		<u>1,584,644.96</u>
		<u>1,638,729.18</u>
Decreased by:		
Disbursed to Sewer Treasurer		<u>1,596,131.83</u>
Balance December 31, 2014	E	<u><u>\$ 42,597.35</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 153,317.40
Increased by:		
Sewer Rents Levied		1,573,164.17
		<u>1,726,481.57</u>
Decreased by:		
Collections:		
Transfer to Sewer Liens Receivable		\$ 467.00
Sewer Collector - Cash Received		1,572,530.41
		<u>1,572,997.41</u>
Balance December 31, 2014	E	<u><u>\$ 153,484.16</u></u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,021.08
Increased by:		
Transfer from Consumer Accounts Receivable		\$ 467.00
Interest and Costs Accrued at Tax Sale		41.88
		<u>508.88</u>
Balance December 31, 2014	E	<u><u>\$ 1,529.96</u></u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Sewer Treatment Plant	\$ 26,585,386.85	\$ 66,340.00	\$ 26,651,726.85
Various Capital Improvements	187,459.91	14,421.66	201,881.57
General Equipment	426,102.19	249,991.48	676,093.67
	<u>\$ 27,198,948.95</u>	<u>\$ 330,753.14</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, 2013	2014 Authorizations	Costs to Fixed Capital	Improvement Authorizations Cancelled	Balance Dec. 31, 2014
01-13	06/05/01	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement of Pump	\$ 96,000.00				\$ 96,000.00
02-12	08/06/02	Services Associated With New Sanitary Sewer Outfall in the Delaware River	71,100.00		\$ 14,421.66	\$ 56,678.34	
03-01	01/21/03	Additional Services for Wasterwater Management Plan	15,500.00				15,500.00
04-10	04/06/04	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	45,000.00		37,642.00	7,358.00	
04-26	10/05/04	Purchase of a Sutor Blower for the Wastewater Treatment Plant	30,000.00		28,698.00	1,302.00	
05-19	05/03/05	General Improvements to the Wastewater Treatment Plant and Associated Facilities	525,000.00				525,000.00
06-21	05/02/06	General Improvements to the Wastewater Treatment Plant and Associated Facilities					
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
10-02	03/16/10	Purchase of Backhoe	100,000.00		98,191.48	1,808.52	0.00
11-12	06/21/11	Purchase of Front End Loader	150,000.00		128,600.00	21,400.00	
12-08	04/17/12	Capital Purchases	1,800,000.00				1,800,000.00
13-17	09/17/13	Construction Phase Services for the Wastewater Treatment Plant Upgrades & Outfall Relocation	390,000.00			390,000.00	
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
14-12	05/20/14	Pick Up Truck and Equipment		23,200.00	23,200.00		
14-20	10/07/14	Improvements to Town Sewage Treatment Plant		2,077,000.00			2,077,000.00
			<u>\$ 17,339,900.00</u>	<u>\$ 2,138,835.00</u>	<u>\$ 330,753.14</u>	<u>\$ 478,546.86</u>	<u>\$ 18,669,435.00</u>

Ref.

E

E

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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	\$ 19,011.46	\$ 19,011.46	\$ 4,220.50	\$ 14,790.96
Other Expenses	228,063.14	228,063.14	13,980.34	214,082.80
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	6,485.54	6,485.54		6,485.54
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	2,997.68	2,997.68	556.84	2,440.84
	<u>\$ 256,557.82</u>	<u>\$ 256,557.82</u>	<u>\$ 18,757.68</u>	<u>\$ 237,800.14</u>

