

BOROUGH OF ORADELL, N.J.
REPORT OF AUDIT ON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2019

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, 2019



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2019 and 2018, 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, 2019, 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 opinions 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, 2019 and 2018, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 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 \$1,226,732.33 and \$1,031,055.45 for 2019 and 2018, 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 matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, 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, 2019 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.

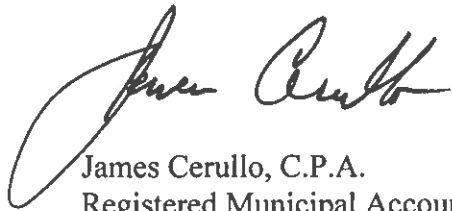
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020 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

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

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.



James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 22, 2020

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|---------------------|---------------------|
| <u>Assets</u> | | | |
| Current Fund: | | | |
| Cash | A-4 | 6,355,356.83 | 6,378,120.32 |
| Change Fund | A-6 | 200.00 | 200.00 |
| Due from State of New Jersey: | | | |
| Senior Citizens and Veteran Deductions | A-8 | 1,048.53 | 1,048.53 |
| | | <u>6,356,605.36</u> | <u>6,379,368.85</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Taxes Receivable | A-9 | 327,397.99 | 242,815.25 |
| Property Acquired for Taxes - | | | |
| Assessed Valuation | A-10 | 29,898.00 | 29,898.00 |
| Tax Title Liens | A-11 | 15,996.47 | 14,790.13 |
| Revenue Accounts Receivable | A-12 | 28,351.34 | 40,506.72 |
| Sewer Dischargers Receivable | A-13 | 1,188.60 | 8,450.49 |
| Interfund Receivables: | | | |
| Animal Control Trust Fund | A-14 | 2,058.40 | 3,001.10 |
| | | <u>404,890.80</u> | <u>339,461.69</u> |
| | | <u>6,761,496.16</u> | <u>6,718,830.54</u> |
| Federal and State Grant Fund: | | | |
| Cash | A-5 | 146,426.12 | 161,537.29 |
| Grants Receivable | A-22 | 20,968.75 | 20,468.75 |
| | | <u>167,394.87</u> | <u>182,006.04</u> |
| | | <u>6,928,891.03</u> | <u>6,900,836.58</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>2019</u> | <u>2018</u> |
|---|-------------|---------------------|---------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Current Fund: | | | |
| Appropriation Reserves | A-3/A-15 | 935,253.80 | 757,299.04 |
| Interfund - General Capital | A-14 | | 20,050.00 |
| Interfund - Other Trust Fund | A-14 | 1,480.55 | |
| Encumbrances Payable | A-16 | 430,743.73 | 266,614.31 |
| Prepaid Taxes | A-17 | 121,262.30 | 286,425.14 |
| Local School Tax Payable | A-18 | 0.50 | |
| County Tax Payable | A-20 | 4,233.24 | 5,851.59 |
| Due to State of New Jersey: | | | |
| Marriage Surcharge | A-21 | 200.00 | 200.00 |
| Building Surcharge | A-21 | 2,943.00 | 5,305.00 |
| Tax Overpayments | A-21 | 12,536.42 | 5,954.10 |
| Prepaid Licenses | A-21 | 9,625.00 | 11,050.00 |
| Reserve for: | | | |
| Tax Appeals | A-21 | 598,222.75 | 202,697.42 |
| Master Plan | A-21 | 13.60 | 13.60 |
| Revaluation of Real Property | A-21 | 6,435.00 | 6,435.00 |
| Municipal Calendar | A-21 | 14,486.00 | 11,736.00 |
| | | <u>2,137,435.89</u> | <u>1,579,631.20</u> |
| Reserve for Receivables | Contra | 404,890.80 | 339,461.69 |
| Fund Balance | A-1 | <u>4,219,169.47</u> | <u>4,799,737.65</u> |
| | | <u>6,761,496.16</u> | <u>6,718,830.54</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserve for Grants | A-23 | 136,682.30 | 159,417.37 |
| Unappropriated Reserve for Grants | A-24 | <u>30,712.57</u> | <u>22,588.67</u> |
| | | <u>167,394.87</u> | <u>182,006.04</u> |
| | | <u>6,928,891.03</u> | <u>6,900,836.58</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>2019</u> | <u>2018</u> |
|---|-------------|----------------------|----------------------|
| Revenues and Other Income: | | | |
| Fund Balance Utilized | A-2 | 1,927,000.00 | 1,500,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 2,147,313.13 | 2,047,014.59 |
| Receipts from Delinquent Taxes | A-2 | 242,815.25 | 258,833.05 |
| Receipts from Current Taxes | A-2 | 46,335,994.82 | 45,481,605.54 |
| Non-Budget Revenue | A-2 | 66,019.47 | 36,353.33 |
| Other Credits to Income: | | | |
| Canceled Grant Reserves | A-14 | 1,706.00 | 1,738.80 |
| Interfunds Returned | A-14 | 3,001.10 | 4,719.80 |
| Statutory Excess in Animal Control Trust | A-14 | 2,058.40 | 3,001.10 |
| Unexpended Balance of Appropriation Reserves | A-15 | 532,558.46 | 849,356.61 |
| Total Revenues and Other Income | | <u>51,258,466.63</u> | <u>50,182,622.82</u> |
| Expenditures: | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 5,382,106.61 | 5,068,852.30 |
| Other Expenses | A-3 | 7,707,551.43 | 7,180,109.68 |
| Capital Improvement Fund | A-3 | 522,000.00 | 500,000.00 |
| Municipal Debt Service | A-3 | 1,931,131.75 | 1,887,568.65 |
| Deferred Charges and Statutory Expenditures - | | | |
| Municipal | A-3 | 1,323,036.10 | 1,160,254.90 |
| Refund Prior Year Revenue | A-4 | 10,536.79 | |
| Interfund Advances | A-14 | 5,059.50 | 7,720.90 |
| Canceled Grant Receivable | A-14 | 1,706.00 | 1,878.80 |
| Local District School Tax | A-18 | 12,124,047.50 | 11,884,819.00 |
| Regional High School Tax | A-19 | 16,561,902.00 | 16,059,764.50 |
| County Taxes including Added Taxes | A-20 | 4,342,957.13 | 4,288,382.07 |
| Total Expenditures | | <u>49,912,034.81</u> | <u>48,039,350.80</u> |

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis**Current Fund****Year Ended December 31,**

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|----------------------------|----------------------------|
| Excess (Deficit) Revenue Over Expenditures | | 1,346,431.82 | 2,143,272.02 |
| 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 | | 1,346,431.82 | 2,143,272.02 |
| Fund Balance, January 1, | A | <u>4,799,737.65</u> | <u>4,156,465.63</u> |
| | | 6,146,169.47 | 6,299,737.65 |
| Decreased by: | | | |
| Fund Balance Utilized as Budget Revenue | | <u>1,927,000.00</u> | <u>1,500,000.00</u> |
| Fund Balance, December 31, | A | <u><u>4,219,169.47</u></u> | <u><u>4,799,737.65</u></u> |

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

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|---|-------------|----------------------|----------------------|--------------------------------|
| Fund Balance Anticipated | A-1 | 1,927,000.00 | 1,927,000.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-12 | 9,400.00 | 10,438.00 | 1,038.00 |
| Other | A-2 | 12,000.00 | 11,424.00 | (576.00) |
| Fees and Permits | A-2 | 137,000.00 | 119,292.80 | (17,707.20) |
| Fines and Costs: | | | | |
| Municipal Court | A-12 | 96,000.00 | 105,537.46 | 9,537.46 |
| Interest and Costs on Taxes | A-4 | 74,000.00 | 79,620.79 | 5,620.79 |
| Interest on Investments and Deposits | A-12 | 218,000.00 | 278,237.54 | 60,237.54 |
| Rents of Municipal Properties | A-12 | 33,000.00 | 14,860.75 | (18,139.25) |
| Sewer Charges - Borough of Emerson | A-12 | 84,000.00 | 76,557.07 | (7,442.93) |
| Sewer Charges - Borough of Haworth and Golf Club | A-12 | 23,000.00 | 24,574.20 | 1,574.20 |
| Recreation Fees | A-12 | 15,000.00 | 22,350.00 | 7,350.00 |
| Newspaper and Other Recyclable Proceeds | A-12 | 7,200.00 | 5,360.05 | (1,839.95) |
| Cable TV Franchise Taxes | A-12 | 124,664.17 | 124,664.17 | |
| Energy Gross Receipts Taxes | A-12 | 778,125.00 | 778,125.00 | |
| N.J. Transit Corporation (Chap. 40, P.L. 1981) | 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 | 220,000.00 | 175,737.00 | (44,263.00) |
| Recycling Tonnage Grant | A-22 | 9,042.03 | 9,042.03 | |
| Body Armor Grant | A-22 | 2,592.97 | 2,592.97 | |
| Clean Communities | A-22 | 15,268.63 | 15,268.63 | |
| Sustainable Jersey Grant | A-22 | 2,000.00 | 2,000.00 | |
| Drive Sober or Get Pulled Over | A-22 | 3,320.04 | 3,320.04 | |
| Municipal Alliance on Alcoholism and Drug Abuse | A-22 | 7,407.00 | 7,407.00 | |
| 100 Cities / 100 Memorials | A-22 | 2,000.00 | 2,000.00 | |
| Uniform Fire Safety Act | A-12 | 25,000.00 | 41,305.60 | 16,305.60 |
| Interfund - Animal Control Trust Fund | A-14 | 3,001.10 | 3,001.10 | |
| General Capital Fund Balance | A-12 | 99,503.00 | 99,503.00 | |
| Significant Sewer Dischargers | A-13 | 65,000.00 | 64,497.93 | (502.07) |
| Total Miscellaneous Revenues | A-1 | 2,136,119.94 | 2,147,313.13 | 11,193.19 |
| Receipts from Delinquent Taxes | A-1/A-2 | 244,744.21 | 242,815.25 | (1,928.96) |
| Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | A-2 | 13,378,760.26 | 13,673,035.96 | 294,275.70 |
| Budget Totals | | 17,686,624.41 | 17,990,164.34 | 303,539.93 |
| Non-Budget Revenue | A-1/A-2 | | 66,019.47 | 66,019.47 |
| | | <u>17,686,624.41</u> | <u>18,056,183.81</u> | <u>369,559.40</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, 2019

Analysis of Realized Revenues

| | <u>Ref.</u> | |
|---|-------------|----------------------|
| Revenue from Collections | A-1/A-9 | 46,335,994.82 |
| Allocated to School and County Taxes | A-9 | <u>33,302,440.13</u> |
| Balance for Support of Municipal Budget Appropriations | | 13,033,554.69 |
| Add : Appropriation - Reserve for Uncollected Taxes | A-3 | <u>639,481.27</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>13,673,035.96</u> |
| Receipts from Delinquent Taxes: | | |
| Delinquent Taxes | A-2,A-9 | <u>242,815.25</u> |
| Licenses - Other: | | |
| Clerk | A-12 | 2,140.00 |
| Police | A-12 | 2,555.00 |
| Registrar | A-12 | 84.00 |
| Board of Health | A-12 | <u>6,645.00</u> |
| | A-2 | <u>11,424.00</u> |
| Fees and Permits - Other: | | |
| DPW Parking Permits | A-12 | 25,450.00 |
| Police | A-12 | 17,300.00 |
| Code Enforcement Agency | A-12 | 68,332.80 |
| Registrar | A-12 | <u>8,210.00</u> |
| | A-2 | <u>119,292.80</u> |

Analysis of Non-budget Revenues

Ref.

| | |
|--|------------------|
| Miscellaneous Revenues Not Anticipated: | |
| Police Miscellaneous | 4,569.50 |
| Clerk Miscellaneous | 1,572.05 |
| DMV Inspection Fines | 1,050.00 |
| Administration Fees - Senior Citizens & Vets | 930.79 |
| Sewer Dischargers Interest & Costs | 1,211.11 |
| Tax Collector Miscellaneous | 298.00 |
| Returned Check Fees | 225.00 |
| Recreation | 1,905.00 |
| Insurance Dividend | 14,455.40 |
| Insurance Proceeds | 20,000.00 |
| Sale of Assets | 11,587.77 |
| Void State Dated Checks | 150.19 |
| Miscellaneous Refunds and Reimbursements | <u>8,064.66</u> |
| | <u>66,019.47</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, 2019

| | <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 | | 82,120.00 | 85,120.00 | 80,241.44 | 4,878.56 | |
| Other Expenses | | 79,800.00 | 79,800.00 | 70,480.72 | 9,319.28 | |
| Mayor and Council | | | | | | |
| Salaries and Wages | | 24,000.00 | 24,000.00 | 24,000.00 | | |
| Other Expenses | | 10,400.00 | 15,400.00 | 8,689.77 | 6,710.23 | |
| Borough Clerk's Office | | | | | | |
| Salaries and Wages | | 170,560.00 | 140,560.00 | 136,312.65 | 4,247.35 | |
| Other Expenses | | 54,000.00 | 49,000.00 | 30,208.36 | 18,791.64 | |
| Financial Administration | | | | | | |
| Salaries and Wages | | 203,371.44 | 219,371.43 | 218,208.06 | 1,163.37 | |
| Other Expenses | | 52,880.00 | 52,880.00 | 37,977.03 | 14,902.97 | |
| Annual Audit | | | | | | |
| Other Expenses | | 40,500.00 | 40,500.00 | 40,500.00 | | |
| Collection of Taxes | | | | | | |
| Salaries and Wages | | 17,726.34 | 18,726.34 | 17,356.79 | 1,369.55 | |
| Other Expenses | | 11,600.00 | 11,600.00 | 10,206.06 | 1,393.94 | |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | | 23,341.15 | 23,341.15 | 23,115.36 | 225.79 | |
| Other Expenses | | 78,200.00 | 70,200.00 | 58,498.35 | 11,701.65 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | | 212,500.00 | 212,500.00 | 174,103.76 | 38,396.24 | |
| Engineering Services and Costs | | | | | | |
| Other Expenses | | 19,500.00 | 14,500.00 | 10,152.00 | 4,348.00 | |
| Economic Development Committee | | | | | | |
| Other Expenses | | 1,000.00 | 1,000.00 | | 1,000.00 | |

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| <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> |
|---|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| Historical Committee | | | | | | |
| Other Expenses | | | | | | |
| Municipal Land Use Law : (N.J.S. 40:55D-11) | | 1,000.00 | 1,000.00 | 469.50 | 530.50 | |
| Planning Board | | | | | | |
| Salaries and Wages | | 11,500.00 | 11,500.00 | 9,712.23 | 1,787.77 | |
| Other Expenses | | 28,050.00 | 23,050.00 | 4,226.65 | 18,823.35 | |
| Board of Adjustment | | | | | | |
| Salaries and Wages | | 10,500.00 | 12,500.00 | 9,790.27 | 2,709.73 | |
| Other Expenses | | 17,400.00 | 12,400.00 | 3,016.75 | 9,383.25 | |
| Insurance: | | | | | | |
| Other Insurance | | 206,172.00 | 206,172.00 | 204,331.00 | 1,841.00 | |
| Workers' Compensation Insurance | | 199,344.00 | 199,344.00 | 199,344.00 | | |
| Group Insurance Plan for Employees | | 1,824,700.00 | 1,769,700.00 | 1,576,865.11 | 192,834.89 | |
| Health Benefit Waiver | | 17,700.00 | 17,700.00 | 12,641.39 | 5,058.61 | |
| Public Safety: | | | | | | |
| Police | | | | | | |
| Salaries and Wages | | 3,335,954.54 | 3,335,954.54 | 3,126,131.72 | 51,570.82 | 158,252.00 |
| Other Expenses | | 152,066.00 | 152,066.00 | 114,703.99 | 37,362.01 | |
| Purchase of Police Cars | | 41,000.00 | 41,000.00 | 40,859.74 | 140.26 | |
| Auxiliary Police | | | | | | |
| Other Expenses | | 3,000.00 | 3,000.00 | 467.85 | 2,532.15 | |
| Emergency Management Services | | | | | | |
| Salaries and Wages | | 7,650.00 | 7,650.00 | 7,650.00 | | |
| Other Expenses | | 5,950.00 | 5,950.00 | 5,000.00 | 950.00 | |
| First Aid Squad Contribution | | 30,000.00 | 30,000.00 | 21,900.97 | 8,099.03 | |

