

TOWN OF PHILLIPSBURG

COUNTY OF WARREN

REPORT OF AUDIT

2021

*NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
REPORT OF AUDIT
2021

TOWN OF PHILLIPSBURG
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TOWN OF PHILLIPSBURG
PART I
FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2021

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Town of Phillipsburg (the “Town”), in the County of Warren as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Town as of December 31, 2021 and 2020, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”).

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 section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Town as of December 31, 2021 and 2020, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Town on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than

accounting principles generally accepted in the United State of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
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Supplementary Information

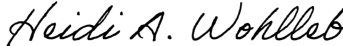
Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Town's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group 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 and account group financial statements or to the various fund and account group 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 various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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
June 28, 2022


NISIVOCCIA LLP



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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 11,549,516.67	\$ 8,985,105.02
Cash - Collector	A-5	141,048.41	2,340,347.03
Cash - Clerk	A-5a	7,204.23	6,132.10
Change Funds		1,969.00	1,869.00
Petty Cash		250.00	250.00
		<u>11,699,988.31</u>	<u>11,333,703.15</u>
Receivables and Other Assets With			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	864,299.36	950,009.48
Tax Title Liens Receivable	A-8	190,407.41	174,669.86
Property Acquired for Taxes at Assessed			
Valuation		2,002,100.00	1,967,900.00
Municipal Lien Charges Receivable	A-8a	61,518.64	77,748.19
Municipal Charges Receivable	A-8b	123,592.72	9,347.50
Revenue Accounts Receivable	A-9	26,689.72	5,905.31
Due from:			
General Capital Fund	C	350.26	852.22
Animal Control Fund	B	526.80	7.00
Other Trust Funds	B	611.83	
Claims Account		304.16	980.40
Payroll Accounts		45.43	366.19
Total Receivables and Other Assets			
With Full Reserves	A	<u>3,270,446.33</u>	<u>3,187,786.15</u>
Deferred Charges:			
Special Emergency Authorization		480,000.00	520,000.00
		<u>480,000.00</u>	<u>520,000.00</u>
Total Regular Fund		<u>15,450,434.64</u>	<u>15,041,489.30</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	1,207,532.04	1,820,814.67
Due from Current Fund	A	1,720,242.97	532,920.43
		<u>2,927,775.01</u>	<u>2,353,735.10</u>
<u>TOTAL ASSETS</u>		<u>\$ 18,378,209.65</u>	<u>\$ 17,395,224.40</u>

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

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 1,539,070.52	\$ 952,441.41
Encumbered	A-3;A-11	178,998.33	237,154.34
Total Appropriation Reserves		1,718,068.85	1,189,595.75
Accounts Payable - Vendors		44,570.09	36,997.94
Prepaid Taxes		323,377.93	397,083.75
Tax Overpayments		7,265.24	2,373.70
County Taxes Payable		7,797.26	6,774.63
County Taxes Payable - Payment in Lieu of Taxes			5,544.93
Local School Taxes Payable	A-12	2,640,858.02	2,546,913.50
Due to:			
Federal and State Grant Fund	A	1,720,242.97	532,920.43
Other Trust Funds	B		556,322.03
Other Trust Funds - Municipal Open Space	B	224.77	
State of New Jersey:			
Senior Citizen and Veteran Deductions		40,027.44	41,121.27
Marriage License Fees		1,548.00	1,273.00
DCA - Construction Code		120,136.00	1,741.00
Dog License Fees		534.00	1.20
Reserve for:			
Library		29,504.52	104,946.89
Sale of Municipal Assets		515,808.19	1,441,396.19
Redemption of Outside Liens		6,058.10	252.78
Revaluation		251.02	2,376.02
Tax Appeals		225,318.36	267,919.89
Digital Tax Maps		13,710.00	13,710.00
		7,415,300.76	7,149,264.90
Reserve for Receivables and Other Assets	A	3,270,446.33	3,187,786.15
Fund Balance	A-1	4,764,687.55	4,704,438.25
Total Regular Fund		15,450,434.64	15,041,489.30
Federal and State Grant Fund:			
Appropriated Reserves	A-13	2,171,390.01	2,146,613.70
Unappropriated Reserves	A-14	688,917.01	
Reserve for Encumbrances	A-13	67,467.99	207,121.40
Total Federal and State Grant Fund		2,927,775.01	2,353,735.10
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 18,378,209.65</u>	<u>\$ 17,395,224.40</u>

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

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

		Year Ended December 31,	
	<u>Ref.</u>	2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,770,000.00	\$ 1,485,000.00
Miscellaneous Revenue Anticipated		7,096,123.26	5,885,610.21
Receipts from:			
Delinquent Taxes		940,313.26	979,403.52
Current Taxes		28,146,792.64	27,821,505.83
Nonbudget Revenue		676,326.84	627,128.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		236,212.53	330,024.62
Cancellation of Federal and State Grant Fund			
Appropriated Reserves		687,106.96	
Cancellation of Tax Overpayments		540.00	
Cancellation of Accounts Payable		14,930.61	
Interfunds and Other Receivables Returned		2,205.81	833.45
Total Income		<u>39,570,551.91</u>	<u>37,129,506.03</u>
<u>Expenditures</u>			
Budget Appropriations		19,200,629.95	18,179,477.73
County Taxes		4,940,179.62	4,882,111.41
Municipal Open Space Taxes		142,637.02	142,463.12
Local School District Taxes		12,848,802.00	12,660,913.00
Refund of Prior Year Revenue		1,025.00	14,796.34
Cancellation of Federal and State Grant Fund Receivables		604,440.54	
Prior Year Senior Citizens' Deductions Disallowed		750.00	1,810.27
Interfunds and Other Receivables Advanced		1,838.48	2,205.81
Total Expenditures		<u>37,740,302.61</u>	<u>35,883,777.68</u>
Excess in Revenue		1,830,249.30	1,245,728.35
Adjustments before Fund Balance:			
Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years			400,000.00
Statutory Excess to Fund Balance		1,830,249.30	1,645,728.35
<u>Fund Balance</u>			
Balance January 1		<u>4,704,438.25</u>	<u>4,543,709.90</u>
		6,534,687.55	6,189,438.25
Decreased by:			
Utilized as Anticipated Revenue		<u>1,770,000.00</u>	<u>1,485,000.00</u>
Balance December 31	A	<u>\$ 4,764,687.55</u>	<u>\$ 4,704,438.25</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, 2021

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 1,770,000.00		\$ 1,770,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	34,000.00		33,630.00	\$ 370.00 *
Other	2,000.00		1,608.00	392.00 *
Fees and Permits	200,000.00		178,142.70	21,857.30 *
Fines and Costs:				
Municipal Court	130,000.00		100,870.43	29,129.57 *
Interest and Costs on Taxes	190,000.00		193,793.21	3,793.21
Parking Meters	4,980.00		8,206.58	3,226.58
Interest on Investments and Deposits	100,000.00		55,291.89	*
Payment in Lieu of Taxes - Federal Housing Project	168,525.00		158,899.90	9,625.10 *
Payment in Lieu of Taxes - Sewage Treatment	83,500.00		66,000.00	17,500.00 *
Payment in Lieu of Taxes - Phillipmain, LLC	5,684.00		1,806.05	3,877.95 *
Payment in Lieu of Taxes - Bridge	214,290.00		212,289.17	2,000.83 *
Consolidated Municipal Property Tax Relief Aid	176,674.00		176,674.00	
Energy Receipts Tax	1,828,727.00		1,828,727.00	
Uniform Construction Code Fees	600,000.00		944,962.00	344,962.00
Shared Service Agreement - Borough of Alpha:				
Police Services	425,000.00		389,583.26	35,416.74 *
Municipal Court	23,400.00		17,550.00	5,850.00 *
Recycling Tonnage Grant		\$ 20,130.00	20,130.00	
Municipal Alliance on Alcoholism and Drug Abuse		5,936.00	5,936.00	
2021 School Resource Officer		223,000.00	223,000.00	
Station House Adjustment Program		14,476.00	14,476.00	
N.J. Youth Corps - 2021 - ALWY22N		416,000.00	416,000.00	
Drunk Driving Enforcement Fund		13,654.16	13,654.16	
Clean Communities Program		34,708.14	34,708.14	
Body Armor Replacement Grant:		2,955.31	2,955.31	
Body Worn Camera Grant - Federal		20,000.00	20,000.00	
Body Worn Camera Grant - State		61,140.00	61,140.00	
Distracted Driving Crackdown		7,500.00	7,500.00	
Elizabethtown Gas Road Improvements		796,162.76	796,162.76	
American Rescue Plan - Police Radios		63,502.74	63,502.74	
Aqua Road Improvement Donations		32,000.00	32,000.00	
Reserve for Sale of Municipal Assets	940,000.00		940,000.00	
Cable TV Franchise Fees	52,648.00		52,648.00	
Capital Fund Balance	24,275.96		24,275.96	
Total Miscellaneous Revenue	5,203,703.96	1,711,165.11	7,096,123.26	\$ 181,254.19

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Receipts from Delinquent Taxes	<u>\$ 900,000.00</u>		<u>\$ 940,313.26</u>	<u>\$ 40,313.26</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	10,828,012.30		11,424,663.26	596,650.96
Minimum Library Tax	<u>248,995.72</u>		<u>248,995.72</u>	
	<u>11,077,008.02</u>		<u>11,673,658.98</u>	<u>596,650.96</u>
Budget Totals	18,950,711.98	\$ 1,711,165.11	21,480,095.50	818,218.41
Nonbudget Revenue			676,326.84	676,326.84
	<u>\$ 18,950,711.98</u>	<u>\$ 1,711,165.11</u>	<u>\$ 22,156,422.34</u>	<u>\$ 1,494,545.25</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Allocation of Current Tax Collections

Collections		\$ 28,146,792.64
Allocated to:		
County Taxes	\$ 4,932,382.36	
Due to County for Added and Omitted Taxes	7,797.26	
Municipal Open Space Taxes	142,637.02	
School Taxes	<u>12,848,802.00</u>	
		<u>17,931,618.64</u>
		10,215,174.00
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,458,484.98</u>
Realized for Support of Municipal Budget		<u><u>\$ 11,673,658.98</u></u>

Interest on Investments and Deposits:

Cash Received - Treasurer	\$ 36,637.44
Cash Received - Collector	17,251.11
Cash Received - Clerk	91.66
Due from Other Trust Funds	611.83
Due from General Capital Fund	350.26
Due from Payroll Accounts	45.43
Due from Claims Account	<u>304.16</u>
	<u><u>\$ 55,291.89</u></u>

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Other Miscellaneous Receipts	\$	66,380.42	
Tax Lien Discharge Fees		3,500.00	
Payment in Lieu of Taxes - Bridge		13,790.37	
St. Luke's Hospital Contribution		154,477.65	
Cannabis Transfer Tax		138,574.04	
Administrative Fee - Senior Citizens and Veterans Deductions		1,695.49	
Police Outside Services - Administrative Fees		102,461.54	
Workers' Compensation and Other Insurance Refunds		67,532.06	
Pavilion Rental Fees		4,692.15	
Public Works Billings Reimbursements		2,714.64	
Gasoline Billings Reimbursements		24,707.38	
		<hr/>	\$ 580,525.74

Collector:

Municipal Charges Receivable Collections	16,316.70	
Tax Sale Costs	13,156.40	
	<hr/>	29,473.10

Cancellation of Tax Sale Premiums	66,328.00
	<hr/>
	<u>\$ 676,326.84</u>

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, 2021

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 131,000.00	\$ 131,000.00	\$ 124,179.29	\$ 6,820.71	
Other Expenses	81,800.00	81,500.00	46,912.21	34,587.79	
Mayor and Council:					
Salaries and Wages	45,820.00	45,820.00	44,834.86	985.14	
Other Expenses	12,350.00	12,350.00	6,665.84	5,684.16	
Municipal Clerk:					
Salaries and Wages	221,650.00	231,650.00	217,082.85	14,567.15	
Other Expenses	96,850.00	96,850.00	48,557.37	48,292.63	
Financial Administration:					
Salaries and Wages	168,575.00	173,575.00	158,854.74	14,720.26	
Other Expenses	34,675.00	44,675.00	32,306.60	12,368.40	
Audit Services	30,000.00	65,000.00	26,867.50	38,132.50	
Revenue Administration:					
Salaries and Wages	95,100.00	100,100.00	88,377.42	11,722.58	
Other Expenses	21,550.00	21,550.00	14,872.48	6,677.52	
Tax Assessment Administration:					
Salaries and Wages	155,900.00	155,900.00	149,379.78	6,520.22	
Other Expenses	19,000.00	19,000.00	16,957.96	2,042.04	
Legal Services:					
Other Expenses	350,000.00	340,000.00	244,907.43	95,092.57	
Engineering Services:					
Other Expenses	70,000.00	70,000.00	57,443.00	12,557.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS" (Continued):					
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	\$ 5,500.00	\$ 5,800.00	\$ 5,757.44	\$ 42.56	
Other Expenses	15,000.00	15,000.00	5,497.50	9,502.50	
PUBLIC SAFETY FUNCTIONS:					
Police Department:					
Salaries and Wages	4,362,935.00	4,362,935.00	3,995,326.87	367,608.13	
Other Expenses	175,000.00	175,000.00	143,924.31	31,075.69	
Emergency Management Services:					
Salaries and Wages	8,400.00	8,400.00	8,312.41	87.59	
Other Expenses	1,200.00	1,200.00	1,200.00		
Aid to Volunteer Fire Company	24,000.00	24,000.00	24,000.00		
Aid to First Aid Organization	15,000.00	15,000.00	15,000.00		
Fire Department:					
Salaries and Wages	15,200.00	15,200.00	15,041.65	158.35	
Other Expenses	73,900.00	73,900.00	70,951.31	2,948.69	
Supplemental Fire Services Program	7,000.00	7,000.00	7,000.00		
Municipal Prosecutor:					
Other Expenses	40,000.00	40,000.00	40,000.00		
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	607,700.00	607,700.00	545,595.80	62,104.20	
Other Expenses	370,700.00	290,700.00	206,448.58	84,251.42	
Other Public Works Functions:					
Salaries and Wages	37,755.00	37,755.00	33,640.14	4,114.86	
Other Expenses	16,325.00	16,325.00	4,464.61	11,860.39	
PEOSHA	20,000.00	20,000.00	9,754.63	10,245.37	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC WORKS FUNCTIONS (Continued):					
Solid Waste Collections:					
Salaries and Wages	\$ 534,350.00	\$ 534,350.00	\$ 483,178.57	\$ 51,171.43	
Other Expenses	13,500.00	13,500.00	9,142.30	4,357.70	
Buildings and Grounds:					
Salaries and Wages	447,500.00	447,500.00	418,208.15	29,291.85	
Other Expenses	165,250.00	165,250.00	86,933.12	78,316.88	
Vehicle Maintenance:					
Salaries and Wages	76,490.00	81,490.00	72,918.60	8,571.40	
Other Expenses	193,500.00	218,500.00	198,269.87	20,230.13	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Animal Control:					
Salaries and Wages	37,350.00	37,350.00	30,729.64	6,620.36	
Other Expenses	23,000.00	23,000.00	5,309.85	17,690.15	
Contributions to Social Services:					
Other Expenses	30,000.00	30,000.00	30,000.00		
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries and Wages	70,505.00	70,505.00	61,803.42	8,701.58	
Other Expenses	56,000.00	56,000.00	45,686.03	10,313.97	
Municipal Swimming Pool:					
Salaries and Wages	18,750.00	18,750.00	8,328.50	10,421.50	
Other Expenses	30,000.00	30,000.00	14,994.02	15,005.98	
Celebration of Public Events:					
Other Expenses	25,500.00	25,500.00	17,435.00	8,065.00	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	\$ 150,000.00	\$ 150,000.00	\$ 92,226.10	\$ 57,773.90	
Street Lighting	140,000.00	140,000.00	120,293.48	19,706.52	
Telephone	90,000.00	75,000.00	55,644.54	19,355.46	
Water	170,000.00	170,000.00	114,020.13	55,979.87	
Gas (Natural or Propane)	50,000.00	80,000.00	61,237.87	18,762.13	
Gasoline	175,000.00	175,000.00	161,453.82	13,546.18	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Waste Disposal:					
Other Expenses	600,000.00	600,000.00	578,732.69	21,267.31	
Municipal Court:					
Salaries and Wages	256,500.00	256,500.00	237,327.93	19,172.07	
Other Expenses	24,325.00	24,325.00	13,317.08	11,007.92	
Public Defender (P.L. 1997, C.256):					
Other Expenses	9,000.00	9,000.00	9,000.00		
INSURANCE:					
Liability Insurance	230,715.00	230,715.00	220,212.30	10,502.70	
Workers Compensation Insurance	332,000.00	332,000.00	331,823.62	176.38	
Employee Group Insurance	1,417,800.00	1,347,800.00	1,327,440.57	20,359.43	
Health Benefit Waivers	37,000.00	37,000.00		37,000.00	
UNIFORM CONSTRUCTION CODE:					
Code Enforcement:					
Salaries and Wages	434,950.00	454,950.00	424,289.92	30,660.08	
Other Expenses	36,000.00	51,000.00	43,226.70	7,773.30	
Total Operations Within "CAPS"	13,204,870.00	13,189,870.00	11,683,298.40	1,506,571.60	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Detail:					
Salaries and Wages	\$ 7,768,930.00	\$ 7,814,230.00	\$ 7,123,167.98	\$ 691,062.02	
Other Expenses	5,435,940.00	5,375,640.00	4,560,130.42	815,509.58	
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	375,097.00	375,097.00	375,097.00		
Social Security System (O.A.S.I.)	325,000.00	340,000.00	329,611.86	10,388.14	
Police and Firemen's Retirement System of NJ	1,292,880.00	1,292,880.00	1,292,879.00	1.00	
Unemployment Compensation Insurance	32,000.00	32,000.00	24,605.75	7,394.25	
Defined Contribution Retirement Program	13,000.00	13,000.00	8,553.47	4,446.53	
Total Deferred Charges and Statutory					
Expenditures - Municipal Within "CAPS"	2,037,977.00	2,052,977.00	2,030,747.08	22,229.92	
Total General Appropriations for Municipal					
Purposes Within "CAPS"	15,242,847.00	15,242,847.00	13,714,045.48	1,528,801.52	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	555,180.00	555,180.00	555,180.00		
Recycling Tax (P.L.2007, C.311)	26,000.00	26,000.00	17,997.00	8,003.00	
Shared Service Agreement - Borough of Alpha:					
Police Services	425,000.00	425,000.00	425,000.00		
Municipal Court	23,400.00	23,400.00	23,400.00		
Municipal Court - Facilities	27,500.00	27,500.00	27,500.00		
Board of Education - School Resource Officer		223,000.00	223,000.00		
(N.J.S.A. 40A:4-87 + \$223,000.00)					