Ref.Analysis of Balance December 31, 2013

Unencumbered	E	\$ 251,765.08
Encumbered	E	<u>4,792.74</u>
		<u>\$ 256,557.82</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue			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		
02-12	Services Associated With New Sanitary Sewer Outfall in Delaware River	08/06/02	71,100.00	56,678.34					\$ 56,678.34			
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00	9,567.25							9,567.25	
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	04/06/04	45,000.00	7,358.00					7,358.00			
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant	10/05/04	30,000.00	1,302.00					1,302.00			
05-19	General Improvements to the Wastewater Treatment Plant and Associated Facilities	05/03/05	525,000.00	44,824.01				\$ 18,900.00			25,924.01	
07-12	General Improvements to the Wastewater Treatment Plant and Associated Facilities	07/17/07	394,550.00	196,223.95				19,546.00			176,677.95	
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
10-02	Purchase of Backhoe	03/16/10	100,000.00	1,808.52					1,808.52			
11-12	Purchase of Front End Loader	06/21/11	150,000.00	21,400.00					21,400.00			
12-08	Capital Purchases	04/17/12	1,800,000.00	1,432,393.00				563,476.25			868,916.75	
13-17	Construction Phase Services for the Wastewater Treatment Plant Upgrades & Outfall Relocation	09/17/13	390,000.00	390,000.00					390,000.00			
13-20	Improvements to Sewage Treatment Plant	10/15/13	7,907,500.00		7,581,509.76			7,088,484.31			348,025.45	145,000.00
14-08	Raw Water Influent Pump	03/18/14	38,635.00			\$ 38,635.00		38,635.00				
14-12	Pick Up Truck and Equipment	05/20/14	23,200.00			23,200.00		23,200.00				
14-20	Improvements to Town Sewage Treatment Plant	10/07/14	2,077,000.00				\$ 2,077,000.00	1,338,939.65				738,060.35
				<u>\$ 2,608,728.72</u>	<u>\$ 7,769,099.76</u>	<u>\$ 61,835.00</u>	<u>\$ 2,077,000.00</u>	<u>\$ 9,091,181.21</u>	<u>\$ 478,546.86</u>	<u>\$ 1,876,285.06</u>	<u>\$ 1,070,650.35</u>	
		<u>Ref</u>	<u>E</u>	<u>E</u>						<u>E</u>	<u>E</u>	
								Cash Disbursed	\$ 1,406,085.86			
								Encumbrances	7,685,095.35			
									<u>\$ 9,091,181.21</u>			
								Capital Improvement Fund	<u>\$ 478,546.86</u>			

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,467,671.46
Increased by:		
2014 Budget Appropriation	\$	630,000.00
Improvement Authorizations Cancelled		478,546.86
		<u>1,108,546.86</u>
		<u>2,576,218.32</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>61,835.00</u>
Balance December 31, 2014	E	<u>\$ 2,514,383.32</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 27,612,617.08
Increased by:		
NJ Environmental Infrastructure Trust Loans Paid by Operating Budget	\$	270,468.81
NJ Environmental Infrastructure Trust Loans Credited by NJ Environmental Infrastructure Trust		55,000.00
Transferred from Deferred Reserve for Amortization		330,753.14
		<u>656,221.95</u>
Balance December 31, 2014	E	<u>\$ 28,268,839.03</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	2014 Authorization	Authorizations Cancelled	Transferred to Reserve for Amortization	Balance Dec. 31, 2014
01-13	Preparation of Limit Analysis Study, Wastewater Management Plan, Purchase of Sewer Router and Replacement of Pump	06/19/01	\$ 96,000.00				\$ 96,000.00
02-12	Services Associated With New Sanitary Sewer Outfall in the Delaware River	08/06/02	71,100.00		\$ 56,678.34	\$ 14,421.66	
03-01	Additional Services for Wastewater Management Plan	01/21/03	15,500.00				15,500.00
04-10	Replacement of SBR Blower and PS-1 Pump A at the Wastewater Treatment Plant	04/06/04	45,000.00		7,358.00	37,642.00	
04-26	Purchase of a Sutor Blower for the Wastewater Treatment Plant	10/05/04	30,000.00		1,302.00	28,698.00	
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
10-02	Purchase of Backhoe	03/16/10	100,000.00		1,808.52	98,191.48	0.00
11-12	Purchase of Front End Loader	06/21/11	150,000.00		21,400.00	128,600.00	
12-08	Capital Purchases	04/17/12	1,800,000.00				1,800,000.00
13-17	Construction Phase Services for the Wastewater Treatment Plant Upgrades & Outfall Relocation	09/17/13	390,000.00		390,000.00		
14-08	Raw Water Influent Pump	03/18/14		\$ 38,635.00			38,635.00
14-12	Pick Up Truck and Equipment	05/20/14		23,200.00		23,200.00	
			<u>\$ 6,445,590.00</u>	<u>\$ 61,835.00</u>	<u>\$ 478,546.86</u>	<u>\$ 330,753.14</u>	<u>\$ 5,698,125.00</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, 2013	E	\$ 1,235,000.00	\$ 1,150,551.87
Increased by:			
Issued		1,905,000.00	5,857,500.00
Decreased by:			
Loans Paid by Operating Budget			270,468.81
Credit Issued by NJ EIT		55,000.00	
Balance December 31, 2014	E	<u>\$ 3,085,000.00</u>	<u>\$ 6,737,583.06</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340874-04
TRUST LOAN OUTSTANDING DECEMBER 31, 2014

