

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015

BOROUGH OF MOONACHIE

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**BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY**

PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Moonachie
Moonachie, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Moonachie, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Moonachie on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Moonachie as of December 31, 2015 and 2014, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 39 percent and 43 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

The notes to the Borough of Moonachie’s financial statements do not disclose the other post employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents as required by Government Accounting Standards Board Statement Number 45 and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects for the omission of the note disclosure regarding the other post employment benefit obligations and except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Moonachie as of December 31, 2015 and 2014, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2015 in accordance with the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Moonachie as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Moonachie.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

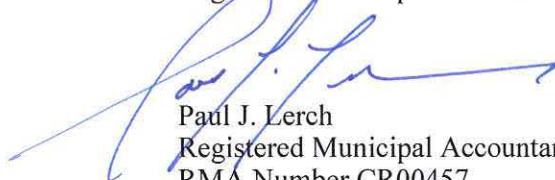
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 17, 2016 on our consideration of the Borough of Moonachie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Moonachie's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
August 17, 2016

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2015 AND 2014

ASSETS	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	A-4	\$ 4,209,534	\$ 5,676,361
Cash - Change Funds	A-5	300	300
State and Federal Grant Receivables	A-21	536,999	8,184
Senior Citizens' and Veterans' Deductions	A-7	<u>1,507</u>	<u>2,727</u>
		<u>4,748,340</u>	<u>5,687,572</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	229,211	245,611
Tax Title Liens Receivable	A-9	393,626	365,424
Property Acquired for Taxes - Assessed Value	A-10	2,850	2,850
Revenue Accounts Receivable	A-11	4,108	
Interlocal- Due from Borough of Teterboro	A-24	33,980	33,980
Due from Animal Control Trust Fund	B-8	6,480	5,196
Due from Other Trust Fund- Payroll	B-3	13	12
Due from Other Trust Fund- Police Outside Duty	B-13	3,750	3,750
Due from Other Trust Fund- Flex Spending	B-12	1,877	1,877
Due from Other Trust Fund- Escrow	B-2	485	1,686
Due from General Capital Fund	C-4	<u>597,999</u>	<u>-</u>
		<u>1,274,379</u>	<u>660,386</u>
Deferred Charges:			
Special Emergency Authorizations	A-25	497,963	850,732
Emergency Authorizations	A-26		850,000
Overexpenditure Budget Appropriation	A-26	<u>-</u>	<u>5,927</u>
		<u>497,963</u>	<u>1,706,659</u>
Total Assets		<u>\$ 6,520,682</u>	<u>\$ 8,054,617</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2015 AND 2014

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 710,447	\$ 954,927
Encumbrances Payable	A-13	192,161	241,246
Due to State of New Jersey	A-15		1,460
Due to General Capital Fund	C-4		92,325
Prepaid Taxes	A-17	294,179	353,863
Tax Overpayments	A-23	15,742	5,321
Local School Taxes Payable	A-16	488,753	418,158
County Taxes Payable	A-14	22,496	22,218
Emergency/Special Note Payable	A-27	497,963	1,700,732
Appropriated Reserves- Grants	A-18	18,944	14,736
Reserve for Federal and State Grants - Unappropriated	A-19		37,736
Reserve for Hurricane Sandy Reimbursements	A-22	146,002	726,034
Miscellaneous Reserves	A-20	<u>1,154,899</u>	<u>1,093,149</u>
		3,541,586	5,661,905
Reserve for Receivables and Other Assets	A	1,274,379	660,386
Fund Balance	A-1	<u>1,704,717</u>	<u>1,732,326</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,520,682</u>	<u>\$ 8,054,617</u>

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>Year 2015</u>	<u>Year 2014</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 829,105	\$ 771,852
Miscellaneous Revenues Anticipated	A-2	2,085,636	2,355,420
Receipts from Delinquent Taxes	A-2	242,623	291,134
Receipts from Current Taxes	A-2	15,168,352	14,249,645
Non-Budget Revenue	A-2	95,931	64,197
Other Credits to Income			
Statutory Excess	B-7	1,284	955
Appropriated Reserves Cancelled	A-1		29,128
Unexpended Balance of Appropriation Reserves	A-12	587,172	559,532
		<u>19,010,103</u>	<u>18,321,863</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	3,676,642	3,537,011
Other Expenses	A-3	3,092,987	4,403,587
Municipal Debt Service	A-3	530,758	547,229
Deferred Charges and Statutory Expenditures	A-3	1,403,427	1,177,816
County Taxes	A-14	1,684,442	1,974,463
County Open Space Tax	A-14	20,351	21,599
County Share of Added and Omitted Taxes	A-14	1,183	905
Local District School Taxes	A-16	7,200,734	7,059,543
Other Debits			
Interfunds Advanced	A	598,083	2,450
Refund of Prior Year Tax Appeals	A-1	-	349,405
		<u>18,208,607</u>	<u>19,074,008</u>
Excess (Deficit) in Revenue		801,496	(752,145)
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-1	-	1,360,927
Statutory Excess to Surplus		801,496	608,782
Fund Balance, January 1	A	<u>1,732,326</u>	<u>1,895,396</u>
		2,533,822	2,504,178
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>829,105</u>	<u>771,852</u>
Fund Balance, December 31	A	<u>\$ 1,704,717</u>	<u>\$ 1,732,326</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE UTILIZED	A-1	\$ 829,105	\$ 829,105	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	6,000	7,002	\$ 1,002
Other	A-11	14,000	12,389	(1,611)
Fees and Permits	A-11	5,500	6,954	1,454
Fines and Costs				
Municipal Court	A-11	44,000	35,804	(8,196)
Interest and Costs on Taxes	A-11	52,000	70,662	18,662
Interest on Investments and Deposits	A-2	12,000	27,047	15,047
Energy Receipts Tax	A-11	449,979	445,715	(4,264)
Trailer Camp Fees	A-11	64,000	67,236	3,236
Port Authority of NY in Lieu of Taxes	A-11	16,335	16,335	-
Cellular One Lease	A-11	38,000	64,848	26,848
Uniform Fire Safety Act - Local Fees	A-11	20,000	22,240	2,240
Uniform Construction Code Fees	A-11	80,000	154,062	74,062
Borough of Teterboro - Police Services	A-11	102,500	105,599	3,099
Township of South Hackensack - DPW	A-11	52,000	52,000	-
Uniform Fire Safety Act - LEA	A-11	55,000	65,560	10,560
Community Disaster Loan - Award	A-11	4,108		(4,108)
Hazardous Waste Grant	A-19	32,975	32,975	-
Clean Communities Program	A-19,A-21	10,546	10,547	1
Essential Service Grant	A-21	535,892	535,892	-
FEMA - Hurricane Sandy	A-22	726,034	352,769	(373,265)
Total Miscellaneous Revenues	A-1	2,320,869	2,085,636	(235,233)
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8,A-9	245,000	242,623	(2,377)
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	6,682,433	7,261,642	579,209
Total General Revenues	A-3	\$ 10,077,407	10,419,006	\$ 341,599
Non-Budget Revenue	A-1,A-2		95,931	
			<u>\$ 10,514,937</u>	

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-1, A-8	\$ 15,168,352
Less: Allocated to School and County Taxes	A-14,A-16	<u>8,906,710</u>
Balance for Support of Municipal Budget Appropriations		6,261,642
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,000,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,261,642</u>
ANALYSIS OF INTEREST ON INVESTMENTS		
Due from General Capital Fund	C-4	\$ 9,274
Due from Other Trust Fund - Escrow	B-2	180
Due from Other Trust Fund - Payroll	B-3	109
Cash Receipts	A-11	<u>17,484</u>
	A-2	<u>\$ 27,047</u>
NON-BUDGET REVENUE		
Insurance Refund		\$ 28,452
Franchise Fee- Verizon		23,784
Prior Year Police Outside Duty		19,005
Miscellaneous		11,252
Franchise Fee- Time Warner		8,986
Prior Year Refunds		<u>4,452</u>
	A-2,A-4	<u>\$ 95,931</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 146,018	\$ 146,018	\$ 136,503	\$ 9,515	
Other Expenses	58,030	58,030	58,030		
Grant Consultant	20,000	20,000	19,476	524	
Mayor & Council					
Salaries & Wages	39,195	39,195	33,672	5,523	
Other Expenses	500	500	500		
Municipal Clerk					
Salaries & Wages	55,018	55,018	54,667	351	
Other Expenses	11,450	11,450	7,195	4,255	
Financial Administration					
Salaries & Wages	7,959	7,959	7,959		
Other Expenses	63,150	83,150	73,918	9,232	
Audit Services					
Annual Audit	30,000	30,000	30,000		
Revenue Administration					
Salaries & Wages	42,000	42,000	27,312	14,688	
Other Expenses	14,650	19,650	14,361	5,289	
Tax Assessment Administration					
Salaries & Wages	15,918	15,918	14,422	1,496	
Other Expenses	67,450	67,450	50,426	17,024	
Legal Services & Costs					
Salaries & Wages	40,800	40,800	32,000	8,800	
Other Expenses	55,500	55,500	34,544	20,956	
Engineering Services & Costs					
Other Expenses	11,000	14,000	8,716	5,284	
LAND USE ADMINISTRATION					
Planning Board					
Salaries & Wages	2,793	2,793	2,586	207	
Other Expenses	7,350	7,350	80	7,270	
Zoning Board of Adjustment					
Salaries & Wages	2,122	2,122	2,121	1	
Other Expenses	4,280	4,280		4,280	
INSURANCE					
Unemployment Contribution	10,000	10,000	10,000		
Surety Bond Premium	1,000	1,000		1,000	
Employee Group Health	1,144,413	1,094,413	1,026,661	67,752	
Health Benefit Waiver	23,000	23,000	14,947	8,053	
General Liability & Workers Compensation	321,831	326,831	237,928	88,903	
Police Department					
Salaries & Wages - Uniformed	2,258,000	2,258,000	2,220,225	37,775	
Salaries & Wages - Crossing Guards	61,699	61,699	57,600	4,099	
Other Expenses	64,650	74,650	74,650		

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
PUBLIC SAFETY FUNCTIONS					
Police Dispatch/911					
Salaries & Wages	\$ 235,000	\$ 235,000	\$ 211,317	\$ 23,683	
Other Expenses	9,500	9,500	3,491	6,009	
Emergency Management Services					
Salaries and Wages	4,331	5,331	4,416	915	
Other Expenses	2,500	3,500	2,514	986	
Municipal Court					
Salaries and Wages	81,500	81,500	49,254	32,246	
Other Expenses	6,400	6,400	2,591	3,809	
First Aid Organization					
Other Expenses-Contribution	17,000	17,000	17,000		
Other Expenses	9,000	9,000	6,633	2,367	
Fire Department					
Other Expenses	77,590	82,590	73,523	9,067	
Fire Hydrant Service	66,068	72,068	66,014	6,054	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)					
Fire Official					
Salaries & Wages	16,668	16,668	14,933	1,735	
Other Expenses	12,710	12,710	5,816	6,894	
Life Hazard Use Fee Payments (P.L. 1983, C. 383)					
Salaries & Wages	36,562	36,562	27,800	8,762	
Other Expenses	3,360	3,360	3,360		
Municipal Prosecutor					
Salaries & Wages	6,867	6,867	3,797	3,070	
Occupational Safety and Health Act					
Hepatitis "B" Inoculations	2,850	2,850		2,850	
Fire Equipment	8,200	8,200	346	7,854	
First Aid Equipment	4,700	4,700		4,700	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries & Wages	261,679	261,679	236,592	25,087	
Other Expenses	30,765	30,765	21,790	8,975	
Solid Waste Collection					
Recycling-Salaries & Wages	31,616	42,616	42,263	353	
Recycling-Other Expenses	55,021	55,021	52,167	2,854	
Sanitation Contractual-Other Expenses	80,111	70,111	44,554	25,557	
Buildings and Grounds					
Other Expenses	64,450	64,450	49,194	15,256	
Vehicle Maintenance					
Other Expenses	135,000	135,000	120,853	14,147	

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries & Wages	\$ 3,621	\$ 4,621	\$ 4,138	\$ 483	
Other Expenses	37,330	37,330	26,674	10,656	
South Bergen Mental Health					
Other Expense-Contribution	1,200	1,200	1,200		
RECREATION & EDUCATION					
Recreation Services and Programs					
Salaries & Wages	40,076	42,076	41,967	109	
Other Expenses	21,480	21,480	21,258	222	
Community Affairs-Senior Citizens					
Salaries & Wages	6,528	6,528		6,528	
Other Expenses	8,900	11,900	11,722	178	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events, Anniversary or Holiday (RS 50:48-5.4)					
Other Expenses	15,200	15,200	12,611	2,589	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries & Wages	47,634	47,634	41,006	6,628	
Other Expenses	4,630	4,630	1,159	3,471	
Sub-Code Officials					
Building Inspector - Salaries & Wages	11,767	11,767	11,034	733	
Plumbing Inspector - Salaries & Wages	6,300	6,300	5,306	994	
Electrical Inspector - Salaries & Wages	8,666	8,666	8,647	19	
Fire Protection Inspector - Salaries & Wages	6,521	6,521	6,367	154	
Property Maintenance Official					
Salaries & Wages	7,284	7,284	7,264	20	
Rent Monitoring Board					
Other Expenses	5,770	7,770	6,509	1,261	

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	\$ 73,221	\$ 63,221	\$ 39,596	\$ 23,625	
Street Lighting	72,417	72,417	54,956	17,461	
Telephone	38,082	38,082	32,314	5,768	
Water	7,320	7,320	5,911	1,409	
Natural Gas	33,031	33,031	18,922	14,109	
Gasoline	91,012	86,012	46,429	39,583	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill Tax - Tipping Fee	84,000	84,000	51,889	32,111	-
Total Operations Within "CAPS"	6,471,214	6,471,214	5,767,596	703,618	-
Contingent	1,000	1,000	-	1,000	-
Total Operations including Contingent Within "CAPS"	6,472,214	6,472,214	5,767,596	704,618	-
Detail:					
Salaries & Wages	3,507,142	3,522,142	3,320,115	202,027	-
Other Expenses (Including Contingent)	2,965,072	2,950,072	2,447,481	502,591	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Appropriation	5,927	5,927	5,927		
Statutory Expenditures					
Social Security System (O.A.S.I.)	257,732	257,732	253,529	4,203	
Police and Firemen's Retirement System	473,532	473,532	473,532		
Public Employees Retirement System	137,467	137,467	137,467	-	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	874,658	874,658	870,455	4,203	-
Total General Appropriations for Municipal Purposes within "CAPS"	7,346,872	7,346,872	6,638,051	708,821	-

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY FUNCTIONS					
Fire Department					
LOSAP	\$ 46,042	\$ 46,042	\$ 46,042		
First Aid					
LOSAP	45,000	45,000	45,000		
LANDFILL/SOLID WASTE DISPOSAL					
Recycling Tax	3,652	3,652	2,497	\$ 1,155	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
PUBLIC SAFETY FUNCTIONS					
"911" Telecommunication Agreement	2,000	2,000	1,760	240	
Shooting Range Agreement - Wood-Ridge	2,700	2,700	2,550	150	
Borough of Teterboro-Police Salaries and Wags	102,500	102,500	102,500		
Township of South Hackensack - DPW Salaries	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>253,894</u>	<u>253,894</u>	<u>252,349</u>	<u>1,545</u>	<u>-</u>
PUBLIC AND PRIVATE OFFSET BY REVENUES					
Recycling Tonnage Grant	32,975	32,975	32,895	80	
Clean Communities Program	<u>10,546</u>	<u>10,546</u>	<u>10,545</u>	<u>1</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>43,521</u>	<u>43,521</u>	<u>43,440</u>	<u>81</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>297,415</u>	<u>297,415</u>	<u>295,789</u>	<u>1,626</u>	<u>-</u>
Detail:					
Salaries & Wages	154,500	154,500	154,500	-	-
Other Expenses	<u>142,915</u>	<u>142,915</u>	<u>141,289</u>	<u>1,626</u>	<u>-</u>