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):						
Public and Private Program Offset by Revenue:						
Recycling Tonnage Grant						
(N.J.S.A. 40A:4-87 + \$20,130.00)		\$	20,130.00	\$ 20,130.00		
Matching Funds for Grants						
Municipal Alliance on Alcoholism and Drug Abuse:						
State (N.J.S.A. 40A:4-87 + \$5,936.00)	\$ 3,750.00		3,750.00	1,484.00	\$ 2,266.00	
Station House Adjustment Program						
(N.J.S.A. 40A:4-87 + \$14,476.00)			14,476.00	14,476.00		
Clean Communities Program						
(N.J.S.A. 40A:4-87 + \$34,708.14)			34,708.14	34,708.14		
N.J. Youth Corps - 2021 - ALWY22N						
(N.J.S.A. 40A:4-87 + \$416,000.00)			416,000.00	416,000.00		
Body Armor Replacement Grant:						
(N.J.S.A. 40A:4-87 + \$2,955.31)			2,955.31	2,955.31		
Drunk Driving Enforcement Grant						
(N.J.S.A. 40A:4-87 + \$13,654.16)			13,654.16	13,654.16		
Body Worn Camera Grant - Federal						
(N.J.S.A. 40A:4-87 + \$20,000.00)			20,000.00	20,000.00		
Body Worn Camera Grant - State						
(N.J.S.A. 40A:4-87 + \$61,140.00)			61,140.00	61,140.00		
Distracted Driving Crackdown Grant						
(N.J.S.A. 40A:4-87 + \$7,500.00)			7,500.00	7,500.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Operations Excluded from "CAPS":
Public and Private Program Offset by Revenue: (Cont'd)

American Rescue Plan - Police Radios
(N.J.S.A. 40A:4-87 + \$63,502.74)
Aqua Road Improvement Donations
(N.J.S.A. 40A:4-87 + \$32,000.00)
Elizabethtown Gas Road Improvement
(N.J.S.A. 40A:4-87 + \$796,162.76)

Total Operations Excluded from "CAPS"

Detail:

Other Expenses

Capital Improvements - Excluded from "CAPS":
Capital Improvement Fund

Total Capital Improvements Excluded from "CAPS"

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
		\$ 63,502.74	\$ 63,502.74		
		32,000.00	32,000.00		
		796,162.76	796,162.76		
	\$ 1,060,830.00	2,771,995.11	2,761,726.11	\$ 10,269.00	
	1,060,830.00	2,771,995.11	2,761,726.11	10,269.00	
	150,000.00	150,000.00	150,000.00		
	150,000.00	150,000.00	150,000.00		

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Deferred Charges:					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	40,000.00	40,000.00	40,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	525,000.00	525,000.00	525,000.00		
Payment of Bond Anticipation Notes	155,000.00	155,000.00	155,000.00		\$ 1,609.85
Interest on Bonds	142,000.00	142,000.00	140,390.15		1,053.06
Interest on Notes	56,000.00	56,000.00	54,946.94		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	15,550.00	15,550.00	15,545.79		4.21
Capital Lease Obligations	105,000.00	105,000.00	104,904.96		95.04
Total Municipal Debt Service Excluded from "CAPS"	998,550.00	998,550.00	995,787.84		2,762.16
Total General Appropriations Excluded from "CAPS"	2,249,380.00	3,960,545.11	3,947,513.95	\$ 10,269.00	2,762.16
Subtotal General Appropriations	17,492,227.00	19,203,392.11	17,661,559.43	1,539,070.52	2,762.16
Reserve for Uncollected Taxes	1,458,484.98	1,458,484.98	1,458,484.98		
Total General Appropriations	\$ 18,950,711.98	\$ 20,661,877.09	\$ 19,120,044.41	\$ 1,539,070.52	\$ 2,762.16
Ref.				A	

TOWN OF PHILLIPSBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	<u>Ref.</u>	Analysis of	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 18,950,711.98	
Added by:			
N.J.S.A. 40A:4-87		<u>1,711,165.11</u>	
		<u>\$ 20,661,877.09</u>	
Cash Disbursed			\$ 15,729,911.99
Reserve for Uncollected Taxes			1,458,484.98
Encumbrances	A		178,998.33
Deferred Charges - Special Emergency Authorization			40,000.00
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants			1,711,165.11
Local Matching Funds			<u>1,484.00</u>
			<u>\$ 19,120,044.41</u>

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
TRUST FUNDS

TOWN OF PHILLIPSBURG
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 11,625.92	\$ 11,388.72
		<u>11,625.92</u>	<u>11,388.72</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	3,826,997.05	3,102,150.49
Due from Current Fund - Municipal Open Space	A	224.77	556,322.03
Accounts Receivable (Police Outside Services)		46,334.05	9,954.18
Accounts Receivable (Engineer's Inspection Escrow)		9,505.00	
Community Development Revolving Loan			
Program Receivable		192,599.77	427,767.11
		<u>4,075,660.64</u>	<u>4,096,193.81</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,087,286.56</u>	<u>\$ 4,107,582.53</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 526.80	\$ 7.00
Reserve for Animal Control Expenditures	B-6	10,346.87	10,629.47
Reserve for Donation for Dog Park		752.25	752.25
		<u>11,625.92</u>	<u>11,388.72</u>

TOWN OF PHILLIPSBURG
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES AND RESERVES</u>			
Other Trust Funds:			
Due to Current Fund	A	\$ 611.83	
Reserve for:			
Federally Funded Housing Assistance			
Program (Section 8)		356,865.06	\$ 362,024.45
Planning Board/Zoning Board Escrow		309,359.48	545,434.67
Community Development Revolving			
Loan Program		503,041.26	735,872.85
Parking Offense Adjudication Act		2,373.81	2,165.81
Bernards Township R.C.A. Program		156,398.72	155,882.17
Accumulated Sick and Vacation		98,567.24	251,716.27
Police Outside Services		22,169.81	18,781.06
Small Cities Block Grants		31,877.75	31,877.75
Neighborhood Preservation Grant		11,443.24	11,443.24
Donations for Celebration of Public Events		18,407.98	18,407.98
Storm Recovery		270.00	69,542.35
Dog Park User Fees		1,774.04	1,654.04
Public Defender Fees		9,590.23	7,861.15
Uniform Fire Safety Act		3,210.07	5,336.00
Flexible Spending Benefits		1,643.10	2,456.99
Municipal Open Space		394,633.17	409,104.22
Recreation Donations		40,000.00	40,000.00
Non-Residential Development Fees		964,953.00	958,500.50
Other Donations		704.31	704.31
Engineers Developers Escrow		7,402.92	
Engineers Inspection Escrow		450,963.62	
Tax Sale Premiums		689,400.00	467,428.00
		<u>4,075,660.64</u>	<u>4,096,193.81</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 4,087,286.56</u>	<u>\$ 4,107,582.53</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, 2021

NOT APPLICABLE

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
GENERAL CAPITAL FUND

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

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,172,733.96	\$ 1,160,919.51
N.J. Department of Transportation Grants Receivable	C-3	106,776.75	
Deferred Charges to Future Taxation:			
Funded		4,116,475.73	4,655,619.50
Unfunded	C-4	14,545,879.75	11,323,985.00
<u>TOTAL ASSETS</u>		<u>\$ 19,941,866.19</u>	<u>\$ 17,140,524.01</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 4,057,000.00	\$ 4,582,000.00
Green Acres Loan Payable	C-9	59,475.73	73,619.50
Bond Anticipation Notes Payable	C-7	4,129,000.00	2,755,000.00
Improvement Authorizations:			
Funded	C-5	396,124.93	581,757.10
Unfunded	C-5	7,496,034.39	8,473,223.94
Due to Current Fund	A	350.26	852.22
Capital Improvement Fund	C-6	25,044.84	23,319.84
Reserve for:			
Encumbrances		3,595,627.67	577,130.07
N.J. Department of Transportation Grants Receivable		106,776.75	
Capital Projects		36,780.16	36,780.16
Fund Balance	C-1	39,651.46	36,841.18
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 19,941,866.19</u>	<u>\$ 17,140,524.01</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, 2020	C	\$ 36,841.18
Increased by:		
Premium on Sale of Notes		27,086.24
		<u>63,927.42</u>
Decreased by:		
Payment to Current Fund as Anticipated		
Revenue - 2021 Budget		24,275.96
		<u>24,275.96</u>
Balance December 31, 2021	C	<u>\$ 39,651.46</u>

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
SEWER UTILITY FUND

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

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	E-4	\$ 1,951,238.94	\$ 1,292,475.08
Cash and Cash Equivalents - Collector	E-6	7,994.89	469,381.02
Change Fund		500.00	500.00
		1,959,733.83	1,762,356.10
Due from Sewer Utility Capital Fund	E	200.17	
		1,959,934.00	1,762,356.10
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	169,365.51	164,724.43
Other Municipalities Accounts Receivable		65,123.08	
Sewer Liens Receivable	E-8	3,414.78	2,736.69
Total Receivables with Full Reserves	E	237,903.37	167,461.12
Total Operating Fund		2,197,837.37	1,929,817.22
Capital Fund:			
Cash and Cash Equivalents	E-4	992,713.39	1,996,795.74
Due from Sewer Utility Operating Fund	E		114,899.50
Fixed Capital	E-9	28,979,589.88	28,979,589.88
Fixed Capital Authorized and Uncompleted	E-10	20,514,136.31	19,349,136.31
Total Capital Fund		50,486,439.58	50,440,421.43
<u>TOTAL ASSETS</u>			
		\$ 52,684,276.95	\$ 52,370,238.65

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

		December 31,	
	Ref.	2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-11	\$ 239,429.21	\$ 170,222.91
Encumbered	E-3;E-11	61,420.00	731.25
Total Appropriation Reserves		300,849.21	170,954.16
Accounts Payable		25,788.90	29,330.98
Accrued Interest on Loans		35,816.67	39,187.50
Sewer Overpayments		6,379.54	17,927.01
Due to Sewer Utility Capital Fund	E		114,899.50
		368,834.32	372,299.15
Reserve for Receivables	E	237,903.37	167,461.12
Fund Balance	E-1	1,591,099.68	1,390,056.95
Total Operating Fund		2,197,837.37	1,929,817.22
Capital Fund:			
NJ Environmental Infrastructure Trust Loan Payable:			
Trust	E-16	2,314,000.00	2,490,000.00
Fund	E-16	4,372,578.57	4,784,770.32
Improvement Authorizations:			
Funded	E-12	112,935.29	206,863.93
Unfunded	E-12	1,216,252.23	1,043,788.95
Capital Improvement Fund	E-13	125,445.53	374,180.53
Reserve for:			
Encumbrances		881,217.80	702,024.05
Amortization	E-14	33,989,129.31	33,400,937.56
Deferred Amortization	E-15	6,565,416.31	6,565,416.31
Sewer Improvements		490,270.59	453,446.00
Due to Sewer Utility Operating Fund	E	200.17	
Fund Balance	E-1a	418,993.78	418,993.78
Total Capital Fund		50,486,439.58	50,440,421.43
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 52,684,276.95	\$ 52,370,238.65