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

Current Fund

Year Ended December 31, 2019

| <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> |
|--|-------------|---------------|--|----------------------------|-----------------|---|
| Fire | | | | | | |
| Other Expenses | | 129,950.00 | 132,950.00 | 117,948.07 | 15,001.93 | |
| State Uniform Fire Safety Code Act (Ch.383, P.L. 1983) | | | | | | |
| Fire Officials | | | | | | |
| Salaries and Wages | | 27,459.20 | 27,959.20 | 27,473.86 | 485.34 | |
| Other Expenses | | 12,300.00 | 9,300.00 | 5,069.84 | 4,230.16 | |
| Streets and Roads | | | | | | |
| Road Repairs and Maintenance | | | | | | |
| Salaries and Wages | | 596,555.55 | 551,555.55 | 493,893.34 | 57,662.21 | |
| Other Expenses | | 118,500.00 | 108,500.00 | 83,834.53 | 24,665.47 | |
| Shade Trees | | | | | | |
| Salaries and Wages | | 115,578.00 | 111,578.00 | 106,699.10 | 4,878.90 | |
| Other Expenses | | 46,500.00 | 46,500.00 | 40,288.30 | 6,211.70 | |
| Garbage and Trash Removal | | | | | | |
| Contractual | | 291,100.00 | 291,100.00 | 240,686.20 | 50,413.80 | |
| Disposal Costs/Tipping Fees | | 200,000.00 | 200,000.00 | 165,949.30 | 34,050.70 | |
| Recycling Program | | | | | | |
| Contractual | | 252,100.00 | 258,100.00 | 197,376.80 | 60,723.20 | |
| Public Buildings and Grounds | | | | | | |
| Salaries and Wages | | 93,578.00 | 93,578.00 | 90,079.65 | 3,498.35 | |
| Other Expenses | | 294,662.76 | 317,662.76 | 288,235.87 | 29,426.89 | |
| Sewer System | | | | | | |
| Salaries and Wages | | 244,606.65 | 224,606.65 | 214,965.58 | 9,641.07 | |
| Other Expenses | | 78,900.00 | 78,900.00 | 60,222.05 | 18,677.95 | |

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

| | | Current Fund | | Year Ended December 31, 2019 | | | |
|---|--|---------------------|---------------|--|----------------------------|-----------------|---|
| | | <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> | | | | | | | |
| Shop and Garage | | | | | | | |
| Salaries and Wages | | | 138,771.49 | 138,771.49 | 134,277.25 | 4,494.24 | |
| Other Expenses | | | 193,390.00 | 187,390.00 | 134,137.27 | 53,252.73 | |
| Health and Welfare: | | | | | | | |
| Board of Health | | | | | | | |
| Salaries and Wages | | | 21,632.00 | 21,632.00 | 18,568.25 | 3,063.75 | |
| Other Expenses | | | 44,357.00 | 44,357.00 | 40,789.70 | 3,567.30 | |
| Other Expenses - PEOSHA Hep. B Vac. | | | 650.00 | 650.00 | 396.00 | 254.00 | |
| Environmental Committee | | | | | | | |
| Other Expenses | | | 1,700.00 | 1,700.00 | 1,462.50 | 237.50 | |
| Stigma-Free Committee | | | | | | | |
| Other Expenses | | | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Community Outreach Committee | | | | | | | |
| Other Expenses | | | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Contribution to Senior Citizens' Center | | | 15,000.00 | 20,000.00 | 17,916.64 | 2,083.36 | |
| Senior Citizens Transportation | | | | | | | |
| Salaries and Wages | | | 18,000.00 | 13,000.00 | 12,528.25 | 471.75 | |
| Recreation and Education: | | | | | | | |
| Parks and Playgrounds | | | | | | | |
| Salaries and Wages | | | 101,335.00 | 98,335.00 | 94,660.31 | 3,674.69 | |
| Other Expenses | | | 19,500.00 | 19,500.00 | 14,519.49 | 4,980.51 | |
| Recreation | | | | | | | |
| Salaries and Wages | | | 148,980.00 | 143,980.00 | 141,293.54 | 2,686.46 | |
| Other Expenses | | | 51,600.00 | 51,600.00 | 42,283.00 | 9,317.00 | |
| Beautification Projects | | | 4,500.00 | 4,500.00 | 3,048.30 | 1,451.70 | |

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

Current Fund

Year Ended December 31, 2019

| | <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> |
|----------------------------------|-------------------------------|-------------|----------------------|----------------------------------|------------------------|-------------------|-------------------------------------|
| Uniform Construction Code | | | | | | | |
| Construction Code Officials | | | | | | | |
| Salaries and Wages | | | 181,109.25 | 196,109.26 | 193,893.09 | 2,216.17 | |
| Other Expenses | | | 23,050.00 | 23,050.00 | 13,742.03 | 9,307.97 | |
| Code Enforcement Agency | | | | | | | |
| Salaries and Wages | | | 42,683.00 | 36,530.00 | 33,915.81 | 2,614.19 | |
| Other Expenses | | | 2,450.00 | 2,450.00 | 458.31 | 1,991.69 | |
| Unclassified: | | | | | | | |
| Celebration of Public Events | | | 31,780.00 | 31,780.00 | 29,505.64 | 2,274.36 | |
| Video Committee | | | | | | | |
| Salaries and Wages | | | 4,000.00 | 4,000.00 | 4,000.00 | | |
| Other Expenses | | | 14,270.00 | 14,270.00 | 12,944.91 | 1,325.09 | |
| Reserve for Accumulated Absences | | | 50,000.00 | 75,000.00 | 75,000.00 | | |
| Street Lighting | | | 160,000.00 | 150,000.00 | 144,475.13 | 5,524.87 | |
| Telephone | | | 37,000.00 | 64,000.00 | 56,067.52 | 7,932.48 | |
| Hydrant Service | | | 132,000.00 | 132,000.00 | 127,540.20 | 4,459.80 | |
| Gasoline | | | 92,775.00 | 85,275.00 | 60,997.90 | 24,277.10 | |
| Contingent | | | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Total Operations within "CAPS" | | | <u>11,008,808.37</u> | <u>10,902,655.37</u> | <u>9,818,305.05</u> | <u>926,098.32</u> | <u>158,252.00</u> |
| Detail: | | | | | | | |
| Salaries and Wages | A-1 | | 5,621,011.61 | 5,540,358.61 | 5,218,766.55 | 163,340.06 | 158,252.00 |
| Other Expenses | A-1 | | <u>5,387,796.76</u> | <u>5,362,296.76</u> | <u>4,599,538.50</u> | <u>762,758.26</u> | |

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

| Current Fund | | | | | | |
|---|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| Year Ended December 31, 2019 | | | | | | |
| | <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> | | | | | | |
| Deferred Charges and Statutory Expenditures - Municipal within "CAPS" | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | | 297,869.10 | 302,021.82 | 302,021.82 | | |
| Social Security System (O.A.S.I.) | | 224,400.00 | 224,400.00 | 218,092.57 | 6,307.43 | |
| Police and Firemen's Retirement System | | 744,114.00 | 744,114.00 | 744,114.00 | | |
| Unemployment / Disability Insurance | | 25,000.00 | 25,000.00 | 25,000.00 | | |
| Defined Contribution Retirement Plan | | 5,500.00 | 7,500.28 | 6,510.77 | 989.51 | |
| Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS" | A-1 | 1,296,883.10 | 1,303,036.10 | 1,295,739.16 | 7,296.94 | |
| Total General Appropriations for Municipal Purposes within "CAPS" | | | | | | |
| Operations - Excluded from "CAPS" | | 12,305,691.47 | 12,205,691.47 | 11,114,044.21 | 933,395.26 | 158,252.00 |
| Bergen County Utilities Authority Service Charges - Contractual | | | | | | |
| Operating | | 699,103.75 | 699,103.75 | 699,103.75 | | |
| Debt Service | | 232,500.25 | 232,500.25 | 232,500.22 | 0.03 | |
| Maintenance of Free Public Library | | 627,938.58 | 627,938.58 | 627,938.58 | | |
| Additional Library Expenses | | 98,061.42 | 98,061.42 | 98,061.42 | | |
| Reserve for Tax Appeals | | 380,000.00 | 480,000.00 | 480,000.00 | | |
| Recycling Tax (PL 2007, c.311) | | 9,500.00 | 9,500.00 | 7,853.73 | 1,646.27 | |
| Emergency Service Volunteer Length of Service Award Program (P.L.1997, C.388) | | 58,500.00 | 58,500.00 | 58,500.00 | | |
| Interlocal Municipal Service Agreements | | | | | | |
| 911 Communications - Contractual | | 5,420.00 | 5,420.00 | 5,412.16 | 7.84 | |
| Shared Municipal Court - Borough of Paramus | | | | | | |
| Other Expenses | | 92,600.00 | 92,600.00 | 92,395.60 | 204.40 | |

Borough of Oradell, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| <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> |
|--|-------------|---------------|--|----------------------------|-----------------|---|
| Public and Private Programs Offset by Revenues | | | | | | |
| Body Armor Replacement Fund | | 2,592.97 | 2,592.97 | 2,592.97 | | |
| Recycling Tonnage Grant | | 9,042.03 | 9,042.03 | 9,042.03 | | |
| Clean Communities Program | | 15,268.63 | 15,268.63 | 15,268.63 | | |
| 100 Cities / 100 Memorials | | 2,000.00 | 2,000.00 | 2,000.00 | | |
| Sustainable Jersey Grant | | 2,000.00 | 2,000.00 | 2,000.00 | | |
| Drive Sober or Get Pulled Over | | 3,320.04 | 3,320.04 | 3,320.04 | | |
| Municipal Alliance on Alcoholism and Drug Abuse | | | | | | |
| State Share | | 7,407.00 | 7,407.00 | 7,407.00 | | |
| Total Operations - Excluded from "CAPS" | | 2,245,254.67 | 2,345,254.67 | 2,343,396.13 | 1,858.54 | |
| Detail: | | | | | | |
| Other Expenses | A-1 | 2,245,254.67 | 2,345,254.67 | 2,343,396.13 | 1,858.54 | |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | | 62,000.00 | 62,000.00 | 62,000.00 | | |
| Res. for Various Improvements & Acquisitions | | 460,000.00 | 460,000.00 | 460,000.00 | | |
| Total Capital Improvements Excluded from "CAPS" | A-1 | 522,000.00 | 522,000.00 | 522,000.00 | | |
| Municipal Debt Service: | | | | | | |
| Payment of Bond Principal | | 1,023,000.00 | 1,023,000.00 | 1,023,000.00 | | |
| Payment of Bond Anticipation Notes and Capital Notes | | 139,400.00 | 139,400.00 | 139,400.00 | | |
| Interest on Bonds | | 275,675.00 | 275,675.00 | 275,243.39 | | 431.61 |
| Interest on Notes | | 271,122.00 | 271,122.00 | 271,121.99 | | 0.01 |
| NJEIT Loan - Principal and Interest | | 245,000.00 | 245,000.00 | 222,366.37 | | 22,633.63 |
| Total Municipal Debt Service-Excluded from "CAPS" | A-1 | 1,954,197.00 | 1,954,197.00 | 1,931,131.75 | | 23,065.25 |

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

Current Fund

Year Ended December 31, 2019

| | <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> | | | | | | |
| Deferred Charges: | | | | | | |
| Deferred Charges to Future Taxation: | | | | | | |
| Ord 08-16 | | 20,000.00 | 20,000.00 | 20,000.00 | | |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | A-1 | 20,000.00 | 20,000.00 | 20,000.00 | | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | | 4,741,451.67 | 4,841,451.67 | 4,816,527.88 | 1,858.54 | 23,065.25 |
| Subtotal General Appropriations | | 17,047,143.14 | 17,047,143.14 | 15,930,572.09 | 935,253.80 | 181,317.25 |
| Reserve for Uncollected Taxes | | 639,481.27 | 639,481.27 | 639,481.27 | | |
| Total General Appropriations | | 17,686,624.41 | 17,686,624.41 | 16,570,053.36 | 935,253.80 | 181,317.25 |
| | | | A-2 | | A | |
| <u>Analysis of Paid or Charged</u> | | | | | | |
| Reserve for Uncollected Taxes | A-2 | | | 639,481.27 | | |
| Cash Disbursed | A-4 | | | 14,978,197.69 | | |
| Encumbrances Payable | A-16 | | | 430,743.73 | | |
| Reserve for Tax Appeals | A-22 | | | 480,000.00 | | |
| Reserve for Federal and State Grants | A-23 | | | 41,630.67 | | |
| | | | | 16,570,053.36 | | |

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>2019</u> | <u>2018</u> |
|---|-------------|---------------------|---------------------|
| <u>Assets</u> | | | |
| Animal Control Trust Fund: | | | |
| Cash | B-1 | 11,472.00 | 12,719.50 |
| Due from State Department of Health | B-3 | <u>3.60</u> | <u></u> |
| | | <u>11,475.60</u> | <u>12,719.50</u> |
| Other Trust Funds: | | | |
| Cash | B-1 | 1,043,234.23 | 819,377.58 |
| Interfund - Current Fund | B-5 | <u>1,480.55</u> | <u></u> |
| | | <u>1,044,714.78</u> | <u>819,377.58</u> |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Cash in Plan | B-1 | 1,186,432.33 | 988,436.30 |
| Contributions Receivable | B-9 | <u>40,300.00</u> | <u>42,619.15</u> |
| | | <u>1,226,732.33</u> | <u>1,031,055.45</u> |
| | | <u>2,282,922.71</u> | <u>1,863,152.53</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>2019</u> | <u>2018</u> |
|---|-------------|---------------------|---------------------|
| <u>Liabilities, Reserves & Fund Balance</u> | | | |
| Animal Control Trust Fund: | | | |
| Reserve for Animal Control Expenditures | B-2 | 7,662.40 | 7,940.00 |
| Prepaid Licenses | B-4 | 1,754.80 | 1,778.40 |
| Interfund - Current Fund | B-5 | <u>2,058.40</u> | <u>3,001.10</u> |
| | | <u>11,475.60</u> | <u>12,719.50</u> |
| Other Trust Fund: | | | |
| Miscellaneous Escrow Deposits | B-6 | 248,032.87 | 257,187.42 |
| Various Reserves | B-6 | 795,121.22 | 560,647.32 |
| Payroll Deductions Payable | B-7 | <u>1,560.69</u> | <u>1,542.84</u> |
| | | <u>1,044,714.78</u> | <u>819,377.58</u> |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Net Assets Available for Benefits | B-10 | <u>1,226,732.33</u> | <u>1,031,055.45</u> |
| | | <u>1,226,732.33</u> | <u>1,031,055.45</u> |
| | | <u>2,282,922.71</u> | <u>1,863,152.53</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>2019</u> | <u>2018</u> |
|---|-------------|----------------------|----------------------|
| <u>Assets</u> | | | |
| Cash | C-2/C-3 | 1,619,012.75 | 1,930,856.82 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 13,867,372.58 | 9,597,232.12 |
| Unfunded | C-5 | 5,882,387.92 | 10,514,787.92 |
| Various Receivables | C-6 | 444,000.00 | 288,406.75 |
| Interfund - Current Fund | C-21 | | 20,050.00 |
| | | <u>21,812,773.25</u> | <u>22,351,333.61</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Bond Anticipation Notes | C-7 | 4,773,000.00 | 9,037,400.00 |
| General Serial Bonds Payable | C-8 | 11,040,000.00 | 6,567,000.00 |
| NJ Environmental Infrastructure Trust: | | | |
| Fund Loan I | C-9 | 171,531.79 | 189,779.66 |
| Trust Loan I | C-10 | 230,000.00 | 245,000.00 |
| Fund Loan II | C-11 | 436,860.20 | 470,464.82 |
| Trust Loan II | C-12 | 165,364.00 | 176,186.00 |
| Fund Loan III | C-13 | 746,707.21 | 806,043.95 |
| Trust Loan III | C-14 | 305,000.00 | 320,000.00 |
| Fund Loan IV | C-15 | 531,909.38 | 572,757.69 |
| Trust Loan IV | C-16 | 240,000.00 | 250,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-17 | 995,778.33 | 532,657.89 |
| Unfunded | C-17 | 1,512,478.07 | 2,300,464.52 |
| Accounts Payable | unchanged | 1.00 | 1.00 |
| Capital Improvement Fund | C-18 | 74,187.04 | 73,187.04 |
| Reserve for: | | | |
| Preliminary Costs | C-19 | 315.50 | 315.50 |
| Various Reserves | C-20 | 442,929.04 | 620,192.79 |
| Reserve for Receivables | C-22 | 15,000.00 | 56,406.75 |
| Fund Balance | C-1 | <u>131,711.69</u> | <u>133,476.00</u> |
| | | <u>21,812,773.25</u> | <u>22,351,333.61</u> |

Footnote: There was Authorized but not Issued Debt at December 31, 2019 and 2018 of \$1,109,387.92 and \$1,477,387.92 respectively per Exhibit C-23.