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 425,000	\$ 425,000	\$ 425,000		
Interest on Bonds	49,086	49,086	49,086		
Interest on Notes	57,000	57,000	56,672	-	\$ 328
Total Municipal Debt Service - Excluded from "CAPS"	531,086	531,086	530,758	-	328
DEFERRED CHARGES					
Emergency - Superstorm Sandy - DLGS Approved	726,034	726,034	352,769		373,265
Emergency - Tax Refund Ordinance Pending					
DLGS Approval	170,000	170,000	170,000	-	-
Total Deferred Charges	896,034	896,034	522,769	-	373,265
Judgements	6,000	6,000	6,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,730,535	1,730,535	1,355,316	\$ 1,626	373,593
Subtotal General Appropriations	9,077,407	9,077,407	7,993,367	710,447	373,593
Reserve for Uncollected Taxes	1,000,000	1,000,000	1,000,000	-	-
Total General Appropriations	\$ 10,077,407	\$ 10,077,407	\$ 8,993,367	\$ 710,447	\$ 373,593
Reference	A-2			A	

**BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-3	<u>\$ 10,077,407</u>	
 Cash Disbursed	 A-4		 \$ 7,272,510
Encumbrances Payable	A-13		192,161
Deferred Charges- Special Emergency Sandy	A-25		352,769
Deferred Charges- Emergency Overexpenditure	A-26		5,927
Deferred Charges-Tax Refunding Ord. 15-03	C-4		170,000
Reserve for Uncollected Taxes	A-2		<u>1,000,000</u>
			<u>\$ 8,993,367</u>

**BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 9,988	\$ 8,845
OTHER TRUST FUND			
Cash	B-1	484,792	400,244
Due from Vendor- Police Outside Duty	B-14	419,025	279,105
		<u>903,817</u>	<u>679,349</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	51,566	52,610
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	532,934	496,701
Contribution Receivable	B	77,542	68,645
		<u>610,476</u>	<u>565,346</u>
Total Assets		<u>\$ 1,575,847</u>	<u>\$ 1,306,150</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-8	\$ 6,480	\$ 5,196
Due to State of New Jersey	B-6	41	41
Reserve for Animal Control Expenditures	B-7	3,467	3,608
		<u>9,988</u>	<u>8,845</u>
OTHER TRUST FUND			
Escrow Deposits	B-5	37,569	38,900
Reserve for Miscellaneous Deposits	B-4	853,396	624,523
Reserve for Payroll Salaries and Deductions Payable	B-10	6,727	8,601
Due to Current Fund- Police Outside Duty	B-13	3,750	3,750
Due to Current Fund- Flexible Spending	B-12	1,877	1,877
Due to Current Fund- Payroll	B-3	13	12
Due to Current Fund- Escrow	B-2	485	1,686
		<u>903,817</u>	<u>679,349</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-11		1,089
Reserve for Unemployment Insurance	B-9	51,566	51,521
		<u>51,566</u>	<u>52,610</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	610,476	565,346
Total Liabilities and Reserves		<u>\$ 1,575,847</u>	<u>\$ 1,306,150</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	C-2, C-3	\$ 7,098,056	\$ 2,850,640
Grant and Other Receivables	C-12	598,086	786,036
Due from Current Fund	C-4		92,325
Deferred Charges to Future Taxation			
Funded	C-5	1,326,000	1,751,000
Unfunded	C-6	<u>12,770,626</u>	<u>7,894,626</u>
 Total Assets		 <u>\$ 21,792,768</u>	 <u>\$ 13,374,627</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-10	\$ 1,326,000	\$ 1,751,000
Bond Anticipation Notes Payable	C-11	7,722,000	3,452,350
Contracts Payable	C-8	331,697	281,585
Due to Sewer Utility Capital Fund	C-9	9,079	9,079
Due to Current Fund	C-4	597,999	
Improvement Authorization			
Funded	C-7	632,848	585,960
Unfunded	C-7	10,062,146	6,674,812
Reserve for Payment of DPW Building	C-15	272,484	272,484
Reserve for Municipal Building	C-16	373,265	
Reserve for Preliminary Costs	C-14	2,095	2,095
Capital Improvement Fund	C-13	108,518	117,518
Reserve for Federal and State Grant Receivables	C-12	250,135	175,135
Fund Balance	C-1	<u>104,502</u>	<u>52,609</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 21,792,768</u>	 <u>\$ 13,374,627</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$5,048,626 and \$4,442,276, respectively (Exhibit C-17).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	C	\$ 52,609	\$ 29,631
Increased by:			
Premium on Sale of Notes	C-2	<u>94,393</u>	<u>22,978</u>
		147,002	52,609
Decreased by:			
Appropriated to Finance Improvement Authorization	C-7	<u>42,500</u>	<u>-</u>
Balance, December 31	C	<u>\$ 104,502</u>	<u>\$ 52,609</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	D-5	\$ 1,765,546	\$ 1,152,415
Due from Sewer Utility Capital Fund	D-14	10,704	8,816
		<u>1,776,250</u>	<u>1,161,231</u>
Receivables With Full Reserves			
Sewer Utility Rents Receivable	D-7	50,848	447,802
Deferred Charges:			
Overexpenditure- Budget Appropriations	D-26	23,961	5,520
		<u>23,961</u>	<u>5,520</u>
Total Assets		<u>\$ 1,851,059</u>	<u>\$ 1,614,553</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	D-3,D-12	\$ 151,466	\$ 34,506
Encumbrances Payable	D-9	17,942	7,363
Miscellaneous Reserves - Terminal Leave	D-21	152,665	152,665
Due to Lien Holder	D-11	292	292
Accrued Interest	D-24	7,861	3,334
		<u>330,226</u>	<u>198,160</u>
Reserve for Receivables	D	50,848	447,802
Fund Balance	D-1	1,469,985	968,591
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,851,059</u>	<u>\$ 1,614,553</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	D-5,D-6	\$ 864,000	\$ 939,160
Grants Receivable	D-8	11,510	11,510
Due from General Capital Fund	C-9	9,079	9,079
Fixed Capital	D-13	2,625,546	2,625,546
Fixed Capital Authorized and Uncompleted	D-19	<u>2,493,310</u>	<u>2,493,310</u>
Total Assets		<u>\$ 6,003,445</u>	<u>\$ 6,078,605</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Due to Sewer Utility Operating Fund	D-14	\$ 10,704	\$ 8,816
Encumbrances Payable	D-10		614,191
Bonds Payable	D-25	325,000	370,000
Bond Anticipation Notes Payable	D-23	1,363,037	1,201,918
Improvement Authorization			
Funded	D-18	151,349	184,868
Unfunded	D-18	693,132	391,271
Reserve for Grants Receivable	D-8	11,510	11,510
Reserve for Amortization	D-16	2,669,788	2,589,343
Reserve for Deferred Amortization	D-20	613,033	571,666
Reserve for Payment of Bonds	D-17	14,555	
Capital Improvement Fund	D-15	113,369	113,369
Fund Balance	D-2	<u>37,968</u>	<u>21,653</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,003,445</u>	<u>\$ 6,078,605</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$147,998 and \$385,929, respectively (Exhibit D-22).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUES AND OTHER INCOME			
Surplus Anticipated	D-3	\$ 144,607	\$ 203,852
Rents	D-3	2,183,075	2,042,582
Non-Budget Revenue	D-3	28,420	10,421
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-12	<u>34,506</u>	<u>147,695</u>
		<u>2,390,608</u>	<u>2,404,550</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	1,625,883	1,412,421
Deferred Charges and Statutory Expenditures	D-4	49,020	32,969
Debt Service	D-4	<u>72,076</u>	<u>61,077</u>
		<u>1,746,979</u>	<u>1,506,467</u>
Excess/(Deficit) in Revenue		643,629	898,083
Adjustment to Income before Surplus:			
Expenditures included above which are by Statute Deferred			
Charges to budget of Succeeding Year	D-4,D-26	<u>2,372</u>	<u>5,520</u>
Statutory Excess to Surplus		646,001	903,603
Fund Balance, January 1	D	<u>968,591</u>	<u>268,840</u>
		1,614,592	1,172,443
Decreased by:			
Utilized in Sewer Operating Budget	D-1	<u>144,607</u>	<u>203,852</u>
Fund Balance, December 31	D	<u>\$ 1,469,985</u>	<u>\$ 968,591</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1, 2015	D	\$ 21,653	\$ 13,579
Increased by:			
Premium on Sale of Notes	D-5	<u>16,315</u>	<u>8,074</u>
Balance, December 31, 2015	D	<u>\$ 37,968</u>	<u>\$ 21,653</u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 144,607	\$ 144,607	
Rents	D-1,D-7	<u>1,600,000</u>	<u>2,183,075</u>	<u>\$ 583,075</u>
	D-4	<u>\$ 1,744,607</u>	<u>2,327,682</u>	<u>\$ 583,075</u>
Non-Budget Revenue	D-1,D-3		<u>28,420</u>	
			<u>\$ 2,356,102</u>	
ANALYSIS OF NON-BUDGET REVENUE				
Due from Sewer Capital Fund	D-14		\$ 1,888	
Cash Receipts	D-5		<u>26,532</u>	
	D-3		<u>\$ 28,420</u>	

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>	<u>Over- Expended</u>
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATING						
Salaries and Wages	\$ 486,084	\$ 474,084	\$ 406,048	\$ 68,036		
Other Expenses	473,932	473,932	390,797	83,135		
Bergen County Utilities Authority	677,867	677,867	677,867			
DEFERRED CHARGES AND AND STATUTORY EXPENDITURES						
Overexpenditure of Appropriations	5,520	5,520	5,520			
Social Security System (O.A.S.I.)	31,500	43,500	43,205	295		
DEBT SERVICE						
Payment of Bond Principal	45,000	45,000	45,000			
Interest on Bonds	7,187	7,187	7,187			
Interest on Notes	<u>17,517</u>	<u>17,517</u>	<u>19,889</u>	<u>-</u>	<u>-</u>	<u>\$ 2,372</u>
	<u>\$ 1,744,607</u>	<u>\$ 1,744,607</u>	<u>\$ 1,595,513</u>	<u>\$ 151,466</u>	<u>\$ -</u>	<u>\$ 2,372</u>
Reference	D-3			D		D-26
	<u>Reference</u>					
Budget as Adopted	D-3	<u>\$ 1,744,607</u>				
Disbursed	D-5		\$ 1,547,347			
Encumbrances Payable	D-9		17,942			
Deferred Charge- Overexpenditure	D-26		5,520			
Accrued Interest	D-24		<u>24,704</u>			
			<u>\$ 1,595,513</u>			

**BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	E-1	<u>\$ 9,408</u>	<u>\$ 9,384</u>
LIABILITIES AND RESERVES			
Reserve for Public Assistance Expenditures	E-2	<u>\$ 9,408</u>	<u>\$ 9,384</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSET ACCOUNT GROUP -
REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u> <u>Restated</u>
ASSETS		
Land	1,617,100	1,617,100
Buildings and Building Improvements	1,067,130	1,067,130
Machinery and Equipment	<u>5,212,828</u>	<u>4,416,505</u>
	<u>\$ 7,897,058</u>	<u>\$ 7,100,735</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 7,897,058</u>	<u>\$ 7,100,735</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Moonachie (the "Borough") was incorporated in 1910 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department and volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Moonachie have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting 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 separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The 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.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2014 balances to conform to the December 31, 2015 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

Utility Rents - Utility charges are levied quarterly based upon a flat service charge for residential and usage charge for commercial properties. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Appropriation Reserves - Appropriation reserves are recorded as liabilities and 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.

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes - School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Moonachie has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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

General Fixed Assets purchased after December 31, 2014 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

General Fixed Assets purchased prior to December 31, 2014 are stated as follows:

Land and Buildings	Assessed Value 1986
Machinery and Equipment	Estimated Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the sewer utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
 General Capital Fund
 Sewer Utility Capital Fund
 Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015 the Current Fund budget was not increased. During 2014 the Borough Council increased the original budget by \$1,355,000. The 2014 increase was attributable to an emergency resolution for tax appeals and a special emergency for additional costs associated with Hurricane Sandy. In addition, the governing body approved several budget transfers during 2015 and 2014.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2015</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Sewer Utility Operating Fund			
Debt Service			
Interest on Notes	\$ 17,517	\$ 19,889	\$ (2,372)
Appropriation Reserves - Operating			
Other Expenses	7,363	28,952	(21,589)

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

B. Excess Expenditures Over Appropriations (Continued)

<u>2014</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Current Fund			
Insurance			
Surety Bond Premium	\$ 1,000	\$ 4,885	\$ (3,885)
Police Dispatch/911			
Other Expenses	5,000	5,041	(41)
Uniform Fire Safety Act			
Fire Official- Other Expenses	12,710	14,355	(1,645)
Community Affairs			
Other Expenses	10,100	10,132	(32)
Sub-Code Officials			
Building Inspector Salary & Wages	11,536	11,860	(324)
Sewer Utility Operating Fund			
Other Expenses	\$323,932	\$ 329,452	\$ (5,520)

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2015 and 2014, the book value of the Borough's deposits were \$14,493,190 and \$11,089,959 and bank and brokerage firm balances of the Borough's deposits amounted to \$15,454,993 and \$11,590,010, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
Insured	\$ 15,454,993	\$ 11,590,010

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2015 and 2014, none of the Borough's bank balances were exposed to custodial credit risk.

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2015 and 2014, the Borough had the following investments:

	<u>Fair Value</u>
<u>2015</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	\$ 532,934
<u>2014</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	\$ 496,701

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2015 and 2014, \$532,934 and \$496,701 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2015</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	<u>\$ 532,934</u>
<u>2014</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	<u>\$ 496,701</u>

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2015 and 2014, the Borough's investment in Lincoln Financial Group was rated Baa2 by Moody's Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

The fair value of the above-listed investment was based on quoted market prices.

Interest earned in the General Capital Fund, and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Utility Capital Fund is assigned to the Utility Operating Fund in accordance with the regulatory basis of accounting.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2015 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
<u>2015</u>			
Property Taxes	\$ 229,211		\$ 229,211
Tax Title Liens	393,626		393,626
Utility Charges and Fees	<u>-</u>	<u>\$ 50,848</u>	<u>50,848</u>
	<u>\$ 622,837</u>	<u>\$ 50,848</u>	<u>\$ 673,685</u>

In 2015, the Borough collected \$242,623 and \$447,802 from delinquent taxes and utility charges and fees, which represented 97% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2014.

Receivables at December 31, 2014 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
<u>2014</u>			
Property Taxes	\$ 245,611		\$ 245,611
Tax Title Liens	365,424		365,424
Utility Charges and Fees	<u>-</u>	<u>\$ 447,802</u>	<u>447,802</u>
	<u>\$ 611,035</u>	<u>\$ 447,802</u>	<u>\$ 1,058,837</u>

In 2014, the Borough collected \$291,134 and \$98,475 from delinquent taxes and utility charges and fees, which represented 98% and 79% of the delinquent tax, water and sewer charges receivable at December 31, 2013.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2015</u>		<u>2014</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 610,604		\$ 12,521	\$ 92,325
Trust Fund:				
Animal Control Fund		\$ 6,480		5,196
Other Trust Fund- Police O/S Duty		3,750		3,750
Other Trust Fund- Flexible Spend		1,877		1,877
Other Trust Fund - Escrow		485		1,686
Other Trust Fund - Payroll		13		12
General Capital Fund		607,078	92,325	9,079
Sewer Utility Operating Fund	10,704		8,816	
Sewer Utility Capital Fund	<u>9,079</u>	<u>10,704</u>	<u>9,079</u>	<u>8,816</u>
Total	<u>\$ 630,387</u>	<u>\$ 630,387</u>	<u>\$ 122,741</u>	<u>\$ 122,741</u>

The above balances are the result of revenues earned in one fund due to another fund.