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

	Year Ended December 31,	
	2021	2020
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 546,719.00	\$ 485,000.00
Rents	3,702,418.79	3,702,418.79
Additional Sewer Rents	737,236.12	
Miscellaneous	312,772.23	
Nonbudget Revenue		323,022.97
Other Credits to Income:		
Appropriation Reserves Lapsed	10,072.88	81,510.30
Total Income	<u>5,309,219.02</u>	<u>4,591,952.06</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	3,695,100.00	3,560,470.00
Capital Improvements	100,000.00	100,000.00
Debt Service	689,738.29	686,683.69
Deferred Charges and Statutory Expenditures	76,619.00	75,530.00
Total Expenditures	<u>4,561,457.29</u>	<u>4,422,683.69</u>
Excess in Revenue	747,761.73	169,268.37
<u>Fund Balance</u>		
Balance January 1	1,390,056.95	1,705,788.58
	<u>2,137,818.68</u>	<u>1,875,056.95</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>546,719.00</u>	<u>485,000.00</u>
Balance December 31	<u>\$ 1,591,099.68</u>	<u>\$ 1,390,056.95</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, 2020	E	<u>\$ 418,993.78</u>
Balance December 31, 2021	E	<u><u>\$ 418,993.78</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, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Anticipated	\$ 546,719.00	\$ 546,719.00	
Rents	3,702,418.79	3,702,418.79	
Additional Sewer Rents	197,581.21	737,236.12	\$ 539,654.91
Miscellaneous	125,000.00	312,772.23	187,772.23
	<u>\$ 4,571,719.00</u>	<u>\$ 5,299,146.14</u>	<u>\$ 727,427.14</u>
 <u>Analysis of Rents/Additional Sewer Rents:</u>			
Other Municipalities	\$ 1,996,324.26		
Consumer Accounts Receivable	2,425,909.90		
Sewer Overpayments Applied	<u>17,420.75</u>		
		<u>\$ 4,439,654.91</u>	
 <u>Analysis of Nonbudget Revenue</u>			
Collector:			
Interest on Deposits	\$ 2,228.44		
Interest on Sewer Rents	24,365.00		
Returned Check Fees	<u>120.00</u>		
		\$ 26,713.44	
Treasurer:			
Interest on Investments	7,754.75		
Other Miscellaneous	500.00		
Wastewater Treatment Plant Septic Billing	<u>277,603.87</u>		
		285,858.62	
Due from Sewer Utility Capital Fund:			
Interest on Investments		<u>200.17</u>	
		<u>\$ 312,772.23</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, 2021

	Appropriations		Expended by		Unexpended Balances Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 390,000.00	\$ 390,000.00	\$ 330,806.19	\$ 59,193.81	
Other Expenses	3,305,100.00	3,305,100.00	3,131,418.44	173,681.56	
Capital Improvements:					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Debt Service:					
State of NJ Wastewater Treatment Loans:					
Loan Repayments for Principal and Interest	700,000.00	700,000.00	689,738.29		\$ 10,261.71
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	40,819.00	40,819.00	40,819.00		
Social Security System (O.A.S.I.)	30,000.00	30,000.00	25,238.81	4,761.19	
Unemployment Compensation Insurance					
(N.J.S.A. 43:21-3 et. seq.)	3,000.00	3,000.00	1,207.35	1,792.65	
Defined Contribution Retirement Program	2,800.00	2,800.00	2,800.00		
	<u>\$ 4,571,719.00</u>	<u>\$ 4,571,719.00</u>	<u>\$ 4,322,028.08</u>	<u>\$ 239,429.21</u>	<u>\$ 10,261.71</u>
Ref.				E	
Cash Disbursed			\$ 4,159,061.54		
Accrued Interest on Loans			101,546.54		
Encumbrances Payable			61,420.00		
			<u>\$ 4,322,028.08</u>		

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

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2021	2020
<u>ASSETS</u>		
Land	\$ 11,434,300.00	\$ 11,156,900.00
Buildings	14,857,700.00	14,857,700.00
Vehicles and Equipment	10,294,366.61	9,938,701.36
<u>TOTAL ASSETS</u>	<u>\$ 36,586,366.61</u>	<u>\$ 35,953,301.36</u>
 <u>RESERVES</u>		
Reserve for General Fixed Assets	<u>\$ 36,586,366.61</u>	<u>\$ 35,953,301.36</u>
<u>TOTAL RESERVES</u>	<u>\$ 36,586,366.61</u>	<u>\$ 35,953,301.36</u>

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

B. Description of Funds (Cont'd)

General Fixed Asset Account Group - Estimated values of land, buildings and certain fixed assets of the Town as discussed in Note 1E – “Basis of Accounting”.

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 following is a summary of the significant accounting policies.

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 amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, 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 awarded and inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, fixed assets purchased by the Sewer Utility Capital Fund would be depreciated, and the Town's net pension liability and related deferred inflows and outflows, where applicable, would be recorded

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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 that 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, by loans, or by 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.

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.

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.

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.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

General Fixed Assets – General fixed assets are recorded at cost, except for land which is recorded at assessed value, and buildings, which are recorded at replacement value. 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. No depreciation has been provided for on general fixed assets. 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 Fund. The values recorded in the general fixed assets account group and the capital 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. The amount shown does not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Sewer 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

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, 2021
(Continued)

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

Summary of Municipal Debt

	December 31,		
	2021	2020	2019
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 8,245,475.73	\$ 7,410,619.50	\$ 5,184,484.58
Sewer Utility:			
Loans and Notes	6,686,578.57	7,274,770.32	7,852,962.07
Net Debt Issued	<u>14,932,054.30</u>	<u>14,685,389.82</u>	<u>13,037,446.65</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	10,416,879.75	8,568,985.00	10,278,985.00
Sewer Utility:			
Bonds and Notes	2,252,602.00	759,074.00	759,074.00
Total Authorized but not Issued	<u>12,669,481.75</u>	<u>9,328,059.00</u>	<u>11,038,059.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 27,601,536.05</u>	<u>\$ 24,013,448.82</u>	<u>\$ 24,075,505.65</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 2.434%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$6,235,000.00	\$ 6,235,000.00	
Sewer Utility Debt	8,939,180.57	8,939,180.57	
General Debt	<u>18,662,355.48</u>		\$ 18,662,355.48
	<u>\$ 33,836,536.05</u>	<u>\$ 15,174,180.57</u>	<u>\$ 18,662,355.48</u>

Net Debt of \$18,662,355.48 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$766,738,694 = 2.434%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 26,835,854.29
Net Debt	<u>18,662,355.48</u>
Remaining Borrowing Power	<u>\$ 8,173,498.81</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 5,299,146.14
Deductions:		
Operating and Maintenance Costs	\$ 3,771,719.00	
Debt Service	<u>689,738.29</u>	
		<u>4,461,457.29</u>
Excess in Revenue		<u>\$ 837,688.85</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

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

Summary of Municipal Debt Issued and Outstanding – Current Year

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/21</u>
Loans Payable:				
General Capital Fund:				
Green Acres Loans	\$ 73,619.50		\$ 14,143.77	\$ 59,475.73
Sewer Utility Capital Fund:				
NJEIT Loans	7,274,770.32		588,191.75	6,686,578.57
Serial Bonds:				
General Capital Fund	4,582,000.00		525,000.00	4,057,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>2,755,000.00</u>	<u>\$ 4,129,000.00</u>	<u>2,755,000.00</u>	<u>4,129,000.00</u>
Total	<u>\$ 14,685,389.82</u>	<u>\$ 4,129,000.00</u>	<u>\$ 3,882,335.52</u>	<u>\$ 14,932,054.30</u>
	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/20</u>
Loans Payable:				
General Capital Fund:				
Green Acres Loans	\$ 87,484.58		\$ 13,865.08	\$ 73,619.50
Sewer Utility Capital Fund:				
NJEIT Loans	7,852,962.07		578,191.75	7,274,770.32
Serial Bonds:				
General Capital Fund	5,097,000.00		515,000.00	4,582,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>\$ 2,755,000.00</u>	<u>\$ 2,755,000.00</u>	<u>\$ 1,107,056.83</u>	<u>\$ 14,685,389.82</u>
Total	<u>\$ 13,037,446.65</u>	<u>\$ 2,755,000.00</u>	<u>\$ 1,107,056.83</u>	<u>\$ 14,685,389.82</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2021

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
General Improvement Bonds of 2017	8/15/2028	1.125% - 4%	<u>\$ 4,057,000.00</u>

General Capital Green Acres Loan Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
Improvements to Delaware Heights Park	7/11/2025	2.00%	<u>\$ 59,475.73</u>

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

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
Trust Loan 1	08/01/29	5.00%	\$ 684,000.00
Trust Loan 2	08/01/33	3.00%-5.00%	1,365,000.00
Trust Loan 3	08/01/34	4.00%-5.00%	265,000.00
			<u>\$ 2,314,000.00</u>

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

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
Fund Loan 1	08/01/29	0.00%	\$ 575,275.95
Fund Loan 2	02/01/33	0.00%	3,311,891.82
Fund Loan 3	08/01/33	0.00%	485,410.80
			<u>\$ 4,372,578.57</u>

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2021 (Cont'd)

General Capital Bond Anticipation Notes Payable

Description	Final Maturity	Interest Rate	Balance Dec. 31, 2021
Various Capital Improvements	05/26/22	1.00%	\$ 1,595,490.00
Various Capital Improvements	05/26/22	1.00%	1,004,510.00
Various Capital Improvements	05/26/22	1.00%	1,045,000.00
Improvements to Armory	05/26/22	1.00%	484,000.00
			<u>\$ 4,129,000.00</u>
Total Debt Issued and Outstanding			<u>\$ 14,932,054.30</u>

General Capital New Jersey Green Acres Loan

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

N.J. Environmental Infrastructure (EIT) Loans

The Town of Phillipsburg entered into six loan agreements (two in 2010, two in 2014 and two in 2015) with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust") which are recorded in the Sewer Utility Capital Fund. The loan agreements were obtained to finance a portion of the cost of improvements to the Town sewage treatment plant.

At December 31, 2021, the Town has borrowed or "drawn down" \$11,741,438 of the \$11,741,438 Loan funds necessary to complete the improvements to the sewage treatment plant partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2034 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2034. Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

The N.J. Environmental Infrastructure Trust applied credits totaling \$262,176 to 2014 principal payments and \$66,352 to 2015 principal payments.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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	
2022	\$ 554,428.07	\$ 95,369.00	\$ 593,191.75	\$ 85,960.00	\$ 1,328,948.82
2023	564,718.07	73,478.99	598,191.75	77,670.00	1,314,058.81
2024	580,013.90	62,183.16	608,191.75	69,130.00	1,319,518.81
2025	595,315.69	50,581.38	622,191.75	60,140.00	1,328,228.82
2026	595,000.00	38,751.26	627,191.75	52,590.00	1,313,533.01
2027-2031	1,227,000.00	40,846.26	2,903,139.80	147,790.00	4,318,776.06
2032-2034			734,480.02	18,837.50	753,317.52
	<u>\$ 4,116,475.73</u>	<u>\$ 361,210.05</u>	<u>\$ 6,686,578.57</u>	<u>\$ 512,117.50</u>	<u>\$ 11,676,381.85</u>

Capital Leases Payable

The Town entered into two lease purchase agreements for the purchase of four police vehicles. These capital leases have terms of two years. Total lease payments on these police vehicles are \$182,465.28 of which \$116,270.90 has been amortized as of December 31, 2021. The following is a schedule of the future minimum lease payments at December 31, 2021.

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 68,031.38
Less: Amount representing interest	<u>1,867.00</u>
	<u>\$ 66,164.38</u>

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2021 which was included in the adopted budget as appropriated and as anticipated revenue for the year ending December 31, 2022 budget were as follows:

Current Fund	\$ 1,975,000.00
Sewer Utility Operating Fund	607,595.00

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 4: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Town of Phillipsburg has elected not to defer school taxes.

Note 5: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Town contributions to PERS amounted to \$500,587 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2020, the Town's liability was \$7,462,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Town's proportion was .046%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019. The Town has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

For the year ended December 31, 2020, the Town recognized actual pension expense in the amount of \$500,587.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

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

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the Net Pension Liability	\$ 9,372,849	\$ 7,462,195	\$ 5,810,395

Pension Plan Fiduciary Net Position

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

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

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members.

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Town contributions to PFRS amounted to \$1,300,620 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$179,648 to the PFRS for normal pension benefits on behalf of the Town, which is less than the contractually required contribution of \$264,583.

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2020, the Town's liability for its proportionate share of the net pension liability was \$15,043,112. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Town's proportion was 0.116%, which was an increase of 0.008% from its proportion measured as of June 30, 2019. The Town has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Town is \$2,334,622 as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the Town was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the State's proportion was 0.116%, which was an increase of 0.008% from its proportion measured as of June 30, 2019 which is the same proportion as the Town's.

Town's Proportionate Share of the Net Pension Liability	\$ 15,043,112
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>2,334,622</u>
Total Net Pension Liability	<u><u>\$ 17,377,734</u></u>

For the year ended December 31, 2020, the Town recognized total pension expense of \$1,300,620.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return	7.00%

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit to determine the total pension liability.

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

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Town) as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town	\$ 23,108,809	\$ 17,377,734	\$ 12,617,638

Plan Fiduciary Net Position - PFRS

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

C. Defined Contribution Retirement Program (DCRP)

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

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

For DCRP, the Town recognized pension expense of \$11,353.47 for the year ended December 31, 2021. Employee contributions to DCRP amounted to \$25,494.25 for the year ended December 31, 2021.

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 \$1,757,917.36. 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 Accumulated Sick and Vacation of \$98,567.24 reflected on the Other Trust Funds' balance sheet as of December 31, 2021.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1.

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

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ 4.073	\$ 4.042	\$ 4.015
<u>Apportionment of Tax Rate</u>			
Municipal	1.596	1.603	1.541
County	.672	.660	.722
Local School	1.805	1.779	1.752
<u>Assessed Valuations</u>			
2021	<u>\$ 709,208,525.00</u>		
2020		<u>\$ 708,747,125.00</u>	
2019			<u>\$ 709,021,582.00</u>

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 29,048,019.74	\$ 28,146,792.64	96.89%
2020	28,791,845.36	27,821,505.83	96.63%
2019	28,498,988.46	27,458,956.39	96.35%

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

Note 8: Cash and Cash Equivalents

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

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

GASB requires disclosure of the level of custodial credit risk assumed by the Town in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

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

Custodial Credit Risk – The Town's policy with respect to custodial credit risk requires that the Town ensures that Town funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in 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 on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments

New Jersey statutes permit the Town to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

Investments (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2021, cash and cash equivalents of the Town consisted of the following:

Fund	Change Funds and Petty Cash	Checking Accounts	Totals
Current	\$ 2,219.00	\$ 11,697,769.31	\$ 11,699,988.31
Animal Control		11,625.92	11,625.92
Other Trust		3,826,997.05	3,826,997.05
General Capital		1,172,733.96	1,172,733.96
Sewer Utility:			
Operating	500.00	1,959,233.83	1,959,733.83
Capital		992,713.39	992,713.39
	<u>\$ 2,719.00</u>	<u>\$ 19,661,073.46</u>	<u>\$ 19,663,792.46</u>

The Town did not hold any investments during the year ended December 31, 2021. The carrying amount of the Town's cash and cash equivalents at year end was \$19,663,792.46 and the bank balance was \$19,766,807.96.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 9: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefit coverage is provided by the State of NJ Health Benefits.

The Town of Phillipsburg is a member of the Statewide Insurance Fund, (the "Fund"). The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) General Liability and Auto Liability
- c.) Property Damage
- d.) Boiler and Machinery
- e.) Law Enforcement Liability
- f.) Public Officials' Liability
- g.) Employment Practice Liability
- h.) Crime
- i.) Umbrella Liability
- j.) Environmental Impairment Liability
- k.) Excess Liability

As a member of the 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 December 31, 2021 audit report of the Statewide Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2020 is as follows:

Total Assets	\$ 50,426,242
Net Position	\$ 17,737,333
Total Revenue	\$ 25,527,755
Total Expenditures	\$ 22,832,492
Change in Net Position	\$ 2,695,263
Members Dividends	\$ -0-

Statements for this fund are available at the Office of Executive Director:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054
(862) 260-2050

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2021.

