

**BOROUGH OF ORADELL, N.J.**  
**REPORT OF AUDIT ON**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2014**

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**BOROUGH OF ORADELL, N.J.**

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**BOROUGH OF ORADELL**

**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2014**

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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, 2014 and 2013, 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, 2014, 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.



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, 2014 and 2013, 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 \$810,028.78 and \$756,088.92 for 2014 and 2013, 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, 2014 and 2013, 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, 2014 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.

The Honorable Mayor and  
Members of the Borough Council  
Page 4.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015 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  
No. 388



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

July 8, 2015

## Borough of Oradell, N.J.

## Comparative Balance Sheet - Regulatory Basis

Page 1 of 2

## Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	4,812,884.63	3,929,497.37
Change Fund	A-6	450.00	550.00
Due from State of New Jersey:			
Senior Citizens and Veteran Deductions	A-8	867.71	1,170.45
		<u>4,814,202.34</u>	<u>3,931,217.82</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	268,119.84	261,593.48
Property Acquired for Taxes -			
Assessed Valuation	A-10	29,898.00	29,898.00
Tax Title Liens	A-11	9,882.49	8,677.02
Revenue Accounts Receivable	A-12	31,974.23	24,416.26
Sewer Dischargers Receivable	A-13	2,629.88	604.46
Interfund Receivables:			
Animal Control Trust Fund	A-14	6,005.60	18,446.40
Other Trust	A-14	2.78	9,901.39
		<u>348,512.82</u>	<u>353,537.01</u>
Deferred Charges:			
Special Emergency Authorizations	A-15	95,000.00	203,000.00
		<u>95,000.00</u>	<u>203,000.00</u>
		<u>5,257,715.16</u>	<u>4,487,754.83</u>
Federal and State Grant Fund:			
Cash	A-5	128,161.79	127,555.86
Grants Receivable	A-23	62,627.00	168,388.69
		<u>190,788.79</u>	<u>295,944.55</u>
		<u>5,448,503.95</u>	<u>4,783,699.38</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

Page 2 of 2

## Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	780,278.42	745,335.11
Interfund - General Capital	A-14	37,500.00	22,403.08
Encumbrances Payable	A-17	276,406.07	257,876.98
Prepaid Taxes	A-18	361,222.74	234,565.81
Local School Tax Payable	A-19	108,154.52	105,473.10
Regional High School Tax Payable	A-20	287,560.43	379,762.23
County Tax Payable	A-21	3,077.19	4,250.40
Accounts Payable	A-22	900.00	
Due to State of New Jersey:			
Marriage Surcharge	A-22	150.00	200.00
Building Surcharge	A-22	3,023.00	3,500.00
Tax Overpayments	A-22	20,118.27	21,256.93
Outside Liens	A-22	20,123.30	
Prepaid Licenses	A-22	32,030.00	34,840.23
Reserve for:			
Tax Appeals	A-22	92,544.08	43,166.69
Master Plan	A-22	13.60	13.60
Revaluation of Real Property	A-22	6,435.00	6,435.00
Municipal Calendar	A-22	4,541.00	7,091.00
		<u>2,034,077.62</u>	<u>1,866,170.16</u>
Reserve for Receivables	Contra	348,512.82	353,537.01
Fund Balance	A-1	<u>2,875,124.72</u>	<u>2,268,047.66</u>
		<u>5,257,715.16</u>	<u>4,487,754.83</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	136,495.82	273,778.73
Unappropriated Reserve for Grants	A-25	<u>54,292.97</u>	<u>22,165.82</u>
		<u>190,788.79</u>	<u>295,944.55</u>
		<u>5,448,503.95</u>	<u>4,783,699.38</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>2014</u>	<u>2013</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	781,450.00	530,000.00
Miscellaneous Revenue Anticipated	A-2	2,108,310.13	2,468,326.79
Receipts from Delinquent Taxes	A-2	255,428.97	343,431.47
Receipts from Current Taxes	A-2	40,048,469.97	39,180,505.61
Non-Budget Revenue	A-2	44,048.64	113,846.83
Other Credits to Income:			
Canceled Capital Reserves & Fund Balance	A-4	108,445.80	
Interfunds Returned	A-14	28,347.79	59,054.22
Statutory Excess in Animal Control Trust	A-14	5,974.20	18,446.40
Unexpended Balance of Appropriation Reserves	A-16	584,549.81	317,810.38
Cancellation of Grant Reserves			3,629.08
Total Revenues and Other Income		<u>43,965,025.31</u>	<u>43,035,050.78</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,705,742.46	4,750,521.75
Other Expenses	A-3	6,516,736.12	6,492,568.72
Capital Improvement Fund	A-3	50,000.00	50,000.00
Municipal Debt Service	A-3	1,421,563.33	1,368,203.44
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,105,303.16	1,471,204.75
Refund Prior Year Revenue	A-4	4,750.00	7,596.94
Interfund Advances	A-14	34,324.77	86,642.79
Local District School Tax	A-19	10,681,403.00	10,480,363.78
Regional High School Tax	A-20	14,255,264.00	13,710,681.75
County Taxes including Added Taxes	A-21	3,801,411.41	3,597,497.56
Canceled Grant Receivable			3,270.31
Total Expenditures		<u>42,576,498.25</u>	<u>42,018,551.79</u>

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

## Current Fund

## Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Excess (Deficit) Revenue Over Expenditures		1,388,527.06	1,016,498.99
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		1,388,527.06	1,016,498.99
Fund Balance, January 1,	A	<u>2,268,047.66</u>	<u>1,781,548.67</u>
		3,656,574.72	2,798,047.66
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>781,450.00</u>	<u>530,000.00</u>
Fund Balance, December 31,	A	<u><u>2,875,124.72</u></u>	<u><u>2,268,047.66</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

Page 1 of 2

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	781,450.00	781,450.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	5,100.00	5,943.00	843.00
Other	A-2	6,800.00	8,520.00	1,720.00
Fees and Permits	A-2	125,000.00	142,846.00	17,846.00
Fines and Costs:				
Municipal Court	A-12	119,000.00	77,317.37	(41,682.63)
Interest and Costs on Taxes	A-4	88,000.00	109,262.65	21,262.65
Interest on Investments and Deposits	A-12	4,500.00	25,991.53	21,491.53
Rents of Municipal Properties	A-12	30,000.00	24,231.34	(5,768.66)
Sewer Charges - Borough of Emerson	A-12	29,000.00	54,395.22	25,395.22
Newspaper and Other Recyclable Proceeds	A-12	37,000.00	16,138.89	(20,861.11)
Cable TV Franchise Taxes	A-12	105,000.00	108,850.10	3,850.10
Energy Gross Receipts Taxes	A-12	778,125.00	778,125.00	
N.J. Transit Corporation ( Chap. 40, P.L. 1981 ) - Pilot	A-12	56,496.00	56,496.00	
Watershed Moratorium Aid	A-12	14,100.00	14,100.00	
Uniform Construction Code Fees	A-12	224,000.00	203,269.00	(20,731.00)
Recycling Tonnage Grant	A-23	17,245.24	17,245.24	
Body Armor Grant	A-23	2,783.30	2,783.30	
Clean Communities	A-23	2,137.28	2,137.28	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	9,876.00	9,876.00	
Community Development - Senior Citizens	A-23	3,274.00	3,274.00	
Uniform Fire Safety Act	A-12	7,300.00	26,002.14	18,702.14
Interfund - Other Trust Fund	A-14	11,301.39	9,901.39	(1,400.00)
Interfund - Animal Control Trust Fund	A-14	18,415.00	18,415.00	
Cell Tower Lease	A-12	229,272.30	229,272.30	
FEMA Storm Reimbursement	A-12	114,000.00	108,090.68	(5,909.32)
Significant Sewer Dischargers	A-13	77,000.00	55,826.70	(21,173.30)
 Total Miscellaneous Revenues	A-1	2,114,725.51	2,108,310.13	(6,415.38)
Receipts from Delinquent Taxes	A-1/A-2	264,495.90	255,428.97	(9,066.93)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	11,329,982.87	11,568,077.83	238,094.96
 Budget Totals		14,490,654.28	14,713,266.93	222,612.65
Non-Budget Revenue	A-1/A-2		44,048.64	44,048.64
		<u>14,490,654.28</u>	<u>14,757,315.57</u>	<u>266,661.29</u>
	A-3			

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

## Borough of Oradell , N.J.

## Statement of Revenues - Regulatory Basis

Page 2 of 2

## Current Fund

Year Ended December 31, 2014

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-9	40,048,469.97
Allocated to School and County Taxes	A-9	<u>28,994,873.41</u>
Balance for Support of Municipal Budget Appropriations		11,053,596.56
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>514,481.27</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>11,568,077.83</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-9	<u>255,428.97</u>
Licenses - Other:		
Clerk	A-12	930.00
Police	A-12	1,300.00
Registrar	A-12	60.00
Board of Health	A-12	<u>6,230.00</u>
	A-2	<u>8,520.00</u>
Fees and Permits - Other:		
DPW Parking Permits	A-12	18,250.00
Police	A-12	44,650.00
Code Enforcement Agency	A-12	69,716.00
Tax Collector - Tax Searches	A-12	30.00
Registrar	A-12	<u>10,200.00</u>
	A-2	<u>142,846.00</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Police Miscellaneous		2,706.00
Administration Fees - Police		501.83
Administration Fees - Senior Citizens & Vets		1,392.41
Sewer Dischargers Interest & Costs		367.70
Sewer Charges		6,278.65
Tax Collector Miscellaneous		405.00
Returned Check Fees		120.00
Recreation Programs		14,389.53
Insurance Dividend		12,635.39
Miscellaneous Refunds and Reimbursements		<u>5,252.13</u>
	A-2, A-4	<u>44,048.64</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, 2014

	<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		72,573.26	72,573.26	65,816.63	6,756.63	
Other Expenses		61,800.00	61,800.00	42,252.36	19,547.64	
Mayor and Council						
Salaries and Wages		23,000.00	23,000.00	23,000.00		
Other Expenses		7,300.00	7,300.00	2,826.63	4,473.37	
Borough Clerk's Office						
Salaries and Wages		171,177.28	176,177.28	174,533.30	1,643.98	
Other Expenses		53,550.00	53,550.00	24,248.02	29,301.98	
Financial Administration						
Salaries and Wages		152,729.38	147,729.38	142,219.99	5,509.39	
Other Expenses		56,990.00	56,990.00	41,434.01	15,555.99	
Annual Audit						
Other Expenses		38,500.00	38,500.00	38,500.00		
Collection of Taxes						
Salaries and Wages		20,000.00	20,000.00	15,778.25	4,221.75	
Other Expenses		14,790.00	14,790.00	11,011.06	3,778.94	
Assessment of Taxes						
Salaries and Wages		21,500.00	21,500.00	21,375.08	124.92	
Other Expenses		30,000.00	23,000.00	10,851.06	12,148.94	
Legal Services and Costs						
Other Expenses		197,500.00	197,500.00	165,088.92	32,411.08	
Engineering Services and Costs						
Other Expenses		29,700.00	29,700.00	12,825.00	16,875.00	

