

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014



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, 2014 and 2013, 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, 2014, 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 and presented 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 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 requirement that the Borough of Moonachie prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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, 2014 and 2013, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The Borough of Moonachie's financial statements - regulatory basis referred to above do not include the financial statements of the General Fixed Assets Account Group, which should be included to conform to the regulatory basis of accounting, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The amount by which this departure would affect the financial statements of the Borough of Moonachie from the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, has not been determined.

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.

In addition, 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, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 40 percent and 50 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of omitting the General Fixed Assets Account Group, except 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 of the Borough of Moonachie as of December 31, 2014 and 2013, 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, 2014 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 September 15, 2015 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
September 15, 2015

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013

ASSETS	Reference	2014	2013
Cash	A-4	\$ 5,676,361	\$ 5,494,512
Cash - Change Funds	A-5	300	300
State and Federal Grant Receivables	A-21	8,184	8,184
Senior Citizens' and Veterans' Deductions	A-7	<u>2,727</u>	<u>2,906</u>
		<u>5,687,572</u>	<u>5,505,902</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	245,611	313,926
Tax Title Liens Receivable	A-9	365,424	314,607
Property Acquired for Taxes - Assessed Value	A-10	2,850	2,850
Revenue Accounts Receivable	A-11		5,832
Interlocal- Due from Borough of Teterboro	A-24	33,980	33,980
Due from Animal Control Trust Fund	B-8	5,196	4,241
Due from Other Trust Fund- Payroll	B-3	12	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	<u>1,686</u>	<u>191</u>
		<u>660,386</u>	<u>681,266</u>
Deferred Charges:			
Special Emergency Authorizations	A-25	850,732	727,650
Emergency Authorizations	A-26	850,000	
Overexpenditure Budget Appropriation	A-26	<u>5,927</u>	<u>-</u>
		<u>1,706,659</u>	<u>727,650</u>
Total Assets		<u>\$ 8,054,617</u>	<u>\$ 6,914,818</u>

**BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013**

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 954,927	\$ 634,738
Encumbrances Payable	A-13	241,246	257,681
Due to State of New Jersey	A-15	1,460	
Due to General Capital Fund	C-4	92,325	100,345
Prepaid Taxes	A-17	353,863	301,820
Tax Overpayments	A-23	5,321	5,243
Local School Taxes Payable	A-16	418,158	510,728
County Taxes Payable	A-14	22,218	22,005
Emergency/Special Note Payable	A-27	1,700,732	727,650
Appropriated Reserves- Grants	A-18	14,736	29,128
Reserve for Federal and State Grants - Unappropriated	A-19	37,736	14,776
Reserve for Hurricane Sandy Reimbursements	A-22	726,034	359,504
Miscellaneous Reserves	A-20	<u>1,093,149</u>	<u>1,374,538</u>
		5,661,905	4,338,156
Reserve for Receivables and Other Assets	A	660,386	681,266
Fund Balance	A-1	<u>1,732,326</u>	<u>1,895,396</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,054,617</u>	<u>\$ 6,914,818</u>

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>Year 2014</u>	<u>Year 2013</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-1	\$ 771,852	
Miscellaneous Revenues Anticipated	A-2	2,355,420	\$ 3,494,884
Receipts from Delinquent Taxes	A-2	291,134	343,516
Receipts from Current Taxes	A-2	14,249,645	14,024,672
Non-Budget Revenue	A-2	64,197	38,154
Other Credits to Income			
Statutory Excess	B-7	955	1,613
Appropriated Reserves Cancelled	A-18	29,128	
Unexpended Balance of Appropriation Reserves	A-12	<u>559,532</u>	<u>728,678</u>
		<u>18,321,863</u>	<u>18,631,517</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	3,537,011	3,425,993
Other Expenses	A-3	4,403,587	3,059,488
Municipal Debt Service	A-3	547,229	555,223
Deferred Charges and Statutory Expenditures	A-3	1,177,816	1,479,638
County Taxes	A-14	1,974,463	1,568,793
County Open Space Tax	A-14	21,599	17,343
County Share of Added and Omitted Taxes	A-14	905	12,611
Local District School Taxes	A-16	7,059,543	7,244,684
Other Debits			
Interfunds Advanced	A	2,450	1,660
Refund of Prior Year Tax Appeals	A-4	<u>349,405</u>	<u>-</u>
		<u>19,074,008</u>	<u>17,365,433</u>
Excess in Revenue/(Deficit)		(752,145)	1,266,084
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year	A-25, A26	<u>1,360,927</u>	<u>-</u>
Statutory Excess to Surplus		608,782	1,266,084
Fund Balance, January 1	A	<u>1,895,396</u>	<u>629,312</u>
		2,504,178	1,895,396
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>771,852</u>	<u>-</u>
Fund Balance, December 31	A	<u>\$ 1,732,326</u>	<u>\$ 1,895,396</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, 2014

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE UTILIZED	A-1	\$ 771,852	\$ 771,852	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	6,000	7,034	\$ 1,034
Other	A-11	10,000	14,886	4,886
Fees and Permits	A-11	7,000	5,535	(1,465)
Fines and Costs				
Municipal Court	A-11	48,000	44,447	(3,553)
Interest and Costs on Taxes	A-11	54,108	52,340	(1,768)
Interest on Investments and Deposits	A-2	10,000	23,724	13,724
Energy Receipts Tax	A-11	449,979	445,715	(4,264)
Trailer Camp Fees	A-11	65,000	64,860	(140)
Port Authority of NY in Lieu of Taxes	A-11	16,335	16,335	-
Cellular One Lease	A-11	41,663	38,263	(3,400)
Uniform Fire Safety Act - Local Fees	A-11	20,000	23,754	3,754
Uniform Construction Code Fees	A-11	75,000	94,113	19,113
Borough of Teterboro - Police Services	A-11	319,330	316,231	(3,099)
Uniform Fire Safety Act - LEA	A-11	55,000	66,489	11,489
Recycling Tonnage Grant	A-19	14,023	14,023	-
Clean Communities Program	A-19	753	753	-
Snowflake Grant	A-11	25,000	25,000	-
Community Disaster Loan - Award	A-11	720,000	720,000	-
FEMA - Hurricane Sandy	A-22	381,918	381,918	-
Total Miscellaneous Revenues	A-1	2,319,109	2,355,420	36,311
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8,A-9	250,000	291,134	41,134
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	6,431,199	6,248,135	(183,064)
Total General Revenues	A-3	\$ 9,772,160	9,666,541	\$ (105,619)
Non-Budget Revenue	A-1,A-2		64,197	
			<u>\$ 9,730,738</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, 2014

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 14,949,645
Less: Transfer to Reserve for Tax Appeals	A-20	<u>700,000</u>
Revenue from Collections	A-1	\$ 14,249,645
Less: Allocated to School and County Taxes	A-14,A-16	<u>9,056,510</u>
Balance for Support of Municipal Budget Appropriations		5,193,135
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,055,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,248,135</u>
ANALYSIS OF INTEREST ON INVESTMENTS		
Due from General Capital Fund	C-4	\$ 8,020
Due from Other Trust Fund - Escrow	B-2	1,495
Cash Receipts	A-11	<u>14,209</u>
	A-2	<u>\$ 23,724</u>
NON-BUDGET REVENUE		
Franchise Fee- Verizon		\$ 20,749
Franchise Fee- Time Warner		7,832
Prior Year Refunds		22,137
Prior Year Void Checks		5,342
Admin Fee- Due from State of New Jersey		465
Miscellaneous		<u>7,672</u>
	A-2,A-4	<u>\$ 64,197</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, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries & Wages	\$ 141,194	\$ 141,194	\$ 131,094	\$ 10,100		
Other Expenses	48,030	60,030	57,008	3,022		
Grant Consultant	18,000	20,000	19,440	560		
Mayor & Council						
Salaries & Wages	38,426	38,486	33,013	5,473		
Other Expenses	500	1,000	412	588		
Municipal Clerk						
Salaries & Wages	53,939	53,939	53,851	88		
Other Expenses	11,450	11,450	6,761	4,689		
Financial Administration						
Salaries & Wages	7,803	7,803	7,803			
Other Expenses	63,150	63,150	62,083	1,067		
Audit Services						
Annual Audit	30,000	30,000	30,000	-		
Revenue Administration						
Salaries & Wages	45,000	45,000	29,908	15,092		
Other Expenses	14,650	14,650	14,269	381		
Tax Assessment Administration						
Salaries & Wages	15,606	15,606	14,999	607		
Other Expenses	52,450	52,450	28,509	23,941		
Tax Appeals		850,000	838,328	11,672		
Legal Services & Costs						
Salaries & Wages	40,000	40,000	32,000	8,000		
Other Expenses	55,500	55,500	29,160	26,340		
Engineering Services & Costs						
Other Expenses	8,000	13,000	10,149	2,851		
LAND USE ADMINISTRATION						
Planning Board						
Salaries & Wages	2,738	2,738	2,637	101		
Other Expenses	7,350	7,350	5,808	1,542		
Zoning Board of Adjustment						
Salaries & Wages	2,080	2,080	1,978	102		
Other Expenses	4,280	4,280	721	3,559		
INSURANCE						
Unemployment Contribution	10,000	10,000	10,000			
Surety Bond Premium	1,000	1,000	4,885			\$ 3,885
Employee Group Health	1,188,974	1,114,724	982,659	132,065		
Health Benefit Waiver	23,000	23,000	13,033	9,967		
General Liability & Workers Compensation	321,831	300,731	287,584	13,147		
Police Department						
Salaries & Wages - Uniformed	1,950,000	1,950,000	1,906,576	43,424		
Salaries & Wages - Crossing Guards	60,489	60,489	56,580	3,909		
Other Expenses	64,650	69,650	66,249	3,401		

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, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
OPERATIONS - WITHIN "CAPS"						
PUBLIC SAFETY FUNCTIONS						
Police Dispatch/911						
Salaries & Wages	\$ 212,596	\$ 235,596	\$ 235,041	\$ 555		
Other Expenses	2,000	5,000	5,041			\$ 41
Emergency Management Services						
Salaries and Wages	4,246	4,346	4,330	16		
Other Expenses	2,500	2,500	1,104	1,396		
Municipal Court						
Salaries and Wages	102,459	102,459	72,994	29,465		
Other Expenses	6,400	6,400	5,406	994		
First Aid Organization						
Other Expenses-Contribution	17,000	17,000	17,000			
Other Expenses	9,000	11,000	8,240	2,760		
Fire Department						
Other Expenses	77,590	77,590	68,424	9,166		
Fire Hydrant Service	66,068	66,068	66,068	-		
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Fire Official						
Salaries & Wages	16,341	16,341	14,640	1,701		
Other Expenses	12,710	12,710	14,355			1,645
Life Hazard Use Fee Payments (P.L. 1983, C. 383)						
Salaries & Wages	35,845	35,845	17,410	18,435		
Other Expenses	3,360	3,360	2,555	805		
Municipal Prosecutor						
Salaries & Wages	6,732	6,732	5,695	1,037		
Occupational Safety and Health Act						
Hepatitis "B" Inoculations	2,850	2,850		2,850		
Fire Equipment	8,200	8,200	-	8,200		
First Aid Equipment	4,700	4,700		4,700		
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance						
Salaries & Wages	264,035	269,035	268,078	957		
Other Expenses	30,765	33,765	25,361	8,404		
Hurricane Sandy		505,000	194,814	310,186		
Solid Waste Collection						
Recycling-Salaries & Wages	30,996	30,936	30,936	-		
Recycling-Other Expenses	53,942	53,942	52,241	1,701		
Sanitation Contractual-Other Expenses	78,540	78,540	44,780	33,760		
Buildings and Grounds						
Other Expenses	49,450	65,450	64,725	725		
Vehicle Maintenance						
Other Expenses	119,119	136,119	125,196	10,923		