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>2019</u> | <u>2018</u> |
|--|-------------|-------------------|-------------------|
| Balance - January 1, | C | 133,476.00 | 33,973.00 |
| Increased by: | | | |
| Premium on Bonds & Bond Anticipation Notes | C-2 | <u>97,738.69</u> | <u>99,503.00</u> |
| | | 231,214.69 | 133,476.00 |
| Decreased by: | | | |
| Appropriated to Budget Revenue | C-2 | <u>99,503.00</u> | |
| Balance - December 31, | C,C-3 | <u>131,711.69</u> | <u>133,476.00</u> |

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

Borough of Oradell

Statement of General Fixed Assets - Regulatory Basis

December 31, 2019

With Comparative Figures for 2018

| | <u>Ref.</u> | <u>2019</u> | <u>2018</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>9,528,238.00</u> | <u>8,147,421.00</u> |
| | | <u>70,127,038.00</u> | <u>68,746,221.00</u> |
| Investment in Fixed Assets | | <u>70,127,038.00</u> | <u>68,746,221.00</u> |

See accompanying notes to financial statements.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

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, 2019 and 2018
(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, 2019 and 2018
(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, 2019 and 2018
(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, 2019 and 2018
(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, 2019 and 2018
(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, 2019 and 2018
(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 have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment 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. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

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, 2019, \$0- of the Borough's bank balance of \$9,406,749.98 was exposed to custodial credit risk.

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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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, 2019 and 2018 amounted to \$1,186,432.33 and \$988,436.30, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|--------------|-----------------------|---------------------|
| Fixed Income | \$121,725.96 | \$129,416.38 |
| Growth Funds | 272,515.15 | 233,585.74 |
| Index Funds | 473,192.21 | 384,542.05 |
| Value Funds | 147,431.85 | 113,299.11 |
| All Others | <u>171,567.16</u> | <u>127,593.02</u> |
| Total | <u>\$1,186,432.33</u> | <u>\$988,436.30</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2018 consisted of the following:

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Amounts Due</u> <u>Within</u> <u>One Year</u> |
|-----------------------------------|--|-----------------------------|-----------------------|---------------------------------|--|
| Deferred Pension Liability - PERS | \$37,620.00 | \$ | \$5,849.00 | \$31,771.00 | \$6,339.00 |
| Deferred Pension Liability - PFRS | 128,977.00 | | 19,330.00 | 109,647.00 | 20,885.00 |
| Bonds Payable - General | | | | | |
| Obligation Debt | 6,567,000.00 | 5,496,000.00 | 1,023,000.00 | 11,040,000.00 | 1,439,000.00 |
| NJ Environmental Infrastructure | | | | | |
| Trust - Fund Loan | 2,039,046.12 | | 152,037.54 | 1,887,008.58 | 152,037.54 |
| NJ Environmental Infrastructure | | | | | |
| Trust - Trust Loan | <u>991,186.00</u> | <u> </u> | <u>50,822.00</u> | <u>940,364.00</u> | <u>50,974.00</u> |
| | <u>\$9,763,829.12</u> | <u>\$5,496,000.00</u> | <u>\$1,251,038.54</u> | <u>\$14,008,790.58</u> | <u>\$1,669,235.54</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.

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|------------------------|------------------------|------------------------|
| <u>ISSUED</u> | | | |
| General - Bonds, Loans and Notes | \$18,640,372.58 | \$18,634,632.12 | \$19,523,490.66 |
| Less: Funds Temporarily Held to Pay | | | |
| Bonds and Notes: | | | |
| General | <u>37,250.00</u> | <u>37,250.00</u> | <u>37,250.00</u> |
| Net Debt Issued | 18,603,122.58 | 18,597,382.12 | 19,486,240.66 |
| <u>AUTHORIZED BUT NOT ISSUED</u> | | | |
| General - Bonds and Notes | <u>1,109,387.92</u> | <u>1,477,387.00</u> | <u>1,320,057.00</u> |
| Net Bonds and Notes Issued and | | | |
| Authorized But Not Issued | <u>\$19,712,510.50</u> | <u>\$20,074,769.12</u> | <u>\$20,806,297.66</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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 1.075%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|------------------------------------|------------------------|-----------------------|------------------------|
| Local School District Debt | \$2,570,000.00 | \$2,570,000.00 | \$0.00 |
| Regional High School District Debt | 3,056,729.82 | 3,056,729.82 | 0.00 |
| General Debt | <u>19,749,760.50</u> | <u>37,250.00</u> | <u>19,712,510.50</u> |
| | <u>\$25,376,490.32</u> | <u>\$5,663,979.82</u> | <u>\$19,712,510.50</u> |

Net Debt \$19,712,510.50 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,834,439,478.67 = 1.075%.

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

| | |
|---|------------------------|
| 3-1/2% of equalized valuation basis (municipal) | \$64,205,381.75 |
| Less net debt | <u>19,712,510.50</u> |
| Remaining Borrowing Power | <u>\$44,492,871.25</u> |

The Borough's long term debt consisted of the following at December 31, 2019:

Paid by Current Fund:

| | <u>Amount Outstanding</u> |
|--|-------------------------------|
| \$4,041,000.00 BCIA General Improvement Bonds - issued May 10, 2010 due through February 15, 2023 with an interest rate of 3.00%-5.25% | \$369,000.00 |
| \$5,445,000.00 2016 Refunding Bonds - issued November 21, 2016 due through January 1, 2024 with an interest rate of 2.00%-3.00% | 3,945,000.00 |
| \$1,245,000.00 2017 BCIA Refunding Bonds - issued December 21, 2017 due through February 15, 2023 with an interest rate of 2.00%-5.00% | 1,230,000.00 |
| \$5,496,000.00 2019 General Bonds - issued March 21, 2019 due through April 1, 2030 with an interest rate of 2.00%-3.00% | <u>5,496,000.00</u> |
| Total Serial Bonds | <u>\$11,040,000.00</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

| | <u>Amount Outstanding</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% | \$230,000.00 |
| \$358,875.00 New Jersey Environmental Infrastructure Trust, Fall 2010B dated December 2, 2010 payable in semiannual installments on February 1 and August 1, commencing on February 1, 2011 with a zero percent interest rate | 171,531.79 |
| \$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% | 165,364.00 |
| \$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 | 436,860.20 |
| \$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% | 305,000.00 |
| \$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 | 746,707.21 |
| \$260,000.00 New Jersey Environmental Infrastructure Trust, Series 2017A-1 payable in annual installments from August 1, 2018 through August 1, 2036 with an interest rate between 3.00% and 5.00% | 240,000.00 |
| \$776,118.00 New Jersey Environmental Infrastructure Trust, Series 2017A-1 payable in semiannual installments on February 1, and August 1, commencing on February 1, 2018 with a zero percent interest rate | <u>531,909.38</u> |
| Total New Jersey Environmental Infrastructure Loans Payable | <u><u>\$2,827,372.58</u></u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

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

| | |
|-----------------|------------------------------|
| General Capital | <u><u>\$1,109,387.92</u></u> |
|-----------------|------------------------------|

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

| Calendar <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| 2020 | \$1,439,000.00 | \$293,335.00 | \$1,732,335.00 |
| 2021 | 1,470,000.00 | 246,105.00 | 1,716,105.00 |
| 2022 | 1,560,000.00 | 195,255.00 | 1,755,255.00 |
| 2023 | 1,510,000.00 | 144,255.00 | 1,654,255.00 |
| 2024 | 1,290,000.00 | 102,355.00 | 1,392,355.00 |
| 2025-2029 | 3,125,000.00 | 269,962.50 | 3,394,962.50 |
| 2030 | <u>646,000.00</u> | <u>9,690.00</u> | <u>655,690.00</u> |
| | <u><u>\$11,040,000.00</u></u> | <u><u>\$1,260,957.50</u></u> | <u><u>\$12,300,957.50</u></u> |

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> |
| 2020 | \$50,974.00 | \$38,193.28 | \$152,037.54 |
| 2021 | 51,161.00 | 36,006.72 | 152,037.54 |
| 2022 | 56,381.00 | 33,786.84 | 152,037.54 |
| 2023 | 56,629.00 | 31,288.72 | 152,037.54 |
| 2024 | 61,901.00 | 28,766.60 | 152,037.54 |
| 2025-2029 | 354,535.00 | 100,451.61 | 749,240.79 |
| 2030-2034 | 268,783.00 | 32,861.26 | 377,580.09 |
| 2035-2036 | <u>40,000.00</u> | <u>2,000.00</u> | <u> </u> |
| | <u><u>\$940,364.00</u></u> | <u><u>\$303,355.03</u></u> | <u><u>\$1,887,008.58</u></u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2019, the Borough had \$4,773,000.00 in outstanding general capital bond anticipation notes, maturing on April 3, 2020 at an interest rate of 2.75%. These notes were renewed for one year maturing on April 2, 2021 at an interest rate of 2.49%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2019.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|----------------|------------------------------|-----------------------|-----------------------|---------------------------|
| Notes Payable: | | | | |
| TD Bank | \$0.00 | \$ | \$ | \$0.00 |
| Jefferies LLC | <u>9,037,400.00</u> | <u>4,773,000.00</u> | <u>9,037,400.00</u> | <u>4,773,000.00</u> |
| | <u>\$9,037,400.00</u> | <u>\$4,773,000.00</u> | <u>\$9,037,400.00</u> | <u>\$4,773,000.00</u> |

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the Borough did not have any deferred charges on the balance sheets of any of the various funds.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 6. LOCAL AND REGIONAL SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

| | Local School District Tax Balance <u>Dec. 31, 2019</u> | Regional School District Tax Balance <u>Dec. 31, 2019</u> |
|----------------|---|--|
| Balance of Tax | \$6,130,308.50 | \$8,349,433.50 |
| Deferred | <u>6,130,308.00</u> | <u>8,349,433.50</u> |
| Tax Payable | | |
| | <u>\$0.50</u> | <u>\$0.00</u> |

NOTE 7. PENSION PLANS

Description of Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

Police and Firemens' Retirement System (PFRS)

Plan Description

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

Of this amount, \$66,013.00 represents the Public Employees' Retirement System deferral and \$223,499.00 represents the Police and Firemens' Retirement System deferral. The outstanding balance at December 31, 2019 for PERS is \$31,771.00 and PFRS is \$109,647.00. The principal amounts that are due in 2020 are \$6,339.00 for PERS and \$20,885.00 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. 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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> |
|-------------|--------------|--------------|-------------|
| 2019 | \$286,187.00 | \$709,639.00 | \$6,510.77 |
| 2018 | 246,655.00 | 593,815.00 | 5,288.61 |
| 2017 | 263,396.00 | 553,338.00 | 4,274.77 |

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.

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, 2019, the Borough had a liability of \$5,524,458 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Borough's proportion was .0306599500 percent, which was an increase of .0018881000 percent from its proportion measured as of June 30, 2018.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

For the year ended December 31, 2019, the Borough recognized pension expense of \$286,187. At December 31, 2019, 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> |
|---|---|--|
| Difference between expected and actual experience | \$99,157 | \$24,405 |
| Changes of assumptions | 551,637 | 1,917,522 |
| Net difference between projected and actual earnings on pension plan investments | | 87,206 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>666,864</u> | <u>305,073</u> |
| Total | <u>\$1,317,658</u> | <u>\$2,334,206</u> |

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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 (excluding changes in proportion) will be recognized in pension expense as follows:

| | |
|---------------------|-------------|
| Year ended June 30: | |
| 2020 | (\$159,521) |
| 2021 | (517,484) |
| 2022 | (462,083) |
| 2023 | (216,972) |
| 2024 | (22,279) |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$3,149,522,616 | \$4,684,852,302 |
| Collective deferred inflows of resources | 7,645,087,574 | 7,646,736,226 |
| Collective net pension liability | 18,018,482,972 | 19,689,501,539 |
| Borough's Proportion | .0306599500% | 0.0287718500% |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Long-Term Rate of Return

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment grade credit | 10.00% | 4.25% |
| High yield | 2.00% | 5.37% |
| Private credit | 6.00% | 7.92% |
| Real assets | 2.50% | 9.31% |
| Real estate | 7.50% | 8.33% |
| U.S. equity | 28.00% | 8.26% |
| Non-U.S. developed markets equity | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private equity | 12.00% | 10.85% |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 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 contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2019 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, 2019</u> | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>5.28%</u> | At Current Discount Rate <u>6.28%</u> | 1% Increase <u>7.28%</u> |
| Borough's proportionate share of the pension liability | \$7,026,834 | \$5,524,458 | \$4,329,310 |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

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, 2019, the Borough had a liability of \$9,285,173 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Borough's proportion was .0758727810 percent, which was an increase of .0032863814 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$709,639. At December 31, 2019, 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> |
|---|---|--|
| Difference in actual and expected experience | \$78,379 | \$58,786 |
| Changes of assumptions | 318,161 | 3,000,883 |
| Net difference between projected and actual earnings on pension plan investments | | 125,811 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>1,001,311</u> | <u>156,521</u> |
| Total | <u>\$1,397,851</u> | <u>\$3,342,001</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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 (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------|-------------|
| 2020 | \$(486,781) |
| 2021 | (1,021,831) |
| 2022 | (723,670) |
| 2023 | (356,720) |
| 2024 | (199,939) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,198,936,924 | \$1,988,215,695 |
| Collective deferred inflows of resources | 4,874,748,912 | 4,286,994,294 |
| Collective net pension liability | 12,237,818,793 | 13,531,648,591 |
| Borough's Proportion | .0758727810% | 0.0725863996% |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through all Future Years | 3.25-15.25% (based on years of service) |
| Investment Rate of Return | 7.00% |

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Long-Term Rate of Return

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment grade credit | 10.00% | 4.25% |
| High yield | 2.00% | 5.37% |
| Private credit | 6.00% | 7.92% |
| Real assets | 2.50% | 9.31% |
| Real estate | 7.50% | 8.33% |
| U.S. equity | 28.00% | 8.26% |
| Non-U.S. developed markets equity | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private equity | 12.00% | 10.85% |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, 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, 2019 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, 2019 | | |
|--|---------------|---------------|--------------|
| | 1% | At Current | 1% |
| | Decrease | Discount Rate | Increase |
| | <u>5.85%</u> | <u>6.85%</u> | <u>7.85%</u> |
| Borough's proportionate share of the pension liability | \$14,531,867 | \$9,285,173 | \$7,622,373 |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,466,147 and \$1,334,175, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$170,354 and \$158,031, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$98,788 and \$79,015, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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

Total OPEB Liability

At December 31, 2019, the Borough had a liability of \$12,718,542 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2019 the Borough's proportion was 0.0938910000 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$369,954. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ | \$3,719,397 |
| Changes of assumptions | | 4,507,168 |
| Net difference between projected and actual earnings on OPEB plan investments | 10,477 | |
| Changes in proportion and differences between the Borough's contributions and proportionate share of contributions | <u> </u> | <u>2,137,849</u> |
| Total | <u>\$10,477</u> | <u>\$10,364,414</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

| | |
|---------------------|---------------|
| Year ended June 30: | |
| 2020 | \$(1,338,136) |
| 2021 | (1,338,136) |
| 2022 | (1,338,957) |
| 2023 | (1,340,285) |
| 2024 | (1,341,498) |
| Thereafter | (1,519,078) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Mortality:
PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

| | June 30, 2019 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>2.50%</u> | At Current Discount Rate <u>3.50%</u> | 1% Increase <u>4.50%</u> |
| Borough's proportionate share of Net OPEB liability | \$14,705,870 | \$12,718,542 | \$11,103,575 |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

| | <u>June 30, 2019</u> | | |
|--|------------------------------|---|------------------------------|
| | <u>1%</u> <u>Decrease</u> | <u>Healthcare Cost</u> <u>Trend Rate</u> | <u>1%</u> <u>Increase</u> |
| Borough's proportionate share of Net OPEB liability | \$10,732,882 | \$12,718,542 | \$15,251,585 |

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2020 and 2019 were as follows:

| | <u>2020</u> | <u>2019</u> |
|--------------|-----------------------|-----------------------|
| Current Fund | <u>\$1,500,000.00</u> | <u>\$1,927,000.00</u> |

NOTE 10. FIXED ASSETS

The balance as of December 31, 2019 and December 31, 2018 are as follows:

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>Dec. 31, 2019</u> |
|-------------------------|--|-----------------------|--------------------|--|
| Land | \$53,692,600.00 | \$ | \$ | \$53,692,600.00 |
| Building | 6,906,200.00 | | | 6,906,200.00 |
| Machinery and Equipment | <u>8,147,421.00</u> | <u>1,469,733.00</u> | <u>88,916.00</u> | <u>9,528,238.00</u> |
| | <u>\$68,746,221.00</u> | <u>\$1,469,733.00</u> | <u>\$88,916.00</u> | <u>\$70,127,038.00</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2019 consist of the following:

| | |
|-------------------|---|
| \$2,058.40 | Due to Current Fund from Animal Control Trust Fund for statutory excess in Animal Control Trust Fund. |
| <u>591.25</u> | Due to Other Trust Fund from Current Fund for Other Trust Fund receipts deposited in Current Fund. |
| <u>\$2,649.65</u> | |

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

NOTE 12. TAXES COLLECTED IN ADVANCE

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

| | <u>Balance</u> <u>Dec 31, 2019</u> | <u>Balance</u> <u>Dec 31, 2018</u> |
|--|---------------------------------------|---------------------------------------|
| Prepaid Taxes | <u>\$121,262.30</u> | <u>\$286,425.14</u> |
| Cash Liability for Taxes Collected in Advance | <u>\$121,262.30</u> | <u>\$286,425.14</u> |

NOTE 13. LEASES

The Borough is leasing 2 police vehicles under a three year lease. The balance remaining at December 31, 2019 was \$27,034.84. The lease has a bargain purchase option at the end of the lease term for \$1.00, where the title changes from the lessor to the Borough.

