

BOROUGH OF ORADELL, N.J.
REPORT OF AUDIT ON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2013

BOROUGH OF ORADELL, N.J.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Oradell
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Oradell in the County of Bergen, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Oradell on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

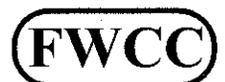
The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Oradell as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 16 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$756,088.92 and \$572,249.88 for 2013 and 2012, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.



Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements referred to above, with the exception of the Length of Service Award Program, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Oradell's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2014 on our consideration of the Borough of Oradell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Oradell's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
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Certified Public Accountants
Pompton Lakes, New Jersey

April 10, 2014

Borough of Oradell, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Current Fund:			
Cash	A-4	3,929,497.37	2,831,548.05
Change Fund	A-6	550.00	550.00
Due from State of New Jersey:			
Senior Citizens and Veteran Deductions	A-8	1,170.45	817.02
		<u>3,931,217.82</u>	<u>2,832,915.07</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	261,593.48	351,796.84
Property Acquired for Taxes -			
Assessed Valuation	A-10	29,898.00	29,898.00
Tax Title Liens	A-11	8,677.02	7,497.96
Revenue Accounts Receivable	A-12	24,416.26	39,376.73
Sewer Dischargers Receivable	A-13	604.46	27,498.20
Interfund Receivables:			
General Capital	A-14		3.57
Animal Control Trust Fund	A-14	18,446.40	8,095.02
Payroll Fund	A-14		636.81
Other Trust	A-14	9,901.39	50,318.82
		<u>353,537.01</u>	<u>515,121.95</u>
Deferred Charges:			
Special Emergency Authorizations	A-15	203,000.00	285,520.00
Emergency Appropriation	A-16		170,200.00
Overexpenditure of Appropriations	A-16		139,919.14
Overexpenditure of Appropriations Reserves	A-16		18,652.21
		<u>203,000.00</u>	<u>614,291.35</u>
		<u>4,487,754.83</u>	<u>3,962,328.37</u>
Federal and State Grant Fund:			
Cash	A-5	127,555.86	104,377.50
Grants Receivable	A-24	168,388.69	20,853.50
		<u>295,944.55</u>	<u>125,231.00</u>
		<u>4,783,699.38</u>	<u>4,087,559.37</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-17	745,335.11	861,935.57
Interfund - General Capital	A-14	22,403.08	
Encumbrances Payable	A-18	257,876.98	259,076.89
Prepaid Taxes	A-19	234,565.81	176,616.06
Local School Tax Payable	A-20	105,473.10	
Regional High School Tax Payable	A-21	379,762.23	0.04
County Tax Payable	A-22	4,250.40	4,012.52
Due to State of New Jersey:			
Marriage Surcharge	A-23	200.00	75.00
Building Surcharge	A-23	3,500.00	
Tax Overpayments	A-23	21,256.93	47,975.30
Outside Liens	A-23		8,290.64
Prepaid Licenses	A-23	34,840.23	35,755.00
Special Emergency Note	A-23		75,000.00
Emergency Note	A-23		170,200.00
Reserve for:			
Tax Appeals	A-23	43,166.69	15,231.13
Master Plan	A-23	13.60	13.60
Revaluation of Real Property	A-23	6,435.00	3,035.00
Municipal Calendar	A-23	7,091.00	8,441.00
		<u>1,866,170.16</u>	<u>1,665,657.75</u>
Reserve for Receivables	Contra	353,537.01	515,121.95
Fund Balance	A-1	<u>2,268,047.66</u>	<u>1,781,548.67</u>
		<u>4,487,754.83</u>	<u>3,962,328.37</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-25	273,778.73	107,657.75
Unappropriated Reserve for Grants	A-26	22,165.82	17,573.25
		<u>295,944.55</u>	<u>125,231.00</u>
		<u>4,783,699.38</u>	<u>4,087,559.37</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	530,000.00	361,000.00
Miscellaneous Revenue Anticipated	A-2	2,468,326.79	2,165,957.25
Receipts from Delinquent Taxes	A-2	343,431.47	577,228.66
Receipts from Current Taxes	A-2	39,180,505.61	37,655,236.75
Non-Budget Revenue	A-2	113,846.83	1,086,254.57
Other Credits to Income:			
Interfunds Returned	A-14	59,054.22	2,522.42
Statutory Excess in Animal Control Trust	A-14	18,446.40	8,095.02
Unexpended Balance of Appropriation Reserves	A-17	317,810.38	17,268.74
Cancellation of County Tax Payable			481.60
Cancellation of Accounts Payable			663.00
Cancellation of Grant Reserves	A-14	3,629.08	12,685.40
Total Revenues and Other Income		<u>43,035,050.78</u>	<u>41,887,393.41</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,750,521.75	4,531,271.11
Other Expenses	A-3	6,492,568.72	6,463,008.61
Capital Improvement Fund	A-3	50,000.00	50,000.00
Municipal Debt Service	A-3	1,368,203.44	1,166,178.14
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,471,204.75	1,197,946.34
Refund Prior Year Revenue	A-4	7,596.94	
Interfund Advances	A-14	86,642.79	59,054.22
Local District School Tax	A-20	10,480,363.78	10,318,551.20
Regional High School Tax	A-21	13,710,681.75	13,226,026.23
County Taxes including Added Taxes	A-22	3,597,497.56	3,805,431.67
Canceled Grant Receivable	A-14	3,270.31	8,105.79
Total Expenditures		<u>42,018,551.79</u>	<u>40,825,573.31</u>

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Excess (Deficit) Revenue Over Expenditures		1,016,498.99	1,061,820.10
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>330,200.00</u>
Statutory Excess to Fund Balance		1,016,498.99	1,392,020.10
Fund Balance, January 1,	A	<u>1,781,548.67</u>	<u>750,528.57</u>
		2,798,047.66	2,142,548.67
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>530,000.00</u>	<u>361,000.00</u>
Fund Balance, December 31,	A	<u><u>2,268,047.66</u></u>	<u><u>1,781,548.67</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	530,000.00	530,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	4,100.00	5,184.40	1,084.40
Other	A-2	8,485.00	6,836.00	(1,649.00)
Fees and Permits	A-2	123,850.00	126,926.25	3,076.25
Fines and Costs:				
Municipal Court	A-12	128,370.00	119,200.36	(9,169.64)
Interest and Costs on Taxes	A-4	166,925.00	88,347.85	(78,577.15)
Interest on Investments and Deposits	A-12	3,175.00	4,538.45	1,363.45
Rents of Municipal Properties	A-12	25,320.00	45,451.77	20,131.77
Sewer Charges - Borough of Emerson	A-12	60,960.00	23,330.00	(37,630.00)
Newspaper and Other Recyclable Proceeds	A-12	59,775.00	37,404.02	(22,370.98)
Cable TV Franchise Taxes	A-12	104,380.00	105,065.82	685.82
Energy Gross Receipts Taxes	A-12	778,125.00	778,125.00	
N.J. Transit Corporation (Chap. 40, P.L. 1981) - Pilot	A-12	56,450.00	56,496.00	46.00
Watershed Moratorium Aid	A-12	14,100.00	14,100.00	
Uniform Construction Code Fees	A-12	194,850.00	224,192.00	29,342.00
NJDOT	A-24	150,000.00	150,000.00	
Recycling Tonnage Grant	A-24	10,759.02	10,759.02	
Body Armor Grant	A-24	4,455.46	4,455.46	
Clean Communities	A-24	12,277.54	12,277.54	
Sustainable Jersey Grant	A-24	2,000.00	2,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-24	10,234.77	10,234.77	
Community Development - Senior Citizens	A-24	3,638.00	3,638.00	
Uniform Fire Safety Act	A-12	9,715.00	7,353.30	(2,361.70)
Reserve for Debt Service	A-12	32,000.00	32,000.00	
Interfund - Other Trust Fund	A-14	50,200.00	50,200.00	
Interfund - Animal Control Trust Fund	A-14	8,095.00	8,095.00	
General Capital Fund Balance	A-12	55,000.00	55,000.00	
Cell Tower Lease	A-12	229,272.30	229,272.30	
FEMA Storm Reimbursement	A-12	140,000.00	147,555.20	7,555.20
Green Acres	A-12	32,839.00	32,839.00	
Significant Sewer Dischargers	A-13	95,350.00	77,449.28	(17,900.72)
Total Miscellaneous Revenues	A-1	2,574,701.09	2,468,326.79	(106,374.30)
Receipts from Delinquent Taxes	A-1/A-2	355,500.98	343,431.47	(12,069.51)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	11,177,601.83	11,407,769.55	230,167.72
Budget Totals		14,637,803.90	14,749,527.81	111,723.91
Non-Budget Revenue	A-1/A-2		113,846.83	113,846.83
		<u>14,637,803.90</u>	<u>14,863,374.64</u>	<u>225,570.74</u>
		A-3		
Adopted Budget	A-3	14,487,803.90		
Appropriated by N.J.S. 40A:4-87	A-3	150,000.00		
		<u>14,637,803.90</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-9	39,180,505.61
Allocated to School and County Taxes	A-9	<u>28,277,369.56</u>
Balance for Support of Municipal Budget Appropriations		10,903,136.05
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>504,633.50</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>11,407,769.55</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-9	<u><u>343,431.47</u></u>
Licenses - Other:		
Clerk	A-12	680.00
Police	A-12	320.00
Registrar	A-12	51.00
Board of Health	A-12	<u>5,785.00</u>
	A-2	<u><u>6,836.00</u></u>
Fees and Permits - Other:		
DPW Parking Permits	A-12	6,818.75
Police	A-12	44,802.50
Code Enforcement Agency	A-12	66,110.00
Tax Collector - Tax Searches	A-12	20.00
Registrar	A-12	<u>9,175.00</u>
	A-2	<u><u>126,926.25</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Police Miscellaneous		1,619.00
Sale of Assets		832.50
Administration Fees - Police		799.75
Administration Fees - Senior Citizens & Vets		1,488.66
Sewer Dischargers Interest & Costs		890.34
Copies		75.00
Sewer Charges		5,733.21
Tax Collector Miscellaneous		5,071.00
Returned Check Fees		240.00
Recreation Programs		22,122.06
Tennis Badges		145.00
Insurance Dividend		12,845.83
Pension Refund		11,030.76
Void Stale Dated Checks		21,452.85
Miscellaneous Refunds and Reimbursements		<u>29,500.87</u>
	A-2, A-4	<u><u>113,846.83</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		102,455.40	98,455.40	95,419.72	3,035.68	
Other Expenses		47,400.00	47,400.00	39,579.64	7,820.36	
Mayor and Council						
Salaries and Wages		23,000.00	23,000.00	23,000.00		
Other Expenses		5,800.00	5,800.00	3,057.06	2,742.94	
Borough Clerk's Office						
Salaries and Wages		166,459.28	167,959.28	167,229.05	730.23	
Other Expenses		39,050.00	39,050.00	28,000.34	11,049.66	
Financial Administration						
Salaries and Wages		126,536.66	126,536.66	124,374.96	2,161.70	
Other Expenses		53,990.00	58,714.82	42,577.67	16,137.15	
Annual Audit						
Other Expenses		38,500.00	38,500.00	5,000.00	33,500.00	
Collection of Taxes						
Salaries and Wages		20,000.00	20,000.00	17,792.25	2,207.75	
Other Expenses		14,300.00	14,300.00	10,413.91	3,886.09	
Assessment of Taxes						
Salaries and Wages		21,500.00	21,500.00	21,357.36	142.64	
Other Expenses		36,000.00	36,000.00	20,376.00	15,624.00	
Legal Services and Costs						
Other Expenses		156,500.00	156,500.00	116,975.76	39,524.24	
Engineering Services and Costs						
Other Expenses		25,000.00	19,000.00	15,918.50	3,081.50	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		2,500.00	2,500.00	1,274.00	1,226.00	
Other Expenses		9,000.00	9,000.00	1,816.95	7,183.05	
Board of Adjustment						
Salaries and Wages		3,000.00	3,000.00	2,574.00	426.00	
Other Expenses		8,200.00	8,200.00	3,348.93	4,851.07	