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.

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 \$225,318.36, which it believes is sufficient.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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Note 12: Interfund Receivables and Payables

The following interfund balances remained on the various balance sheets at December 31, 2021:

Fund	Interfund Receivable	Interfund Payable
Current	\$ 1,488.89	\$ 1,720,467.74
Federal and State Grant	1,720,242.97	
Animal Control		526.80
Other Trust	224.77	611.83
General Capital		350.26
Sewer Utility Operating	200.17	
Sewer Utility Capital		200.17
	\$ 1,722,156.80	\$ 1,722,156.80

The interfund receivable in the Current Fund is comprised of December 2021 interest due from the General Capital Fund and the Other Trust Funds as well as an interfund advanced to the Animal Control Fund. The interfund receivable in the Federal and State Grant Fund reflects the net of Federal and State Grant Fund receipts collected by the Current Fund and Federal and State Grant Fund expenditures paid by the Current Fund. The interfund receivable in the Other Trust Funds is the municipal open space added and omitted taxes due from the Current Fund. The interfund payable in the Sewer Utility Operating Fund is for interest earnings due from the Sewer Utility Capital Fund.

Note 13: Economic Dependency

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

Note 14: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2021:

	Balance Dec. 31, 2020	Additions	Deletions	Balance Dec. 31, 2021
Land	\$ 11,156,900.00	\$ 277,400.00		\$ 11,434,300.00
Buildings	14,857,700.00			14,857,700.00
Machinery and Equipment	9,938,701.36	355,665.25		10,294,366.61
	\$ 35,953,301.36	\$ 633,065.25	\$ -0-	\$ 36,586,366.61

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 15: Post-Retirement Benefits other than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 15: Post-Retirement Benefits other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The DLGS is permitting municipalities to include the June 30, 2020 OPEB information in the notes to the financial statements as the June 30, 2021 OPEB information has not been released by the State of New Jersey Division of Pensions and Benefits as of the date of this report. The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportionate share of the net OPEB liability attributable to the Town at June 30, 2020 was \$11,691,787. At June 30, 2020, the State's proportion related to the Town was .214%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2020, the State of New Jersey's OPEB benefit related to the Town was \$582,020.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 15: Post-Retirement Benefits other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 – June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.20%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Deferred Charge to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charge is shown on the balance sheet of the Current Fund:

	<u>Balance Dec. 31, 2021</u>	<u>2022 Budget Appropriation</u>	<u>Balance to Succeeding Years' Budgets</u>
Current Fund:			
Special Emergency Authorizations (N.J.S.A. 40A:4-53)	<u>\$ 480,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 360,000.00</u>

The appropriation in the 2022 budget is not less than that required by statute.

Note 17: Tax Abatements

As of December 31, 2021, The Town provides a tax abatement to a public nonprofit housing organization for its senior citizen and low income housing developments in the Town pursuant to a resolution of the governing body dated July 10, 2014 and agreements dated November 9, 1949, April 24, 1951, March 12, 1958, October 31, 1962 and November 10, 1969. In consideration of the full abatement of taxes, the public nonprofit housing organization is required to pay to the Town an annual service charge.

The Town recognized revenue in the amount of \$158,899.90 from this annual service charge or payment in lieu of taxes which is recorded as an anticipated miscellaneous in the Current Fund. The taxes which would have been paid on these properties for 2021 without the abatement would have been \$1,152,438 of which \$446,645 would have been for the local municipal tax, minimum library tax and local open space tax.

As of December 31, 2021, the Town provides a tax abatement to a redeveloper for its residential apartment unit property in the Town pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") Law of 1983 (N.J.S.A. 55:14K-1 et seq.), a resolution of the Mayor and Town Council and a financial agreement between the Town and the redeveloper; and with the approval of the NJHMFA as provided N.J.S.A. 55:14K-37. The exemption from real property taxation and the redeveloper's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the NJHMFA Law, may not exceed 50 years. In consideration of the full abatement of taxes, the redeveloper is required to pay to the Town an annual service charge for municipal services in an amount equal to 9% of revenues as detailed in the tax abatement agreement. In the event that a breach of the agreement by either the Town or the redeveloper or a dispute arises between the two parties, either party may apply to the Superior Court, Chancery Division to settle and resolve said dispute in such fashion as well tend to accomplish the purposes of the HMFA Law.

The Town recognized revenue in the amount of \$1,806.05 from this annual service charge or payment in lieu of taxes which is recorded as an anticipated miscellaneous in the Current Fund. The taxes which would have been paid on this property for 2021 without the abatement would have been \$32,756 of which \$12,781 would have been for the local municipal tax, minimum library tax and local open space tax.

TOWN OF PHILLIPSBURG
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 17: Tax Abatements (Cont'd)

As of December 31, 2021, the Town provides a tax abatement to a redeveloper for its warehouse/light industrial buildings, a resolution of the Mayor and Town Council and a financial agreement between the Town and the redeveloper under the provisions of the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 and the Local Redevelopment and Housing Law N.J.S.A. 40A:12A-1. In consideration of the full abatement of taxes, the redeveloper is required to pay to the Town an annual service charge starting on the date of substantial completion of Phase I of the related project. The annual service charge is at a rate of \$.45 per square foot increasing by two percent each January 1st following the Annual Service Charge Start Date. Additionally, 5% of the Pre-land tax credit annual service charge less 5% of the land tax credit is payable to the County of Warren. The agreement shall remain in effect until the earlier of 35 years from December 18, 2015 or 30 years from the annual service charge start date for the Phase 1 project or any unit thereof, as applicable. Neither the redeveloper nor the Town may at any time terminate this agreement.

The Town recognized revenue in the amount of \$212,289.17 from this annual service charge or payment in lieu of taxes which is recorded as miscellaneous revenue not anticipated in the Current Fund. The taxes which would have been paid on these properties for 2021 without the abatement would have been \$277,253 of which \$107,454 would have been for the local municipal tax, minimum library tax and local open space tax. The amount due to the County of Warren is \$14,302.68 for 2021.

Additionally, the Town has a tax abatement related to the sewage treatment plant and receives a payment of lieu of taxes revenue annually in the amount of \$83,500 of which \$66,000 was collected in 2021.

Note 18: Subsequent Event

On May 4, 2022, the Town sold \$6,000,000 of General Obligation Bonds and \$1,915,000 of Sewer Utility Bonds with interest rates of 3.25% - 5.00% which were dated May 25, 2022. The first principal and interest payments on these bonds are due May 15, 2023.

TOWN OF PHILLIPSBURG

SUPPLEMENTARY DATA

TOWN OF PHILLIPSBURG
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2021

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Todd Tersigni	Mayor		
Randy Piazza, Jr.	Councilman		
Frank McVey	President; Councilman (To 9/17/2021)		
Mark Lutz	Councilman (From 10/05/2021)		
Robert Fulper	Vice President; Councilman		
Danielle DeGerolamo	Councilwoman		
Harry Wyant	Councilman		
Robert Bengivenga, Jr.	Administrator	**	
Victoria Kleiner	Municipal Clerk (To 10/31/2021)	**	
Lorraine Loudenberry	Acting Municipal Clerk (From 11/01/2021)	**	
Robert Merlo	Chief Financial Officer	**	
Sandra Callery	Tax Collector	\$ 365,000.00	Selective Insurance Company
Craig Brotons	Tax Assessor	**	
Richard Wenner	Town Attorney		
Lisa Gorab, Esq.	Bond Counsel		
Kevin Duddy	Construction Official (To 05/01/2021)	**	
John Daniels	Construction Official (From 05/1/2021)	**	
Patrick Kays	Acting Zoning Officer	**	
Stanley J. Schrek	Engineer		
Dennis Yoder	Engineer for Wastewater Treatment Plant		
Gerard J. Shamey	Magistrate	(1)	
Lauri Kaulius	Municipal Court Administrator	(1)	
Jennifer Toth	Prosecutor		

** - 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.

(1) Blanket bond coverage of \$60,000 for the Magistrate and Court personnel.

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
CURRENT FUND

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 8,985,105.02
Increased by Receipts:		
Tax Collector		\$32,198,539.17
Clerk		140,907.05
Revenue Accounts Receivable		4,090,903.97
Due to State of N.J.:		
Veterans and Senior Citizens' Deductions		84,774.65
Construction Code DCA Fees		123,914.00
Nonbudget Revenue		580,525.74
County Taxes Payable - Payment in Lieu of Taxes		14,302.68
Due to Federal and State Grant Fund:		
Federal and State Grants Receivable		1,656,504.46
Unappropriated Grant Reserves		752,419.75
Due from Animal Control Fund:		
Settlement of Prior Year Interfund		7.00
Due from Other Trust Funds:		
Partial Settlement of Prior Year Interfund		1,625.02
Due from General Capital Fund:		
Settlement of Prior Year Interfund		852.22
Due from Payroll Accounts:		
Settlement of Prior Year Interfund		366.19
Due from Claims Account:		
Settlement of Prior Year Interfund		980.40
Accounts Payable		19,710.54
Reserve for:		
Redemption of Outside Liens		1,724.58
Sale of Municipal Assets		14,412.00
Library		100,619.00
		<hr/>
		39,783,088.42
		<hr/>
		48,768,193.44

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

Ref.

Decreased by Disbursements:

2021 Appropriation Expenditures	15,729,911.99
2020 Appropriation Reserves	932,164.72
Change Fund Increase	100.00
Due from Federal and State Grant Fund:	
Appropriated Grant Reserves	1,070,202.37
Prior Year Encumbrances Payable	70,216.88
Due to Other Trust Funds:	
Partial Settlement of Prior Year Interfund	557,947.05
Refund of Tax Sale Premiums	368,600.00
Tax Sale Premiums Disbursed to Other Trust Funds	401,972.00
Due to Municipal Open Space Trust Fund:	
2021 Open Space Tax Levy	142,412.25
Local School District Taxes	12,754,857.48
County Taxes	4,939,156.99
County Taxes Payable - Payment in Lieu of Taxes	19,847.61
Accounts Payable	18,828.33
Refund of Tax Overpayments	27,580.78
Refund of Prior Year Revenue	1,025.00
Due to State of N.J.:	
Construction Code DCA Fees	5,519.00
Reserve for:	
Redemption of Outside Liens	50.00
Revaluation	2,125.00
Tax Appeals	500.00
Library	175,659.32

37,218,676.77

Balance December 31, 2021

A

\$11,549,516.67

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

Balance December 31, 2020	<u>Ref.</u> A	\$ 2,340,347.03
Increased by Receipts:		
Taxes Receivable	\$ 28,561,302.14	
2022 Prepaid Taxes	323,377.93	
Interest and Costs on Taxes	193,793.21	
Due to Other Trust Funds:		
Tax Sale Premiums	836,900.00	
Redemption of Outside Liens	699,625.12	
Interest on Deposits	17,251.11	
Miscellaneous Revenue Not Anticipated:		
Municipal Charges Receivable	16,316.70	
Tax Sale Costs	13,156.40	
Tax Overpayments	33,012.32	
		<u>30,694,734.93</u>
		33,035,081.96
Decreased by:		
Payments to Treasurer	32,198,539.17	
Refund of Outside Liens	695,494.38	
		<u>32,894,033.55</u>
Balance December 31, 2021	A	<u>\$ 141,048.41</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF CASH - CLERK

Balance December 31, 2020	<u>Ref.</u> A	\$ 6,132.10
Increased by Receipts:		
Due to State of NJ:		
Marriage License Fees	\$ 1,900.00	
Dog License Fees	1,176.60	
Due to Animal Control Fund:		
Dog License Fees	5,861.20	
Dog/Cat License Late Fees and Other Fees	735.50	
Cat License Fees	1,379.00	
Due to Other Trust Funds:		
Reserve for Dog Park User Fees	120.00	
Revenue Accounts Receivable:		
Alcoholic Beverages Licenses	33,630.00	
Other Licenses	1,608.00	
Fees and Permits	103,163.52	
Interest on Deposits	91.66	
Parking Meters	3,205.00	
		<u>152,870.48</u>
		159,002.58
Decreased by:		
Payments to Treasurer - Current Fund	140,907.05	
Payment to Animal Control Fund:		
Interfund Advanced	526.80	
Dog License Fees	5,861.20	
Dog/Cat License Late Fees and Other Fees	735.50	
Cat License Fees	1,379.00	
Due to Other Trust Funds:		
Reserve for Dog Park User Fees	120.00	
Payments to State of NJ:		
Department of Health - Dog License Fees	643.80	
Marriage License Fees	1,625.00	
		<u>151,798.35</u>
Balance December 31, 2021	A	<u>\$ 7,204.23</u>

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

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

Year	Balance Dec. 31, 2020	2021 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2021
2015	\$ 3,959.87			\$	3,959.87				
2016	4,022.96				4,022.96				
2017	5,849.78				4,085.85				\$ 1,763.93
2018	4,104.41				4,104.41				
2019	4,981.61				4,639.47			\$ 342.14	
2020	927,090.85				919,500.70	\$ (750.00)		2,781.26	5,558.89
	950,009.48				940,313.26	(750.00)		3,123.40	7,322.82
2020		\$ 29,048,019.74	\$ 397,083.75		27,620,988.88	86,618.48	\$ 23,327.55	20,923.01	856,976.54
	\$ 950,009.48	\$ 29,048,019.74	\$ 397,083.75		28,561,302.14	85,868.48	\$ 23,327.55	24,046.41	864,299.36

Ref. A

Analysis of 2021 Property Tax Levy:

Tax Yield:	
General Purpose Tax	\$ 29,002,257.31
Added Taxes (54:4-63.1 et seq.)	45,762.43
	<u>\$ 29,048,019.74</u>
Tax Levy:	
Local School District Taxes	\$ 12,848,802.00
County Taxes:	
County Taxes	\$ 4,782,703.68
County Open Space Taxes	149,678.68
Due County for Added and Omitted Taxes	7,797.26
	<u>4,940,179.62</u>
Municipal Open Space	142,412.25
Additional Open Space - Municipal	224.77
	<u>142,637.02</u>
	<u>17,931,618.64</u>
Local Tax for Municipal Purposes	10,828,012.30
Municipal Library Taxes	248,995.72
Additional Taxes Levied	39,393.08
	<u>11,116,401.10</u>
	<u>\$ 29,048,019.74</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 174,669.86
Increased by:		
Transfer from Taxes Receivable		\$ 24,046.41
Prior Year Adjustment		3,854.14
Assignment of Outside Lien		19,584.55
Interest and Costs on Tax Sale		4,102.86
		<hr/> 51,587.96
		<hr/> 226,257.82
Decreased by:		
Cancelled		4,322.42
Transfers to Property Acquired for Taxes		31,527.99
		<hr/> 35,850.41
Balance December 31, 2021	A	<hr/> <u>\$ 190,407.41</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF MUNICIPAL LIEN CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 77,748.19
Increased By:		
Municipal Charges Transferred to Liens	\$ 460.00	
Prior Year Adjustment	2,319.12	
Interest and Costs on Tax Sale	77.97	
		<u>2,857.09</u>
		80,605.28
Decreased by:		
Cancellation - Foreclosure		<u>19,086.64</u>
Balance December 31, 2021	A	<u>\$ 61,518.64</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF MUNICIPAL CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 9,347.50
Increased By:		
Municipal Charges Imposed		<u>131,921.92</u>
		141,269.42
Decreased By:		
Cancellation	\$ 900.00	
Collections - Municipal Charges	16,316.70	
Transfer to Municipal Charges Liens	460.00	
		<u>17,676.70</u>
Balance December 31, 2021	A	<u>\$ 123,592.72</u>

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2020	Accrued In 2021	Collected by Treasurer	Collected by Clerk	Balance Dec. 31, 2021
Alcoholic Beverages Licenses		\$ 33,630.00		\$ 33,630.00	
Other Licenses		1,608.00		1,608.00	
Fees and Permits		178,142.70	\$ 74,979.18	103,163.52	
Municipal Court:					
Fines and Costs	\$ 5,905.31	104,154.84	100,870.43		\$ 9,189.72
Interest on Investments and Deposits		36,637.44	36,637.44	91.66	
Parking Meters		8,206.58	5,001.58	3,205.00	
Consolidated Municipal Property Tax Relief Aid		176,674.00	176,674.00		
Energy Receipts Taxes		1,828,727.00	1,828,727.00		
Uniform Construction Code Fees		944,962.00	944,962.00		
Payment in Lieu of Taxes - Federal Housing Project		158,899.90	158,899.90		
Payment in Lieu of Taxes - Phillipmain LLC		1,806.05	1,806.05		
Payment in Lieu of Taxes - Bridge Phase 1		212,289.17	212,289.17		
Payment in Lieu of Taxes - Sewage Treatment		83,500.00	66,000.00		17,500.00
Cable TV Franchise Fee		52,648.00	52,648.00		
Capital Fund Balance		24,275.96	24,275.96		
Shared Service Agreement - Borough of Alpha:					
Police Services		389,583.26	389,583.26		
Municipal Court		17,550.00	17,550.00		
	<u>\$ 5,905.31</u>	<u>\$ 4,253,294.90</u>	<u>\$ 4,090,903.97</u>	<u>\$ 141,698.18</u>	<u>\$ 26,689.72</u>

Ref.