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, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
OPERATIONS - WITHIN "CAPS"						
HEALTH AND HUMAN SERVICES FUNCTIONS						
Public Health Services						
Salaries & Wages	\$ 3,550	\$ 3,600	\$ 3,581	\$ 19		
Other Expenses	37,330	37,330	26,759	10,571		
South Bergen Mental Health						
Other Expense-Contribution	1,200	1,200	1,200			
RECREATION & EDUCATION						
Recreation Services and Programs						
Salaries & Wages	39,290	39,290	32,580	6,710		
Other Expenses	21,480	21,480	19,405	2,075		
Community Affairs-Senior Citizens						
Salaries & Wages	6,400	6,400		6,400		
Other Expenses	8,900	10,100	10,132			\$ 32
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events, Anniversary or Holiday (RS 50:48-5.4)						
Other Expenses	15,200	15,200	11,009	4,191		
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)						
Construction Code Official						
Salaries & Wages	46,700	46,700	37,440	9,260		
Other Expenses	4,630	4,630	2,363	2,267		
Sub-Code Officials						
Building Inspector - Salaries & Wages	11,536	11,536	11,860			324
Plumbing Inspector - Salaries & Wages	6,176	6,176	5,202	974		
Electrical Inspector - Salaries & Wages	8,496	8,496	8,477	19		
Fire Protection Inspector - Salaries & Wages	6,393	6,393	6,242	151		
Property Maintenance Official						
Salaries & Wages	7,141	7,141	7,122	19		
Rent Monitoring Board						
Other Expenses	5,770	6,270	5,809	461		

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
OPERATIONS - WITHIN "CAPS"						
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 69,734	\$ 69,734	\$ 40,311	\$ 29,423		
Street Lighting	68,969	68,969	55,669	13,300		
Telephone	36,973	36,973	29,516	7,457		
Water	7,107	7,107	5,806	1,301		
Natural Gas	31,458	31,458	20,021	11,437		
Gasoline	86,678	86,678	75,070	11,608		
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill Tax - Tipping Fee	80,000	80,000	52,300	27,700	-	-
Total Operations Within "CAPS"	<u>6,108,645</u>	<u>7,463,645</u>	<u>6,549,805</u>	<u>919,767</u>	<u>-</u>	<u>\$ 5,927</u>
Contingent	1,000	1,000	-	1,000	-	-
Total Operations including Contingent Within "CAPS"	<u>6,109,645</u>	<u>7,464,645</u>	<u>6,549,805</u>	<u>920,767</u>	<u>-</u>	<u>5,927</u>
Detail:						
Salaries & Wages	3,189,207	3,217,357	3,045,100	172,581	-	324
Other Expenses (Including Contingent)	2,920,438	4,247,288	3,504,705	748,186	-	5,603
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures						
Social Security System (O.A.S.I.)	250,225	250,225	243,693	6,532		
Police and Firemen's Retirement System	423,924	423,924	423,924			
Public Employees Retirement System	115,749	115,749	115,749	-	-	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>789,898</u>	<u>789,898</u>	<u>783,366</u>	<u>6,532</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>6,899,543</u>	<u>8,254,543</u>	<u>7,333,171</u>	<u>927,299</u>	<u>-</u>	<u>5,927</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, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
PUBLIC SAFETY FUNCTIONS						
Fire Department						
LOSAP	\$ 46,042	\$ 46,042	\$ 46,042			
First Aid						
LOSAP	36,087	36,087	36,087			
INSURANCE						
Employee Group Health	20,439	20,439	-	\$ 20,439		
OTHER COMMON OPERATING FUNCTIONS						
HMDC-Tax Sharing	412,084	412,084	-		\$ 412,084	
LANDFILL/SOLID WASTE DISPOSAL						
Recycling Tax	3,652	3,652	2,516	1,136		
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
PUBLIC SAFETY FUNCTIONS						
"911" Telecommunication Agreement	2,000	2,000		2,000		
Shooting Range Agreement - Wood-Ridge	2,700	2,700	2,550	150		
Borough of Teterboro-Police Salaries and Wags	319,330	319,330	319,330	-	-	-
Total Other Operations Excluded from "CAPS"	842,334	842,334	406,525	23,725	412,084	-
PUBLIC AND PRIVATE OFFSET BY						
REVENUES						
Recycling Tonnage Grant	14,023	14,023	10,873	3,150		
Clean Communities Program	753	753	-	753		
Snowflake Grant	25,000	25,000	25,000	-	-	-
Total Public and Private Programs Offset by Revenues	39,776	39,776	35,873	3,903	-	-
Total Operations - Excluded from "CAPS"	882,110	882,110	442,398	27,628	412,084	-
Detail:						
Salaries & Wages	319,330	319,330	319,330	-	-	-
Other Expenses	562,780	562,780	123,068	27,628	412,084	-

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, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 365,000	\$ 365,000	\$ 365,000			
Payment of Bond Anticipation Notes and Capital Notes	90,433	90,433	90,433			
Interest on Bonds	60,156	60,156	60,156			
Interest on Notes	32,000	32,000	31,640	-	\$ 360	-
Total Municipal Debt Service - Excluded from "CAPS"	547,589	547,589	547,229	-	360	-
DEFERRED CHARGES						
Emergency - Superstorm Sandy - DLGS Approved	381,918	381,918	381,918	-	-	-
Special Emergency						
Total Deferred Charges	381,918	381,918	381,918	-	-	-
Judgements	6,000	6,000	6,000	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,817,617	1,817,617	1,377,545	\$ 27,628	412,444	-
Subtotal General Appropriations	8,717,160	10,072,160	8,710,716	954,927	412,444	\$ 5,927
Reserve for Uncollected Taxes	1,055,000	1,055,000	1,055,000	-	-	-
Total General Appropriations	\$ 9,772,160	\$ 11,127,160	\$ 9,765,716	\$ 954,927	\$ 412,444	\$ 5,927
Reference	A-2			A		A-26

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Appropriations</u> Budget After Modification	<u>Expended</u> Paid or Charged
Budget as Adopted	A-3	\$ 9,772,160	
Emergency Appropriation- Hurricane Sandy	A-25	505,000	
Emergency Appropriation- Tax Appeal	A-26	<u>850,000</u>	
		<u>\$ 11,127,160</u>	
 Cash Disbursed	 A-4		 \$ 8,087,552
Encumbrances Payable	A-13		241,246
Deferred Charges- Special Emergency Sandy	A-25		381,918
Reserve for Uncollected Taxes	A-2		<u>1,055,000</u>
			<u>\$ 9,765,716</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 8,845	\$ 7,942
OTHER TRUST FUND			
Cash	B-1	400,244	223,987
Due from Vendor- Police Outside Duty	B-14	279,105	87,937
		<u>679,349</u>	<u>311,924</u>
UNEMPLOYMENT TRUST FUND			
Cash	B-1	52,610	63,868
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	465,499	383,394
Contribution Receivable	B	38,136	-
		<u>503,635</u>	<u>383,394</u>
Total Assets		<u>\$ 1,244,439</u>	<u>\$ 767,128</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-8	\$ 5,196	\$ 4,241
Due to State of New Jersey	B-6	41	41
Reserve for Animal Control Expenditures	B-7	3,608	3,660
		<u>8,845</u>	<u>7,942</u>
OTHER TRUST FUND			
Escrow Deposits	B-5	38,900	33,606
Reserve for Miscellaneous Deposits	B-4	624,523	262,031
Reserve for Payroll Salaries and Deductions Payable	B-10	8,601	10,457
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	12	12
Due to Current Fund- Escrow	B-2	1,686	191
		<u>679,349</u>	<u>311,924</u>
UNEMPLOYMENT TRUST FUND			
Due to State of New Jersey	B-11	1,089	10,735
Reserve for Unemployment Insurance	B-9	51,521	53,133
		<u>52,610</u>	<u>63,868</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	503,635	383,394
Total Liabilities and Reserves		<u>\$ 1,244,439</u>	<u>\$ 767,128</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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	C-2, C-3	\$ 2,850,640	\$ 3,344,449
Grant and Other Receivables	C-12	786,036	546,948
Due from Current Fund	C-4	92,325	100,345
Deferred Charges to Future Taxation			
Funded	C-5	1,751,000	2,116,000
Unfunded	C-6	<u>7,894,626</u>	<u>7,047,070</u>
Total Assets		<u>\$ 13,374,627</u>	<u>\$ 13,154,812</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-10	\$ 1,751,000	\$ 2,116,000
Bond Anticipation Notes Payable	C-11	3,452,350	3,542,783
Contracts Payable	C-8	281,585	222,725
Due to Sewer Utility Capital Fund	C-9	9,079	9,079
Improvement Authorization			
Funded	C-7	585,960	604,260
Unfunded	C-7	6,674,812	5,902,937
Reserve for Payment of DPW Building	C-15	272,484	272,484
Reserve for Preliminary Costs	C-14	2,095	2,095
Capital Improvement Fund	C-13	117,518	172,425
Reserve for Federal and State Grant Receivables	C-12	175,135	280,393
Fund Balance	C-1	<u>52,609</u>	<u>29,631</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 13,374,627</u>	<u>\$ 13,154,812</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$4,442,276 and \$3,504,287, respectively (Exhibit C-16).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ 29,631	\$ 29,631
Increased by:			
Premium on Sale of Notes	C-2	<u>22,978</u>	<u>-</u>
Balance, December 31	C	<u>\$ 52,609</u>	<u>\$ 29,631</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	D-5	\$ 1,152,415	\$ 611,536
Due from Sewer Utility Capital Fund	D-14	<u>8,816</u>	<u>6,110</u>
		<u>1,161,231</u>	<u>617,646</u>
Receivables With Full Reserves			
Sewer Utility Rents Receivable	D-7	<u>447,802</u>	<u>330,076</u>
Deferred Charges:			
Over-Expenditure- Budget Appropriations	D-27	<u>5,520</u>	<u>1,469</u>
		<u>5,520</u>	<u>1,469</u>
Total Assets		<u>\$ 1,614,553</u>	<u>\$ 949,191</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	D-3,D-12	\$ 34,506	\$ 161,909
Prepaid Rents	D-24		76
Sewer Overpayments	D-25		1,112
Encumbrances Payable	D-9	7,363	20,258
Miscellaneous Reserves - Terminal Leave	D-20	152,665	162,000
Due to Lien Holder	D-11	292	292
Accrued Interest	D-23	<u>3,334</u>	<u>4,628</u>
		198,160	350,275
Reserve for Receivables	D	447,802	330,076
Fund Balance	D-1	<u>968,591</u>	<u>268,840</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,614,553</u>	<u>\$ 949,191</u>

**BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	D-5,D-6	\$ 939,160	\$ 1,280,980
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	2,235,546
Fixed Capital Authorized and Uncompleted	D-18	<u>2,493,310</u>	<u>2,521,810</u>
Total Assets		<u>\$ 6,078,605</u>	<u>\$ 6,058,925</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Due to Sewer Utility Operating Fund	D-14	\$ 8,816	\$ 6,110
Encumbrances Payable	D-10	614,191	450,012
Bonds Payable	D-26	370,000	415,000
Bond Anticipation Notes Payable	D-22	1,201,918	1,020,000
Improvement Authorization			
Funded	D-17	184,868	184,998
Unfunded	D-17	391,271	728,338
Reserve for Grants Receivable	D-8	11,510	11,510
Reserve for Amortization	D-16	2,589,343	2,254,088
Reserve for Deferred Amortization	D-19	571,666	843,845
Capital Improvement Fund	D-15	113,369	131,445
Fund Balance	D-2	<u>21,653</u>	<u>13,579</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,078,605</u>	<u>\$ 6,058,925</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$385,929 and \$224,423, respectively (Exhibit D-21).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME			
Surplus Anticipated	D-3	\$ 203,852	\$ 393,021
Rents	D-3	2,042,582	1,297,095
Non-Budget Revenue	D-3	10,421	7,192
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-12	<u>147,695</u>	<u>16,968</u>
		<u>2,404,550</u>	<u>1,714,276</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	1,412,421	1,369,171
Deferred Charges and Statutory Expenditures	D-4	32,969	133,034
Debt Service	D-4	<u>61,077</u>	<u>55,449</u>
		<u>1,506,467</u>	<u>1,557,654</u>
Excess/(Deficit) in Revenue		898,083	156,622
Adjustment to Income before Surplus:			
Expenditures included above which are by Statute Deferred			
Charges to budget of Succeeding Year	D-4,D-27	<u>5,520</u>	<u>1,469</u>
Statutory Excess to Surplus		903,603	158,091
Fund Balance, January 1	D	<u>268,840</u>	<u>503,770</u>
		1,172,443	661,861
Decreased by:			
Utilized in Sewer Operating Budget	D-1	<u>203,852</u>	<u>393,021</u>
Fund Balance, December 31	D	<u>\$ 968,591</u>	<u>\$ 268,840</u>

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1, 2013	D	\$ 13,579	\$ 13,579
Increased by:			
Premium on Sale of Notes	D-5	<u>8,074</u>	<u>-</u>
Balance, December 31, 2013	D	<u>\$ 21,653</u>	<u>\$ 13,579</u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 203,852	\$ 203,852	
Rents	D-1,D-7	<u>1,297,095</u>	<u>2,042,582</u>	<u>\$ 745,487</u>
	D-4	<u>\$ 1,500,947</u>	2,246,434	<u>\$ 745,487</u>
Non-Budget Revenue	D-1,D-3		<u>10,421</u>	
			<u>\$ 2,256,855</u>	
ANALYSIS OF NON-BUDGET REVENUE				
Due from Sewer Capital Fund	D-14		\$ 2,706	
Cash Receipts	D-5		<u>7,715</u>	
	D-3		<u>\$ 10,421</u>	

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 436,084	\$ 405,440	\$ 30,644		
Other Expenses	273,932	323,932	329,452			\$ 5,520
Bergen County Utilities Authority	646,885	646,885	646,885			
DEFERRED CHARGES AND AND STATUTORY EXPENDITURES						
Overexpenditure of Appropriations	1,469	1,469	1,469			
Social Security System (O.A.S.I.)	31,500	31,500	27,638	3,862		
DEBT SERVICE						
Payment of Bond Principal	45,000	45,000	45,000			
Interest on Bonds	8,088	8,088	8,088			
Interest on Notes	<u>7,989</u>	<u>7,989</u>	<u>7,989</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,500,947</u>	<u>\$ 1,500,947</u>	<u>\$ 1,471,961</u>	<u>\$ 34,506</u>	<u>\$ -</u>	<u>\$ 5,520</u>
Reference	D-3			D		D-27
	<u>Reference</u>					
Budget as Adopted	D-3	<u>\$ 1,500,947</u>				
Disbursed	D-5		\$ 1,447,052			
Encumbrances Payable	D-9		7,363			
Deferred Charge- Overexpenditure	D-27		1,469			
Accrued Interest	D-23		<u>16,077</u>			
			<u>\$ 1,471,961</u>			

See Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	E-1	<u>\$ 9,384</u>	<u>\$ 9,360</u>
LIABILITIES AND RESERVES			
Reserve for Public Assistance Expenditures	E-2	<u>\$ 9,384</u>	<u>\$ 9,360</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 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.

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.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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. 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.

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 have been made to the December 31, 2013 balances to conform to the December 31, 2014 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.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on 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.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 charges 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.

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.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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. However, due to Super Storm Sandy on October 29, 2012, the majority of the Borough's assets have been destroyed. The Borough has not completed a fixed asset inventory after this storm to determine the value of their fixed assets and therefore, the fixed asset account group has been omitted from the financial statements.

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.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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 2014 the Borough Council increased the original Current Fund budget by \$1,355,000. The 2013 Current Fund budget was not increased. 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 2014 and 2013.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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>2014</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Over- Expenditure</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)
 <u>2013</u>			
Sewer Utility Operating Fund			
Interest on Notes	\$ -	\$ 1,469	\$ (1,469)

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 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. 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, 2014 AND 2013

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

A. 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, 2014 and 2013, the book value of the Borough's deposits were \$11,089,959 and \$11,036,934 and bank and brokerage firm balances of the Borough's deposits amounted to \$11,590,010 and \$11,286,513, 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>2014</u>	<u>2013</u>
Insured	\$ <u>11,590,010</u>	\$ <u>11,286,513</u>

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, 2014 and 2013, 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, 2014 and 2013, the Borough had the following investments:

	<u>Fair Value</u>
<u>2014</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	\$ <u>465,499</u>
<u>2013</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	\$ <u>383,394</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3 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, 2014 and 2013, \$465,499 and \$383,394 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</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>\$ 465,499</u>
<u>2013</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	<u>\$ 383,394</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, 2014 and 2013, 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, 2014 AND 2013

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

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 \$314,196 from delinquent taxes and utility charges and fees, which represented 93% and 95% of the delinquent tax and sewer charges receivable at December 31, 2013.

Receivables at December 31, 2013 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
<u>2013</u>			
Property Taxes	\$ 313,926		\$ 313,926
Tax Title Liens	314,607		314,607
Utility Charges and Fees	<u>-</u>	<u>\$ 330,076</u>	<u>330,076</u>
	<u>\$ 628,533</u>	<u>\$ 330,076</u>	<u>\$ 958,609</u>

In 2013, the Borough collected \$343,516 and \$98,475 from delinquent taxes and utility charges and fees, which represented 98% and 79% of the delinquent tax and sewer charges receivable at December 31, 2012.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>		<u>2013</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 12,521	\$ 92,325	\$ 10,071	\$ 100,345
Trust Fund:				
Animal Control Fund		5,196		4,241
Other Trust Fund- Police O/S Duty		3,750		3,750
Other Trust Fund- Flexible Spend		1,877		1,877
Other Trust Fund - Escrow		1,686		191
Other Trust Fund - Payroll		12		12
General Capital Fund	92,325	9,079	100,345	9,079
Sewer Utility Operating Fund	8,816		6,110	
Sewer Utility Capital Fund	<u>9,079</u>	<u>8,816</u>	<u>9,079</u>	<u>6,110</u>
Total	<u>\$ 122,741</u>	<u>\$ 122,741</u>	<u>\$ 125,605</u>	<u>\$ 125,605</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, 2014 AND 2013

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:

2014

Current Fund

Special Emergency Authorization

Emergency Authorization- Tax Appeals

Over-Expenditure of Budget Appropriation

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
\$	850,732	\$ 726,034	\$ 124,698
	850,000	170,000	680,000
	5,927	5,927	-
	<u>1,706,659</u>	<u>901,961</u>	<u>804,698</u>

2013

Current Fund

Emergency Authorization- Super-Storm Sandy

	Balance December 31,	Subsequent Year Budget Appropriation	Balance Converted to Special Emergency
\$	727,650	\$ 381,918	\$ 345,732
	<u>727,650</u>	<u>381,918</u>	<u>345,732</u>

2014

Sewer Utility Operating Fund

Over-Expenditures of Budget Appropriation

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
\$	5,520	\$ 5,520	\$ -
	<u>5,520</u>	<u>5,520</u>	<u>-</u>

2013

Sewer Utility Operating Fund

Over-Expenditure of Budget Appropriation

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
\$	1,469	\$ 1,469	\$ -
	<u>1,469</u>	<u>1,469</u>	<u>-</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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.

	<u>2014</u> Local District School	<u>2013</u> Local District School
Balance of Tax Deferred	\$ 3,521,968 <u>3,103,810</u>	\$ 3,614,538 <u>3,103,810</u>
Taxes Payable	<u>\$ 418,158</u>	<u>\$ 510,728</u>

NOTE 8 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund 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:

	2014		2013	
	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	\$ 1,715,488	\$ 829,105	\$ 1,884,306	\$ 771,852
Non-Cash Surplus	<u>16,838</u>	<u>-</u>	<u>11,090</u>	<u>-</u>
	<u>\$ 1,732,326</u>	<u>\$ 829,105</u>	<u>\$ 1,895,396</u>	<u>\$ 771,852</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 963,071	\$ 144,607	\$ 267,371	\$ 203,852
Non-Cash Surplus	<u>5,520</u>	<u>-</u>	<u>1,469</u>	<u>-</u>
	<u>\$ 968,591</u>	<u>\$ 144,607</u>	<u>\$ 268,840</u>	<u>\$ 203,852</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 FIXED ASSETS

A. General Fixed Assets

The Borough's fixed assets were severely damaged during Super Storm Sandy. The value of their fixed assets was undeterminable at December 31, 2014 and 2013, therefore they have been omitted from the financial statements. The opinion on the financial statements has been qualified for the omission of the fixed asset account group.

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, 2014 and 2013.

	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	<u>\$ 2,235,546</u>	<u>\$ 390,000</u>	<u>-</u>	<u>\$ 2,625,546</u>
	<u>\$ 2,235,546</u>	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ 2,625,546</u>
	Balance January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
System and System Improvements and Vehicles and Equipment	<u>\$ 2,235,546</u>	<u>-</u>	<u>-</u>	<u>\$ 2,235,546</u>
	<u>\$ 2,235,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,235,546</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</u>
Issued		
General		
Bonds, Notes and Loans	\$ 5,203,350	\$ 5,658,783
Sewer Utility		
Bonds, Notes and Loans	1,571,918	1,435,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>-</u>	<u>-</u>
Net Debt Issued	<u>6,775,268</u>	<u>7,093,783</u>
Authorized But Not Issued		
General		
Bonds and Notes	4,442,276	3,504,287
Sewer Utility		
Bonds and Notes	<u>385,929</u>	<u>224,423</u>
	<u>4,828,205</u>	<u>3,728,710</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 11,603,473</u>	<u>\$ 10,822,493</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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 1.210% and 1.152% at December 31, 2014 and 2013, respectively.