Borough of Oradell, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Insurance:						
Other Insurance		189,298.00	189,298.00	186,056.28	3,241.72	
Workers' Compensation Insurance		208,712.00	208,712.00	208,711.01	0.99	
Group Insurance Plan for Employees		1,730,124.00	1,692,124.00	1,621,643.67	70,480.33	
Public Safety:						
Police						
Salaries and Wages		2,792,517.63	2,820,517.63	2,754,515.76	66,001.87	
Other Expenses		89,600.00	89,600.00	62,352.40	27,247.60	
Purchase of Police Cars		23,354.51	23,354.51	22,604.51	750.00	
Auxiliary Police						
Other Expenses		4,500.00	4,500.00	2,469.20	2,030.80	
Emergency Management Services						
Salaries and Wages		2,600.00	2,600.00	1,912.50	687.50	
Other Expenses		7,500.00	7,500.00	4,521.78	2,978.22	
First Aid Squad Contribution		32,000.00	32,000.00	25,223.30	6,776.70	
Fire						
Other Expenses		100,000.00	100,000.00	85,733.53	14,266.47	
State Uniform Fire Safety Code Act (Ch.383, P.L. 1983)						
Fire Officials						
Salaries and Wages		21,000.00	21,000.00	11,815.44	9,184.56	
Other Expenses		2,500.00	2,500.00	1,053.39	1,446.61	
Municipal Prosecutor						
Salaries and Wages		13,200.00	13,200.00	13,139.52	60.48	
Municipal Court:						
Salaries and Wages		88,000.00	88,000.00	78,023.73	9,976.27	
Other Expenses		6,300.00	6,300.00	4,692.66	1,607.34	
Public Defender						
Other Expenses		1,000.00	1,000.00		1,000.00	
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages		561,178.32	533,178.32	510,055.38	23,122.94	
Other Expenses		65,900.00	54,900.00	45,508.13	9,391.87	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Snow Removal		10,000.00	10,000.00		10,000.00	
Other Expenses						
Shade Trees		143,617.38	143,617.38	139,574.03	4,043.35	
Salaries and Wages						
Other Expenses		32,000.00	65,000.00	58,597.58	6,402.42	
Garbage and Trash Removal						
Contractual		232,356.30	232,356.30	232,356.24	0.06	
Disposal Costs/Tipping Fees		205,000.00	205,000.00	176,037.24	28,962.76	
Recycling Program						
Contractual		228,960.00	228,960.00	189,337.41	39,622.59	
Public Buildings and Grounds						
Salaries and Wages		76,400.13	76,400.13	73,854.62	2,545.51	
Other Expenses		215,947.00	229,947.00	207,075.05	22,871.95	
Sewer System						
Salaries and Wages		145,467.38	145,467.38	135,588.67	9,878.71	
Other Expenses		88,900.00	88,900.00	63,871.87	25,028.13	
Shop and Garage						
Salaries and Wages		84,332.09	88,332.09	84,462.91	3,869.18	
Other Expenses		96,450.00	124,450.00	112,453.83	11,996.17	
Health and Welfare:						
Board of Health						
Salaries and Wages		15,000.00	15,000.00	10,261.51	4,738.49	
Other Expenses		54,498.00	49,498.00	43,697.83	5,800.17	
Other Expenses - Visiting Nurse Services		6,000.00				
Other Expenses - PEOSHA Hep. B Vac.		2,600.00	2,600.00	2,600.00		
Environmental Committee						
Other Expenses		1,000.00	1,000.00		1,000.00	
Animal Regulation						
Other Expenses		10,500.00	10,500.00	10,500.00		
Contribution to Senior Citizens' Center		7,500.00	7,500.00	6,224.62	1,275.38	
Senior Citizens Transportation						
Salaries and Wages		4,000.00	6,000.00	5,049.52	950.48	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Recreation and Education:						
Parks and Playgrounds						
Salaries and Wages		116,766.14	116,766.14	114,163.19	2,602.95	
Other Expenses		24,500.00	16,500.00	14,255.70	2,244.30	
Recreation						
Salaries and Wages		55,360.00	50,360.00	49,533.54	826.46	
Other Expenses		30,800.00	30,800.00	21,710.69	9,089.31	
Beautification Projects		3,475.30	3,475.30	2,503.75	971.55	
Uniform Construction Code						
Construction Code Officials		24,000.00	24,000.00	23,144.88	855.12	
Salaries and Wages		1,450.00	1,450.00	830.68	619.32	
Other Expenses						
Code Enforcement Agency						
Salaries and Wages		143,131.34	143,131.34	141,975.20	1,156.14	
Other Expenses		4,500.00	4,500.00	3,065.82	1,434.18	
Unclassified:						
Celebration of Public Events		13,200.00	14,200.00	13,012.47	1,187.53	
Street Lighting		162,000.00	162,000.00	159,504.89	2,495.11	
Telephone		38,900.00	40,900.00	37,081.05	3,818.95	
Hydrant Service		134,000.00	134,000.00	133,315.44	684.56	
Gasoline		112,260.00	112,260.00	109,203.04	3,056.96	
Video Committee		4,000.00	4,000.00	2,848.17	1,151.83	
Contingent		2,000.00	2,000.00	888.00	1,112.00	
Total Operations within "CAPS"		<u>9,369,346.86</u>	<u>9,376,571.68</u>	<u>8,758,697.73</u>	<u>617,873.95</u>	
Detail:						
Salaries and Wages	A-1	4,752,021.75	4,750,521.75	4,600,091.74	150,430.01	
Other Expenses	A-1	4,617,325.11	4,626,049.93	4,158,605.99	467,443.94	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Overexpenditure of Appropriations		139,919.14	139,919.14	139,919.14		
Overexpenditure of Appropriation Reserves		18,652.21	18,652.21	18,652.21		
Prior Year Bills		4,524.40	4,524.40	4,524.40		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		246,466.00	246,466.00	246,466.00		
Social Security System (O.A.S.I.)		224,952.00	213,452.00	194,250.83	19,201.17	
Police and Firemen's Retirement System		585,471.00	585,471.00	585,471.00		
Unemployment / Disability Insurance		10,000.00	10,000.00	10,000.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,229,984.75	1,218,484.75	1,199,283.58	19,201.17	
Total General Appropriations for Municipal Purposes within "CAPS"		10,599,331.61	10,595,056.43	9,957,981.31	637,075.12	
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority Service Charges - Contractual						
Operating		614,886.07	614,886.07	614,284.15	601.92	
Debt Service		281,113.93	281,113.93	281,113.93		
Maintenance of Free Public Library		563,134.33	563,134.33	563,134.33		
Additional Library Expenses		15,374.67	15,374.67	15,374.67		
Reserve for Tax Appeals		75,000.00	75,000.00	75,000.00		
Recycling Tax (PL 2007, c.311)		10,000.00	10,000.00	8,517.93	1,482.07	
Emergency Service Volunteer Length of Service Award Program (P.L.1997, C.388)		43,000.00	43,000.00		43,000.00	
Interlocal Municipal Service Agreements		15,000.00	15,000.00	5,000.00	10,000.00	
911 Communications - Contractual		53,176.00	53,176.00			
Insurance: N.J.S.A. 40A:4-53.3e						
Employee Group Health Insurance						

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
General Appropriations						
Public and Private Programs Offset by Revenues						
Body Armor Replacement Fund		4,455.46	4,455.46	4,455.46		
Recycling Tonnage Grant		10,759.02	10,759.02	10,759.02		
Clean Communities Program		12,277.54	12,277.54	12,277.54		
Community Development Grant		3,638.00	3,638.00	3,638.00		
Sustainable Jersey Grant		2,000.00	2,000.00	2,000.00		
NJ DOT		150,000.00	150,000.00	150,000.00		
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		10,234.77	10,234.77	10,234.77		
Local Share		2,469.00	2,469.00	2,469.00		
Total Operations - Excluded from "CAPS"		<u>1,866,518.79</u>	<u>1,866,518.79</u>	<u>1,758,258.80</u>	<u>108,259.99</u>	
Detail:						
Other Expenses	A-1	1,866,518.79	1,866,518.79	1,758,258.80	108,259.99	
Capital Improvements:						
Capital Improvement Fund		50,000.00	50,000.00	50,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>		
Municipal Debt Service:						
Payment of Bond Principal		607,000.00	607,000.00	607,000.00		
Payment of Bond Anticipation Notes and Capital Notes		198,300.00	198,300.00	198,300.00		
Interest on Bonds		462,000.00	462,000.00	461,345.00		655.00
Interest on Notes		50,000.00	50,000.00	49,983.26		16.74
NJEIT Loan - Principal and Interest		47,300.00	51,575.18	51,575.18		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>1,364,600.00</u>	<u>1,368,875.18</u>	<u>1,368,203.44</u>		<u>671.74</u>
Deferred Charges:						
Emergency Authorizations		170,200.00	170,200.00	170,200.00		
Special Emergency Authorizations - 5 Years		82,520.00	82,520.00	82,520.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>252,720.00</u>	<u>252,720.00</u>	<u>252,720.00</u>		

Borough of Oradell, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		3,533,838.79	3,538,113.97	3,429,182.24	108,259.99	671.74
Subtotal General Appropriations		14,133,170.40	14,133,170.40	13,387,163.55	745,335.11	671.74
Reserve for Uncollected Taxes		504,633.50	504,633.50	504,633.50		
Total General Appropriations		<u>14,637,803.90</u>	<u>14,637,803.90</u>	<u>13,891,797.05</u>	<u>745,335.11</u>	<u>671.74</u>
Adopted Budget	A-2		14,487,803.90			
Appropriated by N.J.S. 40A:4-87	A-2		150,000.00			
			<u>14,637,803.90</u>		A	
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			504,633.50		
Cash Disbursed	A-4			12,447,161.43		
Deferred Charges:						
Special Emergency Appropriation	A-15			82,520.00		
Emergency Appropriation	A-16			170,200.00		
Overexpenditure of Appropriations	A-16			139,919.14		
Overexpenditure of Appropriation Reserves	A-16			18,652.21		
Encumbrances Payable	A-18			257,876.98		
Reserve for Tax Appeals	A-23			75,000.00		
Reserve for Federal and State Grants	A-25			193,364.79		
Matching Funds for Federal and State Grants	A-4,A-25			2,469.00		
				<u>13,891,797.05</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Trust Fund:			
Cash	B-1	28,792.40	17,422.22
		<u>28,792.40</u>	<u>17,422.22</u>
Other Trust Funds:			
Cash	B-1	504,603.30	278,561.94
Interfund - Payroll Trust Fund	B-5		22,682.85
Other Accounts Receivable	B-6		245,200.00
		<u>504,603.30</u>	<u>546,444.79</u>
Payroll Trust Fund:			
Cash	B-1	1,115.00	25,022.44
		<u>1,115.00</u>	<u>25,022.44</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	713,469.77	529,689.96
Contributions Receivable	B-11	42,619.15	42,559.92
		<u>756,088.92</u>	<u>572,249.88</u>
		<u>1,290,599.62</u>	<u>1,161,139.33</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	10,346.00	9,315.20
Due to State Department of Health	B-3		12.00
Interfund - Current Fund	B-4	<u>18,446.40</u>	<u>8,095.02</u>
		<u>28,792.40</u>	<u>17,422.22</u>
Other Trust Fund:			
Interfund - Current Fund	B-4	9,901.39	50,318.82
Developers Escrow	B-7	8,627.00	8,624.75
Miscellaneous Deposits	B-7	217,522.78	191,391.03
Various Reserves	B-7	<u>268,552.13</u>	<u>296,110.19</u>
		<u>504,603.30</u>	<u>546,444.79</u>
Payroll Trust Fund:			
Interfund - Current Fund	B-4		636.81
Interfund - Other Trust Fund	B-8		22,682.85
Payroll Deductions Payable	B-9	<u>1,115.00</u>	<u>1,702.78</u>
		<u>1,115.00</u>	<u>25,022.44</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-12	<u>756,088.92</u>	<u>572,249.88</u>
		<u>756,088.92</u>	<u>572,249.88</u>
		<u><u>1,290,599.62</u></u>	<u><u>1,161,139.33</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Cash	C-2/C-3	1,629,711.88	1,000,293.19
Deferred Charges to Future Taxation:			
Funded	C-4	12,174,483.93	11,985,461.88
Unfunded	C-5	9,041,487.00	4,736,975.00
Various Receivables	C-6	20,000.00	813,875.00
Interfund - Current Fund	C-17	<u>22,403.08</u>	<u> </u>
		<u>22,888,085.89</u>	<u>18,536,605.07</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-7	4,382,500.00	4,009,800.00
General Serial Bonds Payable	C-8	10,725,000.00	11,332,000.00
NJ Environmental Infrastructure Trust:			
Fund Loan I	C-9	281,019.01	328,461.88
Trust Loan I	C-10	309,680.00	325,000.00
Fund Loan II	C-11	638,487.92	
Trust Loan II	C-12	220,297.00	
Improvement Authorizations:			
Funded	C-13	416,006.50	812,601.16
Unfunded	C-13	5,746,386.31	1,381,929.81
Accounts Payable	unchanged	1.00	1.00
Capital Improvement Fund	C-14	21,944.21	27,944.21
Reserve for:			
Preliminary Costs	C-15	315.50	315.50
Various Reserves	C-16	110,694.84	142,694.84
Interfund - Current Fund	C-17		3.57
Reserve for Receivables	C-18		100,000.00
Fund Balance	C-1	<u>35,753.60</u>	<u>75,853.10</u>
		<u>22,888,085.89</u>	<u>18,536,605.07</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2013 of \$4,732,817.51 as per Exhibit C-19.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell, N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance - January 1,	C	75,853.10	9,384.59
Increased by:			
Premium on Bonds & Bond Anticipation Notes	C-2	14,900.50	20,089.10
Funded Improvement Authorizations Canceled		<u>14,900.50</u>	<u>46,379.41</u>
		90,753.60	75,853.10
Decreased by:			
Appropriated to 2013 Budget Reveune	C-2	<u>55,000.00</u>	
Balance - December 31,	C,C-3	<u><u>35,753.60</u></u>	<u><u>75,853.10</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Oradell

Statement of General Fixed Assets - Regulatory Basis

December 31, 2013

With Comparative Figures for 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>General Fixed Assets:</u>			
Land		53,692,600.00	53,692,600.00
Buildings and Improvements		6,906,200.00	6,906,200.00
Machinery and Equipment		<u>6,734,936.00</u>	<u>6,597,048.00</u>
		<u>67,333,736.00</u>	<u>67,195,848.00</u>
 Investment in Fixed Assets		 <u>67,333,736.00</u>	 <u>67,195,848.00</u>

See accompanying notes to financial statements.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Oradell have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Oradell (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Payroll Fund - Receipts and disbursements of payroll withholding that the Borough collects on the behalf of various agencies as their agents.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective August 9, 2011, the Borough transferred the financial and operational responsibility for the administration of general public assistance to the Bergen County Board of Social Services.