A

A

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

	Balance Dec. 31, 2020	Budget Revenue Realized	Received	Transfer from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2021
Municipal Alliance:						
2015	\$ 974.02				\$ 974.02	
2016	25.08				25.08	
2017	182.00				182.00	
2018	1,495.00				1,495.00	
2019	12,240.00	\$	8,960.00			\$ 3,280.00
2020	4,979.00		1,214.00			3,765.00
2021		\$ 5,936.00				5,936.00
American Rescue Plan - Police Radios		63,502.74		\$ 63,502.74		
Aqua Road Improvements - Congress St - Donations		20,000.00	20,000.00			
Aqua Road Improvements - Harris St - Donations		12,000.00	12,000.00			
Body Worn Camera Grant - State		61,140.00				61,140.00
Body Worn Camera Grant - Federal		20,000.00				20,000.00
Distracted Driving Crackdown Grant 2021		7,500.00	7,500.00			
N.J. Department of Labor and Workforce Development:						
N.J. Youth Corps - 2017 - ALWY18N	20,952.00				20,952.00	
N.J. Youth Corps - 2018 - ALWY19N	4,100.00				4,100.00	
N.J. Youth Corps - 2020 - ALWY21N	307,284.00		261,150.00			46,134.00
N.J. Youth Corps - 2021 - ALWY22N		416,000.00	138,693.00			277,307.00
N.J. Transportation Trust Fund Authority Act:						
Urban Aid:						
2018 - Heckman Street Phase III	148,621.38					148,621.38
2019 - Heckman Street Phase IV	34,621.38					34,621.38
N.J. Department of Community Affairs:						
Small Cities CDBG - ADA Improvement	290,000.00				290,000.00	
Neighborhood Preservation Grant	100,000.00		99,645.37			354.63
Body Armor Replacement Grant - 2020		2,955.31	2,955.31			
Bulletproof Vest Partnership Grant :						
2016	3,960.00				\$ 3,960.00	
2017	6,611.91				6,611.91	
2020	2,958.97					2,958.97

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

	Balance Dec. 31, 2020	Budget Revenue Realized	Received	Transfer from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2021
Clean Communities Program - 2021		\$ 34,708.14	\$ 34,708.14			
Recycling Tonnage Grant - 2021		20,130.00	20,130.00			
Drunk Driving Enforcement Grant - 2021		13,654.16	13,654.16			
2020 Warren Street Project	\$ 254,990.00				254,990.00	
NJ Highlands Council:						
2009 Plan Conformance Grant	15,620.39					\$ 15,620.39
2009 Plan Conformance Grant - Supplemental	81,894.50		61,872.50			20,022.00
N.J. Department of Environmental Protection:						
Green Acres Delaware Heights	170,416.51					170,416.51
Warren County Department of Human Services:						
Station House Adjustment Program - 2020	7,238.00	14,476.00	7,238.00			
Station House Adjustment Program - 2021			3,619.00			
FEMA Generators	124,500.00					10,857.00
Community Policing Grant	1,665.44				1,665.44	124,500.00
Elizabethtown Gas Road Improvement - Rose St./N. Main St.		110,900.00	110,900.00			
Elizabethtown Gas Road Improvement - Columbus & Wilbur Avenues		444,636.20	444,636.20			
Elizabethtown Gas Road Improvement - Belvidere Rd., Lincoln St. & Hillcrest Blvd.		132,476.56	132,476.56			
Elizabethtown Gas Road Improvement - 1035 Stanley St.		3,000.00	3,000.00			
Elizabethtown Gas Road Improvement - Hudson St.		14,650.00	14,650.00			
Elizabethtown Gas Road Improvement - Warren St.		40,500.00	40,500.00			
Elizabethtown Gas Road Improvement - S Main & Jefferson St.		50,000.00	50,000.00			
2018 School Resource Officer	19,485.09				19,485.09	38,997.78
2020 School Resource Officer	206,000.00		167,002.22			223,000.00
2021 School Resource Officer		223,000.00				
	<u>\$ 1,820,814.67</u>	<u>\$ 1,711,165.11</u>	<u>\$ 1,656,504.46</u>	<u>\$ 63,502.74</u>	<u>\$ 604,440.54</u>	<u>\$ 1,207,532.04</u>

Ref.

A

A

Federal Grants
State Grants
Local Grants

\$ 7,500.00
642,982.48
1,006,021.98
\$ 1,656,504.46

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 5,418.35	\$ 5,418.35	\$ 5,418.04	\$ 0.31
Other Expenses	31,258.53	18,258.53	15,707.63	2,550.90
Mayor and Council:				
Salaries and Wages	1,566.68	566.68	566.00	0.68
Other Expenses	7,510.15	4,510.15	2,610.97	1,899.18
Municipal Clerk:				
Salaries and Wages	32,575.21	22,575.21	22,574.61	0.60
Other Expenses	38,611.84	18,611.84	6,659.64	11,952.20
Financial Administration:				
Salaries and Wages	5,078.02	5,078.02	5,078.02	
Other Expenses	7,583.06	4,583.06	4,129.44	453.62
Audit Services	2,058.76	58.76		58.76
Revenue Administration:				
Salaries and Wages	4,661.33	4,661.33	4,660.36	0.97
Other Expenses	6,704.06	2,204.06	588.80	1,615.26
Tax Assessment Administration:				
Salaries and Wages	3,820.78	3,820.78	3,820.78	
Other Expenses	8,505.51	4,505.51	4,272.91	232.60
Legal Services:				
Other Expenses	12,844.70	12,844.70	12,255.70	589.00
Engineering Services:				
Other Expenses	28,384.05	28,384.05	28,200.00	184.05
LAND USE ADMINISTRATION:				
Planning Board:				
Other Expenses	3,081.50	2,081.50	1,863.00	218.50
PUBLIC SAFETY FUNCTIONS:				
Police Department:				
Salaries and Wages	165,249.80	160,249.80	158,574.18	1,675.62
Other Expenses	51,985.93	31,985.93	21,922.17	10,063.76
Emergency Management Services:				
Salaries and Wages	0.85	0.85		0.85
Other Expenses	626.31	626.31	559.30	67.01
Fire Department:				
Salaries and Wages	450.07	450.07	450.00	0.07
Other Expenses	5,496.63	5,496.63	4,064.69	1,431.94
Supplemental Fire Services Program	6,494.01	6,494.01	6,314.01	180.00

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	\$ 22,906.14	\$ 17,906.14	\$ 17,906.14	
Other Expenses	93,243.04	323,193.04	284,855.27	\$ 38,337.77
Other Public Works Functions:				
Salaries and Wages	1,923.62	1,923.62	1,923.62	
Other Expenses	14,189.75	9,189.75	4,593.82	4,595.93
PEOSHA	134.65	134.65		134.65
Solid Waste Collection:				
Salaries and Wages	26,965.15	16,965.15	16,965.15	
Other Expenses	5,147.79	147.79		147.79
Buildings and Grounds:				
Salaries and Wages	35,470.97	21,470.97	21,470.97	
Other Expenses	53,241.30	33,241.30	12,275.36	20,965.94
Vehicle Maintenance:				
Salaries and Wages	4,822.96	4,822.96	4,822.96	
Other Expenses	33,135.45	25,135.45	19,562.59	5,572.86
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Animal Control Services:				
Salaries and Wages	3,998.25	3,998.25	3,997.87	0.38
Other Expenses	14,878.13	4,878.13	529.65	4,348.48
PARKS AND RECREATION FUNCTIONS:				
Recreation Services and Programs:				
Salaries and Wages	5,054.29	5,054.29	5,053.77	0.52
Other Expenses	11,469.41	6,469.41	3,878.61	2,590.80
Celebration of Public Events:				
Other Expenses	11,940.00	940.00		940.00
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	21,219.86	21,219.86	18,184.26	3,035.60
Street Lighting	22,310.37	22,310.37	22,310.37	
Telephone	1,451.04	1,451.04	1,352.08	98.96
Water	52,902.76	52,902.76	36,255.48	16,647.28
Gas (Natural or Propane)	18,103.73	18,103.73	18,103.73	
Gasoline	65,329.02	65,329.02	10,625.58	54,703.44
SOLID WASTE DISPOSAL COSTS:				
Waste Disposal:				
Other Expenses	52,717.74	52,717.74	48,896.97	3,820.77

TOWN OF PHILLIPSBURG
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Municipal Court:				
Salaries and Wages	\$ 19,040.88	\$ 11,540.88	\$ 11,540.01	\$ 0.87
Other Expenses	7,210.14	4,710.14	1,505.08	3,205.06
Public Defender (P.L. 1998 Chapter 256):				
Salaries and Wages	1,000.00			
INSURANCE:				
Liability Insurance	5,323.60	2,323.60		2,323.60
Workers Compensation Insurance	896.35	396.35		396.35
Employees Group Insurance	32,728.40	12,728.40	5,265.67	7,462.73
Health Benefit Waivers	42,000.00	42,000.00	36,258.34	5,741.66
UNIFORM CONSTRUCTION CODE:				
Code Enforcement:				
Salaries and Wages	25,040.26	9,540.26	9,540.26	
Other Expenses	2,237.01	1,787.01	1,779.56	7.45
STATUTORY EXPENDITURES:				
Social Security System (O.A.S.I)	14,498.17	14,498.17	14,498.00	0.17
Police and Firemen's Retirement System of NJ	0.47	0.47		0.47
Unemployment Compensation Insurance	2,558.21	2,558.21	2,557.64	0.57
Defined Contribution Retirement Program	1,757.93	1,757.93		1,757.93
Capital Lease Obligations	21,681.68	21,681.68		21,681.68
Maintenance of Free Public Library	380.00	380.00	377.16	2.84
Recycling Tax (P.L.2007, C.311)	8,216.00	8,216.00	6,207.00	2,009.00
Shared Service Agreement - Borough of Alpha:				
Police Services	0.10	0.10		0.10
Public and Private Program Offset by Revenue:				
Matching Funds for Grants	2,505.00	2,505.00		2,505.00
	<u>\$ 1,189,595.75</u>	<u>\$ 1,189,595.75</u>	<u>\$ 953,383.22</u>	<u>\$ 236,212.53</u>

Ref.

Analysis of Balance on December 31, 2020:

Unencumbered	A	\$ 952,441.41
Encumbered	A	<u>237,154.34</u>
		<u>\$ 1,189,595.75</u>

Cash Disbursed	\$ 932,164.72
Accounts Payable	<u>21,218.50</u>
	<u>\$ 953,383.22</u>

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

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 2,546,913.50
Increased by:		
2021 Calendar Year Levy		12,848,802.00
		<u>15,395,715.50</u>
Decreased by:		
Payments to Local School District		12,754,857.48
		<u>12,754,857.48</u>
Balance December 31, 2021	A	<u>\$ 2,640,858.02</u>

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

	Balance Dec. 31, 2020	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2021
Clean Communities Program:							
2019	\$ 6,307.76	\$	6,307.76				
2020	4,273.85		4,273.85				
2021		\$ 34,708.14	34,708.14				
Drunk Driving Enforcement Fund:							
2014	89.99		88.99			\$ 1.00	
2016	670.93		670.93				
2021		13,654.16	5,615.00				\$ 8,039.16
Municipal Alliance Program:							
2016 - State	25.08					25.08	
2017 - State	267.00					267.00	
2018 - State	1,038.84					1,038.84	
2019 - State	1,011.00						1,011.00
2020 - State	4,979.00		4,515.00				464.00
2021 - State		5,936.00	550.00				5,386.00
2016 - Local	109.35						109.35
2017 - Local	70.84						70.84
2018 - Local	3,634.00						3,634.00
2020 - Local	1,245.00		1,129.00				116.00
2021 - Local		1,484.00					1,484.00
Private Donation Cash Match	373.00						373.00
Private Donation Cash Match	15,944.08						
American Rescue Plan - Police Radios			15,944.08	\$ 63,496.74			6.00
Aqua Road Improvements - Congress St - Donations		63,502.74					6,626.99
Aqua Road Improvements - Harris St - Donations		20,000.00	13,373.01				12,000.00
Body Worn Camera Grant - State		12,000.00					
Body Worn Camera Grant - Federal		61,140.00	61,140.00				
Distracted Driving Crackdown Grant 2021		20,000.00	16,704.00				3,296.00
Body Armor Replacement Grant:		7,500.00	7,500.00				
2019	53.67		53.67				
2021	455.15	2,955.31	2,671.78				283.53
Bulletproof Vest Partnership Grant - 2020			455.15				
N.J. Department of Labor and Workforce Development:							
N.J. Youth Corps - 2017 - ALWY18N	20,952.00					20,952.00	
N.J. Youth Corps - 2018 - ALWY19N	4,100.00					4,100.00	
N.J. Youth Corps - 2020 - ALWY21N	303,909.00		257,775.00				46,134.00
N.J. Youth Corps - 2021 - ALWY22N		416,000.00	127,718.00				288,282.00