## Borough of Oradell, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Appropriations						
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		2,500.00	2,500.00	1,820.00	680.00	
Other Expenses		15,500.00	10,500.00	3,289.88	7,210.12	
Board of Adjustment						
Salaries and Wages		3,000.00	3,000.00	2,983.00	17.00	
Other Expenses		8,800.00	8,800.00	3,631.15	5,168.85	
Insurance:						
Other Insurance		193,972.00	193,972.00	190,633.91	3,338.09	
Workers' Compensation Insurance		206,144.00	206,144.00	206,139.16	4.84	
Group Insurance Plan for Employees		1,811,700.00	1,771,700.00	1,670,017.90	101,682.10	
Public Safety:						
Police						
Salaries and Wages		2,856,906.97	2,856,906.97	2,680,978.53	15,928.44	160,000.00
Other Expenses		87,084.00	92,084.00	77,379.89	14,704.11	
Purchase of Police Cars		13,950.00	13,950.00	13,459.46	490.54	
Auxiliary Police						
Other Expenses		3,000.00	3,000.00		3,000.00	
Emergency Management Services						
Salaries and Wages		2,600.00	2,600.00	2,444.60	155.40	
Other Expenses		7,500.00	7,500.00	4,413.74	3,086.26	
First Aid Squad Contribution		32,000.00	32,000.00	20,045.63	11,954.37	
Fire						
Other Expenses		102,400.00	102,400.00	86,219.39	16,180.61	
State Uniform Fire Safety Code Act (Ch.383, P.L. 1983)						
Fire Officials						
Salaries and Wages		22,480.00	22,480.00	11,441.89	11,038.11	
Other Expenses		4,400.00	4,400.00	2,346.52	2,053.48	

## Borough of Oradell, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	<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>						
Municipal Prosecutor		13,200.00	13,200.00	13,139.52	60.48	
Salaries and Wages						
Municipal Court:						
Salaries and Wages		83,800.00	80,800.00	63,713.94	17,086.06	
Other Expenses		6,300.00	6,300.00	2,119.87	4,180.13	
Public Defender						
Other Expenses		1,000.00	1,000.00	160.00	840.00	
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages		594,303.77	567,303.77	531,327.48	35,976.29	
Other Expenses		65,900.00	95,900.00	61,947.22	33,952.78	
Snow Removal						
Other Expenses		10,000.00	10,000.00	10,000.00		
Shade Trees						
Salaries and Wages		147,613.74	151,613.74	145,332.08	6,281.66	
Other Expenses		83,000.00	103,000.00	85,988.11	17,011.89	
Garbage and Trash Removal						
Contractual		232,360.00	232,360.00	232,356.24	3.76	
Disposal Costs/Tipping Fees		205,000.00	205,000.00	162,834.76	42,165.24	
Recycling Program						
Contractual		223,960.00	223,960.00	200,487.65	23,472.35	
Public Buildings and Grounds						
Salaries and Wages		76,935.63	79,935.63	74,653.22	5,282.41	
Other Expenses		216,922.00	233,922.00	224,495.31	9,426.69	
Sewer System						
Salaries and Wages		149,463.74	149,463.74	142,162.78	7,300.96	
Other Expenses		91,400.00	111,400.00	92,639.13	18,760.87	

## Borough of Oradell, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	Ref.	<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>						
Shop and Garage						
Salaries and Wages		87,842.09	87,842.09	84,943.73	2,898.36	
Other Expenses		121,000.00	126,000.00	97,400.31	28,599.69	
Health and Welfare:						
Board of Health						
Salaries and Wages		15,000.00	15,000.00	10,174.75	4,825.25	
Other Expenses		41,100.00	41,100.00	33,812.45	7,287.55	
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	
Contribution to Senior Citizens' Center		7,500.00	7,500.00	7,313.48	186.52	
Senior Citizens Transportation						
Salaries and Wages		6,000.00	6,000.00	4,262.09	1,737.91	
Recreation and Education:						
Parks and Playgrounds						
Salaries and Wages		122,734.16	107,734.16	97,819.31	9,914.85	
Other Expenses		20,000.00	20,000.00	10,200.64	9,799.36	
Recreation						
Salaries and Wages		55,360.00	60,360.00	55,627.58	4,732.42	
Other Expenses		30,800.00	30,800.00	21,746.71	9,053.29	
Beautification Projects		3,475.30	3,475.30	2,675.25	800.05	
Uniform Construction Code						
Construction Code Officials						
Salaries and Wages		24,117.86	24,117.86	23,686.68	431.18	
Other Expenses		2,125.00	2,125.00	878.86	1,246.14	
Code Enforcement Agency						
Salaries and Wages		173,904.58	173,904.58	163,747.87	10,156.71	
Other Expenses		4,600.00	4,600.00	3,647.02	952.98	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<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>						
Unclassified:						
Celebration of Public Events		13,800.00	13,800.00	12,056.45	1,743.55	
Street Lighting		165,200.00	165,200.00	158,409.56	6,790.44	
Telephone		38,900.00	43,900.00	40,154.91	3,745.09	
Hydrant Service		134,000.00	134,000.00	133,337.28	662.72	
Gasoline		119,160.00	119,160.00	94,259.52	24,900.48	
Video Committee		5,760.00	5,760.00	2,574.38	3,185.62	
Contingent		2,000.00	2,000.00		2,000.00	
Total Operations within "CAPS"		<u>9,724,184.76</u>	<u>9,741,184.76</u>	<u>8,871,091.10</u>	<u>710,093.66</u>	<u>160,000.00</u>
Detail:						
Salaries and Wages	A-1	4,898,742.46	4,865,742.46	4,552,982.30	152,760.16	160,000.00
Other Expenses	A-1	<u>4,825,442.30</u>	<u>4,875,442.30</u>	<u>4,318,108.80</u>	<u>557,333.50</u>	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		231,379.60	231,379.60	231,379.60		
Social Security System (O.A.S.I.)		231,700.56	214,700.56	198,869.10	15,831.46	
Police and Firemen's Retirement System		537,423.00	537,423.00	537,423.00		
Unemployment / Disability Insurance		10,000.00	10,000.00	10,000.00		
Defined Contribution Retirement Plan		3,800.00	3,800.00	1,825.68	1,974.32	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>1,014,303.16</u>	<u>997,303.16</u>	<u>979,497.38</u>	<u>17,805.78</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>10,738,487.92</u>	<u>10,738,487.92</u>	<u>9,850,588.48</u>	<u>727,899.44</u>	<u>160,000.00</u>

## Borough of Oradell, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

<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>
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority Service Charges - Contractual						
Operating		585,112.97	585,112.97	584,437.75	675.22	
Debt Service		265,887.03	265,887.03	265,887.03		
Declared State of Emergency Cost for Snow Removal		10,000.00	10,000.00	10,000.00		
Maintenance of Free Public Library		542,924.63	542,924.63	542,924.63		
Additional Library Expenses		35,584.37	35,584.37	35,584.37		
Reserve for Tax Appeals		100,000.00	100,000.00	100,000.00		
Recycling Tax (PL 2007, c.311)		10,000.00	10,000.00	7,296.24	2,703.76	
Emergency Service Volunteer Length of						
Service Award Program (P.L.1997, C.388)		44,000.00	44,000.00		44,000.00	
Interlocal Municipal Service Agreements						
911 Communications - Contractual		10,000.00	10,000.00	5,000.00	5,000.00	
Public and Private Programs Offset by Revenues						
Body Armor Replacement Fund		2,783.30	2,783.30	2,783.30		
Recycling Tonnage Grant		17,245.24	17,245.24	17,245.24		
Clean Communities Program		2,137.28	2,137.28	2,137.28		
Community Development Grant		3,274.00	3,274.00	3,274.00		
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		9,876.00	9,876.00	9,876.00		
Local Share		2,469.00	2,469.00	2,469.00		
Total Operations - Excluded from "CAPS"		<u>1,641,293.82</u>	<u>1,641,293.82</u>	<u>1,588,914.84</u>	<u>52,378.98</u>	
Detail:						
Other Expenses	A-1	<u>1,641,293.82</u>	<u>1,641,293.82</u>	<u>1,588,914.84</u>	<u>52,378.98</u>	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<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>
Capital Improvements:							
Capital Improvement Fund			50,000.00	50,000.00	50,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1		50,000.00	50,000.00	50,000.00		
Municipal Debt Service:							
Payment of Bond Principal			669,000.00	669,000.00	669,000.00		
Payment of Bond Anticipation Notes and Capital Notes			198,300.00	198,300.00	198,300.00		
Interest on Bonds			428,387.50	428,387.50	428,387.50		
Interest on Notes			43,825.00	43,825.00	43,824.99		0.01
NJEIT Loan - Principal and Interest			98,878.77	98,878.77	82,050.84		16,827.93
Total Municipal Debt Service-Excluded from "CAPS"	A-1		1,438,391.27	1,438,391.27	1,421,563.33		16,827.94
Deferred Charges:							
Special Emergency Authorizations - 5 Years			108,000.00	108,000.00	108,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1		108,000.00	108,000.00	108,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"			3,237,685.09	3,237,685.09	3,168,478.17	52,378.98	16,827.94

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<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>						
Subtotal General Appropriations		13,976,173.01	13,976,173.01	13,019,066.65	780,278.42	176,827.94
Reserve for Uncollected Taxes		514,481.27	514,481.27	514,481.27		
Total General Appropriations		14,490,654.28	14,490,654.28	13,533,547.92	780,278.42	176,827.94
			A-2		A	
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			514,481.27		
Cash Disbursed	A-4			12,496,875.76		
Deferred Charges:						
Special Emergency Appropriation	A-15			108,000.00		
Encumbrances Payable	A-17			276,406.07		
Reserve for Tax Appeals	A-22			100,000.00		
Reserve for Federal and State Grants	A-24			35,315.82		
Matching Funds for Federal and State Grants	A-4,A-24			2,469.00		
				13,533,547.92		

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>2014</u>	<u>2013</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	<u>16,303.20</u>	<u>28,792.40</u>
		<u>16,303.20</u>	<u>28,792.40</u>
Other Trust Funds:			
Cash	B-1	<u>1,163,408.91</u>	<u>504,603.30</u>
		<u>1,163,408.91</u>	<u>504,603.30</u>
Payroll Trust Fund:			
Cash	B-1	<u>1,240.00</u>	<u>1,115.00</u>
		<u>1,240.00</u>	<u>1,115.00</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	<u>767,409.63</u>	<u>713,469.77</u>
Contributions Receivable	B-8	<u>42,619.15</u>	<u>42,619.15</u>
		<u>810,028.78</u>	<u>756,088.92</u>
		<u>1,990,980.89</u>	<u>1,290,599.62</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>2014</u>	<u>2013</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	10,297.60	10,346.00
Interfund - Current Fund	B-4	<u>6,005.60</u>	<u>18,446.40</u>
		<u>16,303.20</u>	<u>28,792.40</u>
Other Trust Fund:			
Interfund - Current Fund	B-4	2.78	9,901.39
Developers Escrow	B-5	8,504.08	8,627.00
Miscellaneous Deposits	B-5	222,285.70	217,522.78
Various Reserves	B-5	<u>932,616.35</u>	<u>268,552.13</u>
		<u>1,163,408.91</u>	<u>504,603.30</u>
Payroll Trust Fund:			
Payroll Deductions Payable	B-6	<u>1,240.00</u>	<u>1,115.00</u>
		<u>1,240.00</u>	<u>1,115.00</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	<u>810,028.78</u>	<u>756,088.92</u>
		<u>810,028.78</u>	<u>756,088.92</u>
		<u>1,990,980.89</u>	<u>1,290,599.62</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>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-2/C-3	1,732,508.04	1,629,711.88
Deferred Charges to Future Taxation:			
Funded	C-4	12,960,087.44	12,174,483.93
Unfunded	C-5	8,540,231.00	9,041,487.00
Various Receivables	C-6	772,791.00	20,000.00
Interfund - Current Fund	C-19	37,500.00	22,403.08
		<u>24,043,117.48</u>	<u>22,888,085.89</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-7	5,278,200.00	4,382,500.00
General Serial Bonds Payable	C-8	10,056,000.00	10,725,000.00
NJ Environmental Infrastructure Trust:			
Fund Loan I	C-9	262,771.14	281,019.01
Trust Loan I	C-10	299,680.00	309,680.00
Fund Loan II	C-11	604,883.30	638,487.92
Trust Loan II	C-12	209,797.00	220,297.00
Fund Loan III	C-13	1,166,956.00	
Trust Loan III	C-14	360,000.00	
Improvement Authorizations:			
Funded	C-15	888,869.63	416,006.50
Unfunded	C-15	4,718,697.06	5,746,386.31
Accounts Payable	unchanged	1.00	1.00
Capital Improvement Fund	C-16	9,944.21	21,944.21
Reserve for:			
Preliminary Costs	C-17	315.50	315.50
Various Reserves	C-18	38,002.64	110,694.84
Reserve for Receivables	C-20	149,000.00	
Fund Balance	C-1		35,753.60
		<u>24,043,117.48</u>	<u>22,888,085.89</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on  
December 31, 2014 of \$3,335,861.51 as per Exhibit C-21.