	<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>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 9,163,070		\$ 9,163,070
School Debt	310,000	\$ 310,000	
Utility Debt	<u>1,659,423</u>	<u>1,659,423</u>	<u>-</u>
Total	<u>\$ 11,132,493</u>	<u>\$ 1,969,423</u>	<u>\$ 9,163,070</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>2014</u>	<u>2013</u>
3% of Equalized Valuation Basis (Municipal)	\$ 23,924,288	\$ 23,865,283
Less: Net Debt	<u>9,645,626</u>	<u>9,163,070</u>
Remaining Borrowing Power	<u>\$ 14,278,662</u>	<u>\$ 14,702,213</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</u>
\$3,011,000, 2004 Bonds, due in annual installments of \$300,000 to \$326,000 through October, 2017, interest at 3.50% through 3.60%	\$ 936,000	\$ 1,226,000
 \$965,000, 2012 Bonds, due in annual installments of \$125,000 to \$150,000 through August, 2020, interest at 2.00%	 <u>815,000</u>	 <u>890,000</u>
	<u>\$ 1,751,000</u>	<u>\$ 2,116,000</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>2014</u>	<u>2013</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%	\$ 370,000	\$ 415,000
	<u>\$ 370,000</u>	<u>\$ 415,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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, 2014 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>	
2015	\$ 425,000	\$ 49,086	\$ 45,000	\$ 7,525	\$ 526,611
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
2020-2022	<u>150,000</u>	<u>3,000</u>	<u>145,000</u>	<u>6,275</u>	<u>304,275</u>
	<u>\$ 1,751,000</u>	<u>\$ 126,206</u>	<u>\$ 370,000</u>	<u>\$ 34,900</u>	<u>\$ 2,282,106</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2014 and 2013 were as follows:

	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	<u>\$ 2,116,000</u>	<u>\$ -</u>	<u>\$ 365,000</u>	<u>\$ 1,751,000</u>	<u>\$ 425,000</u>
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, 2014 AND 2013

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within One Year
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 2,466,000	\$ -	\$ 350,000	\$ 2,116,000	\$ 365,000
General Capital Fund Long-Term					
Liabilities	<u>\$ 2,466,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 2,116,000</u>	<u>\$ 365,000</u>
Sewer Utility Capital Fund					
Bonds Payable	<u>460,000</u>	<u>\$ -</u>	<u>45,000</u>	<u>\$ 415,000</u>	<u>\$ 45,000</u>
Sewer Utility Capital Fund Long-Term					
Liabilities	<u>\$ 460,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 415,000</u>	<u>\$ 45,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

Bond Anticipation Notes

	Rate	Maturity	Balance, January 1, <u>2014</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2014</u>
<u>2014</u>	<u>(%)</u>	<u>Date</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>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

	Rate	Maturity	Balance, January 1, <u>2013</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2013</u>
<u>2013</u>	(%)	<u>Date</u>				
<u>General Capital Fund</u>						
<u>Purpose</u>						
Tax Appeal Refunding	1.25%	7/31/2013 - 7/31/2014	\$ 182,433	\$ 90,433	\$ 182,433	\$ 90,433
Hurricane Sandy Improvements	0.73%	10/21/2014	-	3,452,350	-	3,452,350
General Capital Bond Anticipation Notes Payable			<u>\$ 182,433</u>	<u>\$ 3,542,783</u>	<u>\$ 182,433</u>	<u>\$ 3,542,783</u>
<u>Sewer Utility Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	0.73%	10/21/2014	-	\$ 1,020,000	-	\$ 1,020,000
Sewer Utility Capital Bond Anticipation Notes Payable			<u>-</u>	<u>\$ 1,020,000</u>	<u>-</u>	<u>\$ 1,020,000</u>
Total Bond Anticipation Notes Payable			<u>\$ 182,433</u>	<u>\$ 4,562,783</u>	<u>\$ 182,433</u>	<u>\$ 4,562,783</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, 2014 AND 2013**

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 2014 and 2013 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.

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

<u>2013</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2013</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance</u> <u>December 31,</u> <u>2013</u>
<u>Purpose</u>						
Hurricane Sandy	0.82%	10/21/2013	\$ 6,000,000	-	\$ 6,000,000	-
Total Emergency Notes			\$ 6,000,000	\$ -	\$ 6,000,000	\$ -

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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.

<u>2014</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2014</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
<u>Purpose</u>						
Hurricane Sandy	.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

<u>2013</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2013</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance</u> <u>December 31,</u> <u>2013</u>
Hurricane Sandy	0.73%	10/21/2014	-	\$ 727,650	-	\$ 727,650
Total Special Emergency Notes			\$ -	\$ 727,650	\$ -	\$ 727,650

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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>
2014			
	Acquisition of Elgin Street Sweeper and Jet Vac	\$ 613,266	12/31/2015
2013			
	Fire Department Buildin Rehabilitation	\$ 132,865	12/31/2014
	Moonachie Ave Sanitary Sewer Replacement Phase III and IV	111,712	12/31/2014
	Lincoln Plan Stormwater Pump Station	337,375	12/31/2014

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 \$666,478 and \$698,634 at December 31, 2014 and 2013, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2014 and 2013, the Borough has reserved in the Current Fund \$339,146 and \$360,344, respectively, and in the Sewer Utility Operating Fund \$152,665 and \$162,000, respectively.

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. As of the date of the audit, it has not been determined if this award will result in a loan payable or if all, or a portion of this loan payable balance will be eligible for forgiveness.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 12 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

The Borough's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
<u>2014</u>				
Community Disaster Loan	\$ 1,488,020	\$ 720,000		\$ 2,208,020
Compensated Absences	698,634	39,478	\$ 71,634	666,478
Other Long Term Liabilities	<u>\$ 2,186,654</u>	<u>\$ 759,478</u>	<u>\$ 71,634</u>	<u>\$ 2,874,498</u>
	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
<u>2013</u>				
Community Disaster Loan		\$ 1,488,020		\$ 1,488,020
Compensated Absences	\$ 641,991	56,643	-	698,634
Other Long Term Liabilities	<u>\$ 641,991</u>	<u>\$ 1,544,663</u>	<u>\$ -</u>	<u>\$ 2,186,654</u>

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 June 30, 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.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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.

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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation (Continued)

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress (Continued)

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, 2012 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 of 4.22 percent for PERS and 6.01 percent for PFRS.

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 6.50% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

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 June 30, 2014 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, 2014, 2013 and 2012, 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>
2014	\$ 423,924	\$ 115,749
2013	458,140	125,211
2012	426,915	125,969

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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.

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. 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>
2014	\$ 10,000	\$ 11,777	\$ 51,521
2013	10,000	19,312	53,133
2012	10,000	-	62,277

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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, 2014 and 2013. 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, 2014 and 2013, the Borough reserved \$700,000 and \$960,191, 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, the reserve for tax appeals from fund balance, or a tax appeals refunding bond ordinance.

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, 2014 and 2013, 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, 2014 and 2013, 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, 2014 AND 2013**

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

The Borough of Moonachie has contributed \$1,271 and \$1,248 for 2014 and 2013, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,271 and \$1,248 for 2014 and 2013, respectively for each eligible volunteer first aid squad members into the Plan.

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 non-exchange 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, 2014. As of December 31, 2014, the Borough has received \$433,684 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

NOTE 19 SUBSEQUENT EVENTS

Debt Authorized

On June 25, 2015 the Borough adopted a Tax Appeal Refunding Bond Ordinance authorizing the issuance of \$875,000 in Bonds or Bond Anticipation Notes to fund tax appeals. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

CURRENT FUND

BOROUGH OF MOONACHIE
STATEMENT OF CURRENT CASH - TREASURER

Balance, January 1, 2014		\$ 5,494,512
Increased by Receipts		
Taxes Receivable	\$ 14,624,575	
Receipts from Delinquent Taxes	291,134	
Non-Budget Revenue	64,197	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	23,429	
Revenue Accounts Receivable	1,949,211	
Due to State of New Jersey	6,475	
Prepaid Taxes	353,863	
Tax Overpayments	78	
Reserve for Federal and State Grants - Unappropriated	37,736	
Reserve for Hurricane Sandy Reimbursements	748,448	
Emergency Note Payable	1,700,732	
Petty Cash Returned	100	
		<u>19,799,978</u>
		25,294,490
Decreased by Disbursements:		
2014 Budget Appropriations	8,087,552	
2013 Appropriation Reserves	318,151	
County Taxes Payable	1,996,754	
Local School District Taxes Payable	7,152,113	
Due to State of New Jersey	5,015	
Miscellaneous Reserves	981,389	
Prior Year Tax Appeals	349,405	
Special Emergency Note Payable	727,650	
Petty Cash Advance	100	
		<u>19,618,129</u>
Balance, December 31, 2014		<u>\$ 5,676,361</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2014</u>	Balance, December 31, <u>2014</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, 2014	\$ 2,906
Increased by:	
Senior Citizens' Deductions Per Tax Duplicate	\$ 6,250
Veterans' Deductions Per Tax Duplicate	<u>17,000</u>
	<u>23,250</u>
	26,156
Decreased by:	
Cash Received from State of New Jersey	23,250
Cash Receipts	<u>179</u>
	<u>23,429</u>
Balance, December 31, 2014	<u>\$ 2,727</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>2014</u>	<u>2014</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>2014</u>
2013	\$ 313,926					\$ 291,134				\$ 22,792
2014	-	\$ 15,490,603	\$ 6,989	\$ -	\$ 301,820	14,624,575	\$ 23,250	\$ 274,311	\$ 50,817	222,819
	<u>\$ 313,926</u>	<u>\$ 15,490,603</u>	<u>\$ 6,989</u>	<u>\$ -</u>	<u>\$ 301,820</u>	<u>\$ 14,915,709</u>	<u>\$ 23,250</u>	<u>\$ 274,311</u>	<u>\$ 50,817</u>	<u>\$ 245,611</u>

Analysis of 2014 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 15,490,603
Added Taxes (54:4-63.1 et seq.)	<u>6,989</u>
	<u>\$ 15,497,592</u>

Tax Levy

Local District School Tax (Abstract)	\$ 7,059,543
County Taxes	
County Taxes (Abstract)	\$ 1,974,463
County Open Space	21,599
Due County for Added Taxes (54:63.1 et seq.)	<u>905</u>
	<u>\$ 1,996,967</u>

Local Tax for Municipal Purposes
Add Additional Tax Levied

6,431,199
<u>9,883</u>
<u>6,441,082</u>
<u>\$ 15,497,592</u>

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

Balance, January 1, 2014	\$ 314,607
Increased by:	
Transfer from Taxes Receivable - 2014	<u>50,817</u>
Balance, December 31, 2014	<u>\$ 365,424</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, January 1, 2014	<u>\$ 2,850</u>
Balance, December 31, 2014	<u>\$ 2,850</u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2014</u>	Accrued in <u>2014</u>	Collected in 2014 <u>Treasurer</u>	Balance, December 31, <u>2014</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 7,034	\$ 7,034	
Other		14,886	14,886	
Construction Code Official				
Fees and Permits		94,113	94,113	
Borough Clerk				
Fees and Permits		5,535	5,535	
Municipal Court				
Fines and Costs	\$ 5,832	38,615	44,447	
Uniform Fire Safety Act - LEA		66,489	66,489	
Uniform Fire Safety Act - Local Fees		23,754	23,754	
Interest and Costs on Taxes		52,340	52,340	
Interest on Investments		14,209	14,209	
Energy Receipts Tax		445,715	445,715	
Snowflake Grant		25,000	25,000	
CDL Award		720,000	720,000	
Interboro Services - Borough of Teterboro				
Police Services		316,231	316,231	
Trailer Camp Fees		64,860	64,860	-
Port Authority of NY in Lieu of Taxes		16,335	16,335	
Cellular One Lease	-	38,263	38,263	-
	<u>\$ 5,832</u>	<u>\$ 1,943,379</u>	<u>\$ 1,949,211</u>	<u>\$ -</u>

BOROUGH OF MOONACHIE
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance, January 1, <u>2014</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transferred to Appropriated <u>Reserves</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 4,119	\$ 5,153			\$ 5,153
Mayor & Council	5,006	5,006			5,006
Revenue Administration	1,351	1,351			1,351
Tax Assessment	301	301			301
Legal Services	6,400	7,417			7,417
Planning Board	100	100			100
Zoning Board	100	100			100
Police	2,916				
Crossing Guards	4,367				
Police- Dispatch 911	1,687	1,687			1,687
Emergency Management Services	918	918			918
Municipal Court	2,506	2,506			2,506
Fire Official	1,419	1,419			1,419
Life Hazard Use Fee Payments	4,442	4,442			4,442
Streets & Roads	37,037	37,040			37,040
Public Health Services	1,065	1,065			1,065
Parks & Recreation	3,663	3,663			3,663
Sub-Code Officials-					
Building Inspector	472				
Plumbing Inspector	955				
Electrical Inspector	18				
Property Maintenance Official	19				
Community Affairs-Senior Citizens	7,574	7,182			7,182
Construction Code Official	10,121	10,923	\$ 741		10,182
Fire Protection Inspector	148				
Municipal Prosecutor	1,017				
Health Benefit Waiver	28,183				
Other Expenses					
General Administration		15,935	17,240		(1,305)
Mayor & Council	34	664	131		533
Municipal Clerk	4,596	3,793	1,251		2,542
Financial Administration	5,989	48,737	48,645		92
Audit Services	50				
Revenue Administration	4,644	4,662	1,120		3,542
Tax Assessment Administration	26,238	26,238	8,865		17,373
Legal Services & Costs	14,560	18,040	8,020		10,020
Engineering Services Cost	1,833	1,833	690		1,143
Planning Board	2,116	2,116			2,116
Zoning Board of Adjustment	4,965	5,205	187		5,018
Vehicle Maintenance	10,355	21,667	18,151		3,516
Aid to Volunteer Fire Companies		8,609	3,768		4,841
Fire Official	2,619	2,719	1,882		837
Life Hazard Use Fees	3,360	7,802	3,784		4,018
Police Department	10,296	5,668			5,668
Police Dispatch - 911	313	313			313

**BOROUGH OF MOONACHIE
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, January 1, 2014	Budget After Modification	Expended	Transferred to Appropriated Reserves	Balance Lapsed
Other Expenses (Continued)					
Emergency Management Services	\$ 1,665	\$ 1,665			\$ 1,665
Streets & Roads	16,555	20,093	\$ 5,221		14,872
Recycling	9,074	32,036	13,514		18,522
Solid Waste Collection - Contractual	15,677	21,566			21,566
Public Health	10,462	11,987	740		11,247
OSHA Training		7,357	2,242		5,115
Hepatitis "B" Inoculations	2,850	2,850			2,850
Building & Grounds	5,759	6,938	4,104		2,834
Recreation	8,784	9,176	100		9,076
Construction Code Official	1,696	1,987	724		1,263
Celebration of Public Events	2,348	2,348	286		2,062
Rent Monitoring Board	695	695	18		677
Electricity	29,597	49,622	20,025		29,597
Street Lighting	9,482	38,179	28,697		9,482
Telephone	6,385	6,385			6,385
Water	2,379	2,558	549		2,009
Natural Gas	9,345	16,857	7,512		9,345
Gasoline	8,692	8,692			8,692
Sanitary Landfill Tax - Tipping Fee	9,064	23,531	15,048		8,483
Recycling Tax	687	1,293	714		579
Social Security System (O.A.S.I.)	3,839	3,839			3,839
Contingent	1,000	1,000			1,000
Municipal Court	2,954	3,082	811		2,271
Employee Group Health	184,200	200,096			200,096
General Liability & Workers Compensation	4,220	6,783	5,350		1,433
Fire Equipment	7,357				
Fire Department- LOSAP		46,042	31,279		14,763
Fire Clothing		6,119			6,119
Fire Hydrant Service	135	135	135		
First Aid Organization- LOSAP		36,087	36,087		
Fire Department	13,358				
First Aid Organization	6,899	8,609	3,768		4,841
Aid to Volunteer Ambulance Companies		8,672	1,772		6,900
Municipal Alliance - County Share	5,021	5,958	350	\$ 5,608	
Municipal Alliance - Local Match	779				
"911" Telecommunications Agreement	2,000	2,000			2,000
Shooting Range Agreement- Wood-Ridge	150	150			150
Confiscated Funds	7,500	7,500		7,500	
Recycling Tonnage Grant	25,421	25,421	24,596	825	
Clean Communities Program	837	837	34	803	-
	<u>\$ 634,738</u>	<u>\$ 892,419</u>	<u>\$ 318,151</u>	<u>\$ 14,736</u>	<u>\$ 559,532</u>
Encumbrances - Prior Year		\$ 257,681			
Appropriation Reserves		<u>634,738</u>			
		<u>\$ 892,419</u>			
Cash Disbursed			<u>\$ 318,151</u>		

**BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2014	\$ 257,681
Increased by:	
Charges to 2014 Budget Appropriations	<u>241,246</u>
	498,927
Decreased by:	
Transfer to 2013 Appropriation Reserves	<u>257,681</u>
Balance, December 31, 2014	<u>\$ 241,246</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2014	\$ 22,005
Increased by:	
2014 Tax Levy	\$ 1,974,463
County Open Space Preservation	21,599
Added and Omitted Taxes	<u>905</u>
	<u>1,996,967</u>
	2,018,972
Decreased by:	
Payments	<u>1,996,754</u>
Balance, December 31, 2014	<u>\$ 22,218</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO STATE OF NEW JERSEY**

	Increase by Fees <u>Collected</u>	Decrease by <u>Payments</u>	Balance, December 31, <u>2014</u>
DCA Training Fees	\$ 5,701	\$ 4,316	\$ 1,385
Marriage License	750	675	75
Liquor License	<u>24</u>	<u>24</u>	<u>-</u>
	<u>\$ 6,475</u>	<u>\$ 5,015</u>	<u>\$ 1,460</u>

EXHIBIT A-16

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Balance, January 1, 2014		
School Tax Deferred	\$ 3,103,810	
School Tax Payable	<u>510,728</u>	
		\$ 3,614,538
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015		<u>7,059,543</u>
		10,674,081
Decreased by:		
Payments		<u>7,152,113</u>
Balance, December 31, 2014		
School Tax Deferred	3,103,810	
School Tax Payable	<u>418,158</u>	
		<u>\$ 3,521,968</u>
2014 Liability for Local School Tax		
Tax Paid		\$ 7,152,113
Tax Payable December 31, 2014		<u>418,158</u>
		7,570,271
Less Tax Payable December 31, 2013		<u>510,728</u>
Amount Charged to 2014 Operations		<u>\$ 7,059,543</u>

**BOROUGH OF MOONACHIE
STATEMENT OF PREPAID TAXES**

Balance, January 1, 2014	\$ 301,820
Increased by:	
Collection of 2015 Taxes	<u>353,863</u>
	655,683
Decreased by:	
Applied in 2014 Taxes Receivable	<u>301,820</u>
Balance, December 31, 2014	<u><u>\$ 353,863</u></u>

STATEMENT OF APPROPRIATED RESERVES

	Balance, January 1, 2014	Transfer from Appropriation Reserves	Cancelled	Balance, December 31, 2014
Municipal Alliance Grant	\$ 9,137	\$ 5,608	\$ 9,137	\$ 5,608
Recycling Tonnage Grant	7,865	825	7,865	825
Municipal Stormwater Grant	1,972		1,972	
Clean Communities Grant	3,439	803	3,439	803
Recycling Grant - BCUA	1,715		1,715	
Confiscated Funds		7,500		7,500
Livable Communities	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u><u>\$ 29,128</u></u>	<u><u>\$ 14,736</u></u>	<u><u>\$ 29,128</u></u>	<u><u>\$ 14,736</u></u>
		Surplus	<u><u>\$ 29,128</u></u>	

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

	Balance, January 1, <u>2014</u>	Cash <u>Receipts</u>	Anticipated as 2014 Budget <u>Revenue</u>	Balance, December 31, <u>2014</u>
Recycling Tonnage	\$ 14,023		\$ 14,023	
Clean Communities	753	\$ 4,761	753	\$ 4,761
Hazardous Waste Grant	-	32,975	-	32,975
	<u>\$ 14,776</u>	<u>\$ 37,736</u>	<u>\$ 14,776</u>	<u>\$ 37,736</u>

EXHIBIT A-20

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, January 1, <u>2014</u>	Transfer from Current Tax <u>Collections</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2014</u>
Terminal Leave	\$ 360,344		\$ 21,198	\$ 339,146
LOSAP	7,500			7,500
Reserve for Sandy Emergency	46,503			46,503
Reserve for Tax Appeals	960,191	\$ 700,000	960,191	700,000
	<u>\$ 1,374,538</u>	<u>\$ 700,000</u>	<u>\$ 981,389</u>	<u>\$ 1,093,149</u>

EXHIBIT A-21

STATEMENT OF STATE AND FEDERAL GRANT RECEIVABLES

<u>Purpose</u>	Balance, January 1, <u>2014</u>	Balance, December 31, <u>2014</u>
Municipal Alliance Grant	\$ 8,184	\$ 8,184
	<u>\$ 8,184</u>	<u>\$ 8,184</u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR HURRICANE SANDY REIMBURSEMENTS

Balance, January 1, 2014	\$ 359,504
Increase by:	
Cash Receipts	<u>748,448</u>
	1,107,952
Decrease by:	
Revenue Realized in Current Year Budget	<u>381,918</u>
Balance, December 31, 2014	<u>\$ 726,034</u>

Analysis of Balance

Reserve for Future Construction on Municipal Building	\$ 373,265
Reserve for Reimbursement of Prior Year Sandy Operating Expenses	<u>352,769</u>
	<u>\$ 726,034</u>

EXHIBIT A-23

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2014	\$ 5,243
Increased by:	
Cash Receipts	<u>78</u>
Balance, December 31, 2014	<u>\$ 5,321</u>

EXHIBIT A-24

STATEMENT OF INTERLOCAL DUE FROM - BOROUGH OF TETERBORO

Balance, January 1, 2014	<u>\$ 33,980</u>
Balance, December 31, 2014	<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>2014</u>	<u>Added in</u> <u>2014</u>	<u>Reduced in</u> <u>2014</u>	<u>Balance,</u> <u>December 31,</u> <u>2014</u>
7/11/2013	Hurricane Sandy	\$ 1,375,000	\$ 275,000	\$ 727,650		\$ 381,918	\$ 345,732
12/11/2014	Hurricane Sandy	505,000	101,000	-	\$ 505,000	-	505,000
		<u>\$ 1,880,000</u>	<u>\$ 376,000</u>	<u>\$ 727,650</u>	<u>\$ 505,000</u>	<u>\$ 381,918</u>	<u>\$ 850,732</u>

STATEMENT OF DEFERRED CHARGES

	<u>Added in</u> <u>2014</u>	<u>Balance,</u> <u>December 31,</u> <u>2014</u>
Emergency Authorization - Tax Appeals (40A:4-46)	\$ 850,000	\$ 850,000
Over- Expenditure Budget Appropriation	<u>5,927</u>	<u>5,927</u>
	<u>\$ 855,927</u>	<u>\$ 855,927</u>

BOROUGH OF MOONACHIE
STATEMENT OF EMERGENCY/SPECIAL EMERGENCY NOTE PAYABLE

Issued of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance January 1, 2014	Increased	Decreased	Balance December 31, 2014
\$ 6,000,000	10/21/2013	10/21/2014	0.73%	\$ 727,650		\$ 727,650	
345,732	10/21/2014	10/21/2015	1.25%		\$ 345,732		\$ 345,732
1,355,000	12/23/2014	10/21/2015	0.82%	-	1,355,000	-	1,355,000
				<u>\$ 727,650</u>	<u>\$ 1,700,732</u>	<u>\$ 727,650</u>	<u>\$ 1,700,732</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, 2014	\$ 7,942	\$ 223,987	\$ 63,868
Increased by Receipts:			
Budget Appropriation			\$ 10,000
Due to State of NJ	\$ 338		
Animal License Fees	1,690		
Miscellaneous Receipts	20		
Miscellaneous Reserves		\$ 609,780	
Payroll Salaries & Deductions Payable		5,060,082	
Escrow Deposits		5,742	
Police Outside Service Receipts		87,937	
Interest on Investments and Deposits	23	1,495	165
	<u>2,071</u>	<u>5,765,036</u>	<u>10,165</u>
	10,013	5,989,023	74,033
Decreased by Disbursements:			
Payments to State of NJ - State Registration Fees	338		
Expenditures under R.S. 4:19-15.11	830		
Escrow Deposits		448	
Payroll Salaries & Deductions Payable		5,061,938	
Miscellaneous Reserves		526,393	
Payments to State of NJ - Unemployment Ins. Benefits	-	-	21,423
	<u>1,168</u>	<u>5,588,779</u>	<u>21,423</u>
Balance, December 31, 2014	<u>\$ 8,845</u>	<u>\$ 400,244</u>	<u>\$ 52,610</u>

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

Balance, January 1, 2014	\$ 191
Increased by:	
Interest on Investments and Deposits	<u>1,495</u>
Balance, December 31, 2014	<u>\$ 1,686</u>

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

Balance, January 1, 2014	<u>\$ 12</u>
Balance, December 31, 2014	<u>\$ 12</u>

**STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance January 1, 2014	Increase	Decrease	Balance December 31, 2014
Parking Offence Adjudication Act	\$ 1,679	\$ 188		\$ 1,867
Fire Prevention Fees - Penalty	69,828	9,250		79,078
Fire Prevention Fees - Fines	13,750	9,250	\$ 15,599	7,401
Municipal Alliance	8,936	3,511	5,633	6,814
Recreation	13,345		10,375	2,970
Celebration of Public Events	6,890			6,890
Charitable Contributions	409			409
Secure Child Program	224			224
Premium on Tax Sale	464			464
Centennial Celebration	6,793			6,793
Police Outside Duty	139,425	837,918	492,513	484,830
Flex Spending	95	2,668	2,273	490
Summer Recreation		24,619		24,619
Basketball		100		100
Soccer		1,200		1,200
Miscellaneous	<u>193</u>	<u>181</u>	<u>-</u>	<u>374</u>
	<u>\$ 262,031</u>	<u>\$ 888,885</u>	<u>\$ 526,393</u>	<u>\$ 624,523</u>
Due from Vendor-Police Outside Duty		\$ 279,105		
Cash Receipts		<u>609,780</u>		
		<u>\$ 888,885</u>		
Cash Disbursements			<u>\$ 526,393</u>	

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

Balance, January 1, 2014	\$ 33,606
Increased by:	
Escrow Deposits Received	<u>5,742</u>
	39,348
Decreased by:	
Escrow Deposits Refunded	<u>448</u>
Balance, December 31, 2014	<u>\$ 38,900</u>

EXHIBIT B-6

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

Balance, January 1, 2014	\$ 41
Increased by:	
State Fees Collected	<u>338</u>
	379
Decreased by:	
Payments to State Treasurer	<u>338</u>
Balance, December 31, 2014	<u>\$ 41</u>

EXHIBIT B-7

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

Balance, January 1, 2014	\$ 3,660
Increased by:	
Animal Control License Fees Collected	\$ 1,690
Miscellaneous Receipts	20
Interest on Investments and Deposits	<u>23</u>
	<u>1,733</u>
	5,393
Decreased by:	
Cash Disbursements	830
Statutory Excess Due to Current Fund	<u>955</u>
	<u>1,785</u>
Balance, December 31, 2014	<u>\$ 3,608</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 1,874
2013	<u>1,734</u>
	<u>\$ 3,608</u>

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

Balance, January 1, 2014	\$ 4,241
Increased by:	
Statutory Excess	<u>955</u>
Balance, December 31, 2014	<u>\$ 5,196</u>

EXHIBIT B-9

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

Balance, January 1, 2014	\$ 53,133
Increased by:	
Budget Appropriation	\$ 10,000
Interest on Investments and Deposits	<u>165</u>
	<u>10,165</u>
	63,298
Decreased by:	
Unemployment Claims	<u>11,777</u>
Balance, December 31, 2014	<u>\$ 51,521</u>

EXHIBIT B-10

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

Balance, January 1, 2014	\$ 10,457
Increased by:	
Cash Receipts	<u>5,060,082</u>
	5,070,539
Decreased by:	
Payments	<u>5,061,938</u>
Balance, December 31, 2014	<u>\$ 8,601</u>

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

Balance, January 1, 2014	\$ 10,735
Increased by:	
Unemployment Claims	<u>11,777</u>
	22,512
Decreased by:	
Payments	<u>21,423</u>
Balance, December 31, 2014	<u>\$ 1,089</u>

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

Balance, January 1, 2014	<u>\$ 1,877</u>
Balance, December 31, 2014	<u>\$ 1,877</u>

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

Balance, January 1, 2014	<u>\$ 3,750</u>
Balance, December 31, 2014	<u>\$ 3,750</u>

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

Balance, January 1, 2014	\$ 87,937
Increased by:	
Police Outside Duty Billings	<u>279,105</u>
	367,042
Decreased by:	
Police Outside Duty Receipts	<u>87,937</u>
Balance, December 31, 2014	<u>\$ 279,105</u>

GENERAL CAPITAL FUND

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2014		\$	3,344,449
Increased by Receipts:			
Grant Proceeds	\$	105,258	
Interest Earnings		8,020	
Improvement Authorizations - Refund		21,464	
Premium on Bond Anticipation Notes		22,978	
Bond Anticipation Notes		<u>3,452,350</u>	
			<u>3,610,070</u>
			6,954,519
Decreased by Disbursements:			
Improvement Authorizations		430,352	
Contracts Payable		221,177	
Bond Anticipation Notes		<u>3,452,350</u>	
			<u>4,103,879</u>
Balance, December 31, 2014		\$	<u>2,850,640</u>

**BOROUGH OF MOONACHIE
ANALYSIS OF GENERAL CAPITAL CASH**

Balance,
December 31,
2014

Due from Current Fund	\$ (92,325)
Reserve for Preliminary Costs	2,095
Grants and Other Receivables	(610,901)
Contracts Payable	281,585
Reserve for DPW Building	272,484
Due to Sewer Capital Fund	9,079
Capital Improvement Fund	117,518
Fund Balance	52,609

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	344,798
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	2,360,272
13-11	Senior Center Improvements	1,117
13-12	Road Improvements	(27,771)
13-13	Curb and Ramp Improvements	(22,952)
14-03	Various Acquisitions and Improvements	45,508
14-05	Improvements to Concord Street Park	(4,787)
14-06	Preliminary Costs - New DPW Building	23,898

\$ 2,850,640

**BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM CURRENT FUND**

Balance, January 1, 2014	\$ 100,345
Decreased by:	
Interest Earnings	<u>8,020</u>
Balance, December 31, 2014	<u>\$ 92,325</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2014	\$ 2,116,000
Decreased by:	
Budget Appropriation to Pay Bonds	<u>365,000</u>
Balance, December 31, 2014	<u>\$ 1,751,000</u>

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

Ordinance Number	Improvement Description	Balance, January 1, 2014	Authorized 2014	Notes Paid by Budget	Grant Proceeds	Balance, December 31, 2014	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	283,000		\$ 90,433		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	\$ 3,452,350		2,917,650
13-11	Senior Center Improvements	47,500				47,500			47,500
13-12	Road Improvements	165,000			\$ 105,258	59,742		27,771	31,971
13-13	Curb and Ramp Improvements	28,500				28,500		22,952	5,548
14-03	Various Acquisitions and Improvements		\$ 549,002			549,002			549,002
14-05	Improvements to Concord Street Park		19,245			19,245		4,787	14,458
14-06	Preliminary Costs - New DPW Building	-	475,000	-	-	475,000	-	-	475,000
		<u>\$ 7,047,070</u>	<u>\$ 1,043,247</u>	<u>\$ 90,433</u>	<u>\$ 105,258</u>	<u>\$ 7,894,626</u>	<u>\$ 3,452,350</u>	<u>\$ 127,736</u>	<u>\$ 4,314,540</u>

Improvement Authorizations Unfunded \$ 6,674,812
Less: Unexpended Bond Anticipation Note
Proceeds

Ord. #13-5 \$ 2,360,272
2,360,272
\$ 4,314,540

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**BOROUGH OF MOONACHIE
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2014		\$ 222,725
Increased by:		
Charges to Improvement Authorizations		<u>281,585</u>
		504,310
Decreased by:		
Cash Disbursements	\$ 221,177	
Cancellation	<u>1,548</u>	
		<u>222,725</u>
Balance, December 31, 2014		<u>\$ 281,585</u>

STATEMENT OF DUE TO SEWER CAPITAL FUND

Balance, January 1, 2014	<u>\$ 9,079</u>
Balance, December 31, 2014	<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, 2014</u>		<u>Interest Rate</u>		<u>Balance, January 1, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>						
General Improvements	10/1/2004	\$ 3,011,000	10/1/2015	\$ 300,000	3.50	%				
			10/1/2016	310,000	3.60					
			10/1/2017	326,000	3.60					
							\$ 1,226,000		\$ 290,000	\$ 936,000
General Improvements	8/15/2012	965,000	8/15/2015-2017	125,000	2.00	%				
			8/15/2018-2019	145,000	2.00					
			8/15/2020	150,000	2.00		<u>890,000</u>	<u>-</u>	<u>75,000</u>	<u>815,000</u>
							<u>\$ 2,116,000</u>	<u>\$ -</u>	<u>\$ 365,000</u>	<u>\$ 1,751,000</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, 2014	Increased	Decreased	Balance, December 31, 2014
08-09	Tax Appeal Refunding	7/17/2009	7/12/2013	7/11/2014	1.25 %	\$ 90,433		\$ 90,433	
13-05	Hurricane Sandy Improvements	10/21/2013	10/21/2013	10/21/2014	0.73	3,452,350		3,452,350	
		10/21/2013	10/21/2014	10/21/2015	1.25	-	\$ 3,452,350	-	\$ 3,452,350
						<u>\$ 3,542,783</u>	<u>\$ 3,452,350</u>	<u>\$ 3,542,783</u>	<u>\$ 3,452,350</u>
					Renewals		\$ 3,452,350	\$ 3,452,350	
					Paid by Budget Appropriation		-	90,433	
							<u>\$ 3,452,350</u>	<u>\$ 3,542,783</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>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, 2014	\$ 546,948	\$ 359,879	\$ 6,500	\$ 37,180	\$ 27,750	\$ 67,492	\$ 23,135	\$ 25,000			\$ 12
Increased by:											
Awards	<u>344,346</u>	<u>279,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 50,000</u>	<u>\$ 14,742</u>	<u>-</u>
	891,294	639,483	6,500	37,180	27,750	67,492	23,135	25,000	50,000	14,742	12
Decreased by:											
Collected	<u>105,258</u>	<u>105,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>105,258</u>	<u>105,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 786,036</u>	<u>\$ 534,225</u>	<u>\$ 6,500</u>	<u>\$ 37,180</u>	<u>\$ 27,750</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	\$ 175,135	\$ 110,205		\$ 37,180	\$ 27,750						
Receivable Without Offsetting Reserve	<u>610,901</u>	<u>424,020</u>	<u>\$ 6,500</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>\$ 786,036</u>	<u>\$ 534,225</u>	<u>\$ 6,500</u>	<u>\$ 37,180</u>	<u>\$ 27,750</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. 05-05	Ord. 07-2	Ord. 08-01	Ord. 08-08	Ord. 09-15	Ord. 13-12	Ord. 14-05
Balance, January 1, 2014	\$ 359,879	\$ 20,166	\$ 33,219	\$ 47,281	\$ 43,750	\$ 65,463	\$ 150,000	
Increased by:								
Awards	279,604	-	-	-	-	-	-	\$ 279,604
	639,483	20,166	33,219	47,281	43,750	65,463	150,000	279,604
Decreased by:								
Collected	105,258	-	-	-	-	-	105,258	-
	105,258	-	-	-	-	-	105,258	-
Balance, December 31, 2014	\$ 534,225	\$ 20,166	\$ 33,219	\$ 47,281	\$ 43,750	\$ 65,463	\$ 44,742	\$ 279,604
<u>Analysis of Balance</u>								
Reserve for Grant Receivable	\$ 110,205					\$ 65,463	\$ 44,742	
Receivable Without Offsetting Reserve	424,020	\$ 20,166	\$ 33,219	\$ 47,281	\$ 43,750	-	-	\$ 279,604
	\$ 534,225	\$ 20,166	\$ 33,219	\$ 47,281	\$ 43,750	\$ 65,463	\$ 44,742	\$ 279,604

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

Balance, January 1, 2014	\$ 172,425
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>54,907</u>
Balance, December 31, 2014	<u>\$ 117,518</u>

STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Balance, January 1, 2014	<u>\$ 2,095</u>
Balance, December 31, 2014	<u>\$ 2,095</u>

STATEMENT OF RESERVE FOR DPW BUILDING

Balance, January 1, 2014	<u>\$ 272,484</u>
Balance, December 31, 2014	<u>\$ 272,484</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, <u>2014</u>	Authorized <u>2014</u>	Grant <u>Proceeds</u>	Balance, December 31, <u>2014</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			2,917,650
13-11	Senior Center Improvements	47,500			47,500
13-12	Road Improvements	165,000		\$ 105,258	59,742
13-13	Curb and Ramp Improvements	28,500			28,500
14-03	Various Acquisitions and Improvements		\$ 549,002		549,002
14-05	Improvements to Concord Street Park		19,245		19,245
14-06	Preliminary Costs - New DPW Building	-	475,000	-	475,000
		<u>\$ 3,504,287</u>	<u>\$ 1,043,247</u>	<u>\$ 105,258</u>	<u>\$ 4,442,276</u>

SEWER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2014	\$ 611,536	\$ 1,280,980
Increased by Receipts:		
Sewer Utility Rents Receivable	\$ 2,041,394	
Interest on Investments and Deposits		\$ 2,706
Bond Anticipation Notes		1,201,918
Non-Budgeted Revenue	7,715	
Premium on Bond Anticipation Notes	<u>-</u>	<u>8,074</u>
	<u>2,049,109</u>	<u>1,212,698</u>
	2,660,645	2,493,678
Decreased by Disbursements:		
2014 Budget Appropriations	1,447,052	
2013 Appropriation Reserves	34,472	
Reserve for Compensated Absences	9,335	
Improvement Authorizations		99,205
Encumbrances Payable		435,313
Bond Anticipation Notes		1,020,000
Accrued Interest	<u>17,371</u>	<u>-</u>
	<u>1,508,230</u>	<u>1,554,518</u>
Balance, December 31, 2014	<u>\$ 1,152,415</u>	<u>\$ 939,160</u>

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

	Balance, December 31, <u>2014</u>
Capital Improvement Fund	\$ 113,369
Due from General Capital Fund	(9,079)
Fund Balance	21,653
Contracts Payable	614,191
Due to Sewer Operating Fund	8,816
 Improvement Authorizations:	
Ord. No. 95-8 Impvt. to Sanitary Sewer System	(37,137)
Ord. No. 04-7/15 Sanitary Sewer Line	154
Ord. No. 06-4 Various Sewer Improvements	154,993
Ord. No. 09-01 Moonachie Ave Sewer Pipeline	(39,226)
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	173,048
Ord. No. 14-4 Sewer Capital Improvements	<u>(42,914)</u>
	 <u>\$ 939,160</u>

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

<u>Year</u> <u>of</u> <u>Levy</u>	<u>Balance,</u> <u>January 1,</u> <u>2014</u>	<u>Levy</u>	<u>Applied</u> <u>Over-</u> <u>Payments</u>	<u>Applied</u> <u>Prepaid</u>	<u>Collected</u> <u>In</u> <u>2014</u>	<u>Balance,</u> <u>December 31,</u> <u>2016</u>
2011	\$ 12,717				\$ 12,717	
2012	12,717				12,717	
2013	304,642				288,762	\$ 15,880
2014	-	\$ 2,160,308	\$ 1,112	\$ 76	1,727,198	431,922
	<u>\$ 330,076</u>	<u>\$ 2,160,308</u>	<u>\$ 1,112</u>	<u>\$ 76</u>	<u>\$ 2,041,394</u>	<u>\$ 447,802</u>

**BOROUGH OF MOONACHIE
STATEMENT OF GRANT RECEIVABLE-CDBG
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2014	\$ <u>11,510</u>
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Balance, December 31, 2014	\$ <u>11,510</u>
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**STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2014	\$ 20,258
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Increased by:

Charges to 2014 Budget Appropriations	<u>7,363</u>
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27,621

Decreased by:

Transfer to Appropriation Reserves	<u>20,258</u>
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Balance, December 31, 2014	\$ <u>7,363</u>
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**BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2014		\$ 450,012
Increased by:		
Charges to Improvement Authorizations		<u>614,191</u>
		1,064,203
Decreased by:		
Cash Disbursements	\$ 435,313	
Cancellation	<u>14,699</u>	
		<u>450,012</u>
Balance, December 31, 2014		<u>\$ 614,191</u>

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

Balance, January 1, 2014	<u>\$ 292</u>
Balance, December 31, 2014	<u>\$ 292</u>

BOROUGH OF MOONACHIE
STATEMENT OF APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	Balance, January 1, <u>2014</u>	Balance, After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries & Wages	\$ 108,383	\$ 108,383		\$ 108,383
Other Expenses	50,316	70,574	\$ 34,472	36,102
Social Security System (O.A.S.I.)	<u>3,210</u>	<u>3,210</u>	<u>-</u>	<u>3,210</u>
	<u>\$ 161,909</u>	<u>\$ 182,167</u>	<u>\$ 34,472</u>	<u>\$ 147,695</u>
Appropriation Reserves		\$ 161,909		
Encumbrances Payable		<u>20,258</u>		
		<u>\$ 182,167</u>		
Cash Disbursed			<u>\$ 34,472</u>	

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

	Balance, January 1, <u>2014</u>	Transfer from Authorized and <u>Uncompleted</u>	Balance, December 31, <u>2014</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	<u>-</u>	\$ 390,000	<u>390,000</u>
	<u>\$ 2,235,546</u>	<u>\$ 390,000</u>	<u>\$ 2,625,546</u>

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

Balance, January 1, 2014	\$ 6,110
Increased by:	
Interest Earnings	<u>2,706</u>
Balance, December 31, 2014	<u>\$ 8,816</u>

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

Balance, January 1, 2014	\$ 131,445
Decreased by:	
Appropriate to Finance Improvement Authorization	<u>18,076</u>
Balance, December 31, 2014	<u>\$ 113,369</u>

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

Balance, January 1, 2014	\$ 2,254,088
Increased by:	
Bonds Paid by Operating Budget	\$ 45,000
Transfer from Deferred Reserve for Amortization	<u>290,255</u>
	<u>335,255</u>
Balance, December 31, 2014	<u>\$ 2,589,343</u>

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

Ord. No.	Improvement Description	Ordinance		Balance, January 1, 2014		2014 Authorizations	Contract Payable Cancelled	Paid or Charged	Balance, December 31, 2014	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
95-8	Improvement to Sanitary Sewer System	5/25/1995	\$ 450,000		\$ 56,851		\$ 14,699		\$	71,550
04-7/15	Sanitary Sewer Line	5/27/2004	130,000	\$ 284				\$ 130	\$	154
06-4	Various Sewer Improvements	5/25/2006	260,000	154,993						154,993
09-01	Moonachie Ave Sewer Pipeline	3/26/2009	390,000		9,953			9,953		
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	-	633,453			460,405		173,048
14-4	Sewer Capital Improvements	8/28/2014	361,500	-	-	\$ 361,500	-	242,908	-	118,592
				<u>\$ 184,998</u>	<u>\$ 728,338</u>	<u>\$ 361,500</u>	<u>\$ 14,699</u>	<u>\$ 713,396</u>	<u>\$ 184,868</u>	<u>\$ 391,271</u>
						Capital Improvement Fund	\$ 18,076			
						Deferred Charges to Future Revenue	343,424			
							<u>\$ 361,500</u>			
								Cash Disbursement	\$ 99,205	
								Encumbrances Payable	614,191	
									<u>\$ 713,396</u>	

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, January 1, 2014	2014 Authorizations	Transfer to Fixed Capital	Balance, December 31, 2014
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			220,000
09-01	Moonachie Ave Sewer Pipeline	3/26/2009	390,000	390,000		\$ 390,000	
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
				<u>\$ 2,521,810</u>	<u>\$ 361,500</u>	<u>\$ 390,000</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, 2014</u>	<u>Funded by Capital Improvement Fund</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Balance, December 31, 2014</u>
95-8	Impvt. to Sanitary Sewer System	5/25/95	\$ 253,490			\$ 253,490
04-7/15	Sanitary Sewer Line	5/27/2004	83,200			83,200
06-04	Various Improvements	5/25/2006	21,600			21,600
09-01	Moonachie Ave Sewer Pipeline	3/26/2009	290,255		\$ 290,255	
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>\$ 843,845</u>	<u>\$ 18,076</u>	<u>\$ 290,255</u>	<u>\$ 571,666</u>

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

	Balance, January 1, 2014	Cash Disbursements	Balance, December 31, 2014
Compensated Absences	\$ 162,000	\$ 9,335	\$ 152,665
	<u>\$ 162,000</u>	<u>\$ 9,335</u>	<u>\$ 152,665</u>

EXHIBIT D-21

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

Ord. No.	Improvement Description	Balance, January 1, 2014	2014 Authorizations	Notes Issued	Balance, December 31, 2014
95-8	Impvt. to Sanitary Sewer System	\$ 112,468			\$ 112,468
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	-	\$ 343,424	\$ 181,918	161,506
		<u>\$ 224,423</u>	<u>\$ 343,424</u>	<u>\$ 181,918</u>	<u>\$ 385,929</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>2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31,</u> <u>2014</u>
13-6	Hurricane Sandy Improvements	10/21/2013	10/21/2013	10/21/2014	.73 %	\$ 1,020,000		\$1,020,000	
		10/21/2013	10/21/2014	10/21/2015	1.25		\$ 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
						<u>\$ 1,020,000</u>	<u>\$ 1,201,918</u>	<u>\$1,020,000</u>	<u>\$ 1,201,918</u>

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

Balance, January 1, 2014	\$ 4,628
Increased by:	
2014 Budget Appropriation	<u>16,077</u>
	20,705
Decreased by:	
Interest Paid	<u>17,371</u>
Balance, December 31, 2014	<u>\$ 3,334</u>

Analysis of Accrued Interest, December 31, 2014

Principal Outstanding December 31, 2014		Interest Rate	From	To	Period	Amount
\$460,000	Bonds	2.00%	8/15/2014	2/15/2015	4 1/2 Months	\$ 2,822
\$1,201,918	Bond Anticipation Note	1.25%	10/21/2014	10/21/2015	72 Days	<u>512</u>
						<u>\$ 3,334</u>

**STATEMENT OF PREPAID RENTS
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2014	\$ 76
Decreased by:	
Applied to Sewer Rents Receivable	<u>76</u>
Balance, December 31, 2014	<u>\$ -</u>

**STATEMENT OF SEWER RENT OVERPAYMENTS
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2014	\$ 1,112
Decreased by:	
Applied to Sewer Rents Receivable	<u>1,112</u>
Balance, December 31, 2014	<u>\$ -</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, 2014</u>		<u>Interest Rate</u>		<u>Balance, January 1, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>						
Sewer Improvements	8/15/2013	\$ 460,000	8/15/2015-2020	\$ 45,000	2.00	%				
			8/15/2021-2022	50,000	2.0-2.5		\$ 415,000	-	\$ 45,000	\$ 370,000
							\$ 415,000	\$ -	\$ 45,000	\$ 370,000
							Paid by Budget Appropriation		\$ 45,000	

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

	<u>Balance, January 1, 2014</u>	<u>Amount Raised in 2014 Budget</u>	<u>Amount Resulting in 2014 Budget</u>	<u>Balance, December 31, 2014</u>
Over-Expenditure- Budget Appropriations	\$ 1,469	\$ 1,469	\$ 5,520	\$ 5,520
	\$ 1,469	\$ 1,469	\$ 5,520	\$ 5,520

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, 2014	\$ 9,360	\$ 9,360	
Increased by: Cash Receipts	<u>24</u>	<u>24</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 9,384</u>	<u>\$ 9,384</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, 2014	\$ 9,360	\$ 9,360	
Increased by: Revenues	<u>24</u>	<u>24</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 9,384</u>	<u>\$ 9,384</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, 2014**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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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, 2014, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 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 the General Fixed Assets Account Group and the omission of Other Post Employment Benefits (“OPEB”) note disclosure. In addition, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2014-001 and 2014-002 that we consider to be significant deficiencies 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 instances of noncompliance or other matters that are 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 are described in the accompanying schedule of findings and responses as items 2014-001 and 2014-002.

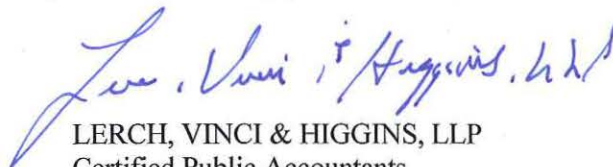
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Moonachie in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

Borough of Moonachie's Responses to Findings

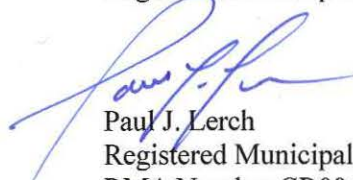
The Borough of Moonachie's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Moonachie's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express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

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
September 15, 2015

	CFDA Number	Grant Year	Grant Award Amount	2014 Receipts	Balance, January 1, 2014	Revenue Realized	Expenditures	Balance, December 31, 2014	Cumulative Expenditures
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		150,000		\$ 105,258	44,742	105,258
Department of Law and Public Safety									
Public Assistance Grants						\$ 60,419	60,419		839,477
FEMA	97.036	2012	433,684	-				-	-
Department of Homeland Security									
Assistance to Fire Fighters Grant	97.044	2014	279,604			279,604	279,604		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	
					\$ 202,821	\$ 340,023	\$ 445,281	\$ 97,563	

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

BOROUGH OF MOONACHIE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014

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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 60,419	\$ 14,776	\$ 75,195
General Capital Fund	<u>279,604</u>	<u>-</u>	<u>279,604</u>
	<u>\$ 340,023</u>	<u>\$ 14,776</u>	<u>\$ 354,799</u>

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.

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements

Modified- Unaudited LOSAP Trust Fund, Omission of the
OPEB Note Disclosure and Fixed Asset Account Group

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, 2014**

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 2014-001

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, 2014 and 2013.

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, 2014**

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 2014-002

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

Criteria or Specific Requirement

N.J.A.C 5:30-5.6 Accounting for Governmental Fixed Assets

Condition

A detailed Fixed Asset ledger including updates for additions and deletions was not available for audit.

Context

The Borough's fixed assets were significantly impaired during Hurricane Sandy and they are unable to determine the value of their fixed assets.

Cause

The Borough does not maintain a master inventory of fixed assets.

Effect

The Borough's financial statements have been qualified for the omission of the General Fixed Assets because a detailed Fixed Asset inventory was not provided to support the General Fixed Asset values at December 31, 2014.

Recommendation

The Borough develop adequate internal control procedures over the tracking and reporting of the General Fixed Assets to ensure a detailed inventory is maintained and updated for additions and disposals.

Views of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure proper reporting of their General Fixed Assets.

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 Circular A-133 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, 2014**

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 2013-001

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

Current Status

See Finding 2014-001.

Finding 2013-002

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 2013-003

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

Current Status

See Finding 2014-002.

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 771,852	4.22 %		%
Miscellaneous - From Other Than Local				
Property Tax Levies	3,009,232	16.42	\$ 4,263,329	22.88
Collection of Delinquent Taxes				
and Tax Title Liens	291,134	1.58	343,516	1.84
Collection of Current Tax Levy	<u>14,249,645</u>	<u>77.78</u>	<u>14,024,672</u>	<u>75.28</u>
Total Income	<u>18,321,863</u>	<u>100.00</u> %	<u>18,631,517</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	9,665,643	50.68 %	8,520,342	49.06 %
Local School Taxes	7,059,543	37.01	7,244,684	41.72
County Taxes	1,996,967	10.47	1,598,747	9.21
Other Expenditures	<u>351,855</u>	<u>1.84</u>	<u>1,660</u>	<u>0.01</u>
Total Expenditures	<u>19,074,008</u>	<u>100.00</u> %	<u>17,365,433</u>	<u>100.00</u> %
Excess in Revenue/(Deficit)	(752,145)		1,266,084	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are				
by Statute Deferred Charges to Budget				
of Succeeding Year	<u>1,360,927</u>		<u>-</u>	
Statutory Excess to Surplus	608,782		1,266,084	
Fund Balance, January 1	<u>1,895,396</u>		<u>629,312</u>	
	2,504,178		1,895,396	
Less Utilization as Anticipated Revenue	<u>771,852</u>		<u>-</u>	
Fund Balance, December 31	<u>\$ 1,732,326</u>		<u>\$ 1,895,396</u>	

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

	Year 2014			Year 2013	
	Amount	Percent		Amount	Percent
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 203,852	8.48 %	\$	393,021	22.93 %
Collection of Sewer Rents	2,042,582	84.95		1,297,095	75.66
Miscellaneous - From Other Than Sewer	<u>158,116</u>	<u>6.57</u>		<u>24,160</u>	<u>1.41</u>
Total Income	<u>2,404,550</u>	<u>100.00 %</u>		<u>1,714,276</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Operating	1,412,421	93.76 %		1,369,171	87.90 %
Deferred Charges and Statutory Expenditures	32,969	2.19		133,034	8.54
Debt Service	<u>61,077</u>	<u>4.05</u>		<u>55,449</u>	<u>3.56</u>
Total Expenditures	<u>1,506,467</u>	<u>100.00 %</u>		<u>1,557,654</u>	<u>100.00 %</u>
Excess/ (Deficit) in Revenue	898,083			156,622	
Adjustments to Income Before Surplus:					
Expenditures included above which are by Statute Deferred					
Charges to budget of Succeeding Year	<u>5,520</u>			<u>1,469</u>	
Statutory Excess to Surplus	903,603			158,091	
Fund Balance, January 1	<u>268,840</u>			<u>503,770</u>	
	1,172,443			661,861	
Decreased by:					
Utilized in Sewer Operating Budget	203,852			<u>393,021</u>	
Fund Balance, December 31	<u>\$ 968,591</u>			<u>\$ 268,840</u>	

BOROUGH OF MOONACHIE
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.001</u>	<u>\$1.943</u>	<u>\$1.930</u>

Apportionment of Tax Rate

Municipal	0.830	0.803	0.780
County	0.259	0.206	0.237
Local School	0.912	0.934	0.913

Assessed Valuation

2014	<u>\$774,143,074</u>	
2013		<u>\$775,327,883</u>
2012		<u>\$783,248,398</u>

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections (1)</u>
2014	\$ 2,160,308	\$ 2,042,582
2013	1,503,262	1,297,095
2012	1,178,064	1,163,166

(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>
2014	\$ 15,497,592	\$ 14,949,645	96.46%
2013	15,188,242	14,824,672	97.61%
2012	15,185,010	14,789,238	97.39%

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
2014	\$ 245,611	\$ 365,424	\$ 611,035	3.94%
2013	313,926	314,607	628,533	4.14%
2012	349,844	265,263	615,107	4.05%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2014 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>
2014	\$2,850
2013	2,850
2012	2,850

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>	2014	\$1,732,326	\$829,105
	2013	1,895,396	771,852
	2012	629,312	-0-
<u>Sewer Utility Operating Fund</u>	2014	\$968,591	\$144,607
	2013	268,840	203,852
	2012	503,770	393,021

**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
Bruce Surak	Councilman - President
Robert Bauer	Councilman
Manuel Martinez	Councilman
Kathy Kinsella	Councilwoman
Lucille Miller	Councilwoman
Antonio Cirrilo	Councilman
Anthony Ciannamea	Administrator Chief Finance Officer
Supriya Sanyal	Borough Clerk Assessment Search Officer & Registrar of Vital Statistics Planning Board Secretary
Elizabeth Bassani	Tax Collector – 1-1-14 – 6-30-14 Tax Search Officer Part Time Violations Clerk
Kathleen Silber	Tax Collector/Search Officer – 7-1-14 – 9-30-14
Lisa Ciannamea	Deputy Registrar of Vital Statistics Zoning Board Secretary
Frank Migliorino	Borough Attorney
Kevin Boswell	Borough Engineer
Philip N. Boggia	Judge
Patricia Beideman	Court Administrator – 1-1-14 – 6-30-14 Violations Clerk
Anamarie Matos	Court Administrator – 7-1-14 – 12-31-14
Michael Sartori	Building Sub-Code Official Fire Sub-Code 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 – 3-1-14-12-31-14
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. In addition, checks received for police outside detail were not deposited timely into the Other Trust bank account. It is recommended that the police outside duty invoices be billed to the vendor upon completion of the work and all checks received for police outside duty be deposited in the Other Trust bank account 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 2013 Corrective Action Plan was not filed until calendar year 2015 and did not address all audit recommendations; only Government Auditing Standard recommendations were addressed. It is recommended that the Corrective Action Plan be filed with the Division of Local Government Services in a timely manner and that the plan address all audit recommendations.

Current Year Comments

Our audit of the Current Fund and Sewer Utility Operating fund revealed that there were overexpenditures of budget appropriations in the amount of \$5,927 and \$5,520 respectively. It is recommended that internal controls over the disbursing of funds in the Current Fund and Sewer Utility Operating Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.

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.

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

**BOROUGH OF MOONACHIE
LETTER OF COMMENTS AND RECOMMENDATIONS**

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

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 December 20, 2013.

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>
2014	2
2013	2
2012	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 5, 2014 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,

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.

**BOROUGH OF MOONACHIE
LETTER OF COMMENTS AND RECOMMENDATIONS**

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Continued)

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.

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 Borough develop adequate internal control procedures over the tracking and reporting of the General Fixed Assets to ensure a detailed inventory is maintained and updated for additions and disposals.
- * 3. The police outside duty invoices be billed to the vendor upon completion of the work and all checks received for police outside duty be deposited in the Other Trust bank account on a timely basis.
- * 4. The Borough verify submission of the federal tax payments through the "EFTPS" federal website.
- * 5. The purchase orders be issued at the time the order is placed for the goods and/or services.
- * 6. The Borough enroll the eligible employees into the Defined Contribution Retirement Plan (DCRP).
- * 7. 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.
- * 8. The Corrective Action Plan be filed with the Division of Local Government Services in a timely manner and that the plan address all audit recommendations.
- 9. Internal controls over the disbursing of funds in the Current Fund and Sewer Utility Operating Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.

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
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Registered Municipal Accountants


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