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 1,180,000.00
10	2/1/15	\$ 24,575.00		1,180,000.00
11	8/1/15	24,575.00	\$ 55,000.00	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-
		<u>\$ 413,450.00</u>	<u>\$ 1,180,000.00</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010 LOAN #S340874-04
FUND LOAN OUTSTANDING DECEMBER 31, 2014

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 1,078,642.38
10	2/1/15	\$ 23,969.83	1,054,672.55
11	8/1/15	47,939.66	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-
		<u>\$ 1,078,642.38</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, 2014

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 1,905,000.00
2	2/1/15	\$ 35,675.00		1,905,000.00
3	8/1/15	35,675.00	\$ 70,000.00	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>\$ 739,187.50</u>	<u>\$ 1,905,000.00</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, 2014

Payment Number	Maturity Date	Principal	Balance of Loan
			\$ 5,658,940.68
2	2/1/15	\$ 99,279.66	5,559,661.02
3	8/1/15	198,559.32	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>\$ 5,658,940.68</u>	

TOWNSHIP OF PHILLIPSURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2014

Improvement Description	Ord. No.	Date of			Interest Rate	Balance		Balance Dec. 31, 2014
		Issue of Original Note	Issue	Maturity		Dec. 31, 2013	Matured	
Improvements to Sewage Treatment Plant	13-20	12/23/13	12/23/13	08/20/14	1.00%	<u>\$ 275,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ -0-</u>
					<u>Ref.</u>	E		E

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2014

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, 2013	2014 Authorization	Bond Anticipation Notes Matured	NJ Environmental Infrastructure Loan Issued	Balance Dec. 31, 2014
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	7,632,500.00		\$ 275,000.00	\$ 7,762,500.00	145,000.00
14-20	10/07/14	Improvements to Town Sewage Treatment Plant		\$2,077,000.00			2,077,000.00
			<u>\$7,820,090.00</u>	<u>\$2,077,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ 7,762,500.00</u>	<u>\$2,409,590.00</u>

TOWN OF PHILLIPSBURG

PART II – SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

TOWN OF PHILLIPSBURG
 SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

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
					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	\$ 1,688,297.00 1,811,857.00 67,130.28	01/01/14 01/01/07 Prior Years	12/31/14 12/31/14 12/31/14	\$ 1,688,297.00 10,156.89 67,130.28	\$ 1,688,297.00 1,811,857.00 67,130.28	
Total Department of Housing and Urban Development				<u>3,567,284.28</u>			<u>1,688,297.00</u>	<u>1,765,584.17</u>	<u>3,567,284.28</u>
<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	12/31/15	2,912.70		
Total Department of the Interior				<u>2,912.70</u>			<u>2,912.70</u>		
<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: Local Aid Infrastructure Fund: 2014 - South Main St. Phase VI	078-6320-480-ALx-60916x	450,000.00	01/01/14	12/31/14		450,000.00	450,000.00
Total Highway Planning and Construction Cluster				<u>450,000.00</u>				<u>450,000.00</u>	<u>450,000.00</u>
(Passed thru NJ Department of Law and Public Safety)	20.616	Drive Sober or Get Pulled Over: 2013 Holiday Crackdown 2014 Statewide Labor Day Crackdown 2014 Year End Holiday Crackdown	066-1160-100-157-031020 066-1160-100-157-031020 066-1160-100-157-031020	4,400.00 5,000.00 7,500.00 16,900.00	01/01/13 01/01/14 01/01/14	12/31/14 12/31/14 12/31/15	3,788.67 4,635.96 2,573.60 8,424.63	2,485.91 4,635.96 2,573.60 9,695.47	3,792.70 4,635.96 2,573.60 11,002.26
	20.616	Click It or Ticket - 2014 Seatbelt Mobilization	066-1160-100-155-031000	4,000.00	01/01/14	12/31/14	3,910.72	3,910.72	3,910.72
Total Department of Transportation				<u>470,900.00</u>			<u>12,335.35</u>	<u>463,606.19</u>	<u>464,912.98</u>
<u>U.S. Department of Homeland Security</u> (Passed Through NJ Department of Law and Public Safety)	97.036	Disaster Grants - Public Assistance - FEMA: Super Storm Sandy	066-1200-100-A92-068280	11,272.96	01/01/12	12/31/12	11,272.96	11,272.96 *	93,749.44
	97.042	Office of Emergency Management - Emergency Management Grant	N/A N/A	5,000.00 5,000.00 10,000.00	01/01/12 01/01/11	12/31/15 12/31/14		4,537.52 222.82 4,760.34	4,537.52 5,000.00 9,537.52
Total U.S. Department of Homeland Security				<u>21,272.96</u>			<u>11,272.96</u>	<u>16,033.30</u>	<u>103,286.96</u>
Total Federal Awards				<u>\$ 4,062,369.94</u>			<u>\$ 1,714,818.01</u>	<u>\$ 2,245,223.66</u>	<u>\$ 4,135,484.22</u>

