



TOWNSHIP OF NORTH BERGEN

HUDSON COUNTY, NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR ENDED

DECEMBER 31, 2013

McEnerney, Brady & Company, LLC
Certified Public Accountants

TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON, NEW JERSEY

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PART I
REPORTS ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
FOR THE YEAR ENDED DECEMBER 31, 2013



Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Commissioners
Township of North Bergen
County of Hudson
North Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Township of North Bergen, County of Hudson, New Jersey (the "Township") as of and for the year ended December 31, 2013 and 2012, the statements of revenue, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Township'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 accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis 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.

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 2 to the financial statements.

293 Eisenhower Parkway, Livingston, NJ 07039
(973) 535-2880

832 McLean Avenue, Yonkers, NY 10704
(914) 237-3676

Basis for Qualified Opinion

Qualified Opinion

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Township of North Bergen, County of Hudson, New Jersey, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 2 to the financial statements.

Other Matters

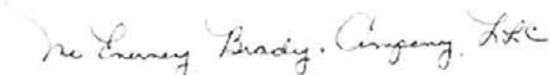
Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Township's basic financial statements. The accompanying supplementary sections and schedules of expenditures of federal and state awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey State Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

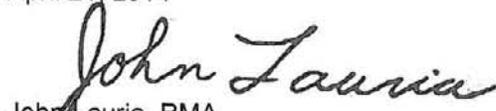
The information included in the supplemental sections and schedules of expenditures of federal and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 sections and schedules of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information included in the officials in office and report on surety bonds have not been subjected to this auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2014 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Livingston, New Jersey
April 21, 2014



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 1

| <u>ASSETS</u> | <u>Ref.</u> | <u>Balance</u> <u>December 31, 2013</u> | <u>Balance</u> <u>December 31, 2012</u> |
|---|-------------|--|--|
| <u>Regular Fund</u> | | | |
| Cash - Treasurer | A-4 | \$ 15,815,193.90 | \$ 12,900,945.62 |
| Cash - Change Fund | A-5 | 500.00 | 500.00 |
| | | <u>15,815,693.90</u> | <u>12,901,445.62</u> |
| Due from State of New Jersey | A-6 | <u>60,580.30</u> | <u>78,830.30</u> |
| Receivables and Other Assets with Offsetting Reserves: | | | |
| Delinquent Property Taxes | A-7 | 2,188,779.92 | 2,076,926.82 |
| Tax Title Liens | A-8 | 1,023,725.89 | 875,674.10 |
| Property Acquired for Taxes | A-9 | 6,543,000.00 | 6,543,000.00 |
| Other Accounts Receivable | A-10 | 4,963.16 | |
| Other Municipal Liens | A-11 | 8,538.59 | 8,538.59 |
| Interfunds Receivable | A-13 | 65,965.49 | 53,426.52 |
| | | <u>9,834,973.05</u> | <u>9,557,566.03</u> |
| Deferred Charges: | | | |
| Emergency Authorization (N.J.S.A. 40A:4-47) | | | |
| Special Emergency Authorizations: (N.J.S.A. 40A: 4-53) | A-14 | 1,040,000.00 | 1,100,000.00 |
| | | <u>1,040,000.00</u> | <u>1,370,000.00</u> |
| | | <u>26,751,247.25</u> | <u>25,007,841.95</u> |
| <u>Federal and State Grant Fund</u> | | | |
| Cash | A-4 | 772,130.01 | 40,160.04 |
| Interfunds Receivable | A-21 | 119,919.85 | |
| Federal and State Grants Receivable | A-27 | 1,870,957.39 | 2,964,113.56 |
| | | <u>2,763,007.25</u> | <u>3,004,273.60</u> |
| | | <u>\$ 29,514,254.50</u> | <u>\$ 28,012,115.55</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 2

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>Ref.</u> | <u>Balance</u> <u>December 31, 2013</u> | <u>Balance</u> <u>December 31, 2012</u> |
|---|-------------|--|--|
| <u>Regular Fund</u> | | | |
| Appropriation Reserves: | | | |
| Encumbered | A-3,15 | \$ 555,852.57 | \$ 392,173.28 |
| Unencumbered | A-3,15 | 2,911,729.52 | 2,452,051.24 |
| Accounts Payable | A-16 | 105,439.84 | 91,778.85 |
| County Taxes Payable | A-17 | 68,857.27 | 61,438.27 |
| School Taxes Payable | A-18 | 2,612,436.00 | 2,728,039.00 |
| Emergency Note Payable | A-19 | 200,000.00 | 1,350,000.00 |
| Interfunds Payable | A-20 | 159,919.85 | 60,275.00 |
| Tax Overpayments | A-23 | 490,035.01 | 443,903.57 |
| Prepaid Taxes | A-24 | 1,450,189.17 | 505,257.52 |
| Other Reserve Accounts | A-25 | 1,861,608.87 | 1,560,588.24 |
| | | <hr/> 10,416,068.10 | <hr/> 9,645,504.97 |
| Reserve for Receivables and Other | | | |
| Assets | | 9,834,973.05 | 9,557,566.03 |
| Fund Balance | A-1 | 6,500,206.10 | 5,804,770.95 |
| | | <hr/> 26,751,247.25 | <hr/> 25,007,841.95 |
| <u>Federal and State Grant Fund</u> | | | |
| Interfunds Payable | A-21 | 1,510,000.00 | 1,529,434.45 |
| Due to State of New Jersey | A-26 | 14,221.65 | 14,221.65 |
| Appropriated Reserves | A-28 | 1,238,785.60 | 1,460,617.50 |
| | | <hr/> 2,763,007.25 | <hr/> 3,004,273.60 |
| | | <hr/> \$ 29,514,254.50 | <hr/> \$ 28,012,115.55 |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

A-1

| | <u>Ref.</u> | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|--|-------------|--------------------------|--|
| <u>Revenue and Other Income Realized</u> | | | |
| Fund Balance Utilized | A-2 | \$ 2,400,000.00 | \$ 5,000,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 19,833,653.57 | 19,906,305.66 |
| Receipts from Delinquent Taxes | A-2b | 1,868,757.78 | 2,305,753.80 |
| Receipts from Current Taxes | A-2b | 125,798,593.76 | 122,460,585.12 |
| Nonbudget Revenue | A-2c | 854,137.89 | 685,476.42 |
| Other Credits to Income: | | | |
| Appropriation Reserves Lapsed | A-15 | 1,264,896.21 | 672,791.16 |
| Grant Reserves Cancelled | A-13 | 22,430.96 | 19,434.45 |
| | | <u>152,042,470.17</u> | <u>151,050,346.61</u> |
| <u>Expenditures</u> | | | |
| Budget Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 22,532,288.07 | 22,228,963.85 |
| Other Expenses | | 45,653,606.79 | 46,058,494.94 |
| Deferred Charges and Statutory Expenditures | | 6,520,820.00 | 5,184,560.98 |
| Judgments | | 30,816.07 | 25,000.00 |
| Capital Improvements | | | 205,000.00 |
| Municipal Debt Service | | <u>5,625,665.88</u> | <u>8,467,860.26</u> |
| County Taxes | A-3 | 80,363,196.81 | 82,169,880.03 |
| Local School District Taxes | A-17 | 25,286,824.87 | 25,802,005.67 |
| Senior Citizen Adjustment - Prior Year | A-18 | 43,139,526.00 | 42,127,263.00 |
| Interfunds Advanced | A-6 | 39,000.00 | 16,635.44 |
| Cancellation of Grant Receivables | A-13 | 12,538.97 | 52,806.52 |
| Grant Costs not Reimbursable | A-13 | 91,983.37 | |
| Refund of Prior Years' Revenue | A-13 | 13,965.00 | |
| | | <u>148,947,035.02</u> | <u>275.30</u> <u>150,168,865.96</u> |
| Excess in Revenue | | 3,095,435.15 | 881,480.65 |
| Adjustment to Income before Fund Balance: | | | |
| Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year | | | <u>1,350,000.00</u> |
| Statutory Excess in Revenue | | 3,095,435.15 | 2,231,480.65 |
| <u>Fund Balance</u> | | | |
| Balance, December 31, 2012 | A | <u>5,804,770.95</u> | <u>8,573,290.30</u> |
| | | 8,900,206.10 | 10,804,770.95 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | Above | <u>2,400,000.00</u> | <u>5,000,000.00</u> |
| Balance, December 31, 2013 | A | <u>\$ 6,500,206.10</u> | <u>\$ 5,804,770.95</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2
Sheet #1

| | Ref. | Budget | Realized | Excess or (Deficit) |
|---|------|-----------------|-----------------|------------------------|
| Fund Balance Appropriated | A-1 | \$ 2,400,000.00 | \$ 2,400,000.00 | \$ |
| <u>Miscellaneous Revenues</u> | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-12 | 89,000.00 | 89,540.00 | 540.00 |
| Other | A-12 | 260,000.00 | 272,890.15 | 12,890.15 |
| Fees and Permits | A-2a | 432,109.00 | 359,652.83 | (72,456.17) |
| Fines and Costs: | | | | |
| Municipal Court | A-2a | 1,700,000.00 | 1,899,851.40 | 199,851.40 |
| Interest and Cost on Taxes | A-12 | 399,000.00 | 423,545.66 | 24,545.66 |
| Interest on Investments and Deposits | A-12 | 20,000.00 | 30,886.54 | 10,886.54 |
| Pool Membership Fees | A-12 | 335,000.00 | 321,783.34 | (13,216.66) |
| North Bergen Cable Television - Franchise Fees | A-12 | 554,000.00 | 554,162.85 | 162.85 |
| Payment in Lieu of Taxes - Floral Park, Inc. | A-12 | 690,000.00 | 701,035.00 | 11,035.00 |
| Payment in Lieu of Taxes - North Bergen Housing Auth. | A-12 | 195,000.00 | 216,216.00 | 21,216.00 |
| Payment in Lieu of Taxes - Fritz Reuter | A-12 | 171,000.00 | 171,773.00 | 773.00 |
| Payment in Lieu of Taxes - EAT II | A-12 | 1,450,000.00 | 1,474,774.17 | 24,774.17 |
| Payment in Lieu of Taxes - Avalon Bay | A-12 | 199,600.00 | 253,904.00 | 54,304.00 |
| Payment in Lieu of Taxes - LWH | A-12 | 425,000.00 | 440,755.54 | 15,755.54 |
| Ambulance Fees | A-12 | 892,000.00 | 925,224.68 | 33,224.68 |
| Hotel Tax | A-12 | 465,000.00 | 511,815.99 | 46,815.99 |
| Consolidated Municipal Property Tax Relief Aid | A-12 | 1,491,196.00 | 1,491,196.00 | |
| Energy Receipts Tax (P.L. 1997, Chapters 162 and 167) | A-12 | 5,528,334.00 | 5,528,333.68 | (0.32) |
| Supplemental Energy Receipts Tax | A-12 | 166,067.00 | 166,067.00 | |
| Uniform Construction Code Fees | A-2a | 838,000.00 | 823,552.00 | (14,448.00) |
| Grants: | | | | |
| Clean Communities Program | A-13 | 78,629.29 | 78,629.29 | |
| Drunk Driving Enforcement Fund | A-13 | 7,624.61 | 7,624.61 | |
| Municipal Alliance on Alcoholism and Drug Abuse | A-13 | 57,667.00 | 57,667.00 | |
| Juvenile Assistance Grant | A-13 | 10,009.00 | 10,009.00 | |
| Hazardous Mitigation Program | A-13 | 142,080.00 | 142,080.00 | |
| Impaired Driving Crackdown Grant | A-13 | 4,400.00 | 4,400.00 | |
| Click It or Ticket | A-13 | 4,000.00 | 4,000.00 | |
| Handicapped Recreation Opportunities Grant | A-13 | 20,000.00 | 20,000.00 | |
| DOT - Municipal Aid Year 29 | A-13 | 380,990.00 | 380,990.00 | |
| Recycling Tonnage | A-13 | 141,325.67 | 141,325.67 | |
| Recreational Trails Program | A-13 | 24,000.00 | 24,000.00 | |
| NJ Health Officers - Hepatitis B | A-13 | 1,248.00 | 1,248.00 | |
| Target Law Enforcement | A-13 | 1,000.00 | 1,000.00 | |
| Pedestrian Safety Grant | A-13 | 15,000.00 | 15,000.00 | |
| Wal-Mart Local Facility Giving Program | A-13 | 2,000.00 | 2,000.00 | |
| Cooperative Housing Inspection Grant | A-13 | 52,000.00 | 52,000.00 | |
| Summer Food Program | A-13 | 49,604.22 | 49,604.22 | |
| Bulletproof Vest Program | A-13 | 8,343.91 | 8,343.91 | |
| Body Armor Fund | A-13 | 13,971.48 | 13,971.48 | |
| FEMA Grant | A-13 | 5,000.00 | 5,000.00 | |
| Alcohol Education and Rehabilitation | A-13 | 3,588.68 | 3,588.68 | |
| Host Fees | A-12 | 400,000.00 | 744,566.02 | 344,566.02 |
| Uniform Fire Safety Act | A-12 | 135,000.00 | 141,309.69 | 6,309.69 |
| NJ Transit Tax | A-12 | 187,000.00 | 181,934.00 | (5,066.00) |
| MUA -5% of Annual Costs of Operations | A-12 | 200,000.00 | 200,000.00 | |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2
Sheet #2

| | <u>Ref.</u> | <u>Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|---|-------------|------------------------|------------------------|--------------------------------|
| <u>Miscellaneous Revenues</u> | | | | |
| NJ Meadowlands Lease | A-12 | \$ 190,000.00 | 197,037.92 | \$ 7,037.92 |
| General Capital Surplus | A-12 | 165,000.00 | 165,000.00 | |
| Parking Authority Building Lease | A-12 | 78,000.00 | 78,000.00 | |
| Trust Reserves | A-12 | 9,988.25 | 9,988.25 | |
| Library Surplus | A-12 | 375,000.00 | 375,000.00 | |
| MUA Debt Service Payment | A-12 | 61,376.00 | 61,376.00 | |
| Total Miscellaneous Revenue | A-1 | 19,124,152.11 | 19,833,653.57 | 709,501.46 |
| Receipts from Delinquent Taxes | A-2b | 1,874,500.00 | 1,868,757.78 | (5,742.22) |
| Amount to be Raised by Taxes for Support of Municipal Budget | A-2b, A-7 | 59,740,000.00 | 60,121,351.14 | 381,351.14 |
| | | <u>83,138,652.11</u> | <u>84,223,762.49</u> | <u>1,085,110.38</u> |
| Nonbudget Revenue | A-2c | | 854,137.89 | 854,137.89 |
| | A-3 | <u>\$83,138,652.11</u> | <u>\$85,077,900.38</u> | <u>\$1,939,248.27</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF MISCELLANEOUS REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2a

| | <u>Ref.</u> | | |
|--|-------------|-----------------|------------------------|
| Other Fees and Permits: | | | |
| Tax Collector | A-12 | \$ 29,011.50 | |
| Tax Assessor | A-12 | 1,940.00 | |
| Rent Control | A-12 | 36,500.00 | |
| Township Clerk | A-12 | 5,754.58 | |
| Health/Vital Statistics | A-12 | 107,039.25 | |
| Police | A-12 | 42,802.50 | |
| Finance Office | A-12 | 495.00 | |
| Police - Special Duty | A-12 | 141,815.00 | |
| Purchasing | A-12 | <u>4,645.00</u> | |
| | | | \$ 370,002.83 |
| Less: Refunds | A-22 | | <u>10,350.00</u> |
| | A-2 | | <u>\$ 359,652.83</u> |
| Uniform Construction Code Fees: | | | |
| Collections | A-12 | \$ 868,218.00 | |
| Less: Refunds | A-22 | | <u>44,666.00</u> |
| | A-2 | | <u>\$ 823,552.00</u> |
| Municipal Court: | | | |
| Collections | A-12 | \$ 2,602,558.40 | |
| Less: Payments to North Bergen Parking Authority | A-22 | | <u>702,707.00</u> |
| | A-2 | | <u>\$ 1,899,851.40</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF TAXES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2b

| | <u>Ref.</u> | <u>Amount to be Raised by Taxation</u> | <u>Receipts from Delinquent Taxes</u> | <u>Total</u> |
|--|-------------|--|---|-------------------------|
| <u>Allocation of Tax Collection</u> | | | | |
| Due from State of New Jersey | A-6 | \$ 157,250.00 | \$ | \$ 157,250.00 |
| Collections | A-7 | 125,136,086.24 | 1,837,472.34 | 126,973,558.58 |
| Tax Title Liens | A-8 | | 31,285.44 | 31,285.44 |
| Prepaid Taxes Applied | A-24 | <u>505,257.52</u> | | <u>505,257.52</u> |
| Total Revenue | A-1 | 125,798,593.76 | 1,868,757.78 | 127,667,351.54 |
| Allocated to: | | | | |
| County Levy and Added Taxes | A-17 | (25,286,824.87) | | (25,286,824.87) |
| Local School District Taxes | A-18 | (43,139,526.00) | | (43,139,526.00) |
| Plus: Reserve for Uncollected Taxes | A-3 | <u>2,749,108.25</u> | | <u>2,749,108.25</u> |
| Realized Revenue | A-2 | <u>\$ 60,121,351.14</u> | <u>\$ 1,868,757.78</u> | <u>\$ 61,990,108.92</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2c