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Oradell. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. Several budget transfers were approved by the governing body. During 2013 the Borough Council increased the original budget by \$150,000.00. This increase was funded by additional aid allotted the Borough.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. The Borough does not compensate for accumulated unused vacation and sick days. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Oradell has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statute 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2013, \$-0- of the Borough's bank balance of \$7,254,881.39 was exposed to custodial credit risk.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statute 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are: Bonds of the United States of America, bonds or other obligations of the towns, or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 14, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Company, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2013 and 2012 amounted to \$713,469.77 and \$529,689.96, respectively.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Fixed Income	\$64,532.55	\$65,850.82
Growth Funds	150,175.25	108,465.86
Index Funds	265,326.20	189,369.13
Value Funds	124,987.64	61,958.02
All Others	<u>108,448.13</u>	<u>104,046.13</u>
Total	<u>\$713,469.77</u>	<u>\$529,689.96</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2013 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Deferred Pension Liability - PERS	\$63,124.00	\$	\$3,275.00	\$59,849.00	\$3,663.00
Deferred Pension Liability - PFRS	213,813.00		10,980.00	202,833.00	12,242.00
Bonds Payable - General Obligation Debt	11,332,000.00		607,000.00	10,725,000.00	669,000.00
NJ Environmental Infrastructure Trust - Fund Loan	328,461.88	660,891.00	69,845.95	919,506.93	51,852.49
NJ Environmental Infrastructure Trust - Trust Loan	<u>325,000.00</u>	<u>220,297.00</u>	<u>15,320.00</u>	<u>529,977.00</u>	<u>20,500.00</u>
	<u>\$12,262,398.88</u>	<u>\$881,188.00</u>	<u>\$706,420.95</u>	<u>\$12,437,165.93</u>	<u>\$757,257.49</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>ISSUED</u>			
General - Bonds, Loans and Notes	\$16,556,983.93	\$15,995,261.88	\$15,809,509.75
Less: Funds Temporarily Held to Pay Bonds and Notes:			
General	<u>146,522.71</u>	<u>178,522.71</u>	<u>942.20</u>
Net Debt Issued	16,410,461.22	15,816,739.17	15,808,567.55
<u>AUTHORIZED BUT NOT ISSUED</u>			
General - Bonds and Notes	<u>4,732,817.51</u>	<u>801,005.51</u>	<u>969,175.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,143,278.73</u>	<u>\$16,617,744.68</u>	<u>\$16,777,742.55</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a net debt of 1.258%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$4,910,000.00	\$4,910,000.00	\$0.00
Regional High School District Debt	6,384,446.29	6,384,446.29	0.00
General Debt	<u>21,289,801.44</u>	<u>146,522.71</u>	<u>21,143,278.73</u>
	<u>\$32,584,247.73</u>	<u>\$11,440,969.00</u>	<u>\$21,143,278.73</u>

Net Debt \$21,143,278.73 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,680,839,437.67 = 1.258%.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3-1/2% of equalized valuation basis (municipal)	\$58,829,380.32
Less net debt	<u>21,143,278.73</u>
Remaining Borrowing Power	<u>\$37,686,101.59</u>

The Borough's long term debt consisted of the following at December 31, 2013:

Paid by Current Fund:

	<u>Amount Outstanding</u>
\$7,379,000.00 General Improvement Bonds - issued January 1, 2007 due through January 1, 2024 with an interest rate of 4.00%	\$6,754,000.00
\$4,041,000.00 General Improvement Bonds - issued May 10, 2010 due through February 15, 2023 with an interest rate of 3.00%-5.25%	<u>3,971,000.00</u>
Total Serial Bonds	<u>\$10,725,000.00</u>
\$335,000.00 New Jersey Environmental Infrastructure Trust, Series 2010B dated December 2, 2010 payable in annual installments from August 1, 2012 through August 1, 2030 with an interest rate of 5%	\$309,680.00
\$358,875.00 New Jersey Environmental Infrastructure Trust, Fall 2010B dated December 2, 2010 payable in semiannual installments on February 1 and August 1, commencing on February 1, 2011 with a zero percent interest rate	281,019.01
\$220,297.00 New Jersey Environmental Infrastructure Trust, Series 2013 payable in annual installments from August 1, 2014 through August 1, 2032 with a zero percent interest rate	220,297.00
\$660,891.00 New Jersey Environmental Infrastructure Trust, Series 2013 payable in annual installments from February 1 and August 1, commencing on February 1, 2014 with a zero percent interest rate	<u>638,487.92</u>
Total New Jersey Environmental Infrastructure Loans Payable	<u>\$1,449,483.93</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED, (continued)

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

In addition to the above, the Borough had authorized but not issued debt, as follows:

General Capital \$4,732,817.51

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Calendar	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year			
2014	\$669,000.00	\$428,387.50	\$1,097,387.50
2015	741,000.00	398,107.50	1,139,107.50
2016	787,000.00	367,777.50	1,154,777.50
2017	858,000.00	339,727.50	1,197,727.50
2018	977,000.00	306,202.50	1,283,202.50
2019-2023	5,789,000.00	836,783.75	6,625,783.75
2024	<u>904,000.00</u>	<u>18,080.00</u>	<u>922,080.00</u>
	<u>\$10,725,000.00</u>	<u>\$2,695,066.25</u>	<u>\$13,420,066.25</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN AND FUND LOAN

Year	<u>Trust Loan</u>		<u>Fund Loan</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2014	\$72,352.49	\$20,836.46	\$93,188.95
2015	77,378.49	20,310.20	97,688.69
2016	77,416.49	19,522.30	96,938.79
2017	77,476.49	18,712.08	96,188.57
2018	77,561.49	17,877.08	95,438.57
2019-2023	400,229.45	75,465.14	475,694.59
2024-2028	432,013.45	44,929.84	476,943.29
2029-2032	<u>235,055.58</u>	<u>8,624.56</u>	<u>243,680.14</u>
	<u>\$1,449,483.93</u>	<u>\$226,277.66</u>	<u>\$1,675,761.59</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2013, the Borough had \$4,382,500.00 in outstanding general capital bond anticipation notes, maturing on April 11, 2014 at an interest rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2013.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Securities	<u>\$4,009,800.00</u>	<u>\$4,382,500.00</u>	<u>\$4,009,800.00</u>	<u>\$4,382,500.00</u>

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorization	<u>\$203,000.00</u>	<u>\$57,000.00</u>	<u>\$146,000.00</u>

NOTE 6. LOCAL AND REGIONAL SCHOOL 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 6. LOCAL AND REGIONAL SCHOOL TAXES, (continued)

The Borough has elected to defer school taxes as follows:

	Local School District Tax Balance <u>Dec. 31, 2013</u>	Regional School District Tax Balance <u>Dec. 31, 2013</u>
Balance of Tax	\$5,379,139.10	\$7,446,032.23
Deferred	<u>5,273,666.00</u>	<u>7,066,270.00</u>
Tax Payable	<u>\$105,473.10</u>	<u>\$379,762.23</u>

NOTE 7. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 7: PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 7. PENSION PLANS, (continued)

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8-1/2 percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012. The Borough of Oradell opted for this deferral in the amount of \$289,512.00.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2013	\$246,466.00	\$585,471.00
2012	269,237.34	568,465.00
2011	239,723.00	578,879.00

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

Plan Description

The Borough of Oradell contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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. 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>

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the State Pension System shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Funding Policy

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 employees in the SHBP are billed to the Borough of Oradell on a monthly basis. The rates charges by the system for the year ended December 31, 2013 were as follows:

The Borough of Oradell contributions to SHBP for post-retirement benefits for the year ended December 31, 2013 was \$559,223.74 which equaled the required contribution for the year.

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 were as follows:

Current Fund \$613,000.00 (Introduced Budget)

NOTE 10. FIXED ASSETS

The balance as of December 31, 2013 and December 31, 2012 are as follows:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Land	\$53,692,600.00	\$	\$	\$53,692,600.00
Building	6,906,200.00			6,906,200.00
Machinery and Equipment	<u>6,597,048.00</u>	<u>192,879.00</u>	<u>54,991.00</u>	<u>6,734,936.00</u>
	<u>\$67,195,848.00</u>	<u>\$192,879.00</u>	<u>\$54,991.00</u>	<u>\$67,333,736.00</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 11. ACCRUED SICK AND VACATION BENEFITS

The Tax Collector/Treasurer has advised our office that the accrued sick and vacation benefits policies of the Borough of Oradell are as follows:

a. Accrued Sick Benefits

- (1) Any employee hired prior to January 1, 1987 has unlimited sick leave up to one year which may not be accumulated from year to year, and shall not be compensated for any unused leave in any year.
- (2) Any employee hired after January 1, 1987 has limited sick leave in a given year based upon years of service. Any unused sick leave cannot be accumulated from year to year and no compensation is paid for any unused sick leave in any given year.

b. Vacation Benefits

- (1) All vacations by Borough employees, except Police Department personnel, can either take vacations in the current year in which it is earned, but must take it prior to December 31 of the following year.
All Police Department personnel must take vacations in the current year in which it is earned.

NOTE 12. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2013 consist of the following:

\$22,403.08	Due to General Capital Fund from Current Fund for Current Fund expenditures paid by General Capital Fund.
18,446.40	Due to Current Fund from Animal Control Trust Fund for statutory excess in Animal Control Trust Fund.
<u>9,901.39</u>	Due to Current Fund from Other Trust Fund for Other Trust Fund expenditures paid by Current Fund.
<u>\$50,750.87</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 13. LEASES

The Borough is leasing a police vehicle under a three year lease. The balance remaining at December 31, 2013 was \$21,847.25. The lease has a bargain purchase option at the end of the lease term for \$1.00, where the title changes from the lessor to the Borough.

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$11,999.85	\$10,579.78	\$1,420.07
2015	<u>11,999.85</u>	<u>11,267.47</u>	<u>732.38</u>
	<u>\$23,999.70</u>	<u>\$21,847.25</u>	<u>\$2,152.45</u>

NOTE 14. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2013 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Oradell is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Oradell is a member of the Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund. These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

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

- a. Workers' Compensation and Employer's Liability
- b. Liability Other Than Motor Vehicles
- c. Property Damage Other Than Motor Vehicles
- d. Motor Vehicle

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 14. RISK MANAGEMENT, (continued)

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability Coverage.

Members of the Bergen County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Bergen County Municipal Joint Insurance Fund from a commercial carrier.

As a member of these Funds, 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.

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of 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. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

NOTE 15. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>Dec 31, 2012</u>
Prepaid Taxes	<u>\$234,565.81</u>	<u>\$176,616.06</u>
Cash Liability for Taxes Collected in Advance	<u>\$234,565.81</u>	<u>\$176,616.06</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(continued)

NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On January 1, 2001, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The Borough of Oradell has elected to contribute \$1,182.22 and \$1,182.22 for 2013 and 2012, respectively, per eligible volunteer into the Plan.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2013 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Borough Counsel that the Borough is not involved in any litigation that would materially affect the financial statements.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through April 10, 2014, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>2.723</u>	<u>2.347</u>	<u>2.284</u>
Apportionment of Tax Rate:			
Municipal	.732	.617	.581
County	.249	.235	.226
Local School	.728	.642	.63
Regional High School	.976	.818	.811
Library	.038	.035	.036

Assessed Valuations:

2013	\$1,449,149,500.00	
2012		\$1,623,247,616.00
2011		\$1,623,268,135.00

COMPARISON OF TAX LEVIES AND COLLECTION 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.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$39,506,823.51	\$39,180,505.61	99.17%
2012	38,137,775.20	37,655,236.75	98.73
2011	37,108,777.59	36,448,179.64	98.22

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$8,677.02	\$261,593.48	\$270,270.50	.68%
2012	7,497.96	351,796.84	359,294.80	.94
2011	6,143.74	598,725.66	604,869.40	1.63

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No property was acquired in 2013 by the Borough through foreclosure proceedings.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$29,898.00
2012	29,898.00
2011	29,898.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Current Fund</u> <u>Balance</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>
2013	\$2,268,047.66	\$613,000.00 (Introduced Budget)
2012	1,781,548.67	530,000.00
2011	750,528.57	361,000.00
2010	515,539.99	100,000.00
2009	1,171,402.34	950,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond *</u>
Joseph L. Murray, Jr.	Mayor	
James Koth	Council President	
Donna Risse Alonso	Councilwoman	
Antonio Meo	Councilman	
Garrie Murphy	Councilman	
Edward Pflering	Councilman	
Eric Shuler	Councilman	
Laura Graham	Borough Clerk/Administrator	
Katie Chen	Chief Financial Officer	
Stephanie Stokes	Tax Collector	
Stephen Depken	Construction Official/Building Inspector	
James Anzevino	Tax Assessor	
Brian Giblin	Attorney	
Joseph P. Castiglia	Municipal Court Judge	
Alberta Vadala	Court Administrator	
Christopher Martin	Prosecutor	
Stephen T. Boswell	Engineer	
Frank Florio	Chief of Police	
Charles J. Ferraioli, Jr.	Auditor	

* Covered through the Municipal Excess Liability Joint Insurance Fund.

