

BOROUGH OF SUSSEX

COUNTY OF SUSSEX

REPORT OF AUDIT

2009

*NISIVOCCLA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
REPORT OF AUDIT
2009

BOROUGH OF SUSSEX
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BOROUGH OF SUSSEX

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009



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Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Sussex
 Sussex, New Jersey

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

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

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

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed asset account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual cost. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2009 and 2008 stated at \$4,219,647 and \$4,219,647, respectively.

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

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of Sussex at December 31, 2009 and 2008 and the results of operations and changes in fund balances, where applicable, of such funds thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2010, on our consideration of the Borough of Sussex's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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

Nisivoccia & Company, LLP

NISIVOCCIA & COMPANY, LLP

Mount Arlington, New Jersey
April 30, 2010

Kathryn L. Mantell

Kathryn L. Mantell
Registered Municipal Accountant No. 447
Certified Public Accountant

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
CURRENT FUND

BOROUGH OF SUSSEX
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 267,902.86	\$ 395,588.61
Change Fund		100.00	100.00
		<u>268,002.86</u>	<u>395,688.61</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	94,361.00	82,719.73
Tax Title Liens Receivable	A-8	11,582.35	9,532.63
Property Acquired for Taxes at Assessed Valuation		322,100.00	322,100.00
Due Federal and State Grant Fund	A	747.64	
Due Animal Control Trust Fund	B	723.80	243.60
		<u>429,514.79</u>	<u>414,595.96</u>
Total Regular Fund		<u>697,517.65</u>	<u>810,284.57</u>
Federal and State Grant Fund:			
Due from Current Fund	A		4,935.37
Grants Receivable	A-10	290,216.00	600,000.00
		<u>290,216.00</u>	<u>604,935.37</u>
Total Federal and State Grant Fund		<u>290,216.00</u>	<u>604,935.37</u>
TOTAL ASSETS		<u>\$ 987,733.65</u>	<u>\$ 1,415,219.94</u>

BOROUGH OF SUSSEX
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 67,607.88	\$ 51,567.82
Encumbered	A-3;A-11	1,570.12	4,917.32
		<u>69,178.00</u>	<u>56,485.14</u>
County Added and Omitted Taxes Payable		1,178.38	124.32
Due State of New Jersey:			
Marriage License Fees		50.00	100.00
Burial Permit Fees		10.00	420.00
Senior Citizens' and Veterans' Deductions		5,269.49	5,019.49
Prepaid Taxes		13,787.95	30,899.26
Tax Overpayments		1,805.45	3,181.99
Due Federal and State Grant Fund	A		4,935.37
Reserve for:			
Revision of Master Plan		2,490.00	26,735.00
Sale of Municipal Assets		4,883.59	2,967.42
		<u>98,652.86</u>	<u>130,867.99</u>
Reserve for Receivables and Other Assets	A	429,514.79	414,595.96
Fund Balance	A-1	169,350.00	264,820.62
		<u>697,517.65</u>	<u>810,284.57</u>
Federal and State Grant Fund:			
Appropriated Reserves:			
Encumbered	A-14	55,655.68	
Unencumbered	A-14	230,343.66	603,158.10
Unappropriated Reserves	A-15	3,469.02	1,777.27
Due Current Fund	A	747.64	
		<u>290,216.00</u>	<u>604,935.37</u>
Total Federal and State Grant Fund		<u>290,216.00</u>	<u>604,935.37</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 987,733.65</u></u>	<u><u>\$ 1,415,219.94</u></u>

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

BOROUGH OF SUSSEX
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 200,000.00	\$ 210,000.00
Miscellaneous Revenue Anticipated		410,321.65	921,888.85
Receipts from:			
Delinquent Taxes		77,143.87	88,253.10
Current Taxes		3,113,291.21	3,175,117.81
Nonbudget Revenue		59,242.50	79,802.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		11,155.65	26,056.12
Federal and State Grant Fund Unappropriated Reserves Canceled		0.27	0.84
Change Fund Returned			25.00
Interfunds Returned		243.60	27.91
		<u>3,871,398.75</u>	<u>4,501,171.63</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		1,174,091.77	1,707,637.25
County Taxes		567,718.62	585,366.54
Regional School District Taxes		1,334,982.98	1,326,366.04
Regional High School District Taxes		681,604.56	742,267.00
Reinstatement of Prior Year Reserve for Revision of Master Plan Canceled		7,000.00	
Interfunds and Other Receivables Advanced		1,471.44	243.60
		<u>3,766,869.37</u>	<u>4,361,880.43</u>
Excess in Revenue/Statutory Excess to Fund Balance		104,529.38	139,291.20
<u>Fund Balance</u>			
Balance January 1		264,820.62	335,529.42
		<u>369,350.00</u>	<u>474,820.62</u>
Decreased by:			
Utilized as Anticipated Revenue		200,000.00	210,000.00
Balance December 31	A	<u>\$ 169,350.00</u>	<u>\$ 264,820.62</u>

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

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

	Budget	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 200,000.00	\$ 200,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	4,200.00	3,800.00	\$ 400.00 *
Fees and Permits:			
Uniform Construction Code Fees	46,000.00	55,056.30	9,056.30
Other	14,000.00	13,055.00	945.00 *
Consolidated Municipal Property			
Tax Relief Aid	85,108.00	85,108.00	
Energy Receipts Tax	146,198.00	146,198.00	
Extraordinary Aid	90,000.00	90,000.00	
Uniform Fire Safety Act	4,460.00	4,302.35	157.65 *
Parking Meters	6,090.00	7,025.00	935.00
Recycling Tonnage Grant	1,777.00	1,777.00	
Clean Communities Grant	4,000.00	4,000.00	
	401,833.00	410,321.65	8,488.65
Receipts from Delinquent Taxes	75,000.00	77,143.87	2,143.87
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	614,080.00	645,730.05	31,650.05
Budget Totals	1,290,913.00	1,333,195.57	\$ 42,282.57
Nonbudget Revenue		59,242.50	
	\$ 1,290,913.00	\$ 1,392,438.07	

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
 (Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 3,113,291.21
Allocated to School and County Taxes	2,584,306.16
Balance for Support of Municipal Budget	<u>528,985.05</u>
Add: Appropriation "Reserve for Uncollected Taxes"	<u>116,745.00</u>
Realized for Support of Municipal Budget	<u>\$ 645,730.05</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 77,143.87</u>
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Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Interest on Investments	\$ 9,402.72
Municipal Court Fines	16,595.50
Cable TV Franchise Fees	7,796.00
State Housing Inspections	789.00
Clerk's Receipts	1,981.91
Copies	57.75
State of New Jersey:	
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	410.00
Planning Board	850.00
Miscellaneous Refunds	155.00
Voided Checks	11.00
Statutory Excess in Reserve for Animal Control Fund Expenditures	<u>1,135.51</u>
	39,184.39
Collector:	
Interest and Costs on Taxes	18,981.31
Duplicate Bills	168.00
Miscellaneous	185.00
Due Animal Control Fund - Statutory Excess in Reserve for	
Animal Control Fund Expenditures	<u>723.80</u>
	<u>\$ 59,242.50</u>

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

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 88,000.00	\$ 89,000.00	\$ 88,377.06	\$ 622.94	
Other Expenses	19,900.00	18,900.00	15,681.32	3,218.68	
Municipal Clerk:					
Codification of Ordinances	6,500.00	7,000.00	6,809.55	190.45	
Elections	2,000.00	1,500.00	924.04	575.96	
Financial Administration:					
Salaries and Wages	10,225.00	10,225.00	10,215.14	9.86	
Other Expenses	21,200.00	21,200.00	11,723.21	9,476.79	
Revenue Administration (Tax Collection):					
Salaries and Wages	19,700.00	19,700.00	19,699.94	0.06	
Other Expenses	4,000.00	4,000.00	3,554.00	446.00	
Legal Services and Costs:					
Other Expenses	40,000.00	50,000.00	49,520.81	479.19	
Engineering Services and Costs:					
Other Expenses	8,000.00	6,000.00	4,620.00	1,380.00	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	11,200.00	9,200.00	8,139.34	1,060.66	

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT: (Continued)					
Insurance (N.J.S.A. 40A:4-45.3(00)):					
General Liability	\$ 38,275.00	\$ 38,275.00	\$ 37,291.66	\$ 983.34	
Surety Bonds	400.00	400.00		400.00	
Workers' Compensation	12,000.00	12,000.00	10,822.30	1,177.70	
Group Insurance Plan for Employees	65,200.00	65,200.00	64,342.86	857.14	
PUBLIC SAFETY:					
Aid to Volunteer Fire Company	34,000.00	34,000.00	34,000.00		
Police:					
Salaries and Wages	21,500.00	21,500.00	21,482.26	17.74	
Other Expenses	500.00	500.00	32.60	467.40	
Emergency Management Services:					
Salaries and Wages	1,000.00	1,000.00	1,000.00		
Other Expenses	1,250.00	1,250.00	1,163.23	86.77	
Garbage and Trash Removal:					
Other Expenses	4,000.00	4,000.00	3,998.00	2.00	
Recycling Program:					
Other Expenses	2,600.00	2,600.00	2,531.87	68.13	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	155,000.00	155,000.00	154,838.28	161.72	
Other Expenses	27,000.00	27,000.00	22,550.76	4,449.24	

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
STREETS AND ROADS: (Continued)					
Snow Removal:					
Salaries and Wages	\$ 13,000.00	\$ 13,000.00	\$ 6,388.68	\$ 6,611.32	
Other Expenses	21,350.00	21,350.00	14,014.65	7,335.35	
Public Building and Grounds:					
Salaries and Wages	1,100.00	1,100.00	514.58	585.42	
Other Expenses	32,650.00	32,650.00	29,649.83	3,000.17	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	50.00	50.00	50.00		
Other Expenses	50.00	50.00	12.25	37.75	
Mandated Inoculations - Hepatitis B Vaccine:					
Other Expenses	500.00	500.00	150.00	350.00	
Registrar:					
Other Expenses	325.00	325.00	208.16	116.84	
Shade Tree:					
Other Expenses	400.00	400.00	359.00	41.00	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners:					
Other Expenses	2,800.00	2,800.00	2,525.36	274.64	
Celebration of Public Events, Anniversary/Holiday:					
Other Expenses	2,000.00	2,000.00	601.94	1,398.06	

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
State Uniform Construction Code (NJSA 52:27D-120 et seq.):					
Construction Code Officials:					
Salaries and Wages	\$ 14,300.00	\$ 14,300.00	\$ 14,162.48	\$ 137.52	
Other Expenses	300.00	300.00	12.25	287.75	
UNCLASSIFIED:					
Utilities:					
Telephone	9,000.00	9,000.00	8,310.75	689.25	
Gasoline and Diesel Fuel	10,000.00	10,000.00	6,889.25	3,110.75	
Street Lighting	36,000.00	36,000.00	30,028.11	5,971.89	
Reserve for Pending Tax Appeal:					
Other Expenses	2,000.00	2,000.00	1,797.00	203.00	
Total Operations Within "CAPS"	742,275.00	748,275.00	691,992.52	56,282.48	
Detail:					
Salaries and Wages	326,875.00	327,875.00	319,728.42	8,146.58	
Other Expenses	415,400.00	420,400.00	372,264.10	48,135.90	

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 20,000.00	\$ 14,000.00	\$ 12,609.00	\$ 1,391.00	
Social Security System (OASI)	30,700.00	30,700.00	25,196.28	5,503.72	
State Unemployment Insurance	2,800.00	2,800.00	1,475.10	1,324.90	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	53,500.00	47,500.00	39,280.38	8,219.62	
Total General Appropriations for Municipal Purposes Within "CAPS"	795,775.00	795,775.00	731,272.90	64,502.10	
Operations Excluded from "CAPS":					
Contribution to:					
Length of Service Awards Program (L.O.S.A.P.)	18,500.00	18,500.00	15,424.22	3,075.78	
Interlocal Municipal Service Agreements:					
Township of Wantage:					
Construction Agreement:					
Other Expenses	96,055.00	96,055.00	96,025.00	30.00	
Animal Control Agreement:					
Other Expenses	9,900.00	9,900.00	9,900.00		

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Interlocal Municipal Service Agreements: (Continued)					
Township of Wantage: (Continued)					
Tax Assessor:					
Other Expenses	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00		
Municipal Court:					
Other Expenses	44,500.00	44,500.00	44,500.00		
Township of Vernon:					
Dispatching Communication "911":					
Other Expenses	16,053.00	16,053.00	16,053.00		
Public and Private Programs Offset by Revenue:					
Clean Communities Program	4,000.00	4,000.00	4,000.00		
Recycling Tonnage Grant	1,777.00	1,777.00	1,777.00		
Total Operations Excluded from "CAPS"	201,785.00	201,785.00	198,679.22	\$ 3,105.78	
Operations Excluded from "CAPS" (Continued):					
Detail:					
Other Expenses	201,785.00	201,785.00	198,679.22	3,105.78	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	68,000.00	68,000.00	68,000.00		
Total Capital Improvements - Excluded from "CAPS"	68,000.00	68,000.00	68,000.00		

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00		
Payment of Bond Anticipation Notes	32,300.00	32,300.00	32,300.00		
Interest on Bonds	9,313.00	9,313.00	9,312.50		\$ 0.50
Interest on Notes	9,850.00	9,850.00	9,774.52		75.48
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	8,445.00	8,445.00	8,444.75		0.25
Total Municipal Debt Service - Excluded from "CAPS"	89,908.00	89,908.00	89,831.77		76.23
Deferred Charges - Municipal - Excluded from "CAPS":					
Deferred Charges to Future Taxation - Unfunded	18,700.00	18,700.00	18,700.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	18,700.00	18,700.00	18,700.00		
Total General Appropriations - Excluded from "CAPS"	378,393.00	378,393.00	375,210.99	\$ 3,105.78	76.23
Subtotal General Appropriations	1,174,168.00	1,174,168.00	1,106,483.89	67,607.88	76.23
Reserve for Uncollected Taxes	116,745.00	116,745.00	116,745.00		
Total General Appropriations	\$1,290,913.00	\$1,290,913.00	\$1,223,228.89	\$ 67,607.88	\$ 76.23

Ref.