* Expended in 2012.

N/A - Not Available/Applicable

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

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

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		\$ 2,792.55	\$ 8,377.98
			11,217.08	01/01/14	12/31/15	\$ 11,217.08	3,780.88	3,780.88
			19,736.75			11,217.08	6,573.43	12,158.86
	Body Armor Replacement Grant	718-066-1020-001-6120	3,417.34	01/01/11	12/31/14		754.54	3,417.34
			3,482.26	01/01/12	12/31/14		1,694.56	3,482.26
			3,564.80	01/01/13	12/31/14		2,315.15	2,315.15
8,230.94			01/01/14	12/31/15	3,621.00			
			18,695.34			3,621.00	4,764.25	9,214.75
Total Department of Law and Public Safety			38,432.09			14,838.08	11,337.68	21,373.61
<u>N.J. Highlands Council</u>	Plan Conformance Grant	N/A	217,800.00	01/01/09	12/31/14	44,877.64	50,666.76	209,768.28
Total N.J. Highlands Council			217,800.00			44,877.64	50,666.76	209,768.28
<u>Department of Labor and Workforce Development</u>	N.J. Youth Corps - 2013 - ALWY14N	100-062-4545-095-6140	529,294.00	07/01/13	06/30/14	278,067.00	394,078.00	529,294.00
			529,336.00	07/01/14	06/30/15	257,902.00	208,250.00	208,250.00
	N.J. Youth Corps - 2014 - ALWY15N	100-062-4545-095-6140						
Total Department of Labor and Workforce Development			1,058,630.00			535,969.00	602,328.00	737,544.00
<u>Department of Treasury</u>	Governor's Council on Alcoholism and Drug Abuse - Passed through the County of Warren	100-082-2000-044-995120	17,952.00	01/01/13	06/30/14	11,651.07	6,329.07	17,829.63
Total Department of Treasury			17,952.00			11,651.07	6,329.07	17,829.63
<u>Department of Community Affairs</u>	Domestic Violence Training Reimbursement Funds	N/A	3,128.00	01/01/02	12/31/15		155.00	155.00
Total Department of Community Affairs			3,128.00				155.00	155.00

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

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: Trust Loan Fund Loan	S340874-05	\$ 1,952,500.00	05/01/14	05/01/17	\$ 401,168.00	\$ 460,649.00	\$ 460,649.00	
		S340874-05	5,857,500.00	05/01/14	05/01/17	1,203,505.00	1,381,949.00	1,381,949.00	
			<u>7,810,000.00</u>			<u>1,604,673.00</u>	<u>1,842,598.00</u>	<u>1,842,598.00</u>	
	Clean Communities Grant		765-042-4900-	26,352.57	01/01/12	12/31/14		2.93	25,835.21
			004-6020	30,332.62	01/01/13	12/31/14		11,783.13	30,332.62
				28,446.65	01/01/14	12/31/15	28,446.65	21,647.14	21,647.14
				<u>85,131.84</u>			<u>28,446.65</u>	<u>33,433.20</u>	<u>77,814.97</u>
	Recycling Tonnage Grant		752-042-4900-	7,280.46	01/01/07	12/31/14		19.69	7,280.46
			001-6020	15,577.81	01/01/08	12/31/15		3,932.81	15,467.81
				34,003.21	01/01/09	12/31/15		8,771.00	8,771.00
				22,521.00	01/01/12	12/31/15		272.00	272.00
				21,700.53	01/01/14	12/31/15	21,700.53		
		<u>101,083.01</u>			<u>21,700.53</u>	<u>12,995.50</u>	<u>31,791.27</u>		
	Total Department of Environmental Protection			<u>7,996,214.85</u>			<u>1,654,820.18</u>	<u>1,889,026.70</u>	<u>1,952,204.24</u>
	Total State Awards			<u>\$ 9,332,156.94</u>			<u>\$ 2,262,155.97</u>	<u>\$ 2,559,843.21</u>	<u>\$ 2,938,874.76</u>