Borough of Oradell, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2012	A		2,831,548.05
Increased by Receipts:			
Interest and Costs on Taxes	A-2	88,347.85	
Miscellaneous Revenue Not Anticipated	A-2	113,846.83	
Petty Cash	A-7	600.00	
Due From State - Senior Citizen and Veteran Deductions	A-8	74,432.95	
Taxes Receivable	A-9	39,272,534.64	
Revenue Accounts Receivable	A-12	2,015,114.87	
Sewere Discharges Receivable	A-13	77,449.28	
Interfunds	A-14	83,216.07	
Prepaid Taxes	A-19	234,565.81	
Various Cash Liabilities and Reserves	A-23	<u>522,202.25</u>	
			<u>42,482,310.55</u>
			45,313,858.60
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	7,596.94	
Current Year Budget Appropriations	A-3	12,447,161.43	
Matching Funds for Grants	A-3	2,469.00	
Petty Cash	A-7	600.00	
Interfunds	A-14	11,301.39	
Appropriation Reserves	A-17	787,602.08	
Local District School Taxes	A-20	10,374,890.68	
Regional High School Taxes	A-21	13,330,919.56	
County Taxes Payable	A-22	3,597,259.68	
Various Cash Liabilities and Reserves	A-23	<u>824,560.47</u>	
			<u>41,384,361.23</u>
Balance - December 31, 2013	A		<u><u>3,929,497.37</u></u>

Borough of Oradell, N.J.

Schedule of Cash - Collector-Treasurer

Grant Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Grant Fund</u>
Balance - December 31, 2012	A	104,377.50
Increased by Receipts:		
Grants Receivable	A-24	24,986.04
Matching Funds for Grants	A-25	2,469.00
Unappropriated Reserve for Grants	A-26	<u>22,165.82</u>
		<u>49,620.86</u>
		153,998.36
Decreased by Disbursements:		
Appropriated Reserve for Grants	A-25	26,083.73
Interfund - Current Fund	A-27	<u>358.77</u>
		<u>26,442.50</u>
Balance - December 31, 2013	A	<u><u>127,555.86</u></u>

Exhibit A-6

Borough of Oradell , N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	<u>550.00</u>
Balance - December 31, 2013	A	<u>550.00</u>
<u>Analysis of Balance:</u>		
Collector - Treasurer		75.00
Police		50.00
Board of Health		25.00
Borough Clerk		50.00
Municipal Court		250.00
Construction Code Official		<u>100.00</u>
		<u>550.00</u>

Exhibit A-7

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2013

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u>600.00</u>
Decreased by:		
Returned to Treasurer	A-4	<u>600.00</u>

Borough of Oradell , N.J.

**Schedule of Amount Due From State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	817.02
Increased by:		
Senior Citizens' Deductions Per Tax Billing		6,250.00
Veterans' Deductions Per Tax Billing		70,500.00
Senior Citizens' and Veterans' Allowed		750.00
Decreased by:		
Senior Citizens' and Veterans' Disallowed		<u>2,713.62</u>
	A-9	<u>74,786.38</u>
		75,603.40
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>74,432.95</u>
Balance - December 31, 2013	A	<u><u>1,170.45</u></u>

Borough of Oradell, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2013

Year	Balance, Dec. 31, 2012	Added Taxes	Levy	Collected 2012	Collected 2013	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2013
2012	351,796.84	46,481.38	39,460,342.13	176,616.06	345,767.01	(2,335.54)	1,179.06	8,365.37	0.00
2013	351,796.84	46,481.38	39,460,342.13	176,616.06	39,272,534.64	74,786.38	1,179.06	63,545.36	261,593.48
	A			A-2/A-19	A-2/A-4	A-2/A-8	A-11		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	39,460,342.13
Added Tax (R.S. 54:4-63.1 et seq.)	46,481.38
	<u>39,506,823.51</u>
Tax Levy:	
Local District School Tax	10,547,332.00
Regional High School Tax	14,132,540.00
County Tax	3,593,247.16
Added County Taxes	4,250.40
	<u>3,597,497.56</u>
Local Tax for Municipal Purposes	28,277,369.56
Additional Taxes	11,177,601.83
	<u>51,852.12</u>
	<u>11,229,453.95</u>
	<u>39,506,823.51</u>

Exhibit A-10

Borough of Oradell , N.J.

**Schedule of Property Acquired for
Taxes Assessed Valuation**

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	<u>29,898.00</u>
Balance - December 31, 2013	A	<u>29,898.00</u>

Exhibit A-11

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	7,497.96
Increased by:		
Transfers from Taxes Receivable	A-9	<u>1,179.06</u>
Balance - December 31, 2013	A	<u>8,677.02</u>

Borough of Oradell, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2013

	Ref.	Balance Dec. 31, 2012	Accrued	Collected	Prepayment Applied	Balance Dec. 31, 2013
Clerk:						
Licenses:						
Alcoholic beverages	A-2		5,184.40	5,184.40		
Other	A-2		680.00	680.00		
Board of Health:						
Licenses	A-2		5,785.00	5,785.00		
Tax Collector:						
Fees and Permits - Other						
Tax Search Fees	A-2		20.00	20.00		
Fire Prevention Bureau:						
Registration Fees	A-2		7,353.30	7,353.30		
Registrar:						
Licenses	A-2		51.00	51.00		
Fees and Permits	A-2		9,175.00	9,175.00		
Police Department:						
Licenses	A-2		320.00	320.00		
Fees and Permits	A-2		44,802.50	9,047.50	35,755.00	
DPW						
Fees and Permits	A-2		6,818.75	6,818.75		
Municipal Court :						
Fines and Costs	A-2	9,672.22	112,509.82	119,200.36		2,981.68
Uniform Construction Code:						
Fees	A-2	17,467.00	206,725.00	224,192.00		
Fees and Permits - Other	A-2	3,946.00	62,164.00	66,110.00		
Energy Receipts Taxes	A-2		778,125.00	778,125.00		
Watershed Moratorium Aid	A-2		14,100.00	14,100.00		
Cable TV Franchise Fee	A-2		105,065.82	105,065.82		
Interest on Investments and Deposits	A-2	1.51	4,538.30	4,538.45		1.36
Sale of Recyclable Materials	A-2		37,404.02	37,404.02		
Rents from Municipal Properties	A-2	8,290.00	46,673.28	45,451.77		9,511.51
Sewer Charges - Borough of Emerson	A-2		35,251.71	23,330.00		11,921.71
Reserve for Debt Service	A-2		32,000.00	32,000.00		
General Capital Fund Balance	A-2		55,000.00	55,000.00		
Cell Tower Lease	A-2		229,272.30	229,272.30		
Green Acres	A-2		32,839.00	32,839.00		
FEMA Storm Reimbursement	A-2		147,555.20	147,555.20		
N.J. Transit Corporation (Ch. 40, P.L. 1981)						
Payment in Lieu of Taxes	A-2		56,496.00	56,496.00		
		<u>39,376.73</u>	<u>2,035,909.40</u>	<u>2,015,114.87</u>	<u>35,755.00</u>	<u>24,416.26</u>
		A		A-4	A-23	A

Borough of Oradell , N.J.

Schedule of Sewer Rents Receivable

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	27,498.20
Increased by:		
Sewer Rents Levied		50,555.54
Decreased by:		
Collections	A-2,A-4	<u>77,449.28</u>
Balance - December 31, 2013	A	<u><u>604.46</u></u>

Borough of Oradell, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2013

Fund	Ref.	Due From/(To) Balance			Due From/(To) Balance Dec. 31, 2013
		Dec. 31, 2012	Increased	Decreased	
Animal Control Trust Fund	A	8,095.02	18,446.40	8,095.02	18,446.40
Other Trust	A	50,318.82	11,301.39	51,718.82	9,901.39
General Capital Fund	A	3.57		22,406.65	(22,403.08)
Federal and State Grant Fund	A		3,629.08	3,629.08	
Payroll Fund	A	636.81		636.81	
		<u>59,054.22</u>	<u>33,376.87</u>	<u>86,486.38</u>	<u>5,944.71</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	59,054.22			86,642.79
2013 Anticipated Revenue	A-2				(58,295.00)
Due From Current Fund	A				<u>(22,403.08)</u>
		<u>59,054.22</u>			<u>5,944.71</u>
Statutory Excess	A-1		18,446.40		
Canceled Grant Reserves	A-1		3,629.08		
Canceled Grants Receivable	A-1			3,270.31	
Disbursements	A-4		11,301.39		
Receipts	A-4			83,216.07	
			<u>33,376.87</u>	<u>86,486.38</u>	

Borough of Oradell, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency

Current Fund

Year Ended December 31, 2013

Date <u>Authorized</u>	Purpose	Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, Dec. 31, 2012	Reduced in 2013	Balance, Dec. 31, 2013
March 25, 2008	Recodification	12,600.00	2,520.00	2,520.00	2,520.00	
November 25, 2008	Revaluation	115,000.00	23,000.00	23,000.00	23,000.00	
December 13, 2011	Hurricane Irene	125,000.00	25,000.00	100,000.00	25,000.00	75,000.00
July 10, 2012	Revaluation	75,000.00	15,000.00	75,000.00	15,000.00	60,000.00
December 11, 2012	Hurricane Sandy	85,000.00	17,000.00	85,000.00	17,000.00	68,000.00
		<u>412,600.00</u>	<u>82,520.00</u>	<u>285,520.00</u>	<u>82,520.00</u>	<u>203,000.00</u>
				A	A - 3	A

Borough of Oradell, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Amount in 2013 <u>Budget</u>	Balance, Dec. 31, <u>2013</u>
Emergency Appropriation	170,200.00	170,200.00	
Overexpenditure of Appropriations	139,919.14	139,919.14	
Overexpenditure of Appropriations Reserves	18,652.21	18,652.21	
	<u>328,771.35</u>	<u>328,771.35</u>	
		A-3	A

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	802.74	802.74		802.74
Borough Clerk's Office	7,614.56	7,614.56		7,614.56
Financial Administration	4,582.43	4,582.43		4,582.43
Collection of Taxes	293.00	293.00		293.00
Assessment of Taxes	142.64	142.64		142.64
Planning Board	498.00	498.00		498.00
Board of Adjustment	894.00	894.00		894.00
Police	23,047.17	23,047.17		23,047.17
Emergency Management	100.00	100.00		100.00
Fire Officials	11.70	11.70		11.70
Municipal Court	3,660.55	3,660.55		3,660.55
Municipal Prosecutor	60.48	60.48		60.48
Road Repairs and Maintenance	3,106.73	3,106.73		3,106.73
Shade Trees	702.99	702.99		702.99
Public Buildings and Grounds	1,896.65	1,896.65		1,896.65
Sewer System	841.90	841.90		841.90
Shop and Garage	1,958.50	1,958.50		1,958.50
Board of Health	122.37	122.37		122.37
Senior Citizens Transportation	646.22	646.22		646.22
Parks and Playgrounds	895.05	895.05		895.05
Recreation	2,691.50	2,691.50		2,691.50
Construction Code Officials	855.12	855.12		855.12
Code Enforcement Agency	2,944.26	2,944.26		2,944.26
Total Salaries and Wages Within "CAPS"	58,368.56	58,368.56		58,368.56
Other Expenses Within "CAPS":				
Administrative and Executive	9,221.92	9,221.92	6,590.00	2,631.92
Mayor and Council	551.70	1,022.50	643.98	378.52
Borough Clerk's Office	2,068.48	2,130.83	663.45	1,467.38
Financial Administration	5,411.96	9,969.05	9,223.10	745.95
Annual Audit	31,550.00	31,550.00	31,550.00	
Collection of Taxes	321.28	321.28		321.28
Assessment of Taxes	918.62	1,303.27	384.65	918.62
Revaluation	15,600.00	75,000.00	75,000.00	
Legal Services and Costs	167,986.17	175,061.48	158,740.90	16,320.58
Engineering Services	3,000.75	6,675.75	3,675.00	3,000.75
Planning Board	2,246.94	2,279.07	32.13	2,246.94
Board of Adjustment	2,144.36	2,784.36	1,490.00	1,294.36
Insurance:				
Other Insurance	47,213.82	47,213.82	45,262.06	1,951.76
Workers' Compensation Insurance	50,006.37	50,006.37	48,533.36	1,473.01
Group Insurance	20,663.31	27,956.38	24,787.28	3,169.10