| | <u>Ref.</u> | | |
|--|-------------|------------------|----------------------|
| <u>Nonbudget Revenue</u> | | | |
| Joint Insurance Fund - Return of Surplus | | \$ 122,503.00 | |
| Prior Year Insurance Reimbursements | | 192,715.38 | |
| FEMA Reimbursements | | 55,007.66 | |
| Administrative Fee - State of N.J.: | | | |
| Senior Citizens and Veterans | | 2,730.00 | |
| Community Action Rent | | 20,000.00 | |
| Sale of Township Property | | 59,972.93 | |
| Board of Education Reimbursements | | 100,000.00 | |
| Rinaldi Bus Parking | | 20,000.00 | |
| NHRFR Reimbursements | | 800.00 | |
| Prior Year Reimbursements | | 5,000.00 | |
| Parking Authority Reimbursements | | 25,771.14 | |
| NJDMV Reimbursement | | 11,984.67 | |
| Harrison and Bayonne Interlocal Received | | 19,166.72 | |
| Vending Machine Commissions | | 1,243.03 | |
| Snack Bar - Pool Complex | | 10,000.00 | |
| Marriage and Civil Ceremonies | | 13,700.00 | |
| State Restitution - Courts | | 620.25 | |
| Escheated Funds | | 10,375.73 | |
| Election Poll Rental | | 1,350.00 | |
| Bus Shelter Fee | | 4,842.72 | |
| New Jersey Meadowlands | | 84,940.00 | |
| Other | | <u>56,278.12</u> | |
| | A-4 | | \$ 819,001.35 |
| Plus: Other Accounts Receivable | A-10 | 4,662.84 | |
| Interfunds Receivable | A-13 | 23,700.00 | |
| Prior Year Checks Cancelled | A-13, A-22 | <u>6,773.70</u> | |
| | | | <u>35,136.54</u> |
| | A-1, A-2 | | <u>\$ 854,137.89</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | | Expended | | Reserved | | Unencumbered | | Unexpended Balance Cancelled |
|--------------------------------------|----------------|-----------------|-----------------|-----------------|------------|--------------|------------|--------------|--------------|--------------|------------------------------|
| | Budget | Modified Budget | Budget | Modified Budget | Encumbered | Unencumbered | Encumbered | Unencumbered | Encumbered | Unencumbered | Cancelled |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | | | | | | |
| DEPARTMENT OF PUBLIC AFFAIRS | | | | | | | | | | | |
| Director's Office: | | | | | | | | | | | |
| Salaries and Wages | \$ 221,880.00 | \$ 221,880.00 | \$ 221,272.63 | \$ 221,272.63 | | | | | 607.37 | \$ | |
| Other Expenses | 20,000.00 | 20,000.00 | 5,563.86 | | | | | | 14,436.34 | | |
| Purchasing: | | | | | | | | | | | |
| Salaries and Wages | 182,275.00 | 198,551.54 | 198,551.54 | | | | | | 1,551.51 | | |
| Other Expenses | 3,500.00 | 3,500.00 | 1,664.62 | | | | 283.87 | | 3,688.43 | | |
| Central Purchasing | 95,000.00 | 95,000.00 | 86,812.91 | | | | 4,498.66 | | | | |
| Township Administrator: | | | | | | | | | | | |
| Salaries and Wages | 534,170.00 | 534,177.75 | 534,177.75 | | | | | | 894.53 | | |
| Other Expenses | 12,000.00 | 17,274.27 | 15,451.90 | | | | 927.84 | | | | |
| Township Clerk's Office: | | | | | | | | | | | |
| Salaries and Wages | 185,215.00 | 185,215.00 | 180,062.15 | | | | | | 5,152.85 | | |
| Other Expenses | 18,000.00 | 18,000.00 | 13,890.96 | | | | 1,595.65 | | 2,513.39 | | |
| North Hudson Council of Mayors: | | | | | | | | | | | |
| Other Expenses | 110,000.00 | 103,885.00 | 103,885.00 | | | | | | 12,211.71 | | |
| Elections: | | | | | | | | | | | |
| Other Expenses | 55,000.00 | 55,000.00 | 42,788.29 | | | | | | 76,371.74 | | |
| Public Information: | | | | | | | | | | | |
| Other Expenses | 340,000.00 | 300,000.00 | 223,628.26 | | | | | | 9,824.89 | | |
| Printing and Legal Advertising: | | | | | | | | | | | |
| Other Expenses | 32,000.00 | 32,000.00 | 20,860.80 | | | | 1,314.31 | | 10,000.00 | | |
| Consulting Services: | | | | | | | | | | | |
| Other Expenses | 70,000.00 | 92,778.20 | 77,923.20 | | | | 4,855.00 | | 511.34 | | |
| Rent Control: | | | | | | | | | | | |
| Salaries and Wages | 85,420.00 | 77,420.00 | 76,908.66 | | | | 321.19 | | 26,659.36 | | |
| Other Expenses | 50,000.00 | 50,000.00 | 23,019.45 | | | | | | 440.52 | | |
| Legal Services and Costs: | | | | | | | | | | | |
| Salaries and Wages | 351,040.00 | 344,040.00 | 343,599.48 | | | | 871.50 | | 1,452.04 | | |
| Miscellaneous Other Expenses | 6,000.00 | 6,000.00 | 3,676.46 | | | | | | 0.04 | | |
| Registrar of Vital Statistics: | | | | | | | | | | | |
| Salaries and Wages | 41,820.00 | 41,820.00 | 41,819.96 | | | | 375.00 | | 992.00 | | |
| Other Expenses | 3,000.00 | 3,000.00 | 1,633.03 | | | | | | | | |
| Office of Community Services: | | | | | | | | | | | |
| Salaries and Wages | 751,000.00 | 731,000.00 | 679,705.55 | | | | 2,254.27 | | 51,294.45 | | |
| Other Expenses | 107,450.00 | 107,450.00 | 101,567.71 | | | | | | 3,628.02 | | |
| Consumer Affairs Office: | | | | | | | | | | | |
| Salaries and Wages | 16,400.00 | | | | | | | | 3,603.88 | | |
| Board of Health: | | | | | | | | | 15,734.01 | | |
| Salaries and Wages | 562,100.00 | 552,100.00 | 548,496.12 | | | | 10,207.43 | | | | |
| Other Expenses | 82,000.00 | 82,000.00 | 56,058.56 | | | | | | | | |
| Special Litigation: | | | | | | | | | | | |
| Other Expenses | 650,000.00 | 650,000.00 | 524,707.17 | | | | 34,915.26 | | 90,377.57 | | |
| License Officer: | | | | | | | | | | | |
| Salaries and Wages | 48,060.00 | 48,443.36 | 48,443.36 | | | | | | 1,931.96 | | |
| Other Expenses | 5,000.00 | 5,000.00 | 3,068.04 | | | | | | | | |
| Dog Regulation: | | | | | | | | | | | |
| Other Expenses | 145,000.00 | 145,000.00 | 132,916.63 | | | | | | 12,083.37 | | |
| Hispanic Advisory Council: | | | | | | | | | | | |
| Other Expenses | 500.00 | 500.00 | | | | | | | 500.00 | | |
| Economic Development Commission: | | | | | | | | | | | |
| Other Expenses | 20,000.00 | | | | | | | | | | |
| Municipal Court: | | | | | | | | | | | |
| Salaries and Wages | 685,745.00 | 666,650.24 | 666,650.24 | | | | | | 2,565.40 | | |
| Other Expenses | 159,850.00 | 141,627.25 | 141,627.25 | | | | 15,657.35 | | | | |
| Group Health Insurance | 12,170,000.00 | 12,138,197.04 | 12,082,702.27 | | | | | | | | |
| Health Benefit Waiver | 165,000.00 | 196,802.96 | 196,802.96 | | | | | | 55,494.77 | | |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|--|-----------------|-----------------|-----------------|------------|------------|------------------------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| APPROPRIATIONS WITHIN *CAPS* | | | | | | |
| DEPARTMENT OF PUBLIC AFFAIRS | | | | | | |
| Other Insurance | \$ 1,500,000.00 | \$ 1,527,000.00 | \$ 1,526,170.49 | \$ | \$ 829.51 | \$ |
| Unemployment Insurance | 80,000.00 | 105,000.00 | 105,000.00 | | | |
| Total Department of Public Affairs | 19,564,425.00 | 19,514,535.36 | 19,031,107.03 | 78,077.33 | 405,351.00 | |
| DEPARTMENT OF REVENUE AND FINANCE | | | | | | |
| Director's Office: | | | | | | |
| Salaries and Wages | 113,015.00 | 113,015.00 | 111,390.53 | | 1,624.47 | |
| Other Expenses | 4,000.00 | 4,000.00 | 1,773.96 | | 2,226.04 | |
| Tax Collector: | | | | | | |
| Salaries and Wages | 247,115.00 | 247,115.00 | 244,497.83 | | 2,617.17 | |
| Other Expenses | 38,000.00 | 38,000.00 | 20,559.90 | 884.09 | 16,556.01 | |
| Tax Assessor: | | | | | | |
| Salaries and Wages | 194,155.00 | 194,155.00 | 170,808.29 | | 23,346.71 | |
| Other Expenses | 38,000.00 | 38,000.00 | 27,239.54 | | 10,760.46 | |
| Tax Assessor Consultant: | | | | | | |
| Other Expenses | 100,000.00 | 100,000.00 | 39,749.94 | | 60,250.06 | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 224,165.00 | 244,228.31 | 244,228.31 | 718.32 | 4,019.99 | |
| Other Expenses | 95,000.00 | 95,000.00 | 90,261.69 | | 11,655.00 | |
| Annual Audit | 98,355.00 | 98,355.00 | 86,700.00 | | 71,647.54 | |
| Special Services | 100,000.00 | 100,000.00 | 28,352.46 | | | |
| Housing Inspectors: | | | | | | |
| Salaries and Wages | 143,025.00 | 127,767.60 | 119,964.69 | | 7,802.91 | |
| Other Expenses | 5,000.00 | 5,000.00 | 3,758.69 | 42.50 | 1,198.81 | |
| Postage | 60,000.00 | 60,000.00 | 52,478.57 | 2,388.00 | 5,133.43 | |
| Total Department of Revenue and Finance | 1,459,930.00 | 1,464,635.91 | 1,241,764.40 | 4,032.91 | 218,838.60 | |
| APPROPRIATIONS WITHIN *CAPS* | | | | | | |
| DEPARTMENT OF PUBLIC SAFETY | | | | | | |
| Director's Office: | | | | | | |
| Salaries and Wages | 312,830.00 | 312,830.00 | 309,390.05 | | 3,439.95 | |
| Other Expenses | 7,200.00 | 7,200.00 | 2,513.38 | 297.98 | 4,388.64 | |
| School Crossing Guards: | | | | | | |
| Salaries and Wages | 700,000.00 | 700,000.00 | 665,793.45 | | 34,206.55 | |
| Other Expenses | 5,000.00 | 5,000.00 | 2,292.00 | 269.70 | 2,438.30 | |
| Police: | | | | | | |
| Salaries and Wages | 9,838,445.00 | 9,838,445.00 | 9,779,442.28 | | 59,002.72 | |
| Other Expenses | 358,500.00 | 358,500.00 | 293,208.30 | 30,129.66 | 35,161.84 | |
| Clothing Allowance | 81,000.00 | 81,000.00 | 78,082.50 | | 2,917.50 | |
| Ambulance: | | | | | | |
| Salaries and Wages | 842,000.00 | 822,000.00 | 810,305.66 | | 11,694.34 | |
| Other Expenses | 53,800.00 | 53,800.00 | 27,707.51 | 19,620.40 | 6,472.09 | |
| Traffic Committee: | | | | | | |
| Other Expenses | 6,500.00 | 6,500.00 | 6,500.00 | | | |
| Alarm System: | | | | | | |
| Salaries and Wages | 217,505.00 | 217,505.00 | 194,056.24 | | 23,448.76 | |
| Other Expenses | 10,000.00 | 10,000.00 | 3,000.00 | | 7,000.00 | |
| ABC Board: | | | | | | |
| Other Expenses | 40,000.00 | 57,373.47 | 56,506.47 | 492.00 | 375.00 | |
| Chaplains: | | | | | | |
| Other Expenses | 2,000.00 | 2,208.35 | 2,208.35 | | | |
| Public Safety Vehicles | 56,000.00 | 56,000.00 | | | 56,000.00 | |
| Uniform Fire Safety Act: | | | | | | |
| Salaries and Wages | 205,000.00 | 205,000.00 | 184,013.74 | | 20,986.26 | |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|--|----------------|-----------------|-----------------|------------|--------------|------------------------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | |
| DEPARTMENT OF PUBLIC SAFETY | | | | | | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | \$ 155,395.00 | \$ 155,395.00 | \$ 113,064.52 | \$ 400.00 | \$ 42,330.48 | \$ 2,000.00 |
| Other Expenses | 10,000.00 | 10,000.00 | 7,600.00 | | | |
| Vehicle Maintenance: | | | | | | |
| Salaries and Wages | 481,790.00 | 481,790.00 | 319,467.58 | | 162,322.42 | |
| Other Expenses | 637,700.00 | 637,700.00 | 424,661.51 | 52,981.31 | 160,057.18 | |
| Total Department of Public Safety | 14,020,665.00 | 14,018,248.82 | 13,279,813.54 | 104,191.25 | 634,242.03 | |
| DEPARTMENT OF PUBLIC WORKS | | | | | | |
| Director's Office: | | | | | | |
| Salaries and Wages | 145,575.00 | 146,197.62 | 146,197.62 | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 5,775.38 | | 4,224.61 | |
| Engineering: | | | | | | |
| Other Expenses | 85,000.00 | 86,927.10 | 80,668.82 | 6,258.28 | | |
| Streets and Roads: | | | | | | |
| Salaries and Wages | 2,370,255.00 | 2,370,255.00 | 2,173,430.82 | 246,819.54 | 196,824.18 | |
| Other Expenses | 660,000.00 | 726,000.00 | 475,121.63 | | 4,058.83 | |
| Board of Adjustment: | | | | | | |
| Other Expenses | 70,000.00 | 70,000.00 | 16,802.25 | 1,718.00 | 51,479.75 | |
| Planning Board: | | | | | | |
| Other Expenses | 70,000.00 | 70,000.00 | 29,157.76 | 2,621.00 | 38,221.24 | |
| Total Department of Public Works | 3,410,830.00 | 3,479,379.72 | 2,927,154.29 | 257,416.82 | 294,808.61 | |
| DEPARTMENT OF PARKS AND PUBLIC PROPERTY | | | | | | |
| Director's Office: | | | | | | |
| Salaries and Wages | 197,765.00 | 197,765.00 | 197,542.31 | | 222.69 | |
| Other Expenses | 3,500.00 | 3,500.00 | 496.74 | | 3,003.26 | |
| Parks and Playgrounds: | | | | | | |
| Salaries and Wages | 887,365.00 | 882,275.61 | 865,657.26 | 3,534.51 | 16,618.35 | |
| Other Expenses | 105,000.00 | 105,000.00 | 75,464.82 | | 26,000.67 | |
| Pool: | | | | | | |
| Salaries and Wages | 273,620.00 | 223,067.31 | 203,283.60 | | 19,783.71 | |
| Other Expenses | 102,770.00 | 131,151.57 | 130,522.52 | 629.05 | | |
| Public Events: | | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 3,423.48 | | 1,576.52 | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | 175,140.00 | 178,877.79 | 178,877.79 | 19,683.15 | 30,167.64 | |
| Other Expenses | 150,000.00 | 150,000.00 | 100,149.21 | | | |
| Recreation: | | | | | | |
| Salaries and Wages | 506,685.00 | 496,479.94 | 496,479.94 | | 17,664.79 | |
| Other Expenses | 300,000.00 | 321,503.29 | 285,608.35 | 18,230.15 | | |
| Total Department of Parks and Public Property | 2,706,845.00 | 2,694,620.51 | 2,537,506.02 | 42,076.86 | 115,037.63 | |
| UNIFORM CONSTRUCTION CODE | | | | | | |
| Chief Administrator of Enforcement: | | | | | | |
| Salaries and Wages | 86,345.00 | 86,345.00 | 86,341.06 | | 3.94 | |
| Other Expenses | 2,000.00 | 2,000.00 | | | 2,000.00 | |
| Building Department: | | | | | | |
| Salaries and Wages | 428,855.00 | 412,855.00 | 396,475.36 | 1,663.68 | 16,379.64 | |
| Other Expenses | 25,000.00 | 25,000.00 | 8,902.17 | | 14,434.15 | |
| Plumbing Department: | | | | | | |
| Salaries and Wages | 65,240.00 | 65,240.00 | 65,044.62 | | 195.38 | |
| Other Expenses | 3,000.00 | 3,000.00 | 1,328.32 | | 1,671.68 | |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|--|----------------|-----------------|-----------------|------------|--------------|------------------------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| UNIFORM CONSTRUCTION CODE (CONTINUED) | | | | | | |
| Fire Protection Officials: | | | | | | |
| Other Expenses | \$ 2,000.00 | \$ 2,000.00 | | | \$ 2,000.00 | \$ |
| Total Uniform Construction Code | 612,440.00 | 586,440.00 | 558,091.53 | 1,963.68 | 36,694.79 | |
| UNCLASSIFIED | | | | | | |
| Municipal Utilities Authority | 5,957,005.00 | 5,957,005.00 | 5,957,005.00 | | | |
| Gasoline | 650,000.00 | 650,000.00 | 373,787.32 | 44,561.52 | 231,651.16 | |
| Electricity | 620,000.00 | 620,000.00 | 535,277.24 | | 84,722.76 | |
| Telephone | 215,000.00 | 215,000.00 | 184,547.94 | | 8,223.52 | |
| Street Lighting | 730,000.00 | 730,000.00 | 593,403.59 | 22,228.54 | 136,596.41 | |
| Fire Hydrant Service | 500,000.00 | 500,000.00 | 378,312.43 | | 121,687.57 | |
| Water | 80,000.00 | 80,000.00 | 43,526.35 | 1,603.66 | 34,869.99 | |
| Total Unclassified | 8,752,005.00 | 8,752,005.00 | 8,085,859.87 | 68,393.72 | 617,751.41 | |
| CONTINGENT | | | | | | |
| | 10,760.00 | 10,760.00 | | | 10,760.00 | |
| Total Operations Within "CAPS" | 50,537,800.00 | 50,530,623.32 | 47,641,296.68 | 555,852.57 | 2,333,474.07 | |
| Detail: | | | | | | |
| Salaries and Wages | 22,476,410.00 | 22,319,902.07 | 21,615,440.99 | | 704,461.08 | |
| Other Expenses | 28,061,390.00 | 28,210,721.25 | 26,025,855.69 | 555,852.57 | 1,629,012.99 | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | | |
| Deferred Charges: | | | | | | |
| Prior Years Bills | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Social Security System | 1,200,000.00 | 1,200,000.00 | 1,129,900.96 | | 70,099.04 | |
| Public Employees' Retirement System | 1,230,417.00 | 1,230,417.00 | 1,215,773.54 | | 14,643.46 | |
| Pension Adjustment Fund | 75,000.00 | 75,000.00 | 19,147.05 | | 55,852.95 | |
| Police & Fireman's Retirement System | 2,580,403.00 | 2,580,403.00 | 2,580,403.00 | | | |
| Total Deferred Charges and Statutory Expenditures | 5,090,820.00 | 5,090,820.00 | 4,950,224.55 | | 140,595.45 | |
| Total Appropriations Within "CAPS" | 55,628,620.00 | 55,621,443.32 | 52,591,521.23 | 555,852.57 | 2,474,069.52 | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| OTHER OPERATIONS | | | | | | |
| Hackensack Meadowslands Commission: | | | | | | |
| Other Expenses | 656,490.00 | 656,490.00 | 218,830.00 | | 437,660.00 | |
| Maintenance of Free Public Library | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | | | |
| Operations - 911: | | | | | | |
| Salaries and Wages | 131,197.00 | 131,197.00 | 131,197.00 | | | |
| Reserve to Pay Tax Appeals | 275,000.00 | 275,000.00 | 275,000.00 | | | |
| Total Other Operations | 3,062,687.00 | 3,062,687.00 | 2,625,027.00 | | 437,660.00 | |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|--|----------------|-----------------|-----------------|---------------|----------|------------------------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| | \$ | 13,334,000.00 | \$ | 13,334,244.84 | \$ | \$ |
| | | 200,000.00 | | 206,931.84 | | |
| Total Other Operations | | 13,534,000.00 | | 13,541,176.68 | | |
| STATE AND FEDERAL PROGRAMS OFFSET | | | | | | |
| BY REVENUE | | | | | | |
| Summer Food Program: | | 49,604.22 | | 49,604.22 | | |
| Other Expenses | | | | 20,000.00 | | |
| Handicapped Grant: | | 29,189.00 | | 28,478.00 | | |
| Other Expenses | | | | 78,629.29 | | |
| Drug Alliance: | | 142,080.00 | | 142,080.00 | | |
| Salaries and Wages | | | | 15,000.00 | | |
| Other Expenses | | | | 8,343.91 | | |
| Clean Communities Grant: | | 13,971.48 | | 13,971.48 | | |
| Salaries and Wages | | | | 10,009.00 | | |
| Other Expenses | | | | 8,400.00 | | |
| Hazardous Discharge Grant: | | 5,000.00 | | 5,000.00 | | |
| Other Expenses | | | | 7,624.61 | | |
| Pedestrian Safety Grant: | | 141,325.67 | | 141,325.67 | | |
| Other Expenses | | | | 52,000.00 | | |
| Bulletproof Vest: | | 380,990.00 | | 380,990.00 | | |
| Other Expenses | | | | 1,248.00 | | |
| Body Armor Fund: | | 3,588.68 | | 3,588.68 | | |
| Other Expenses | | | | 8,400.00 | | |
| Hudson County Open Space: | | 16,526.00 | | 16,526.00 | | |
| Other Expenses | | | | 4,000.00 | | |
| Division of Highway Safety: | | 4,000.00 | | 4,000.00 | | |
| Other Expenses | | | | 1,000.00 | | |
| Emergency Management: | | 2,000.00 | | 2,000.00 | | |
| FEMA Grant | | | | 24,000.00 | | |
| Drunk Driving Enforcement Grant | | | | | | |
| Recycling Tonnage | | | | | | |
| State Housing Inspection Program: | | | | | | |
| Salaries and Wages | | | | | | |
| DOT - NJ Transportation Trust: | | | | | | |
| Other Expenses | | | | | | |
| Hepatitis B Program: | | | | | | |
| Other Expenses | | | | | | |
| Alcohol Education and Rehabilitation: | | | | | | |
| Other Expenses | | | | | | |
| Matching Funds for Grants | | | | | | |
| Matching Funds - Drug Alliance | | | | | | |
| Matching Funds - Handicapped Grant | | | | | | |
| Target | | | | | | |
| Wal-Mart | | | | | | |
| Recreational Trails Program | | | | | | |
| | | 1,051,407.86 | | 1,051,407.86 | | |

APPROPRIATIONS EXCLUDED FROM "CAPS":

INTERLOCAL MUNICIPAL AGREEMENTS
North Hudson Regional Fire and Rescue:
 Other Expenses
Regional Communications:
 Other Expenses

Total Other Operations

STATE AND FEDERAL PROGRAMS OFFSET

BY REVENUE

Summer Food Program:
 Other Expenses
Handicapped Grant:
 Other Expenses
Drug Alliance:
 Salaries and Wages
 Other Expenses
Clean Communities Grant:
 Salaries and Wages
 Other Expenses
Hazardous Discharge Grant:
 Other Expenses
Pedestrian Safety Grant:
 Other Expenses
Bulletproof Vest:
 Other Expenses
Body Armor Fund:
 Other Expenses
Hudson County Open Space:
 Other Expenses
Division of Highway Safety:
 Other Expenses
Emergency Management:
 FEMA Grant
 Drunk Driving Enforcement Grant
 Recycling Tonnage
 State Housing Inspection Program:
 Salaries and Wages
 DOT - NJ Transportation Trust:
 Other Expenses
Hepatitis B Program:
 Other Expenses
Alcohol Education and Rehabilitation:
 Other Expenses
Matching Funds for Grants
Matching Funds - Drug Alliance
Matching Funds - Handicapped Grant
Target
Wal-Mart
Recreational Trails Program

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|---|------------------|------------------|------------------|---------------|-----------------|------------------------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| Total Operations Excluded from "CAPS" | \$ 17,648,094.86 | \$ 17,655,271.54 | \$ 17,217,611.54 | \$ | \$ 437,660.00 | \$ |
| Detail: | | | | | | |
| Salaries and Wages | 212,386.00 | 212,386.00 | 212,386.00 | | | |
| Other Expenses | 17,435,708.86 | 17,442,885.54 | 17,005,225.54 | | 437,660.00 | |
| CAPITAL IMPROVEMENTS | | | | | | |
| Capital Improvement Fund | | | | | | |
| MUNICIPAL DEBT SERVICE | | | | | | |
| Payment of Bond Principal | 2,610,000.00 | 2,610,000.00 | 2,610,000.00 | | | |
| Payment of Bond Anticipation Notes | 140,000.00 | 137,750.00 | 137,750.00 | | | |
| Interest on Bonds | 1,356,118.00 | 1,356,118.00 | 1,356,118.00 | | | |
| Interest on Notes | 240,000.00 | 240,000.00 | 240,000.00 | | | |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest: | | | | | | |
| MUJUNUIT Pipeline Debt | 60,000.00 | 60,000.00 | 53,589.74 | | | 6,410.26 |
| NHRF Lease Payable | 163,301.00 | 163,301.00 | 163,300.23 | | | 0.77 |
| EDA - Principal and Interest | 1,053,410.00 | 1,055,660.00 | 1,055,660.00 | | | |
| Total Municipal Debt Service | 10,000.00 | 10,000.00 | 9,247.91 | | | 752.09 |
| | 5,632,829.00 | 5,632,829.00 | 5,625,565.88 | | | 7,163.12 |
| DEFERRED CHARGES | | | | | | |
| Emergency Authorization | 1,100,000.00 | 1,100,000.00 | 1,100,000.00 | | | |
| Special Emergency Authorizations | 330,000.00 | 330,000.00 | 330,000.00 | | | |
| | 1,430,000.00 | 1,430,000.00 | 1,430,000.00 | | | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| DEFERRED CHARGES | | | | | | |
| Judgments | 50,000.00 | 50,000.00 | 30,816.07 | | | 19,183.93 |
| Total Appropriations Excluded from "CAPS" | 24,760,923.86 | 24,768,100.54 | 24,304,093.49 | | 437,660.00 | 26,347.05 |
| Sub-Total Appropriations | 80,389,543.86 | 80,389,543.86 | 76,895,614.72 | | 2,911,729.52 | 26,347.05 |
| Reserve for Uncollected Taxes | 2,749,108.25 | 2,749,108.25 | 2,749,108.25 | | | |
| Total Appropriations | \$ 83,138,652.11 | \$ 83,138,652.11 | \$ 79,644,722.97 | \$ 555,852.57 | \$ 2,911,729.52 | \$ 26,347.05 |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