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

	Balance Dec. 31, 2020	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2021
Small Cities CDBG - ADA Improvement Recycling Tonnage Grant:	\$ 269,700.00				\$ 11,503.20	\$ 281,203.20	
2018	1,740.98	\$	1,740.98				
2019	19,545.00		11,232.95	\$ 2,575.75			\$ 5,736.30
2020	19,545.00						19,545.00
2021		\$ 20,130.00	383.42				19,746.58
N.J. Transportation Trust Fund Authority Act:							
2013 - Municipal Aid Program - Sitgreaves Street Urban Aid - Heckman Street - Phase III	1,050.00				33,434.88	1,050.00	28,938.27
Urban Aid - Heckman Street - Phase IV	64,904.02		4,496.61				64,904.02
2014 Municipal Aid - Washington Street Warren Street Project	92,425.71 254,990.00					92,425.71 254,990.00	
State of NJ Highlands Council:							
2009 Plan Conformance Grant - Supplemental NJ Department of Environmental Protection:	19,275.01		1,560.00				17,715.01
Green Acres Delaware Heights National Park Services:	99,440.33						99,440.33
Rivers, Trails and Conservation Assistance Program:							
2020	278.66					242.08	278.66
Warren County DARE Officers Association Aqua Road Improvement Donations:	242.08						
2020					27,624.76		27,624.76
School Resource Officer:							
2018	19,012.09					19,012.09	
2019					1,799.96	1,799.96	
2020	206,000.00						86,067.04
2021		223,000.00	118,537.46	1,395.50			145,603.98
Station House Adjustment Program - 2020			77,396.02				
Station House Adjustment Program - 2021	6,405.32		6,405.32				9,198.26
Neighborhood Preservation Program		14,476.00	5,277.74				549.36
Community Policing Grant	100,738.98		100,189.62				
Rotary Club - Heritage Trail Donation	10,000.00					10,000.00	
	1,000.00						1,000.00

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

	Balance Dec. 31, 2020	Transferred from Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2021
Elizabethtown Gas Road Improvement:							
2019	\$ 149,606.17						\$ 212,147.89
2020	441,204.81		\$ 181,788.89		\$ 62,541.72		259,415.92
2021 - Rose St./N. Main St.		\$ 110,900.00					110,900.00
2021 - Columbus and Wilbur Aves.		444,636.20					444,636.20
2021 - Belvidere Rd, Lincoln St. & Hillcrest Blvd.		132,476.56					132,476.56
2021 - 1035 Stanley St.		3,000.00					3,000.00
2021 - Hudson St.		14,650.00					14,650.00
2021 - Warren St.		40,500.00					40,500.00
2021 - S. Main & Jefferson Sts.		50,000.00					50,000.00
	<u>\$ 2,146,613.70</u>	<u>\$ 1,712,649.11</u>	<u>\$ 1,070,202.37</u>	<u>\$ 67,467.99</u>	<u>\$ 136,904.52</u>	<u>\$ 687,106.96</u>	<u>\$ 2,171,390.01</u>
Ref	A			A			A
Federal/State/Local Grants		\$ 1,711,165.11					
Local Matching Funds		<u>1,484.00</u>					
		<u>\$ 1,712,649.11</u>					
Federal Grants			\$ 24,659.15	\$ 63,496.74			
State Grants			625,691.70				
Local Grants			<u>419,851.52</u>	<u>1,395.50</u>			
			<u>\$ 1,070,202.37</u>	<u>\$ 64,892.24</u>			

TOWN OF PHILLIPSBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2021

	Grant Funds Received	Transferred to 2021 Budget Revenue	Balance Dec. 31, 2021
American Rescue Plan	\$ 743,774.75	\$ 63,502.74	\$ 680,272.01
Statewide Insurance Safety Grant	8,645.00		8,645.00
	<u>\$ 752,419.75</u>	<u>\$ 63,502.74</u>	<u>\$ 688,917.01</u>

Ref.

A

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
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, 2020	B	\$ 11,388.72	\$ 3,102,150.49
Increased by Receipts:			
Dog License Fees		\$ 5,855.70	
Cat License Fees		1,379.00	
Dog/Cat License Late Fees		730.00	
Interest Earned		31.44	
Due to/from Current Fund:			
Interfund Advanced		526.80	
Settlement of Prior Year Interfund			\$ 557,947.05
Interest Earned			611.83
Community Development Revolving Loan Program:			
Program Receivable - Principal Repayments			2,281.25
Interest on Deposits/Loans			4,380.25
Interest Earnings			1,018.75
Reserve for:			
Planning/Zoning Board Escrow			693,202.85
Public Defender:			
Receipts			1,700.00
Interest Earned			29.08
Parking Offense Adjudication Act			208.00
Bernards Township R.C.A. Program:			
Interest Earned			516.55
Police Outside Services:			
Receipts			383,693.26
Accounts Receivable (Police Outside Services)			9,954.18
Accumulated Sick and Vacation			88,439.00
Storm Recovery			260,270.00
Engineers Developers Escrow			19,060.67
Engineers Inspection Escrow			487,778.62
Fire Safety Dedicated Penalties			500.00
Non-Residential Development Fees			11,715.00
Dog Park User Fees			120.00
Federally Funded Housing Assistance (Section 8 Program):			2,201,201.00
Flexible Spending Benefits Deposits			14,519.37
Open Space			142,412.25
Tax Sale Premiums			401,972.00
		<u>8,522.94</u>	<u>5,283,530.96</u>
		<u>19,911.66</u>	<u>8,385,681.45</u>

TOWN OF PHILLIPSBURG
TRUST FUNDS
SCHEDULE OF CASH
(Continued)

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses		\$ 8,278.74	
Due to/from Current Fund:			
Settlement of Prior Year Interfund		7.00	\$ 1,625.02
Reserve for:			
Planning/Zoning Board Escrow			929,278.04
Accumulated Sick and Vacation			241,588.03
Federally Funded Housing Assistance (Section 8 Program):			
Program Expenditures			2,206,360.39
Police Outside Services			426,638.56
Storm Recovery			329,542.35
Fire Safety Dedicated Penalties			2,625.93
Community Development Revolving Loan Program:			
Legal Fees			5,344.50
Engineers Developers Escrow			11,657.75
Engineers Inspection Escrow			46,320.00
Non-Residential Development Fees			5,262.50
Flexible Spending Benefits Disbursements			15,333.26
Open Space			157,108.07
Tax Sale Premiums			180,000.00
		<u>\$ 8,285.74</u>	<u>\$ 4,558,684.40</u>
Balance December 31, 2021	B	<u>\$ 11,625.92</u>	<u>\$ 3,826,997.05</u>

TOWN OF PHILLIPSBURG
ASSESSMENT TRUST FUND
ANALYSIS OF ASSESSMENT TRUST FUND CASH
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

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

	<u>Ref.</u>		
Balance December 31, 2020	B	\$	10,629.47
Increased by:			
Dog License Fees		\$	5,855.70
Cat License Fees			1,379.00
Cat/Dog License Late Fees			730.00
Interest Earned			31.44
			<hr/>
			7,996.14
			<hr/>
			18,625.61
Decreased by:			
Expenditures Under R.S.4:19-15.11			8,278.74
			<hr/>
Balance December 31, 2021	B	\$	10,346.87
			<hr/> <hr/>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 10,759.46
2020	9,321.90
	<hr/>
Maximum Allowable Reserve	\$ 20,081.36
	<hr/> <hr/>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
GENERAL CAPITAL FUND

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 1,160,919.51
Increased by:		
Capital Improvement Fund:		
2021 Budget Appropriation	\$ 150,000.00	
Grants Receivable	320,330.25	
Capital Fund Balance:		
Premium on Bond Anticipation Notes	27,086.24	
Bond Anticipation Notes Issued	1,529,000.00	
Due to Current Fund:		
Interest Earned	350.26	
		<u>2,026,766.75</u>
		3,187,686.26
Decreased by:		
Due to Current Fund:		
Settlement of Prior Year Interfund	852.22	
Anticipated Revenue:		
Capital Fund Balance	24,275.96	
Improvement Authorization Expenditures	1,989,824.12	
		<u>2,014,952.30</u>
Balance December 31, 2021	C	<u>\$ 1,172,733.96</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by Budget Appropriation	Funded by N.J. Department of Transportation Grant	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
15-17	Installation of New Town Phone System	\$ 10,100.00		\$ 10,100.00					
17-03/19-07/21-05	Renovations/Improvements/Demolition of Certain Town Owned Property	6,190,000.00				\$ 6,190,000.00		\$ 1,441,000.59	\$ 4,748,999.41
17-06	Various Capital Improvements	830.00				830.00			830.00
18-15/20-04/20-13	Various Capital Improvements	1,670,195.00		74,705.00		1,595,490.00	\$ 1,595,490.00		
19-17	Various Capital Improvements	1,074,860.00		70,195.00		1,004,665.00	1,004,510.00		155.00
19-19/20-14	Improvements to Armory	1,333,000.00				1,333,000.00	484,000.00	849,000.00	
20-12	Various Capital Improvements	1,045,000.00				1,045,000.00	1,045,000.00		
21-04	Reconstruction of Warren Street		\$ 880,000.00		\$ 320,330.25	559,669.75			559,669.75
21-10	Body Worn Cameras and Mobile Video Recorders		75,050.00			75,050.00			75,050.00
21-16	Various Capital Improvements		2,742,175.00			2,742,175.00		1,705,610.88	1,036,564.12
		\$ 11,323,985.00	\$ 3,697,225.00	\$ 155,000.00	\$ 320,330.25	\$ 14,545,879.75	\$ 4,129,000.00	\$ 3,995,611.47	\$ 6,421,268.28

C

Ref.

C

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ord. #18-15/20-04/20-13 Various Capital Improvements

Ord. #19-17 Various Capital Improvements

Ord. #20-12 Various Capital Improvements

Ord. #21-04 Reconstruction of Warren Street

\$ 7,496,034.39

\$ (304,855.58)

(376,846.92)

(174,633.36)

(218,430.25)

(1,074,766.11)

\$ 6,421,268.28

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2020		Prior Year Encumbrances Returned	2021 Authorizations		Balance December 31, 2021		
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Paid or Charged	Funded	Unfunded
General Improvements:											
05-18	Various Capital Improvements	7/17/2018	\$ 1,670,195	\$ 357.26					\$ 357.26		
06-20	Various Capital Improvements	5/2/2006	2,283,842.00	18,677.14					18,677.14		
07-07	Various Capital Improvements	5/1/2007	795,800.00	6,827.51					6,827.51		
08-12	Various Capital Improvements	4/8/2008	814,600.00	118.81					118.81		
11-09	Various Capital Improvements	5/17/2009	692,815.00	263.76					263.76		
12-07	Various Capital Improvements	4/17/2012	599,766.00	27,693.63					27,693.63		
13-10	Various Capital Improvements	5/7/2013	517,500.00			4,026.91					
14-11/R20-115	Various Capital Improvements	4/2/2014	1,171,100.00	93,260.25					93,260.25		
15-13/R20-115	Various Capital Improvements	5/5/2015	742,865.00	18,360.44					18,360.44		
16-13	Various Capital Improvements	5/3/2016	1,346,700.00	35,856.29		\$ 4,600.75			31,255.54		
16-20	Engineering for Heritage Trails	8/16/2016	10,000.00	150.00					150.00		
17-03/19-07/21-05	Renovations/ Improvements/Demolition of Certain Town Owned Property	2/20/2019	6,500,000.00	45,053.16	\$ 6,190,000.00	81,593.45			1,567,647.20	\$ 4,748,999.41	
17-06	Various Capital Improvements	6/20/2017	1,311,400.00	329,269.70	830.00	8,478.91			146,495.36	830.00	
17-22	Purchase of Multi-Space Park Kiosk	10/3/2017	20,000.00	5,869.15					5,869.15		
18-15/20-04/20-13	Various Capital Improvements	8/7/2018	1,758,100.00		351,774.14	225,190.60			272,109.16	304,855.58	
19-17	Various Capital Improvements	6/18/2019	1,131,432.00		653,182.88	99,061.04			375,242.00	377,001.92	
19-19/20-14	Improvements to Armory	8/20/2019	1,400,000.00		921,718.75	36,500.00			958,218.75		
20-12	Various Capital Improvements	5/19/2020	1,100,000.00		355,718.17	74,244.87			255,329.68	174,633.36	
R20-115	Renovations/ Improvements to Various Town Parks	5/19/2020	98,371.10			48,034.29			47,946.10	88.19	
21-04	Reconstruction of Warren Street	02/02/21	1,307,107.00				\$ 880,000.00		101,900.00	778,100.00	
21-10	Body Worn Camera and Mobile Video Recorders	03/16/21	79,000.00				75,050.00	\$ 3,950.00	2,000.00	75,050.00	
21-16	Various Capital Improvements	06/15/21	2,886,500.00				2,742,175.00	144,325.00	1,849,935.88	1,036,564.12	
				\$ 581,757.10	\$ 8,473,223.94	\$ 577,130.07	\$ 3,697,225.00	\$ 148,275.00	\$ 5,585,451.79	\$ 7,496,034.39	
				C	C				C	C	
		<u>Ref.</u>									
							Cash Disbursed	<u>Ref.</u>			
							Encumbrances	C	\$ 1,989,824.12		
									3,595,627.67		
									\$ 5,585,451.79		

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 23,319.84
Increased by:		
2021 Budget Appropriation		150,000.00
		<hr/> 173,319.84
Decreased by:		
Appropriated to Finance Improvement		
Authorizations		148,275.00
		<hr/> 148,275.00
Balance December 31, 2021	C	<u><u>\$ 25,044.84</u></u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Date of				Interest Rate	Balance	
		Issue of Original Note	Issue	Maturity			Dec. 31, 2020	Balance Dec. 31, 2021
15-17	Installation of New Town Phone System	06/02/20	06/02/20	06/01/21		2.00%	\$ 10,100.00	
18-15; 20-04; 20-13	Various Capital Improvements	06/02/20	06/02/20 05/27/21	06/01/21 05/26/22		2.00% 1.00%	1,670,195.00	\$1,595,490.00
19-17	Various Capital Improvements	06/02/20	06/02/20 05/27/21	06/01/21 05/26/22		2.00% 1.00%	1,074,705.00	1,004,510.00
20-12	Various Capital Improvements	05/27/21	05/27/21	05/26/22		1.00%	1,045,000.00	1,045,000.00
19-19; 20-14	Improvements to Armory	05/27/21	05/27/21	05/26/22		1.00%	484,000.00	484,000.00
							<u>\$2,755,000.00</u>	
							<u>\$4,129,000.00</u>	<u>\$4,129,000.00</u>
							C	C
							<u>Ref.</u>	
							New Issues	
							Renewals	
							Paid by Budget Appropriation	
							\$1,529,000.00	
							2,600,000.00	\$ 2,600,000.00
							155,000.00	155,000.00
							<u>\$4,129,000.00</u>	<u>\$ 2,755,000.00</u>

TOWN OF PHILLIPSBURG
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance Dec. 31, 2021
			Date	Outstanding Dec. 31, 2021 Amount		Dec. 31, 2020	Matured	
General Improvements	8/15/2017	\$ 6,102,000.00	8/15/2022	\$ 540,000.00	4.000%	\$ 4,582,000.00	\$ 525,000.00	\$ 4,057,000.00
			8/15/2023	550,000.00	2.000%			
			8/15/2024	565,000.00	2.000%			
			8/15/2025	580,000.00	2.000%			
			8/15/2026	595,000.00	2.000%			
			8/15/2027	605,000.00	1.125%			
	8/15/2028		8/15/2028	622,000.00	2.250%			
						<u>\$ 4,582,000.00</u>	<u>\$ 525,000.00</u>	<u>\$ 4,057,000.00</u>

Ref.Ref.