Principal and interest payments are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|--------------------|-------------------|--------------------|
| 2020 | <u>\$27,034.84</u> | <u>\$1,824.90</u> | <u>\$28,859.74</u> |
| | <u>\$27,034.84</u> | <u>\$1,824.90</u> | <u>\$28,859.74</u> |

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 14. 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 \$1,217.69 for 2019 and 2018, 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, 2019 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 15. 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 2019 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.

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

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

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

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

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

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

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.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

BOROUGH OF ORADELL, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

| Year Ended Dec. 31, | Interest Earnings/ Borough Contributions | Employee Contributions | Amount Reimbursed | Ending Balance |
|--------------------------------|---|-----------------------------------|------------------------------|---------------------------|
| 2019 | \$26,889.30 | \$7,674.75 | \$28,438.67 | \$65,294.83 |
| 2018 | 26,010.38 | 7,669.09 | 28,172.71 | 59,169.45 |
| 2017 | 35,443.54 | 7,373.54 | 23,380.43 | 53,662.69 |

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

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Oradell. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

The Borough has evaluated subsequent events through June 22, 2020, 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>2019</u> | <u>2018</u> | <u>2017</u> |
|----------------------------|--------------|--------------|--------------|
| Tax Rate | <u>2.786</u> | <u>2.745</u> | <u>2.702</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | .76 | .744 | .731 |
| County | .26 | .257 | .258 |
| Local School | .732 | .720 | .720 |
| Regional High School | .997 | .987 | .958 |
| Library | .037 | .037 | .035 |

Assessed Valuations:

| | | |
|------|--------------------|--------------------|
| 2019 | \$1,675,784,675.00 | |
| 2018 | \$1,664,728,428.00 | |
| 2017 | | \$1,638,393,362.00 |

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> |
| 2019 | \$46,732,721.38 | \$46,335,994.82 | 99.15% |
| 2018 | 45,759,302.94 | 45,481,605.54 | 99.39 |
| 2017 | 44,300,881.52 | 43,947,462.81 | 99.20 |

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> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2019 | \$15,996.47 | \$327,397.99 | \$343,394.46 | .73% |
| 2018 | 14,790.13 | 242,815.25 | 257,605.38 | .57 |
| 2017 | 13,601.53 | 256,717.38 | 270,318.91 | .61 |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No property was acquired in 2019 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> |
|-------------|---------------|
| 2019 | \$29,898.00 |
| 2018 | 29,898.00 |
| 2017 | 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> |
| 2019 | \$4,219,169.47 | \$1,500,000.00 |
| 2018 | 4,799,737.65 | 1,927,000.00 |
| 2017 | 4,156,450.63 | 1,500,000.00 |
| 2016 | 3,787,780.66 | 1,200,000.00 |
| 2015 | 3,225,912.47 | 750,000.00 |

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> |
|--------------------|--|-----------------------------|
| Dianne Didio | Mayor | |
| Tracy Schoenberg | Council President | |
| Stephen Carnevale | Councilman | |
| Robert Jannicelli | Councilman | |
| Thomas Kelly | Councilman | |
| Roger Tashjian | Councilman | |
| Miriam Yu | Councilwoman | |
| Laura Lyons | Borough Clerk/Administrator | |
| Katie Chen | Chief Financial Officer | |
| Stephanie Stokes | Tax Collector | |
| Stephen Depken | Construction Official/Building Inspector | |
| James Anzevino | Tax Assessor | |
| Andrew Oddo | Attorney | |
| Richard Conte | Municipal Court Judge | |
| Cynthia Holmes | Court Administrator | |
| Neglia Engineering | Engineer | |
| James Cerullo | 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, 2019

| <u>Federal Grantor/Pass-Through Grantor/Program</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity ID Number</u> | <u>Grant Year</u> | <u>Grant Award</u> | <u>Balance Jan. 1, 2019</u> | <u>Receipts/ Revenues</u> | <u>Expended</u> | <u>Balance Dec. 31, 2019</u> | <u>Cumulative Expenditures</u> |
|--|----------------------------|--------------------------------------|-------------------|--------------------|-----------------------------|---------------------------|-----------------|------------------------------|--------------------------------|
| <u>Federal and State Grant Fund</u> | | | | | | | | | |
| <u>U.S. Department of HUD:</u> | | | | | | | | | |
| Pass Through County of Bergen: | | | | | | | | | |
| Community Development | | | | | | | | | |
| Block Grant | 14.218 | | | 42,000.00 | 42,000.00 | | | 42,000.00 | |
| | | | | | 42,000.00 | | | 42,000.00 | |
| <u>U.S. Department of Transportation:</u> | | | | | | | | | |
| Pass Through NJ Department of Law & Public Safety: | | | | | | | | | |
| Distracted Driving Incentive | 20.616 | 066-1160-100-158 | 2019 | 3,288.21 | | 3,288.21 | | 3,288.21 | |
| Distracted Driving Incentive | 20.616 | 066-1160-100-158 | 2018 | 3,320.04 | 3,320.04 | | | 3,320.04 | |
| Drive Sober or Get Pulled Over | 20.616 | 066-1160-100-158 | 2017 | 957.48 | 957.48 | | | 957.48 | |
| | | | | | 4,277.52 | 3,288.21 | | 7,565.73 | |
| <u>U.S. Environmental Protection Agency:</u> | | | | | | | | | |
| Pass Through NJ Department of Environmental Protection | | | | | | | | | |
| Municipal Stormwater Regulation | 66.605 | | | 8,468.00 | 7,835.33 | | | 7,835.33 | 632.67 |
| <u>U.S. Department of Justice</u> | | | | | | | | | |
| Bulldozer Vest Partnership Program | 16.607 | | 2015 | 4,130.00 | | | 1,985.90 | (1,985.90) | 1,985.90 |
| | | | | 10,450.00 | (7,332.65) | | 249.10 | (7,581.75) | 10,450.00 |
| | | | | | (7,332.65) | | 2,235.00 | (9,567.65) | |
| Total Federal and State Grant Fund | | | | | 46,780.20 | 3,288.21 | 2,235.00 | 47,833.41 | |
| Total Federal Awards | | | | | 46,780.20 | 3,288.21 | 2,235.00 | 47,833.41 | |

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2019

| State Grantor/Pass-Through Grantor/Program | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/ Revenues | Expended | Balance Dec. 31, 2019 | MEMO Cumulative Expenditures |
|---|-------------------------------------|---------------|----------------|-------------------------|-----------------------|-----------|--------------------------|------------------------------------|
| <u>Federal and State Grant Fund</u> | | | | | | | | |
| <u>NJ Department of Environmental Protection:</u> | | | | | | | | |
| Clean Communities | 4900-765-004 | 2019 | 17,041.95 | | 17,041.95 | | 17,041.95 | |
| | | 2018 | 15,268.63 | 15,268.63 | | | 15,268.63 | |
| | | 2017 | 15,959.79 | 15,959.79 | | 8,231.03 | 7,728.76 | 8,231.03 |
| | | 2016 | 18,785.88 | 9,619.93 | | 9,619.93 | | 18,785.88 |
| | | | | 40,848.35 | 17,041.95 | 17,850.96 | 40,039.34 | |
| <u>Recycling Tonnage Grant</u> | 4910-100-224 | 2020 | 10,382.41 | | 10,382.41 | | 10,382.41 | |
| | | 2019 | 9,042.03 | | 9,042.03 | | 9,042.03 | |
| | | 2018 | 10,853.42 | 10,853.42 | | | 10,853.42 | |
| | | 2017 | 18,454.64 | 18,454.64 | | 13,864.95 | 4,589.69 | 13,864.95 |
| | | 2016 | 17,401.29 | 17,401.29 | | 17,401.29 | | 17,401.29 |
| | | 2015 | 27,752.10 | 109.10 | | 109.10 | | 27,752.10 |
| | | | | 46,818.45 | 19,424.44 | 31,375.34 | 34,867.55 | |
| <u>Special Legislative Grant</u> | 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</u> | | | | | | | | |
| SLA HEOP Grant | | | 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, 2019

| State Grantor/Pass-Through Grantor/Program | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/ Revenues | Expended | Balance Dec. 31, 2019 | MEMO Cumulative Expenditures |
|--|-------------------------------------|--------------------------------------|--|-------------------------|-----------------------|--------------------------------|--|------------------------------------|
| <u>NJ Division of Highway Traffic Safety:</u> Drunk Driving Enforcement Fund | 6400-100-078 | 2014 | 10,918.88 | 2,590.79 | | 2,052.44 | 538.35 | 10,131.25 |
| <u>NJ Department of Law and Public Safety:</u> Body Armor Replacement | 066-1020-718-001 | 2019 2018 2017 2016 2015 | 2,592.97 2,347.94 2,023.77 2,015.49 2,102.68 | | 2,592.97 | | 2,592.97 2,347.94 2,023.77 2,015.49 1,428.37 | 674.31 |
| | | | | 7,815.57 | 2,592.97 | | 10,408.54 | |
| <u>Council on Alcoholism and Drug Abuse:</u> Pass Through County of Bergen Municipal Drug Alliance | | 2019 2018 | 7,407.00 5,701.00 | | | 300.00 5,201.00 5,501.00 | (300.00) (300.00) | 5,701.00 |
| <u>Pass Through County of Bergen:</u> Municipal Recycling Assistance | | | 4,919.83 | 2,896.89 | | | 2,896.89 | 2,022.94 |
| Total Federal and State Grant Fund | | | | 103,676.79 | 44,260.36 | 56,779.74 | 91,157.41 | |

Borough of Oradell

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2019

| State Grantor/Pass-Through Grantor/Program | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/ Revenues | Expended | Balance Dec. 31, 2019 | MEMO Cumulative Expenditures |
|---|-------------------------------------|---------------|----------------|-------------------------|-----------------------|-----------|--------------------------|------------------------------------|
| <u>General Capital Fund</u> | | | | | | | | |
| <u>NJ Department of Transportation:</u> | | | | | | | | |
| Highway Planning and Construction | 078-6320-480 | 2019 | 197,000.00 | | | 6,450.00 | (6,450.00) | 6,450.00 |
| Highway Planning and Construction | 078-6320-480 | 2018 | 212,000.00 | | | 14,194.82 | (14,194.82) | 14,194.82 |
| Highway Planning and Construction | 078-6320-480 | 2017 | 165,627.00 | (41,406.75) | 41,406.75 | 20,644.82 | (20,644.82) | 165,627.00 |
| | | | | (41,406.75) | 41,406.75 | | | |
| Total General Capital Fund | | | | (41,406.75) | 41,406.75 | 20,644.82 | (20,644.82) | |
| Total State Awards | | | | 62,270.04 | 85,667.11 | 77,424.56 | 70,512.59 | |

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

Borough of Oradell , N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | <u>Current Fund</u> |
|---|-------------|---------------|----------------------------|
| Balance - December 31, 2018 | A | | 6,378,120.32 |
| Increased by Receipts: | | | |
| Interest and Costs on Taxes | A-2 | 79,620.79 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 66,019.47 | |
| Petty Cash | A-7 | 900.00 | |
| Due From State - Senior Citizen and Veteran Deductions | A-8 | 46,039.73 | |
| Taxes Receivable | A-9 | 46,246,345.20 | |
| Revenue Accounts Receivable | A-12 | 1,947,512.64 | |
| Sewer Discharges Receivable | A-13 | 64,497.93 | |
| Interfunds | A-14 | 4,481.65 | |
| Prepaid Taxes | A-17 | 121,262.30 | |
| Various Cash Liabilities and Reserves | A-21 | 57,144.49 | |
| | | | <u>48,633,824.20</u> |
| | | | 55,011,944.52 |
| Decreased by Disbursements: | | | |
| Refund Prior Year Revenue | A-1 | 10,536.79 | |
| Current Year Budget Appropriations | A-3 | 14,978,197.69 | |
| Petty Cash | A-7 | 900.00 | |
| Interfunds | A-14 | 20,050.00 | |
| Appropriation Reserves | A-15 | 491,354.89 | |
| Local District School Taxes | A-18 | 12,124,047.00 | |
| Regional High School Taxes | A-19 | 16,561,902.00 | |
| County Taxes Payable | A-20 | 4,344,575.48 | |
| Various Cash Liabilities and Reserves | A-21 | 125,023.84 | |
| | | | <u>48,656,587.69</u> |
| Balance - December 31, 2019 | A | | <u><u>6,355,356.83</u></u> |

Borough of Oradell , N.J.

Schedule of Cash - Collector-Treasurer

Grant Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | <u>Grant Fund</u> |
|-----------------------------------|-------------|------------------|--------------------------|
| Balance - December 31, 2018 | A | | 161,537.29 |
| Increased by Receipts: | | | |
| Grants Receivable | A-22 | 16,836.00 | |
| Unappropriated Reserve for Grants | A-24 | <u>30,712.57</u> | |
| | | | <u>49,254.57</u> |
| | | | 210,791.86 |
| Decreased by Disbursements: | | | |
| Appropriated Reserve for Grants | A-23 | <u>62,659.74</u> | |
| | | | <u>64,365.74</u> |
| Balance - December 31, 2019 | A | | <u><u>146,426.12</u></u> |

Exhibit A-6**Borough of Oradell , N.J.****Schedule of Cash - Change Fund****Current Fund****Year Ended December 31, 2019**

| | <u>Ref.</u> | |
|-----------------------------|-------------|---------------|
| Balance - December 31, 2018 | A | <u>200.00</u> |
| Balance - December 31, 2019 | A | <u>200.00</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>200.00</u> |

Exhibit A-7**Schedule of Cash - Petty Cash****Current Fund****Year Ended December 31, 2019**

| | <u>Ref.</u> | |
|-----------------------|-------------|---------------|
| Increased by: | | |
| Disbursed | A-4 | <u>900.00</u> |
| Decreased by: | | |
| Returned to Treasurer | A-4 | <u>900.00</u> |

Borough of Oradell , N.J.

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

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---|-------------|------------------------|
| Balance - December 31, 2018 | A | 1,048.53 |
| Increased by: | | |
| Senior Citizens' Deductions Per Tax Billing | | 1,500.00 |
| Veterans' Deductions Per Tax Billing | | 44,750.00 |
| Senior Citizens' and Veterans' Allowed | | 500.00 |
| Decreased by: | | |
| Senior Citizens' and Veterans' Disallowed | | <u>710.27</u> |
| | A-9 | <u>46,039.73</u> |
| | | 47,088.26 |
| Decreased by: | | |
| State Share of Senior Citizens and Veteran | | |
| Deductions Received in Cash | A-4 | <u>46,039.73</u> |
| Balance - December 31, 2019 | A | <u><u>1,048.53</u></u> |

Borough of Oradell, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

| Year | Balance, Dec. 31, 2018 | Added Taxes | Collected | | Senior Citizen and Veteran Deductions | Transferred to Tax Title Liens | Canceled | Balance, Dec. 31, 2019 |
|------|------------------------------|----------------|------------|---------------|---|--------------------------------------|-----------|------------------------------|
| | | | 2018 | 2019 | | | | |
| 2018 | 242,815.25 | | | 243,525.52 | (710.27) | | | |
| 2019 | | 45,360.73 | 286,425.14 | 46,002,819.68 | 46,750.00 | 1,206.34 | 68,122.23 | 327,397.99 |
| | | 45,360.73 | 286,425.14 | 46,246,345.20 | 46,039.73 | 1,206.34 | 68,122.23 | 327,397.99 |
| | A | | A-2/A-17 | A-2/A-4 | A-2/A-8 | A-11 | | A |

Analysis of Tax Levy

Tax yield:

General Purpose Tax
Added Tax (R.S. 54:4-63.1 et seq.)

Ref.