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police	9,809.36	16,331.66	6,494.30	9,837.36
Auxiliary Police	1,474.50	1,474.50		1,474.50
Emergency Management	2,726.88	3,386.88	660.00	2,726.88
First Aid Squad Contributions	24,676.70	44,321.36	41,114.99	3,206.37
Fire	2,837.17	16,408.81	15,371.02	1,037.79
Fire Officials	12.67	1,343.52	1,295.85	47.67
Municipal Court	1,457.40	1,654.40	197.00	1,457.40
Public Defender	400.00	2,400.00	800.00	1,600.00
Road Repairs and Maintenance	8,683.40	10,445.74	2,482.30	7,963.44
Shade Trees	49,446.11	53,653.85	53,530.29	123.56
Garbage and Trash Removal - Contractual	0.06	0.06		0.06
Disposal Costs / Tipping Fees	9,843.41	25,459.97	15,616.56	9,843.41
Recycling Program - Contractual	36,893.96	73,623.96	73,620.00	3.96
Public Buildings and Grounds	36,927.56	49,247.62	42,247.89	6,999.73
Sewer System	9,097.08	14,178.10	7,648.40	6,529.70
Shop and Garage	19,486.03	48,482.16	30,234.00	18,248.16
Environmental Committee	1,000.00	1,000.00		1,000.00
Board of Health	1,239.67	1,668.67	608.00	1,060.67
Senior Citizens' Center	1,564.83	1,564.83	115.26	1,449.57
Parks and Playground	7,734.26	8,127.74	393.48	7,734.26
Recreation	4,860.87	4,882.46	141.59	4,740.87
Beautification Projects	1,053.35	1,208.35	155.00	1,053.35
Construction Code Official	867.16	1,767.16	900.00	867.16
Code Enforcement Agency	180.29	180.29		180.29
Celebration of Public Events	942.37	1,326.27	383.90	942.37
Street Lighting	22,936.44	36,989.67	36,462.38	527.29
Telephone	2,299.96	3,519.88	3,194.47	325.41
Fire Hydrant Service	12,240.00	12,240.00	11,109.50	1,130.50
Gasoline	3,126.27	11,660.70	8,534.43	3,126.27
Video Committee	797.05	797.05		797.05
Contingent	2,000.00	2,000.00		2,000.00
Total Other Expenses Within "CAPS"	635,520.49	893,841.74	759,886.52	133,955.22
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	11,753.04	11,753.04		11,753.04
Total Deferred Charges and Statutory Expenditures Within "CAPS"	11,753.04	11,753.04		11,753.04
Total Reserves Within "CAPS"	705,642.09	963,963.34	759,886.52	204,076.82

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utilities Authority	94.14	94.14		94.14
Recycling Tax (PL 2007, c.311)	2,964.34	3,719.98	755.64	2,964.34
Emergency Service Volunteer Length of Service Award Program	47,000.00	47,000.00	42,559.92	4,440.08
Insurance: N.J.S.A. 40A:4-53.3e				
Employee Group Health Insurance	94,985.00	94,985.00		94,985.00
Interlocal - 911 Communications - Contractual	11,250.00	11,250.00		11,250.00
Total Other Expenses Excluded from "CAPS"	<u>156,293.48</u>	<u>157,049.12</u>	<u>43,315.56</u>	<u>113,733.56</u>
Total Reserves Excluded from "CAPS"	<u>156,293.48</u>	<u>157,049.12</u>	<u>43,315.56</u>	<u>113,733.56</u>
Total Reserves	<u>861,935.57</u>	<u>1,121,012.46</u>	<u>803,202.08</u>	<u>317,810.38</u>
	A		A-4	A-1
	<u>Ref.</u>			
Appropriation Reserves	above	861,935.57		
Transfer from Reserve for Encumbrances	A-18	<u>259,076.89</u>		
		<u>1,121,012.46</u>		
			787,602.08	
Cash Disbursements	A-4		15,600.00	
Reserve for Revaluation	A-23		<u>803,202.08</u>	

Borough of Oradell , N.J.
Schedule of Encumbrances Payable
Current Fund
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	A	259,076.89
Increased by:		
Transfer from Current Appropriations	A-3	<u>257,876.98</u>
		516,953.87
Decreased by:		
Transferred to Appropriation Reserves	A-17	<u>259,076.89</u>
Balance - December 31, 2013	A	<u><u>257,876.98</u></u>

Schedule of Prepaid Taxes
Current Fund
Year Ended December 31, 2013

Balance - December 31, 2012	A	176,616.06
Increased by:		
Receipts - Prepaid 2014 Taxes	A-4	<u>234,565.81</u>
		411,181.87
Decreased by:		
Applied to 2013 Taxes	A-9	<u>176,616.06</u>
Balance - December 31, 2013	A	<u><u>234,565.81</u></u>

Borough of Oradell, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012			
School Tax Deferred			5,206,697.78
Increased by:			
Levy School Year - July 1, 2013			
to June 30, 2014	A-9		<u>10,547,332.00</u>
			15,754,029.78
Decreased by:			
Payments	A-4		<u>10,374,890.68</u>
Balance - December 31, 2013			
School Tax Payable	A	105,473.10	
School Tax Deferred		<u>5,273,666.00</u>	
			<u><u>5,379,139.10</u></u>
2013 Liability for Local			
District School Tax:			
Tax Paid			10,374,890.68
Tax Payable			<u>105,473.10</u>
			10,480,363.78
Less Tax Payable - December 31, 2012			<u> </u>
Amount Charged to 2013 Operations	A-1		<u><u>10,480,363.78</u></u>

Borough of Oradell, N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012			
School Tax Payable	A/A-1	0.04	
School Tax Deferred		<u>6,644,411.75</u>	6,644,411.79
Increased by:			
Levy School Year - July 1, 2013 to June 30, 2014	A-9		<u>14,132,540.00</u>
			20,776,951.79
Decreased by:			
Payments	A-4		<u>13,330,919.56</u>
Balance - December 31, 2013			
School Tax Payable	A	379,762.23	
School Tax Deferred		<u>7,066,270.00</u>	<u>7,446,032.23</u>
2013 Liability for Regional High			
School District Tax:			
Tax Paid			13,330,919.56
School Tax Payable - December 31, 2013			<u>379,762.23</u>
			13,710,681.79
Less: School Tax Payable - December 31, 2012			<u>0.04</u>
Amount Charged to 2013 Operations	A-1		<u>13,710,681.75</u>

Borough of Oradell, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	A		4,012.52
Increased by:			
Levy	A-1/A-9	3,593,247.16	
Added and Omitted Taxes	A-1/A-9	<u>4,250.40</u>	
			<u>3,597,497.56</u>
			3,601,510.08
Decreased by:			
Payments	A-4		<u>3,597,259.68</u>
Balance - December 31, 2013	A		<u><u>4,250.40</u></u>

Borough of Oradell, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2013

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2013</u>
<u>Liabilities:</u>				
Tax Overpayments	47,975.30	13,195.94	39,914.31	21,256.93
Due to State of NJ Marriage Surcharge	75.00	525.00	400.00	200.00
Due to State of NJ Building Surcharge		8,851.00	5,351.00	3,500.00
Outside Liens	8,290.64	461,640.08	469,930.72	
Prepaid Revenues	35,755.00	34,840.23	35,755.00	34,840.23
Special Emergency Note	75,000.00		75,000.00	
Emergency Note	170,200.00		170,200.00	
<u>Reserves for:</u>				
Tax Appeals	15,231.13	75,000.00	47,064.44	43,166.69
Master Plan	13.60			13.60
Revaluation of Real Property	3,035.00	15,600.00	12,200.00	6,435.00
Contributions Towards Municipal Calendar	8,441.00	3,150.00	4,500.00	7,091.00
	<u>364,016.67</u>	<u>612,802.25</u>	<u>860,315.47</u>	<u>116,503.45</u>
	A			A
		<u>Ref.</u>		
Transferred from Current Year Appropriations		A-3	75,000.00	
Receipts		A-4	522,202.25	
Disbursed		A-4		824,560.47
Applied to 2013 Revenue Accounts Receivable		A-12		35,755.00
Transferred from Appropriation Reserves		A-16	15,600.00	
			<u>612,802.25</u>	<u>860,315.47</u>

Borough of Oradell, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, 2012	Budget Revenue	Received	Canceled	Balance, Dec. 31, 2013
Local Grants:					
Sustainable Jersey Grant	2,000.00	2,000.00	2,000.00		
	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>		
Federal Grants:					
Community Development - Senior Citizens	3,638.00	3,638.00	3,624.00		3,652.00
Bulletproof Vest Grant	10,450.00				10,450.00
	<u>14,088.00</u>	<u>3,638.00</u>	<u>3,624.00</u>		<u>14,102.00</u>
State Grants:					
NJ DOT - Various Roads	150,000.00				150,000.00
Recycling Tonnage Grant	10,759.02		10,759.02		
Body Armor Replacement Fund	4,455.46		4,455.46		
Clean Communities	12,277.54		12,277.54		
Municipal Alliance on Alcoholism and Drug Abuse	4,915.50	10,234.77	9,443.27	3,270.31	2,436.69
Environmental Service Grant	1,850.00				1,850.00
	<u>6,765.50</u>	<u>187,726.79</u>	<u>36,935.29</u>	<u>3,270.31</u>	<u>154,286.69</u>
	20,853.50	193,364.79	42,559.29	3,270.31	168,388.69
	<u>A</u>	<u>A-2, A-25</u>		<u>A-27</u>	<u>A</u>
		Ref.			
	Cash Receipts	A-5	24,986.04		
	Transferred from Unappropriated Reserves	A-26	17,573.25		
			<u>42,559.29</u>		

Borough of Oradell , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, 2012	Transfer From 2013 Budget	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2013
Local Grants:					
Environmental Service Grant	1,725.00				1,725.00
Sustainable Jersey Grant		2,000.00	2,000.00		
Municipal Alliance on Alcoholism and Drug Abuse	2,589.00	2,469.00	1,466.12		3,591.88
Bergen County Open Space Trust	3,290.30				3,290.30
	<u>7,604.30</u>	<u>4,469.00</u>	<u>3,466.12</u>		<u>8,607.18</u>
Federal Grants					
Community Development	2,838.00	3,638.00	4,049.00		2,427.00
Bulletproof Vest Grant	6,023.00		1,700.00		4,323.00
Community Development Block Grant	42,000.00				42,000.00
Municipal Stormwater Regulation Grant	7,835.33				7,835.33
	<u>58,696.33</u>	<u>3,638.00</u>	<u>5,749.00</u>		<u>56,585.33</u>
State Grants:					
Drunk Driving Enforcement Fund	12,332.36				12,332.36
Clean Communities Grant	16,698.30	12,277.54	10,262.92		18,712.92
NJDOT - Various Roads		150,000.00			150,000.00
Municipal Alliance on Alcoholism and Drug Abuse		10,234.77	6,605.69	3,629.08	
Special Legislative Grant	58.10				58.10
Municipal Recycling Assistance	2,896.89				2,896.89
Recycling Grant		10,759.02			10,759.02
Body Armor Replacement Fund	4,872.83	4,455.46			9,328.29
Alcohol Education and Rehabilitation Fund	242.92				242.92
SLA HEOP Grant	2,405.72				2,405.72
Environmental Service Grant	1,850.00				1,850.00
	<u>41,357.12</u>	<u>187,726.79</u>	<u>16,868.61</u>	<u>3,629.08</u>	<u>208,586.22</u>
	<u>107,657.75</u>	<u>195,833.79</u>	<u>26,083.73</u>	<u>3,629.08</u>	<u>273,778.73</u>
	A		A-5	A-27	A
	<u>Ref.</u>				
State and Federal Grants	A-3, A-24	193,364.79			
Matching Funds for Grants	A-3, A-5	2,469.00			
		<u>195,833.79</u>			

Borough of Oradell, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, <u>2012</u>	Transfer To 2013 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2013</u>
Local Grants:				
Sustainable Jersey Grant	2,000.00	2,000.00		
	<u>2,000.00</u>	<u>2,000.00</u>		
State Grants:				
Municipal Alliance	358.77	358.77		
Clean Communities			2,137.28	2,137.28
Body Armor Protection Grant	4,455.46	4,455.46	2,783.30	2,783.30
Recycling Tonnage Grant	10,759.02	10,759.02	17,245.24	17,245.24
	<u>15,573.25</u>	<u>15,573.25</u>	<u>22,165.82</u>	<u>22,165.82</u>
	<u>17,573.25</u>	<u>17,573.25</u>	<u>22,165.82</u>	<u>22,165.82</u>
	A	A-24	A-5	A

Borough of Oradell , N.J.