A

BOROUGH OF SUSSEX
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 1,290,913.00	
Reserve for Uncollected Taxes			\$ 116,745.00
Encumbrances	A		1,570.12
Due Federal and State Grant Fund			5,777.00
Cash Disbursed			1,107,154.25
			1,231,246.37
Less: Appropriation Refunds			8,017.48
			\$ 1,223,228.89

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

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
TRUST FUNDS

BOROUGH OF SUSSEX
TRUST FUNDS
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 4,793.80	\$ 4,677.73
		<u>4,793.80</u>	<u>4,677.73</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	57,755.40	172,138.20
Small Cities Receivable		2,500.00	2,500.00
Due from Animal Control Fund	B		94.00
		<u>60,255.40</u>	<u>174,732.20</u>
TOTAL ASSETS		<u>\$ 65,049.20</u>	<u>\$ 179,409.93</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey		\$ 5.20	\$ 5.20
Due Current Fund	A	723.80	243.60
Due Other Trust Fund	B		94.00
Reserve for Animal Control Expenditures	B-6	4,064.80	4,334.93
		<u>4,793.80</u>	<u>4,677.73</u>
Other Trust Funds:			
Reserve for:			
Planning and Zoning Deposits		37,420.20	39,346.55
Recreation Expenditures		4,593.45	3,263.45
Brookside Community Center		1,460.37	1,438.82
Nutrition		8,659.46	8,659.46
Small Cities Loans		2,081.34	2,081.34
Fire Inspection Fees		1,708.58	3,194.58
Parking Offense Adjudication Act		742.00	728.00
Public Defender		1,290.00	1,020.00
Tax Sale Premiums		2,300.00	10,000.00
Affordable Housing			105,000.00
		<u>60,255.40</u>	<u>174,732.20</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 65,049.20</u>	<u>\$ 179,409.93</u>

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

BOROUGH OF SUSSEX
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

B-1

NOT APPLICABLE

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

BOROUGH OF SUSSEX
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

B-2

NOT APPLICABLE

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

B-3

NOT APPLICABLE

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

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
GENERAL CAPITAL FUND

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 45,139.74	\$ 175,834.93
Due Water/Sewer Utility Operating Fund	D	107,619.67	
Deferred Charges to Future Taxation:			
Funded		239,144.41	276,239.65
Unfunded	C-4	589,685.80	485,450.00
TOTAL ASSETS		<u>\$ 981,589.62</u>	<u>\$ 937,524.58</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 177,000.00	\$ 207,000.00
Green Acres Loans Payable	C-9	62,144.41	69,239.65
Bond Anticipation Notes Payable	C-7	434,450.00	466,750.00
Improvement Authorizations:			
Funded	C-5	78,645.33	116,620.33
Unfunded	C-5	154,873.88	37,438.60
Capital Improvement Fund	C-6	74,476.00	15,476.00
Capital Fund Balance	C-1		25,000.00
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 981,589.62</u>	<u>\$ 937,524.58</u>

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

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 25,000.00
Decreased by:		
Restatement of Prior Year Cancellation of Improvement Authorizations (to Capital Improvement Fund)		25,000.00
Balance December 31, 2009	C	\$ -0-

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

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
WATER/SEWER UTILITY FUND

BOROUGH OF SUSSEX
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 66,874.68	\$ 28,975.81
Refunds Receivable		25,000.00	
		<u>91,874.68</u>	<u>28,975.81</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	<u>290,575.00</u>	<u>175,929.82</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	D-3	25,000.00	
Operating Deficit	D-1	37,609.03	21,246.46
		<u>62,609.03</u>	<u>21,246.46</u>
Total Operating Fund		<u>445,058.71</u>	<u>226,152.09</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	9,400.00	2,274.13
Fixed Capital	D-7	10,292,530.83	10,287,530.83
Fixed Capital Authorized and Uncompleted	D-8	<u>7,131,440.12</u>	<u>5,331,440.12</u>
Total Capital Fund		<u>17,433,370.95</u>	<u>15,621,245.08</u>
TOTAL ASSETS		<u>\$ 17,878,429.66</u>	<u>\$ 15,847,397.17</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 19,367.95	\$ 22,458.30
Encumbered	D-3;D-9	25,447.61	414.00
		<u>44,815.56</u>	<u>22,872.30</u>
Due General Capital Fund	C	107,619.67	
Accrued Interest on:			
Bonds and Notes			7,906.85
Loans			17,394.64
		<u>152,435.23</u>	<u>48,173.79</u>
Reserve for Receivables	D	290,575.00	175,929.82
Fund Balance	D-1	2,048.48	2,048.48
		<u>445,058.71</u>	<u>226,152.09</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-15	953,000.00	1,013,000.00
Farmers Home Administration Loan Payable	D-16	743,002.09	777,412.29
United States Department of Agriculture Loan Payable	D-16A	4,969,288.93	5,062,240.64
Improvement Authorizations:			
Funded	D-10		2,274.13
Unfunded	D-10	1,799,400.00	
Capital Improvement Fund	D-11	10,000.00	
Reserve for Amortization	D-12	8,534,577.73	8,340,587.82
Deferred Reserve for Amortization	D-13	425,730.20	425,730.20
		<u>17,434,998.95</u>	<u>15,621,245.08</u>
Total Capital Fund			
		<u>17,434,998.95</u>	<u>15,621,245.08</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 17,880,057.66</u></u>	<u><u>\$ 15,847,397.17</u></u>

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

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Rents		\$ 1,515,511.68	\$ 1,452,103.16
Miscellaneous		40,414.83	33,863.52
Connection Fees		56,340.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,929.43	4,189.46
Cancellation of Accrued Interest		25,231.49	
		<u>1,639,427.43</u>	<u>1,490,156.14</u>
<u>Expenditures</u>			
Operating		1,153,713.00	978,138.00
Capital Improvements		15,000.00	15,000.00
Debt Service		500,674.00	503,374.00
Deferred Charges and Statutory Expenditures		32,649.46	14,682.39
Refund of Prior Year Revenue			208.21
		<u>1,702,036.46</u>	<u>1,511,402.60</u>
Excess/(Deficit) in Revenue		(62,609.03)	(21,246.46)
Adjustments Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		25,000.00	
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>\$ (37,609.03)</u>	<u>\$ (21,246.46)</u>
<u>Fund Balance</u>			
Balance January 1		<u>\$ 2,048.48</u>	<u>2,048.48</u>
Balance December 31	D	<u>\$ 2,048.48</u>	<u>\$ 2,048.48</u>

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

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Water/Sewer Rents	\$ 1,428,000.00	\$ 1,428,000.00	
Water/Sewer Rents - Rate Increase	175,000.00	87,511.68	\$ 87,488.32 *
Miscellaneous	18,040.00	40,414.83	22,374.83
Connection Fees	56,000.00	56,340.00	340.00
	<u>\$ 1,677,040.00</u>	<u>\$ 1,612,266.51</u>	<u>\$ 64,773.49 *</u>

Analysis of Water/Sewer Rents

Collector:

Rents

\$ 1,515,511.68

Collections

\$ 1,515,511.68

Analysis of Miscellaneous Revenue:

Treasurer:

Interest on Investments:

Collected/Received by Treasurer

\$ 1,091.40

Miscellaneous Reimbursements

120.00

\$ 1,211.40

Collector:

Interest on Delinquent Rents

31,933.24

Hydrants

3,750.00

Water/Sewer On/Off Fees

2,698.78

Final Reading

230.00

Miscellaneous Fees

591.41

39,203.43

\$ 40,414.83

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

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 97,689.00	\$ 88,689.00	\$ 88,000.29	\$ 688.71	
Other Expenses	1,028,327.00	1,065,024.00	1,046,421.17	18,602.83	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	5,000.00	5,000.00	5,000.00		
Debt Service:					
Payment of Bond Principal	60,000.00	60,000.00	60,000.00		
Interest on Bonds	48,100.00	48,100.00	48,100.00		
FHA Payment of Loan Principal	127,361.91	127,361.91	127,361.91		
FHA Payment of Loan Interest	265,212.09	265,212.09	265,212.09		
Deferred Charges:					
Deficit in Operations in Prior Years	21,250.00	21,250.00	21,246.46		\$ 3.54
Statutory Expenditures:					
Contribution to Public Employees' Retirement System	5,600.00	4,203.00	4,203.00		
Contribution to Social Security System (O.A.S.I.)	7,500.00	6,600.00	6,527.74	72.26	
Contribution to Unemployment Compensation Insurance	1,000.00	600.00	595.85	4.15	
	<u>\$ 1,677,040.00</u>	<u>\$ 1,702,040.00</u>	<u>\$ 1,682,668.51</u>	<u>\$ 19,367.95</u>	<u>\$ 3.54</u>

Ref.

D

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

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 1,677,040.00	
Emergency Authorization (NJSA 40A:4-47)		<u>25,000.00</u>	
		<u>\$ 1,702,040.00</u>	
Cash Disbursed			\$ 1,359,268.30
Accrued Interest on Serial Bonds			48,100.00
Accrued Interest on Loans			265,212.09
Deferred Charges			21,246.46
Encumbrances Payable	D		<u>25,447.61</u>
			1,719,274.46
Less: Refunds			<u>36,605.95</u>
			<u>\$ 1,682,668.51</u>

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
SEWER UTILITY FUND

NOT APPLICABLE

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
PUBLIC ASSISTANCE FUND

BOROUGH OF SUSSEX
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 18,947.54</u>	<u>\$ 18,947.54</u>
TOTAL ASSETS		<u><u>\$ 18,947.54</u></u>	<u><u>\$ 18,947.54</u></u>
 <u>RESERVES AND LIABILITIES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 18,947.54</u>	<u>\$ 18,947.54</u>
TOTAL RESERVES AND LIABILITIES		<u><u>\$ 18,947.54</u></u>	<u><u>\$ 18,947.54</u></u>

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

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

BOROUGH OF SUSSEX
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
(UNAUDITED)

	December 31,	
	2009	2008
<u>ASSETS</u>		
Land, Buildings and Improvements	\$ 2,135,700.00	\$ 2,135,700.00
Machinery and Equipment	2,083,947.00	2,083,947.00
TOTAL ASSETS	\$ 4,219,647.00	\$ 4,219,647.00
<u>RESERVES</u>		
Reserve for Fixed Assets	\$ 4,219,647.00	\$ 4,219,647.00
TOTAL RESERVES	\$ 4,219,647.00	\$ 4,219,647.00

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

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Sussex include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Sussex, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Sussex 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. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB codification section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Sussex conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Sussex 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 – Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water/Sewer Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer Utility.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

B. Description of Funds (Cont'd)

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The Borough transferred administration of the general assistance program to the Sussex County Division of Social Services. The funds remaining in the Public Assistance Funds are used to assist certain residents who do not qualify for the General Assistance Program.

General Fixed Asset Account Group – Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E - “Other significant accounting policies”.

C. Basis of Accounting

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

The accounting policies of the Borough of Sussex conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. 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.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

C. Basis of Accounting (Cont'd)

Had the Borough'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; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Water/Sewer Utility Capital Fund would be depreciated.

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

- D. Deferred Charges to Future Taxation – The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or capital lease purchase agreements.

- E. Other significant accounting policies include:

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

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

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

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants 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.