A-3
Sheet #7

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

| Appropriation | Ref. | Appropriations Modified Budget | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|-------------------------------|-----------------|--------------------------------------|-------------------------|----------------------|--------------------------|------------------------------------|
| | | | | Encumbered | Reserved Unencumbered | |
| Modified Budget | A-2 | \$ 83,138,652.11 | \$ | \$ | \$ | \$ |
| Emergency Appropriation | A-1, A-14 | | 1,430,000.00 | | | |
| Reserve for Uncollected Taxes | A-2b | (2,749,108.25) | 2,749,108.25 | | | |
| Cash Disbursed | A-4 | | 3,902,927.66 | | | |
| Interfunds Receivable - Net | A-13 | | 26,784,470.28 | | | |
| Interfunds Payable | A-20 | | 1,408,244.26 | | | |
| Claims Fund | A-22 | | 43,094,972.52 | | | |
| Tax Overpayments | A-23 | | 275,000.00 | | | |
| Encumbered | A, A-3 Sheet #6 | | | 555,852.57 | | |
| Unencumbered | A, A-3 Sheet #6 | | | | 2,911,729.52 | |
| Cancelled | A, A-3 Sheet #6 | (26,347.05) | | | | |
| | | <u>\$ 80,363,196.81</u> | <u>\$ 79,644,722.97</u> | <u>\$ 555,852.57</u> | <u>\$ 2,911,729.52</u> | <u>\$ 26,347.05</u> |
| | Ref. A-1 | | A-3 Sheet #6 | A | A | Above |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B
Sheet # 1

| <u>ASSETS</u> | <u>Ref.</u> | <u>Balance</u> <u>December 31, 2013</u> | <u>Balance</u> <u>December 31, 2012</u> |
|---|-------------|--|--|
| <u>Animal Control Trust Fund</u> | | | |
| Cash | B-2 | \$ 12,807.70 | \$ 9,513.70 |
| <u>Other Funds</u> | | | |
| Cash | B-2 | 3,770,646.42 | 5,970,199.21 |
| Account Receivable | B-4 | 150,949.28 | 261,858.78 |
| Interfund Receivable | B-5 | 1,624,000.86 | 1,590,944.86 |
| | | <u>5,545,596.56</u> | <u>7,823,002.85</u> |
| <u>Insurance Fund</u> | | | |
| Cash | B-2 | 4,912.91 | 2,867.04 |
| Account Receivable | B-16 | 16,114.55 | |
| Interfund Receivable | B-8 | 40,000.00 | 50,000.00 |
| | | <u>61,027.46</u> | <u>52,867.04</u> |
| <u>Community Development Trust Fund</u> | | | |
| Cash | B-2 | 86,395.52 | 10,025.24 |
| Due from Housing and Urban Development | B-3 | 856,059.43 | 1,017,400.02 |
| | | <u>942,454.95</u> | <u>1,027,425.26</u> |
| <u>Payroll Fund</u> | | | |
| Cash | B-2 | 268,639.27 | 244,032.00 |
| | | <u>\$ 6,830,525.94</u> | <u>\$ 9,156,840.85</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B
Sheet # 2

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> Ref. | Balance December 31, 2013 | Balance December 31, 2012 |
|--|------------------------------|------------------------------|
| <u>Animal Control Trust Fund</u> | | |
| Due to State of New Jersey | B-6 \$ 3.60 | \$ 9.60 |
| Prepaid Revenue | | 442.00 |
| Reserve for Animal Control Expenditures | B-13 12,804.10 | 9,062.10 |
| | 12,807.70 | 9,513.70 |
| <u>Other Funds</u> | | |
| Interfund Payable | B-11 43,040.06 | 9,800.00 |
| Reserve for Special Deposits | B-14 3,741,215.83 | 4,115,301.43 |
| Reserve for Urban Enterprise Zone | B-17 1,760,682.43 | 3,697,243.18 |
| Fund Balance | B-1 658.24 | 658.24 |
| | 5,545,596.56 | 7,823,002.85 |
| <u>Insurance Fund</u> | | |
| Accounts Payable | B-12 22,963.29 | 13,383.89 |
| Due to General Capital Fund | B-11 30,000.00 | 32,300.00 |
| Reserve for: | | |
| Unemployment Compensation Insurance | B-16 7,158.76 | 4,333.73 |
| Self-Insurance | B-16 905.41 | 2,849.42 |
| | 61,027.46 | 52,867.04 |
| <u>Community Development Trust Fund</u> | | |
| Interfund Payable | B-11 93,878.46 | 96,192.07 |
| Reserve for Community Development Trust Fund: | | |
| Department of Housing and Urban Development | B-15 848,576.49 | 931,233.19 |
| | 942,454.95 | 1,027,425.26 |
| <u>Payroll Fund</u> | | |
| Payroll Deductions Payable | B-7 268,639.27 | 244,032.00 |
| | \$ 6,830,525.94 | \$ 9,156,840.85 |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
TRUST FUND

STATEMENT OF TRUST FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

B-1

| | <u>Ref.</u> | <u>Other Trust Fund</u> |
|----------------------------|-------------|---------------------------------|
| Balance, December 31, 2012 | B | <u>\$ 658.24</u> |
| Balance, December 31, 2013 | B | <u>\$ 658.24</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

C

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | Balance <u>December 31, 2013</u> | Balance <u>December 31, 2012</u> |
|---|-------------|-------------------------------------|-------------------------------------|
| Cash | C-2 | \$ 1,758,656.12 | \$ 2,210,986.75 |
| Interfunds Receivable | C-4 | 1,611,447.50 | 1,624,575.00 |
| Due from State of New Jersey: | | | |
| Green Acres Trust Program | C-6 | 1,500,000.00 | 1,500,000.00 |
| Due from County Open Space | C-7 | 1,011,146.00 | 1,011,146.00 |
| Due from Town of Guttenberg | C-8 | 338,854.00 | 338,854.00 |
| Deferred Charges to Future Taxation - Funded | C-9 | 42,382,999.14 | 45,661,251.91 |
| Deferred Charges to Future Taxation - Unfunded | C-10 | <u>25,630,250.00</u> | <u>19,627,000.00</u> |
| | | <u>\$ 74,233,352.76</u> | <u>\$ 71,973,813.66</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| General Serial Bonds | C-20 | \$ 31,312,000.00 | \$ 33,922,000.00 |
| Bond Anticipation Notes Payable | C-19 | 22,780,250.00 | 16,777,000.00 |
| Capital Leases Payable | C-17 | 8,671,236.50 | 9,181,413.00 |
| Green Acres Loans Payable | C-15 | 401,237.21 | 447,874.39 |
| EDA Loan Payable | C-16 | | 8,250.00 |
| Environmental Infrastructure Loan Payable | C-18 | 1,998,525.43 | 2,101,714.52 |
| Capital Improvement Fund | C-12 | 141,992.00 | 300,992.00 |
| Interfunds Payable | C-4 | 1,624,495.33 | 1,590,944.86 |
| Improvement Authorizations: | | | |
| Funded | C-11 | 38,130.25 | 55,940.50 |
| Unfunded | C-11 | 4,118,732.17 | 4,411,343.50 |
| Reserve for Future Improvements | C-13 | 145,000.00 | 145,000.00 |
| Reserve for Grants and Other Receivables | C-14 | 2,850,000.00 | 2,850,000.00 |
| Fund Balance | C-1 | <u>151,753.87</u> | <u>181,340.89</u> |
| | | <u>\$ 74,233,352.76</u> | <u>\$ 71,973,813.66</u> |
| Bonds and Notes Authorized but not Issued | C-21 | <u>\$ 2,850,000.00</u> | <u>\$ 2,850,000.00</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

C-1

| | <u>Ref.</u> | |
|------------------------------------|-------------|-----------------------------|
| Balance, December 31, 2012 | C | \$ 181,340.89 |
| Increased by: | | |
| Premium on Sale of Notes and Bonds | C-2 | <u>135,412.98</u> |
| | | 316,753.87 |
| Decreased by: | | |
| Anticipated Revenue | C-4 | <u>165,000.00</u> |
| Balance, December 31, 2013 | C | <u><u>\$ 151,753.87</u></u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D

| <u>ASSETS</u> | <u>Ref.</u> | Balance <u>December 31, 2013</u> | Balance <u>December 31, 2012</u> |
|-------------------------------------|-------------|-------------------------------------|-------------------------------------|
| | | | |
| <u>Trust Fund Account #1</u> | | | |
| Cash | D-1 | \$ <u>1,337.37</u> | \$ <u>7,171.51</u> |
| | | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| | | | |
| <u>Trust Fund Account #1</u> | | | |
| Reserve for Expenditures | D-1 | \$ <u>1,337.37</u> | \$ <u>7,171.51</u> |

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN
CAPITAL FIXED ASSETS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2013

F

CAPITAL FIXED ASSETS

| | |
|--------------------------------|-------------------------|
| Land | \$ 8,669,400.00 |
| Building and Site Improvements | 22,271,336.00 |
| Machinery and Equipment | <u>16,308,183.48</u> |
| | <u>\$ 47,248,919.48</u> |

RESERVE

| | |
|------------------------------------|-------------------------|
| Investment in Capital Fixed Assets | <u>\$ 47,248,919.48</u> |
|------------------------------------|-------------------------|

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BERGEN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

1. **REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

Since 1931, The Township of North Bergen, Hudson County, New Jersey (the "Township"), has been governed under the Walsh Act form of New Jersey municipal government. The government consists of five commissioners elected at large to the Township Committee in non-partisan elections to serve four year terms of office on a concurrent basis. After each election, the Commissioners select one of their members to serve as mayor and each individual is assigned to head one of the five Commissions. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township conform to the 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 reporting framework other than accounting principles generally accepted in the United States of America ("GAAP"). 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 separate funds, which differ from the fund structure in accordance with GAAP.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB 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 GAAP.

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 the provisions of N.J.S.A. 40A:5-5. The financial statements of the Township, however, do not include the operations of the Municipal Library, Municipal Parking Authority or the Municipal Utilities Authority, which are separate entities subject to a separate examination.

The Township 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 Township 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 Township has the following funds and account groups:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are also included therein.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Fund, General Trust Fund, Federal Housing and Urban Development Fund, Payroll Account and the Self-Insurance Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township which are not covered under the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Township.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP. The accounting system is maintained on the modified accrual basis with certain exceptions. Basis of accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at year end, under the title of "Appropriation Reserves". Amounts unexpended at the end of the second year are lapsed and are recorded as income.

Grant appropriations are charged upon budget adoption to create separate spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital is recognized on the cash basis and is not accrued on the records; interest on Utility Debt is recognized on the accrual basis and so recorded.

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

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. This directive states that contractual orders outstanding at year end, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

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 sick pay are not recorded until paid. 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

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at appraised value on the date of acquisition.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for utilities is required, by regulation, to be prepared by Township personnel for inclusion on the Utility Operating Funds' Balance Sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheet. The Township does not maintain a utility.

Capital Fixed Assets

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Township has developed a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain (infrastructure) capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Depreciation of assets is not recorded as an operating expense of the Township.

Basic Financial Statements

The GASB 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 Township 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.

3. **CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or;

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Board, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

All cash and cash equivalents were covered under either FDIC insurance or GUDPA.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

4. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

Municipalities operating under a calendar fiscal year budget are required by statute to mail tax bills once a year on or about July 20th.

Tax installments not paid by the above due dates are subject to interest penalties. The rate of interest is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections:

Comparative Schedule of Tax Rates

| | Calendar Year <u>2013</u> | Calendar Year <u>2012</u> | Calendar Year <u>2011</u> | Calendar Year <u>2010</u> | Calendar Year <u>2009</u> |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Tax Rate | <u>\$ 5.147</u> | <u>\$ 4.953</u> | <u>\$4.843</u> | <u>\$4.686</u> | <u>\$4.511</u> |
| Apportionment of Tax Rate: | | | | | |
| Municipal | \$ 2.399 | \$ 2.260 | \$2.203 | \$2.135 | \$2.020 |
| County | 1.010 | 1.002 | 0.996 | 0.946 | 0.902 |
| School | 1.734 | 1.671 | 1.633 | 1.602 | 1.564 |
| Open Space - County | <u>0.004</u> | <u>0.020</u> | <u>0.011</u> | <u>0.003</u> | <u>0.025</u> |

Assessed Valuations

| Calendar Year <u>Year</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2013 | \$ 2,489,221,847.00 |
| 2012 | 2,521,083,215.00 |
| 2011 | 2,532,093,789.00 |
| 2010 | 2,526,535,900.00 |
| 2009 | 2,523,548,659.00 |

Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|------------------|--------------------|--------------------------------------|
| CY 2013 | \$128,465,679.33 | \$125,798,593.76 | 97.92 % |
| CY 2012 | 125,152,305.79 | 122,460,585.12 | 97.85 |
| TY 2011 ** | 62,082,757.02 | 59,111,606.08 | 95.21 |
| 2011 | 122,767,381.31 | 119,536,585.08 | 97.40 |
| 2010 | 116,574,479.21 | 113,079,008.60 | 97.00 |
| 2009 | 112,917,141.40 | 109,592,421.46 | 97.06 |

Delinquent Taxes and Tax Title Liens

| <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> |
|-------------|--|---|-----------------------------|---------------------------------------|
| CY 2013 | \$ 1,023,725.89 | \$ 2,188,779.92 | \$ 3,212,505.81 | 2.50 % |
| CY 2012 | 875,674.10 | 2,076,926.82 | 2,952,600.92 | 2.36 |
| TY 2011 ** | 1,027,517.37 | 2,250,727.75 | 3,278,245.12 | 5.28 |
| 2011 | 822,610.05 | 2,380,201.18 | 3,202,811.23 | 2.61 |
| 2010 | 618,513.41 | 2,937,711.45 | 3,556,224.86 | 3.05 |
| 2009 | 493,788.02 | 3,195,331.66 | 3,689,119.68 | 3.27 |

** Effective January 2012, the Township converted to a calendar year.

5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of properties acquired by tax title lien liquidation is carried at assessed valuation in the year of acquisition, was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2013 | \$ 6,543,000.00 |
| 2012 | 6,543,000.00 |
| 2011 | 6,543,000.00 |
| 2010 | 6,543,000.00 |
| 2009 | 6,543,000.00 |

6. FUND BALANCES APPROPRIATED

| | <u>Year</u> | <u>Balance</u> | <u>Utilized in Budgets of Succeeding Year</u> |
|---------------|-------------|-----------------|---|
| Current Fund: | CY2013 | \$ 6,500,206.10 | \$2,000,000.00 |
| | CY2012 | 5,804,770.95 | 2,400,000.00 |
| | TY2011 ** | 8,573,290.30 | 5,000,000.00 * |
| | FY2011 | 5,868,701.87 | |
| | FY2010 | 7,928,604.51 | 6,350,000.00 |
| | FY2009 | 12,519,365.13 | 4,600,000.00 |

* Transition year budget July 1, 2011 to December 31, 2011.

** Effective January 1, 2012, the Township converted to a calendar year budget.

7. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Municipal Debt (Excluding Operating and School Debt)

| | <u>Calendar Year 2013</u> | <u>Calendar Year 2012</u> | <u>Calendar Year 2011</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Bonds and Notes | \$ 54,092,250.00 | \$ 50,699,000.00 | \$ 48,589,000.00 |
| Green Trust Loan | 401,237.21 | 447,874.39 | 497,156.13 |
| EDA Loan | | 8,250.00 | 16,500.00 |
| Environmental Infra- structure Loan | 1,998,525.43 | 2,101,714.52 | |
| Bonds Issued by Another Public Entity Guaranteed by Municipality | <u>62,806,121.00</u> | <u>64,580,578.00</u> | <u>68,974,277.00</u> |
| Total Issued | <u>119,298,133.64</u> | <u>117,837,416.91</u> | <u>118,076,933.13</u> |
| <u>Authorized but Not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | <u>2,850,000.00</u> | <u>2,850,000.00</u> | <u>7,505,000.00</u> |
| Net Bonds and Notes Issued and Authorized but Not Issued | <u>\$ 122,148,133.64</u> | <u>\$ 120,687,416.91</u> | <u>\$ 125,581,933.13</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summary statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.250%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-----------------------|--------------------------|-------------------------|-------------------------|
| Local School District | \$ 17,360,000.00 | \$ 17,360,000.00 | \$ |
| General Debt | <u>122,148,133.64</u> | <u>62,806,121.00</u> | <u>59,342,012.64</u> |
| | <u>\$ 139,508,133.64</u> | <u>\$ 80,166,121.00</u> | <u>\$ 59,342,012.64</u> |

Net Debt, \$59,342,012.64, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,746,728,301.00 equals 1.250%.

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

| | |
|-------------------------------------|--------------------------|
| 3 1/2% of Equalized Valuation Basis | \$ 189,869,132.04 |
| Net Debt | <u>59,342,012.64</u> |
| Remaining Borrowing Capacity | <u>\$ 130,527,119.40</u> |

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

The Board of Education of the Township is a Type II school district. The members of the Board of Education are elected by the voters of the school district on the third Tuesday in April. At each annual school election, the Board of Education shall submit to the voters of the district the amount of money fixed and determined in its budget, excluding interest and debt redemption charges, to be voted upon for the use of the public schools of the district for the ensuing school year.

Long-Term Debt

The Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Township are irrevocably pledged for the payment of the principal of the bonds and interest thereon.

As of December 31, 2013, the Township's long-term debt is as follows:

General Obligation Bonds

| | |
|---|------------------------|
| \$11,000,000, 2008 Refunding Bonds, due in annual installments of \$525,000 to \$580,000 through August 2018, interest at 4.00% to 5.0% | \$ 2,795,000.00 |
| \$22,472,000, 2009 Bonds, due in annual installments of \$1,072,000 to \$1,490,000 through February 2032, interest at 4.0% to 4.5% | 22,472,000.00 |
| \$3,800,000 Tax Appeal Bonds, due in annual installments of \$300,000 to \$1,000,000 through February 2016, interest at 4.0% | 2,900,000.00 |
| \$3,145,000, 2012 Refunding Bonds, due in annual installments of \$385,000 to \$400,000 through April 2021, interest at 3.00% to 4.00% | <u>3,145,000.00</u> |
| Total | <u>\$31,312,000.00</u> |

A Schedule of Annual Debt Service for Principal and Interest for Bonded Debt is as follows:

| Fiscal Year | General | | Total |
|----------------|-------------------------|-------------------------|-------------------------|
| | Principal | Interest | |
| 2014 | \$ 1,825,000.00 | \$ 1,275,917.50 | \$ 3,100,917.50 |
| 2015 | 1,930,000.00 | 1,199,667.50 | 3,129,667.50 |
| 2016 | 1,975,000.00 | 1,121,242.50 | 3,096,242.50 |
| 2017 | 2,047,000.00 | 1,038,952.50 | 3,085,952.50 |
| 2018 | 2,070,000.00 | 952,787.50 | 3,022,787.50 |
| 2019 | 1,540,000.00 | 863,187.50 | 2,403,187.50 |
| 2020 | 1,780,000.00 | 796,787.50 | 2,576,787.50 |
| 2021 | 1,775,000.00 | 725,687.50 | 2,500,687.50 |
| 2022-2032 | <u>16,370,000.00</u> | <u>3,896,881.25</u> | <u>20,266,881.25</u> |
| | <u>\$ 31,312,000.00</u> | <u>\$ 11,871,111.25</u> | <u>\$ 43,183,111.25</u> |

Green Acres Trust Loans

The Township was issued loans from the New Jersey Department of Environmental Protection for the purpose of improvements to the Township parks at an interest rate of 2%. Two new loans were issued to the Township in fiscal year 2010 at a zero percent interest rate. Loans payable at December 31, 2013 in the amount of \$401,237.21 are as follows:

| | |
|--------------------------|----------------------|
| Soccer Field - 1993 | \$ 28,822.09 |
| 88th Street Park - 1993 | 37,654.24 |
| Riverview Park - 1995 | 47,722.43 |
| 74th Street Park - 2010 | 56,269.23 |
| 76th Street Field - 2011 | <u>230,769.22</u> |
| | <u>\$ 401,237.21</u> |

The following is a Schedule of Annual Principal and Interest for the Green Acres Trust Loans:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|--------------------|----------------------|
| 2014 | \$ 47,248.34 | \$ 2,129.65 | \$ 49,377.99 |
| 2015 | 47,871.79 | 1,506.20 | 49,377.99 |
| 2016 | 42,569.30 | 649.68 | 43,218.98 |
| 2017 | 31,504.34 | 400.21 | 31,904.55 |
| 2018 | 26,158.88 | 149.17 | 26,308.05 |
| 2019 | 16,230.78 | | 16,230.78 |
| 2020-2030 | <u>189,653.78</u> | | <u>189,653.78</u> |
| | <u>\$ 401,237.21</u> | <u>\$ 4,834.91</u> | <u>\$ 406,072.12</u> |

Environmental Infrastructure Trust Loan

The Township has a service contract with the North Bergen Municipal Utility Authority (MUA) in which the MUA provides for the operation of a sewerage system for the Township. The MUA applied for and received an Environmental Infrastructure Trust loan from the State of New Jersey for system upgrades. The Township has agreed to pay fifty percent (50%) of the debt service on the loan. The Township's portion of the loan payable as of December 31, 2013 is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|----------------------|------------------------|
| 2014 | \$ 105,689.09 | \$ 43,200.00 | \$ 148,889.09 |
| 2015 | 108,189.09 | 40,950.00 | 149,139.09 |
| 2016 | 110,689.09 | 38,575.00 | 149,264.09 |
| 2017 | 113,189.09 | 36,075.00 | 149,264.09 |
| 2018 | 115,689.09 | 33,450.00 | 149,139.09 |
| 2019 | 118,189.09 | 30,700.00 | 148,889.09 |
| 2020 | 120,689.09 | 28,400.00 | 149,089.09 |
| 2021 | 123,189.09 | 25,400.00 | 148,589.09 |
| 2022-2029 | <u>1,083,012.71</u> | <u>110,625.00</u> | <u>1,193,637.71</u> |
| | <u>\$ 1,998,525.43</u> | <u>\$ 387,375.00</u> | <u>\$ 2,385,900.43</u> |

Hudson County Improvement Authority (HCIA)

The Township entered into a regional agreement with other municipalities to establish the North Hudson Regional Fire and Rescue. Debt was issued through the HCIA to build fire houses and for other capital expenditures. Each municipality was apportioned a share of the debt. At December 31, 2013, the Township's share is \$8,671,236.50.

North Bergen Municipal Utilities Authority

The Township guarantees the debt of the Utilities Authority. Debt was issued for construction of a wastewater treatment plant and other capital projects. At December 31, 2013, the Authority's debt guaranteed by the Township is \$62,806,121.00.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

| <u>Notes</u> | <u>Interest Rate</u> | <u>Amount</u> |
|----------------------|----------------------|-------------------------|
| General Capital Fund | 1.00% | \$ 21,670,250.00 |
| General Capital Fund | 0.90 | <u>1,110,000.00</u> |
| | | <u>\$ 22,780,250.00</u> |

Emergency Notes

The Township issued emergency notes on April 2, 2013 to fund the remaining balance of Hurricane Sandy costs of \$200,000.00.

| <u>Notes</u> | <u>Interest Rate</u> | <u>Amount</u> |
|--------------|----------------------|---------------------|
| Current Fund | 1.00% | <u>\$200,000.00</u> |

8. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGET

Under N.J.S.A. 40A:4-53, special emergencies, the Township must raise twenty percent per year for both the accumulated absences and Hurricane Sandy. The amount required to be budgeted in 2014 for these two emergencies is \$280,000.00 and \$50,000.00 respectively. The Township received from the Federal Emergency Management Agency in excess of the Deferred Charge and has appropriated the entire amount of \$200,000.00 in its 2014 budget.