The Borough expects all interfund balances to be liquidated within one year.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
<u>2015</u>			
Current Fund			
Special Emergency Authorization	\$ 497,963	\$ 166,000	\$ 331,963
	<u>\$ 497,963</u>	<u>\$ 166,000</u>	<u>\$ 331,963</u>

	Balance December 31,	Subsequent Year Budget Appropriation	Transferred to General Capital Fund	Balance Converted to Special Emergency
<u>2014</u>				
Current Fund				
Special Emergency Authorization	\$ 850,732	\$ 352,769		\$ 497,963
Emergency Authorization- Tax Appeals	850,000		\$ 850,000	-
Over-Expenditure of Budget Appropriation	<u>5,927</u>	<u>5,927</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,706,659</u>	<u>\$ 358,696</u>	<u>\$ 850,000</u>	<u>\$ 497,963</u>

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
<u>2015</u>			
Sewer Utility Operating Fund			
Over-Expenditures of Budget Appropriation	\$ 2,372	\$ 2,372	
Over-Expenditures of Appropriation Reserves	<u>21,589</u>	<u>21,589</u>	<u>\$ -</u>
	<u>\$ 23,961</u>	<u>\$ 23,961</u>	<u>\$ -</u>

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
<u>2014</u>			
Sewer Utility Operating Fund			
Over-Expenditures of Budget Appropriation	\$ 5,520	\$ 5,520	\$ -
	<u>\$ 5,520</u>	<u>\$ 5,520</u>	<u>\$ -</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 7 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
	Local District <u>School</u>	Local District <u>School</u>
Balance of Tax Deferred	\$ 3,592,563 <u>3,103,810</u>	\$ 3,521,968 <u>3,103,810</u>
Taxes Payable	<u>\$ 488,753</u>	<u>\$ 418,158</u>

NOTE 8 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund(s) are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	2015		2014	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 1,166,211	\$ 1,000,000	\$ 1,715,488	\$ 829,105
Non-Cash Surplus	<u>538,506</u>	<u>-</u>	<u>16,838</u>	<u>-</u>
	<u>\$ 1,704,717</u>	<u>\$ 1,000,000</u>	<u>\$ 1,732,326</u>	<u>\$ 829,105</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 1,446,024	\$ 150,000	\$ 963,071	\$ 144,607
Non-Cash Surplus	<u>23,961</u>	<u>-</u>	<u>5,520</u>	<u>-</u>
	<u>\$ 1,469,985</u>	<u>\$ 150,000</u>	<u>\$ 968,591</u>	<u>\$ 144,607</u>

The above fund balance amounts appropriated represent the surplus anticipated in the 2016 introduced municipal budget. The 2016 municipal budget has not been legally adopted as of the date of audit.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2015.

	Balance January 1, <u>2015</u> (Restated)	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2015</u>
<u>2015</u>				
Land	\$ 1,617,100			\$ 1,617,100
Buildings and Building Improvements	1,067,130			1,067,130
Machinery and Equipment	4,416,505	\$ 796,323	\$ -	5,212,828
	<u>\$ 7,100,735</u>	<u>\$ 796,323</u>	<u>\$ -</u>	<u>\$ 7,897,058</u>

B. Sewer Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2015 and 2014.

	Balance January 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
<u>2015</u>				
Fixed Capital				
System and System Improvements and Vehicles and Equipment	\$ 2,625,546	-	-	\$ 2,625,546
	<u>\$ 2,625,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,625,546</u>

	Balance January 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
System and System Improvements and Vehicles and Equipment	\$ 2,235,546	\$ 390,000	-	\$ 2,625,546
	<u>\$ 2,235,546</u>	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ 2,625,546</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2015</u>	<u>2014</u>
Issued		
General		
Bonds, Notes and Loans	\$ 9,048,000	\$ 5,203,350
Sewer Utility		
Bonds, Notes and Loans	<u>1,688,037</u>	<u>1,571,918</u>
	10,736,037	6,775,268
Less Funds Temporarily Held to Pay Bonds and Notes	<u>14,555</u>	<u>-</u>
Net Debt Issued	<u>10,721,482</u>	<u>6,775,268</u>
Authorized But Not Issued		
General		
Bonds and Notes	5,048,626	4,442,276
Sewer Utility		
Bonds and Notes	<u>147,998</u>	<u>385,929</u>
	<u>5,196,624</u>	<u>4,828,205</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 15,918,106</u>	<u>\$ 11,603,473</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.551% and 1.210% at December 31, 2015 and 2014, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2015</u>			
General Debt	\$ 14,096,626	\$ 705,000	\$ 13,391,626
Utility Debt	<u>1,836,035</u>	<u>1,836,035</u>	<u>-</u>
Total	<u>\$ 15,932,661</u>	<u>\$ 2,541,035</u>	<u>\$ 13,391,626</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2014</u>			
General Debt	\$ 9,645,626		\$ 9,645,626
Utility Debt	<u>1,957,847</u>	<u>\$ 1,957,847</u>	<u>-</u>
Total	<u>\$ 11,603,473</u>	<u>\$ 1,957,847</u>	<u>\$ 9,645,626</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2015</u>	<u>2014</u>
3% of Equalized Valuation Basis (Municipal)	\$ 25,895,233	\$ 23,924,288
Less: Net Debt	<u>13,391,626</u>	<u>9,645,626</u>
Remaining Borrowing Power	<u>\$ 12,503,607</u>	<u>\$ 14,278,662</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2015</u>	<u>2014</u>
\$3,011,000, 2004 Bonds, due in annual installments of \$310,000 to \$326,000 through October, 2017, interest at 3.60%	\$ 636,000	\$ 936,000
\$965,000, 2012 Bonds, due in annual installments of \$125,000 to \$150,000 through August, 2020, interest at 2.00%	<u>690,000</u>	<u>815,000</u>
	<u>\$ 1,326,000</u>	<u>\$ 1,751,000</u>

Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The sewer utility bonds outstanding at December 31 are as follows:

Sewer Utility

	<u>2015</u>	<u>2014</u>
\$460,000, 2012 Bonds, due in annual installments of \$45,000 to \$50,000 through August, 2022, interest at 2.00% through 2.5%	\$ 325,000	\$ 370,000
	<u>\$ 325,000</u>	<u>\$ 370,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2015 is as follows:

Calendar Year	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 435,000	\$ 36,384	\$ 45,000	\$ 6,625	\$ 523,009
2017	451,000	23,036	45,000	5,725	524,761
2018	145,000	8,800	45,000	4,825	203,625
2019	145,000	5,900	45,000	3,925	199,825
2020	150,000	3,000	45,000	3,025	201,025
2021-2022	-	-	100,000	3,250	103,250
	<u>\$ 1,326,000</u>	<u>\$ 77,120</u>	<u>\$ 325,000</u>	<u>\$ 27,375</u>	<u>\$ 1,755,495</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2015 and 2014 were as follows:

	Balance, January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>
<u>2015</u>					
General Capital Fund					
Bonds Payable	<u>\$ 1,751,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 1,326,000</u>	<u>\$ 435,000</u>
General Capital Fund Long-Term					
Liabilities	<u>\$ 1,751,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 1,326,000</u>	<u>\$ 435,000</u>
Sewer Utility Capital Fund					
Bonds Payable	<u>\$ 370,000</u>	<u>\$ -</u>	<u>45,000</u>	<u>\$ 325,000</u>	<u>\$ 45,000</u>
Sewer Utility Capital Fund Long-Term					
Liabilities	<u>\$ 370,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 325,000</u>	<u>\$ 45,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>					
General Capital Fund Bonds Payable	\$ 2,116,000	\$ -	\$ 365,000	\$ 1,751,000	\$ 425,000
General Capital Fund Long-Term Liabilities	<u>\$ 2,116,000</u>	<u>\$ -</u>	<u>\$ 365,000</u>	<u>\$ 1,751,000</u>	<u>\$ 425,000</u>
Sewer Utility Capital Fund Bonds Payable	<u>415,000</u>	<u>\$ -</u>	<u>45,000</u>	<u>\$ 370,000</u>	<u>\$ 45,000</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 415,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 370,000</u>	<u>\$ 45,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

Bond Anticipation Notes

	Rate	Maturity	Balance, January 1, <u>2015</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2015</u>
<u>2015</u>	<u>(%)</u>	<u>Date</u>				
<u>General Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	2.00%	10/21/2016	\$ 3,452,350	\$ 3,452,350	3,452,350	\$ 3,452,350
Hurricane Sandy Improvements	2.00%	10/21/2016		2,797,650		2,797,650
Hurricane Sandy Improvements	2.00%	10/21/2016		23,000		23,000
Curb and Ramp Improvements	2.00%	10/21/2016		485,000		485,000
Preliminary Costs - New DPW Building	2.00%	10/21/2016		271,000		271,000
Hurricane Sandy Improvements	2.00%	10/21/2016	-	693,000	-	693,000
General Capital Bond Anticipation Notes Payable			<u>\$ 3,452,350</u>	<u>\$ 7,722,000</u>	<u>\$ 3,452,350</u>	<u>\$ 7,722,000</u>
<u>Sewer Utility Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	2.00%	10/21/2016	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000
Sewer Capital Improvements	2.00%	10/21/2016	181,918	181,918	181,918	181,918
Sewer Capital Improvements	2.00%	10/21/2016	-	161,119	-	161,119
Sewer Utility Capital Bond Anticipation Notes Payable			<u>\$ 1,201,918</u>	<u>\$ 1,363,037</u>	<u>\$ 1,201,918</u>	<u>\$ 1,363,037</u>
Total Bond Anticipation Notes Payable			<u>\$ 4,654,268</u>	<u>\$ 9,085,037</u>	<u>\$ 4,654,268</u>	<u>\$ 9,085,037</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

	Rate	Maturity	Balance,	Renewed/	Retired/	Balance,
<u>2014</u>	(%)	<u>Date</u>	January 1, <u>2014</u>	<u>Issued</u>	<u>Redeemed</u>	December 31, <u>2014</u>
<u>General Capital Fund</u>						
<u>Purpose</u>						
Tax Appeal Refunding	1.25%	7/11/2014	\$ 90,433		\$ 90,433	
Hurricane Sandy Improvements	1.25%	10/21/2015	<u>3,452,350</u>	<u>\$ 3,452,350</u>	<u>3,452,350</u>	<u>\$ 3,452,350</u>
General Capital Bond Anticipation Notes Payable			<u>\$ 3,542,783</u>	<u>\$ 3,452,350</u>	<u>\$ 3,542,783</u>	<u>\$ 3,452,350</u>
<u>Sewer Utility Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	1.25%	10/21/2015	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000
Sewer Capital Improvements	1.25%	10/21/2015	<u>-</u>	<u>181,918</u>	<u>-</u>	<u>181,918</u>
Sewer Utility Capital Bond Anticipation Notes Payable			<u>\$ 1,020,000</u>	<u>\$ 1,201,918</u>	<u>\$ 1,020,000</u>	<u>\$ 1,201,918</u>
Total Bond Anticipation Notes Payable			<u>\$ 4,562,783</u>	<u>\$ 4,654,268</u>	<u>\$ 4,562,783</u>	<u>\$ 4,654,268</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. The amounts issued for the sewer utility activities are accounted for in the Sewer Utility Capital Fund.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2015 and 2014 as follows:

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

			Balance		Transferred/	Balance
	Rate	Maturity	January 1,	Renewed/	Retired/	December 31,
<u>2015</u>	(%)	Date	<u>2015</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2015</u>
<u>Purpose</u>						
Tax Appeals			\$ 850,000	\$ -	\$ 850,000	\$ -
Total Emergency Notes			<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ -</u>

			Balance		Retired/	Balance
	Rate	Maturity	January 1,	Renewed/	Redeemed	December 31,
<u>2014</u>	(%)	Date	<u>2014</u>	<u>Issued</u>		<u>2014</u>
<u>Purpose</u>						
Tax Appeals	0.82%	10/21/2015	-	\$ 850,000	-	\$ 850,000
Total Emergency Notes			<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 850,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

			Balance			Balance
	Rate	Maturity	January 1,	Renewed/	Retired/	December 31,
<u>2015</u>	(%)	<u>Date</u>	<u>2015</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2015</u>
<u>Purpose</u>						
Hurricane Sandy	2.00%	10/21/2016	\$ 850,732	\$ 497,963	\$ 850,732	\$ 497,963
Total Special Emergency Notes			\$ 850,732	\$ 497,963	\$ 850,732	\$ 497,963

			Balance			Balance
	Rate	Maturity	January 1,	Renewed/	Retired/	December 31,
<u>2014</u>	(%)	<u>Date</u>	<u>2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2014</u>
<u>Purpose</u>						
Hurricane Sandy	0.82-1.25%	10/21/2015	\$ 727,650	\$ 850,732	\$ 727,650	\$ 850,732
Total Special Emergency Notes			\$ 727,650	\$ 850,732	\$ 727,650	\$ 850,732

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2015</u>			
	NJDOT Road Program	\$ 299,653	12/31/2016
<u>2014</u>			
	Acquisition of Elgin Street Sweeper and Jet Vac	\$ 613,266	12/31/2015

NOTE 12 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$725,193 and \$666,478 at December 31, 2015 and 2014, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2015 and 2014, the Borough has reserved in the Current Fund and Sewer Utility Fund \$479,948 and \$491,811, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

B. Community Disaster Loan

On May 23, 2013, the Federal Emergency Management Agency (FEMA), under the provisions of the Community Disaster Loan Act of 2005, approved the Borough's application for a disaster loan in response to the losses incurred as a result of Hurricane Sandy. The State of New Jersey recommended a Community Disaster Loan ("CDL") in the amount of \$2,212,128 for the Borough. The purpose of the loan was to allow the Borough to carry on existing governmental functions and to expand such functions to meet disaster-related needs. The term of the loan is for five years with an interest rate that is based on the five year Treasury rate on the date of the Promissory Note as signed by FEMA. The rate for this loan is undeterminable. The terms of this loan provides for no principal or interest payments for five years from the date of loan proceeds and these deferrals may be further extended by FEMA for an additional five years. However, interest accrues on a simple interest basis from date of receipt of loan proceeds. The loan is collateralized with the Borough's future revenue after provision has been made for payments required in connection with any outstanding bond indebtedness in existence at the time of the CDL loan.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 12 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2015 and 2014 were as follows:

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2015</u>	Due Within <u>One Year</u>	
<u>2015</u>						
Community Disaster Loan	\$ 2,208,020	\$ 4,108		\$ 2,212,128		
Compesated Absences	666,478	58,715		725,193		
Net Pension Liability - PERS	3,122,032	721,093	\$ 141,758	3,701,367		
Net Pension Liability - PFRS	<u>7,755,283</u>	<u>3,517,835</u>	<u>\$ 524,539</u>	<u>10,748,579</u>	<u>-</u>	
Other Long Term Liabilities	<u>\$ 13,751,813</u>	<u>\$ 4,301,751</u>	<u>\$ 666,297</u>	<u>\$ 17,387,267</u>	<u>\$ -</u>	
	Balance January 1, <u>2014</u>	Prior Period Adjustment (A)	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>						
Community Disaster Loan	\$ 1,488,020		\$ 720,000		\$ 2,208,020	
Compesated Absences	698,634		39,478	\$ 71,634	666,478	
Net Pension Liability - PERS	\$ 2,935,970		323,529	137,467	3,122,032	
Net Pension Liability - PFRS	<u>-</u>	<u>7,724,587</u>	<u>504,228</u>	<u>473,532</u>	<u>7,755,283</u>	<u>-</u>
Other Long Term Liabilities	<u>\$ 2,186,654</u>	<u>\$ 10,660,557</u>	<u>\$ 1,587,235</u>	<u>\$ 682,633</u>	<u>\$ 3,091,256</u>	<u>\$ -</u>

(A) Represents the proportionate share of the Borough's net pension liability of the state sponsored employer retirement systems resulting from the requirements of Governmental Accounting Standards Board's Statement No. 68 "Accounting and Financial Reporting for Pensions".