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.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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

Inventories of Supplies – The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets (Unaudited)

General fixed assets are recorded at estimated cost except for land and buildings which is recorded at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided 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 and Capital Funds. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Water/Sewer Utility Fund is recorded in the Water/Sewer Utility Capital accounts at cost and are not adjusted for disposition and abandonment. The amounts shown do 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 Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

- Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current and Water/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 Borough during the year.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2009	2008	2007
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 673,595	\$ 742,990	\$ 830,945
Water/Sewer Utility:			
Bonds, Notes and Loans	6,665,291	6,852,653	7,034,311
Total Issued	<u>7,338,886</u>	<u>7,595,643</u>	<u>7,865,256</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	155,236	18,700	
Water/Sewer Utility:			
Bonds and Notes	1,100,000		393
Total Authorized but not Issued	<u>1,255,236</u>	<u>18,700</u>	<u>393</u>
Net Bonds, Notes, and Loans Issued and Authorized but not Issued	<u>\$ 8,594,122</u>	<u>\$ 7,614,343</u>	<u>\$ 7,865,649</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 Revised Annual Debt Statement and indicates statutory net debt of 1.26 %.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 79,866	\$ 79,866	
Water/Sewer Utility Debt	8,465,304	7,394,834	\$ 1,070,470
General Debt	828,830		828,830
	<u>\$ 9,374,000</u>	<u>\$ 7,474,700</u>	<u>\$ 1,899,300</u>

Net Debt: \$1,899,300 divided by Average Equalized Valuations of \$151,259,336 of Real Property = 1.26%.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$ 5,294,077
Net Debt	1,899,300
Remaining Borrowing Power	\$ 3,394,777

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,612,267
Deductions:	
Operating and Maintenance Cost	\$ 1,165,116
Debt Service	500,674
Total Deductions	1,665,790
Deficit	\$ (53,523)

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 Revised Annual Debt Statement filed by the Chief Financial Officer.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Summary of Municipal Debt Issued and Outstanding

	Balance 12/31/08	Additions	Retirements	Balance 12/31/09
Serial Bonds:				
General Capital Fund	\$ 207,000		\$ 30,000	\$ 177,000
Water/Sewer Utility	1,013,000		60,000	953,000
Bond Anticipation Notes:				
General Capital Fund	466,750	\$ 434,450	466,750	434,450
Loans Payable:				
General Capital Fund:				
Green Acres Loan	69,240		7,096	62,144
Water/Sewer Utility:				
FHA Loan	777,412		34,410	743,002
USDA Loans	5,062,241		92,952	4,969,289
Total	\$ 7,595,643	\$ 434,450	\$ 691,208	\$ 7,338,885
	Balance 12/31/07	Additions	Retirements	Balance 12/31/08
Serial Bonds:				
General Capital Fund	\$ 237,000		\$ 30,000	\$ 207,000
Water/Sewer Utility	1,073,000		60,000	1,013,000
Bond Anticipation Notes:				
Water/Sewer Utility	517,750	\$ 466,750	517,750	466,750
Loans Payable:				
General Capital Fund:				
Green Acres Loan	76,195		6,955	69,240
Water/Sewer Utility:				
FHA Loan	810,164		32,752	777,412
USDA Loans	5,151,147		88,906	5,062,241
Total	\$ 7,865,256	\$ 466,750	\$ 736,363	\$ 7,595,643

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

The Borough's debt issued and outstanding on December 31, 2009 is described as follows:

General Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Improvements to Various Roads	02/19/09	02/19/10	3.00%	\$ 258,400
Purchase of Fire Apparatus	02/19/09	02/19/10	3.00%	176,050
				<u>\$ 434,450</u>

General Capital Serial Bonds

<u>Purpose</u>	<u>Outstanding Maturities</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
General Improvements	11/01/10-14	\$ 30,000	4.50%	
	11/01/15	27,000	4.75%	<u>\$ 177,000</u>

General Capital Green Acres Loan

<u>Purpose</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Clove Lake Dam Improvements	04/22/02	10/22/17	2.00%	<u>\$ 65,144</u>
Total General Debt Issued and Outstanding				<u>\$ 676,594</u>

Water and Sewer Capital Serial Bonds

<u>Purpose</u>	<u>Outstanding Maturities</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
Water and Sewer Improvements	11/01/10-14	\$ 60,000	4.50%	
	11/01/15-19	60,000	4.75%	
	11/01/20-24	60,000	5.00%	
	11/01/25	53,000	5.00%	<u>\$ 953,000</u>

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Water and Sewer Capital FHA and USDA Loans

Purpose	Issue Date	Final Maturity	Interest Rate	Balance Dec. 31, 2009
FHA:				
Construct Water Line	01/09/84	01/09/24	5.00%	\$ 743,002
USDA:				
Upgrade Water Treatment Plant	03/22/96	03/22/36	4.50%	1,706,975
Upgrade Water Treatment Plant	03/22/96	03/22/36	4.50%	430,793
Construct Sewer Line	01/23/97	01/23/37	4.50%	2,066,715
Construct Sewer Line	01/23/97	01/23/37	4.50%	764,806
				<u>\$ 4,969,289</u>
Total Water and Sewer Utility Debt Issued and Outstanding				<u>\$ 6,665,291</u>

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

Calendar Year	General		Water/Sewer Utility		Total
	Principal	Interest	Principal	Interest	
2010	\$ 37,238	\$ 9,239	\$ 193,334	\$ 304,640	\$ 544,451
2011	37,383	7,744	199,586	295,688	540,401
2012	37,532	6,245	206,133	286,441	536,351
2013	37,683	4,744	212,987	276,887	532,301
2014	37,838	3,240	220,164	267,010	528,252
Thereafter:					
2015-2019	51,471	2,146	1,220,848	1,173,022	2,447,487
2020-2024			1,417,443	862,993	2,280,436
2025-2029			1,090,448	563,792	1,654,240
2030-2034			1,295,984	302,606	1,598,590
2035-2037			608,364	36,562	644,926
Total	<u>\$ 239,145</u>	<u>\$ 33,358</u>	<u>\$ 6,665,291</u>	<u>\$ 4,369,641</u>	<u>\$ 11,307,435</u>

Green Acres Loans Payable

On April 1, 2002, the Borough of Sussex entered into an agreement with the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection Fund (the "Fund"), in the aggregate amount of \$112,071, which represents a direct obligation of the Borough. The loan agreement was obtained to finance improvements to the Clove Lake Dam.

Principal payments on the Loan commenced on April 22, 2002, and will continue on an annual basis over 15 years at 2.00% interest. The Borough will be responsible for all such interest and principal payments.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Farmers Home Administration Loan Payable

On January 9, 1984, the Borough of Sussex entered into an agreement with the Farmers Home Administration, in the aggregate amount of \$1,234,000, which represents a direct obligation of the Borough. The loan was obtained to fund the construction of a water line within the Borough.

Principal payments on the loan commenced on January 9, 1985, and will continue on an annual basis over 40 years at 5.00% interest. The Borough will be responsible for all such interest and principal payments.

United States Department of Agriculture Loans Payable

On March 22, 1996, the Borough of Sussex entered into agreements with the United States Department of Agriculture, in the aggregate amounts of \$2,050,000 and \$517,400, which represents a direct obligation of the Borough. The loans were obtained to fund upgrades to the Borough water treatment plant.

Principal payments on the loan commenced on March 22, 1997, and will continue on an annual basis over 40 years at 4.50% interest. The Borough will be responsible for all such interest and principal payments.

On January 23, 1997, the Borough of Sussex entered into agreements with the United States Department of Agriculture, in the aggregate amounts of \$2,436,300 and \$901,600, which represents a direct obligation of the Borough. The loans were obtained to fund the construction of sewer lines within the Borough.

Principal payments on the Loans commenced on January 23, 1998, and will continue on an annual basis over 40 years at 4.50% interest. The Borough will be responsible for all such interest and principal payments.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2009, which were appropriated and included as anticipated revenue in their own respective funds in the introduced budget for the year ending December 31, 2010 are as follows:

Current Fund	\$ 100,000
Water/Sewer Utility Operating Fund	- 0 -

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 Borough of Sussex has elected not to defer school taxes.

Note 5: Pension Plans

Borough employees are enrolled in a cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) of New Jersey. The State of New Jersey sponsors and administers this plan which covers substantially all Borough employees. As a general rule, all full-time employees are eligible to join this plan.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 5: Pension Plans (Cont'd)

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

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 above system. 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.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on percentages of 5.5% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

For PERS, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

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

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

Three-Year Trend for PERS			
Year Ending December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 30,277	100.00%	\$ 30,277
2008	21,433	80.00%	17,146
2007	20,105	60.00%	12,063

The Borough elected to defer \$13,465 of their \$30,277 regular pension liability. The amount will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount. State law does not provide the authority for the Borough to issue debt to finance this obligation. The Borough is allowed to pay off the obligation at any time by contacting the Division of Pensions and Benefits for a payoff amount.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 6: Accrued Sick, Vacation and Compensatory Time

The Borough policy allows Borough employees to accrue sick and vacation time. The current cost of such unpaid compensation would be payable upon termination or separation from the Borough approximates \$18,238. This amount is not reported either as expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's operating budget in the year in which it is used.

Note 7: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 5, the Borough provides other post-retirement benefits to certain Borough employees after retirement, substantially similar in nature to the health benefits provided to employees presently working.

The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

Upon retirement, full time employees with twenty-five (25) years in the State Pension Plan will receive full benefits (i.e., State of New Jersey Health Benefits Plan, prescription, dental, life insurance, vision and disability insurance plans) and reimbursement of Federal Medicare Program Part B premiums. The coverage applies to the employee and their dependents. In the event of an employee's death, coverage ceases.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 7: Post-Retirement Medical Benefits (Cont'd)

The Borough contributions to SHBP for the years ended December 31, 2009, 2008 and 2007, were approximately \$36,734, \$37,153, and \$34,855, respectively, which equaled the required contributions for each year. There were 3 retired participants (and 3 spouses) eligible at December 31, 2009, 2008 and 2007, respectively.

The Borough's portion of post-retirement dental benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. The Borough contributions for post-retirement Federal Medicare Part B reimbursement benefits the years ended December 31, 2009, 2008 and 2007, were approximately \$5,784, \$5,784 and \$5,784, respectively, which equaled the required contributions for each year. There were 3 retired participants (and 2 spouses) eligible at December 31, 2009, 2008 and 2007, respectively.

Note 8: Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan (the "plan") created in accordance with Section 457 of the Internal Revenue Code. The plan, which is administered by Nationwide Retirement Solutions, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 9: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	\$ 4.01	\$ 4.09	\$ 3.98
<u>Apportionment of Tax Rate</u>			
Municipal	0.77	0.75	0.66
County	0.71	0.74	0.72
Regional School	1.67	1.67	1.68
Regional High School	0.86	0.93	0.92
<u>Assessed Valuations</u>			
2009	<u>\$ 79,737,649</u>		
2008		<u>\$ 79,675,912</u>	
2007			<u>\$ 79,881,585</u>

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 9: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2009	\$ 3,204,110	\$ 3,113,291	97.16%
2008	3,255,452	3,175,118	97.53%
2007	3,185,150	3,095,385	97.18%

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 10: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

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

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

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment 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 Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

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

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

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.

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 Borough to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- Deposits with the State of New Jersey Cash Management Fund; or

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - ©the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
- a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2009, cash and cash equivalents of the Borough of Sussex consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Total</u>
Current	\$ 100	\$ 181,128	\$ 86,775	\$ 268,003
Animal Control		4,794		4,794
Other Trust		57,755		57,755
General Capital		45,140		45,140
Water/Sewer Utility Operating		66,875		66,875
Water/Sewer Utility Capital		9,400		9,400
Public Assistance		18,947		18,947
	<u>\$ 100</u>	<u>\$ 384,039</u>	<u>\$ 86,775</u>	<u>\$ 470,914</u>

During the period ended December 31, 2009, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2009 was \$470,914 and the bank balance was \$579,701. The \$86,775 in the NJ Cash Management Fund is uninsured and/or unregistered.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2009:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,471	
Federal and State Grant Fund		747
Animal Control Fund		724
General Capital Fund	107,620	
Water/Sewer Utility Operating Fund		107,620
	<u>\$ 109,091</u>	<u>\$ 109,091</u>

The Current Fund interfund receivable represents the statutory excess due from the Animal Control Fund and expenditures on behalf of the Federal and State Grant Fund. The interfund between the General Capital Fund and the Water/Sewer Utility Operating Fund represents cash advances to meet temporary cash flow needs.

Note 12: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

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

As a member of the Fund, the Borough 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.

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 12: Risk Management (Cont'd)

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, 2009 audit report of the Statewide Insurance Fund has not been filed as of the date of this audit. Selected, summarized financial information for the Fund as of December 31, 2008, is as follows:

	Statewide Insurance Fund
Total Assets	\$ 36,796,917
Net Assets	\$ 4,366,131
Total Revenue	\$ 21,473,386
Total Expenses	\$ 21,908,649
Change in Net Assets	\$ (435,263)
Net Assets Distribution to Participating Members	\$ -0-

Financial statements for the Fund are available at the Office of the Executive Director:

Statewide Insurance Fund
260 Columbia Turnpike
PO Box 678
Florham Park, New Jersey 07932-0678
(973) 549-1900

New Jersey Unemployment Compensation Insurance

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

Note 13: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2009:

	Balance Dec. 31, 2008	Additions	Balance Dec. 31, 2009
Land, Buildings and Improvements	\$ 2,135,700		\$ 2,135,700
Machinery and Equipment	2,083,947		2,083,947
	\$ 4,219,647	\$ -0-	\$ 4,219,647

BOROUGH OF SUSSEX
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 14: Economic Dependency

The Borough 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 Borough's programs and activities.

