

BOROUGH OF ORADELL, N.J.
REPORT OF AUDIT ON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015

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, 2015

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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, 2015 and 2014, 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, 2015, 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, 2015 and 2014, 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 \$822,927.97 and \$810,028.78 for 2015 and 2014, 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, 2015 and 2014, 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, 2015 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 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 is 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 is 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
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2016 on our consideration of the Borough of Oradell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Oradell's internal control over financial reporting and compliance.



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

April 7, 2016

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	4,765,166.77	4,812,884.63
Change Fund	A-6	200.00	450.00
Due from State of New Jersey:			
Senior Citizens and Veteran Deductions	A-8	548.53	867.71
		<u>4,765,915.30</u>	<u>4,814,202.34</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	294,683.66	268,119.84
Property Acquired for Taxes -			
Assessed Valuation	A-10	29,898.00	29,898.00
Tax Title Liens	A-11	11,142.96	9,882.49
Revenue Accounts Receivable	A-12	40,801.35	31,974.23
Sewer Dischargers Receivable	A-13	1,528.69	2,629.88
Prepaid Regional High School Taxes	A-20	308,713.35	
Interfund Receivables:			
Animal Control Trust Fund	A-14	3,886.01	6,005.60
Other Trust	A-14	1,879.17	2.78
		<u>692,533.19</u>	<u>348,512.82</u>
Deferred Charges:			
Special Emergency Authorizations	A-15	55,000.00	95,000.00
		<u>55,000.00</u>	<u>95,000.00</u>
		<u>5,513,448.49</u>	<u>5,257,715.16</u>
Federal and State Grant Fund:			
Cash	A-5	182,382.38	128,161.79
Grants Receivable	A-23	39,970.00	62,627.00
		<u>222,352.38</u>	<u>190,788.79</u>
		<u>5,735,800.87</u>	<u>5,448,503.95</u>

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

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	734,434.48	780,278.42
Interfund - General Capital	A-14		37,500.00
Encumbrances Payable	A-17	386,003.77	276,406.07
Prepaid Taxes	A-18	200,176.49	361,222.74
Local School Tax Payable	A-19	110,377.46	108,154.52
Regional High School Tax Payable	A-20		287,560.43
County Tax Payable	A-21	3,434.32	3,077.19
Accounts Payable	A-22	13,618.88	900.00
Due to State of New Jersey:			
Marriage Surcharge	A-22	75.00	150.00
Building Surcharge	A-22	4,390.00	3,023.00
Tax Overpayments	A-22	29,561.89	20,118.27
Outside Liens	A-22		20,123.30
Prepaid Licenses	A-22	33,490.00	32,030.00
Reserve for:			
Tax Appeals	A-22	68,880.94	92,544.08
Master Plan	A-22	13.60	13.60
Revaluation of Real Property	A-22	6,435.00	6,435.00
Municipal Calendar	A-22	4,111.00	4,541.00
		<u>1,595,002.83</u>	<u>2,034,077.62</u>
Reserve for Receivables	Contra	692,533.19	348,512.82
Fund Balance	A-1	<u>3,225,912.47</u>	<u>2,875,124.72</u>
		<u>5,513,448.49</u>	<u>5,257,715.16</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	186,506.07	136,495.82
Unappropriated Reserve for Grants	A-25	<u>35,846.31</u>	<u>54,292.97</u>
		<u>222,352.38</u>	<u>190,788.79</u>
		<u>5,735,800.87</u>	<u>5,448,503.95</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>2015</u>	<u>2014</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	944,515.00	781,450.00
Miscellaneous Revenue Anticipated	A-2	2,120,631.66	2,108,310.13
Receipts from Delinquent Taxes	A-2	250,273.70	255,428.97
Receipts from Current Taxes	A-2	41,844,845.53	40,048,469.97
Non-Budget Revenue	A-2	63,801.31	44,048.64
Other Credits to Income:			
Canceled Capital Reserves & Fund Balance			108,445.80
Interfunds Returned	A-14	6,008.38	28,347.79
Statutory Excess in Animal Control Trust	A-14	3,886.01	5,974.20
Unexpended Balance of Appropriation Reserves	A-16	592,799.57	584,549.81
Total Revenues and Other Income		<u>45,826,761.16</u>	<u>43,965,025.31</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,941,090.24	4,705,742.46
Other Expenses	A-3	6,833,498.89	6,516,736.12
Capital Improvement Fund	A-3	50,000.00	50,000.00
Municipal Debt Service	A-3	1,541,315.93	1,421,563.33
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,098,784.89	1,105,303.16
Refund Prior Year Revenue			4,750.00
Interfund Advances	A-14	11,770.78	34,324.77
Local District School Tax	A-19	10,926,621.00	10,681,403.00
Regional High School Tax	A-20	15,215,541.85	14,255,264.00
County Taxes including Added Taxes	A-21	3,912,834.83	3,801,411.41
Total Expenditures		<u>44,531,458.41</u>	<u>42,576,498.25</u>

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Excess (Deficit) Revenue Over Expenditures		1,295,302.75	1,388,527.06
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		1,295,302.75	1,388,527.06
Fund Balance, January 1,	A	<u>2,875,124.72</u>	<u>2,268,047.66</u>
		4,170,427.47	3,656,574.72
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>944,515.00</u>	<u>781,450.00</u>
Fund Balance, December 31,	A	<u><u>3,225,912.47</u></u>	<u><u>2,875,124.72</u></u>

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

Borough of Oradell, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	944,515.00	944,515.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	5,900.00	6,952.00	1,052.00
Other	A-2	8,400.00	10,197.00	1,797.00
Fees and Permits	A-2	140,300.00	181,701.00	41,401.00
Fines and Costs:				
Municipal Court	A-12	77,700.00	120,041.44	42,341.44
Interest and Costs on Taxes	A-4	109,200.00	70,134.63	(39,065.37)
Interest on Investments and Deposits	A-12	25,900.00	33,335.81	7,435.81
Rents of Municipal Properties	A-12	23,900.00	31,058.94	7,158.94
Sewer Charges - Borough of Emerson	A-12	54,300.00	61,780.40	7,480.40
Newspaper and Other Recyclable Proceeds	A-12	16,100.00	18,187.04	2,087.04
Cable TV Franchise Taxes	A-12	117,000.00	117,269.61	269.61
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	203,200.00	206,099.00	2,899.00
Recycling Tonnage Grant	A-23	27,752.10	27,752.10	
Drunk Driving Enforcement Fund	A-23	10,918.88	10,918.88	
Body Armor Grant	A-23	2,102.68	2,102.68	
Bulletproof Vest Program	A-23	4,130.00	4,130.00	
Clean Communities	A-23	13,519.31	13,519.31	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	9,876.00	9,876.00	
Community Development - Senior Citizens	A-23	5,000.00	5,000.00	
Uniform Fire Safety Act	A-12	26,000.00	30,729.14	4,729.14
Interfund - Animal Control Trust Fund	A-14	6,005.60	6,005.60	
Cell Tower Lease	A-12	229,272.30	229,272.30	
Significant Sewer Dischargers	A-13	55,800.00	75,847.78	20,047.78
Total Miscellaneous Revenues	A-1	2,020,997.87	2,120,631.66	99,633.79
Receipts from Delinquent Taxes	A-1/A-2	268,868.76	250,273.70	(18,595.06)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	11,769,882.09	11,998,054.97	228,172.88
Budget Totals		15,004,263.72	15,313,475.33	309,211.61
Non-Budget Revenue	A-1/A-2		63,801.31	63,801.31
		<u>15,004,263.72</u>	<u>15,377,276.64</u>	<u>373,012.92</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

Current Fund

Year Ended December 31, 2015

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-9	41,844,845.53
Allocated to School and County Taxes	A-9	<u>30,386,271.83</u>
Balance for Support of Municipal Budget Appropriations		11,458,573.70
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>539,481.27</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>11,998,054.97</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-9	<u>250,273.70</u>
Licenses - Other:		
Clerk	A-12	880.00
Police	A-12	665.00
Registrar	A-12	72.00
Board of Health	A-12	<u>8,580.00</u>
	A-2	<u>10,197.00</u>
Fees and Permits - Other:		
DPW Parking Permits	A-12	23,650.00
Police	A-12	42,795.00
Code Enforcement Agency	A-12	101,751.00
Tax Collector - Tax Searches	A-12	20.00
Registrar	A-12	<u>13,485.00</u>
	A-2	<u>181,701.00</u>

Analysis of Non-budget RevenuesRef.

Miscellaneous Revenues Not Anticipated:	
Police Miscellaneous	2,682.60
Clerk Miscellaneous	4,665.00
Sale of Assets	10,870.75
Administration Fees - Police	410.60
Administration Fees - Senior Citizens & Vets	1,284.95
Sewer Dischargers Interest & Costs	280.32
Copies	3.00
Sewer Charges	11,093.71
Tax Collector Miscellaneous	458.00
Returned Check Fees	240.00
Recreation Programs	14,422.50
Tennis Badges	1,345.00
Insurance Dividend	11,310.70
Miscellaneous Refunds and Reimbursements	<u>4,734.18</u>
	<u>63,801.31</u>
	A-2, A-4

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, 2015

	<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		61,360.00	61,360.00	57,014.92	4,345.08	
Other Expenses		49,500.00	45,500.00	35,878.15	9,621.85	
Mayor and Council						
Salaries and Wages		23,000.00	23,000.00	23,000.00		
Other Expenses		5,300.00	7,300.00	4,195.14	3,104.86	
Borough Clerk's Office						
Salaries and Wages		151,840.00	151,840.00	146,000.16	5,839.84	
Other Expenses		46,700.00	46,700.00	28,086.69	18,613.31	
Financial Administration						
Salaries and Wages		167,997.78	167,997.78	159,984.37	8,013.41	
Other Expenses		47,900.00	47,900.00	33,315.65	14,584.35	
Annual Audit						
Other Expenses		38,500.00	38,500.00	7,000.00	31,500.00	
Collection of Taxes						
Salaries and Wages		18,000.00	18,000.00	16,644.39	1,355.61	
Other Expenses		13,925.00	8,925.00	6,431.76	2,493.24	
Assessment of Taxes						
Salaries and Wages		22,001.40	22,001.40	21,570.00	431.40	
Other Expenses		20,000.00	10,000.00	5,397.53	4,602.47	
Legal Services and Costs						
Other Expenses		193,500.00	342,500.00	305,770.59	36,729.41	
Engineering Services and Costs						
Other Expenses		19,700.00	19,700.00	16,350.00	3,350.00	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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 Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		2,500.00	2,500.00	1,638.00	862.00	
Other Expenses		16,300.00	11,300.00	3,532.88	7,767.12	
Board of Adjustment						
Salaries and Wages		3,000.00	3,000.00	2,440.00	560.00	
Other Expenses		6,600.00	6,600.00	3,676.67	2,923.33	
Insurance:						
Other Insurance		195,512.00	195,512.00	194,284.12	1,227.88	
Workers' Compensation Insurance		211,016.00	211,016.00	211,012.24	3.76	
Group Insurance Plan for Employees		1,832,700.00	1,725,700.00	1,672,311.13	53,388.87	
Health Benefit Waiver		7,146.00	7,146.00	7,146.00		
Public Safety:						
Police						
Salaries and Wages		3,016,369.55	2,960,369.55	2,948,934.15	11,435.40	
Other Expenses		93,522.00	108,522.00	83,326.24	25,195.76	
Purchase of Police Cars		13,000.00	13,000.00	11,999.85	1,000.15	
Auxiliary Police						
Other Expenses		3,000.00	3,000.00	2,136.80	863.20	
Emergency Management Services						
Salaries and Wages		5,720.00	5,720.00	5,500.00	220.00	
Other Expenses		6,100.00	6,100.00	4,735.65	1,364.35	
First Aid Squad Contribution		32,000.00	32,000.00	25,545.13	6,454.87	
Fire						
Other Expenses		102,400.00	102,400.00	84,207.71	18,192.29	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended
							Balance Cancelled
State Uniform Fire Safety Code Act (Ch.383, P.L. 1983)							
Fire Officials							
Salaries and Wages			27,652.80	22,652.80	21,835.04	817.76	
Other Expenses			4,900.00	4,900.00	2,200.25	2,699.75	
Municipal Prosecutor							
Salaries and Wages			6,600.00	3,300.00	3,284.88	15.12	
Municipal Court:							
Salaries and Wages			39,081.51	39,081.51	38,595.39	486.12	
Other Expenses			3,225.00	3,225.00	771.30	2,453.70	
Public Defender							
Other Expenses			500.00	500.00		500.00	
Streets and Roads							
Road Repairs and Maintenance							
Salaries and Wages			644,489.42	644,489.42	617,193.54	27,295.88	
Other Expenses			120,800.00	135,800.00	105,923.53	29,876.47	
Snow Removal							
Other Expenses			10,000.00	10,000.00	10,000.00		
Shade Trees							
Salaries and Wages			110,857.84	80,857.84	78,823.67	2,034.17	
Other Expenses			55,500.00	23,500.00	8,219.50	15,280.50	
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	158,687.14	46,312.86	
Recycling Program							
Contractual			223,960.00	223,960.00	177,252.58	46,707.42	
Public Buildings and Grounds							
Salaries and Wages			70,348.22	73,348.22	69,315.46	4,032.76	
Other Expenses			216,922.00	276,922.00	192,622.84	84,299.16	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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>						
Sewer System						
Salaries and Wages		141,461.49	141,461.49	136,838.12	4,623.37	
Other Expenses		76,700.00	81,700.00	65,636.42	16,063.58	
Shop and Garage						
Salaries and Wages		87,352.09	87,352.09	85,329.28	2,022.81	
Other Expenses		112,500.00	117,500.00	89,665.89	27,834.11	
Health and Welfare:						
Board of Health						
Salaries and Wages		15,000.00	13,000.00	12,180.00	820.00	
Other Expenses		41,250.00	36,250.00	32,890.30	3,359.70	
Environmental Committee						
Other Expenses		1,000.00				
Contribution to Senior Citizens' Center		7,500.00	10,500.00	7,240.03	3,259.97	
Senior Citizens Transportation						
Salaries and Wages		5,000.00	10,000.00	8,872.50	1,127.50	
Recreation and Education:						
Parks and Playgrounds						
Salaries and Wages		133,503.58	133,503.58	128,772.23	4,731.35	
Other Expenses		14,000.00	19,000.00	10,423.88	8,576.12	
Recreation						
Salaries and Wages		58,003.84	63,003.84	62,085.49	918.35	
Other Expenses		30,800.00	20,800.00	13,679.20	7,120.80	
Beautification Projects		3,000.00	3,000.00	2,627.57	372.43	
Uniform Construction Code						
Construction Code Officials						
Salaries and Wages		24,590.80	24,590.80	22,583.35	2,007.45	
Other Expenses		2,000.00	2,000.00	828.21	1,171.79	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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>						
Code Enforcement Agency						
Salaries and Wages		193,659.92	188,659.92	180,877.98	7,781.94	
Other Expenses		13,676.00	17,676.00	14,396.23	3,279.77	
Unclassified:						
Celebration of Public Events		13,800.00	13,800.00	12,495.96	1,304.04	
Street Lighting		162,000.00	162,000.00	157,009.38	4,990.62	
Telephone		38,900.00	38,900.00	36,573.64	2,326.36	
Hydrant Service		134,000.00	134,000.00	132,843.00	1,157.00	
Gasoline		102,660.00	78,660.00	55,543.33	23,116.67	
Video Committee		5,000.00	5,000.00	4,262.18	737.82	
Contingent		2,000.00	2,000.00		2,000.00	
Total Operations within "CAPS"		<u>9,817,664.24</u>	<u>9,789,364.24</u>	<u>9,119,801.45</u>	<u>669,562.79</u>	
Detail:						
Salaries and Wages	A-1	5,029,390.24	4,941,090.24	4,849,312.92	91,777.32	
Other Expenses	A-1	<u>4,788,274.00</u>	<u>4,848,274.00</u>	<u>4,270,488.53</u>	<u>577,785.47</u>	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		255,232.92	255,232.92	255,232.92		
Social Security System (O.A.S.I.)		231,700.00	203,232.76	201,567.13	1,665.63	
Police and Firemen's Retirement System		577,657.00	577,819.21	577,819.21		
Unemployment / Disability Insurance		20,000.00	20,000.00	20,000.00		
Defined Contribution Retirement Plan		2,500.00	2,500.00	1,771.61	728.39	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>1,087,089.92</u>	<u>1,058,784.89</u>	<u>1,056,390.87</u>	<u>2,394.02</u>	

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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>						
Total General Appropriations for Municipal Purposes within "CAPS"		10,904,754.16	10,848,149.13	10,176,192.32	671,956.81	
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority Service Charges - Contractual						
Operating		606,243.94	606,243.94	606,239.78	4.16	
Debt Service		261,456.06	261,456.06	261,456.06		
Declared State of Emergency Cost for Snow Removal		15,000.00	15,000.00		15,000.00	
Maintenance of Free Public Library		547,558.72	547,558.72	547,558.72		
Additional Library Expenses		50,950.28	50,950.28	50,950.28		
Reserve for Tax Appeals		258,000.00	313,000.00	313,000.00		
Recycling Tax (PL 2007, c.311)		10,000.00	10,000.00	7,678.41	2,321.59	
Emergency Service Volunteer Length of Service Award Program (P.L. 1997, C.388)		45,151.92	45,151.92		45,151.92	
Interlocal Municipal Service Agreements						
911 Communications - Contractual		5,000.00	5,000.00	5,000.00		
Shared Municipal Court - Borough of Paramus						
Other Expenses		55,500.00	55,500.00	55,500.00		
Public and Private Programs Offset by Revenues						
Bulletproof Vest Program						
Federal Share		4,130.00	4,130.00	4,130.00		
Local Share		2,065.00	2,065.00	2,065.00		
Body Armor Replacement Fund		2,102.68	2,102.68	2,102.68		
Recycling Tonnage Grant		27,752.10	27,752.10	27,752.10		
Drunk Driving Enforcement Fund		10,918.88	10,918.88	10,918.88		
Clean Communities Program		13,519.31	13,519.31	13,519.31		
Community Development Grant		5,000.00	5,000.00	5,000.00		

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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 Alliance on Alcoholism and Drug Abuse						
State Share		9,876.00	9,876.00	9,876.00		
Total Operations - Excluded from "CAPS"		1,930,224.89	1,985,224.89	1,922,747.22	62,477.67	
Detail:						
Other Expenses	A-1	1,930,224.89	1,985,224.89	1,922,747.22	62,477.67	
<u>Capital Improvements:</u>						
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		
<u>Municipal Debt Service:</u>						
Payment of Bond Principal		741,000.00	741,000.00	741,000.00		
Payment of Bond Anticipation Notes and Capital Notes		234,400.00	234,400.00	234,400.00		
Interest on Bonds		398,200.00	398,200.00	398,107.50		92.50
Interest on Notes		26,391.00	26,391.00	26,391.00		
NJEIT Loan - Principal and Interest		139,812.40	141,417.43	141,417.43		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,539,803.40	1,541,408.43	1,541,315.93		92.50
<u>Deferred Charges:</u>						
Special Emergency Authorizations - 5 Years		40,000.00	40,000.00	40,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	40,000.00	40,000.00	40,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		3,560,028.29	3,616,633.32	3,554,063.15	62,477.67	92.50

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
Subtotal General Appropriations		14,464,782.45	14,464,782.45	13,730,255.47	734,434.48	92.50
Reserve for Uncollected Taxes		539,481.27	539,481.27	539,481.27		
Total General Appropriations		15,004,263.72	15,004,263.72	14,269,736.74	734,434.48	92.50
			A-2		A	
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			539,481.27		
Cash Disbursed	A-4			12,915,887.73		
Deferred Charges:						
Special Emergency Appropriation	A-15			40,000.00		
Encumbrances Payable	A-17			386,003.77		
Reserve for Tax Appeals	A-22			313,000.00		
Reserve for Federal and State Grants	A-24			73,298.97		
Matching Funds for Federal and State Grants	A-4,A-24			2,065.00		
				14,269,736.74		

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>2015</u>	<u>2014</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	<u>14,232.01</u>	<u>16,303.20</u>
		<u>14,232.01</u>	<u>16,303.20</u>
Other Trust Funds:			
Cash	B-1	<u>562,758.50</u>	<u>1,163,408.91</u>
		<u>562,758.50</u>	<u>1,163,408.91</u>
Payroll Trust Fund:			
Cash	B-1	<u>993.05</u>	<u>1,240.00</u>
		<u>993.05</u>	<u>1,240.00</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	779,091.13	767,409.63
Contributions Receivable	B-8	<u>43,836.84</u>	<u>42,619.15</u>
		<u>822,927.97</u>	<u>810,028.78</u>
		<u>1,400,911.53</u>	<u>1,990,980.89</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>2015</u>	<u>2014</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	10,346.00	10,297.60
Interfund - Current Fund	B-4	<u>3,886.01</u>	<u>6,005.60</u>
		<u>14,232.01</u>	<u>16,303.20</u>
Other Trust Fund:			
Interfund - Current Fund	B-4	1,879.17	2.78
Developers Escrow	B-5	8,632.33	8,504.08
Miscellaneous Deposits	B-5	251,169.92	222,285.70
Various Reserves	B-5	<u>301,077.08</u>	<u>932,616.35</u>
		<u>562,758.50</u>	<u>1,163,408.91</u>
Payroll Trust Fund:			
Payroll Deductions Payable	B-6	<u>993.05</u>	<u>1,240.00</u>
		<u>993.05</u>	<u>1,240.00</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	<u>822,927.97</u>	<u>810,028.78</u>
		<u>822,927.97</u>	<u>810,028.78</u>
		<u>1,400,911.53</u>	<u>1,990,980.89</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>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	C-2/C-3	2,054,624.84	1,732,508.04
Deferred Charges to Future Taxation:			
Funded	C-4	12,102,151.12	12,960,087.44
Unfunded	C-5	9,293,831.00	8,540,231.00
Various Receivables	C-6	343,302.00	772,791.00
Interfund - Current Fund	C-19		37,500.00
		<u>23,793,908.96</u>	<u>24,043,117.48</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-7	6,267,800.00	5,278,200.00
General Serial Bonds Payable	C-8	9,315,000.00	10,056,000.00
NJ Environmental Infrastructure Trust:			
Fund Loan I	C-9	244,523.27	262,771.14
Trust Loan I	C-10	284,680.00	299,680.00
Fund Loan II	C-11	571,278.68	604,883.30
Trust Loan II	C-12	199,271.00	209,797.00
Fund Loan III	C-13	1,127,398.17	1,166,956.00
Trust Loan III	C-14	360,000.00	360,000.00
Improvement Authorizations:			
Funded	C-15	469,547.83	888,869.63
Unfunded	C-15	4,834,923.66	4,718,697.06
Accounts Payable	unchanged	1.00	1.00
Capital Improvement Fund	C-16	9,944.21	9,944.21
Reserve for:			
Preliminary Costs	C-17	315.50	315.50
Various Reserves	C-18	38,002.64	38,002.64
Reserve for Receivables	C-20	37,250.00	149,000.00
Fund Balance	C-1	<u>33,973.00</u>	
		<u>23,793,908.96</u>	<u>24,043,117.48</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on
December 31, 2015 of \$3,026,031.00 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>2015</u>	<u>2014</u>
Balance - January 1,	C		35,753.60
Increased by:			
Premium on Bonds & Bond Anticipation Notes	C-2	<u>33,973.00</u>	
		33,973.00	35,753.60
Decreased by:			
Appropriated to Budget Revenue			<u>35,753.60</u>
Balance - December 31,	C,C-3	<u><u>33,973.00</u></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, 2015

With Comparative Figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</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>7,310,119.00</u>	<u>6,937,872.00</u>
		<u>67,908,919.00</u>	<u>67,536,672.00</u>
Investment in Fixed Assets		<u>67,908,919.00</u>	<u>67,536,672.00</u>

See accompanying notes to financial statements.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014

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, 2015 and 2014
(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, 2015 and 2014
(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 11th day of the 11th 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, 2015 and 2014
(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, 2015 and 2014
(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, 2015 and 2014
(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, 2015 and 2014
(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 required 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 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.

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 required 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

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, 2015, \$0- of the Borough's bank balance of \$8,184,164.68 was exposed to custodial credit risk.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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, 2015 and 2014 amounted to \$779,091.13 and \$767,409.63, respectively.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Fixed Income	\$102,744.38	\$92,849.14
Growth Funds	176,247.07	172,056.20
Index Funds	316,693.88	306,354.16
Value Funds	90,799.86	101,780.31
All Others	<u>92,605.94</u>	<u>94,369.82</u>
Total	<u>\$779,091.13</u>	<u>\$767,409.63</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2015 consisted of the following:

	Balance Dec. 31, 2014	<u>Additions</u>	<u>Reductions</u>	Ending Balance	Amounts Due Within One Year
Deferred Pension Liability - PERS	\$56,186.00	\$	\$4,044.00	\$52,142.00	\$4,390.00
Deferred Pension Liability - PFRS	190,591.00		13,472.00	177,119.00	14,580.00
Bonds Payable - General Obligation Debt	10,056,000.00		741,000.00	9,315,000.00	787,000.00
NJ Environmental Infrastructure Trust - Fund Loan	2,034,610.44		91,410.32	1,943,200.12	111,189.23
NJ Environmental Infrastructure Trust - Trust Loan	<u>869,477.00</u>	<u> </u>	<u>25,526.00</u>	<u>843,951.00</u>	<u>35,564.00</u>
	<u>\$13,206,864.44</u>	<u>\$</u>	<u>\$875,452.32</u>	<u>\$12,331,412.12</u>	<u>\$952,723.23</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, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>ISSUED</u>			
General - Bonds, Loans and Notes	\$18,369,951.12	\$18,238,287.44	\$16,556,983.93
Less: Funds Temporarily Held to Pay Bonds and Notes:			
General	<u> </u>	<u>73,830.51</u>	<u>146,522.71</u>
Net Debt Issued	18,369,951.12	18,164,456.93	16,410,461.22
<u>AUTHORIZED BUT NOT ISSUED</u>			
General - Bonds and Notes	<u>3,026,031.00</u>	<u>3,335,861.51</u>	<u>4,732,817.51</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,395,982.12</u>	<u>\$21,500,318.44</u>	<u>\$21,143,278.73</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 1.289%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$4,190,000.00	\$4,190,000.00	\$0.00
Regional High School District Debt	5,359,867.63	5,359,867.63	0.00
General Debt	<u>21,395,982.12</u>	<u> </u>	<u>21,395,982.12</u>
	<u>\$30,945,849.75</u>	<u>\$9,549,867.63</u>	<u>\$21,395,982.12</u>

Net Debt \$21,395,982.12 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,660,358,493.67 = 1.289%.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

3-1/2% of equalized valuation basis (municipal)	\$58,112,547.28
Less net debt	<u>21,395,982.12</u>
Remaining Borrowing Power	<u>\$36,716,565.16</u>

The Borough's long term debt consisted of the following at December 31, 2015:

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%	\$6,129,000.00
\$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>3,186,000.00</u>
Total Serial Bonds	<u>\$9,315,000.00</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.	\$284,680.00
\$358,875.00 New Jersey Environmental Infrastructure Trust, Fall 2010B dated December 2, 2010 payable in semiannual installments on February 1 and August 1, commencing on February 1, 2011 with a zero percent interest rate	244,523.27
\$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.	199,271.00

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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	\$571,278.68
\$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>1,127,398.17</u>
Total New Jersey Environmental Infrastructure Loans Payable	<u>\$2,787,151.12</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>\$3,026,031.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,119,000.00	219,867.50	1,338,867.50
2021-2024	<u>4,551,000.00</u>	<u>369,773.75</u>	<u>4,920,773.75</u>
	<u>\$9,315,000.00</u>	<u>\$1,868,571.25</u>	<u>\$11,183,571.25</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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>
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	40,974.00	29,512.02	111,189.23
2021-2025	238,267.00	119,915.22	555,946.15
2026-2030	286,144.00	63,165.50	526,751.37
2031-2034	<u>120,847.00</u>	<u>11,512.18</u>	<u>304,556.45</u>
	<u>\$843,951.00</u>	<u>\$358,081.00</u>	<u>\$1,943,200.12</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, 2015, the Borough had \$6,267,800.00 in outstanding general capital bond anticipation notes, maturing on April 8, 2016 at an interest rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Jefferies & Co.	\$	\$6,267,800.00	\$	\$6,267,800.00
TD Bank	<u>5,278,200.00</u>		<u>5,278,200.00</u>	<u>0.00</u>
	<u>\$5,278,200.00</u>	<u>6,267,800.00</u>	<u>\$5,278,200.00</u>	<u>\$6,267,800.00</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorization	<u>\$55,000.00</u>	<u>\$40,000.00</u>	<u>\$15,000.00</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 Dec. 31, 2015	Regional School District Tax Balance Dec. 31, 2015	
Balance of Tax	\$5,629,261.46	\$7,409,121.15	
Deferred	<u>5,518,884.00</u>	<u>7,717,834.50</u>	
Tax Payable	<u>\$110,377.46</u>	<u>(\$308,713.35)</u>	(prepaid)

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, 2015 and 2014
(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, 2015 and 2014
(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, 2015 and 2014
(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.

Defined Contribution Retirement Program

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

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

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

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems: (continued)

Defined Contribution Retirement Program, (continued)

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.

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 8-1/4 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Significant Legislation, (continued)

Of this amount, \$66,013.00 represents the Public Employees' Retirement System deferral and \$223,499.00 represents the Police and Firemen's Retirement System deferral. The outstanding balance at December 31, 2015 for PERS is \$52,142.00 and PFRS is \$177,119.00. The principal amounts that are due in 2016 are \$4,390.00 for PERS and \$14,580.00 for PFRS.

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$255,232.92	\$577,819.21	\$1,771.61
2014	229,593.00	537,423.00	1,825.68
2013	246,466.00	585,471.00	

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements. The following pension information is as of June 30, 2014 which is the latest information available. This information is eighteen months prior to December 31, 2015. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2015, the Borough had a liability of \$5,553,305 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the Borough's proportion was .0296607567 percent, which was an increase/(decrease) of .0004960643 percent from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Borough recognized pension expense of \$255,232.92. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$174,626.00	\$
Net difference between projected and actual earnings on pension plan investments		330,947.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	80,086.00	
Borough contributions subsequent to the measurement date	<u>255,938.00</u>	<u> </u>
Total	<u>\$510,650.00</u>	<u>\$330,947.00</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$50,636.00)
2017	(50,636.00)
2018	(50,636.00)
2019	32,100.00
Thereafter	14,124.00

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	\$19,111,986,111
Borough s Proportion	.0296607567%	.0291646924%

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2014</u>		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
Borough's proportionate share of the pension liability	\$6,986,247.00	\$5,553,305.00	\$4,349,998.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the Borough had a liability of \$8,911,128.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the Borough's proportion was .0708408948 percent, which was an increase/(decrease) of .0016874697 percent from its proportion measured as of June 30, 2013.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

For the year ended December 31, 2015, the Borough recognized pension expense of \$577,819.21. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$334,554.00	\$
Net difference between projected and actual earnings on pension plan investments		909,351.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	187,975.00	
Borough contributions subsequent to the measurement date	<u>571,108.00</u>	<u> </u>
Total	<u>\$1,093,637.00</u>	<u>\$909,351.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$162,627.00)
2017	(162,627.00)
2018	(162,627.00)
2019	64,711.00
Thereafter	11,001.00

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$750,532,959	Not Available
Collective deferred inflows of resources	1,561,923,934	Not Available
Collective net pension liability	13,933,627,178	\$14,533,269,004
Borough's Proportion	.0708408948%	.0691534251%

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	3.95-8.62 Percent (based on age)
Thereafter	4.95-9.62 Percent (based on age)
Investment Rate of Return	7.90 Percent

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>5.32%</u>	At Current Discount Rate <u>6.32%</u>	1% Increase <u>7.32%</u>
Borough's proportionate share of the pension liability	\$13,302,046.00	\$8,911,128.00	\$7,034,788.00

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

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

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

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, 2015 were as follows:

The Borough of Oradell contributions to SHBP for post-retirement benefits for the year ended December 31, 2015 was \$592,428.01 which equaled the required contribution for the year.

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 were as follows:

Current Fund	<u>\$750,000.00</u>
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BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 10. FIXED ASSETS

The balance as of December 31, 2015 and December 31, 2014 are as follows:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land	\$53,692,600.00	\$	\$	\$53,692,600.00
Building	6,906,200.00			6,906,200.00
Machinery and Equipment	<u>6,937,872.00</u>	<u>595,048.00</u>	<u>222,801.00</u>	<u>7,310,119.00</u>
	<u>\$67,536,672.00</u>	<u>\$595,048.00</u>	<u>\$222,801.00</u>	<u>\$67,908,919.00</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.

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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 12. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2015 consist of the following:

\$3,886.01	Due to Current Fund from Animal Control Trust Fund for statutory excess in Animal Control Trust Fund.
<u>1,879.17</u>	Due to Current Fund from Other Trust Fund for Current Fund receipts deposited in Other Trust Fund.
<u>\$5,765.18</u>	

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

NOTE 13. 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 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 13. RISK MANAGEMENT, (continued)

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

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

As a member of these Funds, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

NOTE 14. 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:

	Balance <u>Dec 31, 2015</u>	Balance <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$200,176.49</u>	<u>\$361,222.74</u>
Cash Liability for Taxes Collected in Advance	<u>\$200,176.49</u>	<u>\$361,222.74</u>

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 15. 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 2015 and 2014, respectively, per eligible volunteer into the Plan.

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

We have reviewed the plan for the year ended December 31, 2015 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 16. 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 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through April 7, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>2.911</u>	<u>2.784</u>	<u>2.723</u>
Apportionment of Tax Rate:			
Municipal	.774	.744	.732
County	.271	.263	.249
Local School	.762	.747	.728
Regional High School	1.066	.993	.976
Library	.038	.037	.038

Assessed Valuations:

2015	\$1,645,169,703.00	
2014	\$1,448,343,125.00	
2013		\$1,449,149,500.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2015	\$42,195,009.99	\$41,844,845.53	99.17%
2014	40,354,445.10	40,048,560.97	99.24
2013	39,506,823.51	39,180,505.61	99.17

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>
2015	\$11,142.96	\$294,683.66	\$305,826.62	.72%
2014	9,882.49	268,119.84	278,002.33	.69
2013	8,677.02	261,593.48	270,270.50	.68

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No property was acquired in 2015 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>
2015	\$29,898.00
2014	29,898.00
2013	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>
2015	\$3,225,912.47	\$750,000.00
2014	2,875,124.72	944,515.00
2013	2,268,047.66	781,450.00
2012	1,781,548.67	530,000.00
2011	750,528.57	361,000.00

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	
Donna Risse Alonso	Council President	
James Koth	Councilman	
Garrie Murphy	Councilman	
Edward Pfleging	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	
Stefani Schwartz	Attorney	
Joseph P. Castiglia	Municipal Court Judge	
Alberta Vadala/Cynthia Holmes	Court Administrator	
Christopher Martin	Prosecutor	
Stephen T. Boswell	Engineer	
Charles J. Ferraioli, Jr.	Auditor	

* Covered through the Municipal Excess Liability Joint Insurance Fund.

Borough of Oradell

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	Cumulative Expenditures
Federal and State Grant Fund									
U.S. Department of HUD:									
Pass Through County of Bergen:									
Community Development	14.218		2013	3,638.00	(3,238.00)			(3,238.00)	3,638.00
Senior Citizens Activities			2014	3,274.00	(361.00)			(361.00)	361.00
			2015	5,000.00					
Community Development				42,000.00	42,000.00			42,000.00	
Block Grant	14.218				38,401.00			38,401.00	
U.S. Environmental Protection Agency:									
Pass Through NJ Department of Environmental Protection				8,468.00	7,835.33			7,835.33	632.67
Municipal Stormwater Regulation	66.605								
U.S. Department of Justice									
Bulletproof Vest Partnership Program	16.607		2015	10,450.00	(8,605.00)			(8,605.00)	8,605.00
Bulletproof Vest Partnership Program				4,130.00	(8,605.00)			(8,605.00)	
Total Federal and State Grant Fund					37,631.33			37,631.33	
Current Fund									
U.S. Department of Homeland Security									
Pass Through NJ Department of Law & Public Safety:				262,405.26	(6,759.38)			(6,759.38)	262,405.26
Public Assistance Grant Program	97.036	066-1200-100-A92	2013						
Total Current Fund					(6,759.38)			(6,759.38)	
General Capital Fund									
U.S. Environmental Protection Agency:									
Pass Through NJ Department of Environmental Protection				1,166,956.00	(143,038.00)			(92,933.00)	1,023,612.00
NJ Environmental Trust - Fund Loan	66.458	042-4860-711-009	2014			238,305.00	188,200.00	(92,933.00)	
Total General Capital Fund					(143,038.00)	238,305.00	188,200.00	(92,933.00)	
Total Federal Awards					(112,166.05)	238,305.00	188,200.00	(62,061.05)	

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
<u>Federal and State Grant Fund</u>								
<u>NJ Department of Environmental Protection:</u>								
Clean Communities	4900-765-004	2015	16,429.53		16,429.53		16,429.53	
		2014	13,519.31	13,519.31			13,519.31	
		2013	14,414.82	14,414.82		7,364.20	7,050.62	7,364.20
		2012	12,277.54	1,184.02		1,184.02		12,277.54
				29,118.15	16,429.53	8,548.22	36,999.46	
<u>Recycling Tonnage Grant</u>	4910-100-224	2016	17,401.29		17,401.29		17,401.29	
		2015	27,752.10	27,752.10			27,752.10	
		2014	17,245.24	17,245.24		722.85	16,522.39	722.85
		2013	10,759.02	7,285.94		7,285.94		10,759.02
				52,283.28	17,401.29	8,008.79	61,675.78	
<u>Special Legislative Grant</u>	8030-100-022-8030-260		92,000.00	58.10			58.10	91,941.90
<u>Environmental Service Grant</u>			1,850.00					
<u>NJ Division of State Police SLA HEOP Grant</u>			2,405.72	2,405.72			2,405.72	
<u>NJ Department of Health:</u>								
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, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
NJ Division of Highway Traffic Safety: Drunk Driving Enforcement Fund	6400-100-078	2014	10,918.88 7,055.03 2,453.22 3,563.39	10,918.88 7,055.03 2,453.22 2,824.11 23,251.24		1,215.60 2,824.11 4,039.71	10,918.88 7,055.03 1,237.62 19,211.53	1,215.60 3,563.39
NJ Department of Transportation: Highway Planning and Construction	078-6320-480	2013	150,000.00	(37,500.00) (37,500.00)	37,500.00 37,500.00			150,000.00
NJ Department of Law and Public Safety: Body Armor Replacement	066-1020-718-001	2016 2015 2014 2013	2,015.49 2,102.68 2,783.30 2,251.31		2,015.49		2,015.49 2,102.68 2,783.30 1,894.29 8,795.76	357.02
Council on Alcoholism and Drug Abuse: Pass Through County of Bergen Municipal Drug Alliance		2015 2014	9,876.00 9,876.00	(82.29) (82.29)	4,163.00 4,163.00	4,757.00 4,757.00	(676.29) (676.29)	8,414.29
Pass Through County of Bergen: Municipal Recycling Assistance			4,919.83	2,896.89			2,896.89	2,022.94
Total Federal and State Grant Fund				79,454.28	77,509.31	25,353.72	131,609.87	

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
<u>General Capital Fund</u>								
NJ Environmental Protection Agency:								
NJ Environmental Trust - Trust Loan		2014	388,986.00	(47,679.00)	79,434.00	62,732.00	(30,977.00)	341,202.00
NJ Department of Transportation:								
Highway Planning and Construction	078-6320-480	2014	149,000.00		111,750.00	149,000.00	(37,250.00)	149,000.00
Total General Capital Fund				(47,679.00)	191,184.00	211,732.00	(68,227.00)	
Total State Awards				31,775.28	268,693.31	237,085.72	63,382.87	

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

Borough of Oradell, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2014	A		4,812,884.63
Increased by Receipts:			
Interest and Costs on Taxes	A-2	70,134.63	
Miscellaneous Revenue Not Anticipated	A-2	63,801.31	
Change Fund	A-6	250.00	
Petty Cash	A-7	700.00	
Due From State - Senior Citizen and Veteran Deductions	A-8	64,247.27	
Taxes Receivable	A-9	41,669,968.40	
Revenue Accounts Receivable	A-12	1,863,314.68	
Sewer Discharges Receivable	A-13	75,847.78	
Interfunds	A-14	6,005.60	
Prepaid Taxes	A-18	200,176.49	
Various Cash Liabilities and Reserves	A-22	<u>1,087,613.98</u>	
			<u>45,102,060.14</u>
			49,914,944.77
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	12,915,887.73	
Matching Funds for Grants	A-3	2,065.00	
Petty Cash	A-7	700.00	
Interfunds	A-14	39,376.39	
Appropriation Reserves	A-16	450,266.04	
Local District School Taxes	A-19	10,924,398.06	
Regional High School Taxes	A-20	15,503,102.28	
County Taxes Payable	A-21	3,912,477.70	
Various Cash Liabilities and Reserves	A-22	<u>1,401,504.80</u>	
			<u>45,149,778.00</u>
Balance - December 31, 2015	A		<u><u>4,765,166.77</u></u>

Borough of Oradell , N.J.

Schedule of Cash - Collector-Treasurer

Grant Fund

Year Ended December 31, 2015

	<u>Ref.</u>		<u>Grant Fund</u>
Balance - December 31, 2014	A		128,161.79
Increased by Receipts:			
Grants Receivable	A-23	41,663.00	
Matching Funds for Grants	A-24	2,065.00	
Unappropriated Reserve for Grants	A-25	<u>35,846.31</u>	
			<u>79,574.31</u>
			207,736.10
Decreased by Disbursements:			
Appropriated Reserve for Grants	A-24		<u>25,353.72</u>
Balance - December 31, 2015	A		<u><u>182,382.38</u></u>

Borough of Oradell , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	450.00
Decreased by:		
Cash Receipts	A-4	<u>250.00</u>
Balance - December 31, 2015	A	<u><u>200.00</u></u>
<u>Analysis of Balance:</u>		
Collector - Treasurer		75.00
Police		50.00
Board of Health		25.00
Borough Clerk		<u>50.00</u>
		<u><u>200.00</u></u>

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u><u>700.00</u></u>
Decreased by:		
Returned to Treasurer	A-4	<u><u>700.00</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, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	867.71
Increased by:		
Senior Citizens' Deductions Per Tax Billing		3,750.00
Veterans' Deductions Per Tax Billing		60,750.00
Senior Citizens' and Veterans' Allowed		750.00
Decreased by:		
Senior Citizens' and Veterans' Disallowed		<u>1,321.91</u>
	A-9	<u>63,928.09</u>
		64,795.80
Decreased by:		
State Share of Senior Citizens and Veteran		
Deductions Received in Cash	A-4	<u>64,247.27</u>
Balance - December 31, 2015	A	<u><u>548.53</u></u>

Borough of Oradell, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund									
Year Ended December 31, 2015									
Year	Balance, Dec. 31, 2014	Added Taxes	Levy	<div>2014</div>	<div>Collected</div>	<div>2015</div>	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Balance, Dec. 31, 2015
2014	268,119.84					251,095.61	(821.91)	17,846.14	
2015		36,890.64	42,158,119.35	361,222.74	41,418,872.79	64,750.00		54,220.33	294,683.66
	268,119.84	36,890.64	42,158,119.35	361,222.74	41,669,968.40	63,928.09		72,066.47	294,683.66
	A			A-2/A-18	A-2/A-4	A-2/A-8	A-11		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	42,158,119.35
Added Tax (R.S. 54:4-63.1 et seq.)	36,890.64
	42,195,009.99
Tax Levy:	
Local District School Tax	A-19
Regional High School Tax	A-20
County Tax	A-21
Added County Taxes	A-21
	11,037,768.00
	15,435,669.00
	3,909,400.51
	3,434.32
	3,912,834.83
Local Tax for Municipal Purposes	A-2
Additional Taxes	
	30,386,271.83
	11,769,882.09
	38,856.07
	11,808,738.16
	42,195,009.99

Exhibit A-10**Borough of Oradell , N.J.****Schedule of Property Acquired for
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	<u>29,898.00</u>
Balance - December 31, 2015	A	<u>29,898.00</u>

Exhibit A-11**Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	9,882.49
Increased by:		
Transfers from Taxes Receivable	A-9	<u>1,260.47</u>
Balance - December 31, 2015	A	<u>11,142.96</u>

Borough of Oradell, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Prepayment Applied</u>	<u>Balance Dec. 31, 2015</u>
Clerk:						
Licenses:						
Alcoholic beverages	A-2		6,952.00	6,952.00		
Other	A-2		880.00	880.00		
Board of Health:						
Licenses	A-2		8,580.00	8,580.00		
Tax Collector:						
Fees and Permits	A-2		20.00	20.00		
Fire Prevention Bureau:						
Registration Fees	A-2		30,729.14	30,729.14		
Registrar:						
Licenses	A-2		72.00	72.00		
Fees and Permits	A-2		13,485.00	13,485.00		
Police Department:						
Licenses	A-2		665.00	665.00		
Fees and Permits	A-2		42,795.00	10,765.00	32,030.00	
DPW						
Fees and Permits	A-2		23,650.00	23,650.00		
Municipal Court :						
Fines and Costs	A-2	7,238.38	121,366.20	120,041.44		8,563.14
Uniform Construction Code:						
Fees	A-2		206,099.00	206,099.00		
Fees and Permits - Other	A-2		101,751.00	101,751.00		
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		117,269.61	117,269.61		
Interest on Investments and Deposits	A-2		33,335.81	33,335.81		
Sale of Recyclable Materials	A-2		18,187.04	18,187.04		
Rents from Municipal Properties	A-2	9,116.14	31,022.38	31,058.94		9,079.58
Sewer Charges - Borough of Emerson	A-2	15,619.71	69,319.32	61,780.40		23,158.63
Cell Tower Lease	A-2		229,272.30	229,272.30		
N.J. Transit Corporation (Ch. 40, P.L. 1981)						
Payment in Lieu of Taxes	A-2		56,496.00	56,496.00		
		<u>31,974.23</u>	<u>1,904,171.80</u>	<u>1,863,314.68</u>	<u>32,030.00</u>	<u>40,801.35</u>
		A		A-4	A-22	A

Borough of Oradell , N.J.

Schedule of Sewer Rents Receivable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	2,629.88
Increased by:		
Sewer Rents Levied		74,746.59
Decreased by:		
Collections	A-2,A-4	<u>75,847.78</u>
Balance - December 31, 2015	A	<u><u>1,528.69</u></u>

Borough of Oradell, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance			Due From/(To) Balance	
		<u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2015</u>	
Animal Control Trust Fund	A	6,005.60	3,886.01	6,005.60	3,886.01	
Other Trust	A	2.78	1,876.39		1,879.17	
General Capital Fund	A	<u>(37,500.00)</u>		<u>37,500.00</u>		
		<u>(31,491.62)</u>	<u>5,762.40</u>	<u>43,505.60</u>	<u>5,765.18</u>	
<u>Analysis</u>						
Due to Current Fund	A/A-1	6,008.38			11,770.78	
2015 Anticipated Revenue	A-2				(6,005.60)	
Due From Current Fund	A	<u>(37,500.00)</u>				
		<u>(31,491.62)</u>			<u>5,765.18</u>	
Statutory Excess	A-1		3,886.01			
Disbursements	A-4		1,876.39	37,500.00		
Receipts	A-4			<u>6,005.60</u>		
			<u>5,762.40</u>	<u>43,505.60</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, 2015

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Reduced</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>in 2015</u>	<u>Dec. 31,</u>
			<u>Authorized</u>	<u>2014</u>		<u>2015</u>
December 13, 2011	Hurricane Irene	125,000.00	25,000.00	50,000.00	25,000.00	25,000.00
July 10, 2012	Revaluation	75,000.00	15,000.00	45,000.00	15,000.00	30,000.00
		<u>200,000.00</u>	<u>40,000.00</u>	<u>95,000.00</u>	<u>40,000.00</u>	<u>55,000.00</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, 2015

	Balance, Dec. 31, <u>2014</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	6,756.63	6,756.63		6,756.63
Borough Clerk's Office	1,643.98	1,643.98		1,643.98
Financial Administration	5,509.39	5,509.39		5,509.39
Collection of Taxes	4,221.75	4,221.75		4,221.75
Assessment of Taxes	124.92	124.92		124.92
Planning Board	680.00	680.00		680.00
Board of Adjustment	17.00	17.00		17.00
Police	15,928.44	15,928.44		15,928.44
Emergency Management	155.40	155.40		155.40
Fire Officials	11,038.11	11,038.11		11,038.11
Municipal Court	17,086.06	17,086.06		17,086.06
Municipal Prosecutor	60.48	60.48		60.48
Road Repairs and Maintenance	35,976.29	976.29		976.29
Shade Trees	6,281.66	6,281.66	2,102.63	4,179.03
Public Buildings and Grounds	5,282.41	5,282.41		5,282.41
Sewer System	7,300.96	7,300.96		7,300.96
Shop and Garage	2,898.36	2,898.36		2,898.36
Board of Health	4,825.25	4,825.25		4,825.25
Senior Citizens Transportation	1,737.91	1,737.91		1,737.91
Parks and Playgrounds	9,914.85	9,914.85		9,914.85
Recreation	4,732.42	4,732.42		4,732.42
Construction Code Officials	431.18	431.18		431.18
Code Enforcement Agency	10,156.71	10,156.71		10,156.71
Total Salaries and Wages Within "CAPS"	<u>152,760.16</u>	<u>117,760.16</u>	<u>2,102.63</u>	<u>115,657.53</u>
Other Expenses Within "CAPS":				
Administrative and Executive	19,547.64	19,547.64		19,547.64
Mayor and Council	4,473.37	4,701.37	551.12	4,150.25
Borough Clerk's Office	29,301.98	29,723.09	645.25	29,077.84
Financial Administration	15,555.99	17,645.34	11,024.22	6,621.12
Annual Audit		31,500.00	31,000.00	500.00
Collection of Taxes	3,778.94	3,778.94		3,778.94
Assessment of Taxes	12,148.94	12,148.94		12,148.94
Legal Services and Costs	32,411.08	52,435.96	44,650.72	7,785.24
Engineering Services	16,875.00	16,875.00	3,675.00	13,200.00
Planning Board	7,210.12	7,210.12		7,210.12
Board of Adjustment	5,168.85	5,168.85	950.00	4,218.85
Insurance:				
Other Insurance	3,338.09	44,475.27	41,137.18	3,338.09
Workers' Compensation Insurance	4.84	51,539.63	51,534.79	4.84
Group Insurance	101,682.10	129,193.00	28,313.61	100,879.39
Police	14,704.11	15,611.81	3,397.22	12,214.59

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Purchase of Police Cars	490.54	490.54		490.54
Auxiliary Police	3,000.00	3,000.00		3,000.00
Emergency Management	3,086.26	3,086.26		3,086.26
First Aid Squad Contributions	11,954.37	11,954.37	8,000.00	3,954.37
Fire	16,180.61	19,387.41	9,190.96	10,196.45
Fire Officials	2,053.48	2,053.48	610.00	1,443.48
Municipal Court	4,180.13	4,180.13	755.00	3,425.13
Public Defender	840.00	840.00		840.00
Road Repairs and Maintenance	33,952.78	43,545.61	13,491.60	30,054.01
Shade Trees	17,011.89	18,511.89	1,500.00	17,011.89
Garbage and Trash Removal - Contractual	3.76	3.76		3.76
Disposal Costs / Tipping Fees	42,165.24	42,165.24	19,479.16	22,686.08
Recycling Program - Contractual	23,472.35	26,300.58	12,356.23	13,944.35
Public Buildings and Grounds	9,426.69	53,306.81	40,341.40	12,965.41
Sewer System	18,760.87	29,744.31	17,160.44	12,583.87
Shop and Garage	28,599.69	52,131.73	31,371.66	20,760.07
Environmental Committee	1,000.00	1,000.00		1,000.00
Board of Health	7,287.55	7,287.55	995.00	6,292.55
PEOSHA Hep. B Vac.	2,600.00	2,600.00		2,600.00
Senior Citizens' Center	186.52	4,126.52	4,040.00	86.52
Parks and Playground	9,799.36	11,080.89	1,343.20	9,737.69
Recreation	9,053.29	11,388.30	2,455.00	8,933.30
Beautification Projects	800.05	800.05		800.05
Construction Code Official	1,246.14	1,246.14		1,246.14
Code Enforcement Agency	952.98	952.98	900.00	52.98
Celebration of Public Events	1,743.55	3,943.55	2,200.00	1,743.55
Street Lighting	6,790.44	21,065.42	14,188.46	6,876.96
Telephone	3,745.09	3,745.09	2,012.39	1,732.70
Fire Hydrant Service	662.72	11,774.16	11,070.25	703.91
Gasoline	24,900.48	30,144.24	7,738.76	22,405.48
Video Committee	3,185.62	3,327.60	141.98	3,185.62
Contingent	2,000.00	2,000.00		2,000.00
Total Other Expenses Within "CAPS"	<u>557,333.50</u>	<u>868,739.57</u>	<u>418,220.60</u>	<u>450,518.97</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	15,831.46	15,831.46		15,831.46
Defined Contribution Retirement Plan	<u>1,974.32</u>	<u>1,974.32</u>		<u>1,974.32</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>17,805.78</u>	<u>17,805.78</u>		<u>17,805.78</u>

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Total Reserves Within "CAPS"	<u>727,899.44</u>	<u>1,004,305.51</u>	<u>420,323.23</u>	<u>583,982.28</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utilities Authority	675.22	675.22		675.22
Recycling Tax (PL 2007, c.311)	2,703.76	2,703.76	942.54	1,761.22
Emergency Service Volunteer Length of Service Award Program	44,000.00	44,000.00	42,619.15	1,380.85
Interlocal - 911 Communications - Contractual	<u>5,000.00</u>	<u>5,000.00</u>		<u>5,000.00</u>
Total Other Expenses Excluded from "CAPS"	<u>52,378.98</u>	<u>52,378.98</u>	<u>43,561.69</u>	<u>8,817.29</u>
Total Reserves Excluded from "CAPS"	<u>52,378.98</u>	<u>52,378.98</u>	<u>43,561.69</u>	<u>8,817.29</u>
Total Reserves	<u>780,278.42</u>	<u>1,056,684.49</u>	<u>463,884.92</u>	<u>592,799.57</u>
	A			A-1
	<u>Ref.</u>			
Appropriation Reserves	above	780,278.42		
Transfer from Reserve for Encumbrances	A-17	<u>276,406.07</u>		
		<u>1,056,684.49</u>		
Cash Disbursements	A-4		450,266.04	
Accounts Payable	A-22		<u>13,618.88</u>	
			<u>463,884.92</u>	

Borough of Oradell, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	276,406.07
Increased by:		
Transfer from Current Appropriations	A-3	<u>386,003.77</u>
		662,409.84
Decreased by:		
Transferred to Appropriation Reserves	A-16	<u>276,406.07</u>
Balance - December 31, 2015	A	<u><u>386,003.77</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	A	361,222.74
Increased by:		
Receipts - Prepaid 2016 Taxes	A-4	<u>200,176.49</u>
		561,399.23
Decreased by:		
Applied to 2015 Taxes	A-9	<u>361,222.74</u>
Balance - December 31, 2015	A	<u><u>200,176.49</u></u>

Borough of Oradell, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014			
School Tax Payable	A	108,154.52	
School Tax Deferred		<u>5,407,737.00</u>	
			5,515,891.52
Increased by:			
Levy School Year - July 1, 2015			
to June 30, 2016	A-9		<u>11,037,768.00</u>
			16,553,659.52
Decreased by:			
Payments	A-4		<u>10,924,398.06</u>
Balance - December 31, 2015			
School Tax Payable	A	110,377.46	
School Tax Deferred		<u>5,518,884.00</u>	
			<u>5,629,261.46</u>
2015 Liability for Local			
District School Tax:			
Tax Paid			10,924,398.06
Tax Payable			<u>110,377.46</u>
			11,034,775.52
Less Tax Payable - December 31, 2014			<u>108,154.52</u>
Amount Charged to 2015 Operations	A-1		<u>10,926,621.00</u>

Borough of Oradell , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014			
School Tax Payable	A/A-1	287,560.43	
School Tax Deferred		<u>7,188,994.00</u>	
			7,476,554.43
Increased by:			
Levy School Year - July 1, 2015			
to June 30, 2016	A-9		<u>15,435,669.00</u>
			22,912,223.43
Decreased by:			
Payments	A-4		<u>15,503,102.28</u>
Balance - December 31, 2015			
School Tax Payable	A	(308,713.35)	
School Tax Deferred		<u>7,717,834.50</u>	
			<u><u>7,409,121.15</u></u>
2015 Liability for Regional High			
School District Tax:			
Tax Paid			15,503,102.28
School Tax Payable - December 31, 2015			<u>15,503,102.28</u>
Less: School Tax Payable - December 31, 2014			<u>287,560.43</u>
Amount Charged to 2015 Operations	A-1		<u><u>15,215,541.85</u></u>

Borough of Oradell , N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> A		3,077.19
Increased by:			
Levy	A-1/A-9	3,909,400.51	
Added and Omitted Taxes	A-1/A-9	<u>3,434.32</u>	
			<u>3,912,834.83</u>
			3,915,912.02
Decreased by:			
Payments	A-4		<u>3,912,477.70</u>
Balance - December 31, 2015	A		<u><u>3,434.32</u></u>

Borough of Oradell , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
<u>Liabilities:</u>				
Tax Overpayments	20,118.27	66,864.78	57,421.16	29,561.89
Due to State of NJ Marriage Surcharge	150.00	600.00	675.00	75.00
Due to State of NJ Building Surcharge	3,023.00	15,185.00	13,818.00	4,390.00
Outside Liens	20,123.30	967,824.20	987,947.50	
Prepaid Revenues	32,030.00	33,490.00	32,030.00	33,490.00
Accounts Payable	900.00	13,618.88	900.00	13,618.88
<u>Reserves for:</u>				
Tax Appeals	92,544.08	313,000.00	336,663.14	68,880.94
Master Plan	13.60			13.60
Revaluation of Real Property	6,435.00			6,435.00
Contributions Towards Municipal Calendar	4,541.00	3,650.00	4,080.00	4,111.00
	<u>179,878.25</u>	<u>1,414,232.86</u>	<u>1,433,534.80</u>	<u>160,576.31</u>
	A			A
	<u>Ref.</u>			
Transferred from Current Year Appropriations	A-3	313,000.00		
Receipts	A-4	1,087,613.98		
Disbursed	A-4		1,401,504.80	
Applied to 2015 Revenue Accounts Receivable	A-12		32,030.00	
Transferred from Appropriation Reserves	A-16	13,618.88		
		<u>1,414,232.86</u>	<u>1,433,534.80</u>	

Borough of Oradell, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Budget Revenue	<u>Received</u>	Balance, Dec. 31, 2015
Federal Grants:				
Community Development - Senior Citizens	6,526.00	5,000.00		11,526.00
Bulletproof Vest Grant	10,450.00	4,130.00		14,580.00
	<u>16,976.00</u>	<u>9,130.00</u>		<u>26,106.00</u>
State Grants:				
NJ DOT - Various Roads	37,500.00		37,500.00	
Drunk Driving Enforcement Fund		10,918.88	10,918.88	
Recycling Tonnage Grant		27,752.10	27,752.10	
Body Armor Replacement Fund		2,102.68	2,102.68	
Clean Communities		13,519.31	13,519.31	
Municipal Alliance on Alcoholism and Drug Abuse	6,301.00	9,876.00	4,163.00	12,014.00
Environmental Service Grant	<u>1,850.00</u>			<u>1,850.00</u>
	<u>45,651.00</u>	<u>64,168.97</u>	<u>95,955.97</u>	<u>13,864.00</u>
	<u>62,627.00</u>	<u>73,298.97</u>	<u>95,955.97</u>	<u>39,970.00</u>
	<u>A</u>	<u>A-2, A-24</u>		<u>A</u>
		<u>Ref.</u>		
	Cash Receipts	A-5	41,663.00	
Transferred from Unappropriated Reserves		A-25	<u>54,292.97</u>	
			<u>95,955.97</u>	

Borough of Oradell, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Transfer From 2015 Budget	<u>Expended</u>	Balance, Dec. 31, 2015
Local Grants:				
Environmental Service Grant	1,725.00			1,725.00
Bulletproof Vest Grant		2,065.00		2,065.00
Municipal Alliance on Alcoholism and Drug Abuse	6,060.88			6,060.88
Bergen County Open Space Trust	3,290.30			3,290.30
	<u>11,076.18</u>	<u>2,065.00</u>		<u>13,141.18</u>
Federal Grants				
Community Development	2,927.00	5,000.00		7,927.00
Bulletproof Vest Grant	1,845.00	4,130.00		5,975.00
Community Development Block Grant	42,000.00			42,000.00
Municipal Stormwater Regulation Grant	7,835.33			7,835.33
	<u>54,607.33</u>	<u>9,130.00</u>		<u>63,737.33</u>
State Grants:				
Drunk Driving Enforcement Fund	12,332.36	10,918.88	4,039.71	19,211.53
Clean Communities Grant	15,598.84	13,519.31	8,548.22	20,569.93
Municipal Alliance on Alcoholism and Drug Abuse	6,218.71	9,876.00	4,757.00	11,337.71
Special Legislative Grant	58.10			58.10
Municipal Recycling Assistance	2,896.89			2,896.89
Recycling Grant	24,531.18	27,752.10	8,008.79	44,274.49
Body Armor Replacement Fund	4,677.59	2,102.68		6,780.27
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>70,812.31</u>	<u>64,168.97</u>	<u>25,353.72</u>	<u>109,627.56</u>
	<u>136,495.82</u>	<u>75,363.97</u>	<u>25,353.72</u>	<u>186,506.07</u>
	A		A-5	A
	<u>Ref.</u>			
State and Federal Grants	A-3, A-23	73,298.97		
Matching Funds for Grants	A-3, A-5	<u>2,065.00</u>		
		<u>75,363.97</u>		

Borough of Oradell , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, <u>2014</u>	Transfer To 2015 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2015</u>
State Grants:				
Drunk Driving Enforcement Fund	10,918.88	10,918.88		
Clean Communities	13,519.31	13,519.31	16,429.53	16,429.53
Body Armor Protection Grant	2,102.68	2,102.68	2,015.49	2,015.49
Recycling Tonnage Grant	27,752.10	27,752.10	17,401.29	17,401.29
	<u>54,292.97</u>	<u>54,292.97</u>	<u>35,846.31</u>	<u>35,846.31</u>
	<u>54,292.97</u>	<u>54,292.97</u>	<u>35,846.31</u>	<u>35,846.31</u>
	A	A-23	A-5	A

Borough of Oradell, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	<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, 2014	B	<u>16,303.20</u>	<u>1,163,408.91</u>	<u>1,240.00</u>	<u>767,409.63</u>
Increase by Receipts:					
Dog License Fees - Borough Share	B-2	4,646.40			
Late Fees Collected	B-2	410.00			
Dog License Fees - State Share	B-3	693.60			
Interfund - Current Fund	B-4	3,886.01	1,876.39		
Other Trust Funds	B-5		139,064.47		
Payroll Deductions Payable	B-6			2,252,348.26	
Net Payroll	B-7			3,478,491.69	
Contributions Receivable	B-8				42,619.15
Net Assets Available for Benefits	B-9				(112.54)
Total Receipts		<u>9,636.01</u>	<u>140,940.86</u>	<u>5,730,839.95</u>	<u>42,506.61</u>
		<u>25,939.21</u>	<u>1,304,349.77</u>	<u>5,732,079.95</u>	<u>809,916.24</u>
Decreased by Disbursements:					
Reserve for Animal Control Expenditures	B-2	5,008.00			
State Share - Dog Licenses	B-3	693.60			
Interfund - Current Fund	B-4	6,005.60			
Other Trust Funds	B-5		741,591.27		
Payroll Deductions Payable	B-6			2,252,595.21	
Net Payroll	B-7			3,478,491.69	
Net Assets Available for Benefits	B-9				30,825.11
Total Disbursements		<u>11,707.20</u>	<u>741,591.27</u>	<u>5,731,086.90</u>	<u>30,825.11</u>
Balance - December 31, 2015	B	<u>14,232.01</u>	<u>562,758.50</u>	<u>993.05</u>	<u>779,091.13</u>

Borough of Oradell, N.J.

Reserve for Animal Control Expenditures

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	B		10,297.60
Increased by:			
Dog License Fees	B-1	4,646.40	
Late Fees & Miscellaneous	B-1	<u>410.00</u>	
			<u>5,056.40</u>
			15,354.00
Decreased by:			
Statutory Excess		3,886.01	
Expenditures R.S. 4:19-1511		<u>1,121.99</u>	
	B-1		<u>5,008.00</u>
Balance - December 31, 2015	B		<u><u>10,346.00</u></u>

	<u>License Fees Collected</u>	
<u>Year</u>		
2014		5,138.80
2013		<u>5,207.20</u>
		<u><u>10,346.00</u></u>

Borough of Oradell, N.J.

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	
Increased by:		
State Fees Collected	B-1	693.60
Decreased by:		
Paid to State	B-1	<u>693.60</u>
Balance - December 31, 2015	B	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Animal Control Trust Fund	6,005.60	3,886.01	6,005.60	3,886.01
Other Trust	<u>2.78</u>	<u>1,876.39</u>		<u>1,879.17</u>
	<u>6,008.38</u>	<u>5,762.40</u>	<u>6,005.60</u>	<u>5,765.18</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Dog License Fund	B-1	3,886.01		
Cash Disbursements - Dog License	B-1		6,005.60	
Cash Receipts - Other Trust	B-1	<u>1,876.39</u>		
		<u>5,762.40</u>	<u>6,005.60</u>	

Borough of Oradell, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2015</u>
Miscellaneous Escrow Deposits	222,285.70	71,300.56	42,416.34	251,169.92
Developers Escrow	8,504.08	128.25		8,632.33
Reserve for:				
Tax Sale Premiums	738,100.00		648,100.00	90,000.00
Municipal Court - P.O.A.A.	71.14	528.00		599.14
Fireworks & Other Donations	16,555.38	6,572.79	6,644.20	16,483.97
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	120,901.43	32,670.00		153,571.43
VFW Donation	3,145.00			3,145.00
Shade Trees	4,223.76		954.00	3,269.76
Security Deposits	4,750.00		1,875.00	2,875.00
Unemployment	11,499.17	26,398.31	31,187.73	6,709.75
Municipal Alliance	11,885.74	927.99	1,458.50	11,355.23
COAH	7,428.23	11.55	7,135.00	304.78
Environmental Donations	806.40	2.02		808.42
Fire Safety Penalty	225.00	525.00		750.00
	<u>1,163,406.13</u>	<u>139,064.47</u>	<u>741,591.27</u>	<u>560,879.33</u>
	B	B-1	B-1	B

Borough of Oradell, N.J.

Schedule of Payroll Deductions Payable

Payroll Trust Fund

Year Ended December 31, 2015

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Withholding Tax		770,299.07	770,299.07	
Social Security		449,161.89	449,161.89	
State Withholding Tax		214,265.16	214,265.16	
Unemployment Insurance		11,133.36	11,133.36	
Public Employees' Retirement System		183,397.04	183,397.04	
Contributory Insurance		9,808.20	9,808.20	
Police and Firemen's Retirement System		291,158.70	291,158.70	
DCRP		16,756.48	16,756.48	
Police Legal Fund		3,325.00	3,325.00	
Union Dues		15,031.18	15,031.18	
AFLX	1,240.00	10,621.92	10,868.87	993.05
Employee Insurance Contribution		156,545.62	156,545.62	
Vision		4,038.64	4,038.64	
Deferred Compensation		116,806.00	116,806.00	
	<u>1,240.00</u>	<u>2,252,348.26</u>	<u>2,252,595.21</u>	<u>993.05</u>
	B	B-1	B-1	B

Schedule of Net Payroll

Payroll Trust Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	<u>3,478,491.69</u>
Decreased by :		
Disbursements	B-1	<u>3,478,491.69</u>

Borough of Oradell, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	42,619.15
Increased by:		
Borough Contributions	B-9	<u>43,836.84</u>
		86,455.99
Decreased by:		
Cash Receipts	B-1	<u>42,619.15</u>
Balance - December 31, 2015	B	<u><u>43,836.84</u></u>

Borough of Oradell, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	810,028.78
Increased by:		
Borough Contributions	B-8	43,836.84
Gain or (Loss)	B-1	<u>(112.54)</u>
		<u>43,724.30</u>
		853,753.08
Decreased by:		
Withdrawals	B-1	<u>30,825.11</u>
Balance - December 31, 2015	B	<u><u>822,927.97</u></u>

Borough of Oradell , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		1,732,508.04
Increased by Receipts:			
Premium on Bond Anticipation Notes	C-1	33,973.00	
Various Receivables	C-6	317,739.00	
Bond Anticipation Notes	C-7	6,267,800.00	
Capital Improvement Fund	C-16	50,000.00	
Due from Current Fund	C-19	<u>37,500.00</u>	
			<u>6,707,012.00</u>
			8,439,520.04
Decreased by Disbursements:			
Bond Anticipation Notes	C-7	5,043,800.00	
Improvement Authorizations	C-15	<u>1,341,095.20</u>	
			<u>6,384,895.20</u>
Balance - December 31, 2015	C		<u><u>2,054,624.84</u></u>

Borough of Oradell , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	C-1	33,973.00
Various Receivables	C-6	(343,302.00)
Capital Improvement Fund	C-16	9,944.21
Preliminary Costs	C-17	315.50
Reserve for Various Improvements	C-18	38,002.64
Reserve for Receivables	C-20	37,250.00
Accounts Payable		1.00

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	42,750.81
07-17	Various Improvements	29,835.69
07-19	Various Improvements	245,447.69
08-08	Various Improvements	47,498.89
08-16	Construction of Student Drop-Off	(100,000.00)
09-01	Various Improvements	58,187.97
09-08	Improvement of Sanitary Sewer System	(535.48)
09-10	Various Improvements	78,599.19
10-02	Improvement of Various Roads	186,664.03
11-11	Various Improvements	329,070.04
12-07	Various Improvements	0.00
12-16	Various Improvements	232,506.66
13-10	Various Improvements	147,515.93
13-11	Improvement of Sanitary Sewer System	148,930.48
14-04	Various Improvements	925,265.10
15-09	Various Improvements	(125,665.36)

C, C-2 2,054,624.84

Borough of Oradell , N.J.

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	12,960,087.44
Decreased by:		
Current Year Budget Appropriation:		
Serial Bonds	C-8	741,000.00
NJ Environmental Infrastructure Trust I	C-9	18,247.87
NJ Environmental Infrastructure Trust I	C-10	15,000.00
NJ Environmental Infrastructure Trust II	C-11	33,604.62
NJ Environmental Infrastructure Trust II	C-12	10,526.00
NJ Environmental Infrastructure Trust II	C-13	<u>39,557.83</u>
		<u>857,936.32</u>
Balance - December 31, 2015	C	<u><u>12,102,151.12</u></u>

Borough of Oradell, N.J.
Schedule of Deferred Charges to Future Taxation - Unfunded
General Capital Fund
Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Balance, Dec. 31, 2015	Analysis of Balance Dec. 31, 2015		
						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	244,000.00		10,500.00	233,500.00	233,500.00		
08-04	Various Improvements	156,500.00		7,200.00	149,300.00	149,300.00		
08-08	Various Improvements	542,200.00		22,400.00	519,800.00	519,800.00		
08-16	Construction of Student Drop-Off Lane	118,700.00		1,100.00	117,600.00	17,600.00	100,000.00	
09-01	Various Improvements	342,800.00		18,600.00	324,200.00	324,200.00		
09-08	Improvement of Sanitary Sewer System	56,125.00			56,125.00		535.48	55,589.52
09-10/12-07	Various Improvements	728,800.00		33,100.00	695,700.00	695,700.00		
10-01	Refunding Tax Appeals	64,000.00		64,000.00				
10-02	Improvement of Various Roads	703,200.00		41,400.00	661,800.00	661,800.00		
11-11/12-07	Various Improvements	813,000.00		36,100.00	776,900.00	776,900.00		
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			1,094,000.00	1,094,000.00		1,873,044.00
13-11	Improvement of Sanitary Sewer System III	1,873,044.00			1,873,044.00			
14-4	Various Improvements	1,224,000.00			1,224,000.00	1,224,000.00		
15-09	Various Improvements		988,000.00		988,000.00		125,665.36	862,334.64
		8,540,231.00	988,000.00	234,400.00	9,293,831.00	6,267,800.00	226,250.84	2,799,780.16
		C	C-15, C-21	C-7	C			
						Improvement Authorizations Unfunded	C-15	4,834,923.66
						Less: Unexpended Proceeds of Bond		
						Anticipation Notes - Ord. #		
						07-17	29,835.69	
						08-08	47,498.89	
						09-01	58,187.97	
						09-10	78,599.19	
						10-02	186,664.03	
						11-11	329,070.04	
						12-16	232,506.66	
						13-10	147,515.93	
						14-4	925,265.10	
								2,035,143.50
								2,799,780.16

Borough of Oradell , N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2015

	Balance, <u>Dec. 31, 2014</u>	<u>Decreased</u>	Balance, <u>Dec. 31, 2015</u>
Due from N.J. DOT			
Ordinance # 14-4	149,000.00	111,750.00	37,250.00
Due from NJ Environmental Infrastructure Trust			
Fund Loan Agreement III	474,582.00	238,305.00	236,277.00
Trust Loan Agreement III	129,209.00	79,434.00	49,775.00
Due from Outside Contribution -			
Ordinance # 09-10	20,000.00		20,000.00
	<u>772,791.00</u>	<u>429,489.00</u>	<u>343,302.00</u>
	C		C

	<u>Ref.</u>	
Cash Receipts	C-2	317,739.00
Reserve for Receivables	C-20	<u>111,750.00</u>
		<u>429,489.00</u>

Borough of Oradell, N.J.

Schedule of Bond Anticipation Notes Payable

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance,			Balance,
						Dec. 31, 2014	Increased	Decreased	Dec. 31, 2015
07-17	Various Improvements	05/13/10	04/09/15	04/08/16	1.00%	244,000.00	233,500.00	244,000.00	233,500.00
08-04	Various Improvements	05/13/10	04/09/15	04/08/16	1.00%	156,500.00	149,300.00	156,500.00	149,300.00
08-08	Various Improvements	05/13/10	04/09/15	04/08/16	1.00%	542,200.00	519,800.00	542,200.00	519,800.00
08-16	Construction of Student Drop-Off	05/13/10	04/09/15	04/08/16	1.00%	18,700.00	17,600.00	18,700.00	17,600.00
09-01	Various Improvements	05/13/10	04/09/15	04/08/16	1.00%	342,800.00	324,200.00	342,800.00	324,200.00
09-10/12-07	Various Improvements	05/13/10	04/09/15	04/08/16	1.00%	728,800.00	695,700.00	728,800.00	695,700.00
10-01	Refunding Tax Appeals	05/13/10	04/09/15	04/08/16	1.00%	64,000.00		64,000.00	
10-02	Improvement of Various Roads	05/13/10	04/09/15	04/08/16	1.00%	703,200.00	661,800.00	703,200.00	661,800.00
11-11/12-07	Various Improvements	04/13/12	04/09/15	04/08/16	1.00%	813,000.00	776,900.00	813,000.00	776,900.00
12-16	Various Improvements	04/11/13	04/09/15	04/08/16	1.00%	571,000.00	571,000.00	571,000.00	571,000.00
13-10	Various Improvements	04/10/14	04/09/15	04/08/16	1.00%	1,094,000.00	1,094,000.00	1,094,000.00	1,094,000.00
14-04	Various Improvements	04/09/15	04/09/15	04/08/16	1.00%		1,224,000.00		1,224,000.00
						<u>5,278,200.00</u>	<u>6,267,800.00</u>	<u>5,278,200.00</u>	<u>6,267,800.00</u>
						C	C-2		C
							Ref.		
						Cash Disbursements	C-2	5,043,800.00	
						Budget Appropriation	C-5	234,400.00	
								5,278,200.00	

Borough of Oradell, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Bonds Outstanding, December 31, 2015					
			Date	Amount				
General Bonds of 2007	01/01/07	7,379,000.00	01/01/16	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%	6,454,000.00	325,000.00	6,129,000.00
2010 BCIA Bonds	05/10/10	4,041,000.00	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%	3,602,000.00	416,000.00	3,186,000.00		
						<u>10,056,000.00</u>	<u>741,000.00</u>	<u>9,315,000.00</u>
						<u>C</u>	<u>C-4</u>	<u>C</u>

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	262,771.14
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>18,247.87</u>
Balance - December 31, 2015	C	<u><u>244,523.27</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
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><u>244,523.27</u></u>	

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	299,680.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>15,000.00</u>
Balance - December 31, 2015	C	<u><u>284,680.00</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>128,250.00</u>	<u>284,680.00</u>	

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	604,883.30
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>33,604.62</u>
Balance - December 31, 2015	C	<u><u>571,278.68</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
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>571,278.68</u></u>	

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	209,797.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>10,526.00</u>
Balance - December 31, 2015	C	<u><u>199,271.00</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>56,881.00</u>	<u>199,271.00</u>	

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	1,166,956.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	C-4	<u>39,557.83</u>
Balance - December 31, 2015	C	<u><u>1,127,398.17</u></u>

<u>Payment Date</u>	<u>Principal</u>	<u>Loan Balance</u>
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>1,127,398.17</u>	

Borough of Oradell, N.J.

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

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	<u>360,000.00</u>

Balance - December 31, 2015	C	<u>360,000.00</u>
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<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>172,950.00</u>	<u>360,000.00</u>	

Borough of Oradell, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2014		2015 Authorizations	Paid or Charged	Balance, Dec. 31, 2015	
		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	54,535.71			11,784.90	42,750.81	
07-17	Various Improvements	09/25/07	544,000.00	700.00	34,635.69		5,500.00		29,835.69
07-19	Various Improvements	09/25/07	741,097.69	368,150.70			122,703.01	245,447.69	
08-08	Various Improvements	07/22/08	745,000.00		72,916.45		25,417.56		47,498.89
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	827.02	56,125.00		1,362.50		55,589.52
09-10	Various Improvements	11/10/09	855,000.00		80,516.41		1,917.22		78,599.19
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		465,829.00		136,758.96		329,070.04
12-16	Various Improvements	11/27/12	600,000.00		281,488.64		48,981.98		232,506.66
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		376,477.87		228,961.94		147,515.93
13-11	Improvement of Sanitary Sewer System III	12/12/13	3,400,000.00	422,432.31	1,873,044.00		273,501.83	148,930.48	1,873,044.00
14-04	Various Improvements	06/24/14	1,286,000.00	9,805.04	1,224,000.00		308,539.94		925,265.10
15-09	Various Improvements	08/11/15	1,038,000.00			1,038,000.00	175,665.36		862,334.64
				<u>888,869.63</u>	<u>4,718,697.06</u>	<u>1,038,000.00</u>	<u>1,341,095.20</u>	<u>469,547.83</u>	<u>4,834,923.66</u>
				C	C		C-2	C	C
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund									
				Ref.		988,000.00			
				C-5, C-21		50,000.00			
				C-16					
						<u>1,038,000.00</u>			

Exhibit C-16**Borough of Oradell , N.J.****Schedule of Capital Improvement Fund****General Capital Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	9,944.21
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		59,944.21
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-15	<u>50,000.00</u>
Balance - December 31, 2015	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, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	<u><u>315.50</u></u>
Balance - December 31, 2015	C/C-3	<u><u>315.50</u></u>
Analysis of Balance - December 31, 2015		
Elizabeth Street Project		<u><u>315.50</u></u>

Borough of Oradell , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2015

	Balance, <u>Dec. 31, 2014</u>	Balance, <u>Dec. 31, 2015</u>
Library Improvements	12,106.27	12,106.27
Road Improvements	25,896.37	25,896.37
	<hr/>	<hr/>
	38,002.64	38,002.64
	<hr/> <hr/>	<hr/> <hr/>
	C	C, C-3

Borough of Oradell , N.J.

Schedule of Due from Current Fund

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	37,500.00
Decreased by:		
Cash Receipts	C-2	<u>37,500.00</u>
Balance - December 31, 2015	C, C-3	<u><u> </u></u>

Borough of Oradell, N.J.

Schedule of Reserve for Receivables

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	149,000.00
Decreased by:		
Cash Receipts	C-6	<u>111,750.00</u>
Balance - December 31, 2015	C, C-3	<u><u>37,250.00</u></u>

Borough of Oradell, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased	Balance Dec. 31, 2015
General improvements:					
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
13-11	Improvement of Sanitary Sewer System II	1,873,044.00			1,873,044.00
14-04	Various Improvements	1,224,000.00		1,224,000.00	
15-09	Various Improvements		988,000.00		988,000.00
		3,335,861.51	988,000.00	1,297,830.51	3,026,031.00
			C-5, C-15		Footnote C

BOROUGH OF ORADELL

PART II

LETTER ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of the Borough Council
Borough of Oradell
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, 2015 and the related notes to the financial statements, and have issued our report thereon dated April 7, 2016, 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

April 7, 2016



GENERAL COMMENTS

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2010 the bid threshold was increased to \$36,000 and to \$40,000 on July 1, 2015 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 \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids 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 the bid threshold 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:

Hoffman Field Rehabilitation and Improvements
Local Road Program
Schaefer Ave, Section 2
Recycling

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.

GENERAL COMMENTS, (continued)

Our examination of expenditures did reveal 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 not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

In some instances, vendors were paid in excess of the bid threshold but bids were not received.

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 4, 2015 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.

DELINQUENT TAXES AND TAX TITLE LIENS

The Borough did not hold a tax sale in 2015.

GENERAL COMMENTS, (continued)

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>
2015	3
2014	3
2013	3

School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2015, 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.

Expenditures

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

In several instances, purchases were made prior to the proper approval.

In some instances, Political Disclosure forms were not submitted by vendors required to submit them.

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.

Three employees did not have the correct health benefit contribution deducted from their pay.

Other

The summary or synopsis of the 2015 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 all purchases that exceed the bid threshold be put out for bid.
- 2. That all purchases be made only after the proper authorization is received.
- *3. That all vendors required to submit Political Disclosure forms submit them.
- 4. That the correct health benefit contribution be deducted from employees pay.

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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