C

C

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

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
01-16	Improvements to Delaware Heights Park	\$ 73,619.50	\$ 14,143.77	\$ 59,475.73
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2021

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 59,475.73
21	1/11/22	\$ 594.76	\$ 7,178.14	52,297.59
22	7/11/22	522.98	7,249.93	45,047.66
23	1/11/23	450.48	7,322.42	37,725.24
24	7/11/23	377.25	7,395.65	30,329.59
25	1/11/24	303.30	7,469.60	22,859.99
26	7/11/24	228.60	7,544.30	15,315.69
27	1/11/25	153.16	7,619.74	7,695.95
28	7/11/25	76.96	7,695.95	-0-
		<u>\$ 2,707.49</u>	<u>\$ 59,475.73</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by N.J. Department of Transportation Grants	Bond Anticipation Notes Issued	Balance Dec. 31, 2021
17-03/19-07/21-05	Renovations/Improvements/Demolition of Certain Town Owned Property	\$ 6,190,000.00				\$ 6,190,000.00
17-06	Various Capital Improvements	830.00				830.00
19-17	Various Capital Improvements	155.00				155.00
19-19;20-14	Improvements to Armory	1,333,000.00			\$ 484,000.00	849,000.00
20-12	Various Capital Improvements	1,045,000.00			1,045,000.00	
21-04	Reconstruction of Warren Street		\$ 880,000.00	\$ 320,330.25		559,669.75
21-10	Body Worn Cameras and Mobile Video Recorders		75,050.00			75,050.00
21-16	Various Capital Improvements		2,742,175.00			2,742,175.00
		<u>\$ 8,568,985.00</u>	<u>\$ 3,697,225.00</u>	<u>\$ 320,330.25</u>	<u>\$ 1,529,000.00</u>	<u>\$ 10,416,879.75</u>

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
WATER UTILITY FUND

NOT APPLICABLE

TOWN OF PHILLIPSBURG
COUNTY OF WARREN
2021
SEWER UTILITY FUND

TOWN OF PHILLIPSBURG
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating	Capital
Balance December 31, 2020	\$ 1,292,475.08	\$ 1,996,795.74
Increased by Receipts:		
Utility Collector	\$ 2,919,882.75	
Sewer Rents - Other Municipalities	1,996,324.26	
Miscellaneous Revenue - Treasurer	285,858.62	
Due to/from Sewer Utility Capital Fund:		
Settlement of Prior Year Interfund	1,350.50	
2021 Budget Appropriation:		
Capital Improvement Fund		\$ 100,000.00
Reserve for Sewer Improvements		22,800.00
Accounts Payable	155,379.11	
Due to/from Sewer Utility Operating Fund:		
Interest Earned		200.17
Settlement of Prior Year Interfund		116,250.00
	5,358,795.24	239,250.17
	<u>6,651,270.32</u>	<u>2,236,045.91</u>
Decreased by Disbursements:		
2021 Appropriation Expenditures	4,159,061.54	
2020 Appropriation Reserves	160,881.28	
Accrued Interest on Loans	104,917.37	
Due to/from Sewer Utility Capital Fund:		
Interfund Advanced	116,250.00	
Improvement Authorization Expenditures		1,241,982.02
Accounts Payable	158,921.19	
Due to/from Sewer Utility Operating Fund:		
Settlement of Prior Year Interfund		1,350.50
	<u>4,700,031.38</u>	<u>1,243,332.52</u>
Balance December 31, 2021	\$ 1,951,238.94	\$ 992,713.39

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

	Balance (Deficit) Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2021
		Budget Appropriation	Miscellaneous	Miscellaneous	Improvement Authorizations	From	To	
Capital Improvement Fund	\$ 374,180.53	\$ 100,000.00		\$ 348,735.00				\$ 125,445.53
Due to/(from) Sewer Utility Operating Fund	(114,899.50)		\$ 116,450.17	\$ 1,350.50				200.17
Reserve for Encumbrances	702,024.05					702,024.05	881,217.80	881,217.80
Reserve for Sewer Improvements	453,446.00		22,800.00				14,024.59	490,270.59
Reserve for Preliminary Engineering Services								
Way Pump Station								
Fund Balance	418,993.78			348,735.00			348,735.00	418,993.78
Ord. No.	Improvement Authorizations							
09-13	Improvements to Town Sewage Treatment Pla	3,920.00						3,920.00
12-08	Capital Purchases	712.21			\$ 712.21			
13-20	Improvements to Sewage Treatment Plant	102,072.70						102,072.70
14-20	Improvements to Town Sewage Treatment Pla	(43,813.05)						(43,813.05)
15-21	General Improvements to the Wastewater Treatment Plant							
18-32	Various Improvements and Acquisitions	8,810.00			8,001.70		8,001.70	
19-16	Various Improvements and Acquisitions	811.25			49,381.60	20,765.00	66,561.85	5,225.25
20-10	Various Improvements and Acquisitions	4,105.79			62,614.21	968.80	63,901.76	1,130.00
20-21	Various Improvements and Acquisitions	86,431.98			4,105.79			
21-06	Improvements to Town Sewage Treatment Plant				633,247.53	2,131.26	549,534.15	587.34
21-17	Improvements to Town Sewage Treatment Plant				378,715.02	186,284.98		(565,000.00)
					105,203.96	322,332.76		(427,536.72)
		\$ 1,996,795.74	\$ 100,000.00	\$ 139,250.17	\$ 1,350.50	\$ 1,931,976.85	\$ 1,931,976.85	\$ 992,713.39

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

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 469,381.02
Increased by:		
Consumer Accounts Receivable		\$ 2,425,909.90
Sewer Rent Overpayments		5,873.28
Interest on Sewer Rents		24,365.00
Interest on Deposits		2,228.44
Returned Check Fees		120.00
		<hr/> 2,458,496.62
		<hr/> 2,927,877.64
Decreased by:		
Disbursed to Sewer Treasurer		<hr/> 2,919,882.75
Balance December 31, 2021	E	<hr/> <hr/> \$ 7,994.89

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

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 164,724.43
Increased by:		
Sewer Rents Levied		2,450,839.21
		<u>2,615,563.64</u>
Decreased by:		
Collections:		
Transfer to Sewer Liens Receivable	\$ 1,923.98	
Sewer Collector - Cash Received	2,425,909.90	
Overpayments Applied	17,420.75	
Cancelled	<u>943.50</u>	
		<u>2,446,198.13</u>
Balance December 31, 2021	E	<u><u>\$ 169,365.51</u></u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 2,736.69
Increased by:		
Transfer from Consumer Accounts Receivable	\$ 1,923.98	
Interest and Costs Accrued at Tax Sale	<u>2.33</u>	
		<u>1,926.31</u>
		4,663.00
Decreased by:		
Cancelled		<u>1,248.22</u>
Balance December 31, 2021	E	<u><u>\$ 3,414.78</u></u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Sewer Treatment Plant	\$ 28,062,979.64	\$ 28,062,979.64
Various Capital Improvements	201,881.57	201,881.57
General Equipment	714,728.67	714,728.67
	<u>\$ 28,979,589.88</u>	<u>\$ 28,979,589.88</u>
<u>Ref.</u>	E	E

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Balance Dec. 31, 2021
09-13	06/16/09	Improvements to Town Sewage Treatment Plant	\$ 5,194,636.31		\$ 5,194,636.31
12-08	04/17/12	Capital Purchases	1,620,000.00		1,620,000.00
13-20	10/15/13	Improvements to Town Sewage Treatment Plant	7,907,500.00		7,907,500.00
14-20	10/07/14	Improvements to Town Sewage Treatment Plant	2,077,000.00		2,077,000.00
18-32	12/19/18	Various Improvements and Acquisitions	500,000.00		500,000.00
19-16	06/05/19	Various Improvements and Acquisitions	500,000.00		500,000.00
20-10	04/07/20	Various Improvements and Acquisitions	750,000.00		750,000.00
20-21	09/01/20	Various Improvements and Acquisitions	800,000.00		800,000.00
21-06	02/16/21	Improvements to Town Sewage Treatment Plant		\$ 565,000.00	565,000.00
21-17	07/07/21	Improvements to Town Sewage Treatment Plant		600,000.00	600,000.00
			<u>\$ 19,349,136.31</u>	<u>\$ 1,165,000.00</u>	<u>\$ 20,514,136.31</u>
		<u>Ref.</u>	E		E

TOWN OF PHILLIPSBURG
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 18,477.92	\$ 18,477.92	\$ 18,477.81	\$ 0.11
Other Expenses	144,442.40	144,442.40	137,047.35	7,395.05
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Public Employee's Retirement System	2.16	2.16		2.16
Social Security System (O.A.S.I.)	4,911.11	4,911.11	4,911.00	0.11
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	1,660.42	1,660.42	445.12	1,215.30
Defined Contribution Retirement Program	1,460.15	1,460.15		1,460.15
	<u>\$ 170,954.16</u>	<u>\$ 170,954.16</u>	<u>\$ 160,881.28</u>	<u>\$ 10,072.88</u>

	<u>Ref.</u>	
<u>Analysis of Balance December 31, 2020</u>		
Unencumbered	E	\$ 170,222.91
Encumbered	E	<u>731.25</u>
		<u>\$ 170,954.16</u>

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2020		Prior Year Encumbrances Returned	2021 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded				Funded	Unfunded
09-13	Improvements to Town Sewage Treatment Plant	06/16/09	\$ 5,815,250.00	\$ 3,920.00					\$ 3,920.00	
12-08	Capital Purchases	04/17/12	1,800,000.00	712.21				\$ 712.21		
13-20	Improvements to Sewage Treatment Plant	10/15/13	7,907,500.00	102,072.70	\$ 407,176.00				102,072.70	\$ 407,176.00
14-20	Improvements to Town Sewage Treatment Plant	10/07/14	2,077,000.00		636,612.95					636,612.95
15-21	General Improvements to the Wastewater Treatment Plant	12/01/15	400,000.00			\$ 8,001.70		8,001.70		
18-32	Various Improvements and Acquisitions	12/19/18	500,000.00	8,810.00		66,561.85		70,146.60	5,225.25	
19-16	Various Improvements and Acquisitions	06/05/19	500,000.00	811.25		63,901.76		63,583.01	1,130.00	
20-10	Various Improvements and Acquisitions	04/07/20	75,000.00	4,103.79				4,105.79		
20-21	Various Improvements and Acquisitions	09/01/20	800,000.00	86,431.98		549,534.15		635,378.79	587.34	
21-06	Improvements to Town Sewage Treatment Plant	02/16/21	565,000.00				\$ 565,000.00	565,000.00		
21-17	Improvements to Town Sewage Treatment Plant	07/07/21	600,000.00				600,000.00	427,536.72		172,463.28
				<u>\$ 206,863.93</u>	<u>\$ 1,043,788.95</u>	<u>\$ 687,999.46</u>	<u>\$ 1,165,000.00</u>	<u>\$ 1,774,464.82</u>	<u>\$ 112,935.29</u>	<u>\$ 1,216,252.23</u>
				<u>Ref.</u>	<u>E</u>	<u>E</u>			<u>E</u>	<u>E</u>
				Cash Disbursed	<u>Ref.</u>			\$ 1,241,982.02		
				Encumbrances	<u>E</u>			532,482.80		
								<u>\$ 1,774,464.82</u>		

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

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 374,180.53
Increased by:		
2021 Budget Appropriation		100,000.00
		<u>474,180.53</u>
Decreased by:		
Reserve for Preliminary Engineering Services		
Way Pump Station		348,735.00
		<u>348,735.00</u>
Balance December 31, 2021	E	<u>\$ 125,445.53</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 33,400,937.56
Increased by:		
NJ Environmental Infrastructure Trust Loans Paid by		
Operating Budget	\$ 176,000.00	
NJ Environmental Infrastructure Trust Loans Paid by		
Operating Budget	<u>412,191.75</u>	
		<u>588,191.75</u>
Balance December 31, 2021	E	<u>\$ 33,989,129.31</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2020	Balance Dec. 31, 2021
09-13	Improvements to Town Sewage Treatment Plant	06/16/09	\$ 2,395,416.31	\$ 2,395,416.31
12-08	Capital Purchases	04/17/12	1,620,000.00	1,620,000.00
18-32	Various Improvements and Acquisitions	12/19/18	500,000.00	500,000.00
19-16	Various Improvements and Acquisitions	06/05/19	500,000.00	500,000.00
20-10	Various Improvements and Acquisitions	04/07/20	750,000.00	750,000.00
20-21	Various Improvements and Acquisitions	09/01/20	800,000.00	800,000.00
			<u>\$ 6,565,416.31</u>	<u>\$ 6,565,416.31</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, 2020	E	\$ 2,490,000.00	\$ 4,784,770.32
Decreased by:			
Loans Paid by Operating Budget		<u>176,000.00</u>	<u>412,191.75</u>
Balance December 31, 2021	E	<u><u>\$ 2,314,000.00</u></u>	<u><u>\$ 4,372,578.57</u></u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340874-04
TRUST LOAN OUTSTANDING DECEMBER 31, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 684,000.00
24	2/1/22	\$ 13,680.00		684,000.00
25	8/1/22	13,680.00	\$ 76,000.00	608,000.00
26	2/1/23	12,160.00		608,000.00
27	8/1/23	12,160.00	76,000.00	532,000.00
28	2/1/24	10,640.00		532,000.00
29	8/1/24	10,640.00	81,000.00	451,000.00
30	2/1/25	9,020.00		451,000.00
31	8/1/25	9,020.00	85,000.00	366,000.00
32	2/1/26	7,320.00		366,000.00
33	8/1/26	7,320.00	85,000.00	281,000.00
34	2/1/27	5,620.00		281,000.00
35	8/1/27	5,620.00	91,000.00	190,000.00
36	2/1/28	3,800.00		190,000.00
37	8/1/28	3,800.00	95,000.00	95,000.00
38	2/1/29	1,900.00		95,000.00
39	8/1/29	1,900.00	95,000.00	-0-
		<u><u>\$ 128,280.00</u></u>	<u><u>\$ 684,000.00</u></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, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 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>\$ 575,275.95</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, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 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>\$ 300,337.50</u>	<u>\$ 1,365,000.00</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, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 3,311,891.82
16	2/1/22	\$ 99,279.66	3,212,612.16
17	8/1/22	198,559.32	3,014,052.84
18	2/1/23	99,279.66	2,914,773.18
19	8/1/23	198,559.32	2,716,213.86
20	2/1/24	99,279.66	2,616,934.20
21	8/1/24	198,559.32	2,418,374.88
22	2/1/25	99,279.66	2,319,095.22
23	8/1/25	198,559.32	2,120,535.90
24	2/1/26	99,279.66	2,021,256.24
25	8/1/26	198,559.32	1,822,696.92
26	2/1/27	99,279.66	1,723,417.26
27	8/1/27	198,559.32	1,524,857.94
28	2/1/28	99,279.66	1,425,578.28
29	8/1/28	198,559.32	1,227,018.96
30	2/1/29	99,279.66	1,127,739.30
31	8/1/29	198,559.32	929,179.98
32	2/1/30	99,279.66	829,900.32
33	8/1/30	198,559.32	631,341.00
34	2/1/31	99,279.66	532,061.34
35	8/1/31	198,559.32	333,502.02
36	2/1/32	99,279.66	234,222.36
37	8/1/32	198,559.32	35,663.04
38	2/1/33	35,663.04	-0-
		<u>\$ 3,311,891.82</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2015A TRUST LOAN #S340874-07
TRUST LOAN OUTSTANDING DECEMBER 31, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 265,000.00
14	02/01/22	\$ 5,725.00		265,000.00
15	08/01/22	5,725.00	\$ 15,000.00	250,000.00
16	02/01/23	5,350.00		250,000.00
17	08/01/23	5,350.00	15,000.00	235,000.00
18	02/01/24	4,975.00		235,000.00
19	08/01/24	4,975.00	15,000.00	220,000.00
20	02/01/25	4,600.00		220,000.00
21	08/01/25	4,600.00	20,000.00	200,000.00
22	02/01/26	4,100.00		200,000.00
23	08/01/26	4,100.00	20,000.00	180,000.00
24	02/01/27	3,600.00		180,000.00
25	08/01/27	3,600.00	20,000.00	160,000.00
26	02/01/28	3,200.00		160,000.00
27	08/01/28	3,200.00	20,000.00	140,000.00
28	02/01/29	2,800.00		140,000.00
29	08/01/29	2,800.00	20,000.00	120,000.00
30	02/01/30	2,400.00		120,000.00
31	08/01/30	2,400.00	20,000.00	100,000.00
32	02/01/31	2,000.00		100,000.00
33	08/01/31	2,000.00	25,000.00	75,000.00
34	02/01/32	1,500.00		75,000.00
35	08/01/32	1,500.00	25,000.00	50,000.00
36	02/01/33	1,000.00		50,000.00
37	08/01/33	1,000.00	25,000.00	25,000.00
38	02/01/34	500.00		25,000.00
39	08/01/34	500.00	25,000.00	-0-
		<u>\$ 83,500.00</u>	<u>\$ 265,000.00</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2015A FUND LOAN #S340874-07
FUND LOAN OUTSTANDING DECEMBER 31, 2021