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>2014</u>	<u>2013</u>
Balance - January 1,	C	35,753.60	75,853.10
Increased by:			
Premium on Bonds & Bond Anticipation Notes			<u>14,900.50</u>
		35,753.60	90,753.60
Decreased by:			
Appropriated to 2014 Budget Revenue	C-2	<u>35,753.60</u>	<u>55,000.00</u>
Balance - December 31,	C, C-3	<u>                    </u>	<u>35,753.60</u>

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

## GENERAL FIXED ASSET ACCOUNT GROUP

Exhibit F

## Borough of Oradell

## Statement of General Fixed Assets - Regulatory Basis

December 31, 2014

With Comparative Figures for 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</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>6,937,872.00</u>	<u>6,734,936.00</u>
		<u>67,536,672.00</u>	<u>67,333,736.00</u>
Investment in Fixed Assets		<u>67,536,672.00</u>	<u>67,333,736.00</u>

See accompanying notes to financial statements.

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**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**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, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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 the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year levied, 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, 2014 and 2013**  
**(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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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.

**Recent Accounting Pronouncements**

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**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, 2014, \$0- of the Borough's bank balance of \$8,211,355.48 was exposed to custodial credit risk.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013 amounted to \$767,409.63 and \$713,469.77, respectively.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Fixed Income	\$92,849.14	\$64,532.55
Growth Funds	172,056.20	150,175.25
Index Funds	306,354.16	265,326.20
Value Funds	101,780.31	124,987.64
All Others	<u>94,369.82</u>	<u>108,448.13</u>
Total	<u>\$767,409.63</u>	<u>\$713,469.77</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</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	\$59,849.00	\$	\$3,663.00	\$56,186.00	\$4,044.00
Deferred Pension Liability - PFRS	202,833.00		12,242.00	190,591.00	13,472.00
Bonds Payable - General Obligation Debt	10,725,000.00		669,000.00	10,056,000.00	741,000.00
NJ Environmental Infrastructure Trust - Fund Loan	919,506.93	1,166,956.00	51,852.49	2,034,610.44	91,410.32
NJ Environmental Infrastructure Trust - Trust Loan	<u>529,977.00</u>	<u>360,000.00</u>	<u>20,500.00</u>	<u>869,477.00</u>	<u>25,526.00</u>
	<u>\$12,437,165.93</u>	<u>\$1,526,956.00</u>	<u>\$757,257.49</u>	<u>\$13,206,864.44</u>	<u>\$875,452.32</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, 2014 and 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's debt is summarized as follows:

**SUMMARY OF MUNICIPAL DEBT**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>ISSUED</u></b>			
General - Bonds, Loans and Notes	\$18,238,287.44	\$16,556,983.93	\$15,995,261.88
Less: Funds Temporarily Held to Pay Bonds and Notes:			
General	<u>73,830.51</u>	<u>146,522.71</u>	<u>178,522.71</u>
Net Debt Issued	18,164,456.93	16,410,461.22	15,816,739.17
<b><u>AUTHORIZED BUT NOT ISSUED</u></b>			
General - Bonds and Notes	<u>3,335,861.51</u>	<u>4,732,817.51</u>	<u>801,005.51</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,500,318.44</u>	<u>\$21,143,278.73</u>	<u>\$16,617,744.68</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 1.30%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$4,565,000.00	\$4,565,000.00	\$0.00
Regional High School District Debt	5,877,742.89	5,877,742.89	0.00
General Debt	<u>21,574,148.95</u>	<u>73,830.51</u>	<u>21,500,318.44</u>
	<u>\$32,016,891.84</u>	<u>\$10,516,573.40</u>	<u>\$21,500,318.44</u>

Net Debt \$21,500,318.44 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,652,022,586.67 = 1.30.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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)	\$57,820,790.53
Less net debt	<u>21,500,318.44</u>
Remaining Borrowing Power	<u>\$36,320,472.09</u>

The Borough's long term debt consisted of the following at December 31, 2014:

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%	\$6,454,000.00
\$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>3,602,000.00</u>
Total Serial Bonds	<u>\$10,056,000.00</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%. This amount is not in agreement with the amount reported on Exhibit C-10 due to adjustments for project credits and upfront fees paid. Any adjustments will be made after the final principal payment is made, if necessary.	\$305,000.00
\$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	262,771.14
\$220,297.00 New Jersey Environmental Infrastructure Trust, Series 2013 payable in annual installments from August 1, 2014 through August 1, 2032 with an interest rate between .25% and 3.40%. This amount is not in agreement with the amount reported on Exhibit C-12 due to adjustments for project credits and upfront fees paid. Any adjustments will be made after the final principal payment is made, if necessary.	218,609.00

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

	<u>Amount Outstanding</u>
\$660,891.00 New Jersey Environmental Infrastructure Trust, Series 2013 payable in semiannual installments on February 1 and August 1, commencing on February 1, 2014 with a zero percent interest rate	\$604,883.30
\$360,000.00 New Jersey Environmental Infrastructure Trust, Series 2015A-1 payable in annual installments from August 1, 2016 through August 1, 2034 with an interest rate between 4.00% and 5.00%.	360,000.00
\$1,166,956.00 New Jersey Environmental Infrastructure Trust, Series 2015A-1 payable in semiannual installments on February 1, and August 1, commencing on August 1, 2015 with a zero percent interest rate.	<u>1,166,956.00</u>
Total New Jersey Environmental Infrastructure Loans Payable	<u>\$2,918,219.44</u>

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	<u>\$3,335,861.51</u>
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**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING**

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,023,000.00	265,222.50	1,288,222.50
2020-2024	<u>5,670,000.00</u>	<u>589,641.25</u>	<u>6,259,641.25</u>
	<u>\$10,056,000.00</u>	<u>\$2,266,678.75</u>	<u>\$12,322,678.75</u>

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

<u>Year</u>	<u>Trust Loan</u>		<u>Fund Loan</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2015	\$25,526.00	\$24,482.28	\$91,410.32
2016	35,564.00	35,672.30	111,189.23
2017	40,624.00	34,362.08	111,189.23
2018	40,709.00	32,777.08	111,189.23
2019	40,822.00	31,164.62	111,189.23
2020-2024	227,046.00	129,635.86	555,946.15
2025-2029	279,535.00	75,245.34	544,999.24
2030-2034	<u>179,651.00</u>	<u>19,223.72</u>	<u>397,497.81</u>
	<u>\$869,477.00</u>	<u>\$382,563.28</u>	<u>\$2,034,610.44</u>

**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, 2014, the Borough had \$5,278,200.00 in outstanding general capital bond anticipation notes, maturing on April 10, 2015 at an interest rate of .50%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2014.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Securities	\$4,382,500.00	\$	\$4,382,500.00	\$
TD Bank		<u>5,278,200.00</u>		<u>5,278,200.00</u>
	<u>\$4,382,500.00</u>	<u>5,278,200.00</u>	<u>\$4,382,500.00</u>	<u>\$5,278,200.00</u>

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**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, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance <u>December 31, 2014</u>	2015 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorization	<u>\$95,000.00</u>	<u>\$40,000.00</u>	<u>\$55,000.00</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.

The Borough has elected to defer school taxes as follows:

	Local School District Tax Balance <u>Dec. 31, 2014</u>	Regional School District Tax Balance <u>Dec. 31, 2014</u>
Balance of Tax	\$5,515,891.52	\$7,476,554.43
Deferred	<u>5,407,737.00</u>	<u>7,188,994.00</u>
Tax Payable	<u>\$108,154.52</u>	<u>\$287,560.43</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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

*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 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

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 7: PENSION PLANS, (continued)**

Description of Systems, (continued)

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

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.

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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 7: PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

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.

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

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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>
2014	\$229,593.00	\$537,423.00
2013	246,466.00	585,471.00
2012	269,237.34	568,465.00

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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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.

**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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)**

Plan Description, (continued)

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.

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, 2014 were as follows:

The Borough of Oradell contributions to SHBP for post-retirement benefits for the year ended December 31, 2014 was \$567,650.04 which equaled the required contribution for the year.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 9. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 were as follows:

Current Fund	<u>\$906,450.00</u>
--------------	---------------------

**NOTE 10. FIXED ASSETS**

The balance as of December 31, 2014 and December 31, 2013 are as follows:

	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2014</u>
Land	\$53,692,600.00	\$	\$	\$53,692,600.00
Building	6,906,200.00			6,906,200.00
Machinery and Equipment	<u>6,734,936.00</u>	<u>325,458.00</u>	<u>122,522.00</u>	<u>6,937,872.00</u>
	<u>\$67,333,736.00</u>	<u>\$325,458.00</u>	<u>\$122,522.00</u>	<u>\$67,536,672.00</u>

**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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 11. ACCRUED SICK AND VACATION BENEFITS, (continued)**

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, 2014 consist of the following:

\$37,500.00	Due to General Capital Fund from Current Fund for Current Fund expenditures paid by General Capital Fund.
6,005.60	Due to Current Fund from Animal Control Trust Fund for statutory excess in Animal Control Trust Fund.
<u>2.78</u>	Due to Current Fund from Other Trust Fund for interest earned.
<u>\$43,508.38</u>	

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

**NOTE 13. LEASES**

The Borough is leasing a police vehicle under a three year lease. The balance remaining at December 31, 2014 was \$11,267.47. 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>
2015	<u>\$11,999.85</u>	<u>\$11,267.47</u>	<u>\$732.38</u>
	<u>\$11,999.85</u>	<u>\$11,267.47</u>	<u>\$732.38</u>

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**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 2014 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

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.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 14. RISK MANAGEMENT, (continued)**

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, 2014</u>	<u>Balance</u> <u>Dec 31, 2013</u>
Prepaid Taxes	<u>\$361,222.74</u>	<u>\$234,565.81</u>
Cash Liability for Taxes Collected in Advance	<u>\$361,222.74</u>	<u>\$234,565.81</u>

**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 \$1,217.69 and \$1,182.22 for 2014 and 2013, respectively, per eligible volunteer into the Plan.

**BOROUGH OF ORADELL, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

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, 2014 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 July 8, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

## **SUPPLEMENTARY FINANCIAL INFORMATION**

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## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>2.784</u>	<u>2.723</u>	<u>2.347</u>
Apportionment of Tax Rate:			
Municipal	.744	.732	.617
County	.263	.249	.235
Local School	.747	.728	.642
Regional High School	.993	.976	.818
Library	.037	.038	.035

### Assessed Valuations:

2014	\$1,448,343,125.00	
2013	\$1,449,149,500.00	
2012		\$1,623,247,616.00

## 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>Percentage of Collections</u>
		<u>Cash Collections</u>	
2014	\$40,354,445.10	\$40,048,560.97	99.24%
2013	39,506,823.51	39,180,505.61	99.17
2012	38,137,775.20	37,655,236.75	98.73

## 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>
2014	\$9,882.49	\$268,119.84	\$278,002.33	.69%
2013	8,677.02	261,593.48	270,270.50	.68
2012	7,497.96	351,796.84	359,294.80	.94

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No property was acquired in 2014 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>
2014	\$29,898.00
2013	29,898.00
2012	29,898.00

### COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2014	\$2,875,124.72	\$906,450.00
2013	2,268,047.66	781,450.00
2012	1,781,548.67	530,000.00
2011	750,528.57	361,000.00
2010	515,539.99	100,000.00

## 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	
Edward Pfleging	Council President	
Donna Risse Alonso	Councilwoman	
James Koth	Councilman	
Garrie Murphy	Councilman	
Eric Shuler	Councilman	
Michael Staff	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	
Charles J. Ferraioli, Jr.	Auditor	

\* Covered through the Municipal Excess Liability Joint Insurance Fund.

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## Borough of Oradell , N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2013	A		3,929,497.37
Increased by Receipts:			
Canceled Capital Reserves & Fund Balance	A-1	108,445.80	
Interest and Costs on Taxes	A-2	109,262.65	
Miscellaneous Revenue Not Anticipated	A-2	44,048.64	
Change Fund	A-6	100.00	
Petty Cash	A-7	600.00	
Due From State - Senior Citizen and Veteran Deductions	A-8	69,620.55	
Taxes Receivable	A-9	40,000,015.32	
Revenue Accounts Receivable	A-12	1,844,748.34	
Sewer Discharges Receivable	A-13	55,826.70	
Interfunds	A-14	67,215.00	
Prepaid Taxes	A-18	361,222.74	
Various Cash Liabilities and Reserves	A-22	139,320.46	
			<u>42,800,426.20</u>
			46,729,923.57
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	4,750.00	
Current Year Budget Appropriations	A-3	12,496,875.76	
Matching Funds for Grants	A-3	2,469.00	
Petty Cash	A-7	600.00	
Interfunds	A-14	23,804.47	
Appropriation Reserves	A-16	417,762.28	
Local District School Taxes	A-19	10,678,721.58	
Regional High School Taxes	A-20	14,347,465.80	
County Taxes Payable	A-21	3,802,584.62	
Various Cash Liabilities and Reserves	A-22	142,005.43	
			<u>41,917,038.94</u>
Balance - December 31, 2014	A		<u>4,812,884.63</u>

## Borough of Oradell , N.J.

## Schedule of Cash - Collector-Treasurer

## Grant Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Grant Fund</u>
Balance - December 31, 2013	A	127,555.86
Increased by Receipts:		
Grants Receivable	A-23	118,911.69
Matching Funds for Grants	A-24	2,469.00
Unappropriated Reserve for Grants	A-25	<u>54,292.97</u>
		<u>175,673.66</u>
		303,229.52
Decreased by Disbursements:		
Appropriated Reserve for Grants	A-24	<u>175,067.73</u>
Balance - December 31, 2014	A	<u><u>128,161.79</u></u>

## Borough of Oradell , N.J.

## Schedule of Cash - Change Fund

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	550.00
Decreased by:		
Cash Receipts	A-4	<u>100.00</u>
Balance - December 31, 2014	A	<u><u>450.00</u></u>
<u>Analysis of Balance:</u>		
Collector - Treasurer		75.00
Police		50.00
Board of Health		25.00
Borough Clerk		50.00
Municipal Court		<u>250.00</u>
		<u><u>450.00</u></u>

## Schedule of Cash - Petty Cash

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u><u>600.00</u></u>
Decreased by:		
Returned to Treasurer	A-4	<u><u>600.00</u></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, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	1,170.45
Increased by:		
Senior Citizens' Deductions Per Tax Billing		4,500.00
Veterans' Deductions Per Tax Billing		65,750.00
Senior Citizens' and Veterans' Allowed		250.00
Decreased by:		
Senior Citizens' and Veterans' Disallowed		<u>1,182.19</u>
	A-9	<u>69,317.81</u>
		70,488.26
Decreased by:		
State Share of Senior Citizens and Veteran		
Deductions Received in Cash	A-4	<u>69,620.55</u>
Balance - December 31, 2014	A	<u><u>867.71</u></u>

## Borough of Oradell, N.J.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year	Current Fund							
	Year Ended December 31, 2014							
	Balance, Dec. 31, 2013	Added Taxes	Levy	Collected	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
2013	261,593.48							
		32,572.69	40,321,872.41	256,430.34	(1,001.37)		6,164.51	0.00
2014								
				39,743,584.98	70,319.18	1,205.47	36,649.82	268,119.84
				234,565.81				
				234,565.81	69,317.81	1,205.47	42,814.33	268,119.84
				A-2/A-18	A-2/A-8	A-11		A
				40,000,015.32				
				A-2/A-4				
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				A				
				261,593.48				
				32,572.69				

**Exhibit A-10****Borough of Oradell , N.J.****Schedule of Property Acquired for  
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	A	<u>29,898.00</u>
Balance - December 31, 2014	A	<u>29,898.00</u>

**Exhibit A-11****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	A	8,677.02
Increased by:		
Transfers from Taxes Receivable	A-9	<u>1,205.47</u>
Balance - December 31, 2014	A	<u>9,882.49</u>

## Borough of Oradell , N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued</u>	<u>Collected</u>	<u>Prepayment Applied</u>	<u>Balance Dec. 31, 2014</u>
Clerk:						
Licenses:						
Alcoholic beverages	A-2		5,943.00	5,943.00		
Other	A-2		930.00	930.00		
Board of Health:						
Licenses	A-2		6,230.00	6,230.00		
Tax Collector:						
Fees and Permits	A-2		30.00	30.00		
Fire Prevention Bureau:						
Registration Fees	A-2		26,002.14	26,002.14		
Registrar:						
Licenses	A-2		60.00	60.00		
Fees and Permits	A-2		10,200.00	10,200.00		
Police Department:						
Licenses	A-2		1,300.00	1,300.00		
Fees and Permits	A-2		44,650.00	10,075.00	34,575.00	
DPW						
Fees and Permits	A-2		18,250.00	18,250.00		
Municipal Court :						
Fines and Costs	A-2	2,981.68	81,574.07	77,317.37		7,238.38
Uniform Construction Code:						
Fees	A-2		203,269.00	203,269.00		
Fees and Permits - Other	A-2		69,716.00	69,716.00		
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		108,850.10	108,850.10		
Interest on Investments and Deposits	A-2	1.36	25,990.17	25,991.53		
Sale of Recyclable Materials	A-2		16,138.89	16,138.89		
Rents from Municipal Properties	A-2	9,511.51	23,835.97	23,966.11	265.23	9,116.14
Sewer Charges - Borough of Emerson	A-2	11,921.71	58,093.22	54,395.22		15,619.71
Cell Tower Lease	A-2		229,272.30	229,272.30		
FEMA Storm Reimbursement	A-2		108,090.68	108,090.68		
N.J. Transit Corporation ( Ch. 40, P.L. 1981 )						
Payment in Lieu of Taxes	A-2		56,496.00	56,496.00		
		<u>24,416.26</u>	<u>1,887,146.54</u>	<u>1,844,748.34</u>	<u>34,840.23</u>	<u>31,974.23</u>
		A		A-4	A-22	A

**Borough of Oradell , N.J.**

**Schedule of Sewer Rents Receivable**

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	A	604.46
Increased by:		
Sewer Rents Levied		57,852.12
Decreased by:		
Collections	A-2,A-4	<u>55,826.70</u>
Balance - December 31, 2014	A	<u><u>2,629.88</u></u>

## Borough of Oradell , N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2014

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2014</u>
Animal Control Trust Fund	A	18,446.40	5,974.20	18,415.00	6,005.60
Other Trust	A	9,901.39	1,401.39	11,300.00	2.78
General Capital Fund	A	<u>(22,403.08)</u>	<u>37,500.00</u>	<u>22,403.08</u>	<u>(37,500.00)</u>
		<u>5,944.71</u>	<u>44,875.59</u>	<u>52,118.08</u>	<u>(31,491.62)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	28,347.79			34,324.77
2014 Anticipated Revenue	A-2				(28,316.39)
Due From Current Fund	A	<u>(22,403.08)</u>			<u>(37,500.00)</u>
		<u>5,944.71</u>			<u>(31,491.62)</u>
Statutory Excess	A-1		5,974.20		
Disbursements	A-4		1,401.39	22,403.08	
Receipts	A-4		<u>37,500.00</u>	<u>29,715.00</u>	
			<u>44,875.59</u>	<u>52,118.08</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, 2014

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Reduced in 2014</u>	<u>Balance, Dec. 31, 2014</u>
December 13, 2011	Hurricane Irene	125,000.00	25,000.00	75,000.00	25,000.00	50,000.00
July 10, 2012	Revaluation	75,000.00	15,000.00	60,000.00	15,000.00	45,000.00
December 11, 2012	Hurricane Sandy	85,000.00	17,000.00	68,000.00	68,000.00	
		<u>285,000.00</u>	<u>57,000.00</u>	<u>203,000.00</u>	<u>108,000.00</u>	<u>95,000.00</u>
				<u>A</u>	<u>A - 3</u>	<u>A</u>

## Borough of Oradell, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	3,035.68	3,035.68		3,035.68
Borough Clerk's Office	730.23	730.23		730.23
Financial Administration	2,161.70	2,161.70		2,161.70
Collection of Taxes	2,207.75	2,207.75		2,207.75
Assessment of Taxes	142.64	142.64		142.64
Planning Board	1,226.00	1,226.00		1,226.00
Board of Adjustment	426.00	426.00		426.00
Police	66,001.87	66,001.87		66,001.87
Emergency Management	687.50	687.50		687.50
Fire Officials	9,184.56	9,184.56		9,184.56
Municipal Court	9,976.27	9,976.27		9,976.27
Municipal Prosecutor	60.48	60.48		60.48
Road Repairs and Maintenance	23,122.94	23,122.94		23,122.94
Shade Trees	4,043.35	4,043.35		4,043.35
Public Buildings and Grounds	2,545.51	2,545.51		2,545.51
Sewer System	9,878.71	9,878.71		9,878.71
Shop and Garage	3,869.18	3,869.18		3,869.18
Board of Health	4,738.49	4,738.49		4,738.49
Senior Citizens Transportation	950.48	950.48		950.48
Parks and Playgrounds	2,602.95	2,602.95		2,602.95
Recreation	826.46	826.46		826.46
Construction Code Officials	855.12	855.12		855.12
Code Enforcement Agency	1,156.14	1,156.14		1,156.14
Total Salaries and Wages Within "CAPS"	<u>150,430.01</u>	<u>150,430.01</u>		<u>150,430.01</u>
Other Expenses Within "CAPS":				
Administrative and Executive	7,820.36	9,063.98	3,288.59	5,775.39
Mayor and Council	2,742.94	2,742.94	267.50	2,475.44
Borough Clerk's Office	11,049.66	11,476.77	1,119.03	10,357.74
Financial Administration	16,137.15	18,293.71	7,896.34	10,397.37
Annual Audit	33,500.00	33,500.00	32,950.00	550.00
Collection of Taxes	3,886.09	3,886.09	18.75	3,867.34
Assessment of Taxes	15,624.00	15,624.00	1,000.00	14,624.00
Legal Services and Costs	39,524.24	39,524.24	4,587.74	34,936.50
Engineering Services	3,081.50	3,081.50		3,081.50
Planning Board	7,183.05	7,201.80	18.75	7,183.05
Board of Adjustment	4,851.07	5,101.07	562.50	4,538.57
Insurance:				
Other Insurance	3,241.72	43,078.01	39,836.29	3,241.72
Workers' Compensation Insurance	0.99	52,178.99	52,178.00	0.99
Group Insurance	70,480.33	97,509.80	29,462.04	68,047.76
Police	27,247.60	35,818.50	9,978.83	25,839.67

## Borough of Oradell, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Purchase of Police Cars	750.00	750.00		750.00
Auxiliary Police	2,030.80	2,030.80		2,030.80
Emergency Management	2,978.22	3,308.22	330.00	2,978.22
First Aid Squad Contributions	6,776.70	6,776.70	3,124.66	3,652.04
Fire	14,266.47	19,111.66	9,284.67	9,826.99
Fire Officials	1,446.61	1,446.61		1,446.61
Municipal Court	1,607.34	1,689.84	82.50	1,607.34
Public Defender	1,000.00	1,000.00		1,000.00
Road Repairs and Maintenance	9,391.87	23,723.26	19,685.72	4,037.54
Snow Removal	10,000.00	10,000.00		10,000.00
Shade Trees	6,402.42	11,052.42	4,650.00	6,402.42
Garbage and Trash Removal - Contractual	0.06	0.06		0.06
Disposal Costs / Tipping Fees	28,962.76	28,962.76	18,977.58	9,985.18
Recycling Program - Contractual	39,622.59	62,469.59	34,572.00	27,897.59
Public Buildings and Grounds	22,871.95	43,255.41	24,973.25	18,282.16
Sewer System	25,028.13	26,924.98	10,087.41	16,837.57
Shop and Garage	11,996.17	19,067.76	13,272.92	5,794.84
Environmental Committee	1,000.00	1,000.00		1,000.00
Board of Health	5,800.17	5,850.17	1,050.00	4,800.17
Senior Citizens' Center	1,275.38	1,286.36	47.98	1,238.38
Parks and Playground	2,244.30	2,244.30		2,244.30
Recreation	9,089.31	9,623.91	534.60	9,089.31
Beautification Projects	971.55	1,387.55	416.00	971.55
Construction Code Official	619.32	619.32		619.32
Code Enforcement Agency	1,434.18	1,434.18	945.34	488.84
Celebration of Public Events	1,187.53	1,187.53		1,187.53
Street Lighting	2,495.11	31,846.64	28,626.51	3,220.13
Telephone	3,818.95	5,053.72	3,168.94	1,884.78
Fire Hydrant Service	684.56	11,794.18	11,109.62	684.56
Gasoline	3,056.96	9,671.87	6,614.91	3,056.96
Video Committee	1,151.83	1,557.72	405.89	1,151.83
Contingent	1,112.00	1,112.00		1,112.00
Total Other Expenses Within "CAPS"	467,443.94	725,320.92	375,124.86	350,196.06
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	19,201.17	19,201.17		19,201.17
Total Deferred Charges and Statutory Expenditures Within "CAPS"	19,201.17	19,201.17		19,201.17
Total Reserves Within "CAPS"	637,075.12	894,952.10	375,124.86	519,827.24

## Borough of Oradell, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utilities Authority	601.92	601.92		601.92
Recycling Tax (PL 2007, c.311)	1,482.07	1,482.07	918.27	563.80
Emergency Service Volunteer Length of Service Award Program	43,000.00	43,000.00	42,619.15	380.85
Insurance: N.J.S.A. 40A:4-53.3e				
Employee Group Health Insurance	53,176.00	53,176.00		53,176.00
Interlocal - 911 Communications - Contractual	10,000.00	10,000.00		10,000.00
Total Other Expenses Excluded from "CAPS"	<u>108,259.99</u>	<u>108,259.99</u>	<u>43,537.42</u>	<u>64,722.57</u>
Total Reserves Excluded from "CAPS"	<u>108,259.99</u>	<u>108,259.99</u>	<u>43,537.42</u>	<u>64,722.57</u>
Total Reserves	<u>745,335.11</u>	<u>1,003,212.09</u>	<u>418,662.28</u>	<u>584,549.81</u>
	A			A-1
	<u>Ref.</u>			
Appropriation Reserves	above	745,335.11		
Transfer from Reserve for Encumbrances	A-17	<u>257,876.98</u>		
		<u>1,003,212.09</u>		
Cash Disbursements	A-4		417,762.28	
Accounts Payable	A-22		900.00	
			<u>418,662.28</u>	

## Borough of Oradell , N.J.

## Schedule of Encumbrances Payable

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	257,876.98
Increased by:		
Transfer from Current Appropriations	A-3	<u>276,406.07</u>
		534,283.05
Decreased by:		
Transferred to Appropriation Reserves	A-16	<u>257,876.98</u>
Balance - December 31, 2014	A	<u><u>276,406.07</u></u>

## Schedule of Prepaid Taxes

## Current Fund

## Year Ended December 31, 2014

Balance - December 31, 2013	A	234,565.81
Increased by:		
Receipts - Prepaid 2015 Taxes	A-4	<u>361,222.74</u>
		595,788.55
Decreased by:		
Applied to 2014 Taxes	A-9	<u>234,565.81</u>
Balance - December 31, 2014	A	<u><u>361,222.74</u></u>

## Borough of Oradell , N.J.

## Schedule of Local District School Tax

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013			
School Tax Payable	A	105,473.10	
School Tax Deferred		<u>5,273,666.00</u>	5,379,139.10
Increased by:			
Levy School Year - July 1, 2014 to June 30, 2015	A-9		<u>10,815,474.00</u>
			16,194,613.10
Decreased by:			
Payments	A-4		<u>10,678,721.58</u>
Balance - December 31, 2014			
School Tax Payable	A	108,154.52	
School Tax Deferred		<u>5,407,737.00</u>	<u>5,515,891.52</u>
2014 Liability for Local District School Tax:			
Tax Paid			10,678,721.58
Tax Payable			<u>108,154.52</u>
			10,786,876.10
Less Tax Payable - December 31, 2013			<u>105,473.10</u>
Amount Charged to 2014 Operations	A-1		<u>10,681,403.00</u>

## Borough of Oradell, N.J.

## Schedule of Regional High School Tax

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013			
School Tax Payable	A/A-1	379,762.23	
School Tax Deferred		<u>7,066,270.00</u>	
			7,446,032.23
Increased by:			
Levy School Year - July 1, 2014			
to June 30, 2015	A-9		<u>14,377,988.00</u>
			21,824,020.23
Decreased by:			
Payments	A-4		<u>14,347,465.80</u>
Balance - December 31, 2014			
School Tax Payable	A	287,560.43	
School Tax Deferred		<u>7,188,994.00</u>	
			<u>7,476,554.43</u>
2014 Liability for Regional High			
School District Tax:			
Tax Paid			14,347,465.80
School Tax Payable - December 31, 2014			<u>287,560.43</u>
			14,635,026.23
Less: School Tax Payable - December 31, 2013			<u>379,762.23</u>
Amount Charged to 2014 Operations	A-1		<u>14,255,264.00</u>

## Borough of Oradell , N.J.

## Schedule of County Taxes Payable

## Current Fund

## Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> A		4,250.40
Increased by:			
Levy	A-1/A-9	3,798,334.22	
Added and Omitted Taxes	A-1/A-9	<u>3,077.19</u>	
			<u>3,801,411.41</u>
			3,805,661.81
Decreased by:			
Payments	A-4		<u>3,802,584.62</u>
Balance - December 31, 2014	A		<u><u>3,077.19</u></u>

## Borough of Oradell, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2014

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
<u>Liabilities:</u>				
Tax Overpayments	21,256.93	46,558.48	47,697.14	20,118.27
Due to State of NJ Marriage Surcharge	200.00	500.00	550.00	150.00
Due to State of NJ Building Surcharge	3,500.00	12,454.00	12,931.00	3,023.00
Outside Liens		46,427.98	26,304.68	20,123.30
Prepaid Revenues	34,840.23	32,030.00	34,840.23	32,030.00
Accounts Payable		900.00		900.00
<u>Reserves for:</u>				
Tax Appeals	43,166.69	100,000.00	50,622.61	92,544.08
Master Plan	13.60			13.60
Revaluation of Real Property	6,435.00			6,435.00
Contributions Towards Municipal Calendar	7,091.00	1,350.00	3,900.00	4,541.00
	<u>116,503.45</u>	<u>240,220.46</u>	<u>176,845.66</u>	<u>179,878.25</u>
	A			A
	<u>Ref.</u>			
Transferred from Current Year Appropriations	A-3	100,000.00		
Receipts	A-4	139,320.46		
Disbursed	A-4		142,005.43	
Applied to 2014 Revenue Accounts Receivable	A-12		34,840.23	
Transferred from Appropriation Reserves	A-16	900.00		
		<u>240,220.46</u>	<u>176,845.66</u>	

## Borough of Oradell , N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, 2013	Budget Revenue	Received	Balance, Dec. 31, 2014
Federal Grants:				
Community Development - Senior Citizens	3,652.00	3,274.00	400.00	6,526.00
Bulletproof Vest Grant	10,450.00			10,450.00
	<u>14,102.00</u>	<u>3,274.00</u>	<u>400.00</u>	<u>16,976.00</u>
State Grants:				
NJ DOT - Various Roads	150,000.00		112,500.00	37,500.00
Recycling Tonnage Grant		17,245.24	17,245.24	
Body Armor Replacement Fund		2,783.30	2,783.30	
Clean Communities		2,137.28	2,137.28	
Municipal Alliance on Alcoholism and Drug Abuse	2,436.69	9,876.00	6,011.69	6,301.00
Environmental Service Grant	1,850.00			1,850.00
	<u>154,286.69</u>	<u>32,041.82</u>	<u>140,677.51</u>	<u>45,651.00</u>
	<u>168,388.69</u>	<u>35,315.82</u>	<u>141,077.51</u>	<u>62,627.00</u>
	<u>A</u>	<u>A-2, A-24</u>	<u>A</u>	<u>A</u>
		<u>Ref.</u>		
Cash Receipts		A-5	118,911.69	
Transferred from Unappropriated Reserves		A-25	22,165.82	
			<u>141,077.51</u>	

## Borough of Oradell, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, 2013	Transfer From 2014 Budget	<u>Expended</u>	Balance, Dec. 31, 2014
Local Grants:				
Environmental Service Grant	1,725.00			1,725.00
Municipal Alliance on Alcoholism and Drug Abuse	3,591.88	2,469.00		6,060.88
Bergen County Open Space Trust	3,290.30			3,290.30
	<u>8,607.18</u>	<u>2,469.00</u>		<u>11,076.18</u>
Federal Grants				
Community Development	2,427.00	3,274.00	2,774.00	2,927.00
Bulletproof Vest Grant	4,323.00		2,478.00	1,845.00
Community Development Block Grant	42,000.00			42,000.00
Municipal Stormwater Regulation Grant	7,835.33			7,835.33
	<u>56,585.33</u>	<u>3,274.00</u>	<u>5,252.00</u>	<u>54,607.33</u>
State Grants:				
Drunk Driving Enforcement Fund	12,332.36			12,332.36
Clean Communities Grant	18,712.92	2,137.28	5,251.36	15,598.84
NJDOT - Various Roads	150,000.00		150,000.00	
Municipal Alliance on Alcoholism and Drug Abuse		9,876.00	3,657.29	6,218.71
Special Legislative Grant	58.10			58.10
Municipal Recycling Assistance	2,896.89			2,896.89
Recycling Grant	10,759.02	17,245.24	3,473.08	24,531.18
Body Armor Replacement Fund	9,328.29	2,783.30	7,434.00	4,677.59
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>208,586.22</u>	<u>32,041.82</u>	<u>169,815.73</u>	<u>70,812.31</u>
	<u>273,778.73</u>	<u>37,784.82</u>	<u>175,067.73</u>	<u>136,495.82</u>
	A		A-5	A
	<u>Ref.</u>			
State and Federal Grants	A-3, A-23	35,315.82		
Matching Funds for Grants	A-3, A-5	<u>2,469.00</u>		
		<u>37,784.82</u>		

## Borough of Oradell, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Transfer To 2014 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2014</u>
State Grants:				
Drunk Driving Enforcement Fund			10,918.88	10,918.88
Clean Communities	2,137.28	2,137.28	13,519.31	13,519.31
Body Armor Protection Grant	2,783.30	2,783.30	2,102.68	2,102.68
Recycling Tonnage Grant	17,245.24	17,245.24	27,752.10	27,752.10
	<u>22,165.82</u>	<u>22,165.82</u>	<u>54,292.97</u>	<u>54,292.97</u>
	<u>22,165.82</u>	<u>22,165.82</u>	<u>54,292.97</u>	<u>54,292.97</u>
	A	A-23	A-5	A

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## Borough of Oradell, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2014

	<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, 2013	B	<u>28,792.40</u>	<u>504,603.30</u>	<u>1,115.00</u>	<u>713,469.77</u>
Increase by Receipts:					
Dog License Fees - Borough Share	B-2	5,138.80			
Late Fees Collected	B-2	1,128.00			
Dog License Fees - State Share	B-3	796.20			
Interfund - Current Fund	B-4	5,974.20	2.78		
Other Trust Funds	B-5		820,437.82		
Payroll Deductions Payable	B-6			2,223,483.57	
Net Payroll	B-7			3,467,394.22	
Contributions Receivable	B-8				42,619.15
Net Assets Available for Benefits	B-9				60,068.01
Total Receipts		<u>13,037.20</u>	<u>820,440.60</u>	<u>5,690,877.79</u>	<u>102,687.16</u>
		<u>41,829.60</u>	<u>1,325,043.90</u>	<u>5,691,992.79</u>	<u>816,156.93</u>
Decreased by Disbursements:					
Reserve for Animal Control Expenditures	B-2	6,315.20			
State Share - Dog Licenses	B-3	796.20			
Interfund - Current Fund	B-4	18,415.00	9,901.39		
Other Trust Funds	B-5		151,733.60		
Payroll Deductions Payable	B-6			2,223,358.57	
Net Payroll	B-7			3,467,394.22	
Net Assets Available for Benefits	B-9				48,747.30
Total Disbursements		<u>25,526.40</u>	<u>161,634.99</u>	<u>5,690,752.79</u>	<u>48,747.30</u>
Balance - December 31, 2014	B	<u>16,303.20</u>	<u>1,163,408.91</u>	<u>1,240.00</u>	<u>767,409.63</u>

## Borough of Oradell, N.J.

## Reserve for Animal Control Expenditures

## Trust Funds

## Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		10,346.00
Increased by:			
Dog License Fees	B-1	5,138.80	
Late Fees & Miscellaneous	B-1	<u>1,128.00</u>	
			<u>6,266.80</u>
			16,612.80
Decreased by:			
Statutory Excess		5,974.20	
Expenditures R.S. 4:19-1511		<u>341.00</u>	
	B-1		<u>6,315.20</u>
Balance - December 31, 2014	B		<u><u>10,297.60</u></u>

License Fees Collected

<u>Year</u>	
2013	5,207.20
2012	<u>5,090.40</u>
	<u><u>10,297.60</u></u>

## Borough of Oradell, N.J.

## Schedule of Due to State Department of Health

## Trust Funds

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	
Increased by:		
State Fees Collected	B-1	796.20
Decreased by:		
Paid to State	B-1	<u>796.20</u>
Balance - December 31, 2014	B	<u><u>          </u></u>

## Borough of Oradell, N.J.

## Schedule of Interfund - Current Fund

## Trust Funds

Year Ended December 31, 2014

	Due to/(from) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2014</u>
Animal Control Trust Fund	18,446.40	5,974.20	18,415.00	6,005.60
Other Trust	<u>9,901.39</u>	<u>2.78</u>	<u>9,901.39</u>	<u>2.78</u>
	<u>28,347.79</u>	<u>5,976.98</u>	<u>28,316.39</u>	<u>6,008.38</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Dog License Fund	B-1	5,974.20		
Cash Disbursements - Dog License	B-1		18,415.00	
Cash Receipts - Other Trust	B-1	2.78		
Cash Disbursements - Other Trust	B-1		<u>9,901.39</u>	
		<u>5,976.98</u>	<u>28,316.39</u>	

## Borough of Oradell, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2014

	Balance <u>Dec. 31, 2013</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2014</u>
Miscellaneous Escrow Deposits	217,522.78	69,181.09	64,418.17	222,285.70
Developers Escrow	8,627.00	3.08	126.00	8,504.08
Reserve for:				
Tax Sale Premiums	71,400.00	677,900.00	11,200.00	738,100.00
Municipal Court - P.O.A.A.	133.14	244.00	306.00	71.14
Fireworks & Other Donations	26,262.76	35,478.41	45,185.79	16,555.38
Beautification Donations	1,820.50			1,820.50
Police Donations	3,215.00			3,215.00
Ridgewood Field Donations	7,649.60			7,649.60
Cablevision Equipment Donation	200.00			200.00
Donations - Andrew Caruso	140.00			140.00
DP Athletic Field Maintenance	100,861.43	20,040.00		120,901.43
VFW Donation	3,025.00	120.00		3,145.00
Shade Trees	4,223.76			4,223.76
Security Deposits	4,750.00			4,750.00
Unemployment	24,301.32	16,295.49	29,097.64	11,499.17
Municipal Alliance	12,356.89	928.85	1,400.00	11,885.74
COAH	7,408.45	19.78		7,428.23
Environmental Donations	804.28	2.12		806.40
Fire Safety Penalty		225.00		225.00
	<u>494,701.91</u>	<u>820,437.82</u>	<u>151,733.60</u>	<u>1,163,406.13</u>
	B	B-1	B-1	B

## Borough of Oradell, N.J.

## Schedule of Payroll Deductions Payable

## Payroll Trust Fund

Year Ended December 31, 2014

<u>Account</u>	<u>Balance Dec. 31, 2013</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2014</u>
Federal Withholding Tax		766,832.13	766,832.13	
Social Security		446,310.26	446,310.26	
State Withholding Tax		211,564.90	211,564.90	
Unemployment Insurance		11,016.12	11,016.12	
Public Employees' Retirement System		189,905.53	189,905.53	
Contributory Insurance		10,028.56	10,028.56	
Police and Firemen's Retirement System		313,142.28	313,142.28	
DCRP		13,965.49	13,965.49	
Police Legal Fund		2,080.00	2,080.00	
Union Dues		14,175.40	14,175.40	
AFLX	1,115.00	8,379.92	8,254.92	1,240.00
Employee Insurance Contribution		136,547.66	136,547.66	
Vision		4,826.32	4,826.32	
Deferred Compensation		94,709.00	94,709.00	
	<u>1,115.00</u>	<u>2,223,483.57</u>	<u>2,223,358.57</u>	<u>1,240.00</u>
	B	B-1	B-1	B

## Schedule of Net Payroll

## Payroll Trust Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	<u>3,467,394.22</u>
Decreased by :		
Disbursements	B-1	<u>3,467,394.22</u>

**Borough of Oradell, N.J.**  
**Statement of Contributions Receivable**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	B	42,619.15
Increased by:		
Borough Contributions	B-9	<u>42,619.15</u>
		85,238.30
Decreased by:		
Cash Receipts	B-1	<u>42,619.15</u>
Balance - December 31, 2014	B	<u><u>42,619.15</u></u>

## Borough of Oradell, N.J.

## Statement of Net Assets Available for Benefits

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		756,088.92
Increased by:			
Borough Contributions	B-8	42,619.15	
Gain or (Loss)	B-1	<u>60,068.01</u>	
			<u>102,687.16</u>
			858,776.08
Decreased by:			
Withdrawals	B-1		<u>48,747.30</u>
Balance - December 31, 2014	B		<u><u>810,028.78</u></u>

**Exhibit C-2****Borough of Oradell , N.J.****Schedule of Cash****General Capital Fund****Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		1,629,711.88
Increased by Receipts:			
Various Receivables	C-6	923,165.00	
Bond Anticipation Notes	C-7	5,278,200.00	
Capital Improvement Fund	C-16	50,000.00	
Due from Current Fund	C-19	<u>22,403.08</u>	
			<u>6,273,768.08</u>
			7,903,479.96
Decreased by Disbursements:			
Appropriated to 2014 Budget Reveune	C-1	35,753.60	
Bond Anticipation Notes	C-7	4,184,200.00	
Improvement Authorizations	C-15	1,840,826.12	
Various Reserves	C-18	72,692.20	
Due from Current Fund	C-19	<u>37,500.00</u>	
			<u>6,170,971.92</u>
Balance - December 31, 2014	C		<u><u>1,732,508.04</u></u>

## Borough of Oradell , N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Various Receivables	C-6	(772,791.00)
Capital Improvement Fund	C-16	9,944.21
Preliminary Costs	C-17	315.50
Reserve for Various Improvements	C-18	38,002.64
Due from Current Fund	C-19	(37,500.00)
Reserve for Receivables	C-20	149,000.00
Accounts Payable		1.00
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	54,535.71
07-17	Various Improvements	35,335.69
07-19	Various Improvements	368,150.70
08-08	Various Improvements	72,916.45
08-16	Construction of Student Drop-Off	(100,000.00)
09-01	Various Improvements	58,187.97
09-08	Improvement of Sanitary Sewer System	827.02
09-10	Various Improvements	80,516.41
10-02	Improvement of Various Roads	186,664.03
11-11	Various Improvements	465,829.00
12-07	Various Improvements	(73,830.51)
12-16	Various Improvements	281,488.64
13-10	Various Improvements	376,477.87
13-11	Improvement of Sanitary Sewer System	422,432.31
14-04	Various Improvements	9,805.04

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C, C-2 1,732,508.04

**Exhibit C-4****Borough of Oradell , N.J.****Schedule of Deferred Charges to Future Taxation - Funded****General Capital Fund****Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		12,174,483.93
Increased by:			
NJ Infrastructure Fund Loan III Issued	C-13	1,166,956.00	
NJ Infrastructure Trust Loan III Issued	C-14	<u>360,000.00</u>	
			<u>1,526,956.00</u>
			13,701,439.93
Decreased by:			
Current Year Budget Appropriation:			
Serial Bonds	C-8	669,000.00	
NJ Environmental Infrastructure Trust I	C-9	18,247.87	
NJ Environmental Infrastructure Trust I	C-10	10,000.00	
NJ Environmental Infrastructure Trust II	C-11	33,604.62	
NJ Environmental Infrastructure Trust II	C-12	<u>10,500.00</u>	
			<u>741,352.49</u>
Balance - December 31, 2014	C		<u><u>12,960,087.44</u></u>

Borough of Oradell, N.J.  
Schedule of Deferred Charges to Future Taxation - Unfunded  
General Capital Fund  
Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance, Dec. 31, 2013	2014 Authorizations	Notes Paid by Budget Appropriation	Transferred to Deferred Taxation	Funded	Balance, Dec. 31, 2014	Analysis of Balance Dec. 31, 2014		
								Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
03-13	Renovation of The Free Public Library	50.00					50.00		50.00	
07-17	Various Improvements	254,500.00		10,500.00			244,000.00	244,000.00		
08-04	Various Improvements	163,700.00		7,200.00			156,500.00	156,500.00		
08-08	Various Improvements	564,600.00		22,400.00			542,200.00	542,200.00		
08-16	Construction of Student Drop-Off Lane	119,800.00		1,100.00			118,700.00	18,700.00	100,000.00	
09-01	Various Improvements	361,400.00		18,600.00			342,800.00	342,800.00		
09-08	Improvement of Sanitary Sewer System	56,125.00					56,125.00			56,125.00
09-10	Various Improvements	730,069.49		33,100.00			696,969.49	696,969.49		
10-01	Refunding Tax Appeals	128,000.00		64,000.00			64,000.00	64,000.00		
10-02	Improvement of Various Roads	744,600.00		41,400.00			703,200.00	703,200.00		
11-11	Various Improvements	771,000.00					771,000.00	771,000.00		
12-07	Various Improvements	73,830.51					73,830.51		73,830.51	
12-16	Various Improvements	571,000.00					571,000.00	571,000.00		8,812.00
13-02	Improvement of Sanitary Sewer System II	8,812.00					8,812.00			
13-10	Various Improvements	1,094,000.00				1,526,956.00	1,094,000.00	1,094,000.00		1,873,044.00
13-11	Improvement of Sanitary Sewer System III	3,400,000.00					1,873,044.00			1,224,000.00
14-4	Various Improvements		1,224,000.00				1,224,000.00			
		9,041,487.00	1,224,000.00	198,300.00	1,526,956.00	1,526,956.00	8,540,231.00	5,204,369.49	173,880.51	3,161,981.00
		C	C-15, C-21	C-7	C-4	C-4	C			
								Improvement Authorizations Unfunded	C-15	4,718,697.06
								Less: Unexpended Proceeds of Bond		
								Anticipation Notes - Ord. #		
								07-17	34,635.69	
								08-08	72,916.45	
								09-01	58,187.97	
								09-10	80,516.41	
								10-02	186,664.03	
								11-11	465,829.00	
								12-16	281,488.64	
								13-10	376,477.87	
										1,556,716.06
										3,161,981.00

## Borough of Oradell, N.J.

## Schedule of Various Receivables

## General Capital Fund

Year Ended December 31, 2014

	Balance, <u>Dec. 31, 2013</u>	Grant/Loan <u>Awards</u>	<u>Decreased</u>	Balance, <u>Dec. 31, 2014</u>
Due from N.J. DOT				
Ordinance # 14-4		149,000.00		149,000.00
Due from NJ Environmental Infrastructure Trust				
Fund Loan Agreement III		1,166,956.00	692,374.00	474,582.00
Trust Loan Agreement III		360,000.00	230,791.00	129,209.00
Due from Outside Contribution -				
Ordinance # 09-10	20,000.00			20,000.00
	<u>20,000.00</u>	<u>1,675,956.00</u>	<u>923,165.00</u>	<u>772,791.00</u>
	C			C
	<u>Ref.</u>			
Fund Loan Agreement III	C-13	1,166,956.00		
Trust Loan Agreement III	C-14	360,000.00		
Grant Awards	C-20	149,000.00		
		<u>1,675,956.00</u>		
	<u>Ref.</u>			
Cash Receipts	C-2		923,165.00	
			<u>923,165.00</u>	

## Borough of Oradell, N.J.

## Schedule of Bond Anticipation Notes Payable

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance,			Balance,
						Dec. 31, 2013	Increased	Decreased	Dec. 31, 2014
07-17	Various Improvements	05/13/10	04/10/14	04/10/15	0.50%	254,500.00	244,000.00	254,500.00	244,000.00
08-04	Various Improvements	05/13/10	04/10/14	04/10/15	0.50%	163,700.00	156,500.00	163,700.00	156,500.00
08-08	Various Improvements	05/13/10	04/10/14	04/10/15	0.50%	564,600.00	542,200.00	564,600.00	542,200.00
08-16	Construction of Student Drop-Off	05/13/10	04/10/14	04/10/15	0.50%	19,800.00	18,700.00	19,800.00	18,700.00
09-01	Various Improvements	05/13/10	04/10/14	04/10/15	0.50%	361,400.00	342,800.00	361,400.00	342,800.00
09-10	Various Improvements	05/13/10	04/10/14	04/10/15	0.50%	761,900.00	728,800.00	761,900.00	728,800.00
10-01	Refunding Tax Appeals	05/13/10	04/10/14	04/10/15	0.50%	128,000.00	64,000.00	128,000.00	64,000.00
10-02	Improvement of Various Roads	05/13/10	04/10/14	04/10/15	0.50%	744,600.00	703,200.00	744,600.00	703,200.00
11-11	Various Improvements	04/13/12	04/10/14	04/10/15	0.50%	813,000.00	813,000.00	813,000.00	813,000.00
12-16	Various Improvements	04/11/13	04/10/14	04/10/15	0.50%	571,000.00	571,000.00	571,000.00	571,000.00
13-10	Various Improvements	04/10/14	04/10/14	04/10/15	0.50%		1,094,000.00		1,094,000.00
						<u>4,382,500.00</u>	<u>5,278,200.00</u>	<u>4,382,500.00</u>	<u>5,278,200.00</u>
						C	C-2		C

## Borough of Oradell, N.J.

## Schedule of General Serial Bonds Payable

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Bonds Outstanding, December 31, 2014					
			Date	Amount				
General Bonds of 2007	01/01/07	7,379,000.00	01/01/15-16	325,000.00				
			01/01/17	350,000.00				
			01/01/18-19	700,000.00				
			01/01/20-21	750,000.00				
			01/01/22	800,000.00				
			01/01/23	850,000.00				
			01/01/24	904,000.00	4.00%	6,754,000.00	300,000.00	6,454,000.00
2010 BCIA Bonds	05/10/10	4,041,000.00	02/15/15	416,000.00				
			02/15/16	462,000.00				
			02/15/17	508,000.00				
			02/15/18	277,000.00				
			02/15/19	323,000.00				
			02/15/20	369,000.00				
			02/15/21	416,000.00				
			02/15/22	462,000.00				
			02/15/23	369,000.00	3%-5.25%	3,971,000.00	369,000.00	3,602,000.00
						<u>10,725,000.00</u>	<u>669,000.00</u>	<u>10,056,000.00</u>
						C	C-4	C

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Fund Loan Agreement - Phase I

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	281,019.01
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>18,247.87</u>
Balance - December 31, 2014	C	<u><u>262,771.14</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
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>262,771.14</u>	

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Trust Loan Agreement - Phase I

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	309,680.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>10,000.00</u>
Balance - December 31, 2014	C	<u><u>299,680.00</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>143,500.00</u>	<u>299,680.00</u>	

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Fund Loan Agreement Phase II

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	638,487.92
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>33,604.62</u>
Balance - December 31, 2014	C	<u><u>604,883.30</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
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	<u>22,403.22</u>	0.00
	<u><u>604,883.30</u></u>	

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Trust Loan Agreement Phase II

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	220,297.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>10,500.00</u>
Balance - December 31, 2014	C	<u>209,797.00</u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>61,941.20</u>	<u>209,797.00</u>	

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Fund Loan Agreement Phase III

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	
Increased by:		
Loan Proceeds	C-6	<u>1,166,956.00</u>
Balance - December 31, 2014	C	<u><u>1,166,956.00</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
08/01/15	39,557.83	1,127,398.17
02/01/16	19,778.91	1,107,619.26
08/01/16	39,557.83	1,068,061.43
02/01/17	19,778.91	1,048,282.52
08/01/17	39,557.83	1,008,724.69
02/01/18	19,778.91	988,945.78
08/01/18	39,557.83	949,387.95
02/01/19	19,778.91	929,609.04
08/01/19	39,557.83	890,051.21
02/01/20	19,778.91	870,272.30
08/01/20	39,557.83	830,714.47
02/01/21	19,778.91	810,935.56
08/01/21	39,557.83	771,377.73
02/01/22	19,778.91	751,598.82
08/01/22	39,557.83	712,040.99
02/01/23	19,778.91	692,262.08
08/01/23	39,557.83	652,704.25
02/01/24	19,778.91	632,925.34
08/01/24	39,557.83	593,367.51
02/01/25	19,778.91	573,588.60
08/01/25	39,557.83	534,030.77
02/01/26	19,778.91	514,251.86
08/01/26	39,557.83	474,694.03
02/01/27	19,778.91	454,915.12
08/01/27	39,557.83	415,357.29
02/01/28	19,778.91	395,578.38
08/01/28	39,557.83	356,020.55
02/01/29	19,778.91	336,241.64
08/01/29	39,557.83	296,683.81
02/01/30	19,778.91	276,904.90
08/01/30	39,557.83	237,347.07
02/01/31	19,778.91	217,568.16
08/01/31	39,557.83	178,010.33
02/01/32	19,778.91	158,231.42
08/01/32	39,557.83	118,673.59
02/01/33	19,778.91	98,894.68
08/01/33	39,557.83	59,336.85
02/01/34	19,778.91	39,557.94
08/01/34	39,557.94	0.00
	<u>1,166,956.00</u>	

## Borough of Oradell, N.J.

Schedule of NJ Environmental Infrastructure Trust -  
Trust Loan Agreement Phase III

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	
Increased by:		
Loan Proceeds	C-6	<u>360,000.00</u>
Balance - December 31, 2014	C	<u><u>360,000.00</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
08/01/15	4,172.08		360,000.00
02/01/16	8,075.00		360,000.00
08/01/16	8,075.00	10,000.00	350,000.00
02/01/17	7,825.00		350,000.00
08/01/17	7,825.00	15,000.00	335,000.00
02/01/18	7,450.00		335,000.00
08/01/18	7,450.00	15,000.00	320,000.00
02/01/19	7,075.00		320,000.00
08/01/19	7,075.00	15,000.00	305,000.00
02/01/20	6,700.00		305,000.00
08/01/20	6,700.00	15,000.00	290,000.00
02/01/21	6,325.00		290,000.00
08/01/21	6,325.00	15,000.00	275,000.00
02/01/22	5,950.00		275,000.00
08/01/22	5,950.00	15,000.00	260,000.00
02/01/23	5,575.00		260,000.00
08/01/23	5,575.00	15,000.00	245,000.00
02/01/24	5,200.00		245,000.00
08/01/24	5,200.00	20,000.00	225,000.00
02/01/25	4,700.00		225,000.00
08/01/25	4,700.00	20,000.00	205,000.00
02/01/26	4,200.00		205,000.00
08/01/26	4,200.00	20,000.00	185,000.00
02/01/27	3,700.00		185,000.00
08/01/27	3,700.00	20,000.00	165,000.00
02/01/28	3,300.00		165,000.00
08/01/28	3,300.00	20,000.00	145,000.00
02/01/29	2,900.00		145,000.00
08/01/29	2,900.00	20,000.00	125,000.00
02/01/30	2,500.00		125,000.00
08/01/30	2,500.00	25,000.00	100,000.00
02/01/31	2,000.00		100,000.00
08/01/31	2,000.00	25,000.00	75,000.00
02/01/32	1,500.00		75,000.00
08/01/32	1,500.00	25,000.00	50,000.00
02/01/33	1,000.00		50,000.00
08/01/33	1,000.00	25,000.00	25,000.00
02/01/34	500.00		25,000.00
08/01/34	500.00	25,000.00	0.00
	<u>177,122.08</u>	<u>360,000.00</u>	

## Borough of Oradell, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance, Dec. 31, 2014	
		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	55,717.61			1,181.90	54,535.71	
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	327,170.04			(40,980.66)	368,150.70	
08-08	Various Improvements	07/22/08	745,000.00		136,912.17		63,995.72		72,916.45
09-01	Various Improvements	03/24/09	400,000.00		58,187.97				58,187.97
09-08	Improvement of Sanitary Sewer System	09/22/09	750,000.00		1,370.02		(55,582.00)	827.02	56,125.00
09-10	Various Improvements	11/10/09	855,000.00		85,756.41		5,240.00		80,516.41
10-02	Improvement of Various Roads	02/23/10	805,000.00		186,664.03				186,664.03
11-11	Various Improvements	11/09/11	854,000.00		458,330.38		(7,498.62)		465,829.00
12-07	Various Improvements	07/24/12	99,408.36		17,324.54		17,324.54		
12-16	Various Improvements	11/27/12	600,000.00		296,488.64		15,000.00		281,488.64
13-02	Improvement of Sanitary Sewer System II	02/26/13	890,000.00				(8,812.00)		8,812.00
13-10	Various Improvements	08/20/13	1,150,000.00		1,088,402.44		711,924.57		376,477.87
13-11	Improvement of Sanitary Sewer System III	12/12/13	3,400,000.00		3,382,314.02		1,086,837.71	422,432.31	1,873,044.00
14-04	Various Improvements		1,286,000.00			1,286,000.00	52,194.96	9,805.04	1,224,000.00
				<u>C</u>	<u>C</u>		<u>C-2</u>	<u>C</u>	<u>C</u>
				416,006.50	5,746,386.31	1,286,000.00	1,840,826.12	888,869.63	4,718,697.06

Ref.

C-5, C-21

Deferred Charges to Future Taxation - Unfunded

C-16

Capital Improvement Fund

1,224,000.00

62,000.00

1,286,000.00

**Exhibit C-16****Borough of Oradell , N.J.****Schedule of Capital Improvement Fund****General Capital Fund****Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	C	21,944.21
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		71,944.21
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-15	<u>62,000.00</u>
Balance - December 31, 2014	C/C-3	<u><u>9,944.21</u></u>

**Exhibit C-17****Schedule of Preliminary Improvement Costs****General Capital Fund****Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	C	<u><u>315.50</u></u>
Balance - December 31, 2014	C/C-3	<u><u>315.50</u></u>
Analysis of Balance - December 31, 2014		
Elizabeth Street Project		<u><u>315.50</u></u>

**Exhibit C-18**

**Borough of Oradell , N.J.**

**Schedule of Various Reserves**

**General Capital Fund**

**Year Ended December 31, 2014**

	Balance, <u>Dec. 31, 2013</u>	Decreased by: Cash <u>Disbursements</u>	Balance, <u>Dec. 31, 2014</u>
Debt Service	72,692.20	72,692.20	0.00
Library Improvements	12,106.27		12,106.27
Road Improvements	25,896.37		25,896.37
	<hr/>	<hr/>	<hr/>
	110,694.84	72,692.20	38,002.64
	<u>C</u>	<u>C-2</u>	<u>C, C-3</u>

## Borough of Oradell, N.J.

## Schedule of Due from Current Fund

## General Capital Fund

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	22,403.08
Increased by:		
Cash Disbursements	C-2	<u>37,500.00</u>
		59,903.08
Decreased by:		
Cash Receipts	C-2	<u>22,403.08</u>
Balance - December 31, 2014	C, C-3	<u><u>37,500.00</u></u>

## Borough of Oradell , N.J.

## Schedule of Reserve for Receivables

## General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	
Increased by:		
Grant Awards	C-6	<u>149,000.00</u>
Balance - December 31, 2014	C, C-3	<u><u>149,000.00</u></u>

## Borough of Oradell, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	<u>Improvement Description</u>	Balance	2014	Balance
		<u>Dec. 31, 2013</u>	<u>Authorizations</u>	<u>Dec. 31, 2014</u>
	<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
13-02	Improvement of Sanitary Sewer System II	8,812.00		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		1,873,044.00
14-04	Various Improvements		1,224,000.00	1,224,000.00
		<u>4,732,817.51</u>	<u>1,224,000.00</u>	<u>3,335,861.51</u>
			<u>C-5, C-15</u>	<u>Footnote C</u>

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**BOROUGH OF ORADELL**

**PART II**

**LETTER ON INTERNAL CONTROL**

**COMMENTS AND RECOMMENDATIONS**

**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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# Ferraioli, Wielkott, 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  
Oradell, NJ 07649

We have audited, 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, the financial statements-regulatory basis of the Borough of Oradell in the County of Bergen as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated July 8, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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



July 8, 2015

# **Ferraioli, Wielkotz, 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, 2014. 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, 2014.

### **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

July 8, 2015

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**Borough of Oradell**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/ Revenues	Expended	Balance Dec. 31, 2014	Cumulative Expenditures
<u>Federal and State Grant Fund</u>									
<u>U.S. Department of HUD:</u>									
Pass Through County of Bergen:									
Community Development	14.218		2013	3,638.00	(1,225.00)	400.00	2,413.00	(3,238.00)	3,638.00
Senior Citizens Activities			2014	3,274.00			361.00	(361.00)	361.00
Community Development				42,000.00	42,000.00	400.00	2,774.00	42,000.00	
Block Grant	14.218				40,775.00			38,401.00	
<u>U.S. Environmental Protection Agency:</u>									
Pass Through NJ Department of				8,468.00	7,835.33			7,835.33	632.67
Environmental Protection	66.605								
Municipal Stormwater Regulation									
<u>U.S. Department of Justice</u>									
Bulletproof Vest Partnership Program	16.607			10,450.00	(6,127.00)		2,478.00	(8,605.00)	8,605.00
<b>Total Federal and State Grant Fund</b>					42,483.33	400.00	5,252.00	37,631.33	
<u>Current Fund</u>									
<u>U.S. Department of Homeland Security</u>									
Pass Through NJ Department of				262,405.26	(79,148.31)	108,090.68	35,701.75	(6,759.38)	262,405.26
Law & Public Safety:			2013						
Public Assistance Grant Program	97.036	066-1200-100-A92			(79,148.31)	108,090.68	35,701.75	(6,759.38)	
<b>Total Current Fund</b>									
<u>General Capital Fund</u>									
<u>U.S. Environmental Protection Agency:</u>									
Pass Through NJ Department of				1,166,956.00		692,374.00	835,412.00	(143,038.00)	835,412.00
Environmental Protection			2014						
NJ Environmental Trust - Fund Loan	66.458					692,374.00	835,412.00	(143,038.00)	
<b>Total General Capital Fund</b>					(36,664.98)	800,864.68	876,365.75	(112,166.05)	
<b>Total Federal Awards</b>									

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**Borough of Oradell**

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2014**

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/ Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
Federal and State Grant Fund								
NJ Department of Environmental Protection:								
Clean Communities	4900-765-004	2014	13,519.31		13,519.31		13,519.31	
		2013	14,414.82	14,414.82			14,414.82	
		2012	12,277.54	6,435.38		5,251.36	1,184.02	11,093.52
				20,850.20	13,519.31	5,251.36	29,118.15	
Recycling Tonnage Grant	4910-100-224	2015	27,752.10		27,752.10		27,752.10	
		2014	17,245.24	17,245.24			17,245.24	
		2013	10,759.02	10,759.02		3,473.08	7,285.94	3,473.08
				28,004.26	27,752.10	3,473.08	52,283.28	
Special Legislative Grant	8030-100-022-8030-260		92,000.00	58.10			58.10	91,941.90
Environmental Service Grant			1,850.00					
NJ Division of State Police								
SLA HEOP Grant			2,405.72	2,405.72			2,405.72	
NJ Department of Health:								
Alcohol Education Rehabilitation	9735-760-001	2012	1,185.86	242.92			242.92	942.94

**Borough of Oradell**

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2014**

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/ Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
<u>NJ Division of Highway Traffic Safety:</u> Drunk Driving Enforcement Fund	6400-100-078	2014	10,918.88 7,055.03 2,453.22 3,563.39	7,055.03 2,453.22 2,824.11 12,332.36	10,918.88		10,918.88 7,055.03 2,453.22 2,824.11 23,251.24	739.28
<u>NJ Department of Transportation:</u> Highway Planning and Construction	078-6320-480	2013	150,000.00		112,500.00	150,000.00	(37,500.00)	150,000.00
<u>NJ Department of Law and Public Safety:</u> Body Armor Replacement	066-1020-718-001	2015 2014 2013 2012 2011 2010	2,102.68 2,783.30 2,251.31 2,204.15 3,168.57 4,395.01	2,783.30 2,251.31 2,204.15 3,168.57 1,704.26 12,111.59	2,102.68		2,102.68 2,783.30 1,894.29	357.02 2,204.15 3,168.57 4,395.01
<u>Council on Alcoholism and Drug Abuse:</u> Pass Through County of Bergen Municipal Drug Alliance		2014 2013	9,876.00 6,605.69	(2,436.69) (2,436.69)	3,575.00 2,436.69 6,011.69	3,657.29	(82.29) (82.29)	3,657.29 6,605.69
<u>Pass Through County of Bergen:</u> Municipal Recycling Assistance			4,919.83	2,896.89			2,896.89	2,022.94
<b>Total Federal and State Grant Fund</b>				76,465.35	172,804.66	169,815.73	79,454.28	

**Borough of Oradell**

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2014**

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/ Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
General Capital Fund								
NJ Environmental Protection Agency:								
NJ Environmental Trust - Trust Loan		2014	388,986.00		230,791.00	278,470.00	(47,679.00)	278,470.00
<b>Total General Capital Fund</b>					230,791.00	278,470.00	(47,679.00)	
<b>Total State Awards</b>				76,465.35	403,595.66	448,285.73	31,775.28	

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

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**BOROUGH OF ORADELL  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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>State</u>	<u>Total</u>
Current Fund	\$40,953.75	\$169,815.73	\$210,769.48
General Capital Fund	<u>835,412.00</u>	<u>278,470.00</u>	<u>1,113,882.00</u>
	<u>\$876,365.75</u>	<u>\$448,285.73</u>	<u>\$1,324,651.48</u>

**NOTE 4. FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2014, 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	\$2,034,610.44
State of New Jersey Environmental Infrastructure Trust - Trust Loan Agreement	<u>869,477.00</u>
	<u>\$2,904,087.44</u>

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**BOROUGH OF ORADELL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*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, 2014  
(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
- Vacuum Sweeper
- DOT Phase I Improvements
- Tree Trimming Removal
- Installation of Generator

### 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 2, 2014 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 20, 2014.

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>
2014	3
2013	3
2012	3

### School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2014, 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.

The building subcode fees entered into the computer is not in agreement with the Borough's fee schedule.

Municipal Court disbursements were not made by the 15<sup>th</sup> of the following month for February and September.

### 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.

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.

Four vendors were paid in excess of the bid threshold but the items were not put out for bid.

In some instances, Political Disclosure forms were not submitted by the vendor.

### Other

The summary or synopsis of the 2014 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 the correct building subcode fees be entered in the computer.
2. That Municipal Court disbursements be made by the 15<sup>th</sup> of the following month.
3. That all purchases that exceed the bid threshold be put out for bid.
4. That all vendors required to submit Political Disclosure forms 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



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