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 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 December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, 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 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage. PERS is a cost-sharing multi-employer defined benefit pension plan.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, which was rolled forward to June 30, 2014, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, PERS and PFRS is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The CPFPPF system is 65.4 percent funded with an unfunded actuarial accrued liability of \$ 1.7 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 52.08 percent and \$18.7 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 62.4 percent and \$13.9 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPPF (2.00%) and (b) changes to projected salary increases 2.15-5.40 percent based on age for PERS and 3.95-9.62 percent based on age for PFRS.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 10.0% for PFRS, 5.50% for DCRP and 6.92% for fiscal year 2015 for PERS of employee's annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended December 31, 2015 for CPFPPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2015, 2014 and 2013, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2015	\$ 473,532	\$ 137,467
2014	423,924	115,749
2013	458,140	125,211

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

Public Employees Retirement System (PERS)

At December 31, 2015 and 2014, the Borough had a liability of \$3,701,367 and \$3,122,032, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportionate share was .01649 percent, which was a decrease of .00019 percent from its proportionate share measured as of June 30, 2014 of .01668 percent.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2015 and 2014, the pension system has determined the Borough's pension expense to be \$275,504 and \$199,482, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$137,467 and \$115,749, respectively. At December 31, 2015 and 2014, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2015</u>		<u>2014</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 88,302			
Changes of Assumptions	397,497		\$ 98,173	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 59,511		
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	173,027	29,617	212,000	\$ 186,056
	<u>173,027</u>	<u>29,617</u>	<u>212,000</u>	<u>-</u>
Total	<u>\$ 658,826</u>	<u>\$ 89,128</u>	<u>\$ 310,173</u>	<u>\$ 186,056</u>

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2016	\$ 121,812
2017	121,812
2018	121,812
2019	121,812
2020	82,450
	<u>\$ 569,698</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.15-4.40%	2.15-4.40%
	Based on Age	Based on Age
Thereafter	3.15-5.40%	3.15-5.40%
	Based on Age	Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Actuarial Assumptions

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2014 and 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Discount Rate</u>
2015	4.90%
2014	5.39%

**BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2015 calculated using the discount rate of 4.90%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,600,346</u>	<u>\$ 3,701,367</u>	<u>\$ 2,947,669</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2015 and 2014, the Borough had a liability of \$10,748,579 and \$7,755,283, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportionate share was .06453 percent, which was an increase of .00288 percent from its proportionate share measured as of June 30, 2014 of .06165 percent.

For the years ended December 31, 2015 and 2014, the pension system has determined the Borough pension expense to be \$1,073,595 and \$609,617, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$473,532 and \$423,924, respectively. At December 31, 2015 and 2014, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2015		2014	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 92,710		
Changes of Assumptions	\$ 1,984,455		\$ 291,160	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		187,070		\$ 794,104
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	634,426	-	395,103	-
Total	<u>\$ 2,618,881</u>	<u>\$ 279,780</u>	<u>\$ 686,263</u>	<u>\$ 794,104</u>

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2016	\$ 471,803
2017	471,803
2018	471,803
2019	670,329
2020	253,363
	<u>\$ 2,339,101</u>

BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.60-9.48%	3.95-8.62%
	Based on Age	Based on Age
Thereafter	3.60-10.48%	4.95-9.62%
	Based on Age	Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Discount Rate</u>
2015	5.79%
2014	6.32%

BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2045

Municipal Bond Rate * From July 1, 2045
and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2015 calculated using the discount rate of 5.79%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,170,040</u>	<u>\$ 10,748,579</u>	<u>\$ 7,958,684</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF MOONACHIE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation – PFRS

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

At December 31, 2015 and 2014, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$942,614 and \$835,114, respectively. For the years ended December 31, 2015 and 2014, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$117,577 and \$105,813, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$49,068 and \$34,676, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 14 RISK MANAGEMENT (Continued)

The Borough of Moonachie is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the Borough.

The Borough is also a member of the Bergen Municipal Employee Benefits Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The BMED coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 10,000	\$ 10,104	\$ 51,566
2014	10,000	11,777	51,521
2013	10,000	19,312	53,133

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 15 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2015 and 2014. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2015 and 2014, the Borough reserved \$658,504 and \$700,000, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2015 and 2014, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2015 and 2014, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Moonachie Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 24, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Moonachie approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Moonachie has contributed \$1,271 for 2015 and 2014, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,271 for 2015 and 2014, respectively for each eligible volunteer first aid squad members into the Plan. The total Borough contributions were \$77,542 and \$68,645 for 2015 and 2014, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

NOTE 18 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2015. As of December 31, 2015, the Borough has received \$1,235,345 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 19 RESTATEMENT

The general fixed assets have been restated as of December 31, 2014 and are reflected in the fixed asset inventory report prepared by the Borough's fixed asset appraisal consultant.

	Balance Prior to Restatement December 31, <u>2014</u>	<u>Restatement</u>	Balance Restated December 31, <u>2014</u>
<u>2014</u>			
Land	\$ 1,617,100		\$ 1,617,100
Buildings and Building Improvements	1,471,024	\$ (403,894)	1,067,130
Machinery and Equipment	<u>4,416,505</u>	<u>-</u>	<u>4,416,505</u>
	<u>\$ 7,504,629</u>	<u>\$ (403,894)</u>	<u>\$ 7,100,735</u>

CURRENT FUND

BOROUGH OF MOONACHIE
STATEMENT OF CURRENT CASH - TREASURER

Balance, January 1, 2015		\$ 5,676,361
Increased by Receipts		
Taxes Receivable	\$ 14,791,739	
Receipts from Delinquent Taxes	242,623	
Non-Budget Revenue	95,931	
Grants Receivable	12,863	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	23,970	
Revenue Accounts Receivable	1,143,890	
Due to State of New Jersey	15,443	
Prepaid Taxes	294,179	
Tax Overpayments	29,905	
Received From Other Trust Fund	12,729	
Reserve for Hurricane Sandy Reimbursements	146,002	
Emergency Note Payable	497,963	
Petty Cash Returned	100	
		<u>17,307,337</u>
		22,983,698
Decreased by Disbursements:		
2015 Budget Appropriations	7,272,510	
2014 Appropriation Reserves	478,012	
County Taxes Payable	1,705,698	
Local School District Taxes Payable	7,130,139	
Due to State of New Jersey	16,903	
Miscellaneous Reserves	65,031	
Tax Overpayments	19,484	
Payments to General Capital Fund	1,050	
Payments to General Capital Fund - Building Reserve	373,265	
Payments to Other Trust Fund	11,240	
Special Emergency Note Payable	1,700,732	
Petty Cash Advance	100	
		<u>18,774,164</u>
Balance, December 31, 2015		<u>\$ 4,209,534</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2015</u>	Balance, December 31, <u>2015</u>
Tax Collector	\$ 200	\$ 200
Municipal Court	<u>100</u>	<u>100</u>
	<u>\$ 300</u>	<u>\$ 300</u>

STATEMENT OF PETTY CASH FUND

Increased by:	
Petty Cash Advances	<u>\$ 100</u>
Decreased by:	
Petty Cash Returned	<u>\$ 100</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, January 1, 2015	\$ 2,727
Increased by:	
Senior Citizens' Deductions Per Tax Duplicate	\$ 5,500
Veterans' Deductions Per Tax Duplicate	<u>17,250</u>
	<u>22,750</u>
	25,477
Decreased by:	
Cash Received from State of New Jersey	<u>23,970</u>
Balance, December 31, 2015	<u>\$ 1,507</u>

BOROUGH OF MOONACHIE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	<u>Balance,</u> <u>January 1,</u> <u>2015</u>	<u>2015</u> <u>Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Senior</u> <u>Citizens' and</u> <u>Veterans</u> <u>Deductions</u> <u>Disallowed</u>	<u>Collected In</u>		<u>Senior</u> <u>Citizens' and</u> <u>Veterans'</u> <u>Deductions</u> <u>Allowed</u>	<u>Remitted</u> <u>or</u> <u>Cancelled</u>	<u>Transferred</u> <u>to Tax</u> <u>Title</u> <u>Liens</u>	<u>Balance,</u> <u>December 31,</u> <u>2015</u>
2013	\$ 22,792					\$ 22,792				
2014	222,819					219,831		\$ 2,988		
2015	-	\$ 15,592,271	\$ 10,413	\$ -	\$ 353,863	14,791,739	\$ 22,750	176,919	\$ 28,202	\$ 229,211
	<u>\$ 245,611</u>	<u>\$ 15,592,271</u>	<u>\$ 10,413</u>	<u>\$ -</u>	<u>\$ 353,863</u>	<u>\$ 15,034,362</u>	<u>\$ 22,750</u>	<u>\$ 179,907</u>	<u>\$ 28,202</u>	<u>\$ 229,211</u>

Analysis of 2015 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 15,592,271	
Added Taxes (54:4-63.1 et seq.)	<u>10,413</u>	
		<u>\$ 15,602,684</u>

Tax Levy

Local District School Tax (Abstract)	\$ 7,200,734	
County Taxes		
County Taxes (Abstract)	\$ 1,684,442	
County Open Space	20,351	
Due County for Added Taxes (54:63.1 et seq.)	<u>1,183</u>	
		1,705,976

Local Tax for Municipal Purposes
Add Additional Tax Levied

6,682,433	
<u>13,541</u>	
	<u>6,695,974</u>
	<u>\$ 15,602,684</u>

**BOROUGH OF MOONACHIE
STATEMENT OF TAX TITLE LIENS**

Balance, January 1, 2015	\$ 365,424
Increased by:	
Transfer from Taxes Receivable - 2015	<u>28,202</u>
Balance, December 31, 2015	<u><u>\$ 393,626</u></u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, January 1, 2015	<u>\$ 2,850</u>
Balance, December 31, 2015	<u><u>\$ 2,850</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2015</u>	Accrued in 2015	Collected in 2015 <u>Treasurer</u>	Balance, December 31, <u>2015</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 7,002	\$ 7,002	
Other		12,389	12,389	
Construction Code Official				
Fees and Permits		154,062	154,062	
Borough Clerk				
Fees and Permits		6,954	6,954	
Municipal Court				
Fines and Costs		35,804	35,804	
Uniform Fire Safety Act - LEA		65,560	65,560	
Uniform Fire Safety Act - Local Fees		22,240	22,240	
Interest and Costs on Taxes		70,662	70,662	
Interest on Investments		17,484	17,484	
Energy Receipts Tax		445,715	445,715	
CDL Award		4,108		\$ 4,108
Interboro Services - Borough of Teterboro				
Police Services		105,599	105,599	
Township of South Hackensack - DPW		52,000	52,000	
Trailer Camp Fees		67,236	67,236	
Port Authority of NY in Lieu of Taxes		16,335	16,335	
Cellular One Lease	-	64,848	64,848	-
	<u>-</u>	<u>1,147,998</u>	<u>1,143,890</u>	<u>4,108</u>
	\$ -	\$ 1,147,998	\$ 1,143,890	\$ 4,108

**BOROUGH OF MOONACHIE
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, January 1, <u>2015</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transferred to Appropriated <u>Reserves</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 10,100	\$ 10,100			\$ 10,100
Mayor & Council	5,473	5,473			5,473
Municipal Clerk	88	88			88
Revenue Administration	15,092	15,092			15,092
Tax Assessment	607	607			607
Legal Services	8,000	8,000			8,000
Planning Board	101	101			101
Zoning Board	102	102			102
Police	43,424	43,424			43,424
Crossing Guards	3,909	3,909			3,909
Police- Dispatch 911	555	555			555
Emergency Management Services	16	16			16
Municipal Court	29,465	29,465			29,465
Fire Official	1,701	1,701			1,701
Life Hazard Use Fee Payments	18,435	18,435			18,435
Streets & Roads	957	957			957
Public Health Services	19	19			19
Parks & Recreation	6,710	6,710			6,710
Sub-Code Officials-					-
Building Inspector	974	974			974
Plumbing Inspector	19	19			19
Electrical Inspector	151	151			151
Property Maintenance Official	19	19			19
Community Affairs-Senior Citizens	6,400	6,400			6,400
Construction Code Official	9,260	9,260			9,260
Municipal Prosecutor	1,037	1,037			1,037
Health Benefit Waiver	9,967	9,967			9,967
Other Expenses					
General Administration	3,022	16,181	\$ 8,734		7,447
Grant Consultant	560	560			560
Mayor & Council	588	752	165		587
Municipal Clerk	4,689	4,744	228		4,516
Financial Administration	1,067	36,662	32,916		3,746
Audit Services	-	30,000	30,000		-
Revenue Administration	381	1,701	1,455		246
Tax Assessment Administration	23,941	36,011	23,040		12,971
Legal Services & Costs	26,340	32,503	4,057		28,446
Engineering Services Cost	2,851	8,851	2,037		6,814
Planning Board	1,542	1,542			1,542
Zoning Board of Adjustment	3,559	3,559			3,559
Vehicle Maintenance	10,923	31,307	25,801		5,506
Aid to Volunteer Fire Companies	9,166	18,587	14,020		4,567
First Aid Organization	2,760	6,281	365		5,916
Fire Official		12,515	4,243		8,272
Life Hazard Use Fees	805	805			805
Police Department	3,401	14,072	11,175		2,897
Police Dispatch - 911	-	267	267		-

**BOROUGH OF MOONACHIE
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, January 1, <u>2015</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transferred to Appropriated <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Emergency Management Services	\$ 1,396	\$ 1,396			\$ 1,396
Streets & Roads	8,404	9,728	\$ 1,239		8,489
Recycling	1,701	8,364	4,133		4,231
Solid Waste Collection - Contractual	33,760	33,985			33,985
Public Health	10,571	10,800	503		10,297
OSHA Training	12,900	12,900			12,900
Hepatitis "B" Inoculations	2,850	2,850			2,850
Building & Grounds	725	7,502	5,934		1,568
Recreation	2,075	2,499	2,042		457
Construction Code Official	2,267	2,340	54		2,286
Celebration of Public Events	4,191	4,191	121		4,070
Rent Monitoring Board	461	461			461
Electricity	29,423	35,306	10,382		24,924
Street Lighting	13,300	23,322	10,022		13,300
Telephone	7,457	8,980	2,589		6,391
Water	1,301	1,853	552		1,301
Natural Gas	11,437	15,171	7,577		7,594
Gasoline	11,608	11,608			11,608
Sanitary Landfill Tax - Tipping Fee	27,700	31,575	3,935		27,640
Recycling Tax	1,136	1,322	186		1,136
Social Security System (O.A.S.I.)	6,532	6,532	121		6,411
Contingent	1,000	1,000			1,000
Municipal Court	994	2,011	1,362		649
Employee Group Health	152,504	107,504	5,035		102,469
General Liability & Workers Compensation	13,147	13,147			13,147
Fire Department- LOSAP	-	46,042	38,136		7,906
First Aid Organization- LOSAP	-	36,087	30,509		5,578
"911" Telecommunications Agreement	2,000	2,000			2,000
Shooting Range Agreement- Wood-Ridge	150	150			150
Recycling Tonnage Grant	3,150	3,150		\$ 3,150	
Clean Communities Program	753	1,058		1,058	
Tax Appeals	11,672	11,672		11,672	
Hurricane Sandy	310,186	310,186	195,077	115,109	-
	<u>\$ 954,927</u>	<u>\$ 1,196,173</u>	<u>\$ 478,012</u>	<u>\$ 130,989</u>	<u>\$ 587,172</u>
Encumbrances - Prior Year		\$ 241,246			
Appropriation Reserves		<u>954,927</u>			
		<u>\$ 1,196,173</u>			
Cash Disbursed			<u>\$ 478,012</u>		

**BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2015	\$ 241,246
Increased by:	
Charges to 2015 Budget Appropriations	<u>192,161</u>
	433,407
Decreased by:	
Transfer to 2014 Appropriation Reserves	<u>241,246</u>
Balance, December 31, 2015	<u>\$ 192,161</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2015	\$ 22,218
Increased by:	
2015 Tax Levy	\$ 1,684,442
County Open Space Preservation	20,351
Added and Omitted Taxes	<u>1,183</u>
	<u>1,705,976</u>
	1,728,194
Decreased by:	
Payments	<u>1,705,698</u>
Balance, December 31, 2015	<u>\$ 22,496</u>