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 485,410.80
14	02/01/22	\$ 14,147.76	471,263.04
15	08/01/22	28,295.52	442,967.52
16	02/01/23	14,147.76	428,819.76
17	08/01/23	28,295.52	400,524.24
18	02/01/24	14,147.76	386,376.48
19	08/01/24	28,295.52	358,080.96
20	02/01/25	14,147.76	343,933.20
21	08/01/25	28,295.52	315,637.68
22	02/01/26	14,147.76	301,489.92
23	08/01/26	28,295.52	273,194.40
24	02/01/27	14,147.76	259,046.64
25	08/01/27	28,295.52	230,751.12
26	02/01/28	14,147.76	216,603.36
27	08/01/28	28,295.52	188,307.84
28	02/01/29	14,147.76	174,160.08
29	08/01/29	28,295.52	145,864.56
30	02/01/30	14,147.76	131,716.80
31	08/01/30	28,295.52	103,421.28
32	02/01/31	14,147.76	89,273.52
33	08/01/31	28,295.52	60,978.00
34	02/01/32	14,147.76	46,830.24
35	08/01/32	28,295.52	18,534.72
36	02/01/33	14,147.76	4,386.96
37	08/01/33	4,386.96	-0-
		<u>\$ 485,410.80</u>	

TOWNSHIP OF PHILLIPSURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2020

NOT APPLICABLE

TOWN OF PHILLIPSBURG
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

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, 2020	2021 Authorization	Balance Dec. 31, 2021
13-20	10/15/13	Improvements to Sewage Treatment Plant	\$ 407,176.00		\$ 407,176.00
14-20	10/07/14	Improvements to Town Sewage Treatment Plant	680,426.00		680,426.00
21-06	02/16/21	Improvements to Sewage Treatment Plant		\$ 565,000.00	565,000.00
21-17	07/07/21	Improvements to Sewage Treatment Plant		600,000.00	600,000.00
			<u>\$ 1,087,602.00</u>	<u>\$ 1,165,000.00</u>	<u>\$ 2,252,602.00</u>

TOWN OF PHILLIPSBURG

PART II – SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Name of Federal Agency or Department/Cluster Title	Assistance Listing No.	Name of Program	State Account #	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	Provided to Subrecipients
					From	To				
<u>U.S. Department of Housing and Urban Development</u>	14.871	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	N/A	\$ 2,018,500.00	01/01/20	12/31/21		\$ 88,577.76	\$ 2,018,500.00	
Housing Voucher Cluster	14.871	Section 8 Moderate Rehabilitation		2,201,201.00	01/01/21	12/31/22	\$ 2,201,201.00	2,084,325.60	2,084,325.60	
Total Department of Housing and Urban Development/Housing Voucher Cluster		COVID 19 - Section 8 Moderate Rehabilitation	N/A	96,226.00	01/01/20	12/31/21		33,457.03	96,226.00	
				4,315,927.00			2,201,201.00	2,206,360.39	4,199,051.60	
<u>U.S. Department of Justice</u>	16.607	Bulletproof Vest Partnership Grant	N/A	2,958.97	01/01/20	12/31/21		2,958.97 *	2,958.97	
	16.835	Body Worn Camera Program	100-066-1020- 495-092120	20,000.00	10/01/20	09/30/23		16,704.00	16,704.00	
Total Department of Justice				22,958.97				19,662.97	19,662.97	
<u>U.S. Department of Treasury</u>	21.027	COVID 19 - American Rescue Plan Act	100-022-8030- 687-046010	1,487,549.50	03/03/21	12/31/24	743,774.75			
Total Department of Treasury				1,487,549.50			743,774.75			
<u>U.S. Department of Transportation Highway Safety Cluster:</u>	20.616	Distracted Driving Crackdown Grant	100-066-1160- 158-031030	7,500.00	01/01/21	12/31/21	7,500.00	7,500.00	7,500.00	
Total US Department of Transportation/Highway Safety Cluster				208,386.38			7,500.00	7,500.00	7,500.00	
<u>U.S. Department of Homeland Security (Passed Through NJ Department of Law and Public Safety)</u>	97.042	Office of Emergency Management - Emergency Management Grant	N/A	124,500.00	N/A	12/31/21		21,085.50 *	124,500.00	
Total U.S. Department of Homeland Security				124,500.00				21,085.50	124,500.00	
Total Federal Awards				\$ 6,159,321.85			\$ 2,952,475.75	\$ 2,254,608.86	\$ 4,350,714.57	\$ -0-

* Includes the Liquidation of Prior Year Encumbrances

N/A - Not Available/Applicable

TOWN OF PHILLIPSBURG
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

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	\$ 11,217.08	01/01/14	12/31/21		\$ 88.99	\$ 11,216.08
			2,918.17	01/01/16	12/31/21		670.93	2,918.17
			13,654.16	01/01/21	12/31/22	\$ 13,654.16	5,615.00	5,615.00
			32,231.44			13,654.16	6,374.92	20,511.59
	Body Armor Replacement Grant	066-1020-718- 001-090160	4,048.95	01/01/19	12/31/21		53.67	4,048.95
			3,857.38	01/01/20	12/31/22		3,857.38 *	3,857.38
			2,955.31	01/01/21	12/31/22	2,955.31	2,671.78	2,671.78
			10,861.64			2,955.31	6,582.83	10,578.11
	Body Worn Camera Program	100-066-1020- 495-092120	61,140.00	01/01/21	12/31/21		61,140.00	61,140.00
			61,140.00				61,140.00	61,140.00
			104,233.08			16,609.47	74,097.75	92,229.70
<u>Total Department of Law and Public Safety</u> <u>N.J. Highlands Council</u>	Plan Conformance Grant - Supplemental	082-2078-100- 033-290220	138,230.00	01/01/09	12/31/22	61,872.50	1,560.00	120,514.99
			138,230.00			61,872.50	1,560.00	120,514.99
<u>Department of Labor and Workforce Development</u> <u>Total Department of Labor and Workforce Development</u>	N.J. Youth Corps - 2020 - ALWY21N N.J. Youth Corps - 2021 - ALWY22N	062-4545-100-314-105400 062-4545-100-314-105400	478,134.00	07/01/20	06/30/23	261,150.00	295,775.00 *	432,000.00
			416,000.00	07/01/21	06/30/23	138,693.00	127,718.00	127,718.00
			894,134.00			399,843.00	423,493.00	559,718.00
<u>Department of Treasury</u> <u>Passed through the County of Warren</u> <u>Total Department of Treasury</u>	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance	082-2000-100- 044-995120	12,240.00	07/01/19	06/30/22	8,960.00	600.00 *	9,898.08
			4,979.00	07/01/20	06/30/22	1,214.00	4,515.00	4,515.00
			5,936.00	07/01/21	06/30/22		550.00	550.00
			23,155.00			10,174.00	5,665.00	14,963.08
<u>Department of Community Affairs</u> <u>Total Department of Community Affairs</u>	Neighborhood Preservation Program	2019-02351-0549-05	250,000.00	07/01/19	12/31/22	99,645.37	100,189.62	124,450.64
			250,000.00			99,645.37	100,189.62	124,450.64

TOWN OF PHILLIPSBURG
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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 Transportation</u>	State Aid Highway Projects: Warren Street Phase 1 & 2	480-078-6320- AOP-606281	\$ 427,107.00	01/01/21	12/31/22	\$ 320,330.25		
	Transportation Trust Fund Authority Act: Urban Aid: 2018 - Heckman Street Phase III	078-6320-480- AM4-605198	200,886.38	01/01/18	12/31/22		\$ 4,496.61	\$ 171,948.11
Total Department of Transportation			627,993.38			320,330.25	4,496.61	171,948.11
<u>Department of Environmental Protection</u>	Clean Communities Grant	042-4900-765- 004-178910	36,167.71 32,610.99 34,708.14 103,486.84	01/01/19 01/01/20 01/01/21	12/31/21 12/31/21 12/31/21		6,307.76 4,273.85 34,708.14 45,289.75	36,167.71 32,610.99 34,708.14 103,486.84
	Recycling Tonnage Grant	042-4900-752 001-6020	19,119.00 19,545.00 20,130.00 58,794.00	01/01/18 01/01/19 01/01/21	12/31/22 12/31/22 12/31/22		1,740.98 11,232.95 383.42 13,357.35	19,119.00 11,232.95 383.42 30,735.37
Total Department of Environmental Protection			162,280.84			54,838.14	58,647.10	134,222.21
	Total State Awards		\$ 2,200,026.30			\$ 963,312.73	\$ 668,149.08	\$ 1,218,046.73

* Includes the Liquidation of Prior Year Encumbrances

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

TOWN OF PHILLIPSBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

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, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Town of Phillipsburg, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Town of Phillipsburg.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM

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

E. GREEN ACRES LOANS PAYABLE

At December 31, 2021, the Town has a \$59,475.73 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, 2021
(Continued)

F. NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

At December 31, 2021, the Town has \$2,314,000 and \$4,372,578.57 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. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.

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, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated June 28, 2022. 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.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
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Report on 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 financial statements. 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
June 28, 2022

Nisivoccia LLP
NISIVOCCIA LLP

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

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance

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 Program

Opinion on Each Major Federal Program

We have audited the Town of Phillipsburg's (the "Town's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2021. The Township's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The Honorable Mayor and Members
of the Town Council
Town of Phillipsburg
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mount Arlington, New Jersey
June 28, 2022

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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

TOWN OF PHILLIPSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Town's 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 the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance*.
- The auditor's report on compliance for its major federal program for the Town expresses an unmodified opinion on its major federal program.
- The audit did not disclose any findings which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.
- The Town was not subject to the single audit provisions of NJOMB 15-08 for the year ended December 31, 2021 as state award expenditures were less than the single audit threshold of \$750,000 identified in NJOMB 15-08.
- The threshold for distinguishing between Type A and B federal programs was \$750,000.
- The Town was determined to be a "low-risk" auditee for federal programs.
- The Town's program tested as a major federal program for the current year consisted of the following award:

	<u>Assistance Listing No.</u>	<u>Expenditures</u>
<u>Federal:</u>		
Housing Voucher Cluster:		
Lower Income Housing Assistance		
Program - Section 8 Moderate Rehabilitation	14.871	\$ 2,172,903.36
COVID- 19 - Section 8 Moderate Rehabilitation	14.871	33,457.03
		<u>\$ 2,206,360.39</u>

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

- There were none.

TOWN OF PHILLIPSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance

Findings and Questioned Costs for State Awards:

- Not applicable since state award expenditures were below the single audit threshold.

TOWN OF PHILLIPSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no prior year findings.

TOWN OF PHILLIPSBURG

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the municipality 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.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

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 September 30, 2021, 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>
2021	15
2020	15
2019	18

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2021 Taxes	20
Payments of Sewer Utility Charges	20
Delinquent Taxes	15
Delinquent Sewer Utility Charges	15
Sewer and Tax Title Liens	3

Municipal Court

A summary of Municipal Court transactions for the year 2021 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
State of New Jersey	\$ 5,541.29	\$ 77,963.92	\$ 79,029.01	\$ 4,476.20
County	1,691.50	35,430.25	33,224.00	3,897.75
Municipality	5,905.31	104,154.84	100,870.43	9,189.72
Municipality - POAA		226.00	208.00	18.00
Conditional Dismissal		25.00	25.00	
Public Defender	600.00	1,200.00	1,700.00	100.00
Restitution		28.00	28.00	
	<u>\$ 13,738.10</u>	<u>\$ 219,028.01</u>	<u>\$ 215,084.44</u>	<u>\$ 17,681.67</u>

During our review of the Municipal Court records, we noted that there were a number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. The Court Administrator is aware of this and is pursuing collection of these older tickets so that these tickets may be voided or reassigned. As such, a formal recommendation is not deemed necessary.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
 (Continued)

New Jersey Administrative Code Accounting Requirements

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

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

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

Minutes

Although agendas and/or summaries of action were available for all of the 2021 meetings of the Town Council, certain meeting minutes were not prepared and approved as of the date of this report.

It is recommended that minutes be prepared and approved for all of the 2021 meetings of the Town Council.

Management's Response

The Town is in the process of completing the remaining minutes not prepared for 2021.

Outside Departments

During our review of the zoning permits, it was noted that the permits were not issued in sequential order. However, as this has already been resolved in 2022 with the implementation of a new software, no formal recommendation is judged to be warranted.

Management Suggestions

Accounts Receivable – Police Outside Services and Engineer Inspector's Escrow

There were accounts receivable in the Other Trust Funds at year end for Police Outside Services and Engineering Inspection Escrow. While these accounts receivable were subsequently collected in 2022, every effort should be made to obtain deposits and escrow balances as applicable from the related vendor/developer prior to the related services being provided or expenses being paid.

Outside Departments

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

Tax Collector Surety Bond Coverage

Consideration be given to increasing the surety bond coverage for tax collector to the recommended level of \$390,000.

TOWN OF PHILLIPSBURG
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions (Cont'd)

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Town is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Town will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Town ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Town ensures that these funds are separately accounted for in the Town's accounting records and that any applicable Town policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Review of Prior Year Recommendations

The prior year recommendations regarding the collection of delinquent Community Development Block Grant Revolving Loan balances and the Town strictly enforcing that owners provide proof that life threatening deficiencies found during inspections are corrected within the required 24 hour period were resolved in the current year.

TOWN OF PHILLIPSBURG
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Minutes be prepared and approved for all of the 2021 meetings of the Town Council.

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