N/A - Not Available

TOWN OF PHILLIPSBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

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, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. THRESHOLD FOR FEDERAL AND STATE AWARDS

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

E. COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM

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

F. GREEN ACRES LOANS PAYABLE

At December 31, 2014, the Town has a \$152,818.15 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, 2014
(Continued)

G. NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

At December 31, 2014, the Town has \$3,085,000.00 and \$6,737,583.06 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, 2014, the Town has drawn down \$4,204,874.00 of the \$10,561,720.00 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 project which relates to the 2014 loans is in progress and is expected to be completed in 2015.



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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, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated March 13, 2015. 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

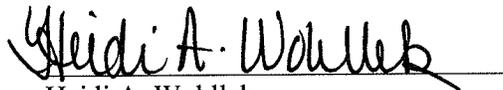
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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
March 13, 2015

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 OMB Circular A-133
and New Jersey's OMB Circular 04-04

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 Circular A-133 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, 2014. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2014.

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 OMB Circular A-133 and NJOMB 04-04, 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.

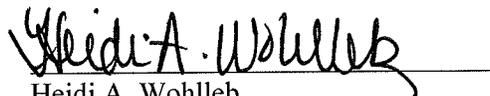
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 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 that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
March 13, 2015

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, 2014

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- 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 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Town's programs tested 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	\$ 1,765,584.17
<u>State:</u>		
NJ Environmental Infrastructure Trust Loan Program	S340874-05	1,842,598.00

- The threshold used for distinguishing between Type A and Type B for both federal and state programs was \$300,000.
- The Township was determined to be a "low-risk" auditee for both federal and state programs.

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.

TOWN OF PHILLIPSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in New Jersey's OMB Circular 04-04 or Federal OMB Circular A-133.

TOWN OF PHILLIPSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

There were no prior year findings.

TOWN OF PHILLIPSBURG

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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.

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 23, 2014, 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>
2014	24
2013	18
2012	32

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 2015 Taxes	20
Payments of 2014 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 2014 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2014</u>
State of New Jersey	\$ 9,240.40	\$ 138,948.36	\$ 135,479.54	\$ 12,709.22
County	8,337.00	98,696.16	100,008.16	7,025.00
Municipality	22,497.75	291,622.74	294,466.00	19,654.49
Municipality - POAA	34.00	262.00	280.00	16.00
Conditional Discharge	5.00	1,245.00	1,081.00	169.00
Public Defender	300.00	5,375.00	5,225.00	450.00
Weights and Measures	700.00	4,400.00	5,100.00	
Restitution	40.00	683.29	603.00	120.29
	<u>\$ 41,154.15</u>	<u>\$ 541,232.55</u>	<u>\$ 542,242.70</u>	<u>\$ 40,144.00</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. 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 is in the process of reviewing uncollectible delinquent balances for cancellation. Therefore, a formal recommendation is not judged to be warranted.

Management Suggestions

Surety Bond

Even though the required surety bond coverage for the Tax/Sewer Rent Collector is sufficient, the actual coverage is below the calculated recommended coverage of \$360,300. Consideration should be given to increasing the surety bond coverage for the Tax/Sewer Rent Collector to the recommended coverage of \$360,300.

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 continued use of pre-numbered permits by the Public Works Department.

Corrective Action Plan

There were no recommendations from the 2013 audit.

TOWN OF PHILLIPSBURG
SUMMARY OF RECOMMENDATIONS

NONE