BOROUGH OF MOONACHIE
STATEMENT OF DUE TO STATE OF NEW JERSEY

	Balance, January 1, <u>2015</u>	Increase by Fees <u>Collected</u>	Decrease by <u>Payments</u>	Balance, December 31, <u>2015</u>
DCA Training Fees	\$ 1,385	\$ 15,019	\$ 16,404	
Marriage License	75	400	475	
Liquor License	-	24	24	-
	<u>\$ 1,460</u>	<u>\$ 15,443</u>	<u>\$ 16,903</u>	<u>\$ -</u>

EXHIBIT A-16

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Balance, January 1, 2015	
School Tax Deferred	\$ 3,103,810
School Tax Payable	<u>418,158</u>
	\$ 3,521,968
Increased by:	
Levy - School Year July 1, 2015 to June 30, 2016	<u>7,200,734</u>
	10,722,702
Decreased by:	
Payments	<u>7,130,139</u>
Balance, December 31, 2015	
School Tax Deferred	3,103,810
School Tax Payable	<u>488,753</u>
	<u>\$ 3,592,563</u>
2015 Liability for Local School Tax	
Tax Paid	\$ 7,130,139
Tax Payable December 31, 2015	<u>488,753</u>
	7,618,892
Less Tax Payable December 31, 2014	<u>418,158</u>
Amount Charged to 2015 Operations	<u>\$ 7,200,734</u>

**BOROUGH OF MOONACHIE
STATEMENT OF PREPAID TAXES**

Balance, January 1, 2015	\$ 353,863
Increased by:	
Collection of 2016 Taxes	<u>294,179</u>
	648,042
Decreased by:	
Applied in 2015 Taxes Receivable	<u>353,863</u>
Balance, December 31, 2015	<u><u>\$ 294,179</u></u>

STATEMENT OF APPROPRIATED RESERVES

	Balance, January 1, <u>2015</u>	Transfer from Appropriation <u>Reserve</u>	Balance, December 31, <u>2015</u>
Municipal Alliance Grant	\$ 5,608		\$ 5,608
Recycling Tonnage Grant	825	\$ 3,150	3,975
Clean Communities Grant	803	1,058	1,861
Confiscated Funds	<u>7,500</u>	<u>-</u>	<u>7,500</u>
	<u><u>\$ 14,736</u></u>	<u><u>\$ 4,208</u></u>	<u><u>\$ 18,944</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

	Balance, January 1, <u>2015</u>	Cash <u>Receipts</u>	Anticipated as 2015 Budget <u>Revenue</u>	Balance, December 31, <u>2015</u>
Clean Communities	\$ 4,761		\$ 4,761	\$ -
Hazardous Waste	32,975	-	32,975	-
	<u>\$ 37,736</u>	<u>\$ -</u>	<u>\$ 37,736</u>	<u>\$ -</u>

EXHIBIT A-20

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, January 1, <u>2015</u>	Transfer From Appropriation <u>Reserves</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2015</u>
Terminal Leave	\$ 339,146		\$ 11,863	\$ 327,283
LOSAP	7,500			7,500
Reserve for Sandy Emergency	46,503	\$ 115,109		161,612
Reserve for Tax Appeals	700,000	11,672	53,168	658,504
	<u>\$ 1,093,149</u>	<u>\$ 126,781</u>	<u>\$ 65,031</u>	<u>\$ 1,154,899</u>

EXHIBIT A-21

STATEMENT OF STATE AND FEDERAL GRANT RECEIVABLES

<u>Purpose</u>	Balance, January 1, <u>2015</u>	<u>Accruals</u>	Cash <u>Receipt</u>	Balance, December 31, <u>2015</u>
Clean Communities		\$ 5,786	\$ 5,786	
Municipal Alliance	\$ 8,184		7,077	\$ 1,107
Essential Services	-	535,892	-	535,892
	<u>\$ 8,184</u>	<u>\$ 541,678</u>	<u>\$ 12,863</u>	<u>\$ 536,999</u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR HURRICANE SANDY REIMBURSEMENTS

Balance, January 1, 2015	\$ 726,034
Increase by:	
Cash Receipts	<u>146,002</u>
	872,036
Decrease by:	
Revenue Realized in Current Year Budget	\$ 352,769
Transfer to General Capital Fund - Construction on Municipal Building (FEMA)	<u>373,265</u>
	<u>726,034</u>
Balance, December 31, 2015	<u>\$ 146,002</u>

Analysis

Due to Sewer Utility Capital Fund	<u>\$ 146,002</u>
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EXHIBIT A-23

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2015	\$ 5,321
Increased by:	
Cash Receipts	<u>29,905</u>
	35,226
Decreased by:	
Cash Disbursements	<u>19,484</u>
Balance, December 31, 2015	<u>\$ 15,742</u>

EXHIBIT A-24

STATEMENT OF INTERLOCAL DUE FROM BOROUGH OF TETERBORO

Balance, January 1, 2015	<u>\$ 33,980</u>
Balance, December 31, 2015	<u>\$ 33,980</u>

BOROUGH OF MOONACHIE
STATEMENT OF DEFERRED CHARGES-SPECIAL EMERGENCY AUTHORIZATIONS

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>January 1,</u> <u>2015</u>	<u>Reduced in</u> <u>2015 Budget</u>	<u>Balance,</u> <u>December 31,</u> <u>2015</u>
7/11/2013	Hurricane Sandy	\$ 1,375,000	\$ 275,000	\$ 345,732	\$ 143,363	\$ 202,369
12/11/2014	Hurricane Sandy	<u>505,000</u>	<u>101,000</u>	<u>505,000</u>	<u>209,406</u>	<u>295,594</u>
		<u>\$ 1,880,000</u>	<u>\$ 376,000</u>	<u>\$ 850,732</u>	<u>\$ 352,769</u>	<u>\$ 497,963</u>

STATEMENT OF DEFERRED CHARGES

	<u>Balance,</u> <u>January 1,</u> <u>2015</u>	<u>Cancel</u> <u>Transfer to</u> <u>General Capital</u>	<u>Reduced in</u> <u>2015 Budget</u>	<u>Balance,</u> <u>December 31,</u> <u>2015</u>
Emergency Authorization - Tax Appeals (40A:4-46)	\$ 850,000	\$ 850,000		
Over- Expenditure Budget Appropriation	<u>5,927</u>	<u>-</u>	<u>\$ 5,927</u>	<u>-</u>
	<u>\$ 855,927</u>	<u>\$ 850,000</u>	<u>\$ 5,927</u>	<u>\$ -</u>

BOROUGH OF MOONACHIE
STATEMENT OF EMERGENCY/SPECIAL EMERGENCY NOTE PAYABLE

<u>Purpose</u>	<u>Issued of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance January 1, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Hurricane Sandy	\$ 345,732	10/21/2014	10/21/2015	1.25%	\$ 345,732		\$ 345,732	
Hurricane Sandy	\$ 1,355,000	12/23/2014	10/21/2015	0.82%	1,355,000		1,355,000	
		10/21/2015	10/21/2015	2.00%	<u>-</u>	<u>\$ 497,963</u>	<u>-</u>	<u>\$ 497,963</u>
					<u>\$ 1,700,732</u>	<u>\$ 497,963</u>	<u>\$ 1,700,732</u>	<u>\$ 497,963</u>

TRUST FUNDS

**BOROUGH OF MOONACHIE
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Fund</u>
Balance, January 1, 2015	\$ 8,845	\$ 400,244	\$ 52,610
Increased by Receipts:			
Budget Appropriation			\$ 10,000
Due to State of NJ	\$ 462		
Animal License Fees	2,068		
Miscellaneous Reserves		\$ 531,572	
Payroll Salaries & Deductions Payable		5,552,555	
Receipts from Current Fund		11,240	
Escrow Deposits			
Police Outside Service Receipts		279,105	
Interest on Investments and Deposits	26	289	149
	<u>2,556</u>	<u>6,374,761</u>	<u>10,149</u>
	11,401	6,775,005	62,759
Decreased by Disbursements:			
Payments to State of NJ - State Registration Fees	462		
Expenditures under R.S. 4:19-15.11	951		
Escrow Deposits		1,331	
Disbursements Current Fund		12,729	
Payroll Salaries & Deductions Payable		5,554,429	
Miscellaneous Reserves		721,724	
Payments to State of NJ - Unemployment Ins. Benefits	-	-	11,193
	<u>1,413</u>	<u>6,290,213</u>	<u>11,193</u>
Balance, December 31, 2015	<u>\$ 9,988</u>	<u>\$ 484,792</u>	<u>\$ 51,566</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND - ESCROW**

Balance, January 1, 2015		\$ 1,686
Increased by:		
Receipts from Current Fund	\$ 11,240	
Interest on Investments and Deposits	<u>180</u>	
		<u>11,420</u>
		13,106
Decreased by:		
Cash Disbursements		<u>12,621</u>
Balance, December 31, 2015		<u>\$ 485</u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND - PAYROLL**

Balance, January 1, 2015		\$ 12
Increased by:		
Interest on Investments and Deposits		<u>109</u>
		121
Decreased by:		
Cash Disbursements		<u>108</u>
Balance, December 31, 2015		<u>\$ 13</u>

**BOROUGH OF MOONACHIE
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance January 1, 2015	Increase	Decrease	Balance December 31, 2015
Parking Offence Adjudication Act	\$ 1,867	\$ 170		\$ 2,037
Fire Prevention Fees - Penalty	79,078	2,750		81,828
Fire Prevention Fees - Fines	7,401	2,750		10,151
Municipal Alliance	6,814	1,621	\$ 3,281	5,154
Recreation	2,970		2,970	-
Celebration of Public Events	6,890			6,890
Charitable Contributions	409			409
Secure Child Program	224			224
Premium on Tax Sale	464	4,400	1,000	3,864
Centennial Celebration	6,793			6,793
Police Outside Duty	484,830	919,632	700,000	704,462
Flex Spending	490	2,166	2,369	287
Summer Recreation	24,619	11,105	9,930	25,794
Basketball	100	4,848	1,336	3,612
Soccer	1,200	1,154	838	1,516
Miscellaneous	374	1	-	375
	<u>\$ 624,523</u>	<u>\$ 950,597</u>	<u>\$ 721,724</u>	<u>\$ 853,396</u>
Due from Vendor- Police Outside Duty		\$ 419,025		
Cash Receipts		<u>531,572</u>		
		<u>\$ 950,597</u>		

**BOROUGH OF MOONACHIE
STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2015	\$ 38,900
Decreased by:	
Escrow Deposits Refunded	<u>1,331</u>
Balance, December 31, 2015	<u>\$ 37,569</u>

EXHIBIT B-6

**STATEMENT OF DUE TO STATE TREASURER - DOG LICENSE FEES
ANIMAL CONTROL FUND**

Balance, January 1, 2015	\$ 41
Increased by:	
State Fees Collected	<u>462</u>
	503
Decreased by:	
Payments to State Treasurer	<u>462</u>
Balance, December 31, 2015	<u>\$ 41</u>

EXHIBIT B-7

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, January 1, 2015	\$ 3,608
Increased by:	
Animal Control License Fees Collected	\$ 2,068
Interest on Investments and Deposits	<u>26</u>
	<u>2,094</u>
	5,702
Decreased by:	
Cash Disbursements	951
Statutory Excess Due to Current Fund	<u>1,284</u>
	<u>2,235</u>
Balance, December 31, 2015	<u>\$ 3,467</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 1,734
2014	<u>1,733</u>
	<u>\$ 3,467</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, January 1, 2015	\$ 5,196
Increased by:	
Statutory Excess	<u>1,284</u>
Balance, December 31, 2015	<u>\$ 6,480</u>

EXHIBIT B-9

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2015	\$ 51,521
Increased by:	
Budget Appropriation	\$ 10,000
Interest on Investments and Deposits	<u>149</u>
	<u>10,149</u>
	61,670
Decreased by:	
Unemployment Claims	<u>10,104</u>
Balance, December 31, 2015	<u>\$ 51,566</u>

EXHIBIT B-10

**STATEMENT OF RESERVE FOR PAYROLL SALARIES & WITHHOLDINGS PAYABLE
OTHER TRUST FUND**

Balance, January 1, 2015	\$ 8,601
Increased by:	
Cash Receipts	<u>5,552,555</u>
	5,561,156
Decreased by:	
Payments	<u>5,554,429</u>
Balance, December 31, 2015	<u>\$ 6,727</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE FUND**

Balance, January 1, 2015	\$	1,089
Increased by:		
Unemployment Claims		<u>10,104</u>
		11,193
Decreased by:		
Payments		<u>11,193</u>
Balance, December 31, 2015	\$	<u><u>-</u></u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST- FLEXIBLE SPENDING ACCOUNT**

Balance, January 1, 2015	\$	<u>1,877</u>
Balance, December 31, 2015	\$	<u><u>1,877</u></u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST- POLICE OUTSIDE DUTY**

Balance, January 1, 2015	\$	<u>3,750</u>
Balance, December 31, 2015	\$	<u><u>3,750</u></u>

**STATEMENT OF DUE FROM VENDOR
OTHER TRUST- POLICE OUTSIDE DUTY**

Balance, January 1, 2015	\$	279,105
Increase by:		
Police Outside Duty Billing		<u>419,025</u>
		698,130
Decreased by:		
Cash Receipts		<u>279,105</u>
Balance, December 31, 2015	\$	<u><u>419,025</u></u>

GENERAL CAPITAL FUND

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2015		\$	2,850,640
Increased by Receipts:			
Grant Proceeds	\$	262,950	
Interest Earnings		9,274	
Current Fund Receipts		1,050	
Reserve for Construction of Municipal Building - Current Fund Receipts		373,265	
Premium on Bond Anticipation Notes		94,393	
Bond Anticipation Notes		<u>7,722,000</u>	
			<u>8,462,932</u>
			11,313,572
Decreased by Disbursements:			
Improvement Authorizations		583,644	
Contracts Payable		179,522	
Bond Anticipation Notes		<u>3,452,350</u>	
			<u>4,215,516</u>
Balance, December 31, 2015		\$	<u>7,098,056</u>

BOROUGH OF MOONACHIE
ANALYSIS OF GENERAL CAPITAL CASH

Balance,
December 31,
2015

Due to Current Fund	\$ 597,999
Reserve for Preliminary Costs	2,095
Grants and Other Receivables	(347,951)
Contracts Payable	331,697
Reserve for DPW Building	272,484
Reserve for Municipal Building	373,265
Due to Sewer Capital Fund	9,079
Capital Improvement Fund	108,518
Fund Balance	104,502

Ord.