Schedule of Due to Current Fund

Grant Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	A		
Increased by:			
Grants Receivable	A-24	193,364.79	
Canceled Grant Reserves	A-25	<u>3,629.08</u>	196,993.87
Decreased by:			
Cash Disbursements	A-5	358.77	
Canceled Grants Receivable	A-24	3,270.31	
Appropriated Reserve for Grants	A-25	<u>193,364.79</u>	<u>196,993.87</u>
Balance - December 31, 2013	A		<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Payroll Trust Fund</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2012	B	<u>17,422.22</u>	<u>278,561.94</u>	<u>25,022.44</u>	<u>529,689.96</u>
Increase by Receipts:					
Budget Appropriation	B-2	10,500.00			
Dog License Fees - Borough Share	B-2	5,207.20			
Late Fees Collected	B-2	660.00			
Void Old Outstanding Checks	B-2	3,098.00			
Dog License Fees - State Share	B-3	802.80			
Interfund - Current Fund	B-4	18,446.40	11,700.04		
Interfund - Payroll Trust Fund	B-5		22,682.85		
Other Accounts Receivable	B-6		245,200.00		
Other Trust Funds	B-7		163,370.15		
Payroll Deductions Payable	B-9			2,923,868.59	
Net Payroll	B-10			3,269,232.04	
Contributions Receivable	B-11				42,559.92
Net Assets Available for Benefits	B-12				<u>141,808.05</u>
Total Receipts		<u>38,714.40</u>	<u>442,953.04</u>	<u>6,193,100.63</u>	<u>184,367.97</u>
		<u>56,136.62</u>	<u>721,514.98</u>	<u>6,218,123.07</u>	<u>714,057.93</u>
Decreased by Disbursements:					
Statutory Excess	B-2	18,446.40			
State Share - Dog Licenses	B-3	802.80			
Interfund - Current Fund	B-4	8,095.02	52,117.47	636.81	
Other Trust Funds	B-7		164,794.21		
Interfund - Other Trust Fund	B-8			22,682.85	
Payroll Deductions Payable	B-9			2,924,456.37	
Net Payroll	B-10			3,269,232.04	
Net Assets Available for Benefits	B-12				<u>588.16</u>
Total Disbursements		<u>27,344.22</u>	<u>216,911.68</u>	<u>6,217,008.07</u>	<u>588.16</u>
Balance - December 31, 2013	B	<u>28,792.40</u>	<u>504,603.30</u>	<u>1,115.00</u>	<u>713,469.77</u>

Borough of Oradell, N.J.

Reserve for Animal Control Expenditures

Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	B		9,315.20
Increased by:			
Budget Appropriation	B-1	10,500.00	
Dog License Fees	B-1	5,207.20	
Late Fees & Miscellaneous	B-1	660.00	
Void Old Outstanding Checks	B-1	3,098.00	
Audit Adjustment	B-3	<u>12.00</u>	
			<u>19,477.20</u>
			28,792.40
Decreased by:			
Statutory Excess	B-1		<u>18,446.40</u>
Balance - December 31, 2013	B		<u><u>10,346.00</u></u>

License Fees Collected

<u>Year</u>	
2012	5,090.40
2011	<u>5,255.60</u>
	<u><u>10,346.00</u></u>

Borough of Oradell, N.J.

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	B		12.00
Increased by:			
State Fees Collected	B-1		<u>802.80</u>
			814.80
Decreased by:			
Paid to State	B-1	802.80	
Audit Adjustment	B-2	<u>12.00</u>	
			<u>814.80</u>
Balance - December 31, 2013	B		<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2013

	Due to/(from) Balance <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2013</u>
Payroll Fund	636.81		636.81	
Animal Control Trust Fund	8,095.02	18,446.40	8,095.02	18,446.40
Other Trust	50,318.82	11,700.04	52,117.47	9,901.39
	<u>59,050.65</u>	<u>30,146.44</u>	<u>60,849.30</u>	<u>28,347.79</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Dog License Fund	B-1	18,446.40		
Cash Disbursements - Dog License	B-1		8,095.02	
Cash Receipts - Other Trust	B-1	11,700.04		
Cash Disbursements - Other Trust	B-1		52,117.47	
Cash Disbursements - Payroll Fund	B-1		636.81	
		<u>30,146.44</u>	<u>60,849.30</u>	

Borough of Oradell, N.J.

Schedule of Due from Payroll Trust Fund

Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	22,682.85
Decreased by:		
Cash Receipts	B-1	<u>22,682.85</u>
Balance - December 31, 2013	B	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Other Accounts Receivable

Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	245,200.00
Decreased by:		
Cash Receipts	B-1	<u>245,200.00</u>
Balance - December 31, 2013	B	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2013</u>
Miscellaneous Escrow Deposits	191,391.03	73,558.93	47,427.18	217,522.78
Developers Escrow	8,624.75	2.25		8,627.00
Reserve for:				
Tax Sale Premiums	94,500.00	28,200.00	51,300.00	71,400.00
Municipal Court - P.O.A.A.	66.39	388.00	321.25	133.14
Fireworks & Other Donations	21,462.60	27,075.50	22,275.34	26,262.76
Beautification Donations	1,473.50	347.00		1,820.50
Police Donations	2,715.00	500.00		3,215.00
Ridgewood Field Donations	7,649.60			7,649.60
Cablevision Equipment Donation	200.00			200.00
Donations - Andrew Caruso	340.00		200.00	140.00
DP Athletic Field Maintenance	92,761.43	8,100.00		100,861.43
VFW Donation	3,000.00	25.00		3,025.00
Shade Trees	4,223.76			4,223.76
Security Deposits	3,750.00	1,000.00		4,750.00
Unemployment	43,623.17	18,335.65	37,657.50	24,301.32
Municipal Alliance	11,488.22	5,829.11	4,960.44	12,356.89
COAH	8,053.05	7.90	652.50	7,408.45
Environmental Donations	803.47	0.81		804.28
	<u>496,125.97</u>	<u>163,370.15</u>	<u>164,794.21</u>	<u>494,701.91</u>
	B	B-1	B-1	B

Borough of Oradell, N.J.

Schedule of Due to Other Trust Fund

Payroll Trust Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	22,682.85
Decreased by:		
Cash Disbursements	B-1	<u>22,682.85</u>
Balance - December 31, 2013	B	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Payroll Deductions Payable

Payroll Trust Fund

Year Ended December 31, 2013

<u>Account</u>	<u>Balance Dec. 31, 2012</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2013</u>
Federal Withholding Tax		683,296.05	683,296.05	
Social Security		440,504.88	440,504.88	
State Withholding Tax		186,895.15	186,895.15	
Unemployment Insurance		11,054.64	11,054.64	
Public Employees' Retirement System		456,403.20	456,403.20	
Contributory Insurance		9,143.08	9,143.08	
Police and Firemen's Retirement System		908,049.56	908,049.56	
DCRP	(58.13)	1,362.93	1,304.80	
Police Legal Fund		1,920.00	1,920.00	
Union Dues		14,069.44	14,069.44	
AFLX	1,760.91	12,034.67	12,680.58	1,115.00
Employee Insurance Contribution		92,639.42	92,639.42	
Vision		5,029.57	5,029.57	
Deferred Compensation		101,466.00	101,466.00	
	<u>1,702.78</u>	<u>2,923,868.59</u>	<u>2,924,456.37</u>	<u>1,115.00</u>
	B	B-1	B-1	B

Schedule of Net Payroll

Payroll Trust Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	<u>3,269,232.04</u>
Decreased by :		
Disbursements	B-1	<u>3,269,232.04</u>

Borough of Oradell, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	42,559.92
Increased by:		
Borough Contributions	B-12	<u>42,619.15</u>
		85,179.07
Decreased by:		
Cash Receipts	B-1	<u>42,559.92</u>
Balance - December 31, 2013	B	<u><u>42,619.15</u></u>

Borough of Oradell, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	572,249.88
Increased by:		
Borough Contributions	B-11	42,619.15
Gain or (Loss)	B-1	<u>141,808.05</u>
		<u>184,427.20</u>
		756,677.08
Decreased by:		
Withdrawals	B-1	<u>588.16</u>
Balance - December 31, 2013	B	<u><u>756,088.92</u></u>

Borough of Oradell, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C		1,000,293.19
Increased by Receipts:			
Premium on Bond Anticipation Notes	C-1	14,900.50	
Various Receivables	C-6	1,540,548.00	
Bond Anticipation Notes	C-7	4,382,500.00	
Capital Improvement Fund	C-14	50,000.00	
Due to Current Fund	C-17	<u>3,432.70</u>	
			<u>5,991,381.20</u>
			6,991,674.39
Decreased by Disbursements:			
Appropriated to 2013 Budget Reveune	C-1	55,000.00	
Bond Anticipation Notes	C-7	3,811,500.00	
Improvement Authorizations	C-13	1,437,623.16	
Various Reserves	C-16	32,000.00	
Due to Current Fund	C-17	<u>25,839.35</u>	
			<u>5,361,962.51</u>
Balance - December 31, 2013	C		<u><u>1,629,711.88</u></u>

Borough of Oradell , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Fund Balance	C-1	35,753.60
Accounts Payable		1.00
Various Receivables	C-6	(20,000.00)
Capital Improvement Fund	C-14	21,944.21
Preliminary Costs	C-15	315.50
Reserve for Various Improvements	C-16	110,694.84
Due from Current Fund	C-17	(22,403.08)
Cash on Hand		73,830.51

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
03-11	Various Improvements	3,418.85
03-13	Renovation to the Free Public Library	(50.00)
05-09	Various Improvements	29,000.00
06-25	Various Improvements	55,717.61
07-17	Various Improvements	35,335.69
07-19	Various Improvements	327,170.04
08-08	Various Improvements	136,912.17
08-16	Construction of Student Drop-Off	(100,000.00)
09-01	Various Improvements	58,187.97
09-08	Improvement of Sanitary Sewer System	(54,754.98)
09-10	Various Improvements	85,756.41
10-02	Improvement of Various Roads	186,664.03
11-11	Various Improvements	458,330.38
12-07	Various Improvements	(56,505.97)
12-16	Various Improvements	296,488.64
13-02	Improvement of Sanitary Sewer System	(8,812.00)
13-10	Various Improvements	(5,597.56)
13-11	Improvement of Sanitary Sewer System	(17,685.98)
		<hr/>
		C, C-2 <u>1,629,711.88</u>

Borough of Oradell, N.J.

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	11,985,461.88
Increased by:		
NJ Infrastructure Trust Loan II Issued		660,891.00
NJ Infrastructure Fund Loan II Issued		<u>220,297.00</u>
	C-5	<u>881,188.00</u>
		12,866,649.88
Decreased by:		
Current Year Budget Appropriation:		
Serial Bonds	C-8	607,000.00
NJ Environmental Infrastructure Trust	C-9	18,247.87
NJ Environmental Infrastructure Trust	C-10	10,000.00
NJ Environmental Infrastructure Trust	C-11	22,403.08
Canceled Loan Receivable	C-9, C-10	<u>34,515.00</u>
		<u>692,165.95</u>
Balance - December 31, 2013	C	<u><u>12,174,483.93</u></u>

Borough of Oradell , N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2013

	<u>Balance,</u> <u>Dec. 31, 2012</u>	<u>Grant/Loan</u> <u>Awards</u>	<u>Decreased</u>	<u>Balance,</u> <u>Dec. 31, 2013</u>
Due from N.J. DOT				
Ordinance # 08-16				
Drop-Off Lane	100,000.00		100,000.00	
Due from NJ Environmental Infrastructure Trust				
Fund Loan Agreement I	358,875.00		358,875.00	
Trust Loan Agreement I	335,000.00		335,000.00	
Fund Loan Agreement II		660,891.00	660,891.00	
Trust Loan Agreement II		220,297.00	220,297.00	
Due from Outside Contribution -				
Ordinance # 09-10	20,000.00			20,000.00
	<u>813,875.00</u>	<u>881,188.00</u>	<u>1,675,063.00</u>	<u>20,000.00</u>
	C			C
	<u>Ref.</u>			
Fund Loan Agreement II	C-11	660,891.00		
Trust Loan Agreement II	C-12	<u>220,297.00</u>		
		<u>881,188.00</u>		
	<u>Ref.</u>			
Cash Receipts	C-2		1,540,548.00	
Canceled	C-13		34,515.00	
Reserve for Receivables	C-18		<u>100,000.00</u>	
			<u>1,675,063.00</u>	

Borough of Oradell, N.J.