46,687,360.65
45,360.73

46,732,721.38

Tax Levy:

Local District School Tax
Regional High School Tax
County Tax
Added County Taxes

A-18
A-19
A-20
A-20

12,260,616.00
16,698,867.00
4,338,723.89
4,233.24

4,342,957.13

A-2

Local Tax for Municipal Purposes
Additional Taxes

33,302,440.13
13,378,760.26
51,520.99

13,430,281.25

46,732,721.38

Exhibit A-10**Borough of Oradell , N.J.****Schedule of Property Acquired for
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2019**

| | <u>Ref.</u> | |
|-----------------------------|-------------|------------------|
| Balance - December 31, 2018 | A | <u>29,898.00</u> |
| Balance - December 31, 2019 | A | <u>29,898.00</u> |

Exhibit A-11**Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2019**

| | <u>Ref.</u> | |
|---------------------------------|-------------|------------------|
| Balance - December 31, 2018 | A | 14,790.13 |
| Increased by: | | |
| Transfers from Taxes Receivable | A-9 | <u>1,206.34</u> |
| Balance - December 31, 2019 | A | <u>15,996.47</u> |

Borough of Oradell, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Balance Dec. 31, 2018</u> | <u>Accrued</u> | <u>Collected</u> | <u>Prepayment Applied</u> | <u>Balance Dec. 31, 2019</u> |
|--|-------------|--------------------------------------|---------------------|---------------------|-------------------------------|--------------------------------------|
| Clerk: | | | | | | |
| Licenses: | | | | | | |
| Alcoholic beverages | A-2 | | 10,438.00 | 10,438.00 | | |
| Other | A-2 | | 2,140.00 | 2,140.00 | | |
| Board of Health: | | | | | | |
| Licenses | A-2 | | 6,645.00 | 6,645.00 | | |
| Fire Prevention Bureau: | | | | | | |
| Registration Fees | A-2 | | 41,305.60 | 41,305.60 | | |
| Registrar: | | | | | | |
| Licenses | A-2 | | 84.00 | 84.00 | | |
| Fees and Permits | A-2 | | 8,210.00 | 8,210.00 | | |
| Police Department: | | | | | | |
| Licenses | A-2 | | 2,555.00 | 2,555.00 | | |
| Fees and Permits | A-2 | | 17,300.00 | 6,250.00 | 11,050.00 | |
| DPW | | | | | | |
| Fees and Permits | A-2 | | 25,450.00 | 25,450.00 | | |
| Municipal Court : | | | | | | |
| Fines and Costs | A-2 | 8,506.50 | 100,575.26 | 105,537.46 | | 3,544.30 |
| Uniform Construction Code: | | | | | | |
| Fees | A-2 | | 175,737.00 | 175,737.00 | | |
| Fees and Permits - Other | A-2 | | 68,332.80 | 68,332.80 | | |
| 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 | | 124,664.17 | 124,664.17 | | |
| Interest on Investments and Deposits | A-2 | 32.76 | 278,219.71 | 278,237.54 | | 14.93 |
| Sale of Recyclable Materials | A-2 | | 5,360.05 | 5,360.05 | | |
| Rents from Municipal Properties | A-2 | | 14,860.75 | 14,860.75 | | |
| Sewer Charges - Borough of Emerson | A-2 | 19,909.63 | 75,215.17 | 76,557.07 | | 18,567.73 |
| Sewer Charges - Borough of Haworth and Golf Club | A-2 | 12,057.83 | 18,740.75 | 24,574.20 | | 6,224.38 |
| Recreation Fees | A-2 | | 22,350.00 | 22,350.00 | | |
| General Capital Fund Balance | A-2 | | 99,503.00 | 99,503.00 | | |
| N.J. Transit Corporation (Ch. 40, P.L. 1981) | A-2 | | 56,496.00 | 56,496.00 | | |
| | | <u>40,506.72</u> | <u>1,946,407.26</u> | <u>1,947,512.64</u> | <u>11,050.00</u> | <u>28,351.34</u> |
| | | A | | A-4 | A-21 | A |

Borough of Oradell , N.J.

Schedule of Sewer Rents Receivable

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|------------------------|
| Balance - December 31, 2018 | A | 8,450.49 |
| Increased by: | | |
| Sewer Rents Levied | | <u>57,236.04</u> |
| | | 65,686.53 |
| Decreased by: | | |
| Collections | A-2,A-4 | <u>64,497.93</u> |
| Balance - December 31, 2019 | A | <u><u>1,188.60</u></u> |

Borough of Oradell , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2019

| <u>Fund</u> | <u>Ref.</u> | Due From/(To) Balance | | | Due From/(To) Balance | |
|------------------------------|-------------|--------------------------|------------------|------------------|--------------------------|--|
| | | <u>Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Dec. 31, 2019</u> | |
| Animal Control Trust Fund | A | 3,001.10 | 2,058.40 | 3,001.10 | 2,058.40 | |
| Other Trust | A | | 1,480.55 | | (1,480.55) | |
| General Capital Fund | A | (20,050.00) | | 20,050.00 | | |
| Federal and State Grant Fund | A | | 1,706.00 | 1,706.00 | | |
| | | <u>(17,048.90)</u> | <u>5,244.95</u> | <u>24,757.10</u> | <u>577.85</u> | |
| <u>Analysis</u> | | | | | | |
| Due to Current Fund | A/A-1 | 3,001.10 | | | 5,059.50 | |
| 2019 Anticipated Revenue | A-2 | | | | (3,001.10) | |
| Due From Current Fund | A | <u>(20,050.00)</u> | | | <u>(1,480.55)</u> | |
| | | <u>(17,048.90)</u> | | | <u>577.85</u> | |
| Statutory Excess | A-1 | | 2,058.40 | | | |
| Canceled Grant Reserves | A-1 | | 1,706.00 | | | |
| Canceled Grants Receivable | A-1 | | | 1,706.00 | | |
| Disbursements | A-4 | | | 20,050.00 | | |
| Receipts | A-4 | | <u>1,480.55</u> | <u>3,001.10</u> | | |
| | | | <u>5,244.95</u> | <u>24,757.10</u> | | |

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, <u>2018</u> | Balance after Transfers and <u>Encumbrances</u> | <u>Paid or Charged</u> | Balance <u>Lapsed</u> |
|--|-------------------------------------|---|----------------------------|--------------------------|
| Salaries and Wages Within "CAPS": | | | | |
| Administrative and Executive | 4,617.27 | 4,617.27 | | 4,617.27 |
| Mayor and Council | 153.22 | 153.22 | | 153.22 |
| Borough Clerk's Office | 1,139.82 | 1,139.82 | | 1,139.82 |
| Financial Administration | 868.87 | 868.87 | | 868.87 |
| Collection of Taxes | 1,544.48 | 1,544.48 | | 1,544.48 |
| Assessment of Taxes | 666.91 | 666.91 | | 666.91 |
| Planning Board | 2,908.00 | 2,908.00 | | 2,908.00 |
| Board of Adjustment | 1,596.00 | 1,596.00 | | 1,596.00 |
| Police | 39,751.44 | 33,751.44 | | 33,751.44 |
| Emergency Management | 220.00 | 220.00 | | 220.00 |
| Fire Officials | 2,058.80 | 2,058.80 | | 2,058.80 |
| Road Repairs and Maintenance | 79,571.72 | 79,571.72 | | 79,571.72 |
| Shade Trees | 6,427.18 | 6,427.18 | | 6,427.18 |
| Public Buildings and Grounds | 4,350.22 | 4,350.22 | | 4,350.22 |
| Sewer System | 2,985.72 | 2,985.72 | | 2,985.72 |
| Shop and Garage | 812.11 | 812.11 | | 812.11 |
| Board of Health | 2,797.00 | 2,797.00 | | 2,797.00 |
| Senior Citizens Transportation | 4,552.50 | 4,552.50 | | 4,552.50 |
| Parks and Playgrounds | 4,590.13 | 4,590.13 | | 4,590.13 |
| Recreation | 10,527.95 | 10,527.95 | | 10,527.95 |
| Construction Code Officials | 1,722.84 | 1,722.84 | | 1,722.84 |
| Code Enforcement Agency | 99.96 | 99.96 | | 99.96 |
| Total Salaries and Wages Within "CAPS" | <u>173,962.14</u> | <u>167,962.14</u> | | <u>167,962.14</u> |
| Other Expenses Within "CAPS": | | | | |
| Administrative and Executive | 3,035.81 | 7,875.48 | 5,187.64 | 2,687.84 |
| Mayor and Council | 3,146.66 | 3,462.49 | 632.11 | 2,830.38 |
| Borough Clerk's Office | 12,945.45 | 13,250.05 | 782.86 | 12,467.19 |
| Financial Administration | 9,182.38 | 11,008.90 | 9,469.90 | 1,539.00 |
| Annual Audit | | 32,500.00 | 32,500.00 | |
| Collection of Taxes | 2,150.14 | 2,294.07 | 143.93 | 2,150.14 |
| Assessment of Taxes | 6,888.76 | 11,326.26 | 6,437.50 | 4,888.76 |
| Legal Services and Costs | 24,888.25 | 46,900.75 | 41,969.03 | 4,931.72 |
| Engineering Services | 7,350.00 | 7,350.00 | 3,265.50 | 4,084.50 |
| Historical Committee | 678.45 | 678.45 | | 678.45 |
| Planning Board | 3,477.75 | 9,244.03 | 5,594.04 | 3,649.99 |
| Board of Adjustment | 5,836.40 | 5,836.40 | 1,175.00 | 4,661.40 |

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, <u>2018</u> | Balance after Transfers and <u>Encumbrances</u> | <u>Paid or Charged</u> | Balance <u>Lapsed</u> |
|---|-------------------------------------|---|----------------------------|--------------------------|
| Insurance: | | | | |
| Other Insurance | 1,999.56 | 43,611.42 | 41,611.86 | 1,999.56 |
| Workers' Compensation Insurance | 19.92 | 50,644.94 | 50,625.02 | 19.92 |
| Group Insurance | 67,998.78 | 64,590.43 | 1,591.65 | 62,998.78 |
| Health Benefit Waiver | 428.99 | 428.99 | | 428.99 |
| Police | 19,033.95 | 29,506.00 | 16,799.98 | 12,706.02 |
| Purchase of Police Cars | 1,002.51 | 1,002.51 | | 1,002.51 |
| Auxiliary Police | 3,000.00 | 3,000.00 | | 3,000.00 |
| Emergency Management | 859.85 | 859.85 | | 859.85 |
| First Aid Squad Contributions | 2,276.70 | 10,276.70 | 8,644.66 | 1,632.04 |
| Fire | 20,952.46 | 33,434.48 | 23,771.32 | 9,663.16 |
| Fire Officials | 4,547.61 | 4,547.61 | 82.50 | 4,465.11 |
| Road Repairs and Maintenance | 48,526.63 | 48,665.68 | 5,081.80 | 43,583.88 |
| Shade Trees | 12,925.26 | 13,060.26 | 135.00 | 12,925.26 |
| Garbage and Trash Removal - Contractual | 2,939.72 | 2,939.72 | | 2,939.72 |
| Disposal Costs / Tipping Fees | 33,912.69 | 36,912.69 | 34,146.93 | 2,765.76 |
| Recycling Program - Contractual | 32,841.99 | 37,219.99 | 34,490.00 | 2,729.99 |
| Public Buildings and Grounds | 47,892.35 | 70,762.07 | 39,264.84 | 31,497.23 |
| Sewer System | 29,072.61 | 30,086.86 | 11,981.06 | 18,105.80 |
| Shop and Garage | 28,763.66 | 37,960.34 | 14,457.65 | 23,502.69 |
| Board of Health | 4,736.38 | 4,736.38 | | 4,736.38 |
| Board of Health-PEOSHA Hep. B Vac. | 58.00 | 58.00 | | 58.00 |
| Environmental Committee | 1,124.00 | 1,124.00 | | 1,124.00 |
| Stigma-Free Committee | 586.16 | 586.16 | | 586.16 |
| Senior Citizens' Center | 4,541.42 | 4,941.42 | 2,202.77 | 2,738.65 |
| Parks and Playground | 8,012.99 | 8,201.59 | 2,636.10 | 5,565.49 |
| Recreation | 18,939.13 | 19,023.85 | 777.22 | 18,246.63 |
| Beautification Projects | 782.86 | 782.86 | | 782.86 |
| Construction Code Official | 5,072.48 | 5,169.75 | 732.26 | 4,437.49 |
| Code Enforcement Agency | 1,924.54 | 1,924.54 | | 1,924.54 |
| Celebration of Public Events | 1,369.69 | 1,453.78 | 146.80 | 1,306.98 |
| Video Committee | 757.10 | 803.08 | 45.98 | 757.10 |
| Street Lighting | 10,179.01 | 16,360.15 | 12,474.59 | 3,885.56 |
| Telephone | 3,377.07 | 3,377.07 | 396.87 | 2,980.20 |
| Fire Hydrant Service | 6,246.96 | 16,875.31 | 10,628.35 | 6,246.96 |
| Gasoline | 9,135.48 | 23,741.71 | 19,174.37 | 4,567.34 |
| Contingent | 1,000.00 | 1,000.00 | | 1,000.00 |
| Total Other Expenses Within "CAPS" | 516,418.56 | 781,397.07 | 439,057.09 | 342,339.98 |

Borough of Oradell, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, 2018 | Balance after Transfers and Encumbrances | Paid or Charged | Balance Lapsed |
|--|------------------------------|--|--------------------|-------------------|
| Deferred Charges and Statutory Expenditures Within "CAPS": | | | | |
| Public Employees' Retirement System | 1.65 | 1.65 | | 1.65 |
| Social Security | 8,596.21 | 8,596.21 | 426.81 | 8,169.40 |
| Defined Contribution Retirement Plan | 711.39 | 711.39 | | 711.39 |
| Total Deferred Charges and Statutory Expenditures Within "CAPS" | 9,309.25 | 9,309.25 | 426.81 | 8,882.44 |
| Total Reserves Within "CAPS" | 699,689.95 | 958,668.46 | 439,483.90 | 519,184.56 |
| Other Expenses Excluded From "CAPS": | | | | |
| Bergen County Utilities Authority | 970.36 | 970.36 | | 970.36 |
| Recycling Tax (PL 2007, c.311) | 1,748.72 | 1,748.72 | 1,616.04 | 132.68 |
| Emergency Service Volunteer Length of Service Award Program | 54,796.05 | 54,796.05 | 42,619.15 | 12,176.90 |
| Interlocal - 911 Communications - Contractual | 93.96 | 93.96 | | 93.96 |
| Total Other Expenses Excluded from "CAPS" | 57,609.09 | 57,609.09 | 44,235.19 | 13,373.90 |
| Capital Improvements Excluded from "CAPS" | | | | |
| Various Capital Improvements | | 7,635.80 | 7,635.80 | |
| Total Capital Improvements Excluded from "CAPS" | | 7,635.80 | 7,635.80 | |
| Total Reserves Excluded from "CAPS" | 57,609.09 | 65,244.89 | 51,870.99 | 13,373.90 |
| Total Reserves | 757,299.04 | 1,023,913.35 | 491,354.89 | 532,558.46 |
| | A | | A-4 | A-1 |
| Appropriation Reserves | Ref. above | 757,299.04 | | |
| Transfer from Reserve for Encumbrances | A-16 | 266,614.31 | | |
| | | 1,023,913.35 | | |

Borough of Oradell , N.J.
Schedule of Encumbrances Payable
Current Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---------------------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | A | 266,614.31 |
| Increased by: | | |
| Transfer from Current Appropriations | A-3 | <u>430,743.73</u> |
| | | 697,358.04 |
| Decreased by: | | |
| Transferred to Appropriation Reserves | A-15 | <u>266,614.31</u> |
| Balance - December 31, 2019 | A | <u><u>430,743.73</u></u> |

Schedule of Prepaid Taxes
Current Fund
Year Ended December 31, 2019

| | | |
|-------------------------------|-----|--------------------------|
| Balance - December 31, 2018 | A | 286,425.14 |
| Increased by: | | |
| Receipts - Prepaid 2020 Taxes | A-4 | <u>121,262.30</u> |
| | | 407,687.44 |
| Decreased by: | | |
| Applied to 2019 Taxes | A-9 | <u>286,425.14</u> |
| Balance - December 31, 2019 | A | <u><u>121,262.30</u></u> |

Borough of Oradell , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|--------------------------------------|-------------|---------------------|----------------------|
| Balance - December 31, 2018 | | | |
| School Tax Payable | A | | |
| School Tax Deferred | | <u>5,993,739.50</u> | |
| | | | 5,993,739.50 |
| Increased by: | | | |
| Levy School Year - July 1, 2019 | | | |
| to June 30, 2020 | A-9 | | <u>12,260,616.00</u> |
| | | | 18,254,355.50 |
| Decreased by: | | | |
| Payments | A-4 | | <u>12,124,047.00</u> |
| Balance - December 31, 2019 | | | |
| School Tax Payable | A | 0.50 | |
| School Tax Deferred | | <u>6,130,308.00</u> | |
| | | | <u>6,130,308.50</u> |
| 2019 Liability for Local | | | |
| District School Tax: | | | |
| Tax Paid | | | 12,124,047.00 |
| Tax Payable | | | <u>0.50</u> |
| | | | 12,124,047.50 |
| Less Tax Payable - December 31, 2018 | | | <u>0.00</u> |
| Amount Charged to 2019 Operations | A-1 | | <u>12,124,047.50</u> |