No. Improvement Authorization

01-3	Construction of Redneck Ave Pedestrian Way	(134)
02-17/03-6	Recreation Equipment	3,739
04-8	Various Capital Improvements	435,652
04-17	St. Joseph Street Park Imp	36,921
04-12	Acquisition and Installation of Generator	16,062
05-02	Road Improvements- Edstan Drive	13,447
08-04	Joseph Street Park Improvements	31,423
08-09	Tax Appeal Refunding	18,402
09-15	Improvements to Romeo Street and State Street	30,468
10-08	Streetscape and Park Improvements	14,785
11-13/12-6	Improvements to Firehouse Roof	(14,610)
12-7	Various Road Improvements	(38,076)
12-8	Joseph Street Park Improvements	(19,406)
12-9	Emergency Service Equipment	5,392
13-5	Hurricane Sandy Improvements	4,701,058
13-11	Senior Center Improvements	1,117
13-12	Road Improvements	(29,185)
13-13	Curb and Ramp Improvements	48
14-03	Various Acquisitions and Improvements	149,618
14-05	Improvements to Concord Street Park	(3,377)
14-06	Preliminary Costs - New DPW Building	277,898
15-03	Tax Appeal Refunding	3,424
15-08	Acquisition of Ambulance	8,405
15-09	Acquisition of Dual Rear Wheel DPW Truck	10,137
15-10	Construction of Municipal Building	(6,840)
		<u>\$ 7,098,056</u>

BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM/DUE TO CURRENT FUND

Balance, January 1, 2015 (Due From)		\$ 92,325
Increased by:		
Deferred Charges Unfunded- Tax Appeal Refunding - Budget		<u>170,000</u>
		262,325
Decreased by:		
Interest Earnings	\$ 9,274	
Cash Receipts	1,050	
Refund Tax Appeal Emergency	<u>850,000</u>	
		<u>860,324</u>
Balance, December 31, 2015 (Due to)		<u><u>\$ 597,999</u></u>

EXHIBIT C-5

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2015	\$ 1,751,000
Decreased by:	
Budget Appropriation to Pay Bonds	<u>425,000</u>
Balance, December 31, 2015	<u><u>\$ 1,326,000</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance, January 1, 2015	Authorized 2015	Funded by Budget Appropriation	Balance, December 31, 2015	Analysis of Balance		Improvement Authorizations Unfunded
						Bond Anticipation Notes	Expenditures	
01-3	Construction of Redneck Ave Pedestrian Way	\$ 134			\$ 134		\$ 134	
04-8	Various Capital Improvements	185			185			\$ 185
08-09	Tax Appeal Refunding	192,567			192,567			192,567
11-13/12-6	Improvements to Fire House Roof	20,501			20,501		14,610	5,891
12-7	Various Road Improvements	108,500			108,500		38,076	70,424
12-8	Joseph Street Park Improvements	23,750			23,750		19,406	4,344
13-5	Hurricane Sandy Improvements	6,370,000			6,370,000	\$ 6,250,000		120,000
13-11	Senior Center Improvements	47,500			47,500			47,500
13-12	Road Improvements	59,742			59,742		29,185	30,557
13-13	Curb and Ramp Improvements	28,500			28,500	23,000		5,500
14-03	Various Acquisitions and Improvements	549,002			549,002	485,000		64,002
14-05	Improvements to Concord Street Park	19,245			19,245		3,377	15,868
14-06	Preliminary Costs - New DPW Building	475,000			475,000	271,000		204,000
15-03	Tax Appeal Refunding		\$ 875,000	\$ 170,000	705,000	693,000		12,000
15-08	Acquisition of Ambulance		171,000		171,000			171,000
15-10	Construction of Municipal Building	-	4,000,000	-	4,000,000	-	6,840	3,993,160
		<u>\$ 7,894,626</u>	<u>\$ 5,046,000</u>	<u>\$ 170,000</u>	<u>\$ 12,770,626</u>	<u>\$ 7,722,000</u>	<u>\$ 111,628</u>	<u>\$ 4,936,998</u>

Improvement Authorizations Unfunded \$ 10,062,146
Less: Unexpended Bond Anticipation Note
Proceeds

Ord. #13-5	\$ 4,701,058
Ord. #13-13	48
Ord. #14-03	149,618
Ord. #14-06	271,000
Ord. #15-03	3,424
	<u>\$ 5,125,148</u>
	<u>\$ 4,936,998</u>

BOROUGH OF MOONACHIE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ord. Amount	Balance, -		2015 Authorizations				Contract Payable Cancelled	Paid or Charged	Balance,	
			January 1, 2015		Capital Impvt. Fund	Capital Surplus	Deferred Charges Unfunded				December 31, 2015	
			Funded	Unfunded							Funded	Unfunded
General Improvements												
02-17/03-6	Recreation Equipment	\$ 13,000	\$ 3,739								\$ 3,739	
04-8/08-3	Various Capital Improvements/Municipal Building Improvements	2,280,000	344,798	\$ 185					\$ 99,826	\$ 8,972	435,652	\$ 185
04-12	Acquisition and Installation of Generator	75,000	16,062								16,062	
04-17	Joseph Street Park Improvements	107,670	36,921								36,921	
05-02	Various Roads Improvements	175,000	13,447								13,447	
08-04	Joseph Street Park Improvements	75,000	31,423						657	657	31,423	
08-09	Tax Appeal Refunding	651,000	18,402	192,567							18,402	192,567
09-15	Improvements to Romeo Street and State Street	254,000	30,468								30,468	
10-08	Streetscape and Park Improvements	200,000	14,785								14,785	
11-13/12-6	Improvements to Fire House Roof	77,000		5,891								5,891
12-7/12-11	Various Road Improvements	255,000		70,424								70,424
12-8	Joseph Street Park Improvements	25,000		4,344								4,344
12-9	Emergency Service Equipment	65,000	5,392								5,392	
13-5	Hurricane Sandy Improvements	6,370,000		5,277,922						456,864		4,821,058
13-11	Senior Center Improvements	50,000	1,117	47,500							1,117	47,500
13-12	Road Improvements	165,000		31,971						1,414		30,557
13-13	Curb and Ramp Improvements	30,000		5,548								5,548
14-03	Various Acquisitions and Improvements	907,500	45,508	549,002						380,890		213,620
14-05	Improvements to Concord Street Park	35,000		14,458					1,580	170		15,868
14-06	Preliminary Costs - New DPW Building	500,000	23,898	475,000						17,000	6,898	475,000
15-03	Tax Appeal Refunding	875,000					\$ 875,000			859,576		15,424
15-08	Acquisition of Ambulance	180,000			\$ 9,000		171,000			595	8,405	171,000
15-09	Acquisition of Dual Rear Wheel DPW Truck	42,500				\$ 42,500				32,363	10,137	
15-10	Construction of Municipal Building	4,000,000	-	-	-	-	4,000,000		-	6,840	-	3,993,160
			<u>\$ 585,960</u>	<u>\$ 6,674,812</u>	<u>\$ 9,000</u>	<u>\$ 42,500</u>	<u>\$ 5,046,000</u>	<u>\$ 102,063</u>	<u>\$ 1,765,341</u>	<u>\$ 632,848</u>	<u>\$ 10,062,146</u>	
							Cash Disbursed		\$ 583,644			
							Due to Current Fund		850,000			
							Contracts Payable		<u>331,697</u>			
									<u>\$ 1,765,341</u>			

**BOROUGH OF MOONACHIE
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2015		\$ 281,585
Increased by:		
Charges to Improvement Authorizations		<u>331,697</u>
		613,282
Decreased by:		
Cash Disbursements	\$ 179,522	
Cancellation	<u>102,063</u>	
		<u>281,585</u>
Balance, December 31, 2015		<u>\$ 331,697</u>

STATEMENT OF DUE TO SEWER CAPITAL FUND

Balance, January 1, 2015	\$ <u>9,079</u>
Balance, December 31, 2015	<u>\$ 9,079</u>

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>		<u>Balance, January 1, 2015</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements	10/1/2004	\$ 3,011,000	10/1/2016	\$ 310,000	3.60	%			
			10/1/2017	326,000	3.60		\$ 936,000	\$ 300,000	\$ 636,000
General Improvements	8/15/2012	965,000	8/15/2017	125,000	2.00	%			
			8/15/2018-2019	145,000	2.00				
			8/15/2020	150,000	2.00		<u>815,000</u>	<u>125,000</u>	<u>690,000</u>
							<u>\$ 1,751,000</u>	<u>\$ 425,000</u>	<u>\$ 1,326,000</u>
Budget Appropriation								<u>\$ 425,000</u>	

BOROUGH OF MOONACHIE
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2015	Increased	Decreased	Balance, December 31, 2015
13-05	Hurricane Sandy Improvements	10/21/2013	10/21/2014	10/21/2015	1.25 %	\$ 3,452,350		\$ 3,452,350	
		10/21/2013	10/21/2015	10/21/2016	2.00		\$ 3,452,350		\$ 3,452,350
13-05	Hurricane Sandy Improvements	10/21/2015	10/21/2015	10/21/2016	2.00		2,797,650		2,797,650
13-13	Curb and Ramp Improvements	10/21/2015	10/21/2015	10/21/2016	2.00		23,000		23,000
14-03	Various Acquisitions and Improvements	10/21/2015	10/21/2015	10/21/2016	2.00		485,000		485,000
14-06	Preliminary Costs- New DPW Building	10/21/2015	10/21/2015	10/21/2016	2.00		271,000		271,000
15-03	Tax Appeal Refunding	10/21/2015	10/21/2015	10/21/2016	2.00	-	693,000	-	693,000
						<u>\$ 3,452,350</u>	<u>\$ 7,722,000</u>	<u>\$ 3,452,350</u>	<u>\$ 7,722,000</u>
					Renewals Issued for Cash		\$ 3,452,350 4,269,650	\$ 3,452,350 -	
							<u>\$ 7,722,000</u>	<u>\$ 3,452,350</u>	

BOROUGH OF MOONACHIE
STATEMENT OF GRANT RECEIVABLES/OTHER RECEIVABLES

	<u>Total</u>	<u>Sub-Total Page 2</u>	<u>Safe Playgrounds Ord. 02-17 and Ord. 03-6</u>	<u>Community Development Block Grant Ord. 13-11</u>	<u>County of Bergen-Cooperative Curb Construction Ord. 13-13</u>	<u>County of Bergen Ord. 15-08</u>	<u>Ord. 05-13</u>	<u>Ord. 04-17</u>	<u>Bergen Cty Open Space Recreation Ord. 08-04</u>	<u>Ord. 14-03</u>	<u>Ord. 14-05</u>	<u>NJMC Downtown Revitalization Ord. #08-08</u>
Balance, January 1, 2015	\$ 786,036	\$ 534,225	\$ 6,500	\$ 37,180	\$ 27,750		\$ 67,492	\$ 23,135	\$ 25,000	\$ 50,000	\$ 14,742	\$ 12
Increased by:												
Awards	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	861,036	534,225	6,500	37,180	27,750	75,000	67,492	23,135	25,000	50,000	14,742	12
Decreased by:												
Collected	<u>262,950</u>	<u>262,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>262,950</u>	<u>262,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 598,086</u>	<u>\$ 271,275</u>	<u>\$ 6,500</u>	<u>\$ 37,180</u>	<u>\$ 27,750</u>	<u>\$ 75,000</u>	<u>\$ 67,492</u>	<u>\$ 23,135</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 14,742</u>	<u>\$ 12</u>
<u>Analysis of Balance</u>												
Reserve for Grant Receivable	\$ 250,135	\$ 110,205		\$ 37,180	\$ 27,750	\$ 75,000						
Receivable Without Offsetting Reserve	<u>347,951</u>	<u>161,070</u>	<u>\$ 6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 67,492</u>	<u>\$ 23,135</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 14,742</u>	<u>\$ 12</u>
	<u>\$ 598,086</u>	<u>\$ 271,275</u>	<u>\$ 6,500</u>	<u>\$ 37,180</u>	<u>\$ 27,750</u>	<u>\$ 75,000</u>	<u>\$ 67,492</u>	<u>\$ 23,135</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 14,742</u>	<u>\$ 12</u>

BOROUGH OF MOONACHIE
STATEMENT OF GRANT RECEIVABLES/OTHER RECEIVABLES

	Sub-Total Page 2	Department of Transportation						FEMA- Assistance to Firefighters Grant Ord. 14-03
		Ord. 05-05	Ord. 07-2	Ord. 08-01	Ord. 08-08	Ord. 09-15	Ord. 13-12	
Balance, January 1, 2015	\$ 534,225	\$ 20,166	\$ 33,219	\$ 47,281	\$ 43,750	\$ 65,463	\$ 44,742	\$ 279,604
Increased by:								
Awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>534,225</u>	<u>20,166</u>	<u>33,219</u>	<u>47,281</u>	<u>43,750</u>	<u>65,463</u>	<u>44,742</u>	<u>279,604</u>
Decreased by:								
Collected	<u>262,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,950</u>
	<u>262,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,950</u>
Balance, December 31, 2015	<u>\$ 271,275</u>	<u>\$ 20,166</u>	<u>\$ 33,219</u>	<u>\$ 47,281</u>	<u>\$ 43,750</u>	<u>\$ 65,463</u>	<u>\$ 44,742</u>	<u>\$ 16,654</u>
<u>Analysis of Balance</u>								
Reserve for Grant Receivable	\$ 110,205					\$ 65,463	\$ 44,742	
Receivable Without Offsetting Reserve	<u>161,070</u>	<u>\$ 20,166</u>	<u>\$ 33,219</u>	<u>\$ 47,281</u>	<u>\$ 43,750</u>	<u>-</u>	<u>-</u>	<u>\$ 16,654</u>
	<u>\$ 271,275</u>	<u>\$ 20,166</u>	<u>\$ 33,219</u>	<u>\$ 47,281</u>	<u>\$ 43,750</u>	<u>\$ 65,463</u>	<u>\$ 44,742</u>	<u>\$ 16,654</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2015	\$ 117,518
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>9,000</u>
Balance, December 31, 2015	<u>\$ 108,518</u>

EXHIBIT C-14

STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Balance, January 1, 2015	<u>\$ 2,095</u>
Balance, December 31, 2015	<u>\$ 2,095</u>

EXHIBIT C-15

STATEMENT OF RESERVE FOR DPW BUILDING

Balance, January 1, 2015	<u>\$ 272,484</u>
Balance, December 31, 2015	<u>\$ 272,484</u>

EXHIBIT C-16

STATEMENT OF RESERVE FOR CONSTRUCTION OF MUNICIPAL BUILDING

Increased by:	
Cash Receipts	<u>\$ 373,265</u>
Balance, December 31, 2015	<u>\$ 373,265</u>

BOROUGH OF MOONACHIE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2015</u>	<u>Authorized 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2015</u>
01-3	Construction of Redneck Ave Pedestrian Way	\$ 134				\$ 134
04-8	Various Capital Improvements	185				185
08-09	Tax Appeal Refunding	192,567				192,567
11-13/12-6	Improvements to Fire House Roof	20,501				20,501
12-7	Various Road Improvements	108,500				108,500
12-8	Joseph Street Park Improvements	23,750				23,750
13-5	Hurricane Sandy Improvements	2,917,650			\$ 2,797,650	120,000
13-11	Senior Center Improvements	47,500				47,500
13-12	Road Improvements	59,742				59,742
13-13	Curb and Ramp Improvements	28,500			23,000	5,500
14-03	Various Acquisitions and Improvements	549,002			485,000	64,002
14-05	Improvements to Concord Street Park	19,245				19,245
14-06	Preliminary Costs - New DPW Building	475,000			271,000	204,000
15-03	Tax Appeal Refunding		\$ 875,000	\$ 170,000	693,000	12,000
15-08	Acquisition of Ambulance		171,000			171,000
15-10	Construction of Municipal Building	-	4,000,000	-	-	4,000,000
		<u>\$ 4,442,276</u>	<u>\$ 5,046,000</u>	<u>\$ 170,000</u>	<u>\$ 4,269,650</u>	<u>\$ 5,048,626</u>

SEWER UTILITY FUND

**BOROUGH OF MOONACHIE
STATEMENT OF CASH - TREASURER
SEWER UTILITY FUND**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2015	\$ 1,152,415	\$ 939,160
Increased by Receipts:		
Sewer Utility Rents Receivable	\$ 2,183,075	
Interest on Investments and Deposits		\$ 1,888
Bond Anticipation Notes		1,363,037
Grant Proceeds		91,367
Non-Budgeted Revenue	26,532	
Premium on Bond Anticipation Notes	<u>-</u>	<u>16,315</u>
	<u>2,209,607</u>	<u>1,472,607</u>
	3,362,022	2,411,767
Decreased by Disbursements:		
2015 Budget Appropriations	1,547,347	
2014 Appropriation Reserves	28,952	
Improvement Authorizations		39,216
Encumbrances Payable		306,633
Bond Anticipation Notes		1,201,918
Accrued Interest	<u>20,177</u>	<u>-</u>
	<u>1,596,476</u>	<u>1,547,767</u>
Balance, December 31, 2015	<u>\$ 1,765,546</u>	<u>\$ 864,000</u>

**BOROUGH OF MOONACHIE
ANALYSIS OF SEWER UTILITY CAPITAL CASH**

	Balance, December 31, <u>2015</u>
Capital Improvement Fund	\$ 113,369
Due from General Capital Fund	(9,079)
Fund Balance	37,968
Reserve for Payment of Bonds	14,555
Due to Sewer Operating Fund	10,704
 Improvement Authorizations:	
Ord. No. 95-8 Impvt. to Sanitary Sewer System	449
Ord. No. 04-7/15 Sanitary Sewer Line	154
Ord. No. 06-4 Various Sewer Improvements	113,418
Ord. No. 09-06 Emergency Repairs to the Concord Pump Station	4,005
Ord. No. 09-11 Various Repairs to the Lincoln Place Stormwater Pump Station	200
Ord. No. 10-5 Repairs to Moonachie Road Stormwater Pump Station	3,934
Ord. No. 10-6 Emergency Repairs to Moonachie Ave Pump Station	16,707
Ord. No. 12-2 Improvements to the Moonachie Ave Sanitary Sewer Pump Station	(48,429)
Ord. No. 12-10 Re-Appropriation for Purchase of Sewer Van	4,875
Ord. No. 13-6 Hurricane Sandy Improvements	341,421
Ord. No. 14-4 Sewer Capital Improvements	252,142
Ord. No. 15-7 Acquisition of DPW Truck	<u>7,607</u>
	 <u>\$ 864,000</u>

BOROUGH OF MOONACHIE
STATEMENT OF SEWER UTILITY RENTS RECEIVABLE
SEWER UTILITY OPERATING FUND

<u>Year of Levy</u>	<u>Balance, January 1, 2015</u>	<u>Levy</u>	<u>Collected In 2015</u>	<u>Balance, December 31, 2015</u>
2013	\$ 15,880		\$ 15,880	
2014	431,922		431,922	
2015	<u>-</u>	<u>\$ 1,786,121</u>	<u>1,735,273</u>	<u>\$ 50,848</u>
	<u>\$ 447,802</u>	<u>\$ 1,786,121</u>	<u>\$ 2,183,075</u>	<u>\$ 50,848</u>

EXHIBIT D-8

STATEMENT OF GRANT RECEIVABLE-CDBG
SEWER UTILITY CAPITAL FUND

Balance, January 1, 2015	\$ 11,510
Increase by:	
Community Development Grant Award	<u>91,367</u>
	102,877
Decreased by:	
Grant Receipts	<u>91,367</u>
Balance, December 31, 2015	<u>\$ 11,510</u>
<u>Analysis of Grant Receipts</u>	
Reserve for Payment of Bonds	\$ 14,555
Reserve for Amortization	35,445
Reserve for Deferred Amortization	<u>41,367</u>
	<u>\$ 91,367</u>

**BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2015	\$ 7,363
Increased by:	
Charges to 2015 Budget Appropriations	<u>17,942</u>
	25,305
Decreased by:	
Transfer to Appropriation Reserves	<u>7,363</u>
Balance, December 31, 2015	<u>\$ 17,942</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2015	\$ 614,191
Decreased by:	
Cash Disbursements	\$ 306,633
Cancellation	<u>307,558</u>
	<u>614,191</u>
Balance, December 31, 2015	<u>\$ -</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO LIEN HOLDER
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2015	\$ 292
Balance, December 31, 2015	<u>\$ 292</u>

**STATEMENT OF APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND**

	Balance, January 1, <u>2015</u>	Balance, After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	Over <u>Expenditure</u>
OPERATING					
Salaries & Wages	\$ 30,644	\$ 30,644		\$ 30,644	
Other Expenses	-	7,363	\$ 28,952		\$ 21,589
Social Security System (O.A.S.I.)	<u>3,862</u>	<u>3,862</u>	<u>-</u>	<u>3,862</u>	<u>-</u>
	<u>\$ 34,506</u>	<u>\$ 41,869</u>	<u>\$ 28,952</u>	<u>\$ 34,506</u>	<u>\$ 21,589</u>
Appropriation Reserves		\$ 34,506			
Encumbrances Payable		<u>7,363</u>			
		<u>\$ 41,869</u>			
Cash Disbursed			<u>\$ 28,952</u>		

**BOROUGH OF MOONACHIE
STATEMENT OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND**

	Balance, January 1, <u>2015</u>	Transfer from Authorized and <u>Uncompleted</u>	Balance, December 31, <u>2015</u>
Sanitary Sewer Drains and Accessories			
Local Improvements Assessed	\$ 865,947		\$ 865,947
General Improvements	350,920		350,920
Storm Drain Improvements	96,500		96,500
Acq. of Vac-all and High Pressure Sewer Cleaner	64,221		64,221
Acquisition of a Dump Truck	34,576		34,576
Repairs to Sewer Lines	15,295		15,295
Various Improvements and Acquisition of Equipment	285,000		285,000
Improvements and Investigation of Sanitary Sewer System	229,265		229,265
Various Improvements and Acquisition of Equipment	221,885		221,885
Repair, Replacement & Public Improv. Of Sanitary Sewer System	47,747		47,747
Various Repairs to the Lincoln Place Stormwater Pump Station	24,190		24,190
Moonachie Ave Sewer Pipeline	390,000	-	390,000
	<u>\$ 2,625,546</u>	<u>\$ -</u>	<u>\$ 2,625,546</u>

**STATEMENT OF DUE TO SEWER UTILITY OPERATING FUND
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2015	\$ 8,816
Increased by:	
Interest Earnings	<u>1,888</u>
Balance, December 31, 2015	<u>\$ 10,704</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2015	\$ <u>113,369</u>
Balance, December 31, 2015	\$ <u>113,369</u>

**STATEMENT OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2015	\$ 2,589,343
Increased by:	
Bonds Paid by Operating Budget	\$ 45,000
Paid By Grant Proceeds	<u>35,445</u>
	<u>80,445</u>
Balance, December 31, 2015	\$ <u>2,669,788</u>

**STATEMENT OF RESERVE FOR PAYMENT OF BONDS
SEWER UTILITY CAPITAL FUND**

Increased by:	
Excess Grant Proceeds Received on Ordinance #09-01	\$ <u>14,555</u>
Balance, December 31, 2015	\$ <u>14,555</u>

**BOROUGH OF MOONACHIE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	<u>Ordinance</u>		Balance, <u>January 1, 2015</u>		2015 <u>Authorizations</u>	Contract Payable Cancelled	Paid or Charged	Balance, <u>December 31, 2015</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
95-8	Improvement to Sanitary Sewer System	5/25/1995	\$ 450,000		\$ 71,550				\$ 449	\$ 71,101
04-7/15	Sanitary Sewer Line	5/27/2004	130,000	\$ 154					154	
06-4	Various Sewer Improvements	5/25/2006	260,000	154,993		\$ (42,500)	\$ 925		113,418	
09-6	Emergency Repairs to the Concord Pump Station	4/23/2009	60,000	4,005					4,005	
09-11	Various Repairs to the Lincoln Place Stormwater Pump Station	9/24/2009	30,000	200					200	
10-5	Repairs to Moonachie Road Stormwater Pump Station	8/26/2010	5,810	3,934					3,934	
10-6	Emergency Repairs to Moonachie Ave Pump Station	8/26/2010	60,000	16,707					16,707	
12-2	Improvements to the Moonachie Ave Sanitary Sewer Pump Station	4/26/2012	146,000		28,081					28,081
12-10	Re-appropriation for Purchase of Sewer Van	9/27/2012	40,000	4,875					4,875	
13-6	Hurricane Sandy Improvements	8/22/2013	1,020,000	-	173,048		172,696	\$ 4,323		341,421
14-4	Sewer Capital Improvements	8/28/2014	361,500	-	118,592		133,937			252,529
15-7	Acquisition of DPW Truck	9/24/2015	42,500	-	-	42,500	-	34,893	7,607	-
			<u>\$ 184,868</u>	<u>\$ 391,271</u>	<u>\$ -</u>	<u>\$ 307,558</u>	<u>\$ 39,216</u>	<u>\$ 151,349</u>	<u>\$ 693,132</u>	

BOROUGH OF MOONACHIE
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	<u>Ordinance</u> <u>Date</u>	<u>Amount</u>	Balance, January 1, <u>2015</u>	2015 <u>Authorizations</u>	Transfer to Fixed <u>Capital</u>	Balance, December 31, <u>2015</u>
95-8	Improvements to Sanitary Sewer System	5/25/95	\$ 450,000	\$ 450,000			\$ 450,000
04-7/15	Sanitary Sewer Line	5/27/2004	130,000	130,000			130,000
06-04	Various Improvements	5/25/2006	260,000	220,000	\$ (42,500)		177,500
09-06	Emergency Repairs to the Concord Pump Station	4/23/2009	60,000	60,000			60,000
10-5	Repairs to Moonachie Road Stormwater Pump Stations	8/26/2010	5,810	5,810			5,810
10-6	Emergency Repairs to Moonachie Ave Pump Stations	8/26/2010	60,000	60,000			60,000
12-2	Improvements to Moonachie Ave Sanitary Sewer Pump Station	4/26/2012	146,000	146,000			146,000
12-10	Re-appropriation for Purchase of of Sewer Van	9/27/2012	40,000	40,000			40,000
13-6	Hurricane Sandy Improvements	8/22/2013	1,020,000	1,020,000			1,020,000
14-4	Sewer Capital Improvements	7/1/2014	361,500	361,500			361,500
15-7	Acquisition of Truck	9/24/2015	42,500	-	42,500	-	42,500
				<u>\$ 2,493,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,493,310</u>

**BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
SEWER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance, January 1, 2015</u>	<u>Funded by Grant Proceeds</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Balance, December 31, 2015</u>
95-8	Impvt. to Sanitary Sewer System	5/25/95	\$ 253,490	\$ 41,367		\$ 294,857
04-7/15	Sanitary Sewer Line	5/27/2004	83,200			83,200
06-04	Various Improvements	5/25/2006	21,600			21,600
09-6	Emergency Repairs to the Concord Pump Station	4/23/2009	60,000			60,000
10-5	Repairs to Moonachie Road Stormwater Pump Station	8/26/2010	5,810			5,810
10-6	Emergency Repairs to Moonachie Ave Pump Station	8/26/2010	60,000			60,000
12-2	Improvements to Moonachie Ave Sanitary Sewer Pump Station	4/26/2012	69,490			69,490
14-4	Sewer Capital Improvements	7/1/2014	18,076	-	-	18,076
			<u>\$ 571,666</u>	<u>\$ 41,367</u>	<u>\$ -</u>	<u>\$ 613,033</u>

BOROUGH OF MOONACHIE
STATEMENT OF MISCELLANEOUS RESERVES - TERMINAL LEAVE
SEWER UTILITY OPERATING FUND

	Balance, January 1, <u>2015</u>	Balance, December 31, <u>2015</u>
Compensated Absences	\$ 152,665	\$ 152,665
	<u>\$ 152,665</u>	<u>\$ 152,665</u>

EXHIBIT D-22

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	Balance, January 1, <u>2015</u>	Notes <u>Issued</u>	Grant <u>Proceeds</u>	Balance, December 31, <u>2015</u>
95-8	Impvt. to Sanitary Sewer System	\$ 112,468		\$ 41,367	\$ 71,101
09-01	Moonachie Ave Sewer Pipeline	35,445		35,445	-
12-2	Improvements to the Moonachie Ave Sanitary Sewer Pump Station	76,510			76,510
14-4	Sewer Capital Improvements	<u>161,506</u>	<u>\$ 161,119</u>	<u>-</u>	<u>387</u>
		<u>\$ 385,929</u>	<u>\$ 161,119</u>	<u>\$ 76,812</u>	<u>\$ 147,998</u>

BOROUGH OF MOONACHIE
STATEMENT OF BOND ANTICIPATION NOTES
SEWER UTILITY CAPITAL FUND

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Issue of</u> <u>Original</u> <u>Notes</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance,</u> <u>January 1,</u> <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31,</u> <u>2015</u>
13-6	Hurricane Sandy Improvements	10/21/2013	10/21/2014	10/21/2015	1.25 %	\$ 1,020,000		\$ 1,020,000	
			10/21/2015	10/21/2016	2.00		\$ 1,020,000		\$ 1,020,000
14-4	Sewer Capital Improvements	10/21/2014	10/21/2014	10/21/2015	1.25	181,918		181,918	
			10/21/2015	10/21/2016	2.00		181,918		181,918
14-4	Sewer Capital Improvements	10/21/2015	10/21/2015	10/21/2016	2.00	-	161,119	-	161,119
						<u>\$ 1,201,918</u>	<u>\$ 1,363,037</u>	<u>\$ 1,201,918</u>	<u>\$ 1,363,037</u>
					Renewals		\$ 1,201,918	\$ 1,201,918	
					Issued for Cash		161,119	-	
							<u>\$ 1,363,037</u>	<u>\$ 1,201,918</u>	

**BOROUGH OF MOONACHIE
STATEMENT OF ACCRUED INTEREST
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2015	\$ 3,334
Increased by:	
2015 Budget Appropriation	<u>24,704</u>
	28,038
Decreased by:	
Interest Paid	<u>20,177</u>
Balance, December 31, 2015	<u>\$ 7,861</u>

Analysis of Accrued Interest, December 31, 2015

<u>Principal Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$460,000	Bonds	2.00%	8/15/2015	2/15/2016	4 1/2 Months	\$ 2,484
\$1,363,037	Bond Anticipation Note	2.00%	10/21/2015	10/21/2016	72 Days	<u>5,377</u>
						<u>\$ 7,861</u>

**BOROUGH OF MOONACHIE
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>		<u>Balance,</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>			<u>January 1, 2015</u>			<u>December 31, 2015</u>
Sewer Improvements	8/15/2013	\$ 460,000	8/15/2016-2020	\$ 45,000	2.00	%				
			8/15/2021-2022	50,000	2.0-2.5		\$ 370,000	-	\$ 45,000	\$ 325,000
							\$ 370,000	\$ -	\$ 45,000	\$ 325,000
									\$ 45,000	

**STATEMENT OF DEFERRED CHARGES
SEWER UTILITY OPERATING FUND**

	<u>Balance, January 1, 2015</u>	<u>Amount Raised in 2015 Budget</u>	<u>Amount Resulting in 2015</u>	<u>Balance, December 31, 2015</u>
Overexpenditure- Budget Appropriations	\$ 5,520	\$ 5,520	\$ 2,372	\$ 2,372
Overexpenditure- Appropriation Reserves	-	-	21,589	21,589
	<u>\$ 5,520</u>	<u>\$ 5,520</u>	<u>\$ 23,961</u>	<u>\$ 23,961</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF MOONACHIE
STATEMENT OF PUBLIC ASSISTANCE CASH**

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Balance, January 1, 2015	\$ 9,384	\$ 9,384	
Increased by:			
Cash Receipts	<u>24</u>	<u>24</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 9,408</u>	<u>\$ 9,408</u>	<u>\$ -</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Balance, January 1, 2015	\$ 9,384	\$ 9,384	
Increased by:			
Revenues	<u>24</u>	<u>24</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 9,408</u>	<u>\$ 9,408</u>	<u>\$ -</u>

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Interest on Investments and Deposits	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ -</u>
Total Revenues/Receipts	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ -</u>

**BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY**

PART II

**GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Moonachie
Moonachie, New Jersey

We have audited, in accordance with the 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Moonachie, as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated August 17, 2016. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the omission of Other Post Employment Benefits (“OPEB”) note disclosure and our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Moonachie’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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Moonachie’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Moonachie’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 Borough’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2015-001 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Moonachie's 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses as item 2015-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Moonachie in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

Borough of Moonachie's Response to Finding

The Borough of Moonachie's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Borough of Moonachie's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Moonachie'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 Borough of Moonachie's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
August 17, 2016

BOROUGH OF MOONACHIE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>2015 Receipts</u>	<u>Balance, January 1, 2015</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2015</u>	<u>Cumulative Expenditures</u>
Department of Transportation									*
Highway Planning and Construction									*
Ordinance #09-15	20.205	2009	\$ 200,000		\$ 15,641			\$ 15,641	* \$ 184,359
Ordinance #13-12		2013	150,000		44,742			44,742	* 105,258
Department of Law and Public Safety									*
Public Assistance Grants									*
FEMA	97.036	2012	1,235,345			\$ 352,769	\$ 352,769	-	* 862,080
Department of Homeland Security									*
Assistance to Fire Fighters Grant	97.044	2014	279,604	\$ 262,950					* 279,604
U.S. Department of Housing & Urban Development									*
Community Development Block Grant	14.218								*
Ordinance #13-11		2013	37,180		37,180	-	-	37,180	* 37,180
					<u>\$ 97,563</u>	<u>\$ 352,769</u>	<u>\$ 352,769</u>	<u>\$ 97,563</u>	* 97,563

Note: This schedule is not subject to Single Audit in accordance with U.S. Uniform Guidance.

See Accompanying Notes to Schedule of Expenditures of Federal Awards

BOROUGH OF MOONACHIE
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2015</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancellations/ Adjustment</u>	<u>Balance, December 31, 2015</u>	<u>Cumulative Expenditures</u>
Dept. of Human Services										*
General Assistance	7500-150-158080-60	2000			\$ 7,442				\$ 7,442	*
Department of Environmental Protection										*
Solid Waste Administration										*
Clean Communities Grant	4900-765-004-178910	2013	\$ 4,323		803				803	* \$ 3,520
		2014	753		753			\$ 306	447	*
		2015	10,547	\$ 5,786		\$ 10,546	\$ 10,545		1	* 10,547
Recycling Tonnage Grant	4830-752-001-178810	2013	30,716		825				825	* 29,891
		2014	14,023		3,150				3,150	* -
Hazardous Waste	4910-100-224-238490	2014	32,975			32,975	32,895	80		*
Dept. of Environment Protection (Passed Through County of Bergen)										*
Municipal Alliance Grant	N/A	2013	9,520		5,608				5,608	* 3,912
(Passed Through County of Bergen)		2001	7,077	7,077					-	*
N.J. Department of Community Affairs										*
Playground Safety Grant	02-100-022-8050-354-354-ffff-6120	2003	6,500		6,500			6,500		*
					-	-	-	-	-	*
										*
					\$ 25,081	\$ 43,521	\$ 43,440	\$ 6,886	\$ 18,276	*

Note: This schedule is not subject to Single Audit in accordance with NJ OMB Circular 15-08

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

BOROUGH OF MOONACHIE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 352,769	\$ 43,521	\$ 396,290
	<u>\$ 352,769</u>	<u>\$ 43,521</u>	<u>\$ 396,290</u>

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified- Unaudited LOSAP Trust Fund and Omission
of the OPEB Note Disclosure

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)?

 X yes _____ none reported

Noncompliance material to the financial
statements noted?

 X yes _____ no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2015-001

The Borough's actuarial calculation of the OPEB liability was not available for audit.

Criteria or Specific Requirement

GASB Statement 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) requires the recognition of the cost of benefits in periods when the related services are received by the employer.

Condition

The Borough procures its health benefits through the Bergen Municipal Employee Benefits Fund. As of the date of the audit the Borough had not received the actuarial calculations and therefore has not complied with the requirements of GASB Statement No. 45 and the State of New Jersey Local Finance Notice 2009-13R.

Context

The Borough's liability for the post-employment benefits was not calculated.

Effect

The liabilities associated with other postemployment benefits were not disclosed in the financial statements for the years ended December 31, 2015 and 2014.

Cause

The Borough has not provided the municipal insurance fund the required information to complete the actuarial calculation.

Recommendation

The Borough institute measures to ensure in future periods that the actuarial calculation on the other postemployment benefits would be available for audit.

Views of Responsible Officials and Planned Corrective Action

Management is in agreement and is in the process of obtaining the actuarial calculation of the OPEB liability.

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part III – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Uniform Guidance and New Jersey OMB Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF MOONACHIE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-001

The Borough's actuarial calculation of the OPEB liability was not available by the close of the audit.

Current Status

See Finding 2015-001.

Finding 2014-002

Our audit revealed that the minutes of the Mayor and Council meetings were not prepared timely, were not presented to the governing body for approval timely and did not contain all the attachments such as the monthly bills list.

Current Status

Corrective action was taken.

Finding 2014-003

Our audit of the General Fixed Assets revealed that the Borough does not have a detailed inventory supporting the fixed asset values.

Current Status

Corrective action was taken.

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND

	<u>Year 2015</u>			<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 829,105	4.36 %	\$	771,852	4.22 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,770,023	14.57		3,009,232	16.42
Collection of Delinquent Taxes					
and Tax Title Liens	242,623	1.28		291,134	1.58
Collection of Current Tax Levy	<u>15,168,352</u>	<u>79.79</u>		<u>14,249,645</u>	<u>77.78</u>
Total Income	<u>19,010,103</u>	<u>100.00 %</u>		<u>18,321,863</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	8,703,814	47.80 %		9,665,643	50.68 %
Local School Taxes	7,200,734	39.55		7,059,543	37.01
County Taxes	1,705,976	9.37		1,996,967	10.47
Other Expenditures	<u>598,083</u>	<u>3.28</u>		<u>351,855</u>	<u>1.84</u>
Total Expenditures	<u>18,208,607</u>	<u>100.00 %</u>		<u>19,074,008</u>	<u>100.00 %</u>
Excess (Deficit) in Revenue	801,496			(752,145)	
Adjustments to Income Before Surplus:					
Expenditures Included Above Which are					
by Statute Deferred Charges to Budget					
of Succeeding Year	<u>-</u>			<u>1,360,927</u>	
Statutory Excess to Surplus	801,496			608,782	
Fund Balance, January 1	<u>1,732,326</u>			<u>1,895,396</u>	
	2,533,822			2,504,178	
Less Utilization as Anticipated Revenue	<u>829,105</u>			<u>771,852</u>	
Fund Balance, December 31	<u>\$ 1,704,717</u>			<u>\$ 1,732,326</u>	

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
SEWER UTILITY OPERATING FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 144,607	6.05 %	\$ 203,852	8.48 %
Collection of Sewer Rents	2,183,075	91.32	2,042,582	84.95
Miscellaneous - From Other Than Sewer	<u>62,926</u>	<u>2.63</u>	<u>158,116</u>	<u>6.57</u>
Total Income	<u>2,390,608</u>	<u>100.00 %</u>	<u>2,404,550</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Operating	1,625,883	93.07 %	1,412,421	93.76 %
Deferred Charges and Statutory Expenditures	49,020	2.81	32,969	2.19
Debt Service	<u>72,076</u>	<u>4.13</u>	<u>61,077</u>	<u>4.05</u>
Total Expenditures	<u>1,746,979</u>	<u>100.00 %</u>	<u>1,506,467</u>	<u>100.00 %</u>
Excess/ (Deficit) in Revenue	643,629		898,083	
Adjustments to Income Before Surplus:				
Expenditures included above which are by Statute Deferred				
Charges to budget of Succeeding Year	<u>2,372</u>		<u>5,520</u>	
Statutory Excess to Surplus	646,001		903,603	
Fund Balance, January 1	<u>968,591</u>		<u>268,840</u>	
	1,614,592		1,172,443	
Decreased by:				
Utilized in Sewer Operating Budget	<u>144,607</u>		<u>203,852</u>	
Fund Balance, December 31	<u>\$ 1,469,985</u>		<u>\$ 968,591</u>	

BOROUGH OF MOONACHIE
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	<u>\$2.111</u>	<u>\$2.001</u>	<u>\$1.943</u>

Apportionment of Tax Rate

Municipal	\$.904	\$ 0.830	\$ 0.803
County	.232	0.259	0.206
Local School	.975	0.912	0.934

Assessed Valuation

2015	<u>\$738,620,111</u>	
2014		<u>\$774,143,074</u>
2013		<u>\$775,327,883</u>

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections (1)</u>
2015	\$ 1,786,121	\$ 2,183,075
2014	2,160,308	2,042,582
2013	1,503,262	1,297,095

(1) Includes collection of prior year's receivables.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 15,602,684	\$ 15,168,352	97.22%
2014	15,497,592	14,949,645	96.46%
2013	15,188,242	14,824,672	97.61%

BOROUGH OF MOONACHIE
DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>December 31</u>		Amount of Delinquent Taxes		Amount of Tax Title Liens		Total Delinquent	Percentage of Tax Levy
2015	\$	229,211	\$	393,626	\$	622,837	3.99%
2014		245,611		365,424		611,035	3.94%
2013		313,926		314,607		628,533	4.14%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2015	\$2,850
2014	2,850
2013	2,850

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	Balance, <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
<u>Current Fund</u>	2015	\$1,704,717	\$1,000,000
	2014	1,732,326	829,105
	2013	1,895,396	771,852
<u>Sewer Utility Operating Fund</u>	2015	\$1,469,985	\$150,000
	2014	968,591	144,607
	2013	268,840	203,852

**BOROUGH OF MOONACHIE
OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Dennis Vaccaro	Mayor
Robert Bauer	Councilman - President
Bruce Surak	Councilman
Manuel Martinez	Councilman
Kathy Kinsella	Councilwoman
Lucille Miller	Councilwoman
Antonio Cirillo	Councilman
Anthony Ciannamea	Administrator Chief Finance Officer
Supriya Sanyal	Borough Clerk Assessment Search Officer & Registrar of Vital Statistics Planning Board Secretary
Jeff Kropiewnicki	Tax Collector/Search Officer
Lisa Ciannamea	Deputy Registrar of Vital Statistics Zoning Board Secretary
Frank Migliorino	Borough Attorney
Kevin Boswell	Borough Engineer
Philip N. Boggia	Judge
Anamarie Matos	Court Administrator
Deborah Benigno	Violations Clerk Part Time Violations Clerk
Michael Sartori	Building Sub-Code Official Zoning Official and Construction Official
Armand Marini	Fire Sub-Code Official
Frederick J. Dressel IV	Fire Official
Bruce Kalogera	Electrical Sub-Code Official
Dominick Luminova	Plumbing Sub-Code Official

BOROUGH OF MOONACHIE
OFFICIALS IN OFFICE AND SURETY BONDS (Continued)

<u>Name</u>	<u>Title</u>
Lynn Rose	Building Department Control Clerk Fire Prevention Clerk
Jennifer Cooney	Board of Health Secretary
Paul Barbire	Tax Assessor
Michael Maguire	Chief of Police
Walter Paul	Sewer Inspector

There is a statutory bond limit in the Municipal Joint Insurance Fund that covers the Chief Financial Officer, Tax Collector and any assistant or deputy "in title to" these positions, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000.

BOROUGH OF MOONACHIE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

Prior Year Unresolved Comments

Our audit of the police outside duty revealed that the billings to the vendor requesting outside detail were not prepared in a timely manner. It is recommended that the police outside duty invoices be billed to the vendor upon completion of the work on a timely basis.

Our audit of the payroll federal tax payments revealed that the Borough is not verifying the submission of the federal tax payments through the federal "EFTPS" website. It is recommended that the Borough verify submission of the federal tax payments through the "EFTPS" federal website.

Our audit of the purchasing cycle revealed that there were numerous purchase orders issued subsequent to the invoice date. It is recommended that the purchase orders be issued at the time the order is placed for the goods and/or services.

Our audit of the payroll deductions revealed that there are several employees eligible for the Defined Contribution Retirement Plan (DCRP) that have not been enrolled. It is recommended that the Borough enroll the eligible employees into the Defined Contribution Retirement Plan (DCRP).

Our audit of the cash disbursement cycle revealed that the Borough is paying certain vendors through a non-check process; funds are electronically transferred from the Borough's bank account. It is recommended that non check payments to vendors be limited and in addition when these non-check payments occur they should be processed and entered into the budget system on a timely basis.

Our audit revealed that the 2014 Corrective Action Plan was not filed until calendar year 2016. It is recommended that the Corrective Action Plan be filed with the Division of Local Government Services in a timely manner.

Our audit of the Sewer Utility Operating fund revealed that there was an overexpenditure of budget appropriation in the amount of \$2,327 and an overexpenditure of an appropriation reserve in the amount of \$21,589. It is recommended that internal controls over the disbursing of funds in the Sewer Utility Operating Fund be enhanced to ensure that sufficient funds are available in the budget appropriation and appropriation reserves.

Current Year Comments

Our review of the Current Fund tax billing system revealed a difference between the total tax levy per the tax duplicate and the computer tax system. It is recommended that the tax levy per the Borough's computer tax billing system be reconciled to the tax duplicate.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4

NJS 40A:11-4 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 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 \$17,500.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year.

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CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4 (Continued)

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. The Borough does maintain an accumulation of cost by vendor. Disbursements were reviewed to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any instances where expenditures exceeded the bid threshold of \$17,500 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 12, 2015.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2015	2
2014	2
2013	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The Governing Body on January 4, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Moonachie that it does hereby fix the rate of interest to be charged for the non-payment of taxes or assessments to be eight (8%) per annum on the first \$1,500 delinquency and 18 percent (18%) per annum on any amount in excess of \$1,500 from the date of delinquency(s) to date of payment, providing however, that payments made during the first ten days of delinquency shall not be subject to interest charges."

WHEREAS, recently enacted Assembly Bill No. 4425 and Senate Bill No. 2579 have been signed into law effective March 29, 1995 and April 4, 1992 respectively amending NJSA 54:4-67 and,

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COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Continued)

WHEREAS, the Mayor and Council of the Borough of Moonachie are desirous of enacting the following changes with respect to the aforementioned bills:

Interest now charged on a property tax delinquency shall be calculated on the sum of all taxes from year to year and not calculated on a yearly basis.

An additional penalty of 6% will be added on the amount of a property tax delinquency in excess of \$10,000.

In regard to Tax Sale Certificates, when taxes, interest and cost shall exceed the sum of \$5,000, an additional sum shall be equal to 4% of the amount paid. When that sum exceeds \$10,000, such additional sum shall be equal to 6% of amount paid. This shall also apply to all existing certificates held by the Borough on the effective date of this act.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Moonachie, County of Bergen, State of New Jersey, hereby authorize the Tax Collector to implement the above stated changes.

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

Suggestions to Management

Our review of the Borough's disaster recovery plan/back-up procedures for their computer software/data revealed that they do not have an adequate plan in place that would allow them to recover all data from their servers and be operational in another location in the event of a disaster. It is suggested to management that the borough develop a formal disaster recover/back-up plan that will allow them to recover all data from their servers and be operational in another location. In addition to the development this plan needs to be tested to ensure that it is adequate to meet the borough's needs.

APPRECIATION

We desire to express our appreciation to the Borough Administrator and other Borough Staff who assisted us during the course of our audit.

BOROUGH OF MOONACHIE RECOMMENDATIONS

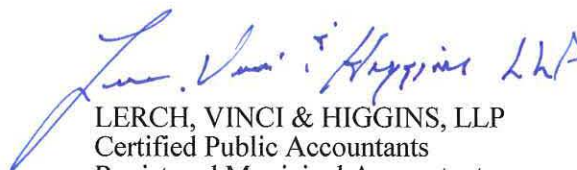
It is recommended that:


- * 1. The Borough institute measures to ensure in future periods that the actuarial calculation on the other postemployment benefits would be available for audit.
- * 2. The police outside duty invoices be billed to the vendor upon completion of the work on a timely basis.
- * 3. The Borough verify submission of the federal tax payments through the "EFTPS" federal website.
- * 4. The purchase orders be issued at the time the order is placed for the goods and/or services.
- * 5. The Borough enroll the eligible employees into the Defined Contribution Retirement Plan (DCRP).
- * 6. Non check payments to vendors be limited and in addition when these non-check payments occur they should be processed and entered into the budget system on a timely basis.
- * 7. The Corrective Action Plan be filed with the Division of Local Government Services in a timely manner.
- * 8. Internal controls over the disbursing of funds in the Sewer Utility Operating Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.
- 9. The tax levy per the Borough's computer tax billing system be reconciled to the tax duplicate.

Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, however, further action needs to be taken on the above recommendation denoted with an asterisk (*).

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


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Paul J. Lerch
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