Schedule of Bond Anticipation Notes Payable

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2012	2013		Balance, Dec. 31, 2013
							Increased	Decreased	
07-17	Various Improvements	05/13/10	04/11/13	04/11/14	1.00%	265,000.00	254,500.00	265,000.00	254,500.00
08-04	Various Improvements	05/13/10	04/11/13	04/11/14	1.00%	170,900.00	163,700.00	170,900.00	163,700.00
08-08	Various Improvements	05/13/10	04/11/13	04/11/14	1.00%	587,000.00	564,600.00	587,000.00	564,600.00
08-16	Construction of Student Drop-Off	05/13/10	04/11/13	04/11/14	1.00%	20,900.00	19,800.00	20,900.00	19,800.00
09-01	Various Improvements	05/13/10	04/11/13	04/11/14	1.00%	380,000.00	361,400.00	380,000.00	361,400.00
09-10	Various Improvements	05/13/10	04/11/13	04/11/14	1.00%	795,000.00	761,900.00	795,000.00	761,900.00
10-01	Refunding Tax Appeals	05/13/10	04/11/13	04/11/14	1.00%	192,000.00	128,000.00	192,000.00	128,000.00
10-02	Improvement of Various Roads	05/13/10	04/11/13	04/11/14	1.00%	786,000.00	744,600.00	786,000.00	744,600.00
11-11	Various Improvements	04/13/12	04/11/13	04/11/14	1.00%	813,000.00	813,000.00	813,000.00	813,000.00
12-16	Various Improvements	04/11/13	04/11/13	04/11/14	1.00%		571,000.00		571,000.00
						<u>C</u>	<u>C-2</u>	<u>C</u>	
						4,009,800.00	4,382,500.00	4,009,800.00	4,382,500.00
								Ref.	
								Cash Disbursements	3,811,500.00
								Budget Appropriation	198,300.00
								<u>4,009,800.00</u>	

Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -
Fund Loan Agreement

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C		328,461.88
Decreased by:			
Canceled	C-4	29,195.00	
Loan Paid by Current Year			
Budget Appropriation	C-4	<u>18,247.87</u>	
			<u>47,442.87</u>
Balance - December 31, 2013	C		<u>281,019.01</u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
02/01/14	6,082.62	274,936.39
08/01/14	12,165.25	262,771.14
02/01/15	6,082.62	256,688.52
08/01/15	12,165.25	244,523.27
02/01/16	6,082.62	238,440.65
08/01/16	12,165.25	226,275.40
02/01/17	6,082.62	220,192.78
08/01/17	12,165.25	208,027.53
02/01/18	6,082.62	201,944.91
08/01/18	12,165.25	189,779.66
02/01/19	6,082.62	183,697.04
08/01/19	12,165.25	171,531.79
02/01/20	6,082.62	165,449.17
08/01/20	12,165.25	153,283.92
02/01/21	6,082.62	147,201.30
08/01/21	12,165.25	135,036.05
02/01/22	6,082.62	128,953.43
08/01/22	12,165.25	116,788.18
02/01/23	6,082.62	110,705.56
08/01/23	12,165.25	98,540.31
02/01/24	6,082.62	92,457.69
08/01/24	12,165.25	80,292.44
02/01/25	6,082.62	74,209.82
08/01/25	12,165.25	62,044.57
02/01/26	6,082.62	55,961.95
08/01/26	12,165.25	43,796.70
02/01/27	6,082.62	37,714.08
08/01/27	12,165.25	25,548.83
02/01/28	6,082.62	19,466.21
08/01/28	12,165.25	7,300.96
02/01/29	6,082.62	1,218.34
08/01/29	1,218.34	0.00
	<u>281,019.01</u>	

Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -
Trust Loan Agreement

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	325,000.00
Decreased by:		
Canceled	C-4	5,320.00
Loan Paid by Current Year Budget Appropriation	C-4	<u>10,000.00</u>
		<u>15,320.00</u>
Balance - December 31, 2013	C	<u>309,680.00</u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
02/01/14	7,875.00		309,680.00
08/01/14	7,875.00	10,000.00	299,680.00
02/01/15	7,625.00		299,680.00
08/01/15	7,625.00	15,000.00	284,680.00
02/01/16	7,250.00		284,680.00
08/01/16	7,250.00	15,000.00	269,680.00
02/01/17	6,875.00		269,680.00
08/01/17	6,875.00	15,000.00	254,680.00
02/01/18	6,500.00		254,680.00
08/01/18	6,500.00	15,000.00	239,680.00
02/01/19	6,125.00		239,680.00
08/01/19	6,125.00	15,000.00	224,680.00
02/01/20	5,750.00		224,680.00
08/01/20	5,750.00	15,000.00	209,680.00
02/01/21	5,375.00		209,680.00
08/01/21	5,375.00	15,000.00	194,680.00
02/01/22	5,000.00		194,680.00
08/01/22	5,000.00	20,000.00	174,680.00
02/01/23	4,500.00		174,680.00
08/01/23	4,500.00	20,000.00	154,680.00
02/01/24	4,000.00		154,680.00
08/01/24	4,000.00	20,000.00	134,680.00
02/01/25	3,500.00		134,680.00
08/01/25	3,500.00	20,000.00	114,680.00
02/01/26	3,000.00		114,680.00
08/01/26	3,000.00	20,000.00	94,680.00
02/01/27	2,500.00		94,680.00
08/01/27	2,500.00	25,000.00	69,680.00
02/01/28	1,875.00		69,680.00
08/01/28	1,875.00	25,000.00	44,680.00
02/01/29	1,250.00		44,680.00
08/01/29	1,250.00	25,000.00	19,680.00
02/01/30	625.00		19,680.00
08/01/30	625.00	19,680.00	0.00
	<u>159,250.00</u>	<u>309,680.00</u>	

Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -
Fund Loan Agreement II

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	
Increased by:		
Loan Proceeds	C-6	<u>660,891.00</u>
		660,891.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>22,403.08</u>
Balance - December 31, 2013	C	<u><u>638,487.92</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
02/01/14	11,201.54	627,286.38
08/01/14	22,403.08	604,883.30
02/01/15	11,201.54	593,681.76
08/01/15	22,403.08	571,278.68
02/01/16	11,201.54	560,077.14
08/01/16	22,403.08	537,674.06
02/01/17	11,201.54	526,472.52
08/01/17	22,403.08	504,069.44
02/01/18	11,201.54	492,867.90
08/01/18	22,403.08	470,464.82
02/01/19	11,201.54	459,263.28
08/01/19	22,403.08	436,860.20
02/01/20	11,201.54	425,658.66
08/01/20	22,403.08	403,255.58
02/01/21	11,201.54	392,054.04
08/01/21	22,403.08	369,650.96
02/01/22	11,201.54	358,449.42
08/01/22	22,403.08	336,046.34
02/01/23	11,201.54	324,844.80
08/01/23	22,403.08	302,441.72
02/01/24	11,201.54	291,240.18
08/01/24	22,403.08	268,837.10
02/01/25	11,201.54	257,635.56
08/01/25	22,403.08	235,232.48
02/01/26	11,201.54	224,030.94
08/01/26	22,403.08	201,627.86
02/01/27	11,201.54	190,426.32
08/01/27	22,403.08	168,023.24
02/01/28	11,201.54	156,821.70
08/01/28	22,403.08	134,418.62
02/01/29	11,201.54	123,217.08
08/01/29	22,403.08	100,814.00
02/01/30	11,201.54	89,612.46
08/01/30	22,403.08	67,209.38
02/01/31	11,201.54	56,007.84
08/01/31	22,403.08	33,604.76
02/01/32	11,201.54	22,403.22
08/01/32	22,403.22	0.00
	<u><u>638,487.92</u></u>	

Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -
Trust Loan Agreement II

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	
Increased by:		
Loan Proceeds	C-6	<u>220,297.00</u>
Balance - December 31, 2013	C	<u><u>220,297.00</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
02/01/14	2,543.23		220,297.00
08/01/14	2,543.23	10,500.00	209,797.00
02/01/15	2,530.10		209,797.00
08/01/15	2,530.10	10,526.00	199,271.00
02/01/16	2,511.15		199,271.00
08/01/16	2,511.15	10,564.00	188,707.00
02/01/17	2,481.04		188,707.00
08/01/17	2,481.04	10,624.00	178,083.00
02/01/18	2,438.54		178,083.00
08/01/18	2,438.54	10,709.00	167,374.00
02/01/19	2,382.31		167,374.00
08/01/19	2,382.31	10,822.00	156,552.00
02/01/20	2,306.01		156,552.00
08/01/20	2,306.01	10,974.00	145,578.00
02/01/21	2,212.73		145,578.00
08/01/21	2,212.73	11,161.00	134,417.00
02/01/22	2,102.79		134,417.00
08/01/22	2,102.79	11,381.00	123,036.00
02/01/23	1,978.73		123,036.00
08/01/23	1,978.73	11,629.00	111,407.00
02/01/24	1,842.67		111,407.00
08/01/24	1,842.67	11,901.00	99,506.00
02/01/25	1,695.69		99,506.00
08/01/25	1,695.69	12,195.00	87,311.00
02/01/26	1,538.98		87,311.00
08/01/26	1,538.98	12,508.00	74,803.00
02/01/27	1,354.48		74,803.00
08/01/27	1,354.48	12,877.00	61,926.00
02/01/28	1,158.10		61,926.00
08/01/28	1,158.10	13,270.00	48,656.00
02/01/29	950.42		48,656.00
08/01/29	950.42	13,685.00	34,971.00
02/01/30	730.77		34,971.00
08/01/30	730.77	14,124.00	20,847.00
02/01/31	499.84		20,847.00
08/01/31	499.84	14,586.00	6,261.00
02/01/32	256.25		6,261.00
08/01/32	256.25	6,261.00	0.00
	<u>67,027.66</u>	<u>220,297.00</u>	

Borough of Oradell, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2012		2013 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2013	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
03-11	Various Improvements	07/22/03	395,000.00	3,418.85					3,418.85	
05-09	Various Improvements	05/24/05	795,000.00	29,000.00					29,000.00	
06-25	Various Improvements	2006	600,000.00	65,365.61			9,648.00		55,717.61	
07-17	Various Improvements	09/25/07	544,000.00	700.00	34,635.69				700.00	34,635.69
07-19	Various Improvements	09/25/07	741,097.69	496,691.10			169,521.06		327,170.04	136,912.17
08-08	Various Improvements	07/22/08	745,000.00	178,571.17			41,659.00			58,187.97
09-01	Various Improvements	03/24/09	400,000.00		58,187.97			34,515.00		1,370.02
09-08	Improvement of Sanitary Sewer System	09/22/09	750,000.00	9,854.43	56,125.00		30,094.41			85,756.41
09-10	Various Improvements	11/10/09	855,000.00		103,872.91		18,116.50			186,664.03
10-02	Improvement of Various Roads	02/23/10	805,000.00		139,617.99		(47,046.04)			458,330.38
11-11	Various Improvements	11/09/11	854,000.00		370,639.92		(87,690.46)			17,324.54
12-07	Various Improvements	07/24/12	99,408.36		47,850.33		30,525.79			296,488.64
12-16	Various Improvements	11/27/12	600,000.00	29,000.00	571,000.00		303,511.36			
13-02	Improvement of Sanitary Sewer System II	02/26/13	890,000.00			890,000.00	890,000.00			1,088,402.44
13-10	Various Improvements	08/20/13	1,150,000.00			1,150,000.00	61,597.56			3,382,314.02
13-11	Improvement of Sanitary Sewer System III	12/12/13	3,400,000.00			3,400,000.00	17,685.98			
				<u>812,601.16</u>	<u>1,381,929.81</u>	<u>5,440,000.00</u>	<u>1,437,623.16</u>	<u>34,515.00</u>	<u>416,006.50</u>	<u>5,746,386.31</u>
				C	C		C-2	C-6	C	C
Deferred Charges to Future Taxation - Unfunded										
Capital Improvement Fund										
					Ref.					
					C-5, C-19	5,384,000.00				
					C-14	56,000.00				
						<u>5,440,000.00</u>				

Borough of Oradell , N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	27,944.21
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		77,944.21
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-13	<u>56,000.00</u>
Balance - December 31, 2013	C/C-3	<u><u>21,944.21</u></u>

Schedule of Preliminary Improvement Costs
General Capital Fund
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	<u><u>315.50</u></u>
Balance - December 31, 2013	C/C-3	<u><u>315.50</u></u>
Analysis of Balance - December 31, 2013		
Elizabeth Street Project		<u><u>315.50</u></u>

Exhibit C-16

Borough of Oradell, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2013

	Balance, <u>Dec. 31, 2012</u>	Decreased by: Cash <u>Disbursements</u>	Balance, <u>Dec. 31, 2013</u>
Debt Service	104,692.20	32,000.00	72,692.20
Library Improvements	12,106.27		12,106.27
Road Improvements	25,896.37		25,896.37
	<hr/>	<hr/>	<hr/>
	<u>142,694.84</u>	<u>32,000.00</u>	<u>110,694.84</u>
	C	C-2	C

Borough of Oradell , N.J.

Schedule of Due to/from Current Fund

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C	Due to	3.57
Increased by:			
Cash Receipts	C-2		<u>3,432.70</u>
			3,436.27
Decreased by:			
Cash Disbursements	C-2		<u>25,839.35</u>
Balance - December 31, 2013	C, C-3	Due from	<u><u>22,403.08</u></u>

Borough of Oradell , N.J.