At December 31, 2013, there were deferred charges totaling \$1,040,000.00. The breakdown of the emergencies is as follows:

| <u>Year</u> | <u>Purpose</u> | <u>Amount</u> |
|-------------|-----------------------------------|------------------------|
| 2011 | Accumulated Vacation and Sick Pay | \$ 840,000.00 |
| 2012 | Hurricane Sandy | <u>200,000.00</u> |
| | | <u>\$ 1,040,000.00</u> |

9. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State Statute: the Public Employees' Retirement System ("PERS") or the Police and Firemen's Pension Fund ("PFRS"). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and the PFRS are considered cost sharing multiple-employer plans.

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service and 25 years for health care coverage.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/4 of 1% for each month the member lacks of attaining age 55). Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to these under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12th of 1% each month the member lacks attaining age 60, but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) are eligible for retirement at age 62 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of

creditable service. Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retire early and is under age 62 receives retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 of more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L.2010 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3 contribution.

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for state employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the Defined Contribution Retirement Plan. PERS salary limited to Social Security maximum wage, minimum age to retire is 65 and the annual retirement benefit equals years of service divided by 60 times average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 of Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit for officers who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any member hired after May 21, 2010, whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3 contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Defined Contribution Retirement Program

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

Deferred Compensation Plan (Un-audited)

The Township offers its employees a Deferred Compensation Plan (the "DC Plan") created in accordance with the provisions of N.J.S.A. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The DC Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of a Deferred Compensation Plan have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" (the "Act") revised several provisions of Section 457 of the Internal Revenue Code. A provision of the Act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds. The CPFPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPF Board of Trustees has the responsibility for the proper administration of the retirement system.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.81% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the prior three (3) fiscal years are as follows:

| Year | PERS | | PFRS | |
|------|-----------------|---------------|-----------------|-----------------|
| | Township | Employees | Township | Employees |
| 2013 | \$ 1,149,048.11 | \$ 982,891.58 | \$ 2,580,403.00 | \$ 1,587,643.51 |
| 2012 | 1,264,203.25 | 918,808.15 | 2,388,533.00 | 1,472,214.30 |
| 2011 | 1,095,235.74 | 783,966.54 | 2,601,961.01 | 1,353,317.71 |

For PERS, participants the contribution rate will increase up to another 7.5% thru year 2017.

10. OTHER POST EMPLOYMENT HEALTHCARE PLAN

Plan Description: The Township has a single-employee defined benefit healthcare plan ("OPEB") administered by Horizon Blue Cross Blue Shield of New Jersey. The OPEB provides medical, prescription drug, dental and vision. For retirees hired prior to January 1, 2008, there is a choice of an indemnity plan or a PPO plan and the retirees hired on or after January 1, 2008, there is only an indemnity plan.

There are different retirement requirements for the different unions within the Township. Medical benefits coordinates with Medicare as primary and the Township Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare Part B. The Township does not reimburse Medicare eligible retirees and dependents for the Medicare Part B premium. The surviving spouse and dependents of a deceased member active or retired, are eligible for continued benefits. Benefits continue for the surviving spouse for life.

Funding Policy: The Township's funding policy is pay as you go.

Annual OPEB Cost and Net OPEB Obligation: The Township's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a 30 year period.

The Township had an actuarial evaluation performed as of December 31, 2013. The results of the actuary study and other pertinent information is as follows:

In March 2010, the Patient Protection and Affordable Care Act (PPACA) were signed into law. An adjustment in the liabilities for possible future benefit changes due to PPACA; specifically, we have included a provision in the Actuarial Accrued Liability for the "Cadillac" excise tax.

Additionally, on June 28, 2011 P.L. 2011 c. 78 (chapter 78) was enacted. Chapter 78 contained many changes to the retirement and healthcare plans offered to employees and retirees of New Jersey State and local government. Among these changes was the requirement for certain retirees to pay a varying portion of postretirement healthcare costs. This valuation reflects the Chapter 78 contribution change.

The results of the valuation are as follows:

- The Actuarial Accrued Liability for retiree healthcare coverage is \$210,447,000 with respect to current and future retirees and for the PPACA Cadillac tax is \$32,565,000, for a total accrued liability of \$243,012,000.

- The estimated age-adjusted cash cost for retiree healthcare benefits for the fiscal year beginning January 1, 2014 is \$5,840,000.
- The Annual Required Contribution (ARC) for the fiscal years ending December 31, 2013 is \$20,419,000. This is based on a 30-year amortization of the Unfunded Actuarial Accrued Liability.
- The Annual OPEB Cost for the fiscal year ending December 31, 2013 under the GASB accounting standard is \$19,671,000. This is based on a 30-year amortization of the Unfunded Actuarial Accrued Liability.
- The Net OPEB Obligation (NOO) as of December 31, 2013 is \$59,959,000, based on estimated age-adjusted cash payments and annual OPEB costs for the period July 1, 2009 through December 31, 2013.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

11. RISK MANAGEMENT

The Township maintains a self-insurance fund for general liability and workers' compensation.

Under the terms of the New Jersey Municipal Joint Insurance Fund (the "JIF"), the first \$100,000.00 of exposure is a self-insurance layer. The next \$150,000.00 of exposure is backed by the joint resources of the JIF and any exposure beyond that amount is covered by the Municipal Excess Liability Joint Insurance Fund as follows:

| <u>Coverage</u> | <u>Deductible</u> | <u>Limits</u> |
|--|-------------------|-------------------------------------|
| 1. Property (Blanket Building and Contents) | \$5,000 | \$250,000,000 |
| 2. Boiler and Machinery | \$1,000 | \$100,000,000 |
| 3. Equipment Floater (Scheduled) | | Included Under Property Coverage |
| 4. Auto Physical Damage (Scheduled) | \$1,000/\$2,500 | Actual Cash Value |
| 5. Blanket Bond | \$1,000 | \$50,000 |
| 6. Auto Liability | 0 | \$5,000,000 |
| 7. General Liability | 0 | \$5,000,000 |
| 8. Public Official Liability | 0 | \$2,000,000 |
| 9. Worker Compensation and Employer Liability | | Statutory |

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013 interfund receivables and payables that resulted from various interfund transactions were as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|
| Current Fund | \$ 65,965.49 | \$ 159,919.85 |
| Federal and State Grant Fund | 119,919.85 | 1,510,000.00 |
| Grant Trust Fund | | 93,878.46 |
| Insurance Fund | 40,000.00 | 30,000.00 |
| General Capital Fund | 1,611,447.50 | 1,624,495.33 |
| General Trust Fund | 1,624,000.86 | 43,040.06 |
| | <u>\$ 3,461,333.70</u> | <u>\$ 3,461,333.70</u> |

13. HEALTH INSURANCE COVERAGE

The State of New Jersey adopted P.L. 2011 Chapter 78 which requires all municipalities to increase the share of health benefit coverage paid by public employees and retirees who receive employer paid health benefits. The law changes the health care contributions standards set in Chapter 2 of 2010, by increasing the amounts contributed. The contribution rates are increased over a four year period and are based on an employee's contractual salary. The law became effective for non-union contract agreements on July 1, 2011, which was then extended to October 1 and for all union contracts after they expire. In the Township, all union contracts expired December 31, 2011. The new contribution rates began on January 1, 2012.

14. CONTINGENT LIABILITIES

a. Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Township has estimated the current cost at December 31, 2013 of such unpaid compensation to be \$5,610,034.50. The Township has established a reserve account of \$2,969.31 in the Trust Fund to fund a portion of this estimated liability. This estimate by management is unaudited.

b. Tax Appeals

As of December 31, 2013, there were tax appeals pending before the New Jersey Tax Court of an undetermined amount.

Judgments favorable to the taxpayers generally extend to two years following the year adjudicated and would also subject the Township to a liability for statutory interest on the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

County taxes paid on the reductions in assessed valuations are subject to credits against the County tax levy of the year subsequent to the year in which the appeals are adjudicated.

c. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2013 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying regulatory basis financial statements for such contingencies.

d. Litigation

Local governments are required to disclose contingencies based on criteria set forth in FASB No. 5, Accounting for Contingencies. There are currently a number of liability cases outstanding and workers' compensation claims outstanding. These claims are being handled through the Township's self-insurance

fund and based on past experience no loss in excess of our insured limits is anticipated. There is one pending case where the Township's Municipal Excess Liability Fund (claims in excess of \$300,000.00) has denied coverage. The case is in the very beginning of the discovery phase and no estimate of liability can be determined. Another case whereby the Township would be required to make a co-payment of twenty percent (20%) of the judgment is also in the very beginning of the discovery phase and a determination of the likelihood of an unfavorable outcome or estimate of the potential loss to the Township cannot be determined at this time.

15. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the balance sheet date through April 21, 2014 which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined that the following subsequent event has occurred that requires disclosure in the financial statements.

The township conducted a \$21,294,129 Note Sale consisting of \$19,399,129 Bond Anticipation Note and \$1,895,000 Tax Appeal Refunding Bond Anticipation Note. The notes were dated April 1, 2014.

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

A-4

| | <u>Ref.</u> | <u>Current Fund</u> | <u>State and Federal Grant Fund</u> |
|--|-------------|-------------------------|-------------------------------------|
| Balance, December 31, 2012 | A | \$ 12,900,945.62 | \$ 40,160.04 |
| Increased by Receipts: | | | |
| Nonbudget Revenue | A-2c | \$ 819,001.35 | \$ |
| Due from State of New Jersey - Ch. 129, P.L. 1976 | A-6 | 136,500.00 | |
| Taxes Receivable | A-7 | 126,973,558.58 | |
| Tax Title Liens Receivable | A-8 | 31,285.44 | |
| Other Accounts Receivable | A-10 | 4,662.84 | |
| Revenue Accounts Receivable | A-12 | 18,423,601.83 | |
| Interfunds Receivable | A-13 | 3,347,757.14 | |
| Accounts Payable | A-16 | 102,873.00 | |
| Emergency Note Payable | A-19 | 200,000.00 | |
| Interfunds Payable | A-20, A-21 | 2,875,482.86 | 1,050,058.99 |
| Tax Overpayments | A-23 | 473,388.06 | |
| Prepaid Taxes | A-24 | 1,450,189.17 | |
| Other Reserve Accounts | A-25 | 301,020.63 | |
| Grants Receivable | A-27 | | 17,170.01 |
| | | <u>155,139,320.90</u> | <u>1,067,229.00</u> |
| | | 168,040,266.52 | 1,107,389.04 |
| Decreased by Disbursements: | | | |
| Budget Appropriations | A-3 | 3,902,927.66 | |
| Interfunds Receivable | A-13 | 28,387,409.92 | |
| Appropriation Reserves | A-15 | 92,963.04 | |
| County Taxes Payable | A-17 | 25,276,839.03 | |
| Due to Claims Fund | A-22 | 92,157,932.97 | |
| Emergency Note Payable | A-19 | 1,350,000.00 | |
| Interfunds Payable | A-20, A-21 | 1,057,000.00 | 335,259.03 |
| | | <u>152,225,072.62</u> | <u>335,259.03</u> |
| Balance, December 31, 2013 | A | <u>\$ 15,815,193.90</u> | <u>\$ 772,130.01</u> |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

CHANGE FUND
DECEMBER 31, 2013

A-5

| | <u>Ref.</u> | |
|--------------------------------|-------------|-------------------------|
| Balance, December 31, 2012 | A | <u>\$ 500.00</u> |
| Balance, December 31, 2013 | A | <u><u>\$ 500.00</u></u> |
| <u>Analysis of Balance</u> | | |
| Township Clerk | | \$ 200.00 |
| Tax Collector | | <u>300.00</u> |
| | | <u><u>\$ 500.00</u></u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
YEAR ENDED DECEMBER 31, 2013

A-6

| | <u>Ref.</u> | | |
|--------------------------------------|-------------|-------------------|----------------------------|
| Balance, December 31, 2012 | A | | \$ 78,830.30 |
| Increased by: | | | |
| Exemptions per Tax Duplicate: | | | |
| Senior Citizens and Veterans | | \$ 150,000.00 | |
| Deductions Allowed by Tax Collector: | | | |
| Senior Citizens and Veterans | | <u>7,250.00</u> | |
| | A-2b, A-7 | <u>157,250.00</u> | |
| Less: Prior Year Senior Citizens | | | |
| Disallowed by Tax Collector | A-1 | <u>39,000.00</u> | |
| | | | <u>118,250.00</u> |
| | | | <u>197,080.30</u> |
| Decreased by: | | | |
| Collections | A-4 | | <u>136,500.00</u> |
| Balance, December 31, 2013 | A | | <u><u>\$ 60,580.30</u></u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013

A-8

| | <u>Ref.</u> | | |
|-----------------------------------|-------------|------------------|-------------------------------|
| Balance, December 31, 2012 | A | | \$ 875,674.10 |
| Increased by: | | | |
| Transferred from Taxes Receivable | A-7 | \$ 176,428.37 | |
| Interest and Costs of Tax Sale | Reserve | <u>2,908.86</u> | |
| | | | <u>179,337.23</u> |
| | | | <u>1,055,011.33</u> |
| Decreased by: | | | |
| Collections | A-2b, A-4 | <u>31,285.44</u> | |
| | | | <u>31,285.44</u> |
| Balance, December 31, 2013 | A | | <u><u>\$ 1,023,725.89</u></u> |

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
DECEMBER 31, 2013

A-9

| | <u>Ref.</u> | | |
|----------------------------|-------------|--|-------------------------------|
| Balance, December 31, 2012 | A | | <u>\$ 6,543,000.00</u> |
| Balance, December 31, 2013 | A | | <u><u>\$ 6,543,000.00</u></u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-10

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------|
| Increased by: | | |
| Lot Cleaning Charges | Reserve | \$ 9,626.00 |
| | | <u>9,626.00</u> |
| Decreased by: | | |
| Cash Collections | A-2c, A-4 | 4,662.84 |
| | | <u>4,662.84</u> |
| Balance, December 31, 2013 | A | <u>\$ 4,963.16</u> |

OTHER MUNICIPAL LIENS
YEAR ENDED DECEMBER 31, 2013

A-11

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2012 | A | \$ 8,538.59 |
| Balance, December 31, 2013 | A | <u>\$ 8,538.59</u> |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
DECEMBER 31, 2013

A-12

| | <u>Ref.</u> | <u>2013 Accrued</u> | <u>Collected in 2013</u> |
|--|-----------------------|-------------------------|------------------------------|
| Borough Clerk: | | | |
| Alcoholic Beverage Licenses | A-2 | \$ 89,540.00 | \$ 89,540.00 |
| Other Licenses | A-2 | 272,890.15 | 272,890.15 |
| Construction Code Official: | | | |
| Uniform Construction Code Fees | A-2a | 868,218.00 | 868,218.00 |
| Fees and Permits: | | | |
| Tax Collector | A-2a | 29,011.50 | 29,011.50 |
| Tax Assessor | A-2a | 1,940.00 | 1,940.00 |
| Rent Control | A-2a | 36,500.00 | 36,500.00 |
| Clerk | A-2a | 5,754.58 | 5,754.58 |
| Health/Vital Statistics | A-2a | 107,039.25 | 107,039.25 |
| Police | A-2a | 42,802.50 | 42,802.50 |
| Finance Office | A-2a | 495.00 | 495.00 |
| Purchasing | A-2a | 4,645.00 | 4,645.00 |
| Police Special Duty | A-2a | 141,815.00 | 141,815.00 |
| Recreation: | | | |
| Pool Fees | A-2 | 321,783.34 | 321,783.34 |
| Collector of Taxes: | | | |
| Interest and Cost on Taxes | A-2 | 423,545.66 | 423,545.66 |
| Interest on Investments | A-2 | 30,886.54 | 30,886.54 |
| Municipal Court: | | | |
| Fines and Costs | A-2a | 2,602,558.40 | 2,602,558.40 |
| State Aid: | | | |
| Energy Receipt Tax | A-2 | 5,528,333.68 | 5,528,333.68 |
| Consolidated Municipal Property Tax Relief Aid | A-2 | 1,491,196.00 | 1,491,196.00 |
| Supplemental Energy Receipts Tax | A-2 | 166,067.00 | 166,067.00 |
| North Bergen Cable TV - Franchise Fee | A-2 | 554,162.85 | 554,162.85 |
| Payment in Lieu of Taxes: | | | |
| Floral Park, Inc. | A-2 | 701,035.00 | 701,035.00 |
| North Bergen Housing Authority | A-2 | 216,216.00 | 216,216.00 |
| Fritz Reuter | A-2 | 171,773.00 | 171,773.00 |
| EAT II | A-2 | 1,474,774.17 | 1,474,774.17 |
| Avalon Bay | A-2 | 253,904.00 | 253,904.00 |
| LWH | A-2 | 440,755.54 | 440,755.54 |
| Host Fees | A-2 | 744,566.02 | 744,566.02 |
| Trust Fund - Street Openings | A-2 | 9,988.25 | 9,988.25 |
| Ambulance Fees | A-2 | 925,224.68 | 925,224.68 |
| General Capital Surplus | A-2 | 165,000.00 | 165,000.00 |
| Hotel Tax | A-2 | 511,815.99 | 511,815.99 |
| NJ Transit Tax | A-2 | 181,934.00 | 181,934.00 |
| NJ Meadowlands Lease | A-2 | 197,037.92 | 197,037.92 |
| Uniform Fire Safety Rebates | A-2 | 141,309.69 | 141,309.69 |
| MUA - 5% of Operating Costs | A-2 | 200,000.00 | 200,000.00 |
| Library Surplus | A-2 | 375,000.00 | 375,000.00 |
| Parking Authority Building Lease | A-2 | 78,000.00 | 78,000.00 |
| MUA Debt Service Payment | A-2 | 61,376.00 | 61,376.00 |
| | | <u>\$ 19,568,894.71</u> | <u>\$ 19,568,894.71</u> |
| | <u>Ref.</u> | Reserve | Below |
| | | <u>Ref.</u> | |
| | Cash Receipts | A-4 | \$ 18,423,601.83 |
| | Interfunds Payable | A-20 | 165,000.00 |
| | Interfunds Receivable | A-13 | 980,292.88 |
| | | Above | <u>\$ 19,568,894.71</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-13

| Ref. | Total | Federal and State Grant Fund | General Capital Fund | Payroll Account | Trust Fund | Grant Trust |
|--|---------------|------------------------------|----------------------|-----------------|--------------|--------------|
| Balance, December 31, 2012 | \$ 53,426.52 | \$ 19,434.45 | \$ | \$ | \$ 9,800.00 | \$ 24,192.07 |
| Increased by: | | | | | | |
| Anticipated Revenue | 1,022,481.86 | 1,022,481.86 | | | | |
| Miscellaneous Revenue Not Anticipated | 23,700.00 | | | | 23,700.00 | |
| Transferred from/to Interfunds Payable | 120,414.32 | 119,919.85 | 494.47 | | | |
| Cash Disbursements | 28,387,409.92 | 789,231.49 | | 27,313,679.38 | 98,286.01 | 186,213.04 |
| Revenue Accounts Receivable | 980,292.88 | | | | 980,292.88 | |
| Prior Year Void Checks | 5,047.31 | | | 5,047.31 | | |
| Grant Reserves Cancelled | 22,430.96 | | | | | |
| Sub-Total | 30,561,777.25 | 1,931,633.20 | 494.47 | 27,318,726.69 | 1,102,278.89 | 22,430.96 |
| | 30,615,203.77 | 1,951,067.65 | 494.47 | 27,318,726.69 | 1,112,078.89 | 232,836.07 |
| Decreased by: | | | | | | |
| Budget Appropriation | 26,784,470.28 | 618,545.83 | | 26,165,924.45 | | |
| Cash Receipts | 3,347,757.14 | 1,225,348.13 | | 869,868.28 | 1,042,135.62 | 210,405.11 |
| Prior Year Grant Expenditure | 13,965.00 | 13,965.00 | | | | |
| Grant Receivables Cancelled | 91,983.37 | 91,983.37 | | | | |
| Appropriation Reserves | 311,062.49 | 1,225.32 | | 282,933.96 | 26,903.21 | |
| | 30,549,238.28 | 1,951,067.65 | | 27,318,726.69 | 1,069,038.83 | 210,405.11 |
| Balance, December 31, 2013 | \$ 65,965.49 | \$ | \$ 494.47 | \$ | \$ 43,040.06 | \$ 22,430.96 |
| Net Debit to Operations | | | | | | |
| Balance December 31, 2013 | \$ 65,965.49 | | | | | |
| Balance December 31, 2012 | 53,426.52 | | | | | |
| Net Debit | \$ 12,538.97 | | | | | |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

DEFERRED CHARGES
EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2013

A-14

| | <u>Ref.</u> | |
|---|-------------|------------------------|
| Balance, December 31, 2012 | A | \$ 2,470,000.00 |
| Decreased by: | | |
| Budget Appropriation | A-3 | <u>1,430,000.00</u> |
| Balance, December 31, 2013 | A | <u>\$ 1,040,000.00</u> |
| <u>Analysis of Balance</u> | | |
| Special Emergency Authorization (40A:4-53): | | |
| Accumulated Absences | \$ | 840,000.00 |
| Hurricane Sandy | | <u>200,000.00</u> |
| | | <u>\$ 1,040,000.00</u> |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