Borough of Oradell , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|--|-------------|----------------------|----------------------|
| Balance - December 31, 2018 | | | |
| School Tax Payable | A/A-1 | | |
| School Tax Deferred | | <u>8,212,468.50</u> | 8,212,468.50 |
| Increased by: | | | |
| Levy School Year - July 1, 2019 | | | |
| to June 30, 2020 | A-9 | <u>16,698,867.00</u> | |
| | | | 24,911,335.50 |
| Decreased by: | | | |
| Payments | A-4 | <u>16,561,902.00</u> | |
| Balance - December 31, 2019 | | | |
| School Tax Payable | A | | |
| School Tax Deferred | | <u>8,349,433.50</u> | <u>8,349,433.50</u> |
| 2019 Liability for Regional High | | | |
| School District Tax: | | | |
| Tax Paid | | | 16,561,902.00 |
| School Tax Payable - December 31, 2019 | | | <u>0.00</u> |
| | | | 16,561,902.00 |
| Less: School Tax Payable - December 31, 2018 | | | <u>0.00</u> |
| Amount Charged to 2019 Operations | A-1 | | <u>16,561,902.00</u> |

Borough of Oradell , N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-----------------|------------------------|
| Balance - December 31, 2018 | A | | 5,851.59 |
| Increased by: | | | |
| Levy | A-1/A-9 | 4,338,723.89 | |
| Added and Omitted Taxes | A-1/A-9 | <u>4,233.24</u> | |
| | | | <u>4,342,957.13</u> |
| | | | 4,348,808.72 |
| Decreased by: | | | |
| Payments | A-4 | | <u>4,344,575.48</u> |
| Balance - December 31, 2019 | A | | <u><u>4,233.24</u></u> |

Borough of Oradell , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2019

| <u>Liabilities and Reserves</u> | Balance, Dec. 31, 2018 | <u>Increased</u> | <u>Decreased</u> | Balance, Dec. 31, 2019 |
|--|------------------------------|-------------------|-------------------|------------------------------|
| <u>Liabilities:</u> | | | | |
| Tax Overpayments | 5,954.10 | 33,432.49 | 26,850.17 | 12,536.42 |
| Due to State of NJ Marriage Surcharge | 200.00 | 700.00 | 700.00 | 200.00 |
| Due to State of NJ Building Surcharge | 5,305.00 | 10,637.00 | 12,999.00 | 2,943.00 |
| Prepaid Revenues | 11,050.00 | 9,625.00 | 11,050.00 | 9,625.00 |
| <u>Reserves for:</u> | | | | |
| Tax Appeals | 202,697.42 | 480,000.00 | 84,474.67 | 598,222.75 |
| Master Plan | 13.60 | | | 13.60 |
| Revaluation of Real Property | 6,435.00 | | | 6,435.00 |
| Contributions Towards Municipal Calendar | 11,736.00 | 2,750.00 | | 14,486.00 |
| | <u>243,391.12</u> | <u>537,144.49</u> | <u>136,073.84</u> | <u>644,461.77</u> |
| | A | | | A |
| | <u>Ref.</u> | | | |
| Transferred from Current Year Appropriations | A-3 | 480,000.00 | | |
| Receipts | A-4 | 57,144.49 | | |
| Disbursed | A-4 | | 125,023.84 | |
| Applied to 2019 Revenue Accounts Receivable | A-12 | | 11,050.00 | |
| | | <u>537,144.49</u> | <u>136,073.84</u> | |

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

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Borough of Oradell, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

| <u>Grant</u> | <u>Balance, Dec. 31, 2018</u> | <u>Transfer From 2019 Budget</u> | <u>Expended</u> | <u>Canceled</u> | <u>Balance, Dec. 31, 2019</u> |
|---|---------------------------------------|--|------------------|-----------------|---------------------------------------|
| Local Grants: | | | | | |
| Environmental Service Grant | 1,725.00 | | | | 1,725.00 |
| Sustainable Jersey Grant | | 2,000.00 | 2,000.00 | | |
| 100 Cities / 100 Memorials | | 2,000.00 | 1,645.00 | | 355.00 |
| Bulletproof Vest Grant | 2,065.00 | | | | 2,065.00 |
| Bergen County Open Space Trust | 3,290.30 | | | | 3,290.30 |
| | <u>7,080.30</u> | <u>4,000.00</u> | <u>3,645.00</u> | | <u>7,435.30</u> |
| Federal Grants | | | | | |
| Bulletproof Vest Grant | 4,379.10 | | 2,235.00 | | 2,144.10 |
| Community Development Block Grant | 42,000.00 | | | | 42,000.00 |
| Drive Sober or Get Pulled Over | 957.48 | 3,320.04 | | | 4,277.52 |
| Municipal Stormwater Regulation Grant | 7,835.33 | | | | 7,835.33 |
| | <u>55,171.91</u> | <u>3,320.04</u> | <u>2,235.00</u> | | <u>56,256.95</u> |
| State Grants: | | | | | |
| Drunk Driving Enforcement Fund | 2,590.79 | | 2,052.44 | | 538.35 |
| Clean Communities Grant | 25,579.72 | 15,268.63 | 17,850.96 | | 22,997.39 |
| Municipal Alliance on Alcoholism and Drug Abuse | 6,907.00 | 7,407.00 | 5,501.00 | 1,706.00 | 7,107.00 |
| Special Legislative Grant | 58.10 | | | | 58.10 |
| Municipal Recycling Assistance | 2,896.89 | | | | 2,896.89 |
| Recycling Grant | 46,818.45 | 9,042.03 | 31,375.34 | | 24,485.14 |
| Body Armor Replacement Fund | 7,815.57 | 2,592.97 | | | 10,408.54 |
| 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>97,165.16</u> | <u>34,310.63</u> | <u>56,779.74</u> | <u>1,706.00</u> | <u>72,990.05</u> |
| | <u>159,417.37</u> | <u>41,630.67</u> | <u>62,659.74</u> | <u>1,706.00</u> | <u>136,682.30</u> |
| | A | A-3, A-22 | A-5 | A-5 | A |

Borough of Oradell , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

| <u>Grant</u> | Balance, Dec. 31, <u>2018</u> | Transfer To 2019 <u>Budget</u> | <u>Received</u> | Balance, Dec. 31, <u>2019</u> |
|------------------------------|-------------------------------------|--------------------------------------|------------------|-------------------------------------|
| Local Grants: | | | | |
| 100 Cities / 100 Memorials | 2,000.00 | 2,000.00 | | |
| Sustainable Jersey Grant | <u>2,000.00</u> | <u>2,000.00</u> | | |
| | <u>4,000.00</u> | <u>4,000.00</u> | | |
| Federal Grants: | | | | |
| Distracted Driving Incentive | <u>3,320.04</u> | <u>3,320.04</u> | <u>3,288.21</u> | <u>3,288.21</u> |
| | <u>3,320.04</u> | <u>3,320.04</u> | <u>3,288.21</u> | <u>3,288.21</u> |
| State Grants: | | | | |
| Clean Communities | 15,268.63 | 15,268.63 | 17,041.95 | 17,041.95 |
| Recycling Tonnage Grant | | | <u>10,382.41</u> | <u>10,382.41</u> |
| | <u>15,268.63</u> | <u>15,268.63</u> | <u>27,424.36</u> | <u>27,424.36</u> |
| | <u>22,588.67</u> | <u>22,588.67</u> | <u>30,712.57</u> | <u>30,712.57</u> |
| | A | A-22 | A-5 | A |

Borough of Oradell, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Animal Control Trust Fund</u> | <u>Other Trust Funds</u> | <u>L.O.S.A.P.</u> |
|---|-------------|--|----------------------------------|---------------------|
| Balance - December 31, 2018 | B | <u>12,719.50</u> | <u>819,377.58</u> | <u>988,436.30</u> |
| Increase by Receipts: | | | | |
| Dog License Fees - Borough Share | B-2 | 2,456.40 | | |
| Late Fees Collected | B-2 | 215.00 | | |
| Dog License Fees - State Share | B-3 | 583.80 | | |
| Prepaid Dog Licenses | B-4 | 1,124.80 | | |
| Other Trust Funds | B-6 | | 628,039.02 | |
| Payroll Deductions Payable | B-7 | | 2,509,182.17 | |
| Net Payroll | B-8 | | 4,020,334.85 | |
| Contributions Receivable | B-9 | | | 42,619.15 |
| Net Assets Available for Benefits | B-10 | | | <u>238,542.18</u> |
| Total Receipts | | <u>4,380.00</u> | <u>7,157,556.04</u> | <u>281,161.33</u> |
| | | <u>17,099.50</u> | <u>7,976,933.62</u> | <u>1,269,597.63</u> |
| Decreased by Disbursements: | | | | |
| Reserve for Animal Control Expenditures | B-2 | 2,033.00 | | |
| State Share - Dog Licenses | B-3 | 593.40 | | |
| Interfund - Current Fund | B-5 | 3,001.10 | 1,480.55 | |
| Other Trust Funds | B-6 | | 402,719.67 | |
| Payroll Deductions Payable | B-7 | | 2,509,164.32 | |
| Net Payroll | B-8 | | 4,020,334.85 | |
| Net Assets Available for Benefits | B-10 | | | <u>83,165.30</u> |
| Total Disbursements | | <u>5,627.50</u> | <u>6,933,699.39</u> | <u>83,165.30</u> |
| Balance - December 31, 2019 | B | <u>11,472.00</u> | <u>1,043,234.23</u> | <u>1,186,432.33</u> |

Borough of Oradell, N.J.

Reserve for Animal Control Expenditures

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-----------------|------------------------|
| Balance - December 31, 2018 | B | | 7,940.00 |
| Increased by: | | | |
| Dog License Fees | B-1 | 2,456.40 | |
| Late Fees & Miscellaneous | B-1 | 215.00 | |
| Prepaid Applied | B-4 | <u>1,142.40</u> | |
| | | | <u>3,813.80</u> |
| | | | 11,753.80 |
| Decreased by: | | | |
| Expenditures R.S. 4:19-1511 | B-1 | 2,033.00 | |
| Statutory Excess | B-5 | <u>2,058.40</u> | |
| | | | <u>4,091.40</u> |
| Balance - December 31, 2019 | B | | <u><u>7,662.40</u></u> |

License Fees Collected

| | |
|-------------|------------------------|
| <u>Year</u> | |
| 2018 | 4,034.80 |
| 2017 | <u>3,627.60</u> |
| | <u><u>7,662.40</u></u> |

Borough of Oradell, N.J.

Schedule of Due from State Department of Health

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-------------|----------------------|
| Balance - December 31, 2018 | B | | |
| Increased by: | | | |
| State Fees Collected | B-1 | 583.80 | |
| Prepaid Applied | B-4 | <u>6.00</u> | |
| | | | 589.80 |
| Decreased by: | | | |
| Paid to State | B-1 | | <u>593.40</u> |
| Balance - December 31, 2019 | B | due from | <u><u>(3.60)</u></u> |

Prepaid Licenses

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|------------------------------------|-------------|-------------|------------------------|
| Balance - December 31, 2018 | B | | 1,778.40 |
| Increased by: | | | |
| Cash Receipts | B-1 | | <u>1,124.80</u> |
| | | | 2,903.20 |
| Decreased by: | | | |
| Applied to Reserves - Dog Licenses | B-2 | 1,142.40 | |
| Applied to Due to State | B-3 | <u>6.00</u> | |
| | | | <u>1,148.40</u> |
| Balance - December 31, 2019 | B | | <u><u>1,754.80</u></u> |

Borough of Oradell, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2019

| | Due to/(from) Balance <u>Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | Due to/(from) Balance <u>Dec. 31, 2019</u> |
|--------------------------------------|--|------------------|-----------------------------|--|
| Animal Control Trust Fund | 3,001.10 | 2,058.40 | 3,001.10 | 2,058.40 |
| Other Trust | <u> </u> | <u>1,480.55</u> | <u> </u> | <u>(1,480.55)</u> |
| | <u>3,001.10</u> | <u>3,538.95</u> | <u>3,001.10</u> | <u>577.85</u> |
| | B | | | B |
| | <u>Ref.</u> | | | |
| Statutory Excess in Dog License Fund | B-2 | 2,058.40 | | |
| Cash Disbursements - Dog License | B-1 | | 3,001.10 | |
| Cash Disbursements - Other Trust | B-1 | <u>1,480.55</u> | <u> </u> | |
| | | <u>3,538.95</u> | <u>3,001.10</u> | |

Borough of Oradell, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2019

| | Balance Dec. 31, 2018 | Increased by Receipts | Decreased by Disbursements | Balance Dec. 31, 2019 |
|---------------------------------|--------------------------|--------------------------|-------------------------------|--------------------------|
| Miscellaneous Escrow Deposits | 257,187.42 | 84,296.71 | 93,451.26 | 248,032.87 |
| Reserve for: | | | | |
| Tax Sale Premiums | 67,200.00 | 353,500.00 | 152,700.00 | 268,000.00 |
| Municipal Court - P.O.A.A. | 1,731.14 | 400.00 | | 2,131.14 |
| Fireworks & Other Donations | 5,995.49 | 11,862.00 | 9,575.00 | 8,282.49 |
| Other Donations | 58.00 | 615.00 | | 673.00 |
| Police Donations | 3,215.00 | 2,500.00 | | 5,715.00 |
| Ridgewood Field Donations | 8,792.60 | | | 8,792.60 |
| Cablevision Equipment Donation | 200.00 | | | 200.00 |
| Donations - Andrew Caruso | 140.00 | | | 140.00 |
| Junior Police Academy Donations | 5,587.00 | 3,066.00 | | 8,653.00 |
| DP Athletic Field Maintenance | 193,951.93 | 26,850.00 | 105,613.00 | 115,188.93 |
| VFW Donation | 3,067.02 | | | 3,067.02 |
| Stigma Free Donations | | 1,516.25 | | 1,516.25 |
| Shade Trees | 3,269.76 | 200.00 | | 3,469.76 |
| Security Deposits | 1,162.50 | | | 1,162.50 |
| Unemployment | 59,169.45 | 34,564.05 | 28,438.67 | 65,294.83 |
| Municipal Alliance | 14,462.33 | 2,366.12 | 1,130.70 | 15,697.75 |
| COAH | 20,365.10 | 39,478.63 | 11,811.04 | 48,032.69 |
| Environmental Donations | 832.58 | 21.67 | | 854.25 |
| Fire Safety Penalty | 900.00 | 450.00 | | 1,350.00 |
| Accumulated Absences | 130,547.42 | 66,352.59 | | 196,900.01 |
| Storm Recovery | 40,000.00 | | | 40,000.00 |
| | <u>817,834.74</u> | <u>628,039.02</u> | <u>402,719.67</u> | <u>1,043,154.09</u> |
| | B | B-I | B-I | B |

Borough of Oradell, N.J.
Schedule of Payroll Deductions Payable

Other Trust Fund

Year Ended December 31, 2019

| <u>Account</u> | <u>Balance Dec. 31, 2018</u> | <u>Receipts</u> | <u>Disbursed</u> | <u>Balance Dec. 31, 2019</u> |
|--|----------------------------------|---------------------|---------------------|----------------------------------|
| Federal Withholding Tax | | 711,799.96 | 711,799.96 | |
| Social Security | | 499,402.13 | 499,402.13 | |
| State Withholding Tax | | 252,824.63 | 252,824.63 | |
| Unemployment Insurance | | 13,025.56 | 13,025.56 | |
| Public Employees' Retirement System | | 201,531.81 | 201,531.81 | |
| Contributory Insurance | | 11,413.10 | 11,413.10 | |
| Police and Firemen's Retirement System | | 317,775.80 | 317,775.80 | |
| DCRP | | 22,890.91 | 22,890.91 | |
| Police Legal Fund | | 2,400.00 | 2,400.00 | |
| Union Dues | | 30,417.00 | 30,417.00 | |
| AFLX | 1,542.84 | 8,367.20 | 8,349.35 | 1,560.69 |
| Employee Insurance Contribution | | 333,661.27 | 333,661.27 | |
| Vision | | 4,757.16 | 4,757.16 | |
| Garnish | | 765.64 | 765.64 | |
| Deferred Compensation | | 98,150.00 | 98,150.00 | |
| | <u>1,542.84</u> | <u>2,509,182.17</u> | <u>2,509,164.32</u> | <u>1,560.69</u> |
| | B | B-1 | B-1 | B |

Schedule of Net Payroll

Other Trust Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|----------------|-------------|---------------------|
| Increased by : | | |
| Receipts | B-1 | <u>4,020,334.85</u> |
| Decreased by : | | |
| Disbursements | B-1 | <u>4,020,334.85</u> |

Borough of Oradell, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | B | 42,619.15 |
| Increased by: | | |
| Borough Contributions | B-10 | <u>40,300.00</u> |
| | | 82,919.15 |
| Decreased by: | | |
| Cash Receipts | B-1 | <u>42,619.15</u> |
| Balance - December 31, 2019 | B | <u><u>40,300.00</u></u> |