Schedule of Reserve for Receivables

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	100,000.00
Decreased by:		
Canceled Grant	C-6	<u>100,000.00</u>
Balance - December 31, 2013	C, C-3	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance	2013	Decreased	Balance
		Dec. 31, 2012	Authorizations		Dec. 31, 2013
<u>General improvements:</u>					
03-13	Renovation of The Free Public Library	50.00			50.00
08-16	Construction of Student Drop-Off Lane	100,000.00			100,000.00
09-08	Improvement of Sanitary Sewer System	56,125.00			56,125.00
12-07	Various Improvements	73,830.51			73,830.51
12-16	Various Improvements	571,000.00		571,000.00	
13-02	Improvement of Sanitary Sewer System II		890,000.00	881,188.00	8,812.00
13-10	Various Improvements		1,094,000.00		1,094,000.00
13-11	Improvement of Sanitary Sewer System II		3,400,000.00		3,400,000.00
		<u>801,005.51</u>	<u>5,384,000.00</u>	<u>1,452,188.00</u>	<u>4,732,817.51</u>
			C-5, C-13		Footnote C

Borough of Oradell, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2012	E	<u>26,735.96</u>	<u>23,165.23</u>	<u>3,570.73</u>
Increased by Receipts:				
Interfund - Current Fund		166.33	165.46	0.87
Intrafund Transfer		<u>35.73</u>	<u>35.73</u>	
		<u>202.06</u>	<u>201.19</u>	<u>0.87</u>
		<u>26,938.02</u>	<u>23,366.42</u>	<u>3,571.60</u>
Decreased by Disbursements:				
Interfund - Current Fund		166.33	165.46	0.87
Intrafund Transfer		35.73		35.73
Closed to Borough of Oradell		23,200.96	23,200.96	
Closed to State of New Jersey		<u>3,535.00</u>		<u>3,535.00</u>
		<u>26,938.02</u>	<u>23,366.42</u>	<u>3,571.60</u>
Balance - December 31, 2013	E	<u><u>26,938.02</u></u>	<u><u>23,366.42</u></u>	<u><u>3,571.60</u></u>

Borough of Oradell, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2013

	N/A	<u>Ref.</u>	
Balance - December 31, 2013		E-1	
Increased by:			
Cash Receipts Record			_____
Balance - April 3, 2014			=====

	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F.</u> <u>ACCOUNT #2</u>	<u>TOTAL</u>
<u>Reconciliation - April 3, 2014</u>			
Balance on Deposit per Statement of: Valley National Bank Checking			
Less: Outstanding Checks			
Add: Deposit in Transit	_____	_____	_____
Balance - April 3, 2014	=====	=====	=====

Borough of Oradell, N.J.

Schedule of Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	E-1	26,735.96
Increased by Receipts:		
Cash Receipts Record		<u>202.06</u>
		26,938.02
Decreased by Disbursements:		
Other		<u>26,938.02</u>
Balance - December 31, 2013		<u><u> </u></u>

<u>Reconciliation - December 31, 2013</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F. I</u> <u>ACCOUNT #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Valley National Bank			
Checking			
Add: Deposit in Transit			
Less: Outstanding Checks	_____	_____	_____
Balance, December 31, 2013	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Exhibit E-4**Borough of Oradell, N.J.****Schedule of Revenues - Cash Basis****Public Assistance Fund****Year Ended December 31, 2013**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund - Current Fund	166.33	165.46	0.87
Intrafund Transfer	<u>35.73</u>	<u>35.73</u>	
Total Receipts	<u><u>202.06</u></u>	<u><u>201.19</u></u>	<u><u>0.87</u></u>

Exhibit E-5**Schedule of Expenditures - Cash Basis****Public Assistance Fund****Year Ended December 31, 2013**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund - Current Fund	166.33	165.46	0.87
Intrafund Transfer	35.73		35.73
Closed to Borough of Oradell	23,200.96	23,200.96	
Closed to State of New Jersey	<u>3,535.00</u>		<u>3,535.00</u>
Total Disbursements	<u><u>26,938.02</u></u>	<u><u>23,366.42</u></u>	<u><u>3,571.60</u></u>

BOROUGH OF ORADELL

PART II

LETTER ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEARS ENDED DECEMBER 31, 2013 AND 2012

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S 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 Oradell
East Hanover, New Jersey 07442

We have audited the financial statements-regulatory basis of the Borough of Oradell in the County of Morris as of and for the year ended December 31, 2013, and have issued our report thereon dated April 10, 2014. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Oradell prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as 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 of the financial statements-regulatory basis, we considered the Borough of Oradell's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Oradell's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Oradell's internal control.

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



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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Oradell in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Oradell's financial statements-regulatory basis 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 immaterial instances of noncompliance that we have reported to the management of the Borough of Oradell in the accompanying comments and recommendations section of this report.

Purpose of this Report

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



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

April 10, 2014



Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and
Members of the Borough Council
Borough of Oradell
County of Bergen, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Borough of Oradell in the County of Bergen compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The Borough of Oradell's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Oradell's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit 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 of Oradell's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



Honorable Mayor and
Members of the Borough Council
Page 2.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Borough of Oradell's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough of Oradell complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Oradell is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Oradell's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Oradell's internal control over compliance.

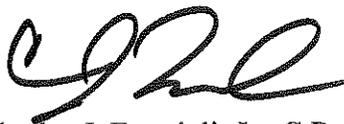
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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



Honorable Mayor and
Members of the Borough Council
Page 3.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

April 10, 2014

Borough of Oradell

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Federal Grantor Department	Program Title	Federal Account Number	Program Amount	Balance Jan. 1, 2013	Receipts/Revenues	Expended	Balance Dec. 31, 2013	Cumulative Expenditures
H. U. D.	Community Development	210-205-725-35-31	3,638.00			1,225.00	(1,225.00)	1,225.00
		210-205-725-35-31	3,624.00	(800.00)	3,624.00	2,824.00		3,624.00
	Community Development	14.218	42,000.00	42,000.00			42,000.00	
Department of Justice	Bulletproof Vest Partnership Program	16.607	10,450.00	(4,427.00)		1,700.00	(6,127.00)	6,127.00
Department of Homeland Security	Public Assistance Grant Program	97.036	226,703.51		147,555.20	226,703.51	(79,148.31)	226,703.51
Department of Environmental Protection	Municipal Stormwater Regulation Program	66.605	8,468.00	7,835.33			7,835.33	632.67
(1)	NJ Environmental Infrastructure Trust - Fund Loan	66.458	660,891.00		660,891.00	660,891.00		660,891.00
			329,680.00	(329,680.00)	329,680.00			329,680.00
				<u>(285,071.67)</u>	<u>1,141,750.20</u>	<u>893,343.51</u>	<u>(36,664.98)</u>	<u>1,228,883.18</u>

(1) Accounted for in General Capital Fund

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2013

<u>State Grantor Department</u>	<u>Program Title</u>	<u>State Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2013</u>	<u>Receipts/Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2013</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection and Energy	Clean Communities Grant	4900-765-042-004-6020	14,414.82	12,277.54	14,414.82	5,842.16	14,414.82	5,842.16
			12,277.54	4,420.76		6,435.38	5,842.16	
			12,491.20			4,420.76	12,491.20	
	Recycling Tonnage Grant	4900-752-042-001-6020	17,245.24	10,759.02	17,245.24		17,245.24	
			10,759.02			10,759.02	10,759.02	
	Environmental Service Grant		1,850.00					
(2)	NJ Environmental Infrastructure Trust - Trust Loan		329,680.00	(329,680.00)	329,680.00	220,297.00		329,680.00
			220,297.00		220,297.00			220,297.00
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400	7,055.03	7,055.03	7,055.03		7,055.03	
			2,453.22	2,453.22	2,453.22		2,453.22	
			3,563.39	2,824.11		2,824.11	2,529.78	
Department of Community Affairs	Special Legislative Grant	8030-100-022-8030-260	92,000.00	58.10			58.10	91,941.90
Department of Transportation	Alcohol Ed Rehab	9735-760-098-001-6020	1,185.86	242.92			242.92	942.94
(2)	SLA HEOP Grant	1200-100-066-845-6120	2,405.72	2,405.72		2,405.72		
	Various Roads	6320-480-078-6010	150,000.00					
	Martin Ave	6320-480-078-6010	126,224.04		126,224.04	126,224.04		126,224.04

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2013

State Grantor Department	Program Title	State Account Number	Program Amount	Balance Jan. 1, 2013	Receipts/Revenues	Expended	Balance Dec. 31, 2013	Cumulative Expenditures
NJ Division of Criminal Justice	Body Armor Replacement Fund	1020-718-066-001-6120	2,783.30		2,783.30		2,783.30	
			2,251.31	2,251.31			2,251.31	
			2,204.15	2,204.15			2,204.15	
			3,168.57	3,168.57			3,168.57	
			4,395.01	1,704.26		1,704.26	2,690.75	
Bergen County	(1) Municipal Drug Alliance		6,605.69		4,169.00	6,605.69	(2,436.69)	6,605.69
			4,915.50	(4,915.50)	4,915.50		4,915.50	
(1)	Municipal Recycling Assistance Program		4,919.83	2,896.89			2,896.89	2,022.94
				(279,873.90)	719,728.90	363,389.65	76,465.35	806,183.90

(1) Pass-Thru Grant - County of Bergen
(2) Accounted for in General Capital Fund

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04

**BOROUGH OF ORADELL
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of Oradell, County of Bergen. The Borough is defined in Note 1A to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:\

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$232,452.51	\$16,868.81	\$249,321.32
General Capital Fund	<u>660,891.00</u>	<u>346,521.04</u>	<u>1,007,412.04</u>
	<u>\$893,343.51</u>	<u>\$363,389.85</u>	<u>\$1,256,733.36</u>

NOTE 4. FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2013, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Environmental Infrastructure Trust - Fund Loan Program - Capital Fund	\$919,506.93
State of New Jersey Environmental Infrastructure Trust - Trust Loan Agreement	<u>529,977.00</u>
	<u>\$1,449,483.93</u>

**BOROUGH OF ORADELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse - GAAP, qualified - regulatory basis

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major programs:

CFDA Number(s)

66.458

Name of Federal Program or Cluster

Department of Environmental Protection -
NJ Environmental Infrastructure Trust

**BOROUGH OF ORADELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(continued)**

Section II - Schedule of Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

STATUS OF PRIOR YEAR FINDINGS

None

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000.00 and \$29,000.00 with a qualified purchasing agent. On July 1, 2010 the bid threshold was increased to \$26,000.00 and \$36,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$21,000.00 or \$26,000.00 after July 1, 2010 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 and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "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 paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Sanitary Sewer Rehab Phase II
Disposal & Recycling of Leaf/Vegetative Waste
2013 Road Program

GENERAL COMMENTS, (continued)

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Borough Council of the Borough of Oradell in the County of Bergen and State of New Jersey, that interest will be charged at the rate of eight per cent (8%) per annum on the first \$1,500.00 of delinquent taxes, assessments and borough charges, and at the rate of eighteen per cent (18%) on any taxes, assessments and borough charges in excess of that amount, except that if payment is made during the first ten days of February, May, August, or November the payment of taxes shall not be considered delinquent.

BE IT FURTHER RESOLVED that if the office of the Collector of Taxes is closed on the tenth day of February, May, August, or November, then the period of payment of taxes shall be extended to include the first business day thereafter.

BE IT FURTHER RESOLVED that the interest rate, as aforesaid, shall be from the first day of any current quarter unless the taxes for the same quarter are paid as provided by law or during the first ten days of the second month of the quarter as herein provided.

BE IT FURTHER RESOLVED that a charge of five dollars (\$5.00) will be made for the issuance of duplicate tax bills."

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

GENERAL COMMENTS, (continued)

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 21, 2013.

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>
2013	3
2012	3
2011	3

School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2013, were verified by the school secretaries.

Revenue

Receipts from licenses, fees, permits, etc., for all departments including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

In some instances, building permits were not entered into the computer system the same day the cash was collected.

The State Dog Reports were not in agreement with the cash receipts ledger.

Municipal Court cash receipts were not always deposited within 48 hours.

Expenditures

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by the statute.

In some instances, purchases were made prior to purchase orders being approved.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

All employees eligible for enrollment in the DCRP were not enrolled.

GENERAL COMMENTS, (continued)

Other

Financial Disclosure Forms were not submitted by all officials required to submit them.

The summary or synopsis of the 2013 Audit Report was published as required by N.J.S.A. 40A:5-7.

The records of the Free Public Library will be audited by our office and a separate audit report will be filed with the Library Board of Trustees.

RECOMMENDATIONS

1. That building permits be entered into the computer system when cash is collected.
2. That the State Dog Reports be in agreement with the cash receipts ledger.
3. That Municipal Court cash receipts be deposited in 48 hours.
- *4. That all purchases be made after approval of the purchase order.
5. That all employees eligible for enrollment in the DCRP be enrolled.
- *6. That Financial Disclosure Forms be submitted by all officials required to submit them.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items, except those marked with an "*".

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

APPRECIATION

We wish to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of the audit.

Very truly yours,


Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
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