A-15
Sheet # 1

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

| | Balance December 31, 2012 | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|------------------------------|-------------------|-------------------------------|--------------------|-------------------|
| | Encumbered | Unencumbered | | | |
| <u>Department of Public Affairs</u> | | | | | |
| Director's Office: | | | | | |
| Other Expenses | \$ 83.33 | \$ 10,131.00 | \$ 25,983.33 | \$ 6,313.30 | \$ 19,670.03 |
| Township Clerk's Office: | | | | | |
| Salaries and Wages | | 114.22 | 114.22 | 114.22 | |
| Other Expenses | 201.03 | 4,341.28 | 345.03 | 345.03 | |
| Elections: | | | | | |
| Other Expenses | | 1,000.00 | 90.00 | 90.00 | |
| Public Information: | | | | | |
| Other Expenses | 9,050.52 | 86,940.74 | 94,246.17 | 86,514.51 | 7,731.66 |
| Printing and Legal Advertising: | | | | | |
| Other Expenses | | 4,173.94 | 8,045.89 | 7,545.89 | 500.00 |
| Township Administrator: | | | | | |
| Salaries and Wages | | 390.48 | 390.48 | 390.48 | |
| Other Expenses | | 2,542.53 | 10,000.00 | | 10,000.00 |
| Rent Control: | | | | | |
| Other Expenses | 311.27 | 17,974.12 | 463.27 | 463.27 | |
| Legal Services and Costs: | | | | | |
| Salaries and Wages | 1,023.41 | 1,215.09 | 1,080.35 | 1,080.35 | |
| Other Expenses | | | | | |
| Registrar of Vital Statistics: | | | | | |
| Other Expenses | | 36.44 | | | |
| Office of Community Services: | | | | | |
| Salaries and Wages | | 663.18 | 663.18 | 663.18 | |
| Other Expenses | 305.64 | 12,866.98 | 4,063.06 | 4,063.06 | |
| Board of Health: | | | | | |
| Salaries and Wages | | 1,868.84 | 1,868.84 | 1,868.84 | |
| Other Expenses | 1,961.65 | 11,003.64 | 2,465.84 | 2,465.84 | |
| Special Litigation: | | | | | |
| Other Expenses | | 942.50 | 112,673.97 | 112,673.97 | |
| License Officer: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | 3,296.97 | | | |
| Purchasing: | | | | | |
| Salaries and Wages | | 0.70 | 0.70 | 0.70 | |
| Other Expenses | | 1,791.48 | | | |
| Central Purchasing | 4,345.23 | 757.98 | 27,832.58 | 7,304.58 | 20,528.00 |
| Dog Regulation: | | | | | |
| Other Expenses | 12,083.33 | 0.04 | 12,083.33 | 12,083.33 | |
| Municipal Court: | | | | | |
| Salaries and Wages | | 1,487.91 | 1,487.91 | 1,487.91 | |
| Other Expenses | 2,026.09 | 19,638.87 | 10,724.88 | 9,115.70 | 1,609.18 |
| Group Health Insurance | | 694,529.49 | 694,529.49 | | 694,529.49 |
| Health Benefit Waiver | | 2,491.04 | 1,250.00 | 1,250.00 | |
| Other Insurance | | 893.38 | 50,000.00 | 50,000.00 | |
| | <u>31,391.50</u> | <u>881,092.84</u> | <u>1,060,402.52</u> | <u>305,834.16</u> | <u>754,568.36</u> |
| <u>Department of Revenue and Finance</u> | | | | | |
| Director's Office: | | | | | |
| Other Expenses | | 4,640.67 | 20,050.10 | 900.00 | 19,150.10 |
| Assessment of Taxes: | | | | | |
| Other Expenses | 245.00 | 12,154.24 | 2,455.56 | 2,455.56 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | | 1,138.36 | 1,138.36 | 1,138.36 | |
| Other Expenses | 177.00 | 19,129.98 | 664.57 | 664.57 | |
| Tax Assessor Consultant | | | | | |
| Other Expenses | 13,249.98 | 44,500.08 | 49,749.98 | 49,749.98 | |
| Bureau of Housing Inspection: | | | | | |
| Salaries and Wages | | 17.48 | 17.48 | 17.48 | |
| Other Expenses | | 748.83 | 257.40 | 257.40 | |
| Postage | | 31,310.95 | 29.53 | 29.53 | |
| Financial Administration: | | | | | |
| Salaries and Wages | | 851.77 | 851.77 | 851.77 | |
| Annual Audit | | 49,355.00 | 30,000.00 | 20,000.00 | 10,000.00 |
| Other Expenses | 300.61 | 389.39 | 20,309.76 | 13,659.30 | 6,650.46 |
| Special Services | | 48,247.93 | 10,000.00 | | 10,000.00 |
| | <u>13,972.59</u> | <u>212,484.68</u> | <u>135,524.51</u> | <u>89,723.95</u> | <u>45,800.56</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

A-15
Sheet # 2

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

| | Balance December 31, 2012 | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|------------------------------|-------------------|-------------------------------|--------------------|-------------------|
| | Encumbered | Unencumbered | | | |
| <u>Department of Public Safety</u> | | | | | |
| <u>Director's Office:</u> | | | | | |
| Salaries and Wages | \$ | \$ 0.15 | \$ 0.15 | \$ 0.15 | \$ |
| Other Expenses | 107.39 | 5,490.57 | 21,007.39 | 3,016.46 | 17,990.93 |
| <u>Vehicle Maintenance:</u> | | | | | |
| Salaries and Wages | | 42,921.33 | | | |
| Other Expenses | 49,827.14 | 49,459.30 | 105,247.31 | 89,751.24 | 15,496.07 |
| <u>Police:</u> | | | | | |
| Salaries and Wages | | 163,835.87 | 163,835.87 | 159,920.00 | 3,915.87 |
| Clothing Allowance | 45,247.48 | 66,296.47 | 112,623.89 | 73,206.15 | 39,417.74 |
| Other Expenses | | | | | |
| <u>Ambulance:</u> | | | | | |
| Salaries and Wages | | 10,486.10 | 10,486.10 | 2,577.07 | 7,909.03 |
| Other Expenses | 8,835.60 | 7,706.03 | 9,718.75 | 9,718.75 | |
| <u>Alarm System:</u> | | | | | |
| Salaries and Wages | | 2,188.56 | 2,188.56 | 2,188.56 | |
| Other Expenses | | 6,400.00 | | | |
| <u>ABC Board:</u> | | | | | |
| Other Expenses | | 10,372.71 | 1,230.00 | 1,230.00 | |
| <u>Police Vehicle Acquisition</u> | | | | | |
| Other Expenses | 28,121.30 | | 28,121.30 | 28,121.30 | |
| <u>School Crossing Guards:</u> | | | | | |
| Salaries and Wages | | 5,117.18 | 5,117.18 | 5,117.18 | |
| Other Expenses | 1,300.00 | 2,886.07 | 1,300.00 | 1,300.00 | |
| <u>Uniform Fire Safety Act:</u> | | | | | |
| Salaries and Wages | | 3,322.36 | 3,322.36 | 3,322.36 | |
| <u>Municipal Prosecutor:</u> | | | | | |
| Salaries and Wages | | 10,569.40 | 15,369.40 | 5,569.40 | 9,800.00 |
| Other Expenses | | | | | |
| | <u>133,438.91</u> | <u>387,052.10</u> | <u>479,568.26</u> | <u>385,038.62</u> | <u>94,529.64</u> |
| <u>Department of Public Works</u> | | | | | |
| <u>Director's Office:</u> | | | | | |
| Salaries and Wages | | 3,835.60 | 3,835.60 | 3,835.60 | |
| Other Expenses | 200.90 | 1,905.63 | 21,100.90 | 5,433.40 | 15,667.50 |
| <u>Engineering:</u> | | | | | |
| Other Expenses | | 7,976.41 | 6,000.29 | 6,000.29 | |
| <u>Streets and Roads:</u> | | | | | |
| Salaries and Wages | | 176,167.74 | 148,006.50 | 102,216.03 | 45,790.47 |
| Other Expenses | 151,074.17 | 61,933.90 | 214,708.62 | 158,288.57 | 56,420.05 |
| <u>Zoning Board of Adjustment:</u> | | | | | |
| Other Expenses | | 8,699.90 | 3,759.60 | 3,759.60 | |
| <u>Planning Board:</u> | | | | | |
| Other Expenses | | 11,195.26 | | | |
| | <u>151,275.07</u> | <u>271,714.44</u> | <u>397,411.51</u> | <u>279,533.49</u> | <u>117,878.02</u> |
| <u>Department of Parks and Public Property</u> | | | | | |
| <u>Director's Office:</u> | | | | | |
| Salaries and Wages | | 355.60 | 355.60 | 355.60 | |
| Other Expenses | | 4,200.99 | 16,496.16 | 900.00 | 15,596.16 |
| <u>Parks and Playgrounds:</u> | | | | | |
| Salaries and Wages | | 8,071.38 | 8,071.38 | 100.61 | 7,970.77 |
| Other Expenses | 5,440.96 | 5,692.04 | 7,926.35 | 7,926.35 | |
| <u>Pool:</u> | | | | | |
| Salaries and Wages | | 0.28 | 0.28 | 0.28 | |
| Other Expenses | | 6,984.96 | 3,512.48 | 3,512.48 | |
| <u>Celebration of Public Events:</u> | | | | | |
| Other Expenses | | 422.53 | | | |
| <u>Public Buildings and Grounds:</u> | | | | | |
| Salaries and Wages | | 2,002.56 | 2,002.56 | | 2,002.56 |
| Other Expenses | 23,702.07 | 44,205.38 | 59,933.56 | 21,242.23 | 38,691.33 |
| <u>Recreation:</u> | | | | | |
| Salaries and Wages | | 1,949.60 | 1,949.60 | 1,949.60 | |
| Other Expenses | 32,952.18 | 3,102.18 | 26,249.81 | 18,043.81 | 8,206.00 |
| | <u>62,095.21</u> | <u>76,987.50</u> | <u>126,497.78</u> | <u>54,030.96</u> | <u>72,466.82</u> |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-16

| | <u>Ref.</u> | | |
|---------------------------------------|-------------|--------------------------------------|----------------------|
| Balance, December 31, 2012 | A | | \$ 91,778.85 |
| Increased by: | | | |
| Due to State of New Jersey: | | | |
| Marriage Licenses | | \$ 2,175.00 | |
| Construction Surcharge | | 12,043.00 | |
| Burial Permits | | 20.00 | |
| County Taxes: | | | |
| PILOT Agreements | | 34,139.00 | |
| Due to North Bergen Parking Authority | | <u>54,496.00</u> | |
| Transfer from County Taxes | A-4 A-17 | <u>102,873.00</u> <u>2,566.84</u> | |
| | | | <u>105,439.84</u> |
| | | | 197,218.69 |
| Decreased by: | | | |
| Due to Claims Fund | A-22 | | <u>91,778.85</u> |
| Balance, December 31, 2013 | A | | <u>\$ 105,439.84</u> |

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-17

| | <u>Ref.</u> | | |
|------------------------------|----------------|------------------|----------------------|
| Balance, December 31, 2012 | A | | \$ 61,438.27 |
| Increased by: | | | |
| County Tax Levy - Year 2013 | A-1,7 | \$ 25,217,967.60 | |
| 2013 Added Assessments | A-1,7 | <u>68,857.27</u> | |
| | A-1, A-2b, A-7 | | <u>25,286,824.87</u> |
| | | | 25,348,263.14 |
| Decreased by: | | | |
| Payments | A-4 | 25,276,839.03 | |
| Transfer to Accounts Payable | A-16 | <u>2,566.84</u> | |
| | | | <u>25,279,405.87</u> |
| Balance, December 31, 2013 | A | | <u>\$ 68,857.27</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

LOCAL SCHOOL DISTRICT TAXES
YEAR ENDED DECEMBER 31, 2013

A-18

| | <u>Ref.</u> | |
|----------------------------|-----------------|------------------------|
| Balance, December 31, 2012 | A | \$ 2,728,039.00 |
| Increased by: | | |
| Levy Year 2013 | A-1, A- 2b, A-7 | 43,139,526.00 |
| | | <u>45,867,565.00</u> |
| Decreased by: | | |
| Claims Fund | A-22 | 43,255,129.00 |
| | | <u>43,255,129.00</u> |
| Balance, December 31, 2013 | A | <u>\$ 2,612,436.00</u> |

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-19

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2012 | A | \$ 1,350,000.00 |
| Increased by: | | |
| Cash Receipt | A-4 | 200,000.00 |
| | | <u>1,550,000.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | 1,350,000.00 |
| | | <u>1,350,000.00</u> |
| Balance, December 31, 2013 | A | <u>\$ 200,000.00</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-20

| Ref. | Total | Capital Fund | SUI Insurance | JIF Insurance | Federal/State Grant Fund |
|---|---------------------|---------------------|-------------------|-------------------|--------------------------|
| Balance, December 31, 2012 | \$ 60,275.00 | \$ 10,275.00 | \$ 20,000.00 | \$ 30,000.00 | \$ |
| Increased by: | | | | | |
| Transferred from/to Interfunds Receivable | 120,414.32 | 494.47 | | | 119,919.85 |
| Budget Appropriation | 1,408,244.26 | 361,244.26 | 105,000.00 | 942,000.00 | |
| Cash Receipts | 2,875,482.86 | 2,875,482.86 | | | |
| | <u>4,404,141.44</u> | <u>3,237,221.59</u> | <u>105,000.00</u> | <u>942,000.00</u> | <u>119,919.85</u> |
| | 4,464,416.44 | 3,247,496.59 | 125,000.00 | 972,000.00 | 119,919.85 |
| Decreased by: | | | | | |
| Cash Disbursements | 1,057,000.00 | | 112,000.00 | 945,000.00 | |
| Tax Overpayments Financed by Ordinance | 3,082,496.59 | 3,082,496.59 | | | |
| Revenue Accounts Receivable | 165,000.00 | 165,000.00 | | | |
| | <u>4,304,496.59</u> | <u>3,247,496.59</u> | <u>112,000.00</u> | <u>945,000.00</u> | |
| Balance, December 31, 2013 | \$ 159,919.85 | \$ | \$ 13,000.00 | \$ 27,000.00 | \$ 119,919.85 |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

FEDERAL AND STATE GRANT FUND
INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

A-21

| | Ref. | Total | Current Fund | Claims Fund | General Trust Fund | Payroll Fund | General Capital Fund |
|---------------------------------------|------|-----------------|-----------------|-------------|--------------------|--------------|----------------------|
| Balance, December 31, 2012 | A | \$ 1,529,434.45 | \$ 19,434.45 | \$ | \$ | \$ | \$ 1,510,000.00 |
| Increased by: | | | | | | | |
| Cash Receipts | A-4 | 1,050,058.99 | 789,231.49 | | 260,827.50 | | |
| Grant Reserves Cancelled | A-28 | 489,576.43 | 489,576.43 | | | | |
| Anticipated Revenue | A-27 | 1,022,481.86 | 1,022,481.86 | | | | |
| Appropriated Reserves Paid | A-28 | 758,151.83 | 422,892.80 | 62,809.51 | | 272,449.52 | |
| | | 3,320,269.11 | 2,724,182.58 | 62,809.51 | 260,827.50 | 272,449.52 | |
| | | 4,849,703.56 | 2,743,617.03 | 62,809.51 | 260,827.50 | 272,449.52 | 1,510,000.00 |
| Decreased by: | | | | | | | |
| Cash Disbursements | A-4 | 335,259.03 | | 62,809.51 | | 272,449.52 | |
| Budget Appropriations | A-28 | 1,051,407.86 | 1,051,407.86 | | | | |
| Grant Receivables Cancelled | A-27 | 581,559.80 | 581,559.80 | | | | |
| Grant Costs Reimbursed | A-28 | 17,370.50 | | | 17,370.50 | | |
| Grants Received by Other Funds | A-27 | 1,474,026.22 | 1,230,569.22 | | 243,457.00 | | |
| | | 3,459,623.41 | 2,863,536.88 | 62,809.51 | 260,827.50 | 272,449.52 | |
| Balance, December 31, 2013 (Due From) | A | \$ (119,919.85) | \$ (119,919.85) | \$ | \$ | \$ | \$ |
| Balance, December 31, 2013 Due To | A | \$ 1,510,000.00 | \$ | \$ | \$ | \$ | \$ 1,510,000.00 |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

DUE TO CLAIMS FUND
YEAR ENDED DECEMBER 31, 2013

A-22

| | <u>Ref.</u> | | |
|----------------------------|-------------|----------------------|----------------------|
| Increased by: | | | |
| Revenue Refunds | A-2a | \$ 757,723.00 | |
| Budget Appropriations | A-3 | 43,094,972.52 | |
| Appropriation Reserves | A-15 | 1,175,302.78 | |
| Accounts Payable | A-16 | 91,778.85 | |
| Local School Taxes Payable | A-18 | 43,255,129.00 | |
| Tax Overpayments | A-23 | <u>3,784,753.21</u> | |
| | | | \$ 92,159,659.36 |
| Decreased by: | | | |
| Prior Year Checks Voided | A-2c | 1,726.39 | |
| Cash Disbursements | A-4 | <u>92,157,932.97</u> | |
| | | | <u>92,159,659.36</u> |
| | | | <u>\$</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

A-23

| | <u>Ref.</u> | | |
|---------------------------------|-------------|---------------------|-----------------------------|
| Balance, December 31, 2012 | A | | \$ 443,903.57 |
| Increased by: | | | |
| Transferred from Appropriations | A-3 | \$ 275,000.00 | |
| Collections | A-4 | 473,388.06 | |
| Paid thru Bond Ordinance | A-20 | <u>3,082,496.59</u> | |
| | | | <u>3,830,884.65</u> |
| | | | <u>4,274,788.22</u> |
| Decreased by: | | | |
| Due to Claims Fund | A-22 | | <u>3,784,753.21</u> |
| Balance, December 31, 2013 | A | | <u><u>\$ 490,035.01</u></u> |

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2013

A-24

| | <u>Ref.</u> | | |
|-----------------------------|-------------|--|-------------------------------|
| Balance, December 31, 2012 | A | | \$ 505,257.52 |
| Increased by: | | | |
| Collections | A-4 | | <u>1,450,189.17</u> |
| | | | <u>1,955,446.69</u> |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-2b, A-7 | | <u>505,257.52</u> |
| Balance, December 31, 2013 | A | | <u><u>\$ 1,450,189.17</u></u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

OTHER RESERVE ACCOUNTS
DECEMBER 31, 2013

A-25

| | <u>Balance</u> <u>December 31, 2012</u> | <u>Increase</u> | <u>Balance</u> <u>December 31, 2013</u> |
|--|--|----------------------|--|
| Reserve for Preparation of Tax Maps | \$ 28,405.00 | \$ | \$ 28,405.00 |
| Reserve for Sale of Property | 1,532,183.24 | 101,020.63 | 1,633,203.87 |
| Reserve for Hurricane Sandy | | 200,000.00 | 200,000.00 |
| | <u>\$ 1,560,588.24</u> | <u>\$ 301,020.63</u> | <u>\$ 1,861,608.87</u> |
| <u>Ref.</u> | A | A-4 | A |

TOWNSHIP OF NORTH BERGEN
CURRENT FUND

DUE TO STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
DECEMBER 31, 2013

A-26

| | <u>Ref.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2012 | A | <u>\$ 14,221.65</u> |
| Balance, December 31, 2013 | A | <u>\$ 14,221.65</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
FEDERAL/STATE GRANT FUND

GRANTS RECEIVABLE

A-27

| | Balance Dec. 31, 2012 | Revenue | Collections | Cancelled | Balance Dec 31, 2013 |
|---|--------------------------|------------------------|------------------------|----------------------|-------------------------|
| Handicapped Recreational | \$ | \$ 20,000.00 | \$ 20,000.00 | \$ | \$ |
| Drug Alliance FY 2012 | 14,159.00 | | 14,159.00 | | |
| Drug Alliance FY 2013 | | 57,667.00 | 16,296.08 | | 41,370.92 |
| HC Open Space - River Road Property Acquisition | 207,994.00 | | | 207,994.00 | |
| Bullet Proof Vest - 2013 | | 8,343.91 | | | 8,343.91 |
| Bullet Proof Vest - 2012 | 2,112.50 | | | | 2,112.50 |
| Recreational Trails Program | | 24,000.00 | | | 24,000.00 |
| HUD - JFK Blvd. East Streetscape | 285,000.00 | | | | 285,000.00 |
| DOT: | | | | | |
| Blvd East Streetscape | | | | | |
| Year 24 | 150,890.84 | | | 60,390.84 | 90,500.00 |
| Blvd East Streetscape | 400,000.00 | | | | 400,000.00 |
| Year 26 | 189,437.75 | | 163,063.07 | 26,374.68 | |
| Year 27 | 429,749.00 | | 391,643.90 | 38,105.10 | |
| Year 28 | 210,000.00 | | | | 210,000.00 |
| Year 29 | | 380,990.00 | 275,616.48 | | 105,373.52 |
| Other | 405,900.00 | | | | 405,900.00 |
| UEZ: | | | | | |
| Video Surveillance System | 243,457.00 | | 243,457.00 | | |
| DDEF | | 7,624.61 | 7,624.61 | | |
| Hazardous Discharge Program | | 142,080.00 | | | 142,080.00 |
| NJ DEP - Recreation Trails Program | 12,400.00 | | | 12,400.00 | |
| NJDEP - Wastewater Management | 27,708.88 | | | 27,708.88 | |
| Summer Food - 2012 | 9,617.92 | | | 9,617.92 | |
| Summer Food - 2013 | | 49,604.22 | 42,140.96 | 7,463.26 | |
| Safe Streets to Schools | 30,000.00 | | | 30,000.00 | |
| Click It or Ticket | | 4,000.00 | 3,600.00 | 400.00 | |
| County of Hudson - Justice Assistance | | 10,009.00 | | | 10,009.00 |
| Ed Byrne - Justice Assistance | 13,433.01 | | 3,011.01 | 10,422.00 | |
| Housing Inspection Program | 42,472.00 | | | 42,472.00 | |
| Housing Inspection Program - 2013 | | 52,000.00 | 41,279.00 | 10,721.00 | |
| Impaired Driving Crackdown | 4,400.00 | | 4,400.00 | | |
| Hepatitis B Program | | 1,248.00 | 8,800.00 | | 1,248.00 |
| Clean Communities | | 78,629.29 | 78,629.29 | | |
| Pedestrian Safety Grant - 2012 | 15,000.00 | | 14,990.00 | 10.00 | |
| Pedestrian Safety Grant - 2013 | | 15,000.00 | | | 15,000.00 |
| NJ Law Public Safety - Body Armor | | 13,971.48 | 13,971.48 | | |
| Alcohol Education and Rehabilitation | | 3,588.68 | 3,588.68 | | |
| NJMC - Street Drainage Mitigation | 102,312.50 | | | 102,312.50 | |
| Walmart | | 2,000.00 | 2,000.00 | | |
| NJ Transit - Community Shuttle | 20,000.00 | | | | 20,000.00 |
| FEMA | | 5,000.00 | 5,000.00 | | |
| NJ Meadowlands Commission - COAH | 25,000.00 | | | | 25,000.00 |
| NJ Meadowlands Commission - COAH 2009 | 45,000.00 | | | | 45,000.00 |
| Green Acres - Soccer Field Resurfacing | 37,019.54 | | | | 37,019.54 |
| Target | | 1,000.00 | 1,000.00 | | |
| Recycling Tonnage | | 141,325.67 | 141,325.67 | | |
| NJ EPA - Green Communities | 3,000.00 | | | | 3,000.00 |
| US Dept of Energy- Energy Efficiency & Conserv. | 38,049.62 | | | 38,049.62 | |
| | <u>\$ 2,964,113.56</u> | <u>\$ 1,022,481.86</u> | <u>\$ 1,491,196.23</u> | <u>\$ 624,441.80</u> | <u>\$ 1,870,957.39</u> |

| | | | | | |
|------|---|-----|-------|-------|---|
| Ref. | A | A-2 | Below | Below | A |
|------|---|-----|-------|-------|---|

Ref.

| | | | |
|---------------------------|-------|------------------------|----------------------|
| Cash Receipts | A-4 | \$ 17,170.01 | \$ |
| Interfunds | A-21 | 1,474,026.22 | 581,559.80 |
| Cancelled against Reserve | A-28 | | 42,882.00 |
| | Above | <u>\$ 1,491,196.23</u> | <u>\$ 624,441.80</u> |

TOWNSHIP OF NORTH BERGEN
FEDERAL/STATE GRANT FUND

GRANT RESERVES
FOR YEAR ENDED DECEMBER 31, 2013

| | Balance Dec. 31, 2012 | Budget | Appropriated under NJSA- 40A:4-87 | Expended | Cancelled | Balance Dec. 31, 2013 |
|--|--------------------------|-----------|---|---------------|-----------|--------------------------|
| Recycling Tonnage | \$ 11,280.84 | | \$ 141,325.67 | \$ 141,325.67 | \$ | \$ |
| Drug Alliance - 2012 | | | | 11,250.00 | 30.84 | 5,339.74 |
| Drug Alliance - 2013 | | 82,593.00 | | 77,253.26 | | |
| DOT: | | | | | | |
| Blvd. East Streetscape | 225,180.66 | | | | | 225,180.66 |
| Year 24 | 37,853.18 | | 380,990.00 | 13,049.00 | 37,853.18 | |
| Year 29 | | | | | | |
| Year 26 | 37,316.20 | | | | | |
| Year 28 | 24,445.55 | | | 24,445.55 | 37,316.20 | 367,941.00 |
| Emergency Signals | 210,000.00 | | | 6,477.75 | | 203,522.25 |
| UEZ: | | | | | | |
| Video Surveillance System | 243,457.00 | | | 243,457.00 | | |
| Summer Food 2012 | 12,306.49 | | | | 12,306.49 | |
| Summer Food 2013 | | | 49,604.22 | 29,898.90 | 16,342.94 | 3,362.38 |
| Hepatitis B Program | | | 1,248.00 | 1,248.00 | | |
| Click It or Ticket | | | 4,000.00 | 3,600.00 | 400.00 | |
| USDOE - Energy Efficiency & Conservation | 62,790.40 | | | | | 62,790.40 |
| NJDEP - Green Communities | 3,000.00 | | | | | 3,000.00 |
| COPS Secure our Schools | 32,844.52 | | | | 32,844.52 | |
| Justice Assistance Grant -USDOJ | | 24,000.00 | 10,009.00 | | | 10,009.00 |
| Handicapped Recreational | | | 24,000.00 | 24,000.00 | | |
| Recreational Trails Program | | | 4,400.00 | 4,400.00 | | 24,000.00 |
| Impaired Driving Crackdown | | | 2,000.00 | | | 2,000.00 |
| Wal-Mart | | | 1,000.00 | | | 1,000.00 |
| Target | | | | | | |
| Housing Inspection Program | 19,199.00 | | | | 19,199.00 | |
| Housing Inspection Program | 23,273.00 | 52,000.00 | 15,000.00 | 27,314.00 | 47,959.00 | |
| Pedestrian Safety Grant | 15,000.00 | | | 14,990.00 | 10.00 | 15,000.00 |

TOWNSHIP OF NORTH BERGEN
FEDERAL/STATE GRANT FUND

GRANT RESERVES
FOR YEAR ENDED DECEMBER 31, 2013

| | Balance Dec. 31, 2012 | Budget | Appropriated under NJSA- 40A:4-87 | Expended | Cancelled | Balance Dec. 31, 2013 |
|--|--------------------------|---|---|----------------------|----------------------|--------------------------|
| Clean Communities | \$ 15,400.00 | \$ | \$ 78,629.29 | \$ 78,629.29 | \$ 15,400.00 | \$ |
| NJDEP Bird Sanctuary Trail | 3,332.48 | | | 2,312.91 | | 1,019.57 |
| Body Armor - 2010 | 9,882.79 | | | 4,869.59 | | 9,882.79 |
| Body Armor - 2011 | 4,869.59 | | | | | (0.00) |
| Body Armor - 2007, 2008, 2009 | 20,963.56 | | | | | 20,963.56 |
| Body Armor - 2012 | | | 13,971.48 | | | 13,971.48 |
| Body Armor - 2013 | | | 142,080.00 | | | 142,080.00 |
| Hazardous Site Remediation | | | 5,000.00 | 5,000.00 | | |
| FEMA Emergency Management Aid | | | | 925.89 | | |
| Junior Police Academy | 4,869.19 | | | | | 3,943.30 |
| NJ Transit - Community Shuttle | 2,489.76 | | | | 2,489.76 | |
| NJ Transit - Implementation Reforestation Plan | 78,660.00 | | | 8,200.00 | | 70,460.00 |
| HC Open Space - Property Acquisition | 207,994.00 | | | | 207,994.00 | |
| DDEF | 6,142.28 | | | 11,622.02 | | 2,144.87 |
| Alcohol Education Rehab | 17,153.01 | | 7,624.61 | | | 20,741.69 |
| Impaired Driving Crackdown Grant | 4,400.00 | | 3,588.68 | 4,400.00 | | |
| Bullet Proof Vest | 2,112.50 | | 8,343.91 | 2,112.50 | | 8,343.91 |
| NJ Meadowlands Commission: | | | | | | |
| COAH Fair Housing | 22,089.00 | | | | | 22,089.00 |
| 43rd Street Drainage Mitigation | 102,312.50 | | | | 102,312.50 | |
| | <u>\$ 1,460,617.50</u> | <u>\$ 158,593.00</u> | <u>\$ 892,814.86</u> | <u>\$ 740,781.33</u> | <u>\$ 532,458.43</u> | <u>\$ 1,238,785.60</u> |
| Ref | A | A-21 | A-21 | Below | Below | A |
| | | | Ref. | | | |
| | | Interfunds Cancelled against Receivable | A-21 | \$ 758,151.83 | \$ 489,576.43 | |
| | | Grant Expenditures Reimbursed | A-27 | | 42,882.00 | |
| | | | A-21 | (17,370.50) | | |
| | | | | <u>\$ 740,781.33</u> | <u>\$ 532,458.43</u> | |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

B-2
Sheet #1

| Ref. | Animal Control Fund | Other Trust Fund | Total Insurance Fund | Unemployment Compensation Insurance Fund | Self-Insurance Fund | Community Development Block Grant |
|-------------------------------|---------------------|------------------------|----------------------|--|---------------------|-----------------------------------|
| Balance, December 31, 2012 | \$ 9,513.70 | \$ 5,970,199.21 | \$ 2,867.04 | \$ 17.62 | \$ 2,849.42 | \$ 10,025.24 |
| Increased by Receipts: | | | | | | |
| B-13 Dog License Collection | 3,300.00 | | | | | |
| B-6 Due State of New Jersey | 1,302.00 | | | | | 748,063.59 |
| B-3 Due from H.U.D. - CDBG | | 261,858.78 | | | | |
| B-4 Accounts Receivable | | 535,848.14 | | | | 145,000.00 |
| B-5, 11 Interfunds Receivable | | | 1,057,000.00 | 112,000.00 | 945,000.00 | |
| B-8 Due from Current Fund | | | | | | |
| B-14 Special Deposits | | 7,410,896.91 | | | | |
| B-11 Interfunds Payable | | | 1,096,026.26 | 23,358.28 | 1,072,667.98 | |
| B-16 Insurance Funds | | | | | | |
| Contra | <u>4,602.00</u> | <u>8,208,603.83</u> | <u>2,153,026.26</u> | <u>135,358.28</u> | <u>2,017,667.98</u> | <u>893,063.59</u> |
| | 14,115.70 | 14,178,803.04 | 2,155,893.30 | 135,375.90 | 2,020,517.40 | 903,088.83 |
| Decreased by Disbursements: | | | | | | |
| B-5 Interfunds Receivable | | 3,560,374.99 | | | | |
| B-8 Due from Current Fund | | | | | | |
| B-10 Due to Claims Fund | 1,308.00 | 465,490.88 | 1,017,779.40 | 132,068.40 | 885,711.00 | 513,715.80 |
| B-11 Interfunds Payable | | | 2,300.00 | 2,300.00 | | 302,977.51 |
| B-14 Special Deposits | | 6,382,290.75 | | | | |
| B-16 Insurance Fund | | | 1,130,900.99 | | 1,130,900.99 | |
| Contra | <u>1,308.00</u> | <u>10,408,156.62</u> | <u>2,150,980.39</u> | <u>134,368.40</u> | <u>2,016,611.99</u> | <u>816,693.31</u> |
| Balance, December 31, 2013 | <u>\$ 12,807.70</u> | <u>\$ 3,770,646.42</u> | <u>\$ 4,912.91</u> | <u>\$ 1,007.50</u> | <u>\$ 3,905.41</u> | <u>\$ 86,395.52</u> |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

B-2
Sheet # 2

| | <u>Ref.</u> | | <u>Payroll Fund</u> |
|-----------------------------|-------------|----------------------|----------------------|
| Balance, December 31, 2012 | B | | \$ 244,032.00 |
| Increased by Receipts: | | | |
| Net Payroll | | \$ 16,499,901.12 | |
| Payroll Deductions | | <u>10,111,654.48</u> | |
| | B-7 | | <u>26,611,555.60</u> |
| | | | <u>26,855,587.60</u> |
| Decreased by Disbursements: | | | |
| Net Payroll | | 16,499,901.12 | |
| Payroll Deductions | | <u>10,087,047.21</u> | |
| | B-7 | | <u>26,586,948.33</u> |
| Balance, December 31, 2013 | B | | <u>\$ 268,639.27</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

DUE FROM HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

B-3

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2012 | B | \$ 1,017,400.02 |
| Increased by: | | |
| Grant Award | B-15 | 586,723.00 |
| | | <u>1,604,123.02</u> |
| Decreased by: | | |
| Collections | B-2 | 748,063.59 |
| Balance, December 31, 2013 | B | <u>\$ 856,059.43</u> |

ACCOUNT RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

B-4

| | <u>Ref.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2012 | B | \$ 261,858.78 |
| Increased by: | | |
| Due from Developer's - Police Special Duty | B-14 | 150,949.28 |
| | | <u>412,808.06</u> |
| Decreased by: | | |
| Cash Receipts | B-2 | 261,858.78 |
| Balance, December 31, 2013 | B | <u>\$ 150,949.28</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUNDS

INTERFUNDS RECEIVABLE
OTHER TRUST FUNDS
YEAR ENDED DECEMBER 31, 2013

B-5

| | Ref. | Total | Current Fund | Federal/State Fund | General Capital Fund | Salary Account |
|----------------------------------|------|---------------------|-------------------|--------------------|----------------------|---------------------|
| Balance, December 31, 2012 | B | \$ 1,590,944.86 | \$ | \$ | \$1,590,944.86 | \$ |
| Increased by: | | | | | | |
| Cash Disbursements | B-2 | 3,560,374.99 | 814,075.00 | 260,827.50 | | 2,485,472.49 |
| Special Deposits | B-14 | 122,822.52 | 89,766.52 | | 33,056.00 | |
| Transferred to Interfund Payable | B-11 | 33,240.06 | 33,240.06 | | | |
| | | <u>3,716,437.57</u> | <u>937,081.58</u> | <u>260,827.50</u> | <u>33,056.00</u> | <u>2,485,472.49</u> |
| | | 5,307,382.43 | 937,081.58 | 260,827.50 | 1,624,000.86 | 2,485,472.49 |
| Decreased by: | | | | | | |
| Cash Receipts | B-2 | 535,848.14 | 535,848.14 | | | |
| Special Deposits | B-14 | 1,380,781.68 | 291,032.44 | | | 1,089,749.24 |
| Urban Enterprise Expenditures | B-17 | 1,766,751.75 | 110,201.00 | 260,827.50 | | 1,395,723.25 |
| | | <u>3,683,381.57</u> | <u>937,081.58</u> | <u>260,827.50</u> | | <u>2,485,472.49</u> |
| Balance, December 31, 2013 | B | \$ 1,624,000.86 | \$ | \$ | \$1,624,000.86 | \$ |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL TRUST FUND
YEAR ENDED DECEMBER 31, 2013

B-6

| | <u>Ref.</u> | <u>Total</u> | <u>State Share License Fee</u> | <u>Pilot Clinic</u> | <u>Population Control</u> |
|-----------------------------|-------------|-----------------|--|-------------------------|-------------------------------|
| Balance, December 31, 2012 | B | \$ 9.60 | \$ 6.00 | \$ 0.60 | \$ 3.00 |
| Increased by: | | | | | |
| Fees Collected | B-2 | <u>1,302.00</u> | <u>550.00</u> | <u>110.00</u> | <u>642.00</u> |
| | | 1,311.60 | 556.00 | 110.60 | 645.00 |
| Decreased by: | | | | | |
| Paid to State - Claims Fund | B-10 | <u>1,308.00</u> | <u>553.00</u> | <u>110.00</u> | <u>645.00</u> |
| Balance, December 31, 2013 | B | <u>\$ 3.60</u> | <u>\$ 3.00</u> | <u>\$ 0.60</u> | <u>\$</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

PAYROLL DEDUCTION PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-7

| | Balance Dec. 31, 2012 | Receipts | Disbursements | Balance Dec. 31, 2013 |
|--------------------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Net Payroll | \$ | \$ 16,499,901.12 | \$ 16,499,901.12 | \$ |
| Federal Withholding | (18.85) | 3,218,056.64 | 3,218,037.79 | |
| Social Security | (66.50) | 2,324,829.37 | 2,324,762.87 | |
| State Income Tax | (7.50) | 788,554.44 | 788,546.94 | |
| Unemployment Compensation Insurance | (27.49) | 68,443.08 | 68,415.59 | |
| Public Employees' Retirement System: | | | | |
| Pension | 82,517.63 | 982,891.58 | 978,661.80 | 86,747.41 |
| Contributory Insurance | 4,745.59 | 52,463.66 | 52,253.29 | 4,955.96 |
| Supplementary Insurance | 1,333.00 | 13,656.00 | 13,634.00 | 1,355.00 |
| Police and Firemen's Retirement | | | | |
| Pension | 124,283.91 | 1,587,643.51 | 1,572,397.68 | 139,529.74 |
| Supplemental Insurance | 5,496.00 | 69,476.00 | 69,122.00 | 5,850.00 |
| ING Insurance | | 4,674.64 | 4,674.64 | |
| Boston Mutual Premium | 16.50 | 9,530.62 | 9,547.12 | |
| Teamsters Local #11 | | 25,253.63 | 23,171.87 | 2,081.76 |
| Garnishments | (57.57) | 244,172.46 | 244,114.89 | |
| PBA Local #18 | | 58,890.00 | 58,890.00 | |
| PBA Local #18M Superiors | | 17,413.00 | 17,413.00 | |
| AFLAC | 333.50 | 48,454.03 | 48,295.03 | 492.50 |
| Medical -23 | | 534,027.58 | 534,027.58 | |
| Medical -24 | | 25,947.65 | 25,947.65 | |
| Teamsters 945 | | 7,156.00 | 7,156.00 | |
| VALIC | | 26,440.07 | 26,340.07 | 100.00 |
| Liberty Mutual | | 1,637.40 | 1,637.40 | |
| Fuel | | | | |
| Legal Fees | 16,192.50 | | | 16,192.50 |
| Restitution | 8,776.51 | 2,043.49 | | 10,820.00 |
| Unallocated | 514.77 | (0.37) | | 514.40 |
| | <u>244,032.00</u> | <u>10,111,654.48</u> | <u>10,087,047.21</u> | <u>268,639.27</u> |
| Total | <u>\$ 244,032.00</u> | <u>\$ 26,611,555.60</u> | <u>\$ 26,586,948.33</u> | <u>\$ 268,639.27</u> |

Ref.

B

B-2

B-2

B

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2013

B-8

| | <u>Ref.</u> | <u>Insurance Funds</u> |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2012 | B | \$ 50,000.00 |
| Increased by: | | |
| Budget Appropriations | B-16 | <u>1,047,000.00</u> |
| | | 1,097,000.00 |
| Decreased by: | | |
| Cash Receipts | B-2 | <u>1,057,000.00</u> |
| Balance, December 31, 2013 | B | <u><u>\$ 40,000.00</u></u> |

PREPAID REVENUE
YEAR ENDED DECEMBER 31, 2013

B-9

| | <u>Ref.</u> | <u>Animal Control</u> |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2012 | B | \$ 442.00 |
| Decreased by: | | |
| Applied | B-13 | <u>442.00</u> |
| Balance, December 31, 2013 | | <u><u>\$</u></u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

DUE TO CLAIMS FUND
YEAR ENDED DECEMBER 31, 2013

B-10

| | <u>Ref.</u> | <u>Animal Control Fund</u> | <u>Other Trust Funds</u> | <u>Insurance Funds</u> | <u>Grant Funds</u> |
|----------------------------|-------------|------------------------------------|------------------------------|----------------------------|------------------------|
| Increased by: | | | | | |
| Due to State of New Jersey | B-6 | \$ 1,308.00 | \$ | \$ | \$ |
| Accounts Payable | B-12 | | | 13,383.89 | |
| Special Deposits | B-14 | | 295,681.88 | | |
| Urban Enterprise Zone | B-17 | | 169,809.00 | | |
| Grant Expenditures | B-15 | | | | 513,715.80 |
| Insurance Claims | B-16 | | | 1,004,395.51 | |
| | | <u>1,308.00</u> | <u>465,490.88</u> | <u>1,017,779.40</u> | <u>513,715.80</u> |
| Decreased by: | | | | | |
| Disbursements | B-2 | <u>1,308.00</u> | <u>465,490.88</u> | <u>1,017,779.40</u> | <u>513,715.80</u> |
| | | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-11

| Ref. | Total | Community Development | | | | Insurance Funds | |
|--|---------------|-----------------------|----------------------------|-----------------|------------------|------------------|-----------------|
| | | Current Fund | Block Grant Salary Account | General Capital | Other Trust Fund | Other Trust Fund | General Capital |
| Balance, December 31, 2012 | \$ 138,292.07 | \$ 24,192.07 | \$ | \$ 72,000.00 | \$ 9,800.00 | \$ | \$ 32,300.00 |
| Increased by: | | | | | | | |
| Transferred from Interfunds Receivable | 33,240.06 | | | | 33,240.06 | | |
| CDBG Expenditures | 156,216.50 | 63,644.00 | 92,572.50 | | | | |
| Cash Receipts | 145,000.00 | 145,000.00 | | | | | |
| | 472,748.63 | 232,836.07 | 92,572.50 | 72,000.00 | 43,040.06 | | 32,300.00 |
| Decreased by: | | | | | | | |
| CDBG Refund | 552.50 | | | 552.50 | | | |
| Cash Disbursements | 305,277.51 | 210,405.11 | 92,572.40 | | | | 2,300.00 |
| | 305,830.01 | 210,405.11 | 92,572.40 | 552.50 | | | 2,300.00 |
| Balance, December 31, 2013 | \$ 167,471.12 | \$ 22,430.96 | \$ | \$ 71,447.50 | \$ 43,040.06 | \$ | \$ 30,000.00 |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-12

| | <u>Ref.</u> | <u>Insurance Funds</u> |
|------------------------------|-------------|------------------------|
| Balance, December 31, 2012 | B | \$ 13,383.89 |
| Increased by: | | |
| Accounts Payable Established | B-16 | 22,963.29 |
| | | <u>36,347.18</u> |
| Decreased by: | | |
| Due to Claims Fund | B-10 | 13,383.89 |
| | | <u>13,383.89</u> |
| Balance, December 31, 2013 | B | <u>\$ 22,963.29</u> |

RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-13

| | <u>Ref.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2012 | B | \$ 9,062.10 |
| Increased by: | | |
| Dog License Fees | B-2 | \$ 3,300.00 |
| Prepaid Applied | B-9 | 442.00 |
| | | <u>3,742.00</u> |
| Balance, December 31, 2013 | B | <u>\$ 12,804.10</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUNDS

SPECIALS DEPOSITS
YEAR ENDED DECEMBER 31, 2013

B-14

| <u>Account Number</u> | | <u>Balance Dec. 31, 2012</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance Dec. 31, 2013</u> |
|-----------------------|---|----------------------------------|------------------------|------------------------|----------------------------------|
| 1 | Cultural Affairs | \$ 11,240.53 | \$ 2,259.00 | \$ | \$ 13,499.53 |
| 2 | Street Opening Deposits | 24,675.00 | 7,800.00 | 13,388.25 | 19,086.75 |
| 3 | Parking Offenses Adjudication Act | 67,557.47 | 46,431.00 | 36,581.47 | 77,407.00 |
| 5 | Planning Board Escrow | 3,812.97 | 107,367.92 | 76,962.11 | 34,218.78 |
| 7 | Rent Leveling Escrow | 11,688.65 | 1,350.00 | 3,425.00 | 9,613.65 |
| 8 | Bid Deposits | | | | |
| 9 | L.E.A. Program | 185,238.88 | 31,075.00 | 3,976.69 | 212,337.19 |
| 10 | Affordable Housing | 32,632.81 | 43.71 | | 32,676.52 |
| 12 | Police Detail | 153,569.29 | 753,704.12 | 806,408.50 | 100,864.91 |
| 13 | Builders Escrow Deposits | 1,068,886.97 | 99,083.49 | 53,864.10 | 1,114,106.36 |
| 14 | Board of Adjustments Escrow | 3,512.15 | 64,046.52 | 39,930.12 | 27,628.55 |
| 17 | Pool Donation | 2,116.57 | 350.00 | | 2,466.57 |
| 18 | Donations | 3,362.00 | | | 3,362.00 |
| 25 | Public Defender | 11,015.00 | 19,184.00 | 18,500.00 | 11,699.00 |
| 28 | Elevator Inspections Deposits | 84,544.00 | 73,565.00 | 67,501.00 | 90,608.00 |
| 29 | Law Enforcement | 34,275.71 | 53,496.64 | 69,287.95 | 18,484.40 |
| 30 | State Police Forfeitures | 2,543.02 | 37,770.93 | 38,321.48 | 1,992.47 |
| 42 | Tax Title Lien Redemptions | 1,345.98 | 5,194,392.22 | 5,187,266.75 | 8,471.45 |
| 43 | Tax Title Lien Redemption Premium Account | 1,060,900.00 | 1,281,800.00 | 1,209,200.00 | 1,133,500.00 |
| 44 | Developer's Costs | 316,966.19 | 63,189.00 | 90,237.93 | 289,917.26 |
| 45 | Accumulated Absences | 127,878.24 | 448,139.77 | 573,048.70 | 2,969.31 |
| 46 | Snow Removal | 224,871.90 | | | 224,871.90 |
| 48 | Donations for EMS | 9,580.10 | 480.00 | 3,871.78 | 6,188.32 |
| | Reserve for Library Surplus | 673,088.00 | | 375,000.00 | 298,088.00 |
| | Kennedy Blvd Fire Victims | | 7,157.91 | | 7,157.91 |
| | | <u>\$ 4,115,301.43</u> | <u>\$ 8,292,686.23</u> | <u>\$ 8,666,771.83</u> | <u>\$ 3,741,215.83</u> |
| | <u>Ref.</u> | B | Below | Below | B |
| | | Ref. | | | |
| | Cash Receipts | B-2 | \$ 7,410,896.91 | \$ | |
| | Cash Disbursements | B-2 | | 6,382,290.75 | |
| | Accounts Receivable | B-4 | 150,949.28 | | |
| | Interfunds | B-5 | 122,822.52 | 1,380,781.68 | |
| | Due to Claims Fund | B-10 | | 295,681.88 | |
| | Contra Between Trust Accounts | Contra | 608,017.52 | 608,017.52 | |
| | | | <u>\$ 8,292,686.23</u> | <u>\$ 8,666,771.83</u> | |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
YEAR ENDED DECEMBER 31, 2013

B-15

| | <u>Ref.</u> | | |
|-------------------------------|-------------|------------------|----------------------|
| Balance, December 31, 2012 | B | | \$ 931,233.19 |
| Increased by: | | | |
| Grant Award | B-3 | \$ 586,723.00 | |
| Refund Posted in Capital Fund | B-11 | <u>552.50</u> | |
| | | | <u>587,275.50</u> |
| | | | 1,518,508.7 |
| Decreased by: | | | |
| Cancelled Due Current Fund | B-11 | 22,430.96 | |
| Due to Current Fund | B-11 | 41,213.04 | |
| Due to Claims Fund | B-10 | 513,715.80 | |
| Due to Salary Account | B-11 | <u>92,572.40</u> | |
| | | | <u>669,932.20</u> |
| Balance, December 31, 2013 | B | | <u>\$ 848,576.49</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
TRUST FUND

RESERVE FOR VARIOUS INSURANCE FUNDS
YEAR ENDED DECEMBER 31, 2013

B-16

| <u>Ref.</u> | <u>Totals</u> | <u>Unemployment Insurance</u> | <u>Other Insurance</u> |
|-----------------------------------|---------------------|-----------------------------------|------------------------|
| Balance, December 31, 2012 | \$ 7,183.15 | \$ 4,333.73 | \$ 2,849.42 |
| Increased by: | | | |
| Settlements | \$ 1,072,667.98 | | \$ 1,072,667.98 |
| Refunds from State of New Jersey | 23,358.28 | 23,358.28 | |
| Account Receivable Due from State | 16,114.55 | 16,114.55 | |
| Due from Current Fund | <u>1,047,000.00</u> | <u>105,000.00</u> | <u>942,000.00</u> |
| | 2,159,140.81 | <u>144,472.83</u> | <u>2,014,667.98</u> |
| | <u>2,166,323.96</u> | <u>148,806.56</u> | <u>2,017,517.40</u> |
| Decreased by: | | | |
| Disbursements | 1,130,900.99 | | 1,130,900.99 |
| Due to Claims Fund | 1,004,395.51 | 118,684.51 | 885,711.00 |
| Accounts Payable | <u>22,963.29</u> | <u>22,963.29</u> | |
| | 2,158,259.79 | <u>141,647.80</u> | <u>2,016,611.99</u> |
| Balance, December 31, 2013 | <u>\$ 8,064.17</u> | <u>\$ 7,158.76</u> | <u>\$ 905.41</u> |

TOWNSHIP OF NORTH BERGEN
TRUST FUND

RESERVE FOR URBAN ENTERPRISE ZONE
YEAR ENDED DECEMBER 31, 2013

B-17

| | <u>Ref.</u> | | |
|---------------------------------|-------------|---------------------|------------------------|
| Balance, December 31, 2012 | B | | \$ 3,697,243.18 |
| Decreased by: | | | |
| Due to Claims Fund | B-10 | \$ 169,809.00 | |
| Due to Current Fund | B-5 | 110,201.00 | |
| Due to Federal/State Grant Fund | B-5 | 260,827.50 | |
| Due to Payroll Fund | B-5 | <u>1,395,723.25</u> | |
| | | | <u>1,936,560.75</u> |
| Balance, December 31, 2013 | B | | <u>\$ 1,760,682.43</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER C-2
YEAR ENDED DECEMBER 31, 2013

| | <u>Ref.</u> | | <u>General Capital</u> |
|------------------------------------|-------------|----------------------|------------------------|
| Balance, December 31, 2012 | C | | \$ 2,210,986.75 |
| Increased by Receipts: | | | |
| Premium on Sale of Notes and Bonds | C-1 | \$ 135,412.98 | |
| Interfunds Receivable | C-4 | 202,852.50 | |
| Improvement Authorization Refund | C-11 | 18,860.00 | |
| Bond Anticipation Notes | C-19 | <u>22,780,250.00</u> | |
| | | | <u>23,137,375.48</u> |
| | | | 25,348,362.23 |
| Decreased by Disbursements: | | | |
| Interfunds Payable | C-4 | 3,444,371.17 | |
| Due to Claims Fund | C-5 | 3,506,084.94 | |
| Bond Anticipation Notes | C-19 | <u>16,639,250.00</u> | |
| | | | <u>23,589,706.11</u> |
| Balance, December 31, 2013 | C | | <u>\$ 1,758,656.12</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2013

C-3

| Ordinance Number | Balance December 31, 2012 | Receipts | Disbursed | Transferred From | Transferred To | Balance December 31, 2013 |
|---|------------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------------|
| Fund Balance | \$ 181,340.89 | \$ 135,412.98 | \$ | \$ 165,000.00 | \$ | \$ 151,753.87 |
| Capital Improvement Fund | 300,992.00 | | | 159,000.00 | | 141,992.00 |
| Due to Current Fund | (10,275.00) | | | | 3,255,140.64 | 494.47 |
| Due from Grant Trust Fund | (72,000.00) | 200,000.00 | 3,444,371.17 | | | (71,447.50) |
| Reserve for Future Improvements | 145,000.00 | 552.50 | | | | 145,000.00 |
| Due from Claims Fund | | | | | | |
| Due from Federal and State Grant Fund | | | 3,506,084.94 | | 3,506,084.94 | |
| Due from Insurance Trust Fund | (1,510,000.00) | | | | | (1,510,000.00) |
| Due from General Trust Fund | (32,300.00) | 2,300.00 | | | | (30,000.00) |
| Bond Anticipation Notes Renewed | 1,590,944.86 | | | | 33,056.00 | 1,624,000.86 |
| | | 16,639,250.00 | 16,639,250.00 | | | |
| <u>Improvement Authorizations</u> | | | | | | |
| Various Capital Improvements | 473.50 | | | | | 473.50 |
| Improvements to 76th Street Recreation Facility | | | | | | |
| 800-00 | 34,090.00 | | | | | 34,090.00 |
| 1149-08 | 24.00 | | | | | |
| 32-09 | 165.78 | | | 24.00 | | |
| 64-10 | 1,882.08 | | | 165.78 | | |
| 91-11 | 109,056.26 | | | 1,882.08 | | |
| 101-11 | 975,239.38 | 18,860.00 | | 127,887.95 | | 28.31 |
| 102-11 | 496,353.00 | | | 729,583.84 | 27,588.41 | 273,243.95 |
| 146-12 | | | | 17,786.25 | | 478,566.75 |
| 151-13 | | | | 1,422,637.23 | | (1,422,637.23) |
| 175-13 | | 3,021,000.00 | | 1,255,970.17 | | 1,924,029.83 |
| 196-13 | | 1,110,000.00 | | 1,109,910.25 | 159,000.00 | 89.75 |
| Refunding Tax Appeals | | 2,010,000.00 | | 1,991,022.44 | | 18,977.56 |
| | <u>\$ 2,210,986.75</u> | <u>\$ 23,137,375.48</u> | <u>\$ 23,589,706.11</u> | <u>\$ 6,980,869.99</u> | <u>\$ 6,980,869.99</u> | <u>\$ 1,758,656.12</u> |

Ref. C

C

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

C-4

| Ref. | Total | General Trust Fund | Insurance Trust Fund | State and Federal Grant Fund | Current Fund | Grant Trust Fund |
|---------------------------------------|-------------------|-----------------------|-------------------------|------------------------------------|-----------------|---------------------|
| Balance, December 31, 2012 - (Due To) | \$ (48,644.86) | \$ (1,590,944.86) | \$ 32,300.00 | \$ 1,510,000.00 | \$ 10,275.00 | \$ 72,000.00 |
| Increased by: | | | | | | |
| Cash Disbursements | 3,444,371.17 | | | | 3,444,371.17 | |
| | 3,395,726.31 | (1,590,944.86) | 32,300.00 | 1,510,000.00 | 3,454,646.17 | 72,000.00 |
| Decreased by: | | | | | | |
| Improvement Authorizations | 3,123,196.64 | 33,056.00 | | | 3,090,140.64 | |
| Anticipated Revenue - Fund Balance | 165,000.00 | | | | 165,000.00 | |
| Cash Receipts | 202,852.50 | | 2,300.00 | | 200,000.00 | 552.50 |
| | 3,491,049.14 | 33,056.00 | 2,300.00 | | 3,455,140.64 | 552.50 |
| Balance, December 31, 2013: | | | | | | |
| Due from | \$ 1,611,447.50 | \$ | \$ 30,000.00 | \$ 1,510,000.00 | \$ | \$ 71,447.50 |
| (Due To) | \$ (1,624,495.33) | \$ (1,624,000.86) | \$ | \$ | \$ (494.47) | \$ |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

DUE FROM/(TO) CLAIMS FUND
YEAR ENDED DECEMBER 31, 2013

C-5

| | <u>Ref.</u> | |
|----------------------------|-------------|---------------------|
| Increased by: | | |
| Improvement Authorizations | C-11 | \$ 3,506,084.94 |
| Decreased by: | | |
| Cash Disbursements | C-2 | <u>3,506,084.94</u> |
| Balance, December 31, 2013 | C | <u>\$</u> |

DUE FROM STATE OF NEW JERSEY
GREEN ACRES TRUST PROGRAM
YEAR ENDED DECEMBER 31, 2013

C-6

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2012 | C | <u>\$ 1,500,000.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 1,500,000.00</u> |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

DUE FROM COUNTY OPEN SPACE
YEAR ENDED DECEMBER 31, 2013

C-7

| | <u>Ref</u> | |
|----------------------------|------------|------------------------|
| Balance, December 31, 2012 | C | <u>\$ 1,011,146.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 1,011,146.00</u> |

DUE FROM TOWN OF GUTTENBERG
YEAR ENDED DECEMBER 31, 2013

C-8

| | <u>Ref</u> | |
|----------------------------|------------|----------------------|
| Balance, December 31, 2012 | C | <u>\$ 338,854.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 338,854.00</u> |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2013

C-9

| | <u>Ref.</u> | | |
|--|-------------|---------------------|-------------------------|
| Balance, December 31, 2012 | C | | \$ 45,661,251.91 |
| Decreased by: | | | |
| Capital Leases | C-17 | \$ 510,176.50 | |
| Payment of Green Trust Loans | C-15 | 46,637.18 | |
| Payment of EDA Loans | C-16 | 8,250.00 | |
| Payment of NJEIT Loans | C-18 | 103,189.09 | |
| Payment of Serial Bonds and Refunded Bonds | C-20 | <u>2,610,000.00</u> | |
| | | | <u>3,278,252.77</u> |
| Balance, December 31, 2013 | C | | <u>\$ 42,382,999.14</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2013

C-10

| Improvement Number | Improvement Description | Balance December 31, 2012 | 2013 Authorizations | Budget Appropriation | Balance December 31, 2013 | Analysis of Balances December 31, 2013 | | |
|--------------------|-------------------------------|---------------------------|------------------------|----------------------|---------------------------|--|------------------------|---------------------------------------|
| | | | | | | Bond Anticipation Notes | Expenditures | Unexpended Improvement Authorizations |
| 16-09 | Renovations to Parks | \$ 285,000.00 | \$ | \$ 9,829.27 | \$ 275,170.73 | \$ 275,170.73 | \$ | |
| 32-09 | Various Capital Improvements | 3,220,500.00 | | 101,465.03 | 3,119,034.97 | 3,119,034.97 | | |
| 43-10 | Acquisition of Real Property | 2,090,000.00 | | 26,455.70 | 2,063,544.30 | 2,063,544.30 | | |
| 64-10 | Various Capital Improvements | 3,676,500.00 | | | 3,676,500.00 | 3,676,500.00 | | |
| 91-11 | Various Capital Improvements | 3,515,000.00 | | | 3,515,000.00 | 3,515,000.00 | | |
| 101-11 | Various Capital Improvements | 3,515,000.00 | | | 3,515,000.00 | 3,515,000.00 | | |
| 102-11 | Rehabilitation of Properties | 475,000.00 | | | 475,000.00 | 475,000.00 | | |
| 146-12 | Riverfront Park Redevelopment | 2,850,000.00 | | | 2,850,000.00 | 2,850,000.00 | 1,422,637.23 | 1,427,362.77 |
| 151-13 | Various Capital Improvements | | 3,021,000.00 | | 3,021,000.00 | 3,021,000.00 | | |
| 175-13 | Refunding Tax Appeals | | 1,110,000.00 | | 1,110,000.00 | 1,110,000.00 | | |
| 196-13 | Refunding Tax Appeals | | 2,010,000.00 | | 2,010,000.00 | 2,010,000.00 | | |
| | | <u>\$ 19,627,000.00</u> | <u>\$ 6,141,000.00</u> | <u>\$ 137,750.00</u> | <u>\$ 25,630,250.00</u> | <u>\$ 22,780,250.00</u> | <u>\$ 1,422,637.23</u> | <u>\$ 1,427,362.77</u> |
| | | C | C-11 | C-19 | C | C-19 | | C-11 |

Ref.

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

C-11

| Improvement Description | Ordinance Number | Amount | Balance December 31, 2012 | | 2013 Authorization | Expended | Balance December 31, 2013 | |
|---|------------------|---------------|---------------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
| | | | Funded | Unfunded | | | Funded | Unfunded |
| Office Equipment and Machinery | 683-97 | \$ 160,000.00 | \$ 473.50 | \$ | \$ | \$ | \$ 473.50 | \$ |
| Improvements to 76th Street Recreation Facility | 800-00 | 500,000.00 | 34,090.00 | | | | 34,090.00 | |
| Various Capital Improvements | 1149-08 | 6,330,000.00 | 24.00 | | | 24.00 | | |
| Various Capital Improvements | 32-09 | 3,390,000.00 | | 165.78 | | 165.78 | | |
| Various Capital Improvements | 64-10 | 3,870,000.00 | | 1,882.08 | | 1,882.08 | | |
| Various Capital Improvements | 91-11 | 3,700,000.00 | | 81,467.85 | | 81,439.54 | | 28.31 |
| Various Capital Improvements | 101-11 | 3,700,000.00 | | 1,002,827.79 | | 729,583.84 | | 273,243.95 |
| Rehabilitation of Properties | 102-11 | 500,000.00 | 21,353.00 | 475,000.00 | | 17,786.25 | 3,566.75 | 475,000.00 |
| Riverfront Park Redevelopment | 146-12 | 2,850,000.00 | | 2,850,000.00 | | 1,422,637.23 | | 1,427,362.77 |
| Various Capital Improvements | 151-13 | 3,180,000.00 | | | 3,180,000.00 | 1,255,970.17 | | 1,924,029.83 |
| Refunding Tax Appeals | 175-13 | 1,110,000.00 | | | 1,110,000.00 | 1,109,910.25 | | 89.75 |
| Refunding Tax Appeals | 196-13 | 2,010,000.00 | | | 2,010,000.00 | 1,991,022.44 | | 18,977.56 |
| | | | \$ 55,940.50 | \$ 4,411,343.50 | \$ 6,300,000.00 | \$ 6,610,421.58 | \$ 38,130.25 | \$ 4,118,732.17 |
| | | | C | C | Below | Below | C | C |
| Due to Claims Fund | | | | | | | | |
| Cash Receipt | | | | C-5 | \$ | \$ 3,506,084.94 | | |
| Deferred Charges to Future Taxation - Unfunded | | | | C-2 | | (18,860.00) | | |
| Interfunds | | | | C-8 | | | | |
| Due to Current Fund | | | | C-4 | | 33,056.00 | | |
| Capital Improvement Fund | | | | C-4 | | 3,090,140.64 | | |
| | | | | C-12 | | 159,000.00 | | |
| | | | | | | | \$ 6,300,000.00 | \$ 6,610,421.58 |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

C-12

| | <u>Ref.</u> | |
|---|-------------|-----------------------------|
| Balance, December 31, 2012 | C | \$ 300,992.00 |
| Decreased by: | | |
| Utilized to Fund Improvement Authorization | C-11 | <u>159,000.00</u> |
| Balance, December 31, 2013 | C | <u><u>\$ 141,992.00</u></u> |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

RESERVE FOR FUTURE IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2013

C-13

| | <u>Ref.</u> | |
|--------------------------------|-------------|----------------------|
| Balance, December 31, 2012 | C | <u>\$ 145,000.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 145,000.00</u> |
| <u>Analysis of Balance</u> | | |
| Street and Sewer Improvements | | <u>\$ 145,000.00</u> |

RESERVE FOR STATE GRANTS AND OTHER RECEIVABLES
YEAR ENDED DECEMBER 31, 2013

C-14

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2012 | C | <u>\$ 2,850,000.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 2,850,000.00</u> |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

GREEN ACRES LOANS PAYABLE
GREEN TRUST
YEAR ENDED DECEMBER 31, 2013

C-15

| <u>Project/Improvement</u> | <u>Balance</u> <u>December 31, 2012</u> | <u>Budget</u> <u>Appropriation</u> | <u>Balance</u> <u>December 31, 2013</u> |
|----------------------------|--|---------------------------------------|--|
| Soccer Field - 1993 | \$ 39,955.36 | \$ 11,133.27 | \$ 28,822.09 |
| 88th Street Park - 1993 | 47,939.59 | 10,285.35 | 37,654.24 |
| Riverview Park - 1995 | 56,710.21 | 8,987.78 | 47,722.43 |
| 74th Street Park | 59,679.49 | 3,410.26 | 56,269.23 |
| 76th Street Park | 243,589.74 | 12,820.52 | 230,769.22 |
| | <u>\$ 447,874.39</u> | <u>\$ 46,637.18</u> | <u>\$ 401,237.21</u> |
| <u>Ref.</u> | C | C-9 | C |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

EDA LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

C-16

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------|
| Balance, December 31, 2012 | C | \$ 8,250.00 |
| Decreased by: | | |
| Budget Appropriation | C-9 | <u>8,250.00</u> |
| Balance, December 31, 2013 | C | <u><u>\$</u></u> |

CAPITAL LEASES PAYABLE
HUDSON COUNTY IMPROVEMENT AUTHORITY
YEAR ENDED DECEMBER 31, 2013

C-17

| | <u>Ref.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2012 | C | \$ 9,181,413.00 |
| Decreased by: | | |
| Lease Payments | C-9 | <u>510,176.50</u> |
| Balance, December 31, 2013 | C | <u><u>\$ 8,671,236.50</u></u> |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE
LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

C-18

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2012 | C | \$ 2,101,714.52 |
| Decreased by: | | |
| Current Year Debt | C-9 | <u>103,189.09</u> |
| Balance, December 31, 2013 | C | <u>\$ 1,998,525.43</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

C-19

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

| Ordinance Number | Improvement Description | Date of Issue of Original Note | Issue | Maturity | Interest Rate | Balance December 31, 2012 | Increase | Decrease | Balance December 31, 2013 |
|------------------|------------------------------|--------------------------------|----------|----------|---------------|---------------------------|-------------------------|-------------------------|---------------------------|
| 16-09 | Various Park Improvements | 6/02/10 | 4/03/13 | 4/02/14 | 1.00% | \$ 285,000.00 | \$ 275,170.73 | \$ 285,000.00 | \$ 275,170.73 |
| 32-09 | Various Capital Improvements | 6/02/10 | 4/03/13 | 4/02/14 | 1.00% | 3,220,500.00 | 3,119,034.97 | 3,220,500.00 | 3,119,034.97 |
| 43-10 | Acquisition of Real Property | 6/02/10 | 4/03/13 | 4/02/14 | 1.00% | 2,090,000.00 | 2,063,544.30 | 2,090,000.00 | 2,063,544.30 |
| 64-10 | Various Capital Improvements | 6/02/11 | 4/03/13 | 4/02/14 | 1.00% | 3,676,500.00 | 3,676,500.00 | 3,676,500.00 | 3,676,500.00 |
| 91-11 | Various Capital Improvements | 4/03/12 | 4/03/13 | 4/02/14 | 1.00% | 3,515,000.00 | 3,515,000.00 | 3,515,000.00 | 3,515,000.00 |
| 101-11 | Various Capital Improvements | 4/03/12 | 4/03/13 | 4/02/14 | 1.00% | 3,515,000.00 | 3,515,000.00 | 3,515,000.00 | 3,515,000.00 |
| 102-11 | Rehabilitation of Properties | 4/03/12 | 4/03/13 | 4/02/14 | 1.00% | 475,000.00 | 475,000.00 | 475,000.00 | 475,000.00 |
| 151-13 | Various Capital Improvements | 4/03/13 | 4/03/13 | 4/02/14 | 1.00% | | 3,021,000.00 | | 3,021,000.00 |
| 175-13 | Refunding Tax Appeals | 7/02/13 | 7/02/13 | 4/02/14 | .90% | | 1,110,000.00 | | 1,110,000.00 |
| 196-13 | Refunding Tax Appeals | 12/30/13 | 12/30/13 | 4/02/14 | 1.00% | | 2,010,000.00 | | 2,010,000.00 |
| | | | | | | <u>\$ 16,777,000.00</u> | <u>\$ 22,780,250.00</u> | <u>\$ 16,777,000.00</u> | <u>\$ 22,780,250.00</u> |
| | | | | Ref | C | | C-2 | Below | C |
| | | | | | | | Ref. | | |
| | Cash Disbursements | | | | | | C-2 | \$ 16,639,250.00 | |
| | Paid by Budget Appropriation | | | | | | C-10 | 137,750.00 | |
| | | | | | | | Above | <u>\$ 16,777,000.00</u> | |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2013

C-20

| Purpose | Date of Issue | Original Amount | Maturities of Bonds Outstanding December 31, 2013 | Interest Rate | Balance December 31, 2012 | Decrease | Balance December 31, 2013 |
|----------------------|---------------|-----------------|---|--|---------------------------|-----------------|---------------------------|
| | | | | | | | |
| Various Improvements | 4/01/03 | \$ 6,878,000.00 | | | \$ 400,000.00 | \$ 400,000.00 | \$ |
| Refunding Bonds | 3/01/04 | 9,550,000.00 | | | 1,280,000.00 | 1,280,000.00 | |
| Refunding Bonds | 2/15/08 | 11,000,000.00 | 8/15/14 8/15/15 8/15/16-18 | 5.00% 5.00% 5.00% | 3,325,000.00 | 530,000.00 | 2,795,000.00 |
| Tax Appeal Bonds | 5/15/09 | 3,800,000.00 | 2/01/14 2/01/15 2/01/16 | 4.00% 4.00% 4.00% | 3,300,000.00 | 400,000.00 | 2,900,000.00 |
| General Improvements | 5/15/09 | 22,472,000.00 | 2/01/17 2/01/18 2/01/19 2/01/20-21 2/01/22 2/01/23-25 2/01/26 2/01/27-28 2/01/29-30 2/01/31-32 | 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.125% 4.25% 4.375% 4.50% | 22,472,000.00 | | 22,472,000.00 |
| Refunding Bonds | 5/10/12 | 3,145,000.00 | 4/01/14-15 4/01/16-17 4/01/18-20 4/01/21 | 3.00% 3.00% 4.00% 4.00% | 3,145,000.00 | | 3,145,000.00 |
| | | | | | \$ 33,922,000.00 | \$ 2,610,000.00 | \$ 31,312,000.00 |
| | | | | Ref. | C | C-9 | C |

TOWNSHIP OF NORTH BERGEN
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL PROJECTS
YEAR ENDED DECEMBER 31, 2013

C-21

| <u>Improvement Number</u> | <u>Improvement Description</u> | <u>Balance December 31, 2012</u> | <u>2013 Authorizations</u> | <u>Bond Anticipation Notes Issued</u> | <u>Balance December 31, 2013</u> |
|-------------------------------|--------------------------------|--------------------------------------|--------------------------------|---|--------------------------------------|
| 146-12 | Riverfront Park Redevelopment | \$ 2,850,000.00 | | | \$ 2,850,000.00 |
| 151-13 | Various Capital Improvements | | 3,021,000.00 | 3,021,000.00 | |
| 175-13 | Refunding Tax Appeals | | 1,110,000.00 | 1,110,000.00 | |
| 196-13 | Refunding Tax Appeals | | 2,010,000.00 | 2,010,000.00 | |
| | | <u>\$ 2,850,000.00</u> | <u>\$ 6,141,000.00</u> | <u>\$ 6,141,000.00</u> | <u>\$ 2,850,000.00</u> |
| | | C | C-11 | C-19 | C |

Ref.

TOWNSHIP OF NORTH BERGEN
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

D-1

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2012 | D | \$ 7,171.51 |
| Increased by: | | |
| Petty Cash Returned | D-2 | <u>625.00</u> |
| | | 7,796.51 |
| Decreased by: | | |
| Payment of Claims | D-3 | <u>6,459.14</u> |
| Balance, December 31, 2013 | D | <u>\$ 1,337.37</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
PUBLIC ASSISTANCE TRUST FUND

RESERVES FOR EXPENDITURES
TRUST FUND ACCOUNT # 1
YEAR ENDED DECEMBER 31, 2013

D-2

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2012 | D | \$ 7,171.51 |
| Increased by: | | |
| Petty Cash Returned | D-1 | 625.00 |
| | | <u>7,796.51</u> |
| Decreased by: | | |
| Payment of Claims | D-3 | 6,459.14 |
| | | <u>6,459.14</u> |
| Balance, December 31, 2013 | D | <u>\$ 1,337.37</u> |

DUE FROM CLAIMS FUND
YEAR ENDED DECEMBER 31, 2013

D-3

| | <u>Ref.</u> | |
|----------------------------|-------------|-----------------|
| Increased by: | | |
| Reserve for Expenditures | D-2 | \$ 6,459.14 |
| Decreased by: | | |
| Cash Disbursements | D-1 | 6,459.14 |
| | | <u>6,459.14</u> |
| Balance, December 31, 2013 | D | <u>\$</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CLAIMS FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

E-1

| | <u>Ref.</u> | |
|-----------------------------|-------------|----------------------|
| Increased by Receipts: | | |
| Interfunds | E-2 | \$ 98,430,629.58 |
| Decreased by Disbursements: | | |
| Interfunds | E-2 | <u>98,430,629.58</u> |
| Balance, December 31, 2013 | | <u>\$</u> |

See Independent Auditors' Report

TOWNSHIP OF NORTH BERGEN
CLAIMS FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

E-2

| | Receipts | Disbursed |
|--|-------------------------|-------------------------|
| Due to Current Fund | \$ 92,652,529.91 | \$ 92,652,529.91 |
| Due to Federal and State Grant Fund | 62,809.51 | 62,809.51 |
| Due to Community Development Trust Fund | 513,715.80 | 513,715.80 |
| Due to Public Assistance Fund | 1,459.14 | 1,459.14 |
| Due to Animal Control Fund | 1,308.00 | 1,308.00 |
| Due to General Capital Fund | 3,506,084.94 | 3,506,084.94 |
| Due to Other Trust Fund | 467,265.13 | 467,265.13 |
| Due to Unemployment Compensation Insurance Trust Fund | 132,068.40 | 132,068.40 |
| Contra | 1,093,388.75 | 1,093,388.75 |
| | <u>\$ 98,430,629.58</u> | <u>\$ 98,430,629.58</u> |
| <u>Ref.</u> | E-1 | E-1 |

See Independent Auditors' Report

PART II
REPORTS ON INTERNAL CONTROL
AND OTHER MATTERS
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
AND
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013



**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 Board of Commissioners
Township of North Bergen
County of Hudson
North Bergen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Township of North Bergen, County of Hudson, New Jersey (the "Township"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's regulatory basis financial statements are free from 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*.

Purpose of this Report

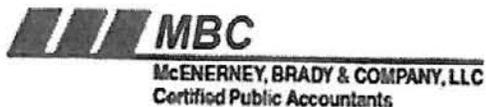
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in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

A handwritten signature in cursive script that reads "The Currency Brady Company, LLC".

Livingston, New Jersey
April 21, 2014

A handwritten signature in cursive script that reads "John Lauria".

John Lauria, RMA
Licensed Registered Municipal Accountant # 403



McENERNEY, BRADY & COMPANY, LLC
Certified Public Accountants

**Report on Compliance For Each Major Federal
Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of
Federal and State Awards Required by OMB Circular A-133 and New Jersey OMB Circular 04-04**

The Honorable Mayor and Members
of the Board of Commissioners
Township of North Bergen
County of Hudson
North Bergen, NJ

Report on Compliance for Each Major Federal and State Program

We have audited the Township of North Bergen, County of Hudson, New Jersey's (the "Township") compliance with the types of compliance requirements described in the *OMB Circular A-133* and *New Jersey OMB Circular 04-04 Compliance Supplements* that could have a direct and material effect on each of the Township's major programs for the year ended December 31, 2013. The Township's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Programs* (collectively, "OMB Circular A-133"). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

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

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are

appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the regulatory basis financial statements of the Township as of and for the year ended December 31, 2013, and have issued our report thereon dated April 21, 2014, which contained an unmodified opinion on those financial statements on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements as a whole. The accompanying schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Livingston, New Jersey

April 21, 2014



John Lauria, RMA

Licensed Registered Municipal Accountant # 403

TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

SCHEDULE A

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant Period From To | Revised Budget | Cash Receipts | Current Year Expenditures | Cancelled | Cumulative Expenditures |
|--|----------------------------|-------------------------------|-------------------------------------|------------------------|---------------------------|----------------------|-------------------------|
| U.S. Department of Housing and Urban Development: Direct Award - Community Development Block Grant | 14.218 | | | | | | |
| Prior Years | | 7-01-04 | \$ 1,468,205.54 | \$ | \$ | | \$ 1,447,999.82 |
| Program Year 2008 | | 7-01-08 | 508,301.82 | | | | 508,301.82 |
| Program Year 2009 | | 7-01-09 | 671,799.27 | | 12,395.26 | | 670,288.27 |
| Program Year 2010 | | 7-01-10 | 939,911.93 | | 54,442.81 | | 897,544.83 |
| Program Year 2011 | | 7-01-11 | 647,762.00 | 431,680.61 | | | 441,350.85 |
| Program Year 2012 | | 7-01-12 | 585,719.41 | 316,382.98 | 543,182.07 | | 557,432.29 |
| Program Year 2013 | | 7-01-13 | 586,723.00 | | 36,928.60 | | 36,928.60 |
| U.S. Department of Homeland Security: FEMA Emergency Management Presidential Declared Disaster - 90% | 97.036 97.036 | 7-01-12 10-29-12 | 5,000.00 618,301.00 | 5,000.00 294,007.66 | 5,000.00 53,384.76 | | 5,000.00 557,580.00 |
| U.S. Department of Justice: Pass Thru New Jersey Department of Law and Public Safety: Justice Assistance Program Pedestrian Safety Grant Pedestrian Safety Grant | 16.592 16.710 16.710 | 7-01-13 7-01-12 7-01-13 | 10,009.00 14,990.00 15,000.00 | | 14,990.00 | 10.00 | 14,990.00 |
| Bulletproof Vest Program | 16.607 | 7-01-11 7-01-12 | 2,112.50 8,343.91 | | 2,112.50 | | 2,112.50 |
| U.S. Department of Transportation: Impaired Driving Crackdown Grant | 20.601 | 7-01-12 7-01-13 | 8,800.00 4,400.00 | 4,400.00 4,400.00 | 4,400.00 4,400.00 | | 8,800.00 4,400.00 |
| Click it or Ticket Federal Transit Aid - Shuttle Program | 20.602 20.507 | 7-01-12 7-01-10 | 3,600.00 17,510.24 | 3,600.00 | 3,600.00 | 400.00 2,489.76 | 3,600.00 17,510.24 |
| U.S. Department of Energy: Energy Efficiency and Conservation - ARRA | 81.128 | 7-01-07 | 514,000.00 | 359,439.38 | | | 451,209.60 |
| U.S. Department of Agriculture: Summer Food Service Program for Children | 10.559 | 1-01-12 1-01-13 | 38,709.65 42,140.96 | 42,140.96 | 29,898.90 | 9,617.92 7,463.26 | 38,709.65 29,898.90 |
| U.S. Department of Health and Human Services Hepatitis B Program | 93. | 1-01-13 | 1,248.00 | | 1,248.00 | | 1,248.00 |
| | | | | \$ 1,476,041.59 | \$ 765,982.90 | \$ 19,980.94 | \$ 5,694,905.37 |

TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON

SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

SCHEDULE B
Sheet # 1

| State Funding Department or Division | Program | State Account Number | Revised Grant Award | Grant Period | | Cash Received | Cancelled | Expended | Cumulative Expended |
|---|--|-------------------------|---------------------------|--------------|----------|------------------|------------|--------------|------------------------|
| | | | | From | To | | | | |
| Community Affairs | Handicapped Person's Recreation Opportunities Act | 8050-150-051570-60 | \$ 20,000.00 | 1/01/13 | 12/31/13 | \$ 20,000.00 | \$ | \$ 20,000.00 | \$ 20,000.00 |
| | | 2000-475-995120-60 | 59,776.00 | 1/01/12 | 12/31/12 | 14,159.00 | | | 59,776.00 |
| | | | 57,667.00 | 1/01/13 | 12/31/13 | 16,296.08 | | 57,667.00 | 57,667.00 |
| Community Affairs | Cooperative Housing Inspection Program | N/A | 25,801.00 | 7/01/11 | 6/30/12 | 13,965.00 | 19,199.00 | | 25,801.00 |
| | | | 27,314.00 | 7/01/12 | 6/30/13 | 27,314.00 | 24,686.00 | | 27,314.00 |
| | | | | | | 91,734.08 | 43,885.00 | 104,981.00 | 190,558.00 |
| Transportation | Transportation Trust Fund | 6320-480-601385-61 | 460,146.82 | 7/01/07 | 6/30/09 | | 37,853.18 | | 460,146.82 |
| | | | 400,000.00 | 7/01/09 | 6/30/10 | | | | 174,819.34 |
| | | | 452,482.80 | 7/01/09 | 6/30/10 | 163,063.07 | 37,316.20 | | 452,482.80 |
| Transportation | New Jersey Transit | | 405,900.00 | 7/01/11 | 6/30/12 | 391,643.90 | | 24,445.55 | 405,900.00 |
| | | | 210,000.00 | 7/01/11 | 6/30/12 | 275,616.48 | | 6,477.75 | 6,477.75 |
| | | | 380,990.00 | 7/01/12 | 6/30/13 | 830,323.45 | 75,169.38 | 43,972.30 | 1,512,855.71 |
| Environmental Protection | Clean Communities Recycling Tonnage Grant Hazardous Site Remediation Program | N/A | 78,660.00 | 7/01/11 | 6/30/12 | | | 8,200.00 | 8,200.00 |
| | | 4900-765-178910-60 | 78,629.29 | 1/01/13 | 12/31/13 | 78,629.29 | | 78,629.29 | 78,629.29 |
| | | | 141,325.67 | 7/01/12 | 6/30/13 | 141,325.67 | | 141,325.67 | 141,325.67 |
| | | | | | | | 219,954.96 | 219,954.96 | |

**TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON**

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS**

DECEMBER 31, 2013

NOTE 1 - GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state financial assistance programs of the Township of North Bergen, County of Hudson, New Jersey (the "Township"). All federal and state financial award and assistance received directly from federal or state agencies, as well as federal and state financial assistance passed-through other government agencies, is included on the Schedules of Expenditures of Federal and State Awards.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 2 to the Township's regulatory basis financial statements.

NOTE 3 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4 - RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in the Current Fund, General Capital Fund or Trust Fund. Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

NOTE 5 - FEDERAL AND STATE LOANS OUTSTANDING

The Township has Green Acres Loans outstanding in the sum of \$401,237.21 and an Environmental Infrastructure Trust Loan of \$1,998,525.43.

NOTE 6 - PRESIDENTIAL DECLARED DISASTER

The federal government revised the percentage of Hurricane Sandy storm from seventy-five percent (75%) to ninety percent (90%). The Township's project worksheets were revised in 2013 to reflect additional storm related costs that were incurred in 2012. Total project costs were revised to \$687,000, which at 90% would result in a grant award of \$618,301 as shown on Schedule A. Total project expenditures were adjusted to reflect both the increase in contributions and the additional costs.

**TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

Section I - Summary of Auditor's Results

Financial Statements

| | | | |
|--|-------------------|-----|---|
| Type of auditor's report issued: | <u>Unmodified</u> | | |
| Internal control over financial reporting: | | | |
| 1) Material weakness(es) identified? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ No |
| 2) Were significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ None Reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ No |

Federal Awards Section

| | | | |
|--|-------|-----|--|
| Internal control over major programs: | | | |
| 1) Material weakness(es) identified? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ No |
| 2) Were significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ No |

| | | | |
|---|--------------------|-----|--|
| Type of auditor's report issued on compliance for major programs: | <u>Unqualified</u> | | |
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? | _____ | Yes | _____ <input checked="" type="checkbox"/> _____ No |

| | | | |
|--|---|-----|---|
| Dollar threshold used to distinguish between Type A and Type B Programs: | <u>\$300,000.00</u> | | |
| Auditee qualified as low-risk auditee? | _____ <input checked="" type="checkbox"/> _____ | Yes | _____ <input type="checkbox"/> _____ No |

Identification of major programs:

CFDA Number

14.218

Community Development Block Grant

TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

State Awards

Dollar threshold used to distinguish between Type A
and Type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

 √ Yes No

Internal control over major programs:

1) Material weakness(es) identified

 Yes √ No

2) Significant deficiencies identified that are not
considered to be material weaknesses?

 Yes √ None Reported

Type of auditor's report issued on compliance for
major programs:

Unqualified

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 04-04?

 Yes √ No

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

There were no major state programs.

**TOWNSHIP OF NORTH BERGEN
COUNTY OF HUDSON, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

Section II - Financial Statement Findings

None Reported

Section III - Federal and State Award Findings and Questioned Costs

None Reported

Section IV – Schedule of Prior Year Findings

None Reported

**OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS
AS OF DECEMBER 31, 2013**

The following are the officials in office:

| <u>Name</u> | <u>Position</u> |
|----------------------------|--|
| Nicolas J. Sacco | Mayor and Director of Public Affairs |
| Theresa Ferraro | Director of Public Safety |
| Frank Gargiulo | Director of Public Works |
| Allen Pascual | Director of Public Parks and Playgrounds |
| Hugo Cabrera | Director of Revenue and Finance |
| Christopher Pianese | Township Administrator |
| Erin Barillas | Township Clerk |
| Denise Zambardino | Tax Collector |
| Nino Falcone | Magistrate |
| Joseph Romano | Magistrate |
| Heather D. Luzzi-Hernandez | Court Administrator |
| Robert Pittfield | Chief Financial Officer |
| Herbert Klitzner | Township Attorney |
| Elsie Vargas | Township Treasurer |

The following is a list of employees with surety bond coverage:

| | |
|------------------------------------|-------------------------|
| Heather D. Luzzi-Herandez | Court Administrator |
| Nino Falcone | Judge |
| Public Employees' Dishonesty Bond | |
| Violations Department Blanket Bond | |
| Christopher Pianese | Township Administrator |
| Robert Pittfield | Chief Financial Officer |

Effective January 1, 2007 these individuals, along with any assistant job titles, are covered under a blanket bond issued through the Municipal Excess Liability Joint Insurance Fund in the sum of \$1,000,000.00. It is also noted that Court personnel are covered under a separate Court blanket bond.

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

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to N.J.S.A. 40A:11-3, except by contract or agreement."

It is pointed out that the Township Commissioners have the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under review was \$36,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded, unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity. The Township did not participate in this process.

The minutes indicate that bids were requested by public advertising for all purchases.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$5,400.00, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Collection of Interest on Delinquent Taxes

The statutes (N.J.S.A. 54:4-67, as amended) provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent.

On January 4, 2012, the Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Board of Commissioners of the Township of North Bergen that approval be given to the Tax Collector to charge 8% on the first \$1,500.00 of the delinquency and 18% on all delinquencies in excess of \$1,500.00.

Minor differences were noted in our tests.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent balances and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of the following:

| <u>Type</u> | <u>Number of Notices</u> |
|------------------------------|----------------------------------|
| Payments of 2013 Taxes | 25 |
| 2012 - 2013 Delinquent Taxes | <u>25</u> |
| | <u>50</u> |

The results of tests did not disclose any material instance of irregularities.

Construction Code Official

A review of the permits disclosed that there were a number of permits not recorded through the software program.

It is recommended:

- 1) That all permits issued be maintained and software be modified so that all permits are accounted for.

Health Department

Reports submitted to the State of New Jersey for marriage licenses were not in agreement with the accounting records. Payments were made twice to the state for the first quarter of 2013 and shorted for the fourth quarter.

It is recommended:

- 1) That greater care be taken when submitting reports to the State of New Jersey

Township Clerk

Some daily receipt journals and monthly cash reports were not available for audit.

It is recommended:

- 1) That monthly cash reports be maintained.

Administrative Procedures

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A:11.5 and 1 or 2) under an independent contract as determined in accordance with rules and policy of the IRS are ineligible for membership in the State's Pension System – PERS. There was no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

It appears that one individual who is enrolled in PERS did not meet the requirements under the statutes. The Township is aware of the situation and believes that this individual is eligible to remain in PERS and have written a legal opinion on this matter to the State Division of Pensions. They are awaiting a response.

Health Insurance

When reviewing the health insurance bills, it was noted that four individuals did not appear to meet the new state eligibility requirements. Three of the individuals were hired prior to the date of the new requirement but were still maintaining their own separate practice. The fourth individual was hired after the new regulations became effective and was not a full time employee. The Township is aware of this and three of the employees have retired and the fourth one became a full time employee as of January 1, 2014.

Accounts Payable/Encumbrances

A number of invoices were dated prior to the purchase orders being prepared. After a new purchasing agent was appointed, these occurrences were reduced substantially.

Status of Prior Years' Audit Recommendations

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the CY 2012 Report on Examination of Accounts.

A review was performed on all prior years' recommendations and corrective action was taken on all.

Miscellaneous

A report summarizing collections of Dog License Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on the basis of a statistical sampling of claims approved and paid. No attempt was made in this connection to establish proof of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from employees' individual gross salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies of the amounts deducted were ascertained.

The totals of outstanding checks shown in the Cash Reconciliations appearing herein are in agreement with the records in the Office of the Township Treasurer as well as with independent verifications made part of this examination.

A copy of this report was filed with the State of New Jersey, Director of the Division of Local Government Services, Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

RECOMMENDATIONS

Construction Code Office

That all permits issued be maintained and software be modified so that all permits are accounted for.

Health Department

That greater care be taken when submitting reports to the State of New Jersey.

Township Clerk

That monthly cash receipts reports be maintained.

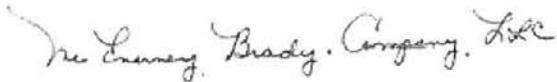
* * *

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report and to assist in the implementation of recommendations.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria, RMA

Livingston, New Jersey
April 21, 2014