Borough of Oradell, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-------------------|----------------------------|
| Balance - December 31, 2018 | B | | 1,031,055.45 |
| Increased by: | | | |
| Borough Contributions | B-9 | 40,300.00 | |
| Gain or (Loss) | B-1 | <u>238,542.18</u> | |
| | | | <u>278,842.18</u> |
| | | | 1,309,897.63 |
| Decreased by: | | | |
| Withdrawals | B-1 | | <u>83,165.30</u> |
| Balance - December 31, 2019 | B | | <u><u>1,226,732.33</u></u> |

Borough of Oradell , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-------------------------------------|-------------|-------------------|----------------------------|
| Balance - December 31, 2018 | C | | 1,930,856.82 |
| Increased by Receipts: | | | |
| Premium on Bond Anticipation Notes | C-1 | 97,738.69 | |
| Deferred Charges Unfunded | C-5 | 20,000.00 | |
| Bond Anticipation Notes | C-7 | 4,773,000.00 | |
| General Serial Bonds | C-8 | 5,496,000.00 | |
| Capital Improvement Fund | C-18 | 62,000.00 | |
| Various Reserves | C-20 | 294,711.57 | |
| Due from Current Fund | C-19 | <u>20,050.00</u> | |
| | | | <u>10,763,500.26</u> |
| | | | 12,694,357.08 |
| Decreased by Disbursements: | | | |
| Appropriated to 2019 Budget Reveune | C-1 | 99,503.00 | |
| Bond Anticipation Notes | C-7 | 8,898,000.00 | |
| Improvement Authorizations | C-17 | 1,605,866.01 | |
| Various Reserves | C-20 | <u>471,975.32</u> | |
| | | | <u>11,075,344.33</u> |
| Balance - December 31, 2019 | C | | <u><u>1,619,012.75</u></u> |

Borough of Oradell , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|----------------------------------|-------------|--------------|
| Fund Balance | C-1 | 131,711.69 |
| Various Receivables | C-6 | (444,000.00) |
| Capital Improvement Fund | C-18 | 74,187.04 |
| Preliminary Costs | C-19 | 315.50 |
| Reserve for Various Improvements | C-20 | 442,929.04 |
| Reserve for Receivables | C-22 | 15,000.00 |
| Accounts Payable | | 1.00 |

Improvement Authorizations:

Ordinance

| <u>Number</u> | <u>Improvement Description</u> | |
|---------------|--|---------------------|
| 07-17 | Various Improvements | 17,050.69 |
| 07-19 | Various Improvements | 153,238.05 |
| 08-16 | Construction of Student Drop-Off | (60,000.00) |
| 12-16 | Various Improvements | 129,711.49 |
| 13-10 | Various Improvements | 70,689.92 |
| 14-04 | Various Improvements | 78,628.94 |
| 15-09 | Various Improvements | 38,895.86 |
| 16-01 | Improvement of Sanitary Sewer System, IV | (26,387.92) |
| 16-7 | Various Improvements | 140,151.83 |
| 16-8 | Various Improvements | 50,000.00 |
| 16-11 | Improvement of Various Roads | 118,914.34 |
| 17-06 | Various Improvements | 68,562.36 |
| 18-02 | Improvement of Buildings & Playgrounds | 26,109.23 |
| 18-04 | Various Improvements | 353,203.42 |
| 19-16 | Various Improvements | 240,100.27 |
| | | <hr/> |
| | C, C-2 | <u>1,619,012.75</u> |

Borough of Oradell , N.J.

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---|-------------|-----------------------------|
| Balance - December 31, 2018 | C | 9,597,232.12 |
| Increased by: | | |
| Bonds Issued | C-5 | <u>5,496,000.00</u> |
| | | 15,093,232.12 |
| Decreased by: | | |
| Current Year Budget Appropriation: | | |
| Serial Bonds | C-8 | 1,023,000.00 |
| 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 | 10,822.00 |
| NJ Environmental Infrastructure Trust III | C-13 | 59,336.74 |
| NJ Environmental Infrastructure Trust III | C-14 | 15,000.00 |
| NJ Environmental Infrastructure Trust IV | C-15 | 40,848.31 |
| NJ Environmental Infrastructure Trust IV | C-16 | <u>10,000.00</u> |
| | | <u>1,225,859.54</u> |
| Balance - December 31, 2019 | C | <u><u>13,867,372.58</u></u> |

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

| Ordinance Number | Improvement Description | Balance, Dec. 31, 2018 | 2019 Authorizations | Authorizations Funded | Notes Paid by Budget Appropriation | Balance, Dec. 31, 2019 | Financed by | | |
|------------------|---|---------------------------|------------------------|--------------------------|--|---------------------------|-------------------------------|-----------|--|
| | | | | | | | Bond Anticipation Notes | Expended | Unexpended Improvement Authorization |
| 03-13 | Renovation of The Free Public Library | | | | | | | | |
| 07-17 | Various Improvements | 202,000.00 | | 202,000.00 | | | | | |
| 08-04 | Various Improvements | 127,700.00 | | 127,700.00 | | | | | |
| 08-08/16-08 | Various Improvements | 452,600.00 | | 452,600.00 | | | | | |
| 08-16 | Construction of Student Drop-Off Lane | 94,300.00 | | 14,300.00 | 20,000.00 | 60,000.00 | | 60,000.00 | |
| 09-01 | Various Improvements | 268,400.00 | | 268,400.00 | | | | | |
| 09-10/12-07// | | | | | | | | | |
| 17-06 | Various Improvements | 596,400.00 | | 596,400.00 | | | | | |
| 10-02/18-02 | Improvement of Various Roads | 537,600.00 | | 537,200.00 | 400.00 | | | | |
| 11-11/12-07// | | | | | | | | | |
| 17-06/18-02 | Various Improvements | 668,600.00 | | 668,600.00 | | | | | |
| 12-16/17-06// | | | | | | | | | |
| 18-02 | Various Improvements | 487,000.00 | | 487,000.00 | | | | | |
| 13-10/17-06// | | | | | | | | | |
| 18-02 | Various Improvements | 978,800.00 | | 978,800.00 | | | | | |
| 14-4/17-06 | Various Improvements | 1,163,400.00 | | 1,163,000.00 | 400.00 | | | | |
| 15-09 | Various Improvements | 988,000.00 | | | 48,500.00 | 939,500.00 | 939,500.00 | | |
| 16-01 | Improvement of Sanitary Sewer System IV | 26,387.92 | | | | 26,387.92 | | | |
| 16-7 | Various Improvements | 1,067,600.00 | | | 90,100.00 | 977,500.00 | 977,500.00 | 26,387.92 | |
| 16-11 | Improvement of Various Roads | 685,000.00 | | | | 685,000.00 | 685,000.00 | | |
| 17-06 | Various Improvements | 800,000.00 | | | | 800,000.00 | 800,000.00 | | |
| 18-04 | Various Improvements | 1,371,000.00 | | | | 1,371,000.00 | 1,371,000.00 | | |
| 19-16 | Various Improvements | | 1,023,000.00 | | | 1,023,000.00 | | 6,668.56 | 1,016,331.44 |
| | | 10,514,787.92 | 1,023,000.00 | 5,496,000.00 | 159,400.00 | 5,882,387.92 | 4,773,000.00 | 93,056.48 | 1,016,331.44 |
| | | C | C-17, C-23 | C-4 | | C | | | |

Budget Appropriation - Deferred Charges Unfunded
Budget Appropriation - Notes

| | | |
|------|-----|-----|
| Ref. | C-2 | C-7 |
|------|-----|-----|

| |
|-------------------|
| 20,000.00 |
| 139,400.00 |
| <u>159,400.00</u> |

Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond
Anticipation Notes - Ord. #

| | |
|------------|--------------|
| C-17 | 1,512,478.07 |
| 38,895.86 | |
| 140,151.83 | |
| 118,914.34 | |
| 68,562.36 | |
| 129,622.24 | |

496,146.63
1,016,331.44

Borough of Oradell , N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2019

| | Balance, <u>Dec. 31, 2018</u> | Grant/Loan <u>Awards</u> | <u>Decreased</u> | Balance, <u>Dec. 31, 2019</u> |
|---------------------------------|----------------------------------|-----------------------------|------------------|----------------------------------|
| Due from N.J. DOT | | | | |
| Ordinance #17-06 | 41,406.75 | | 41,406.75 | |
| Ordinance #18-04 | 212,000.00 | | | 212,000.00 |
| Ordinance #19-16 | | 197,000.00 | | 197,000.00 |
| Due from Bergen County | | | | |
| Ordinance #17-06 | 15,000.00 | | | 15,000.00 |
| Due from Outside Contribution - | | | | |
| Ordinance # 09-10 | 20,000.00 | | | 20,000.00 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 288,406.75 | 197,000.00 | 41,406.75 | 444,000.00 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | C | C-17 | C-22 | C |

Borough of Oradell, N.J.

Schedule of Bond Anticipation Notes Payable

Year Ended December 31, 2019

| Ordinance Number | <u>Improvement Description</u> | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance, Dec. 31, 2018 | Increased | Decreased | Balance, Dec. 31, 2019 |
|---------------------|----------------------------------|------------------------------|------------------|---------------------|------------------|------------------------------|--------------|--------------|------------------------------|
| 07-17 | Various Improvements | 05/13/10 | | | | 202,000.00 | | 202,000.00 | |
| 08-04 | Various Improvements | 05/13/10 | | | | 127,700.00 | | 127,700.00 | |
| 08-08/16-08 | Various Improvements | 05/13/10 | | | | 452,600.00 | | 452,600.00 | |
| 08-16 | Construction of Student Drop-Off | 05/13/10 | | | | 14,300.00 | | 14,300.00 | |
| 09-01 | Various Improvements | 05/13/10 | | | | 268,400.00 | | 268,400.00 | |
| 09-10/12-07/ | | | | | | | | | |
| 17-06 | Various Improvements | 05/13/10 | | | | 596,400.00 | | 596,400.00 | |
| 10-02/18-02 | Improvement of Various Roads | 05/13/10 | | | | 537,600.00 | | 537,600.00 | |
| 11-11/12-07/ | | | | | | | | | |
| 17-06/18-02 | Various Improvements | 04/13/12 | | | | 668,600.00 | | 668,600.00 | |
| 12-16/17-06/ | | | | | | | | | |
| 18-02 | Various Improvements | 04/11/13 | | | | 487,000.00 | | 487,000.00 | |
| 13-10/17-06/ | | | | | | | | | |
| 18-02 | Various Improvements | 04/10/14 | | | | 978,800.00 | | 978,800.00 | |
| 14-04/17-06 | Various Improvements | 04/09/15 | | | | 1,163,400.00 | | 1,163,400.00 | |
| 15-09 | Various Improvements | 04/07/16 | 04/03/19 | 04/03/20 | 2.75% | 988,000.00 | 939,500.00 | 988,000.00 | 939,500.00 |
| 16-07 | Various Improvements | 04/06/17 | 04/03/19 | 04/03/20 | 2.75% | 1,067,600.00 | 977,500.00 | 1,067,600.00 | 977,500.00 |
| 16-11 | Improvement of Various Roads | 04/06/17 | 04/03/19 | 04/03/20 | 2.75% | 685,000.00 | 685,000.00 | 685,000.00 | 685,000.00 |
| 17-06 | Various Improvements | 04/05/18 | 04/03/19 | 04/03/20 | 2.75% | 800,000.00 | 800,000.00 | 800,000.00 | 800,000.00 |
| 18-04 | Various Improvements | 04/03/19 | 04/03/19 | 04/03/20 | 2.75% | | 1,371,000.00 | | 1,371,000.00 |
| | | | | | | 9,037,400.00 | 4,773,000.00 | 9,037,400.00 | 4,773,000.00 |
| | | | | | | C | C-2 | | C |

Ref.

Cash Disbursements

C-2

8,898,000.00

Budget Appropriation

C-5

139,400.00

9,037,400.00

Borough of Oradell, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2019

| Purpose | Date of Issue | Original Issue | Maturities of | | Interest Rate | Balance, Dec. 31, 2018 | Issued | Decreased | Balance, Dec. 31, 2019 |
|---------------------------|---------------|----------------|--------------------------------------|------------|---------------|------------------------|--------------|--------------|------------------------|
| | | | Bonds Outstanding, December 31, 2019 | Amount | | | | | |
| | | | Date | | | | | | |
| 2010 BCIA Bonds | 05/10/10 | 4,041,000.00 | 02/15/20 | 369,000.00 | 3%-5.25% | 692,000.00 | | 323,000.00 | 369,000.00 |
| | | | 01/01/20 | 745,000.00 | | | | | |
| 2016 Refunding Bonds | 11/21/16 | 5,445,000.00 | 01/01/21 | 735,000.00 | | | | | |
| | | | 01/01/22 | 780,000.00 | | | | | |
| | | | 01/01/23 | 820,000.00 | | | | | |
| | | | 01/01/24 | 865,000.00 | 2%-3% | 4,645,000.00 | | 700,000.00 | 3,945,000.00 |
| 2017 Refunding BCIA Bonds | 12/21/17 | 1,245,000.00 | 02/15/21 | 410,000.00 | | | | | |
| | | | 02/15/22 | 455,000.00 | | | | | |
| | | | 02/15/23 | 365,000.00 | 2%-5% | 1,230,000.00 | | | 1,230,000.00 |
| 2019 General Bonds | 03/21/19 | 5,496,000.00 | 04/01/20-23 | 325,000.00 | | | | | |
| | | | 04/01/24 | 425,000.00 | | | | | |
| | | | 04/01/25-26 | 600,000.00 | | | | | |
| | | | 04/01/27 | 625,000.00 | | | | | |
| | | | 04/01/28-29 | 650,000.00 | | | | | |
| | | | 04/01/30 | 646,000.00 | 2%-3% | | 5,496,000.00 | | 5,496,000.00 |
| | | | | | | <u>C</u> | <u>C-2</u> | <u>C-4</u> | <u>C</u> |
| | | | | | | 6,567,000.00 | 5,496,000.00 | 1,023,000.00 | 11,040,000.00 |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 189,779.66 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>18,247.87</u> |
| Balance - December 31, 2019 | C | <u><u>171,531.79</u></u> |

| <u>Payment Date</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|-------------------|---------------------|
| 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>171,531.79</u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 245,000.00 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>15,000.00</u> |
| Balance - December 31, 2019 | C | <u><u>230,000.00</u></u> |

| <u>Payment Date</u> | <u>Interest</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|------------------|-------------------|---------------------|
| 02/01/20 | 5,750.00 | | 230,000.00 |
| 08/01/20 | 5,750.00 | 15,000.00 | 215,000.00 |
| 02/01/21 | 5,375.00 | | 215,000.00 |
| 08/01/21 | 5,375.00 | 15,000.00 | 200,000.00 |
| 02/01/22 | 5,000.00 | | 200,000.00 |
| 08/01/22 | 5,000.00 | 20,000.00 | 180,000.00 |
| 02/01/23 | 4,500.00 | | 180,000.00 |
| 08/01/23 | 4,500.00 | 20,000.00 | 160,000.00 |
| 02/01/24 | 4,000.00 | | 160,000.00 |
| 08/01/24 | 4,000.00 | 20,000.00 | 140,000.00 |
| 02/01/25 | 3,500.00 | | 140,000.00 |
| 08/01/25 | 3,500.00 | 20,000.00 | 120,000.00 |
| 02/01/26 | 3,000.00 | | 120,000.00 |
| 08/01/26 | 3,000.00 | 20,000.00 | 100,000.00 |
| 02/01/27 | 2,500.00 | | 100,000.00 |
| 08/01/27 | 2,500.00 | 25,000.00 | 75,000.00 |
| 02/01/28 | 1,875.00 | | 75,000.00 |
| 08/01/28 | 1,875.00 | 25,000.00 | 50,000.00 |
| 02/01/29 | 1,250.00 | | 50,000.00 |
| 08/01/29 | 1,250.00 | 25,000.00 | 25,000.00 |
| 02/01/30 | 625.00 | | 25,000.00 |
| 08/01/30 | 625.00 | 25,000.00 | 0.00 |
| | <u>74,750.00</u> | <u>230,000.00</u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 470,464.82 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>33,604.62</u> |
| Balance - December 31, 2019 | C | <u><u>436,860.20</u></u> |

| <u>Payment Date</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|--------------------------|---------------------|
| 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>436,860.20</u></u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 176,186.00 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>10,822.00</u> |
| Balance - December 31, 2019 | C | <u><u>165,364.00</u></u> |