Note 15: Contingencies

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution would not have a material adverse effect on their financial position.

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 Borough 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 Borough officials expect such amounts, if any, to be immaterial.

Note 16: Deferred Charges

Certain expenditures are required to be deferred to budget of the succeeding years. At December 31, 2009, the following deferred charges are shown on the balance sheet of the following fund:

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Water/Sewer Utility Operating Fund:			
Emergency Appropriation (NJSA 40A:4-47)	\$ 25,000.00	\$ 25,000.00	
Operating Deficit	<u>37,609.03</u>	<u>37,609.03</u>	
	<u>\$ 62,609.03</u>	<u>\$ 62,609.03</u>	<u>\$ -0-</u>

The 2010 Budget Appropriations are not less than that required by statute.

BOROUGH OF SUSSEX

SUPPLEMENTARY DATA

BOROUGH OF SUSSEX
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2009

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

Name	Title	Amount of Bond
Christian Parrott	Mayor	
Frank Dykstra	Councilperson	
Katherine Little	Councilperson	
James Fransen	Councilperson	
Bruce LaBar	Councilperson	
Jonathan Rose	Councilperson	
Edward Meyer	Councilperson	
Catherine Gleason	Borough Clerk, Assessment Search Officer, Registrar	*
Grant W. Rome	Chief Financial Officer and Treasurer	*
Colleen Little	Deputy Borough Clerk, Deputy Treasurer, Deputy Registrar, Payroll Clerk	*
Terry Beshada	Tax Collector, Water/Sewer Collector, Tax Search Officer	*
Melissa Rockwell	Tax Assessor	
Craig Dana	Municipal Judge	
Cathy Nestel	Court Administrator	*
John Ursin	Municipal Attorney	*
Michael Simone	Municipal Engineer	

* - The Borough has blanket surety bond coverage for all employees in the amount of \$250,000 through the Statewide Insurance Fund. The bond was examined and appears to have been properly executed.

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
CURRENT FUND

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 395,588.61
Increased by Receipts:		
Tax Collector	\$ 3,173,149.57	
Revenue Accounts Receivable	404,544.65	
Miscellaneous Revenue Not Anticipated	39,184.39	
Due Federal and State Grant Fund:		
Current Year Grants Receivable	4,000.00	
Prior Year Grants Receivable	309,784.00	
Unappropriated Grants	3,469.02	
Due Animal Control Fund:		
Interfund Returned	243.60	
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions	20,500.00	
Marriage License Fees Payable	225.00	
Burial Permit Fees Payable	70.00	
Reserve for Revision of Master Plan - Refunds	3,500.00	
Reserve for Sale of Municipal Assets	1,916.17	
Appropriation Refunds	8,017.48	
	<hr/>	3,968,603.88
		<hr/>
		4,364,192.49
Decreased by Disbursements:		
2009 Appropriation Expenditures	1,107,154.25	
2008 Appropriation Reserve Expenditures	45,329.49	
Regional School Taxes	1,334,982.98	
Regional High School Taxes	681,604.56	
County Taxes	566,664.56	
Due Federal and State Grant Fund:		
Current Year Expenditures	322,935.76	
Due State of New Jersey:		
Marriage License Fees Payable	275.00	
Burial Permit Fees Payable	480.00	
Refund of Tax Overpayments	2,118.03	
Reserve for Revision of Master Plan	34,745.00	
	<hr/>	4,096,289.63
		<hr/>
Balance December 31, 2009	A	\$ 267,902.86
		<hr/> <hr/>

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

Increased by Receipts:

Taxes Receivable	\$ 3,138,970.32
2010 Prepaid Taxes	13,787.95
Tax Overpayments	1,056.99
Miscellaneous Revenue Not Anticipated:	
Interest and Costs on Taxes	18,981.31
Duplicate Bills	168.00
Miscellaneous	185.00
	<hr/>

\$ 3,173,149.57

Decreased by:

 Payments to Municipal Treasurer

\$ 3,173,149.57

SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2009 Levy	Collections		Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Transferred to Tax Title Liens	Balance
	Dec. 31, 2008		2008	2009				Dec. 31, 2009
2002	\$ 1,809.00							\$ 1,809.00
2003	2,079.88							2,079.88
2004	1,674.41							1,674.41
2008	77,156.44			\$ 77,893.87		\$ (750.00)	\$ 12.57	
	82,719.73			77,893.87		(750.00)	12.57	5,563.29
2009		\$ 3,204,109.96	\$ 30,899.26	3,061,076.45	\$ 315.50	21,000.00	2,021.04	88,797.71
	\$ 82,719.73	\$ 3,204,109.96	\$ 30,899.26	\$ 3,138,970.32	\$ 315.50	\$ 20,250.00	\$ 2,033.61	\$ 94,361.00

Ref. A

A

Analysis of 2009 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 3,143,695.64
Business Personal Property Taxes	53,784.08
Added and Omitted Taxes	6,630.24
	<u>\$ 3,204,109.96</u>

Tax Levy:

Regional School District Taxes	\$ 1,334,982.98
Regional High School District Taxes	681,604.56
County Taxes:	
General Tax	\$ 566,540.24
Due County for Added and Omitted Taxes	1,178.38
	<u>567,718.62</u>
	2,584,306.16
Local Tax for Municipal Purposes Levied	614,080.00
Add: Additional Tax Levied	5,723.80
	<u>619,803.80</u>
	<u>\$ 3,204,109.96</u>

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 9,532.63
Increased by:		
Transfer from Taxes Receivable		\$ 2,033.61
Interest and Costs		<u>16.11</u>
		<u>2,049.72</u>
Balance December 31, 2009	A	<u>\$ 11,582.35</u>

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accrued In</u> <u>2009</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 3,800.00	\$ 3,800.00	
Fees and Permits:				
Uniform Construction Code Fees		55,056.30	55,056.30	
Other		13,055.00	13,055.00	
Consolidated Municipal Property				
Tax Relief Aid		85,108.00	85,108.00	
Energy Receipts Tax		146,198.00	146,198.00	
Extraordinary Aid		90,000.00	90,000.00	
Uniform Fire Safety Act		4,302.35	4,302.35	
Parking Meters		7,025.00	7,025.00	
	<u>\$ -0-</u>	<u>\$ 404,544.65</u>	<u>\$ 404,544.65</u>	<u>\$ -0-</u>

BOROUGH OF SUSSEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant Description	Balance Dec. 31, 2008	Accrued in 2009	Received	Balance Dec. 31, 2009
Clean Communities Program		\$ 4,000.00	\$ 4,000.00	
Recycling Tonnage Grant		1,777.00	1,777.00	
Municipal Stormwater Regulation Program				
Small Cities Grants:				
Maple Avenue & Cross Street	\$ 400,000.00		309,784.00	\$ 90,216.00
Rehab Housing	200,000.00			200,000.00
	<u>\$ 600,000.00</u>	<u>\$ 5,777.00</u>	<u>\$ 315,561.00</u>	<u>\$ 290,216.00</u>

Ref.

A

A

Current Year Receivable	\$ 4,000.00
Prior Year Receivable	309,784.00
Transfer from Unappropriated Reserves	1,777.00
	<u>\$ 315,561.00</u>

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 361.54	\$ 361.54	\$ 148.00	\$ 213.54
Other Expenses	1,311.67	1,311.67	1,191.85	119.82
Municipal Clerk:				
Codification of Ordinances	8.20	8.20		8.20
Elections	513.44	513.44	450.00	63.44
Financial Administration:				
Salaries and Wages	35.52	35.52		35.52
Other Expenses	9,330.40	15,330.40	15,256.87	73.53
Revenue Administration (Tax Collection):				
Salaries and Wages	1,065.28	65.28		65.28
Other Expenses	253.26	253.26	200.00	53.26
Tax Assessment Administration:				
Maintenance of Tax Map	0.50	0.50		0.50
Legal Services and Costs:				
Other Expenses	1,316.86	1,316.86	1,000.00	316.86
Engineering Services and Costs:				
Other Expenses	1,459.00	459.00	400.00	59.00
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	0.74	0.74		0.74
Other Expenses	4,070.37	1,070.37	995.00	75.37
Insurance:				
General Liability	81.24	81.24		81.24
Surety Bonds	89.00	89.00		89.00
Worker's Compensation	276.00	276.00	200.00	76.00
Group Insurance Plan for Employees	1,274.21	274.21		274.21
PUBLIC SAFETY:				
Police:				
Salaries and Wages	398.91	398.91		398.91
Other Expenses	252.25	1,852.25	1,835.95	16.30
Emergency Management Services:				
Salaries and Wages	0.25	0.25		0.25
Other Expenses	530.75	530.75		530.75

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
PUBLIC SAFETY: (Continued)				
Garbage and Trash Removal:				
Other Expenses	\$ 1,579.06	\$ 1,579.06	\$ 1,424.76	\$ 154.30
Recycling:				
Other Expenses	1,212.78	1,212.78	1,018.90	193.88
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries and Wages	4,600.89	600.89		600.89
Other Expenses	6,304.25	4,304.25	3,148.51	1,155.74
Snow Removal:				
Salaries and Wages	2,994.46	2,994.46	2,419.80	574.66
Other Expenses	1,603.33	7,603.33	7,506.72	96.61
Public Buildings and Grounds:				
Salaries and Wages	200.00	200.00		200.00
Other Expenses	3,807.23	3,807.23	2,857.92	949.31
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	680.60	680.60		680.60
Mandated Inoculations (NJSA 40A:4-45.3cc):				
Hepatitis B Vaccine	500.00	500.00		500.00
Registrar:				
Other Expenses	219.95	219.95		219.95
RECREATION AND EDUCATION:				
Board of Recreation				
Commissioners - (NJSA 40:12-1 et seq.):				
Other Expenses	1,104.25	1,104.25	812.99	291.26
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	383.29	383.29	30.00	353.29
Municipal Court:				
Other Expenses	0.30	0.30		0.30
State Uniform Construction Code - (NJSA 52:27D-120 et seq.):				
Construction Official:				
Salaries and Wages	763.99	763.99		763.99
Other Expenses	168.16	168.16	105.60	62.56

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
UNCLASSIFIED:				
Utilities:				
Telephone	\$ 698.70	\$ 698.70	\$ 21.29	\$ 677.41
Gasoline and Diesel Fuel	1,391.77	1,391.77	1,293.58	98.19
Street Lighting	3,081.63	3,081.63	2,800.92	280.71
Reserve for Pending Tax Appeal:				
Other Expenses	360.00	360.00		360.00
Statutory Expenditures:				
Contribution to:				
Social Security System (OASI)	1,811.04	211.04	210.83	0.21
State Unemployment Insurance	389.47	389.47		389.47
Contribution to:				
Public Employees Retirement System	0.60	0.60		0.60
	<u>\$ 56,485.14</u>	<u>\$ 56,485.14</u>	<u>\$ 45,329.49</u>	<u>\$ 11,155.65</u>

Ref.

Analysis of Balance December 31, 2008:

Unencumbered	A	\$ 51,567.82
Encumbered	A	<u>4,917.32</u>
		<u>\$ 56,485.14</u>

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2009

Increased by:

Levy - Calendar Year 2009

\$ 1,334,982.98

Decreased by:

Payments to Regional School District

\$ 1,334,982.98

BOROUGH OF SUSSEX
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2009

Increased by:

Levy - Calendar Year 2009	\$ 681,604.56
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Decreased by:

Payments to Regional High School District	<u>\$ 681,604.56</u>
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BOROUGH OF SUSSEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Transferred</u> <u>from 2009</u> <u>Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Clean Communities Program	\$ 873.49	\$ 4,000.00	\$ 1,000.00	\$ 3,873.49
Recycling Tonnage Grant	636.04	1,777.00	1,185.80	1,227.24
Municipal Stormwater Regulation Program	3,858.22			3,858.22
Small Cities - Maple Avenue and Cross Street	398,217.85		376,405.64	21,812.21
Small Cities - Rehab Housing	199,572.50			199,572.50
	<u>\$ 603,158.10</u>	<u>\$ 5,777.00</u>	<u>\$ 378,591.44</u>	<u>\$ 230,343.66</u>
<u>Ref.</u>	A			A
Cash Disbursed			\$ 322,935.76	
Encumbrances Payable	A		55,655.68	
			<u>\$ 378,591.44</u>	

**BOROUGH OF SUSSEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES**

	Balance Dec. 31, 2008	Received	Transferred to 2009 Budget Revenue	Canceled to Current Fund Operations	Balance Dec. 31, 2009
Clean Communities Program		\$ 4,000.00	\$ 4,000.00		
Recycling Tonnage Grant	\$ 1,777.27	3,469.02	1,777.00	\$ 0.27	\$ 3,469.02
	<u>\$ 1,777.27</u>	<u>\$ 7,469.02</u>	<u>\$ 5,777.00</u>	<u>\$ 0.27</u>	<u>\$ 3,469.02</u>
<u>Ref.</u>	A				A

Grants Received:

Current Year Receivable	\$ 4,000.00
Unappropriated Funds	<u>3,469.02</u>
	<u>\$ 7,469.02</u>

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
TRUST FUNDS

BOROUGH OF SUSSEX
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2008	B	\$ 4,677.73	\$ 172,138.20
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 1,353.20	
Cat License Fees		457.00	
State Dog License Fees		376.80	
Late Fees		370.00	
Due Current Fund:			
Interest Income		84.18	\$ 1,108.55
Due Animal Control Fund			94.00
Deposits and Interest:			
Planning and Zoning Deposits			46,899.75
Recreation Fees			1,330.00
Brookside Community Center			21.55
Parking Offense Adjudication Act			14.00
Public Defender			270.00
Outside Liens			46,885.17
		<u>2,641.18</u>	<u>96,623.02</u>
		7,318.91	268,761.22
Decreased by Disbursements:			
Administrative Expenses		1,726.87	
Due to State of New Jersey		376.80	
Due Current Fund:			
Interest Income		83.84	1,108.55
Interfund Returned		243.60	
Due Other Trust Fund		94.00	
Planning and Zoning Deposits			48,826.10
Fire Inspection Fees			1,486.00
Tax Sale Premiums			7,700.00
Outside Liens			46,885.17
Affordable Housing			105,000.00
		<u>2,525.11</u>	<u>211,005.82</u>
Balance December 31, 2009	B	<u>\$ 4,793.80</u>	<u>\$ 57,755.40</u>

BOROUGH OF SUSSEX
ANIMAL CONTROL TRUST FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF SUSSEX
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF SUSSEX
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 4,334.93
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 1,353.20
Cat Licenses		457.00
Late Fees and Penalties		370.00
Due Current Fund:		
Interest Income		84.18
		2,264.38
		6,599.31
Decreased by:		
Expenditures Under R.S. 4:19-15.11		1,726.87
Due Current Fund:		
Interest Income		83.84
Statutory Excess Due Current Fund		723.80
		2,534.51
Balance December 31, 2009	B	\$ 4,064.80

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$ 2,077.20
2008	1,987.60
	3,064.80
Maximum Allowable Reserve	\$ 4,064.80

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
GENERAL CAPITAL FUND

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 175,834.93
Increased by Receipts:		
Due Water/Sewer Utility Operating Fund:		
Interfund Returned	\$ 60,000.00	
2009 Budget Appropriation:		
Capital Improvement Fund	68,000.00	
Deferred Charges to Future Taxation - Unfunded	18,700.00	
Grants Receivable:		
New Jersey Department of Transportation	<u>265,764.20</u>	
		<u>412,464.20</u>
		588,299.13
Decreased by:		
Improvement Authorizations	375,539.72	
Due Water/Sewer Utility Operating Fund:		
Interfund Advanced	<u>167,619.67</u>	
		<u>543,159.39</u>
Balance December 31, 2009	C	<u>\$ 45,139.74</u>

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2009	
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
		Capital Fund Balance	\$ 25,000.00						\$ 25,000.00
Capital Improvement Fund	15,476.00	\$ 68,000.00				34,000.00	\$ 25,000.00	\$ 74,476.00	
Grants Receivable:									
NJ Department of Transportation			\$ 265,764.20			265,764.20			
Due Water/Sewer Operating Fund			60,000.00		\$ 167,619.67			(107,619.67)	
<u>Ord.</u>									
<u>No.</u>									
	<u>Improvement Description</u>								
06-04	Municipal Improvements and Acquisition of a Street Sweeper	27,202.15		\$ 9,916.50		2,662.50		14,623.15	
06-02; 06-09;									
06-13	Improvements to Various Roads	20,997.78		6,500.00				14,497.78	
07-03	Purchase of Fire Apparatus	(2,259.18)	18,700.00	2,669.05				13,771.77	
07-06	Improvements at Brookside Park	17,202.66					\$ 2,662.50	19,865.16	
07-08	Purchase of Fire Equipment	232.15						232.15	
07-10	Various Buildings and Grounds Improvements	14,483.37		1,227.00				13,256.37	
08-30	Varous Improvements and Capital Purchases	17,500.00		1,837.50				15,662.50	
08-34	Improvements to Maple and Cross Streets	40,000.00		24,994.00				15,006.00	
09-17	Various Improvements to Newton Avenue			133,795.80			106,598.25	(27,197.55)	
09-19	Various Improvements to Lakeview Terrace			194,599.87			193,165.95	(1,433.92)	
		<u>\$ 175,834.93</u>	<u>\$ 86,700.00</u>	<u>\$ 325,764.20</u>	<u>\$ 375,539.72</u>	<u>\$ 167,619.67</u>	<u>\$ 327,426.70</u>	<u>\$ 327,426.70</u>	<u>\$ 45,139.74</u>

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Improvement Authorizations	Funded by NJDOT Grants	Notes Paid by Budget Appropriation	Paid by Budget Appropriation	Balance Dec. 31, 2009	Analysis of Balance Dec. 31, 2009		
								Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
06-02; 06-09; 06-13	Improvements to Various Roads	\$ 290,700.00			\$ 32,300.00		\$ 258,400.00	\$ 258,400.00		
07-03	Purchase of Fire Apparatus	194,750.00				\$ 18,700.00	176,050.00	176,050.00		
09-17	Various Improvements to Newton Avenue		\$ 171,000.00	\$ 97,598.25			73,401.75		\$ 27,197.55	\$ 46,204.20
09-19	Various Improvements to Lakeview Terrace		250,000.00	168,165.95			81,834.05		1,433.92	80,400.13
		<u>\$ 485,450.00</u>	<u>\$ 421,000.00</u>	<u>\$ 265,764.20</u>	<u>\$ 32,300.00</u>	<u>\$ 18,700.00</u>	<u>\$ 589,685.80</u>	<u>\$ 434,450.00</u>	<u>\$ 28,631.47</u>	<u>\$ 126,604.33</u>

Ref.

C

C

Improvement Authorizations - Unfunded

\$ 154,873.88

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance #06-02, 06-09, 06-13

\$ 14,497.78

Ordinance #07-03

13,771.77

28,269.55

\$ 126,604.33

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2008		2009 Authorizations		Paid or Charged	Reclassify Prior Year Expenditures	Balance Dec. 31, 2009	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
06-04	Municipal Improvements and Acquisition of a Street Sweeper	04/03/06	\$ 67,435.74	\$ 27,202.15				\$ 9,916.50	\$ 2,662.50	\$ 14,623.15	
06-02; 06-09; 06-13	Improvements to Various Roads	02/21/06; 12/04/06; 12/18/06	740,000.00		\$ 20,997.78			6,500.00			\$ 14,497.78
07-03	Purchase of Fire Apparatus	06/05/07	205,000.00		16,440.82			2,669.05			13,771.77
07-06	Improvements at Brookside Park	09/04/07	25,000.00	17,202.66					(2,662.50)	19,865.16	
07-08	Purchase of Fire Equipment	10/02/07	16,000.00	232.15						232.15	
07-10	Various Buildings and Grounds Improvements	11/20/07	30,000.00	14,483.37				1,227.00		13,256.37	
08-30	Varous Improvements & Capital Purchases	10/21/08	36,000.00	17,500.00				1,837.50		15,662.50	
08-34	Improvements to Maple and Cross Streets	12/02/08	40,000.00	40,000.00				24,994.00		15,006.00	
09-17	Various Improvements to Newton Avenue	06/16/09	180,000.00			\$ 9,000.00	\$ 171,000.00	133,795.80			46,204.20
09-19	Various Improvements to Lakeview Terrace	08/18/09	275,000.00			25,000.00	250,000.00	194,599.87			80,400.13
				<u>\$ 116,620.33</u>	<u>\$ 37,438.60</u>	<u>\$ 34,000.00</u>	<u>\$ 421,000.00</u>	<u>\$ 375,539.72</u>	<u>\$ -0-</u>	<u>\$ 78,645.33</u>	<u>\$ 154,873.88</u>
		<u>Ref.</u>		C	C					C	C

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 15,476.00
Increased by:		
2009 Budget Appropriation		\$ 68,000.00
Restatement of Prior Year Cancellation of Improvement Authorizations (to Fund Balance)		<u>25,000.00</u>
		<u>93,000.00</u>
		<u>108,476.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>34,000.00</u>
Balance December 31, 2009	C	<u>\$ 74,476.00</u>

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
		Original Note	Issue	Maturity					
06-02; 06-09; 06-13	Improvements to Various Roads	02/21/07	02/21/08	02/20/09	2.10%	\$ 290,700.00		\$ 290,700.00	
		02/21/07	02/19/09	02/19/10	3.00%		\$ 258,400.00		\$ 258,400.00
07-03	Purchase of Fire Apparatus	08/16/07	02/21/08	02/20/09	2.10%	176,050.00		176,050.00	
		08/16/07	02/19/09	02/19/10	3.00%		176,050.00		176,050.00
						<u>\$ 466,750.00</u>	<u>\$ 434,450.00</u>	<u>\$ 466,750.00</u>	<u>\$ 434,450.00</u>
					<u>Ref.</u>	C			C
	Renewals						\$ 434,450.00	\$ 434,450.00	
	Paid by Budget Appropriation							32,300.00	
							<u>\$ 434,450.00</u>	<u>\$ 466,750.00</u>	

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Outstanding Dec. 31, 2009 Date	Amount				
General Improvements	11/15/05	\$ 297,000.00	11/01/10-14	\$ 30,000.00	4.50%	\$ 207,000.00	\$ 30,000.00	\$ 177,000.00
			11/01/15	27,000.00	4.75%			
						<u>\$ 207,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 177,000.00</u>
					<u>Ref.</u>	C		C

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST PROGRAM LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 69,239.65
Decreased by:		
Principal Matured		<u>7,095.24</u>
Balance December 31, 2009	C	<u><u>\$ 62,144.41</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2009

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 62,144.41
17	04/22/10	\$ 3,600.93	\$ 621.44	58,543.48
18	10/22/10	3,636.94	585.43	54,906.54
19	04/22/11	3,673.30	549.07	51,233.24
20	10/22/11	3,710.04	512.33	47,523.20
21	04/22/12	3,747.14	475.23	43,776.06
22	10/22/12	3,784.61	437.76	39,991.45
23	04/22/13	3,822.46	399.91	36,168.99
24	10/22/13	3,860.68	361.69	32,308.31
25	04/22/14	3,899.29	323.08	28,409.02
26	10/22/14	3,938.28	284.09	24,470.74
27	04/22/15	3,977.66	244.71	20,493.08
28	10/22/15	4,017.44	204.93	16,475.64
29	04/22/16	4,057.61	164.76	12,418.03
30	10/22/16	4,098.19	124.18	8,319.84
31	04/22/17	4,139.17	83.20	4,180.67
32	10/22/17	4,180.67	41.81	-0-
		<u>\$ 62,144.41</u>	<u>\$ 5,413.62</u>	

BOROUGH OF SUSSEX
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Improvement Authorizations</u>	<u>Notes Paid by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Bond Anticipation Notes Redeemed</u>	<u>Funded by NJDOT Grants</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
06-02; 06-09; 06-13	02/21/06 12/04/06 12/18/06	Improvements to Various Roads			\$ 32,300.00	\$ 258,400.00	\$ 290,700.00			
07-03	06/05/07	Purchase Fire Apparatus	\$ 18,700.00			176,050.00	176,050.00		\$ 18,700.00	
09-17	06/16/09	Various Improvements to Newton Avenue		\$ 171,000.00				\$ 97,598.25		\$ 73,401.75
09-19	08/18/09	Various Improvements to Lakeview Terrace		250,000.00				168,165.95		81,834.05
			<u>\$ 18,700.00</u>	<u>\$ 421,000.00</u>	<u>\$ 32,300.00</u>	<u>\$ 434,450.00</u>	<u>\$ 466,750.00</u>	<u>\$ 265,764.20</u>	<u>\$ 18,700.00</u>	<u>\$ 155,235.80</u>

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
WATER/SEWER UTILITY FUND

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	D	\$ 28,975.81	\$ 2,274.13
Increased by Receipts:			
Water/Sewer Utility Collector		\$ 1,554,715.11	
Miscellaneous Revenue		1,211.40	
Connection Fees		56,340.00	
Due General Capital Fund:			
Interfund Advanced		167,619.67	
Due Water/Sewer Utility Operating Fund:			
Interest Income			\$ 33.12
Appropriation Refunds		11,605.95	
Budget Appropriations:			
Capital Improvement Fund			10,000.00
		<u>1,791,492.13</u>	<u>10,033.12</u>
		1,820,467.94	12,307.25
Decreased by Disbursements:			
2009 Budget Appropriations		1,359,268.30	
2008 Appropriation Reserves		20,942.87	
Accrued Interest on:			
Bonds and Notes		48,170.00	
Loans		265,212.09	
Due General Capital Fund:			
Interfund Returned		60,000.00	
Due Water/Sewer Utility Operating Fund:			
Interest Income			33.12
Improvement Authorizations			2,874.13
		<u>1,753,593.26</u>	<u>2,907.25</u>
Balance December 31, 2009	D	<u>\$ 66,874.68</u>	<u>\$ 9,400.00</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

Increased by Receipts:

Consumer Accounts Receivable:

Rents	\$ 1,515,511.68	
Interest on Delinquent Rents	31,933.24	
Hydrants	3,750.00	
Water/Sewer On/Off Fees	2,698.78	
Final Reading	230.00	
Miscellaneous Fees	591.41	
Total Consumer Accounts Receivable	<hr/>	\$ 1,554,715.11

Decreased by Disbursements:

Paid to Treasurer		<hr/> <hr/>
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BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance	Receipts		Disbursements		Balance
	(Deficit)	Budget		Improvement		(Deficit)
	<u>Dec. 31, 2008</u>	<u>Appropriation</u>	<u>Miscellaneous</u>	<u>Authorizations</u>	<u>Miscellaneous</u>	<u>Dec. 31, 2009</u>
Capital Improvement Fund		\$ 10,000.00				\$ 10,000.00
Due Water/Sewer Utility Operating Fund			\$ 33.12		\$ 33.12	
<u>Improvement Authorizations</u>						
Ord. No.						
05-07 Various Water/Sewer Improvements	\$ 45.26			\$ 45.26		
05-09 Various Water/Sewer Improvements	8.62			8.62		
07-07 Improvements to the Water/Sewer System	362.85			362.85		
08-33 Various Capital Improvements & Purchases	1,857.40			1,857.40		
09-16 Repair and Painting of Water Storage Tanks				600.00		(600.00)
	<u>\$ 2,274.13</u>	<u>\$ 10,000.00</u>	<u>\$ 33.12</u>	<u>\$ 2,874.13</u>	<u>\$ 33.12</u>	<u>\$ 9,400.00</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 175,929.82
Increased by:		
Rents, Fees and Other Charges Levied		<u>1,630,156.86</u>
		1,806,086.68
Decreased by:		
Collections		<u>1,515,511.68</u>
Balance December 31, 2009	D	<u><u>\$ 290,575.00</u></u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 10,287,530.83
Increased by:		
Additions by:		
Capital Outlay:		
Water/Sewer Utility Operating Budget	\$	5,000.00
Water/Sewer Utility Appropriation Reserves		<u>1,628.00</u>
		<u>6,628.00</u>
Balance December 31, 2009	D	<u>\$ 10,294,158.83</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>2009</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2008</u>	<u>Authorizations</u>	<u>Dec. 31, 2009</u>
Various Water/Sewer Improvements	08/15/05	\$ 42,730.20	\$ 42,730.20		\$ 42,730.20
Various Water/Sewer Improvements	09/06/05	6,100,000.00	5,261,209.92		5,261,209.92
Improvements to the Water/Sewer System	10/02/07	3,500.00	3,500.00		3,500.00
Various Capital Improvements & Purchases	12/16/08	24,000.00	24,000.00		24,000.00
Repair and Painting of Water Storage Tanks	06/16/09	700,000.00		\$ 700,000.00	700,000.00
Rehabilitation of Manholes	09/01/09	1,100,000.00		1,100,000.00	1,100,000.00
			<u>\$ 5,331,440.12</u>	<u>\$ 1,800,000.00</u>	<u>\$ 7,131,440.12</u>
		<u>Ref.</u>	D		D

BOROUGH OF SUSSEX
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,313.19	\$ 1,313.19		\$ 1,313.19
Other Expenses	19,652.54	19,652.54	\$ 19,314.87	337.67
Capital Improvements:				
Capital Outlay	1,880.82	1,880.82	1,628.00	252.82
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	23.30	23.30		23.30
Unemployment Compensation Insurance	2.45	2.45		2.45
	<u>\$ 22,872.30</u>	<u>\$ 22,872.30</u>	<u>\$ 20,942.87</u>	<u>\$ 1,929.43</u>

Ref.Balance December 31, 2008:

Appropriation Reserves:		
Unencumbered	D	\$ 22,458.30
Encumbered	D	<u>414.00</u>
		<u>\$ 22,872.30</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Date	Ordinance No.	Amount	Balance Dec. 31, 2008		2009 Authorizations	Paid or Charged	Balance Dec. 31, 2009	
				Funded	Unfunded	Deferred Charges to Future Revenue		Funded	Unfunded
Various Water/Sewer Improvements	08/15/05	05-07	\$ 42,730.20	\$ 45.26			\$ 45.26		
Various Water/Sewer Improvements	09/06/05	05-10	6,100,000.00	8.62			8.62		
Improvements to the Water/Sewer System	10/02/07	07-07	3,500.00	362.85			362.85		
Various Capital Improvements & Purchases	12/16/08	08-33	24,000.00	1,857.40			1,857.40		
Repair and Painting of Water Storage Tanks	06/16/09	09-16	700,000.00			\$ 700,000.00	600.00		\$ 699,400.00
Rehabilitation of Manholes	09/01/09	09-22	1,100,000.00			1,100,000.00			1,100,000.00
				\$ 2,274.13	\$ -0-	\$1,800,000.00	\$ 2,874.13	\$ -0-	\$1,799,400.00
		<u>Ref.</u>		D	D			D	D

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ -0-
Increased by:		
2009 Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2009	D	<u>\$ 10,000.00</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 8,340,587.82
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		\$ 60,000.00
Farmers Home Administration Loan		34,410.20
United States Department of Agriculture Loan		92,951.71
Capital Outlay:		
Water/Sewer Utility Operating Budget		5,000.00
Water/Sewer Utility Appropriation Reserves		1,628.00
		<u>193,989.91</u>
Balance December 31, 2009	D	<u>\$ 8,534,577.73</u>

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2009</u>
Various Water/Sewer Improvements	08/15/05	\$ 42,730.20	\$ 42,730.20
Various Water/Sewer Improvements	09/06/05	355,500.00	355,500.00
Improvements to the Water/Sewer System	10/02/07	3,500.00	3,500.00
Various Capital Improvements & Purchases	12/16/08	<u>24,000.00</u>	<u>24,000.00</u>
		<u>\$ 425,730.20</u>	<u>\$ 425,730.20</u>
	<u>Ref.</u>	D	D

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Date	Amount				
General Obligation Bonds	11/01/05	\$ 1,193,000.00	11/01/10-14	\$ 60,000.00	4.50%	<u>\$ 1,013,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 953,000.00</u>
			11/01/15-19	60,000.00	4.75%			
			11/01/20-24	60,000.00	5.00%			
			11/01/25	53,000.00	5.00%			
					<u>\$ 1,013,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 953,000.00</u>	
					<u>Ref.</u>	<u>D</u>	<u>D</u>	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE FARMERS HOME ADMINISTRATION (FHA) LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 777,412.29
Decreased by:		
Principal Matured		34,410.20
Balance December 31, 2009	D	\$ 743,002.09

Schedule of Principal and Interest Payments Outstanding December 31, 2009

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 743,002.09
25	01/09/10	\$ 17,852.95	\$ 18,575.05	725,149.14
26	07/09/10	18,299.27	18,128.73	706,849.87
27	01/09/11	18,756.75	17,671.25	688,093.12
28	07/09/11	19,225.67	17,202.33	668,867.45
29	01/09/12	19,706.31	16,721.69	649,161.14
30	07/09/12	20,198.97	16,229.03	628,962.17
31	01/09/13	20,703.95	15,724.05	608,258.22
32	07/09/13	21,221.54	15,206.46	587,036.68
33	01/09/14	21,752.08	14,675.92	565,284.60
34	07/09/14	22,295.88	14,132.12	542,988.72
35	01/09/15	22,853.28	13,574.72	520,135.44
36	07/09/15	23,424.61	13,003.39	496,710.83
37	01/09/16	24,010.23	12,417.77	472,700.60
38	07/09/16	24,610.49	11,817.51	448,090.11
39	01/09/17	25,225.75	11,202.25	422,864.36
40	07/09/17	25,856.39	10,571.61	397,007.97
41	01/09/18	26,502.80	9,925.20	370,505.17
42	07/09/18	27,165.37	9,262.63	343,339.80
43	01/09/19	27,844.50	8,583.50	315,495.30
44	07/09/19	28,540.62	7,887.38	286,954.68
45	01/09/20	29,254.13	7,173.87	257,700.55
46	07/09/20	29,985.49	6,442.51	227,715.06
47	01/09/21	30,735.12	5,692.88	196,979.94
48	07/09/21	31,503.50	4,924.50	165,476.44
49	01/09/22	32,291.09	4,136.91	133,185.35
50	07/09/22	33,098.37	3,329.63	100,086.98
51	01/09/23	33,925.83	2,502.17	66,161.15
52	07/09/23	34,773.97	1,654.03	31,387.18
53	01/09/24	31,387.18	784.68	-0-
		\$ 743,002.09	\$ 309,153.77	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 5,062,240.64
Decreased by:		
Principal Matured		92,951.71
Balance December 31, 2009	D	\$ 4,969,288.93

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued January 23, 1997 in the amount of \$2,436,300.00

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 2,066,714.84
25	01/23/10	\$ 19,450.15	\$ 46,500.85	2,047,264.69
26	07/23/10	19,887.78	46,063.22	2,027,376.91
27	01/23/11	20,335.25	45,615.75	2,007,041.66
28	07/23/11	20,792.79	45,158.21	1,986,248.87
29	01/23/12	21,260.63	44,690.37	1,964,988.24
30	07/23/12	21,739.00	44,212.00	1,943,249.24
31	01/23/13	22,228.12	43,722.88	1,921,021.12
32	07/23/13	22,728.26	43,222.74	1,898,292.86
33	01/23/14	23,239.64	42,711.36	1,875,053.22
34	07/23/14	23,762.53	42,188.47	1,851,290.69
35	01/23/15	24,297.19	41,653.81	1,826,993.50
36	07/23/15	24,843.88	41,107.12	1,802,149.62
37	01/23/16	25,402.86	40,548.14	1,776,746.76
38	07/23/16	25,974.43	39,976.57	1,750,772.33
39	01/23/17	26,558.85	39,392.15	1,724,213.48
40	07/23/17	27,156.43	38,794.57	1,697,057.05
41	01/23/18	27,767.45	38,183.55	1,669,289.60
42	07/23/18	28,392.22	37,558.78	1,640,897.38
43	01/23/19	29,031.04	36,919.96	1,611,866.34
44	07/23/19	29,684.24	36,266.76	1,582,182.10
45	01/23/20	30,352.13	35,598.87	1,551,829.97

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued January 23, 1997 in the amount of \$2,436,300.00

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
46	07/23/20	\$ 31,035.06	\$ 34,915.94	\$ 1,520,794.91
47	01/23/21	31,733.35	34,217.65	1,489,061.56
48	07/23/21	32,447.35	33,503.65	1,456,614.21
49	01/23/22	33,177.41	32,773.59	1,423,436.80
50	07/23/22	33,923.90	32,027.10	1,389,512.90
51	01/23/23	34,687.19	31,263.81	1,354,825.71
52	07/23/23	35,467.65	30,483.35	1,319,358.06
53	01/23/24	36,265.67	29,685.33	1,283,092.39
54	07/23/24	37,081.65	28,869.35	1,246,010.74
55	01/23/25	37,915.99	28,035.01	1,208,094.75
56	07/23/25	38,769.10	27,181.90	1,169,325.65
57	01/23/26	39,641.40	26,309.60	1,129,684.25
58	07/23/26	40,533.34	25,417.66	1,089,150.91
59	01/23/27	41,445.34	24,505.66	1,047,705.57
60	07/23/27	42,377.86	23,573.14	1,005,327.71
61	01/23/28	43,331.36	22,619.64	961,996.35
62	07/23/28	44,306.31	21,644.69	917,690.04
63	01/23/29	45,303.21	20,647.79	872,386.83
64	07/23/29	46,322.53	19,628.47	826,064.30
65	01/23/30	47,364.78	18,586.22	778,699.52
66	07/23/30	48,430.49	17,520.51	730,269.03
67	01/23/31	49,520.18	16,430.82	680,748.85
68	07/23/31	50,634.38	15,316.62	630,114.47
69	01/23/32	51,773.66	14,177.34	578,340.81
70	07/23/32	52,938.56	13,012.44	525,402.25
71	01/23/33	54,129.68	11,821.32	471,272.57
72	07/23/33	55,347.60	10,603.40	415,924.97
73	01/23/34	56,592.92	9,358.08	359,332.05
74	07/23/34	57,866.26	8,084.74	301,465.79
75	01/23/35	59,168.25	6,782.75	242,297.54
76	07/23/35	60,499.54	5,451.46	181,798.00
77	01/23/36	61,860.78	4,090.22	119,937.22
78	07/23/36	63,252.64	2,698.36	56,684.58
79	01/23/37	56,684.58	1,275.17	-0-
		<u>\$ 2,066,714.84</u>	<u>\$ 1,552,598.91</u>	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued January 23, 1997 in the amount of \$901,600.00

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 764,805.70
25	01/23/10	\$ 7,198.87	\$ 17,208.13	757,606.83
26	07/23/10	7,360.85	17,046.15	750,245.98
27	01/23/11	7,526.47	16,880.53	742,719.51
28	07/23/11	7,695.81	16,711.19	735,023.70
29	01/23/12	7,868.97	16,538.03	727,154.73
30	07/23/12	8,046.02	16,360.98	719,108.71
31	01/23/13	8,227.05	16,179.95	710,881.66
32	07/23/13	8,412.16	15,994.84	702,469.50
33	01/23/14	8,601.44	15,805.56	693,868.06
34	07/23/14	8,794.97	15,612.03	685,073.09
35	01/23/15	8,992.86	15,414.14	676,080.23
36	07/23/15	9,195.19	15,211.81	666,885.04
37	01/23/16	9,402.09	15,004.91	657,482.95
38	07/23/16	9,613.63	14,793.37	647,869.32
39	01/23/17	9,829.94	14,577.06	638,039.38
40	07/23/17	10,051.11	14,355.89	627,988.27
41	01/23/18	10,277.26	14,129.74	617,711.01
42	07/23/18	10,508.50	13,898.50	607,202.51
43	01/23/19	10,744.94	13,662.06	596,457.57
44	07/23/19	10,986.71	13,420.29	585,470.86
45	01/23/20	11,233.91	13,173.09	574,236.95
46	07/23/20	11,486.67	12,920.33	562,750.28
47	01/23/21	11,745.12	12,661.88	551,005.16
48	07/23/21	12,009.38	12,397.62	538,995.78
49	01/23/22	12,279.60	12,127.40	526,716.18
50	07/23/22	12,555.89	11,851.11	514,160.29
51	01/23/23	12,838.39	11,568.61	501,321.90
52	07/23/23	13,127.26	11,279.74	488,194.64
53	01/23/24	13,422.62	10,984.38	474,772.02
54	07/23/24	13,724.63	10,682.37	461,047.39
55	01/23/25	14,033.43	10,373.57	447,013.96
56	07/23/25	14,349.19	10,057.81	432,664.77
57	01/23/26	14,672.04	9,734.96	417,992.73
58	07/23/26	15,002.16	9,404.84	402,990.57

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued January 23, 1997 in the amount of \$901,600.00

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
59	01/23/27	\$ 15,339.71	\$ 9,067.29	\$ 387,650.86
60	07/23/27	15,684.86	8,722.14	371,966.00
61	01/23/28	16,037.77	8,369.23	355,928.23
62	07/23/28	16,398.61	8,008.39	339,529.62
63	01/23/29	16,767.58	7,639.42	322,762.04
64	07/23/29	17,144.85	7,262.15	305,617.19
65	01/23/30	17,530.61	6,876.39	288,086.58
66	07/23/30	17,925.05	6,481.95	270,161.53
67	01/23/31	18,328.37	6,078.63	251,833.16
68	07/23/31	18,740.75	5,666.25	233,092.41
69	01/23/32	19,162.42	5,244.58	213,929.99
70	07/23/32	19,593.58	4,813.42	194,336.41
71	01/23/33	20,034.43	4,372.57	174,301.98
72	07/23/33	20,485.21	3,921.79	153,816.77
73	01/23/34	20,946.12	3,460.88	132,870.65
74	07/23/34	21,417.41	2,989.59	111,453.24
75	01/23/35	21,899.30	2,507.70	89,553.94
76	07/23/35	22,392.04	2,014.96	67,161.90
77	01/23/36	22,895.86	1,511.14	44,266.04
78	07/23/36	23,411.01	995.99	20,855.03
79	01/23/37	20,855.03	469.24	-0-
		<u>\$ 764,805.70</u>	<u>\$ 574,496.57</u>	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued March 22, 1996 in the amount of \$2,050,000.00

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 1,706,975.68
25	03/22/10	\$ 17,087.05	\$ 38,406.95	1,689,888.63
26	09/22/10	17,471.51	38,022.49	1,672,417.12
27	03/22/11	17,864.62	37,629.38	1,654,552.50
28	09/22/11	18,266.57	37,227.43	1,636,285.93
29	03/22/12	18,677.57	36,816.43	1,617,608.36
30	09/22/12	19,097.81	36,396.19	1,598,510.55
31	03/22/13	19,527.51	35,966.49	1,578,983.04
32	09/22/13	19,966.88	35,527.12	1,559,016.16
33	03/22/14	20,416.14	35,077.86	1,538,600.02
34	09/22/14	20,875.50	34,618.50	1,517,724.52
35	03/22/15	21,345.20	34,148.80	1,496,379.32
36	09/22/15	21,825.47	33,668.53	1,474,553.85
37	03/22/16	22,316.54	33,177.46	1,452,237.31
38	09/22/16	22,818.66	32,675.34	1,429,418.65
39	03/22/17	23,332.08	32,161.92	1,406,086.57
40	09/22/17	23,857.05	31,636.95	1,382,229.52
41	03/22/18	24,393.84	31,100.16	1,357,835.68
42	09/22/18	24,942.70	30,551.30	1,332,892.98
43	03/22/19	25,503.91	29,990.09	1,307,389.07
44	09/22/19	26,077.75	29,416.25	1,281,311.32
45	03/22/20	26,664.50	28,829.50	1,254,646.82
46	09/22/20	27,264.45	28,229.55	1,227,382.37
47	03/22/21	27,877.90	27,616.10	1,199,504.47
48	09/22/21	28,505.15	26,988.85	1,170,999.32
49	03/22/22	29,146.52	26,347.48	1,141,852.80
50	09/22/22	29,802.31	25,691.69	1,112,050.49
51	03/22/23	30,472.86	25,021.14	1,081,577.63
52	09/22/23	31,158.50	24,335.50	1,050,419.13
53	03/22/24	31,859.57	23,634.43	1,018,559.56
54	09/22/24	32,576.41	22,917.59	985,983.15
55	03/22/25	33,309.38	22,184.62	952,673.77
56	09/22/25	34,058.84	21,435.16	918,614.93
57	03/22/26	34,825.16	20,668.84	883,789.77
58	09/22/26	35,608.73	19,885.27	848,181.04

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued March 22, 1996 in the amount of \$2,050,000.00

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
59	03/22/27	\$ 36,409.93	\$ 19,084.07	\$ 811,771.11
60	09/22/27	37,229.15	18,264.85	774,541.96
61	03/22/28	38,066.81	17,427.19	736,475.15
62	09/22/28	38,923.31	16,570.69	697,551.84
63	03/22/29	39,799.08	15,694.92	657,752.76
64	09/22/29	40,694.56	14,799.44	617,058.20
65	03/22/30	41,610.19	13,883.81	575,448.01
66	09/22/30	42,546.42	12,947.58	532,901.59
67	03/22/31	43,503.71	11,990.29	489,397.88
68	09/22/31	44,482.55	11,011.45	444,915.33
69	03/22/32	45,483.40	10,010.60	399,431.93
70	09/22/32	46,506.78	8,987.22	352,925.15
71	03/22/33	47,553.18	7,940.82	305,371.97
72	09/22/33	48,623.13	6,870.87	256,748.84
73	03/22/34	49,717.15	5,776.85	207,031.69
74	09/22/34	50,835.79	4,658.21	156,195.90
75	03/22/35	51,979.59	3,514.41	104,216.31
76	09/22/35	53,149.13	2,344.87	51,067.18
77	03/22/36	51,067.18	1,149.01	-0-
		<u>\$ 1,706,975.68</u>	<u>\$ 1,230,928.51</u>	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued March 22, 1996 in the amount of \$517,400.00

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 430,792.71
25	03/22/10	\$ 4,314.16	\$ 9,692.84	426,478.55
26	09/22/10	4,411.23	9,595.77	422,067.32
27	03/22/11	4,510.49	9,496.51	417,556.83
28	09/22/11	4,611.97	9,395.03	412,944.86
29	03/22/12	4,715.74	9,291.26	408,229.12
30	09/22/12	4,821.85	9,185.15	403,407.27
31	03/22/13	4,930.34	9,076.66	398,476.93
32	09/22/13	5,041.27	8,965.73	393,435.66
33	03/22/14	5,154.70	8,852.30	388,280.96
34	09/22/14	5,270.68	8,736.32	383,010.28
35	03/22/15	5,389.27	8,617.73	377,621.01
36	09/22/15	5,510.53	8,496.47	372,110.48
37	03/22/16	5,634.51	8,372.49	366,475.97
38	09/22/16	5,761.29	8,245.71	360,714.68
39	03/22/17	5,890.92	8,116.08	354,823.76
40	09/22/17	6,023.47	7,983.53	348,800.29
41	03/22/18	6,158.99	7,848.01	342,641.30
42	09/22/18	6,297.57	7,709.43	336,343.73
43	03/22/19	6,439.27	7,567.73	329,904.46
44	09/22/19	6,584.15	7,422.85	323,320.31
45	03/22/20	6,732.29	7,274.71	316,588.02
46	09/22/20	6,883.77	7,123.23	309,704.25
47	03/22/21	7,038.65	6,968.35	302,665.60
48	09/22/21	7,197.02	6,809.98	295,468.58
49	03/22/22	7,358.96	6,648.04	288,109.62
50	09/22/22	7,524.53	6,482.47	280,585.09
51	03/22/23	7,693.84	6,313.16	272,891.25
52	09/22/23	7,866.95	6,140.05	265,024.30
53	03/22/24	8,043.95	5,963.05	256,980.35
54	09/22/24	8,224.94	5,782.06	248,755.41
55	03/22/25	8,410.00	5,597.00	240,345.41
56	09/22/25	8,599.23	5,407.77	231,746.18

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOAN PAYABLE

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Loan Issued March 22, 1996 in the amount of \$517,400.00

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
57	03/22/26	\$ 8,792.71	\$ 5,214.29	\$ 222,953.47
58	09/22/26	8,990.55	5,016.45	213,962.92
59	03/22/27	9,192.83	4,814.17	204,770.09
60	09/22/27	9,399.67	4,607.33	195,370.42
61	03/22/28	9,611.17	4,395.83	185,759.25
62	09/22/28	9,827.42	4,179.58	175,931.83
63	03/22/29	10,048.53	3,958.47	165,883.30
64	09/22/29	10,274.63	3,732.37	155,608.67
65	03/22/30	10,505.81	3,501.19	145,102.86
66	09/22/30	10,742.19	3,264.81	134,360.67
67	03/22/31	10,983.89	3,023.11	123,376.78
68	09/22/31	11,231.02	2,775.98	112,145.76
69	03/22/32	11,483.72	2,523.28	100,662.04
70	09/22/32	11,742.10	2,264.90	88,919.94
71	03/22/33	12,006.30	2,000.70	76,913.64
72	09/22/33	12,276.44	1,730.56	64,637.20
73	03/22/34	12,552.66	1,454.34	52,084.54
74	09/22/34	12,835.10	1,171.90	39,249.44
75	03/22/35	13,123.89	883.11	26,125.55
76	09/22/35	13,419.18	587.82	12,706.37
77	03/22/36	12,706.37	285.89	-0-
		<u>\$ 430,792.71</u>	<u>\$ 310,563.55</u>	

BOROUGH OF SUSSEX
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Balance Dec. 31, 2009
06/16/09	Repair and Painting of Water Storage Tanks		\$ 700,000.00	\$ 700,000.00
09/01/09	Rehabilitation of Manholes		1,100,000.00	1,100,000.00
		\$ -0-	\$ 1,800,000.00	\$ 1,800,000.00

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
SEWER UTILITY FUND

NOT APPLICABLE

BOROUGH OF SUSSEX
COUNTY OF SUSSEX
2009
PUBLIC ASSISTANCE FUND

BOROUGH OF SUSSEX
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. I</u>
Balance December 31, 2008	F	\$ 18,947.54	\$ 18,947.54
Increased by Receipts:			
Due Current Fund:			
Interest Earned		<u>283.61</u>	<u>283.61</u>
		19,231.15	19,231.15
Decreased by Disbursements:			
Due Current Fund:			
Interest Earned		<u>283.61</u>	<u>283.61</u>
Balance December 31, 2009	F	<u>\$ 18,947.54</u>	<u>\$ 18,947.54</u>

BOROUGH OF SUSSEX

PART II

SINGLE AUDIT

BOROUGH OF SUSSEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2009

Federal Department	Federal Program	C.F.D.A. Account Number	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Expenditures	MEMO
					From	To			Cumulative Total Expenditures
Department of Transportation:									
Passed through NJ Department of Transportation	Highway Planning/Construction:		480-078-6320-						
	Lakeview Terrace	20.205	TCAP-6010	\$ 250,000.00	01/01/09	12/31/09	\$ 168,165.95	\$ 168,165.95	\$ 168,165.95
	Newton Avenue			150,000.00	01/01/09	12/31/09	97,598.25	97,598.25	97,598.25
Total Department of Transportation							265,764.20	265,764.20	265,764.20
U.S. Department of Housing & Urban Development:									
Community Development Block & Urban Development:	Grants - Small Cities Program:	14.228	N/A						
	Improvements to Various Roads			400,000.00	01/01/06	12/31/09		6,500.00	385,502.22
	Maple Avenue & Cross Street			400,000.00	01/01/08	12/31/09	309,784.00	376,405.64	378,187.79
Total U.S. Department of Housing and Urban Development							309,784.00	382,905.64	763,690.01
TOTAL FEDERAL AWARDS							\$ 575,548.20	\$ 648,669.84	\$1,029,454.21

N/A = Not Applicable.

BOROUGH OF SUSSEX
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Expenditures	MEMO
				From	To			Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Grant	765-042-4900- 004-178900	\$ 4,000.00	01/01/08	12/31/09		\$ 873.49	\$ 4,000.00
			4,000.00	01/01/09	12/31/09	\$ 4,000.00	126.51	126.51
						4,000.00	1,000.00	4,126.51
	Recycling Tonnage Grant	752-042-4900- 004-178840	1,526.00	01/01/07	12/31/09		636.04	1,526.00
1,777.27			01/01/08	12/31/09		549.76	549.76	
3,469.02			01/01/09	12/31/09	3,469.02			
						3,469.02	1,185.80	2,075.76
Total Department of Environmental Protection						7,469.02	2,185.80	6,202.27
TOTAL STATE AWARDS						\$ 7,469.02	\$ 2,185.80	\$ 6,202.27

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

BOROUGH OF SUSSEX
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

A. GENERAL

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

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal and state Type A and B programs was \$300,000.

- STATE LOANS OUTSTANDING

The Borough of Sussex has the following loans outstanding as of December 31, 2009:

General Capital Fund:	
Green Trust Program Loan	<u>\$ 62,144</u>
Water/Sewer Utility Capital Fund:	
Farmers Home Administration Loan	<u>\$ 743,002</u>
United States Department of Agriculture Loans	<u>\$ 4,969,289</u>

Currently, the Borough 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.



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 Mount Arlington, NJ 07856
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 Fax: 973-328-0507

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 11 Lawrence Road
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 Phone: 973-383-6699
 Fax: 973-383-6555

Independent Auditors' Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and Members
 of the Borough Council
 Borough of Sussex
 Sussex, New Jersey

We have audited the financial statements of the Borough of Sussex, in the County of Sussex (the "Borough") as of, and for the years ended, December 31, 2009 and 2008 and have issued our report thereon dated April 30, 2010, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. That report also indicated that the scope of our audit did not include the general fixed asset account group. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2009-01 that we consider to be a significant deficiency in internal control over financial reporting.

The Honorable Mayor and Members
of the Borough Council
Borough of Sussex
Page 2

Compliance and Other Matters

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

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Borough's response and, accordingly, we express on opinion on it.

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

Mount Arlington, New Jersey
April 30, 2010

Nisivoccia & Company, LLP

NISIVOCCIA & COMPANY, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Certified Public Accountant
Registered Municipal Accountant No. 447



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

The Honorable Mayor and Members
 of the Borough Council
 Borough of Sussex
 Sussex, New Jersey

Compliance

We have audited the compliance of the Borough of Sussex in the County of Sussex (the "Borough") with the types of compliance requirements described in the US Office of Management and Budget (the "OMB") *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. The Borough's major program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its major federal program is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

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

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

The Honorable Mayor and Members
of the Borough Council
Borough of Sussex
Page 2

Internal Control Over Compliance

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

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

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

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

Nisivoccia & Company, LLP

NISIVOCCIA & COMPANY, LLP

Mount Arlington, New Jersey
April 30, 2010

Kathryn L. Mantell

Kathryn L. Mantell
Certified Public Accountant
Registered Municipal Accountant No. 447

BOROUGH OF SUSSEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Summary of Auditors' Results:

- A qualified report was issued on the Borough's financial statements prepared on an other comprehensive basis of accounting as a result of the general fixed assets account group not being included in the scope of our audit.
- The audit did not disclose any material weaknesses in the internal controls of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Borough's major federal program.
- An unqualified report was issued on the Borough's compliance for its major federal program.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.
- The Borough was not subject to the single audit provisions of New Jersey OMB Circular NJOMB 04-04 for 2009 as grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The Borough's major federal program for the year ended December 31, 2009 consisted of the following award:

<u>Federal:</u>	<u>CFDA #</u>	<u>Budgetary Expenditures</u>
Community Development Block Grant - Small Cities Program	14.228	<u>\$ 382,905.64</u>

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

BOROUGH OF SUSSEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2009-1

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permits and license fees; and recording of collections. Also, the Treasurer deposits and disburses funds and reconciles the bank accounts for all of the Borough's funds or accounts. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

This finding was evaluated by the governing body and administration; however, due to budgetary constraints, the Borough does not have the resources to adequately segregate related duties and resolve this finding at this time.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BOROUGH OF SUSSEX
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

The Borough's prior year audit finding regarding segregation of duties has not been resolved and is included as current year Finding 2009-1.

BOROUGH OF SUSSEX

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

BOROUGH OF SUSSEX
COMMENTS AND RECOMMENDATIONS

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

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, C.198 (N.J.S. 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. 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. 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. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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

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

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

BOROUGH OF SUSSEX
COMMENTS AND RECOMMENDATIONS
(Continued)

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Utility Rents

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

On January 6, 2009, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility rents:

BE IT RESOLVED by the Governing Body of the Borough of Sussex that the Tax Collector will collect interest on delinquent taxes/water and sewer. The following rates as set forth: N.J.S.A. 54:5-67, interest shall be charged for nonpayment of taxes at the rate of 8% per annum on the first \$1,500.00 and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date of actual payment. No interest shall be charged if payment is made within the first ten days of each quarter.

BE IT FURTHER RESOLVED that the Governing Body hereby provides for charging an additional penalty of 6% of the amount of a delinquency in taxes and/or municipal charges on such delinquencies which exceed \$10,000.00 as set forth in N.J.S.A. 54:4-67.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held October 19, 2009 and was complete. Inspection of tax sale certificates on a test basis revealed that tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2009	5
2008	4
2007	3

It is essential to good management that the Borough utilize all means provided by statute to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Although the Tax Collector made significant progress in eliminating prior year delinquent taxes and tax overpayment balances, the tax records continue to reflect delinquent taxes due from 2002, 2003 and 2004 and tax overpayments from 2004 and 2005.

It is recommended that the tax collector continue to review and investigate the prior year delinquent balances and tax overpayments to determine their validity and take the appropriate action to dispose of them.

BOROUGH OF SUSSEX
COMMENTS AND RECOMMENDATIONS
(Continued)

Delinquent Taxes and Tax Title Liens (Cont'd)

Management's Response

The Borough has will investigate all delinquent tax balances and tax overpayment balances for validity.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2009.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Receipts	Disbursements	Balance Dec. 31, 2009
Municipal Treasurer:				
Fines and Costs	\$ 9,246.23	\$ 8,861.74	\$ 15,850.43	\$ 2,257.54
Interest:				
Regular Account	69.51	11.39	50.07	30.83
Bail Account	80.04	45.13		125.17
P.O.A.A. Fines	80.00	14.00	14.00	80.00
Public Defender	505.00	565.00	965.00	105.00
State Treasurer	1,187.34	11,789.83	12,829.69	147.48
County Treasurer	682.00	364.43	264.93	781.50
Restitution	834.75	275.00	225.00	884.75
Cash Bail	6,925.50	3,201.00	6,510.00	3,616.50
	<u>\$ 19,610.37</u>	<u>\$ 25,127.52</u>	<u>\$ 36,709.12</u>	<u>\$ 8,028.77</u>

During the course of the audit the following items were noted:

1. The regular and bail accounts have numerous reconciling items.
2. The listing of bail held on account has numerous old bails listed.
3. Interest on the regular and bail accounts was not turned over to the Treasurer on a regular monthly basis.
4. Monies were not being turned over to the proper agencies by the 15th of the subsequent month.
5. The Tickets Assigned but Not Issued report listed numerous tickets assigned in prior years which do not appear to be issued or the appropriate disposition has not been indicated.
6. The Borough entered into an interlocal agreement with the Township of Wantage to establish a Joint Municipal Court in 2008. As of December 31, 2009, the Court Administrator has not closed out the Borough of Sussex's ATS/ACS and bank accounts in order to establish a Joint Municipal Court ATS/ACS and bank accounts.

BOROUGH OF SUSSEX
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

It is recommended that:

1. All reconciling items for the regular and bail accounts are investigated and resolved.
2. The older outstanding bail is investigated for validity.
3. Interest on the regular and bail accounts is turned over to the Treasurer on a regular monthly basis.
4. All monies be disbursed to the proper agencies by the 15th of the subsequent month
5. The tickets listed on the Tickets Assigned but Not Issued report are reviewed and investigated as to the appropriate disposition of the tickets.
6. The Sussex Borough ATS/ACS and bank accounts be closed and a Joint Municipal Court ATS/ACS and bank accounts be established.

Management's Response

All reconciling items will be investigated and properly disposed, all outstanding bail will be investigated for validity, interest on the regular and bail accounts will be turned over to the Treasurer, tickets listed on the Tickets Assigned but Not Issued report will be reviewed and investigated as to the appropriate disposition of the tickets, and the Sussex Borough ATS/ACS and bank accounts will be closed and a Joint Municipal Court ATS/ACS and bank accounts will be established.

Clerk

During our review of the Clerk's Office, we noted that the department does not maintain a log of licenses and permits issued. The outside offices should be maintaining a detailed log of licenses and permits issued to ensure that license/permit numbers are issued sequentially and without duplication.

It is recommended that a detailed log book of licenses and permits issued is maintained by the Clerk's Office to ensure accurate issuance of license/permit numbers.

Management Response

A detailed log book will be maintained for licenses and permits issued.

Segregation of Duties

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permits and license fees; and recording of collections. Also, the Treasurer deposits and disburses funds and reconciles the bank accounts for all of the Borough's funds or accounts. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

BOROUGH OF SUSSEX
COMMENTS AND RECOMMENDATIONS
(Continued)

Segregation of Duties (Cont'd)

It is recommended that an adequate segregation of duties is maintained with respect to the recording and treasury functions.

Management's Response

Duties of personnel will be reviewed to determine where a more adequate segregation of duties can be provided.

Fixed Assets

During the course of our audit, it was noted that the fixed asset report has not been updated since June 30, 2007. As the Borough has made arrangements to update the fixed asset report during 2010, no recommendation is deemed necessary at this time.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2008 audit report. The prior year recommendations have been repeated in the current year's audit with the exception of the following recommendations as they have been corrected during the year:

Municipal Court:

- a. The regular and bail accounts be reconciled on a monthly basis.
- b. The list of outstanding bail detailing date received, case, name and status is reconciled with the bail cash balance on a monthly basis.
- c. All deposits are made within 48 hours of receipt as per NJ State Statute.

Clerk's Office:

- a. That a detailed cash ledger is maintained which includes all fees collected by the department and is reconciled on a monthly basis to the Chief Financial Officer's general ledger.

BOROUGH OF SUSSEX
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. The tax collector continue to review and investigate the prior year delinquent balances and tax overpayments to determine their validity and take the appropriate action to dispose of them.
3. Municipal Court:
 - a. All reconciling items for the regular and bail accounts are investigated and resolved.
 - b. The older outstanding bail is investigated for validity.
 - c. Interest on the regular and bail accounts is turned over to the Treasurer on a regular monthly basis.
 - d. All monies be disbursed to the proper agencies by the 15th of the subsequent month
 - e. The tickets listed on the Tickets Assigned but Not Issued report are reviewed and investigated as to the appropriate disposition of the tickets.
 - f. The Sussex Borough ATS/ACS and bank accounts be closed and a Joint Municipal Court ATS/ACS and bank accounts be established.
4. The Clerk's Office maintain a detailed log book of licenses and permits issued is maintained to ensure accurate issuance of license/permit numbers.

* * * * *