| <u>Payment Date</u> | <u>Interest</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|------------------|-------------------|---------------------|
| 02/01/20 | 2,306.01 | | 165,364.00 |
| 08/01/20 | 2,306.01 | 10,974.00 | 154,390.00 |
| 02/01/21 | 2,212.73 | | 154,390.00 |
| 08/01/21 | 2,212.73 | 11,161.00 | 143,229.00 |
| 02/01/22 | 2,102.79 | | 143,229.00 |
| 08/01/22 | 2,102.79 | 11,381.00 | 131,848.00 |
| 02/01/23 | 1,978.73 | | 131,848.00 |
| 08/01/23 | 1,978.73 | 11,629.00 | 120,219.00 |
| 02/01/24 | 1,842.67 | | 120,219.00 |
| 08/01/24 | 1,842.67 | 11,901.00 | 108,318.00 |
| 02/01/25 | 1,695.69 | | 108,318.00 |
| 08/01/25 | 1,695.69 | 12,195.00 | 96,123.00 |
| 02/01/26 | 1,538.98 | | 96,123.00 |
| 08/01/26 | 1,538.98 | 12,508.00 | 83,615.00 |
| 02/01/27 | 1,354.48 | | 83,615.00 |
| 08/01/27 | 1,354.48 | 12,877.00 | 70,738.00 |
| 02/01/28 | 1,158.10 | | 70,738.00 |
| 08/01/28 | 1,158.10 | 13,270.00 | 57,468.00 |
| 02/01/29 | 950.42 | | 57,468.00 |
| 08/01/29 | 950.42 | 13,685.00 | 43,783.00 |
| 02/01/30 | 730.77 | | 43,783.00 |
| 08/01/30 | 730.77 | 14,124.00 | 29,659.00 |
| 02/01/31 | 499.84 | | 29,659.00 |
| 08/01/31 | 499.84 | 14,586.00 | 15,073.00 |
| 02/01/32 | 256.25 | | 15,073.00 |
| 08/01/32 | 256.25 | 15,073.00 | 0.00 |
| | <u>37,254.92</u> | <u>165,364.00</u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 806,043.95 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>59,336.74</u> |
| Balance - December 31, 2019 | C | <u><u>746,707.21</u></u> |

| <u>Payment Date</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|--------------------------|---------------------|
| 02/01/20 | 19,778.91 | 726,928.30 |
| 08/01/20 | 39,557.83 | 687,370.47 |
| 02/01/21 | 19,778.91 | 667,591.56 |
| 08/01/21 | 39,557.83 | 628,033.73 |
| 02/01/22 | 19,778.91 | 608,254.82 |
| 08/01/22 | 39,557.83 | 568,696.99 |
| 02/01/23 | 19,778.91 | 548,918.08 |
| 08/01/23 | 39,557.83 | 509,360.25 |
| 02/01/24 | 19,778.91 | 489,581.34 |
| 08/01/24 | 39,557.83 | 450,023.51 |
| 02/01/25 | 19,778.91 | 430,244.60 |
| 08/01/25 | 39,557.83 | 390,686.77 |
| 02/01/26 | 19,778.91 | 370,907.86 |
| 08/01/26 | 39,557.83 | 331,350.03 |
| 02/01/27 | 19,778.91 | 311,571.12 |
| 08/01/27 | 39,557.83 | 272,013.29 |
| 02/01/28 | 19,778.91 | 252,234.38 |
| 08/01/28 | 39,557.83 | 212,676.55 |
| 02/01/29 | 19,778.91 | 192,897.64 |
| 08/01/29 | 39,557.83 | 153,339.81 |
| 02/01/30 | 19,778.91 | 133,560.90 |
| 08/01/30 | 39,557.83 | 94,003.07 |
| 02/01/31 | 19,778.91 | 74,224.16 |
| 08/01/31 | 39,557.83 | 34,666.33 |
| 02/01/32 | 19,778.91 | 14,887.42 |
| 08/01/32 | 14,887.42 | (0.00) |
| | <u><u>746,707.21</u></u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 320,000.00 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>15,000.00</u> |
| Balance - December 31, 2019 | C | <u><u>305,000.00</u></u> |

| <u>Payment Date</u> | <u>Interest</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|-------------------|-------------------|---------------------|
| 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>112,100.00</u> | <u>305,000.00</u> | |

Borough of Oradell, N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 572,757.69 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>40,848.31</u> |
| Balance - December 31, 2019 | C | <u><u>531,909.38</u></u> |

| <u>Payment Date</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|--------------------------|---------------------|
| 02/01/20 | 13,616.10 | 518,293.28 |
| 08/01/20 | 27,232.21 | 491,061.07 |
| 02/01/21 | 13,616.10 | 477,444.97 |
| 08/01/21 | 27,232.21 | 450,212.76 |
| 02/01/22 | 13,616.10 | 436,596.66 |
| 08/01/22 | 27,232.21 | 409,364.45 |
| 02/01/23 | 13,616.10 | 395,748.35 |
| 08/01/23 | 27,232.21 | 368,516.14 |
| 02/01/24 | 13,616.10 | 354,900.04 |
| 08/01/24 | 27,232.21 | 327,667.83 |
| 02/01/25 | 13,616.10 | 314,051.73 |
| 08/01/25 | 27,232.21 | 286,819.52 |
| 02/01/26 | 13,616.10 | 273,203.42 |
| 08/01/26 | 27,232.21 | 245,971.21 |
| 02/01/27 | 13,616.10 | 232,355.11 |
| 08/01/27 | 27,232.21 | 205,122.90 |
| 02/01/28 | 13,616.10 | 191,506.80 |
| 08/01/28 | 27,232.21 | 164,274.59 |
| 02/01/29 | 13,616.10 | 150,658.49 |
| 08/01/29 | 27,232.21 | 123,426.28 |
| 02/01/30 | 13,616.10 | 109,810.18 |
| 08/01/30 | 27,232.21 | 82,577.97 |
| 02/01/31 | 13,616.10 | 68,961.87 |
| 08/01/31 | 27,232.21 | 41,729.66 |
| 02/01/32 | 13,616.10 | 28,113.56 |
| 08/01/32 | 27,232.21 | 881.35 |
| 02/01/33 | <u>881.35</u> | (0.00) |
| | <u><u>531,909.38</u></u> | |

Borough of Oradell , N.J.

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

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|-------------------|
| Balance - December 31, 2018 | C | 250,000.00 |
| Decreased by: | | |
| Loan Paid by Current Year | | |
| Budget Appropriation | C-4 | <u>10,000.00</u> |
| Balance - December 31, 2019 | C | <u>240,000.00</u> |

| <u>Payment Date</u> | <u>Interest</u> | <u>Principal</u> | <u>Loan Balance</u> |
|---------------------|------------------|-------------------|---------------------|
| 02/01/20 | 4,340.63 | | 240,000.00 |
| 08/01/20 | 4,340.63 | 10,000.00 | 230,000.00 |
| 02/01/21 | 4,090.63 | | 230,000.00 |
| 08/01/21 | 4,090.63 | 10,000.00 | 220,000.00 |
| 02/01/22 | 3,840.63 | | 220,000.00 |
| 08/01/22 | 3,840.63 | 10,000.00 | 210,000.00 |
| 02/01/23 | 3,590.63 | | 210,000.00 |
| 08/01/23 | 3,590.63 | 10,000.00 | 200,000.00 |
| 02/01/24 | 3,340.63 | | 200,000.00 |
| 08/01/24 | 3,340.63 | 10,000.00 | 190,000.00 |
| 02/01/25 | 3,090.63 | | 190,000.00 |
| 08/01/25 | 3,090.63 | 15,000.00 | 175,000.00 |
| 02/01/26 | 2,715.63 | | 175,000.00 |
| 08/01/26 | 2,715.63 | 15,000.00 | 160,000.00 |
| 02/01/27 | 2,490.63 | | 160,000.00 |
| 08/01/27 | 2,490.63 | 15,000.00 | 145,000.00 |
| 02/01/28 | 2,265.63 | | 145,000.00 |
| 08/01/28 | 2,265.63 | 15,000.00 | 130,000.00 |
| 02/01/29 | 2,040.63 | | 130,000.00 |
| 08/01/29 | 2,040.63 | 15,000.00 | 115,000.00 |
| 02/01/30 | 1,815.63 | | 115,000.00 |
| 08/01/30 | 1,815.63 | 15,000.00 | 100,000.00 |
| 02/01/31 | 1,590.63 | | 100,000.00 |
| 08/01/31 | 1,590.63 | 15,000.00 | 85,000.00 |
| 02/01/32 | 1,365.63 | | 85,000.00 |
| 08/01/32 | 1,365.63 | 15,000.00 | 70,000.00 |
| 02/01/33 | 1,140.63 | | 70,000.00 |
| 08/01/33 | 1,140.63 | 15,000.00 | 55,000.00 |
| 02/01/34 | 906.25 | | 55,000.00 |
| 08/01/34 | 906.25 | 15,000.00 | 40,000.00 |
| 02/01/35 | 662.50 | | 40,000.00 |
| 08/01/35 | 662.50 | 20,000.00 | 20,000.00 |
| 02/01/36 | 337.50 | | 20,000.00 |
| 08/01/36 | 337.50 | 20,000.00 | 0.00 |
| | <u>79,250.14</u> | <u>240,000.00</u> | |

Borough of Oradell, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

| Ordinance Number | Improvement Description | Ordinance | | Balance, Dec. 31, 2018 | | 2019 Authorizations | Paid or Charged | Balance, Dec. 31, 2019 | |
|--|--|-----------|--------------|--------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| | | Date | Amount | Funded | Unfunded | | | Funded | Unfunded |
| General Improvements: | | | | | | | | | |
| 07-17 | Various Improvements | 09/25/07 | 544,000.00 | | 17,050.69 | | | 17,050.69 | |
| 07-19 | Various Improvements | 09/25/07 | 741,097.69 | 292,380.78 | | | 139,142.73 | 153,238.05 | |
| 09-01 | Various Improvements | 03/24/09 | 400,000.00 | | 49,875.47 | | 49,875.47 | | |
| 12-16/17-06 | Various Improvements | 11/27/12 | 600,000.00 | | 129,711.49 | | | 129,711.49 | |
| 13-10/17-06 | Various Improvements | 08/20/13 | 1,150,000.00 | | 74,905.44 | | 4,215.52 | 70,689.92 | |
| 14-04/17-06 | Various Improvements | 06/24/14 | 1,286,000.00 | | 58,628.94 | | (20,000.00) | 78,628.94 | |
| 15-09 | Various Improvements | 08/11/15 | 1,038,000.00 | | 111,759.57 | | 72,863.71 | | 38,895.86 |
| 16-07 | Various Improvements | 08/16/16 | 1,123,600.00 | | 390,107.69 | | 249,955.86 | 50,000.00 | 140,151.83 |
| 16-08 | Various Improvements | 08/16/16 | 100,000.00 | 2,501.11 | 47,498.89 | | | | |
| 16-11 | Improvement of Various Roads | 11/29/16 | 720,000.00 | | 118,914.34 | | | | 118,914.34 |
| 17-06 | Various Improvements | 07/25/17 | 862,425.72 | | 149,194.18 | | 80,631.82 | | 68,562.36 |
| 18-02 | Improvement of Buildings & Playgrounds | 03/27/18 | 316,580.00 | | 309,592.00 | | 283,482.77 | 26,109.23 | |
| 18-04 | Various Improvements | 06/26/18 | 1,649,000.00 | 237,776.00 | 843,225.82 | | 727,798.40 | 223,581.18 | 129,622.24 |
| 19-16 | Various Improvements | 07/16/19 | 1,281,000.00 | | | 1,281,000.00 | 17,899.73 | 246,768.83 | 1,016,331.44 |
| | | | | <u>532,657.89</u> | <u>2,300,464.52</u> | <u>1,281,000.00</u> | <u>1,605,866.01</u> | <u>995,778.33</u> | <u>1,512,478.07</u> |
| | | | | C | C | | C-2 | C | C |
| Deferred Charges to Future Taxation - Unfunded | | | | | | | | | |
| | | | | Various Grants | | 1,023,000.00 | Ref. | | |
| | | | | Capital Improvement Fund | | 197,000.00 | C-5, C-23 | | |
| | | | | | | 61,000.00 | C-6 | | |
| | | | | | | <u>1,281,000.00</u> | C-18 | | |

Borough of Oradell , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-------------------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | C | 73,187.04 |
| Increased by: | | |
| Budget Appropriation | C-2 | <u>62,000.00</u> |
| | | 135,187.04 |
| Decreased by: | | |
| Appropriated to Finance Improvement | | |
| Authorizations | C-17 | <u>61,000.00</u> |
| Balance - December 31, 2019 | C/C-3 | <u><u>74,187.04</u></u> |

Schedule of Preliminary Improvement Costs

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---|-------------|----------------------|
| Balance - December 31, 2018 | C | <u><u>315.50</u></u> |
| Balance - December 31, 2019 | C/C-3 | <u><u>315.50</u></u> |
| Analysis of Balance - December 31, 2019 | | |
| 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, 2019

| | Balance, <u>Dec. 31, 2018</u> | Increased by: Cash <u>Receipts</u> | Decreased by: Cash <u>Disbursements</u> | Balance, <u>Dec. 31, 2019</u> |
|----------------------|----------------------------------|--|---|----------------------------------|
| Debt Service | 37,250.00 | | | 37,250.00 |
| Various Improvements | 557,046.42 | 294,711.57 | 471,975.32 | 379,782.67 |
| Road Improvements | <u>25,896.37</u> | <u> </u> | <u> </u> | <u>25,896.37</u> |
| | <u>620,192.79</u> | <u>294,711.57</u> | <u>471,975.32</u> | <u>442,929.04</u> |
| | C | C-2 | C-2 | C, C-3 |

Borough of Oradell , N.J.

Schedule of Due from Current Fund

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | C | 20,050.00 |
| Decreased by: | | |
| Cash Receipts | C-2 | <u>20,050.00</u> |
| Balance - December 31, 2019 | C, C-3 | <u><u> </u></u> |

Borough of Oradell , N.J.

Schedule of Reserve for Receivables

General Capital Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | C | 56,406.75 |
| Decreased by: | | |
| Cash Receipts | C-6 | <u>41,406.75</u> |
| Balance - December 31, 2019 | C, C-3 | <u><u>15,000.00</u></u> |

Borough of Oradell, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2019

| Ordinance Number | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | Decreased | Balance Dec. 31, 2019 |
|------------------------------|---|--------------------------|------------------------|---------------------|--------------------------|
| <u>General Improvements:</u> | | | | | |
| 08-16 | Construction of Student Drop-Off Lane | 80,000.00 | | 20,000.00 | 60,000.00 |
| 16-01 | Improvement of Sanitary Sewer System IV | 26,387.92 | | | 26,387.92 |
| 18-04 | Various Improvements | 1,371,000.00 | | 1,371,000.00 | |
| 19-16 | Various Improvements | | 1,023,000.00 | | 1,023,000.00 |
| | | <u>1,477,387.92</u> | <u>1,023,000.00</u> | <u>1,391,000.00</u> | <u>1,109,387.92</u> |
| | | Footnote C | C-5, C-17 | | Footnote C |

BOROUGH OF ORADELL

PART II

LETTER ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEARS ENDED DECEMBER 31, 2019 AND 2018



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
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NEWTON OFFICE
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NEWTON, NEW JERSEY 07860
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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, 2019 and the related notes to the financial statements, and have issued our report thereon dated June 22, 2020, 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.



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.

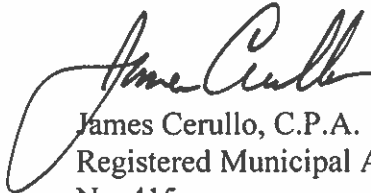
Compliance and Other Matters

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.



James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 22, 2020

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:

| | |
|------------------------------|--------------------------------------|
| 2019 Road Program | Solid Waste and Recycling Collection |
| Tree Planting | Video Camera System |
| 2019 Road Program - Phase II | Fingerprinting Live Scan Machine |
| Recycling Disposal | Oradell Avenue Improvements |

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 been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2019 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 last tax sale was held on September 5, 2019 and was complete.

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> |
|-------------|------------------------|
| 2019 | 3 |
| 2018 | 3 |
| 2017 | 3 |

GENERAL COMMENTS, (continued)

School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2019, 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.

Political Disclosure forms were not received from all 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.

Other

The analysis of General Capital Fund cash includes cash deficits for ordinances over 5 years old and there are balances on the Schedule of Deferred Charges to Future Taxation - Unfunded over 5 years old where the project has been completed. No recommendation is being made as the Borough is in the process of funding these ordinances through budget appropriations.

The summary or synopsis of the 2019 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 building permits be charged in accordance with the Borough's fee schedule.
2. That Political Disclosure forms be received from all vendors required to submit them.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

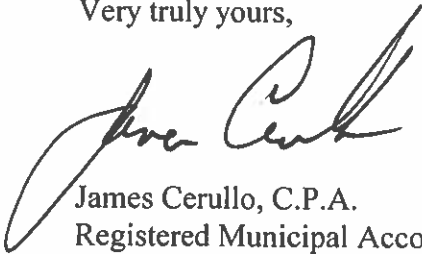
A review was performed on all prior year recommendations and corrective action was taken on all items, except those marked with an "**".

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


APPRECIATION

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

Very truly yours,



James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey