

**REPORT OF AUDIT**  
**BOROUGH OF HALEDON**  
**COUNTY OF PASSAIC**  
**DECEMBER 31, 2015**

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**BOROUGH OF HALEDON, N.J.**

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**BOROUGH OF HALEDON**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Borough Council  
Borough of Haledon  
Haledon, New Jersey 07508

### **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 Haledon in the County of Passaic, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

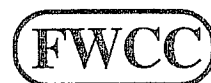
***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Haledon on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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



***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

The Borough did not maintain a fixed asset accounting system as promulgated by the Division of Local Government Services and N.J.A.C. 5:30-5.6 and we were unable to satisfy ourselves as to the carrying value of the general fixed assets by other auditing procedures. As described in Note 10 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire personnel. The amount reflected in the trust fund statements of \$247,241.53 and \$251,174.53 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matters- described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting*” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haledon’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

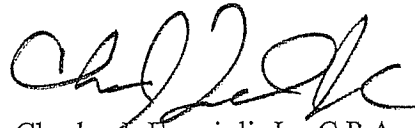
The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The Honorable Mayor and  
Members of the Borough Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2016 on our consideration of the Borough of Haledon'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 Haledon's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



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Certified Public Accountants  
Pompton Lakes, New Jersey

August 29, 2016



Borough of Haledon, N.J.  
Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 1,936,887.75	3,155,476.24
Change Fund	A-6	400.00	400.00
Petty Cash	A-7	150.00	
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	32,789.97	34,289.97
		<u>1,970,227.72</u>	<u>3,190,166.21</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	478,347.58	564,528.86
Tax Title Liens	A-10	69,425.92	73,112.28
Property Acquired for Taxes -			
Assessed Valuation	A-11	9,975.00	9,975.00
Prepaid County Taxes	A-21	1,087.04	
Revenue Accounts Receivable	A-12	20,301.80	25,720.84
Interfund Receivables:			
Dog License Fund	A-13		3,124.22
General Capital Fund	A-13	185,241.85	
Public Assistance Fund #1	A-13	315.37	314.75
		<u>764,694.56</u>	<u>676,775.95</u>
Deferred Charges:			
Emergency Authorizations	A-14	50,000.00	150,000.00
Special Emergency Authorizations	A-15	522,000.00	293,000.00
		<u>572,000.00</u>	<u>443,000.00</u>
		<u>3,306,922.28</u>	<u>4,309,942.16</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-13	43,855.33	25,451.61
Grants Receivable	A-23	339,077.46	338,322.27
		<u>382,932.79</u>	<u>363,773.88</u>
Total Assets		<u>\$ 3,689,855.07</u>	<u>4,673,716.04</u>

See Accompanying Notes to Financial Statements.

## Borough of Haledon, N.J.

## Comparative Balance Sheet - Regulatory Basis

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## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	\$ 517,243.28	423,126.55
Encumbrances Payable	A-17	127,664.00	125,369.52
Prepaid Taxes	A-18	132,133.79	64,907.50
Interfunds Payable:			
Dog License Fund	A-13	444.65	
Other Trust	A-13	98,878.10	51,638.82
Federal and State Grant Fund	A-13	43,855.33	25,451.61
General Capital	A-13		951,068.97
Water Operating Fund	A-13	30,000.00	300,586.88
Public Assistance #2	A-13	314.75	4,283.35
Local School Taxes Payable	A-19	0.87	1.33
Due to State of New Jersey:			
Building Surcharge	A-22	1,120.00	634.00
Accounts Payable	A-22	32,125.16	32,125.16
Reserve for:			
LOSAP	A-22	24,314.34	24,314.34
Retirement Severance Liability	A-22	18,601.95	18,601.95
Judgments	A-22		170,404.71
Master Plan	A-22	8,868.02	8,868.02
Revaluation	A-22	29,690.50	29,690.50
D.A.R.E. Contributions	A-22	6,230.64	6,230.64
		<u>1,071,485.38</u>	<u>2,237,303.85</u>
Reserve for Receivables	Contra	764,694.56	676,775.95
Fund Balance	A-1	1,470,742.34	1,395,862.36
		<u>3,306,922.28</u>	<u>4,309,942.16</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	283,191.40	317,129.19
Unappropriated Reserve for Grants	A-25	82,541.39	46,644.69
Interfund - General Capital Fund	A-26	17,200.00	
		<u>382,932.79</u>	<u>363,773.88</u>
 Total Liabilities, Reserves and Fund Balances		 <u>\$ 3,689,855.07</u>	 <u>4,673,716.04</u>

See Accompanying Notes to Financial Statements.

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

Current Fund

Year Ended December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 800,000.00	700,000.00
Miscellaneous Revenue Anticipated	A-2	1,476,688.69	1,412,012.95
Receipts from Delinquent Taxes	A-2	586,129.79	764,975.11
Receipts from Current Taxes	A-2	21,645,388.31	20,486,321.30
Non-Budget Revenue	A-2	234,004.95	348,620.65
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-16	253,277.09	208,914.47
Prepaid Local School Taxes			33,562.68
Interfunds Returned	A-13	<u>3,438.97</u>	<u>103,033.59</u>
 Total Revenues and Other Income		 <u>24,998,927.80</u>	 <u>24,057,440.75</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	3,558,412.00	3,417,451.00
Other Expenses	A-3	3,277,745.00	3,124,188.50
Deferred Charges and Statutory Expenditures -			
Municipal - Within Caps	A-3	783,957.00	732,324.00
Operations - Excluded from Caps:			
Salaries and Wages	A-3	7,983.00	
Other Expenses	A-3	886,957.89	867,342.42
Capital Improvement Fund - Excluded from Caps	A-3	95,000.00	80,000.00
Municipal Debt Service - Excluded from Caps	A-3	806,366.25	826,104.35
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from Caps	A-3	251,000.00	251,000.00
Judgments			20,000.00
Local District School Tax	A-19	5,989,962.00	5,905,900.00
Regional High School Tax	A-20	4,526,221.50	4,349,758.96
County Taxes including Added Taxes	A-21	4,097,418.78	3,744,646.13
Refund of Prior Year's Revenue	A-4	36,380.14	
Prepaid County Taxes	A-21	1,087.04	
Interfund Advances	A-13	<u>185,557.22</u>	<u>3,438.97</u>
 Total Expenditures		 <u>24,504,047.82</u>	 <u>23,322,154.33</u>
 Excess (Deficit) Revenue Over Expenditures		 494,879.98	 735,286.42

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

## Current Fund

## Year Ended December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u>380,000.00</u>	<u>150,000.00</u>
Statutory Excess to Fund Balance		874,879.98	885,286.42
Fund Balance, January 1,	A	<u>1,395,862.36</u>	<u>1,210,575.94</u>
		2,270,742.34	2,095,862.36
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>800,000.00</u>	<u>700,000.00</u>
Fund Balance, December 31,	A	<u>\$ 1,470,742.34</u>	<u>1,395,862.36</u>

See Accompanying Notes to Financial Statements.



Borough of Haledon, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 800,000.00	800,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	11,000.00	9,664.00	(1,336.00)
Other	A-2	11,000.00	15,145.00	4,145.00
Fees and Permits	A-2	2,000.00	2,689.00	689.00
Fines and Costs:				
Municipal Court	A-12	265,000.00	308,236.64	43,236.64
Interest and Costs on Taxes	A-4	130,000.00	169,968.52	39,968.52
Interest on Investments and Deposits	A-12	12,000.00	16,572.67	4,572.67
Sewer Privileges	A-12	58,000.00	61,981.74	3,981.74
Energy Receipts Tax	A-12	637,114.00	637,114.00	
Consolidated Municipal Property Tax Relief Aid	A-12	54,958.00	54,958.00	
Uniform Construction Code Fees	A-12	45,000.00	59,967.00	14,967.00
Special Items of General Revenue Anticipated				
With Prior written Consent of Director of				
Local Government Services:				
Public and Private Revenues:				
Clean Communities Program	A-23	10,147.01	10,147.01	
COPS Hiring Grant	A-23	7,983.00	7,983.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	16,792.00	16,792.00	
Recycling Tonnage Grant	A-23	7,937.52	7,937.52	
Alcohol Education and Rehabilitation Fund	A-23	1,358.84	1,358.84	
Passaic County CDBG Grant	A-23	17,200.00	17,200.00	
Body Armor Replacement Fund	A-23	2,018.32	2,018.32	
Other Special Items:				
Uniform Fire Safety Act	A-12	10,000.00	10,955.43	955.43
General Capital Surplus	A-4	66,000.00	66,000.00	
Total Miscellaneous Revenues	A-1	1,365,508.69	1,476,688.69	111,180.00
Receipts from Delinquent Taxes	A-1/A-2	560,000.00	586,129.79	26,129.79
Subtotal General Revenues		2,725,508.69	2,862,818.48	137,309.79
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purpose Including Reserve fo Uncollected Taxes		7,152,161.00	7,360,545.33	208,384.33
Minimum Library Tax		179,431.20	179,431.20	
Total Amount to be Raised by Taxes for Support of Budget	A-2/A-9	7,331,592.20	7,539,976.53	208,384.33
Budget Totals		10,057,100.89	10,402,795.01	345,694.12
Non-Budget Revenue	A-1/A-2		234,004.95	234,004.95
		\$ 10,057,100.89	10,636,799.96	579,699.07
Adopted Budget	A-3	10,040,308.89		
Appropriated by N.J.S. 40A:4-87	A-3	16,792.00		
		10,057,100.89		

See Accompanying Notes to Financial Statements.

Borough of Haledon, N.J.  
 Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

Analysis of Realized Revenues

Revenue from Collections	Ref. A-1/A-9		\$ 21,645,388.31
Allocated to School and County Taxes	A-9		<u>14,845,411.78</u>
Balance for Support of Municipal Budget Appropriations			6,799,976.53
Add : Appropriation - Reserve for Uncollected Taxes	A-3		<u>740,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2		\$ <u><u>7,539,976.53</u></u>
Receipts from Delinquent Taxes:			
Tax Title Liens	A-10		21,600.93
Delinquent Taxes	A-9		<u>564,528.86</u>
	A-2		<u><u>586,129.79</u></u>
Licenses - Other:			
Clerk	A-12	7,602.00	
Registrar of Vital Statistics	A-12	168.00	
Board of Health	A-12	<u>7,375.00</u>	
	A-2		<u><u>15,145.00</u></u>
Fees and Permits - Other:			
Clerk	A-12	350.00	
Fence/Telephone/Sidewalk/Soil Permits - Building	A-12	1,089.00	
Planning Board/Board of Adjustment	A-12	<u>1,250.00</u>	
	A-2		<u><u>2,689.00</u></u>

See Accompanying Notes to Financial Statements.

Borough of Haledon, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Borough Clerk	A-12	417.44	
Registrar of Vital Statistics	A-12	1,320.00	
Police Department	A-12	<u>1,572.75</u>	
			3,310.19
Recycling Program		861.25	
Street Lighting Refunds		1,503.08	
Cable T.V. Franchise Fee		92,695.10	
Miscellaneous General		633.34	
Uniform Fire Safety Fees		4,308.00	
Senior Citizen & Veteran Deduction Handling Fee		755.00	
NJDMV Inspection Fines		4,022.00	
School Resource Officer		58,428.19	
Various Reimbursements		<u>67,488.80</u>	
	A-4		<u>230,694.76</u>
	A-2		<u><u>234,004.95</u></u>

See Accompanying Notes to Financial Statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
Administrative and Executive						
Mayor and Council	\$	107,150.00	107,150.00	105,055.87	2,094.13	
Salaries and Wages		26,000.00	36,830.00	33,350.00	3,480.00	
Other Expenses		9,000.00	7,000.00	6,393.79	606.21	
Municipal Clerk						
Salaries and Wages		85,910.00	85,930.00	85,928.25	1.75	
Other Expenses		32,200.00	34,200.00	34,136.94	63.06	
Elections						
Salaries and Wages		1,816.00	1,816.00	1,324.67	491.33	
Other Expenses		4,900.00	4,900.00	4,693.14	206.86	
Financial Administration						
Salaries & Wages - Treasurer's Office		106,940.00	110,140.00	110,055.42	84.58	
Salaries & Wages - Chief Financial Officer		17,816.00	16,616.00	16,260.04	355.96	
Other Expenses - Treasurer		23,400.00	23,400.00	17,414.42	5,985.58	
Miscellaneous Other Expenses		22,500.00	32,500.00	23,220.00	9,280.00	
Auditing and Accounting Services		27,500.00	27,500.00	27,500.00		
Collection of Taxes						
Salaries and Wages		42,000.00	40,000.00	39,347.64	652.36	
Other Expenses		8,550.00	7,450.00	6,617.78	832.22	
Assessment of Taxes						
Salaries and Wages		15,610.00	15,610.00	15,586.98	23.02	
Other Expenses		4,700.00	5,200.00	5,054.41	145.59	
Legal Services and Costs						
Other Expenses (Emergency \$50,000.00)		190,000.00	240,000.00	185,113.12	54,886.88	
Engineering Services and Costs						
Other Expenses		25,000.00	25,000.00	6,433.63	18,566.37	
Other Expenses - Contractual		60,000.00	60,000.00	60,000.00		
Municipal Land Use Law : (N.J.S. 40:53D-11)						
Planning Board						
Salaries and Wages		10,090.00	10,340.00	10,327.10	12.90	
Other Expenses		2,050.00	1,800.00	1,032.49	767.51	
Insurance:						
Other Insurance Premiums		360,000.00	339,150.00	338,695.72	454.28	
Group Insurance Plan for Employees		884,500.00	884,500.00	852,103.45	32,396.55	

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

Exhibit A-3

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Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public Safety:						
Police		1,870,500.00	1,870,500.00	1,784,330.34	86,169.66	
Salaries and Wages				57,714.15	10,335.85	
Other Expenses		73,100.00	68,050.00	24,608.88	441.12	
Police Cars		20,000.00	25,050.00			
School Crossing Guards						
Salaries and Wages		55,000.00	55,000.00	52,016.68	2,983.32	
Other Expenses		5,000.00	3,000.00	1,930.50	1,069.50	
Special Police						
Salaries and Wages		32,000.00	32,000.00	24,857.29	7,142.71	
Police Radio and Communications						
Salaries and Wages		167,000.00	167,000.00	149,667.42	17,332.58	
Other Expenses		1,375.00	1,375.00		1,375.00	
Emergency Management Services						
Other Expenses		500.00	500.00		500.00	
Fire						
Salaries and Wages		600.00	600.00		600.00	
Other Expenses		64,000.00	60,000.00	43,501.91	16,498.09	
Other Expenses - OSHA Physicals		1,000.00	1,000.00		1,000.00	
Other Expenses - OSHA Hepatitis B		7,000.00	7,000.00		7,000.00	
Fire Prevention Bureau						
Other Expenses		500.00	500.00	33.52	466.48	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Fire Official						
Salaries and Wages		22,734.00	22,734.00	22,733.94	0.06	
Other Expenses		3,350.00	3,350.00	113.90	3,236.10	
Municipal Prosecutor						
Salaries and Wages		14,000.00	14,000.00	13,741.83	258.17	
Municipal Court:						
Salaries and Wages		114,504.00	114,504.00	114,486.05	17.95	
Other Expenses		16,350.00	16,350.00	15,000.63	1,349.37	
Public Defender						
Salaries and Wages		6,120.00	6,120.00	5,975.04	144.96	
Public Works Function:						
Road Repairs and Maintenance						
Salaries and Wages		327,000.00	333,000.00	332,548.01	451.99	
Other Expenses		116,000.00	123,100.00	118,632.75	4,467.25	

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Garbage and Trash Removal		268,000.00	268,000.00	267,963.41	36.59	
Salaries and Wages		27,250.00	27,250.00	24,368.23	2,881.77	
Other Expenses		225,000.00	225,000.00	197,324.99	27,675.01	
Solid Waste Disposal Costs						
Recycling		81,250.00	81,250.00	80,497.26	752.74	
Salaries and Wages		13,600.00	13,600.00	10,173.70	3,426.30	
Other Expenses						
Public Buildings and Grounds		313,100.00	313,100.00	311,968.46	1,131.54	
Other Expenses						
Sewer System		12,550.00	12,550.00	9,287.00	3,263.00	
Miscellaneous Other Expenses		2,500.00	2,500.00	2,465.00	35.00	
Contractual						
Municipal Services Act (P.L. 1993, Ch. 6)		12,000.00	12,000.00		12,000.00	
Other Expenses						
<u>Health and Welfare:</u>						
Board of Health		29,621.00	29,621.00	27,895.03	1,725.97	
Salaries and Wages		2,800.00	2,800.00	731.32	2,068.68	
Other Expenses		12,000.00	12,000.00	11,345.00	655.00	
Other Expenses - Contractual						
Animal Control		12,500.00	12,500.00	12,276.48	223.52	
Other Expenses						
Administration of Public Assistance		7,325.00	7,325.00	7,324.92	0.08	
Salaries and Wages		1,300.00	1,300.00	533.83	766.17	
Other Expenses						
Senior Citizens' Transportation		3,920.00	3,920.00	3,919.91	0.09	
Salaries and Wages		2,300.00	2,300.00	2,094.00	206.00	
Other Expenses						
<u>Recreation and Education:</u>						
Board of Recreation Commissioners (N.J.S. 40:12-1)		19,500.00	19,500.00	15,207.92	4,292.08	
Salaries and Wages		22,500.00	22,500.00	7,496.61	15,003.39	
Other Expenses						
<u>Celebration of Public Events Anniversary or Holiday</u>						
Other Expenses		3,000.00	3,000.00	1,497.08	1,502.92	
<u>Construction Code Official</u>						
Salaries and Wages		46,926.00	46,926.00	46,830.18	95.82	

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

Exhibit A-3

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Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance - Cancelled</u>
Building Inspector Salaries and Wages		14,000.00	14,000.00	9,393.35	4,606.65	
Other Expenses		1,600.00	2,400.00	2,392.63	7.37	
Plumbing Inspector		200.00	200.00	74.19	125.81	
Other Expenses						
Electrical Inspector		4,683.00	4,683.00	4,683.00	10.00	
Salaries and Wages		200.00	200.00	190.00		
Other Expenses						
Fire Protection Official		8,836.00	9,636.00	9,160.24	475.76	
Salaries and Wages		100.00	100.00		100.00	
Other Expenses						
Zoning and Housing Maintenance Enforcement		39,661.00	33,661.00	32,937.34	723.66	
Salaries and Wages		2,870.00	2,070.00	650.69	1,419.31	
Other Expenses						
Unclassified:						
NJEIT Annual Fees		2,500.00	2,700.00	2,655.00	45.00	
Severance Liability Employees Retire. (Emergency \$330,000)			330,000.00	330,000.00		
Street Lighting		85,000.00	85,000.00	80,550.70	4,449.30	
Gasoline		120,000.00	119,800.00	49,769.82	70,030.18	
Fire Hydrant Service		71,000.00	71,000.00	69,116.64	1,883.36	
Total Operations within "CAPS"		<u>6,454,857.00</u>	<u>6,836,157.00</u>	<u>6,380,311.63</u>	<u>455,845.37</u>	
Detail:						
Salaries and Wages	A-1	3,546,512.00	3,558,412.00	3,423,405.13	135,006.87	
Other Expenses	A-1	2,908,345.00	3,277,745.00	2,956,906.50	320,838.50	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Deficit - Dog License Fund		453.00	453.00	453.00		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		188,213.00	188,213.00	188,213.00		
Social Security System (O.A.S.I.)		168,300.00	167,000.00	165,056.42	1,943.58	
Police and Firemen's Retirement System		428,291.00	428,291.00	428,291.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>785,257.00</u>	<u>783,957.00</u>	<u>782,013.42</u>	<u>1,943.58</u>	

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Total General Appropriations for Municipal Purposes within "CAPS"		7,240,114.00	7,620,114.00	7,162,325.05	457,788.95	
Operations - Excluded from "CAPS"						
Insurance: N.J.S.A. 40A:4-45.3e						
Group Insurance Plan for Employees						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)		179,431.20	179,431.20	179,431.20		
Passaic Valley Sewer Commission - Contractual		575,000.00	575,000.00	570,545.67	4,454.33	
Emergency Services Volunteer Length of Service Award		40,000.00	40,000.00		40,000.00	
Public and Private Programs Offset by Revenues						
COPS Hiring Grant		7,983.00	7,983.00	7,983.00		
Passaic County CDBG Grant		17,200.00	17,200.00	17,200.00		
Clean Communities Program		10,147.01	10,147.01	10,147.01		
Municipal Alliance on Alcoholism and Drug Abuse		16,792.00	16,792.00	16,792.00		
N.J. Division of Criminal Justice - Body Armor Grant		2,018.32	2,018.32	2,018.32		
Recycling Tonnage Grant		7,937.52	7,937.52	7,937.52		
Alcohol Education and Rehab. Fund - Municipal Court		1,358.84	1,358.84	1,358.84		
BPP Tax Adjustment for School Purposes						
Local School District		21,466.00	21,466.00	21,466.00		
Regional High School District		15,607.00	15,607.00	15,607.00		
Total Operations - Excluded from "CAPS"		894,940.89	894,940.89	850,486.56	44,454.33	
Detail:						
Salaries & Wages	A-1	7,983.00	7,983.00	7,983.00		
Other Expenses	A-1	886,957.89	886,957.89	842,503.56	44,454.33	
Capital Improvements:						
Capital Improvement Fund		50,000.00	50,000.00	50,000.00		
Improvement to Building		30,000.00	30,000.00	30,000.00		
Improvements to Police Desk		10,000.00	10,000.00		10,000.00	
Purchase of Computer Equipment		5,000.00	5,000.00		5,000.00	
Total Capital Improvements Excluded from "CAPS"	A-1	95,000.00	95,000.00	80,000.00	15,000.00	
Municipal Debt Service:						
Payment of Bond Principal		405,000.00	405,000.00	405,000.00		
Payment of Bond Anticipation Notes		100,000.00	100,000.00	100,000.00		
Interest on Bonds		198,882.00	198,882.00	198,879.76		2.24
Interest on Notes		24,337.00	24,337.00	23,236.79		1,100.21



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

Exhibit A-3

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Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Green Trust Loan Program						
Principal		14,109.00	14,109.00	14,107.90		1.10
Interest		4,458.00	4,458.00	4,457.59		0.41
NJEIT						
Principal		75,685.00	75,685.00	60,684.21		15,000.79
Interest		13,575.00	13,575.00			13,575.00
Total Municipal Debt Service-Excluded from "CAPS"	A-1	836,046.00	836,046.00	806,366.25		29,679.75
Deferred Charges:						
Emergency Authorization		150,000.00	150,000.00	150,000.00		
Special Emergency Authorizations - 5 years		101,000.00	101,000.00	101,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	251,000.00	251,000.00	251,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		2,076,986.89	2,076,986.89	1,987,852.81	59,454.33	29,679.75
Subtotal General Appropriations		9,317,100.89	9,697,100.89	9,150,177.86	517,243.28	29,679.75
Reserve for Uncollected Taxes		740,000.00	740,000.00	740,000.00		
Total General Appropriations		\$ 10,057,100.89	10,437,100.89	9,890,177.86	517,243.28	29,679.75
Adopted Budget	A-2		10,040,308.89		A	
Appropriated by N.J.S. 40A:4-87	A-2		16,792.00			
Special Emergency Authorization	A-15		330,000.00			
Emergency Authorization	A-14		50,000.00			
			10,437,100.89			
<u>Analysis of Paid or Charged</u>						
Cash Disbursed	A-4			8,708,077.17		
Encumbrances Payable	A-17			127,664.00		
Emergency Authorization	A-14			150,000.00		
Special Emergency Authorization	A-15			101,000.00		
Reserve for Uncollected Taxes	A-2			740,000.00		
Reserve for Federal and State Grants	A-24			63,436.69		
				9,890,177.86		

See Accompanying Notes to Financial Statements.

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## Borough of Haledon, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Dog License Fund:			
Cash	B-1	\$ (107.62)	2,699.08
Operating Deficit	B-4		452.34
Interfund - Current Fund	B-6	444.65	
		<u>337.03</u>	<u>3,151.42</u>
Other Trust Funds:			
Cash	B-1	748,405.98	755,743.48
Interfund - Dog License Fund	B-7	66.00	26.00
Other Receivables	B-2	-	20,180.93
Interfund - Current Fund - Other Trust	B-6	98,878.10	51,638.82
		<u>847,350.08</u>	<u>827,589.23</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-1	247,241.53	236,224.53
Contributions Receivable	B-3	-	14,950.00
		<u>247,241.53</u>	<u>251,174.53</u>
Total Assets		<u>\$ 1,094,928.64</u>	<u>1,081,915.18</u>
<u>Liabilities &amp; Reserves</u>			
Dog License Fund:			
Reserve for Expenditures	B-4	\$ 246.23	
Due to State Department of Health	B-5	24.80	1.20
Interfund - Current Fund	B-6		3,124.22
Interfund - Other Trust Fund	B-7	66.00	26.00
		<u>337.03</u>	<u>3,151.42</u>
Other Trust Fund:			
Interfund - Current Fund - Other	B-6		
Payroll Deductions Payable	B-8	22,043.96	20,367.39
Other Trust Fund Deposits and Reserves	B-9	825,306.12	807,221.84
		<u>847,350.08</u>	<u>827,589.23</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	247,241.53	251,174.53
Total Liabilities & Reserves		<u>\$ 1,094,928.64</u>	<u>1,081,915.18</u>

See Accompanying Notes to Financial Statements.

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## Borough of Haledon, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 817,179.69	735,535.97
Interfund - Current Fund	C-4		951,068.97
Interfund - Water Capital Fund	C-5	812,375.84	812,375.84
Interfund - Federal and State Grant Fund	C-6	17,200.00	
Various Receivables	C-7	1,794,525.94	777,028.60
Deferred Charges to Future Taxation:			
Funded	C-8	7,657,999.63	5,453,791.74
Unfunded	C-9	2,111,746.00	3,544,491.60
		<u>13,211,027.10</u>	<u>12,274,292.72</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Current Fund	C-4	185,241.85	
NJEIT Trust/Loan	C-10	616,718.95	692,403.16
General Serial Bonds	C-11	6,829,000.00	4,535,000.00
Green Acres Loan Payable	C-12	212,280.68	226,388.58
Bond Anticipation Notes	C-13		3,377,031.00
Improvement Authorizations:			
Funded	C-14	2,595,638.57	332,381.50
Unfunded	C-14	1,780,218.09	2,093,588.30
Capital Improvement Fund	C-15	37,705.96	59,625.96
Reserve for:			
Debt Service	C-16	417,296.12	78,989.62
Various Grants Receivable	C-17	501,069.94	777,028.60
Fund Balance	C-1	35,856.94	101,856.00
		<u>\$ 13,211,027.10</u>	<u>12,274,292.72</u>

Footnote: There were \$2,111,746.00 and \$745,275.00 of Bonds and Notes Authorized But Not Issued per Exhibit C-18 on December 31, 2015 and 2014

See Accompanying Notes to Financial Statements.

## Borough of Haledon, N.J.

## Comparative Statement of Changes in Fund Balance - Regulatory Basis

## General Capital Fund

For the Years Ended December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	C	\$ 101,856.00	167,856.00
Increased by:			
Funded Improvement Authorizations Cancelled	C-14	<u>333,910.19</u>	<u>172,253.71</u>
		435,766.19	340,109.71
Decreased by:			
Appropriated to Finance Improvement Authorization	C-14	<u>333,909.25</u>	<u>172,253.71</u>
Appropriated to Current Year Budget Revenue	C-2	<u>66,000.00</u>	<u>66,000.00</u>
Balance - December 31, 2015	C,C-3	\$ <u><u>35,856.94</u></u>	<u><u>101,856.00</u></u>

See Accompanying Notes to Financial Statements.

Borough of Haledon, N.J.  
 Comparative Balance Sheet - Regulatory Basis  
 Water Utility Fund  
 December 31, 2015 and 2014

	<u>Ref</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-4	\$ 505,806.51	74,510.30
Due from Current Fund	D-5	30,000.00	300,586.88
Due from Manchester Utility Authority Service Agreement	D-7	347,813.04	504,143.50
		<u>883,619.55</u>	<u>879,240.68</u>
Total Operating Fund		883,619.55	879,240.68
Capital Fund:			
Cash	D-4/D-8	8,826.29	8,803.94
Interfund - Water Utility Operating Fund	D-5	803,550.16	803,572.51
Fixed Capital	D-9	9,897,583.42	9,897,583.42
		<u>10,709,959.87</u>	<u>10,709,959.87</u>
Total Capital Fund		10,709,959.87	10,709,959.87
Total Assets		<u>\$ 11,593,579.42</u>	<u>11,589,200.55</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4/D-10	\$ 12,315.73	49,885.76
Interfund - Water Utility Capital Fund	D-5	803,550.16	803,572.51
		<u>815,865.89</u>	<u>853,458.27</u>
Reserve for Receivables	Contra		
Fund Balance	D-1	67,952.67	25,782.41
		<u>67,952.67</u>	<u>25,782.41</u>
Total Operating Fund		883,818.56	879,240.68
Capital Fund:			
Serial Bonds Payable	D-11	1,220,000.00	1,405,000.00
Capital Improvement Fund	D-12	0.61	0.61
Reserve for Amortization	D-13	8,677,583.42	8,492,583.42
Interfund - General Capital Fund	D-14	812,375.84	812,375.84
		<u>10,709,959.87</u>	<u>10,709,959.87</u>
Total Capital Fund		10,709,959.87	10,709,959.87
Total Liabilities, Reserves and Fund Balances		<u>\$ 11,593,778.43</u>	<u>11,589,200.55</u>

The fixed capital reported is taken from the municipal records  
 and does not necessarily reflect the true condition of such fixed capital.

There were no bonds or notes authorized but not issued on December 31, 2015 and 2014.

See accompanying Notes to Financial Statements.

## Borough of Haledon, N.J.

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

## Water Utility Operating Fund

for the Years Ended December 31, 2015 and 2014

	Ref.	2015	2014
Revenue and Other Income Realized:			
Surplus Anticipated	D-2	\$ 2,650.00	26,650.00
Service Agreement Manchester			
Utilities Authority	D-2	585,593.76	595,268.76
Non-budget Revenue	D-2	422.99	221.28
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	44,397.27	
Cancellation of Water Key Deposits			
		<hr/>	<hr/>
Total Income		633,064.02	622,140.04
Expenditures:			
Operating	D-3	337,650.00	361,650.00
Debt Service	D-3	225,593.76	235,268.76
Deferred Charges and Statutory Expenditures	D-3	25,000.00	25,000.00
		<hr/>	<hr/>
Total Expenditures		588,243.76	621,918.76
Excess in Revenue over Expenditures		44,820.26	221.28
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years			
		<hr/>	<hr/>
Statutory Excess to Surplus		44,820.26	221.28
Fund Balance - January 1,	D	25,782.41	52,211.13
		<hr/>	<hr/>
		70,602.67	52,432.41
Decreased by:			
Utilized as Anticipated Revenue		2,650.00	26,650.00
		<hr/>	<hr/>
Fund Balance - December 31,	D	\$ 67,952.67	25,782.41
		<hr/> <hr/>	<hr/> <hr/>

See accompanying Notes to Financial Statements.



Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 2,650.00	2,650.00	
Service Agreement Manchester Utilities Authority	D-1/D-6	\$ <u>585,593.76</u>	<u>585,593.76</u>	<u>                    </u>
Budget Totals	D-3	588,243.76	588,243.76	
Non-Budget Revenue	D-1		422.99	422.99
		<u>\$ 588,243.76</u>	<u>588,666.75</u>	<u>422.99</u>
 <u>Analysis of Non-budget Revenues</u>				
Interest on Deposits:				
Water Operating Fund	D-4		400.64	
Interfund - Water Capital Fund	D-5		<u>22.35</u>	
				<u>422.99</u>

See accompanying Notes to Financial Statements.

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2015

Ref.	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
	\$ 317,000.00	317,000.00	314,459.46	2,540.54	
	20,650.00	20,650.00	11,821.71	8,828.29	
D-1	337,650.00	337,650.00	326,281.17	11,368.83	
Operating:					
Salaries and Wages					
Other Expenses					
Total Operating					
Debt Service:					
Payment of Bond Principal	185,000.00	185,000.00	185,000.00		
Interest on Bonds	40,593.76	40,593.76	40,593.76		
Total Debt Service	225,593.76	225,593.76	225,593.76		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,000.00	25,000.00	24,053.10	946.90	
Total Deferred Charges and Statutory Expenditures	25,000.00	25,000.00	24,053.10	946.90	
	\$ 588,243.76	588,243.76	575,928.03	12,315.73	
		D-2	D-4	D	

See accompanying Notes to Financial Statements.

Borough of Haledon , N.J.

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	E-1	\$ 79,101.74	69,989.48
Interfund - Current Fund	E-7	314.75	4,283.35
		<u>79,416.49</u>	<u>74,272.83</u>
<u>Liabilities</u>			
Reserve for Public Assistance	E-6	79,101.12	73,958.08
Interfund - Current Fund	E-7	315.37	314.75
		<u>\$ 79,416.49</u>	<u>74,272.83</u>

See Accompanying Notes to Financial Statements.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Haledon have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough of Haledon (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library and Volunteer Fire Department which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

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

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

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

The Borough has the following funds:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

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

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

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.

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

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

**Basis of Accounting**

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year levied are subject to be included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et seq. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

**Basis of Accounting, (continued)**

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

General Capital Fund	Trust Funds
Public Assistance Fund	Water Capital Fund
Payroll Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015, the Borough Council increased the original current fund budget by \$396,792.00. This increase was funded by a \$50,000.00 emergency authorization to fund legal expenses and a \$330,000.00 special emergency for severance liability. Also, \$16,792.00 was for additional aid allotted the Borough.



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

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

**Basis of Accounting, (continued)**

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

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

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

**Basis of Accounting, (continued)**

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and were not capitalized. Beginning January 1, 1986, the Division of Local Government Services, Department of Community Affairs, requires a fixed asset accounting system to account for all fixed assets acquired and disposed of after January 1, 1986.

Property and equipment purchased by the Water Utility Funds are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in these utility capital funds represent charges to improvements. The utilities do not record depreciation on fixed assets.

Fixed Assets acquired through December 31, 1985 may be valued at either historical cost (estimated) or any other reasonable basis adequately disclosed in the local units financial statements.

There is no requirement for the local unit to record depreciation on General Fixed Assets. However, for cost analysis or grant reimbursement purposes it may be desirable to consider and/or record depreciation.

The Borough of Haledon does not maintain a fixed asset accounting system, therefore, a statement of general fixed assets is not presented. The amount to be recorded is unknown, which could be material to the financial statements.

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

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

**Basis of Accounting, (continued)**

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

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

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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

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

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

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

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

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

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

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

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

**Basis of Accounting, (continued)**

Recent Accounting Pronouncements, (continued)

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

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

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

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

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

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

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

**C. Basic Financial Statements**

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$-0- of the Borough's bank balance of \$5,332,438.59 and \$6,917,135.23, respectively, was exposed to custodial credit risk.

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

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

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

The Borough places no limit on the amount the Borough may invest in any one issuer.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2015 and 2014, the Borough had \$15,203.76 and 15,201.16, respectively, on deposit with the New Jersey Cash Management Fund.

**Unaudited Investments**

As more fully described in Note 10, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by the Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2015 and 2014 amounted to \$247,241.53 and \$236,224.53, respectively.

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

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

**Unaudited Investments, (continued)**

The following investments represent 5% or more of the total invested with the Lincoln Financial Group on December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Growth	\$101,557.82	\$94,553.35
Fixed Income	132,932.12	128,327.08
All Others	<u>12,751.59</u>	<u>13,344.10</u>
Total	<u>\$247,241.53</u>	<u>\$236,224.53</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Other Liabilities:					
Loans Payable	\$226,388.58	\$	\$14,107.90	\$212,280.68	\$14,391.46
N.J. Environmental Infrastructure:					
Trust	189,535.00		15,000.00	174,535.00	15,000.00
Loan	502,868.16		60,684.21	442,183.95	60,684.21
Deferred Pension Liability	197,654.00		14,034.00	183,620.00	15,202.00
Compensated Absences	1,361,880.19		391,791.63	970,088.56	
Bonds Payable:					
General Capital	4,535,000.00	2,699,000.00	405,000.00	6,829,000.00	520,000.00
Water Capital	<u>1,405,000.00</u>	<u>                    </u>	<u>185,000.00</u>	<u>1,220,000.00</u>	<u>185,000.00</u>
	<u>\$8,418,325.93</u>	<u>\$2,699,000.00</u>	<u>\$1,085,617.74</u>	<u>\$10,031,708.19</u>	<u>\$810,277.67</u>

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



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

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's debt is summarized as follows:

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General Bonds, Loans and Notes	\$7,657,999.63	\$8,830,822.74	\$9,732,605.85
Water Utility - Bonds and Notes	<u>1,220,000.00</u>	<u>1,405,000.00</u>	<u>1,595,000.00</u>
Total Issued	<u>8,877,999.63</u>	<u>10,235,822.74</u>	<u>11,327,605.85</u>
 <u>Authorized But Not Issued</u>			
General Bonds and Notes	2,111,746.00	745,275.00	173,850.00
Water Utility - Bonds and Notes	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Authorized But Not Issued	<u>2,111,746.00</u>	<u>745,275.00</u>	<u>173,850.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$10,989,745.63</u>	<u>\$10,981,097.74</u>	<u>\$11,501,455.85</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.751%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water Utility Debt	\$1,220,000.00	\$1,220,000.00	\$0.00
General Debt	<u>9,769,745.63</u>	<u>417,296.12</u>	<u>9,352,449.51</u>
	<u>\$10,989,745.63</u>	<u>\$1,637,296.12</u>	<u>\$9,352,449.51</u>

Net Debt \$9,352,449.51 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$534,270,163.00 equals 1.751%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$18,699,455.70
Net Debt	<u>9,352,449.51</u>
Remaining Borrowing Power	<u>\$9,347,006.19</u>

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY  
PER N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$588,666.75
Deductions:		
Operating and Maintenance Cost	\$362,650.00	
Debt Service per Water Account	<u>225,593.76</u>	
Total Deductions		<u>588,243.76</u>
 Excess in Revenue - Self-Liquidating		 <u>\$422.99</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

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

	<u>Amount</u> <u>Outstanding</u>
<u>Paid by Current Fund:</u>	
\$4,220,000.00 General Improvement Bonds - issued with variable interest rates of 4.00% to 5.50% on January 22, 2009, due through September 1, 2025	\$3,560,000.00
\$1,410,000.00 General Obligation Refunding Bonds - issued with variable interest rates of 2.00% to 3.00% on August 12, 2011, due through March 15, 2017	570,000.00
\$2,699,000.00 General Improvement Bonds - issued with variable interest rates of 2.00% to 3.00% on October 15, 2015, due through October 15, 2031	<u>2,699,000.00</u>
Total Serial Bonds	<u>\$6,829,000.00</u>
 \$270,000.00 Green Acres Loan dated April 15, 2009 payable in semiannual installments through October 15, 2028. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$8,394.73 are applied first to interest and then to principal.	 \$191,359.60
 \$28,561.00 Green Acres Loan dated September 18, 2009 payable in annual installments through March 18, 2029. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$888.01 are applied first to interest and then to principal.	 <u>20,921.08</u>
Total Green Acres Loans	<u>\$212,280.68</u>

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

	<u>Amount Outstanding</u>
<u>Paid by Current Fund, (continued):</u>	
\$385,000.00 New Jersey Environmental Infrastructure Trust - Series 2010A, dated March 10, 2010, payable in annual installments from August 1, 2011 through August 1, 2029. Interest is paid semiannually at variable interest rates between 3.50% to 5.00%.	\$174,535.00
\$1,153,000.00 New Jersey Environmental Infrastructure Trust Fund - winter 2010, dated March 10, 2010, payable in semiannual installments on February 1 and August 1 commencing on February 1, 2011 with a zero percent interest rate.	<u>442,183.95</u>
Total New Jersey Environmental Infrastructure Loans Payable	<u>\$616,718.95</u>
<u>Paid by Water Utility Fund:</u>	
\$1,815,000.00 Water Utility Refunding Bonds - issued with variable rates of 2.00% to 3.63% on August 12, 2011, due through March 15, 2022	<u>\$1,220,000.00</u>
Total Serial Bonds	<u>\$1,220,000.00</u>

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

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

General Capital	<u>\$2,111,746.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND  
INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

<u>Year</u>	<u>General</u>			<u>Water Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$520,000.00	\$246,378.46	\$766,378.46	\$185,000.00	\$35,043.76	\$220,043.76
2017	535,000.00	232,813.75	767,813.75	180,000.00	29,568.76	209,568.76
2018	500,000.00	220,538.75	720,538.75	175,000.00	24,681.26	199,681.26
2019	520,000.00	203,538.75	723,538.75	175,000.00	19,868.76	194,868.76
2020	540,000.00	185,038.75	725,038.75	170,000.00	14,481.26	184,481.26
2021-2025	3,075,000.00	577,606.25	3,652,606.25	335,000.00	11,840.64	346,840.64
2026-2030	950,000.00	109,575.00	1,059,575.00			
2031	<u>189,000.00</u>	<u>5,670.00</u>	<u>194,670.00</u>			<u>0.00</u>
	<u>\$6,829,000.00</u>	<u>\$1,781,159.71</u>	<u>\$8,610,159.71</u>	<u>\$1,220,000.00</u>	<u>\$135,484.44</u>	<u>\$1,355,484.44</u>

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR GREEN ACRES LOANS ISSUED AND OUTSTANDING

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$14,391.46	\$4,174.01	\$18,565.47
2017	14,680.73	3,884.75	18,565.48
2018	14,975.81	3,589.67	18,565.48
2019	15,276.83	3,288.66	18,565.49
2020	15,583.89	2,981.59	18,565.48
2021-2025	82,745.82	10,081.55	92,827.37
2026-2029	<u>54,626.14</u>	<u>1,958.29</u>	<u>56,584.43</u>
	<u>\$212,280.68</u>	<u>\$29,958.52</u>	<u>\$242,239.20</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN  
AND FUND LOAN

<u>Year</u>	<u>Trust Loan(1)</u>		<u>Fund Loan</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2016	\$15,000.00	\$12,825.00	\$60,684.21
2017	20,000.00	12,075.00	60,684.21
2018	20,000.00	11,075.00	60,684.21
2019	20,000.00	10,075.00	60,684.21
2020	20,000.00	9,275.00	60,684.21
2021-2025	110,000.00	33,975.00	138,762.90
2026-2029	<u>105,000.00</u>	<u>10,675.00</u>	
	<u>\$310,000.00</u>	<u>\$99,975.00</u>	<u>\$442,183.95</u>

(1) The State has reduced the Trust Loan amount by \$135,465.00. However, the loan repayment schedule remains the same and credits will be given on the semi-annual bills until the leftover funds are exhausted.

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

**NOTE 4. BOND ANTICIPATION NOTES**

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

On December 31, 2015, the Borough had no outstanding general capital bond anticipation notes.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
PNC Bank	<u>\$3,377,031.00</u>	<u>\$ _____</u>	<u>\$3,377,031.00</u>	<u>\$0.00</u>

**NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>	<u>Balance to Succeeding Years Budgets</u>
Current Fund:			
Emergency Authorization	\$50,000.00	\$50,000.00	\$0.00
Special Emergency Authorizations	522,000.00	167,000.00	355,000.00

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

**NOTE 6. REGIONAL HIGH SCHOOL TAX**

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

The Borough of Haledon has elected to defer school taxes as follows:

	<u>Regional High School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Balance of Tax	\$2,386,818.50	\$2,155,900.00
Deferred	<u>2,386,818.50</u>	<u>2,155,900.00</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

**NOTE 7. PENSION PLANS**

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS), (continued)*

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

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

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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



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

**NOTE 7. PENSION PLANS, (continued)**

Defined Contribution Retirement Program

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

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

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

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

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

**NOTE 7. PENSION PLANS, (continued)**

Contribution Requirements

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

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Haledon opted for this deferral in the amount of \$231,878.00. The outstanding balance at December 31, 2015 and 2014 was \$183,620.00 and \$197,654.00, respectively.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$188,213.00	\$428,291.00	\$0.00
2014	172,780.00	388,719.00	0.00
2013	190,478.00	383,802.00	0.00

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

**NOTE 7. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$4,917,645.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0219068318 percent, which was an increase/(decrease) of 0.0001720993 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$188,213.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$117,318.00	\$
Changes of assumptions	528,116.00	
Net difference between projected and actual earnings on pension plan investments		79,066.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>27,338.00</u>	<u>3,170.00</u>
Total	<u>\$672,772.00</u>	<u>\$82,236.00</u>

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

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$103,107.00
2017	103,107.00
2018	103,107.00
2019	164,215.00
2020	92,830.00

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	0.0219068318%	0.0217347325%

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

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

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

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$6,112,031.00	\$4,917,645.00	\$3,916,280.00

**Pension Plan Fiduciary Net Position**

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

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

At December 31, 2015, the Borough had a liability of \$9,067,560.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0544385238 percent, which was an increase/(decrease) of 0.0020506570 percent from its proportion measured as of June 30, 2014.

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

**NOTE 7. PENSION PLANS, (continued)**

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

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

For the year ended December 31, 2015, the Borough recognized pension expense of \$428,291.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$1,674,097.00	\$78,211.00
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		157,813.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>457,706.00</u>	<u>                    </u>
Total	<u>\$2,131,803.00</u>	<u>\$236,024.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$273,116.00
2017	273,116.00
2018	273,116.00
2019	447,817.00
2020	170,908.00



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

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	0.0544385238%	0.0523878668%

**Actuarial Assumptions**

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

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$13,002,242.00	\$9,067,560.00	\$7,302,784.00

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

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Pension Plan Fiduciary Net Position**

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

**NOTE 8. FUND BALANCES**

Fund balances as of December 31, 2015 and 2014 that have been anticipated as revenue in the 2016 and 2015 budgets were as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	\$970,000.00	\$800,000.00
Water Operating Fund	22,800.00	2,650.00

**NOTE 9. ACCRUED SICK AND VACATION BENEFITS**

The Borough has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. The current cost of such unpaid compensation has been estimated at \$970,088.56. This amount, which is material to the financial statements, is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Borough's operating budget in the year it is used.

**NOTE 10. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

In 2003, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of between \$287.50 to \$1,150.00 to each eligible volunteer who accumulates

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

**NOTE 10. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

between 30 to 60 or more service points based on criteria established by Borough Ordinance No. 8-9-2001. In addition, the ordinance does not provide for prior years service credit. The amount of the LOSAP award cannot exceed \$1,150.00 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current year's budget.

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

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

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

\$66.00	Due to the Other Trust Fund from the Dog License Fund for Trust Funds deposited in the Dog License Fund in error.
43,855.33	Due to the Grant Fund from the Current Fund for Grant receipts deposited in the Current Fund.
444.65	Due to the Dog License Fund from the Current Fund for Short Term Loans to pay expenditures and interest earnings.
30,000.00	Due to the Water Operating Fund from the Current Fund for receipts deposited in the Current Fund.
0.62	Due to the Current Fund from the Public Assistance Fund for interest earnings.
98,878.10	Due to the Other Trust Fund from the Current Fund for Other Trust Bills receipts deposited in the Current Fund.
185,241.85	Due to the Current Fund from the General Capital Fund for Short Term Loans.
812,375.84	Due to the General Capital Fund from the Water Capital Fund for reimbursement of Water Capital bills paid by the General Capital Fund and for Short Term Loans.
<u>803,550.16</u>	Due to the Water Capital Fund from the Water Operating Fund for Short Term Loans.
<u>\$1,974,412.55</u>	

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

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

**NOTE 12. CAPITAL LEASE AGREEMENT**

The Borough entered into agreements for the leasing of police vehicles totaling \$68,563.50 under capital leases. The capital lease agreements are for a term of 3 years payable in advance. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at December 31, 2015.

<u>Year Ended</u> <u>December 31,</u>	<u>Payments</u>
2016	<u>\$17,431.29</u>
Total	17,431.29
Less: Amounts representing interest	<u>359.96</u>
Present value of Net Minimum Lease Payments	<u>\$17,071.33</u>

**NOTE 13. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Haledon is currently a member of the Suburban Essex Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund (the "Funds"). The Funds provide their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Funds are risk-sharing public entity risk pools that are both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

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

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

**NOTE 13. RISK MANAGEMENT, (continued)**

The Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Funds are available at the office of the Funds' Executive Director, PERMA Risk Management Services, 9 Campus Drive, Suite 216, Parsippany, NJ 07054.

**NOTE 14. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	\$ <u>132,133.79</u>	\$ <u>64,907.50</u>
Cash Liability for Taxes Collected in Advance	\$ <u>132,133.79</u>	\$ <u>64,907.50</u>

**NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Borough Counsel that the Borough is involved in several legal suits of which several could be material. However, they are covered by insurance with the exception of the following provided by the Borough attorney:

City of Paterson Sewer Agreement

The Borough of Haledon has a Sewer Agreement with the City of Paterson dating back to the early 1900's. Paterson is attempting to renegotiate this agreement with Haledon and several other municipalities. Paterson unilaterally passed an ordinance setting new, substantially higher, sewer fees in 2007. Paterson has asserted a claim for fees from 2001 through 2015 for \$740,828.73. Paterson also is seeking a contribution toward a sewer study from Haledon in the amount of \$119,095. Haledon disputes the increased sewer fee because Paterson unilaterally changed the terms of Haledon's agreement and has not agreed to the sewer study.

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

**NOTE 16. OTHER MATTERS**

The Borough council adopted an ordinance dated March 17, 2004 that created the Haledon Municipal Utilities Authority (HMUA) now known as the Manchester Utilities Authority (MUA). The Borough and the MUA also entered into an intralocal agreement and a water deficiency agreement in which the MUA would lease certain employees and equipment from the Borough. Certain fixed assets of the Haledon Water Utility were transferred to the MUA. The bonds and notes of the Haledon Water Utility will be budgeted for by the MUA and proceeds paid to the Haledon Water Utility. All new capital projects will be funded by the MUA whose bonds will be backed by the Borough of Haledon through the deficiency agreement.

**NOTE 17. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through August 29, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.



**SUPPLEMENTARY DATA AND SCHEDULES**

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**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Tax Rate:	<u>4.3040</u>	<u>4.0790</u>	<u>6.3740</u>
Apportionment of Tax Rate:			
Municipal	1.3885	1.3460	1.9939
Municipal Library	0.0349	0.0340	0.0596
County - General	0.7836	0.7140	1.1829
County - Open Space	0.0105	0.0110	0.0179
Local School	1.1628	1.1430	1.7648
Regional High School	0.9237	0.8310	1.3549
Assessed Valuations:			
2015	\$515,122,000.00		
*2014		\$516,977,300.00	
2013			\$326,248,900.00
*Revaluation			

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$22,209,558.24	\$21,645,388.31	97.45%
2014	21,093,620.74	20,486,321.30	97.12
2013	20,943,424.67	20,036,457.73	95.66

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$69,425.82	\$478,347.58	\$547,773.40	2.46%
2014	73,112.28	564,528.86	637,641.14	3.02
2013	75,802.74	778,640.89	854,443.63	4.08

**PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION**

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

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

<u>Year</u>	<u>Amount</u>
2015	\$9,975.00
2014	9,975.00
2013	9,975.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$1,470,742.34	\$970,000.00
2014	1,395,862.36	800,000.00
2013	1,210,575.94	700,000.00
2012	1,729,352.89	1,127,000.00
2011	1,904,987.29	860,000.00
	<u>Water Utility Operating Fund</u>	
2015	\$67,952.67	\$22,800.00
2014	25,782.41	2,650.00
2013	52,211.13	26,650.00
2012	15,761.36	15,500.00
2011	15,496.23	0.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Dominic Stampone	Mayor	
Mounir Almaita	Councilman - Council President	
Tahsina Ahmed	Councilwoman	
Maha Kandis	Councilwoman to 10/05/15	
Nereyda Curiel	Councilwoman from 12/09/15	
Reynaldo Martinez	Councilman	
Michael Tirri	Councilman	
Michael Johnson	Councilman	
Allan R. Susen	Borough Clerk/Administrator, Assessment Search Officer, Registrar	
John Segreto, Jr.	Magistrate	(A)
Stephen P. Sanzari	Tax Collector	(A)
Maryann Brindisi	Chief Financial Officer	
Kelly Mullanaphy	Court Administrator	(A)
Ferraioli, Wielkotz, Cerullo & Cuva, P.A.	Borough Auditor	
Andrew Oddo	Borough Attorney	
Alaimo Group	Borough Engineer	
Danielle Pasquale	Borough Prosecutor	
Joseph P. DeMarco	Public Defender	

(A) Coverage provided by the Municipal Excess Liability Joint Insurance Fund of up to \$1,000,000.00 per loss subject to a deductible of \$1,000.00 per loss.

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BOROUGH OF HALEDON, N.J.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award Amount	Balance Jan. 1, 2015	Revenues/Receipts	Adjustment/Expended	Balance Dec. 31, 2015	Memo Cumulative Total Expenditures
U.S. Department of Transportation	Over the Limit Under Arrest Streetscape Belmont Ave.	20.616	7,348.35		7,348.35		7,348.35	*
	Streetscape Belmont Ave.	20.205	703,000.00	(165,131.10)	76,087.66		(89,043.44)	*
	Streetscape Belmont Ave.-PH. III	20.205	620,000.00					*
U.S. Dept. of Justice	COPS Hiring Grant	16.71	121,464.00	7,983.00	50,975.00		58,958.00	*
Department of Housing and Urban Development	Community Development Block Grant							*
	ADA Improvements							*
Pass Through Funds: Passaic County	Roe St. Playground	14.218	117,200.00	17,200.00		17,200.00		*
	Improvements to Various Borough Streets	14.218	140,181.00					*
	Roe Street Field Security Cameras	14.218	45,047.00					*
				(139,948.10)	134,411.01	17,200.00	(22,737.09)	*
								585,695.79

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH FEDERAL OMB UNIFORM GUIDANCE.

BOROUGH OF HALEDON, N.J.  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2015

State Grantor Department	Program Title	State Program/Account Number	Program Amount	Balance Jan. 1, 2015	Receipts	Expended	Balance Dec. 31, 2015	Memo Cumulative Total Expenditures
Department of Community Affairs	Emergency Road & Bridge Repair Special Legislative Grant-Business District	8030-100-04-88-20	6,393.94	1,744.98			1,744.98	4,648.96
			25,000.00	(15,000.00)		(15,000.00)	25,000.00	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	1110-448-031020-2200	15,919.99	5,244.17		5,244.17		15,919.99
			2,176.33	2,176.33			2,176.33	
			2,072.50	2,072.50		2,072.50		2,072.50
			9,437.67	9,437.67		9,437.67		9,437.67
			8,446.56	8,446.56		8,446.56		8,446.56
Division of Criminal Justice	Municipal Court Alcohol Education and Rehabilitation	9735-760-060000-60	1,530.47	955.47		475.00	480.47	1,050.00
			1,358.84	1,358.84			1,358.84	
			1,532.26	1,532.26		1,532.26		1,532.26
Division of Criminal Justice	Body Armor Fund	1020-718-066-1020-001	1,658.97	1,049.71		1,049.71		1,658.97
			1,761.55	1,761.55			1,761.55	
			890.69	890.69		890.69		890.69
			1,692.90	1,692.90		1,692.90		1,692.90
			1,813.49	1,813.49		1,813.49		1,813.49
			2,554.97	2,554.97		2,554.97		2,554.97
			2,018.32	2,018.32		2,018.32		2,018.32
			2,015.49	2,015.49		2,015.49		2,015.49
Department of Human Services	General Assistance	7500-150-158010-60 A/Ch2	173,795.00	47,512.87	178,938.04	173,795.00	52,655.91	173,795.00
Department of Health	H1 N1 Influenza Grant		17,104.00	187.20		187.20		16,916.80
Department of Environmental Protection	Clean Communities Program	4900-765-178900-60	6,026.16	1,021.84		1,021.84		6,026.16
			6,318.21	6,318.21			6,318.21	
			7,041.26	7,041.26		7,041.26		7,041.26
			7,458.25	7,458.25		7,458.25		7,458.25
			9,567.09	9,567.09		9,567.09		9,567.09
			9,961.99	9,961.99		9,961.99		9,961.99
			9,364.78	9,364.78		9,364.78		9,364.78
			9,216.77	9,216.77		9,216.77		9,216.77
			10,821.23	10,821.23		10,821.23		10,821.23
			10,147.01	10,147.01		10,147.01		10,147.01
			12,336.38	12,336.38		12,336.38		12,336.38
	Recycling Tonnage Grant	4900-752-042-490	7,937.52	7,937.52		7,937.52		7,937.52
			8,333.91	8,333.91		8,333.91		8,333.91
Passaic County Municipal Alliance Grant	Governor's Alcohol and Drug Abuse Prevention	1110-448-031020-22	16,792.00	(2,544.90)	5,896.35	3,351.45	(2,104.02)	16,792.00
			16,792.00		9,835.46	11,939.48		11,939.48
Department of Transportation	Transportation Trust Fund Hobart and Henry Street Clinton Street	6320-480-078	150,000.00	(88,217.47)		(88,217.47)		150,000.00
			200,000.00	(22,216.66)		(22,216.66)	200,000.00	
			200,000.00	(21,208.74)		(21,208.74)		200,000.00
			100,000.00	(19,086.25)		(19,086.25)		100,000.00
			200,000.00	(35,584.95)		(35,584.95)		200,000.00
			488,228.00					488,228.00
State Pedestrian Safety Program	Pothole Repair Program	6320-480-078-6320-163	40,000.00	6,660.62		6,660.62		40,000.00
			6,660.62				6,660.62	
			(17,424.18)	218,887.89	253,969.48	(52,505.77)		1,006,432.75

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 15-08.



## Borough of Haledon, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2014	A	\$ 3,155,476.24
Increased by Receipts:		
Interest and Costs on Taxes	A-2	169,968.52
General Capital Surplus	A-2	66,000.00
Miscellaneous Revenue Not Anticipated	A-2	230,694.76
Petty Cash	A-7	100.00
Due From State - Senior Citizen and Veteran Deductions	A-8	37,750.00
Taxes Receivable	A-9	22,108,759.67
Tax Title Liens	A-10	21,600.93
Revenue Accounts Receivable	A-12	1,176,874.49
Interfunds	A-13	150,859.04
Prepaid Taxes	A-18	132,133.79
Various Cash Liabilities and Reserves	A-22	<u>730,829.16</u>
		<u>24,825,570.36</u>
		27,981,046.60
Decreased by Disbursements:		
Refund Prior Year Revenue	A-1	36,380.14
Current Year Budget Appropriations	A-3	8,708,077.17
Petty Cash	A-7	250.00
Interfunds	A-13	1,488,794.91
Appropriation Reserves	A-16	295,218.98
Local District School Taxes	A-19	5,989,962.46
Regional High School Taxes	A-20	4,526,221.50
County Taxes Payable	A-21	4,098,505.82
Various Cash Liabilities and Reserves	A-22	<u>900,747.87</u>
		<u>26,044,158.85</u>
Balance - December 31, 2015	A	\$ <u><u>1,936,887.75</u></u>

Borough of Haledon, N.J.

Schedule of Cash - Collector-Treasurer

Grant Fund

Year Ended December 31, 2015

	<u>Ref.</u>		<u>Grant Fund</u>
Increased by Receipts:			
Grants Receivable	A-23	16,036.81	
Unappropriated Reserve for Grants	A-25	82,541.39	
Interfund - General Capital Fund	A-26	<u>17,200</u>	
			\$ <u><u>115,778.20</u></u>
Decreased by Disbursements:			
Interfund - Current Fund	A-13	18,403.72	
Appropriated Reserve for Grants	A-24	<u>97,374.48</u>	
			\$ <u><u>115,778.20</u></u>

Borough of Haledon, N.J.  
 Schedule of Cash - Change Fund  
 Current Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ <u>400.00</u>
Balance - December 31, 2015	A	\$ <u>400.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		100.00
Municipal Court		<u>300.00</u>
		<u>400.00</u>

Schedule of Cash - Petty Cash  
 Current Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	\$ 250.00
Decreased by:		
Returned to Treasurer	A-4	<u>100.00</u>
Balance - December 31, 2015	A	\$ <u>150.00</u>

Borough of Haledon, N.J.

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

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ 34,289.97
Increased by:		
Senior Citizens' Deductions Per Tax Billing		13,000.00
Veterans' Deductions Per Tax Billing		27,000.00
Senior Citizens' and Veterans' Allowed		1,500.00
		<u>41,500.00</u>
Less:		
Senior Citizens' and Veterans' Disallowed	A-9	<u>5,250.00</u>
		<u>36,250.00</u>
		70,539.97
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>37,750.00</u>
Balance - December 31, 2015	A	<u>\$ 32,789.97</u>

Borough of Haledon, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Levy	Added Taxes	Collected 2014	Collected 2015	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Adjusted/ Canceled	Balance, Dec. 31, 2015
2013	\$ 27,924.28				27,924.28				
2014	536,604.58				536,604.58				
	564,528.86				564,528.86				
2015		22,170,850.83	38,707.41	64,907.50	21,544,230.81	36,250.00	20,039.42	65,782.93	478,347.58
	\$ 564,528.86	22,170,850.83	38,707.41	64,907.50	22,108,759.67	36,250.00	20,039.42	65,782.93	478,347.58
	A			A-2/A-18	A-2/A-4	A-2/A-8	A-10		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	
Added Tax (R.S. 54:4-63.1 et seq.)	22,170,850.83
	38,707.41
	<u>22,209,558.24</u>
Tax Levy:	
Local District School Tax	A-19
Regional High School Tax	A-20
County - General Tax Levy	A-21
County - Open Space Tax Levy	A-21
Added County Taxes	A-21
	4,036,498.50
	53,827.97
	7,092.31
	<u>4,097,418.78</u>
	14,845,411.78
Local Tax for Municipal Purposes	A-2
Additional Taxes	A-2
	7,331,592.20
	32,554.26
	<u>7,364,146.46</u>
	<u>22,209,558.24</u>

Borough of Haledon, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> A	\$ 73,112.28
Increased by:		
Transfer from Taxes Receivable	A-9	<u>20,039.42</u>
		<u>20,039.42</u>
		93,151.70
Decreased by:		
Prior Year Adjustment		2,124.85
Receipts	A-4	<u>21,600.93</u>
Balance - December 31, 2015	A	<u>\$ 69,425.92</u>

Exhibit A-11

Schedule of Property Acquired for  
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> A	<u>\$ 9,975.00</u>
Balance - December 31, 2015	A	<u>\$ 9,975.00</u>

Analysis of Balance

<u>Block</u>	<u>Lot</u>	<u>Amount</u>
2	1/3,9/40	1,750.00
2	4/8	250.00
3	1/3	150.00
3	4/51	2,400.00
4	1/5	250.00
4	11/16	300.00
5	1/6	300.00
7	1/3	150.00
26	5/8	300.00
38	1/2	850.00
50	36	425.00
60A	2/3	700.00
65	8	600.00
77	26	50.00
94	1/2	300.00
129	1/2	<u>1,200.00</u>
		<u>9,975.00</u>

Borough of Haledon, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	Ref.	Balance		Accrued	Collected	Balance Dec. 31, 2015
		Dec. 31, 2014				
Clerk:						
Licenses:						
Alcoholic beverages	A-2	\$		9,664.00	9,664.00	
Other	A-2			7,602.00	7,602.00	
Fees and Permits	A-2			350.00	350.00	
Miscellaneous Revenue not Anticipated	A-2			417.44	417.44	
Registrar of Vital Statistics						
Licenses	A-2			168.00	168.00	
Miscellaneous Revenue not Anticipated	A-2			1,320.00	1,320.00	
Board of Health						
Licenses	A-2			7,375.00	7,375.00	
Uniform Construction Code:						
Fees and Permits - Building	A-2			59,967.00	59,967.00	
Fees and Permits - Other	A-2			1,089.00	1,089.00	
Municipal Court :						
Fines and Costs	A-2		25,703.91	302,816.07	308,236.64	20,283.34
Board of Adjustments/Planning Board						
Fees and Permits	A-2			1,250.00	1,250.00	
Police Department:						
Miscellaneous Revenue not Anticipated	A-2			1,572.75	1,572.75	
Energy Receipts Tax	A-2			637,114.00	637,114.00	
Consolidated Municipal Property Tax						
Relief Aid	A-2			54,958.00	54,958.00	
Sewer Privileges	A-2			61,981.74	61,981.74	
Interest on Investments and Deposits	A-2		16.93	16,574.20	16,572.67	18.46
Life Hazard Use Fees	A-2			10,955.43	10,955.43	
		\$	25,720.84	1,175,174.63	1,180,593.67	20,301.80
			A			A
Receipts	A-4				1,176,874.49	
Interfunds	A-13				3,719.18	
					1,180,593.67	

Borough of Haledon, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2015

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2015</u>
Federal and State Grant Fund	A	\$ (25,451.61)		18,403.72	(43,855.33)
Dog License Trust	A	3,124.22	8.35	3,577.22	(444.65)
Other Trust	A	(51,638.82)	51,638.82	98,878.10	(98,878.10)
General Capital Fund	A	(951,068.97)	1,136,310.82		185,241.85
Water Operating Fund	A	(300,586.88)	300,586.88	30,000.00	(30,000.00)
Public Assistance #1	A	314.75	0.62		315.37
Public Assistance #2	A	(4,283.35)	3,968.60		(314.75)
		<u>\$ (1,329,590.66)</u>	<u>1,492,514.09</u>	<u>150,859.04</u>	<u>12,064.39</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	3,438.97			185,557.22
Due From Current Fund		<u>(1,333,029.63)</u>			<u>(173,492.83)</u>
		<u>(1,329,590.66)</u>			<u>12,064.39</u>
Disbursed	A-4		1,488,794.91		
Received	A-4			150,859.04	
Interest on Investments	A-12		<u>3,719.18</u>		
			<u>1,492,514.09</u>	<u>150,859.04</u>	



Borough of Haledon, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2015

<u>Caused By</u>	Balance, Dec. 31, 2014	Amount in 2015 Budget	Amount Resulting from 2015	Balance, Dec. 31, 2015
Emergency Authorizations	\$ 150,000.00	150,000.00	50,000.00	50,000.00
	<u>\$ 150,000.00</u>	<u>150,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>
	A	A-3	A-3	A

Borough of Haledon, N.J.

Schedule of Deferred Charges - Special Emergency Authorizations

Current Fund

Year Ended December 31, 2015

Purpose	Amount Authorized	Not Less Than 1/5 of Amount Authorized	Balance, Dec. 31, 2014	Reduced in 2015 Budget	Amount Resulting from 2015	Balance, Dec. 31, 2015
Severence Liability Employee Retirement	250,000.00	50,000.00	\$ 100,000.00	50,000.00		50,000.00
Severence Liability Employee Retirement	55,000.00	11,000.00	33,000.00	11,000.00		22,000.00
Revaluation	200,000.00	40,000.00	160,000.00	40,000.00		120,000.00
Severence Liability Employee Retirement	330,000.00	66,000.00			330,000.00	330,000.00
			\$ 293,000.00	101,000.00	330,000.00	522,000.00
			A	A-3	A-3	A

## Borough of Haledon, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Page 1 of 2

## Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
Administrative and Executive	\$ 725.83	725.83		725.83
Municipal Clerk	13.91	13.91		13.91
Elections	437.51	437.51		437.51
Financial Administration	475.72	475.72		475.72
Collection of Taxes	1,503.22	1,503.22		1,503.22
Assessment of Taxes	19.00	19.00		19.00
Planning Board	13.00	13.00		13.00
Police	21,976.81	21,976.81		21,976.81
School Crossing Guards	823.06	823.06	823.06	
Special Police	2,264.45	2,264.45		2,264.45
Police Radio and Communications	8,210.97	3,210.97		3,210.97
Fire	600.00	600.00		600.00
Uniform Fire Safety	563.00	563.00		563.00
Prosecutor	1,717.80	1,717.80		1,717.80
Municipal Court	17.00	17.00		17.00
Public Defender	2,452.56	2,452.56	938.32	1,514.24
Road Repair and Maintenance	13,910.95	13,910.95	6,386.67	7,524.28
Garbage and Trash Removal	22,734.33	22,734.33	7,357.20	15,377.13
Recycling Program	276.38	276.38	276.38	
Board of Health	873.16	873.16		873.16
Administration of Public Assistance	665.18	665.18		665.18
Construction Code Official	94.00	94.00		94.00
Building Inspector	1,193.98	1,193.98		1,193.98
Fire Protection Official	1.06	1.06		1.06
Zoning & Housing Maint. Enforcement	46.97	46.97		46.97
<b>Total Salaries and Wages Within "CAPS"</b>	<b>81,609.85</b>	<b>76,609.85</b>	<b>15,781.63</b>	<b>60,828.22</b>
<b>Other Expenses Within "CAPS":</b>				
Mayor and Council	2,629.34	307.16		307.16
Municipal Clerk	156.42	2,739.20	2,133.41	605.79
Elections	1,773.11	1,773.11		1,773.11
Financial Administration				
Treasurer	5,710.30	4,710.30	49.95	4,660.35
Annual Audit	4,821.00	4,821.00		4,821.00
Miscellaneous - Other	4,500.00	4,500.00	1,320.00	3,180.00
Collection of Taxes	1,428.62	2,085.28	1,156.66	928.62
Assessment of Taxes	0.08	3,457.58	1,695.50	1,762.08
Legal Services and Costs	26,655.17	77,655.17	77,650.66	4.51
Engineering Services and Costs	12,548.43	5,558.43	990.00	4,568.43
Planning Board	1,264.86	1,264.86	441.82	823.04
Group Insurance	2.23	11,116.49	10,441.42	675.07
Police	9,316.71	22,195.40	20,848.64	1,346.76
Police Cars	974.63	2,000.00	1,025.37	974.63
School Crossing Guards	3,000.00	1,500.00		1,500.00
Police Radio Communications	88.00	488.00		488.00
Emergency Management	500.00	500.00		500.00
Fire	3,913.25	8,873.90	5,720.41	3,153.49
Fire - OSHA Physicals	1,000.00	250.00		250.00
Fire - OSHA Hepatitis B	7,000.00	7,000.00		7,000.00
Fire Prevention Bureau	428.25	428.25		428.25
Fire Official	937.57	937.57	(100.00)	1,037.57
Municipal Court	1,684.99	3,276.58	664.78	2,611.80

## Borough of Haledon, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Page 2 of 2

## Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance	116.82	10,638.37	8,269.53	2,368.84
Garbage and Trash Removal	18,178.00	25,388.32	6,391.33	18,996.99
Solid Waste Disposal Costs	33,598.06	50,270.10	37,112.04	13,158.06
Recycling Program	3,783.92	6,690.72	1,588.26	5,102.46
Public Buildings and Grounds Sewer System	7,545.37	49,979.53	46,625.39	3,354.14
Contractual	35.00	35.00		35.00
Miscellaneous	12,308.00	3,450.00	1,800.00	1,650.00
Municipal Services Act	35,000.00	35,000.00	9,881.48	25,118.52
Board of Health	1,470.61	1,667.60	222.19	1,445.41
Board of Health - Contractual	155.00	155.00		155.00
Animal Control	1,083.10	1,083.10		1,083.10
Administration of Public Assistance	195.32	328.58	133.26	195.32
Senior Citizens	491.00	491.00		491.00
Recreation	19,803.49	15,189.23		15,189.23
Celebration of Public Events	1,853.44	2,853.44	465.00	2,388.44
Building Inspector	152.79	254.29	101.50	152.79
Plumbing Inspector	5.80	5.80		5.80
Electrical Inspector	53.21	53.21		53.21
Fire Subcode Official	100.00	100.00		100.00
Zoning and Housing Maintenance Enforcement	746.99	746.99		746.99
NJEIT Annual Fees	2,498.75	2,498.75		2,498.75
Street Lighting	9,296.97	9,296.97	9,289.63	7.34
Gasoline	37,078.59	25,638.43	1,059.84	24,578.59
Fire Hydrant Service	20,114.00	17,114.00	16,962.00	152.00
<b>Total Other Expenses Within "CAPS"</b>	<b>295,997.19</b>	<b>426,366.71</b>	<b>263,940.07</b>	<b>162,426.64</b>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security ( O.A.S.I. )	5,259.18	5,259.18	547.28	4,711.90
<b>Total Deferred Charges and Statutory Expenditures Within "CAPS"</b>	<b>5,259.18</b>	<b>5,259.18</b>	<b>547.28</b>	<b>4,711.90</b>
<b>Total Reserves Within "CAPS"</b>	<b>382,866.22</b>	<b>508,235.74</b>	<b>280,268.98</b>	<b>227,966.76</b>
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewer Commission Contractual	260.33	260.33		260.33
Emergency Services Volunteer - LOSAP	40,000.00	40,000.00	14,950.00	25,050.00
<b>Total Other Expenses Excluded from "CAPS"</b>	<b>40,260.33</b>	<b>40,260.33</b>	<b>14,950.00</b>	<b>25,310.33</b>
<b>Total Reserves Excluded from "CAPS"</b>	<b>40,260.33</b>	<b>40,260.33</b>	<b>14,950.00</b>	<b>25,310.33</b>
<b>Totals</b>	<b>\$ 423,126.55</b>	<b>548,496.07</b>	<b>295,218.98</b>	<b>253,277.09</b>
			A-4	A-1
	<u>Ref.</u>			
Total Reserves	A	423,126.55		
Prior Year Encumbrances	A-17	125,369.52		
		<u>548,496.07</u>		

Borough of Haledon, N.J.  
 Schedule of Encumbrances Payable  
 Current Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ 125,369.52
Increased by:		
Transfer from Current Appropriations	A-3	<u>127,664.00</u>
		253,033.52
Decreased by:		
Transfer to Appropriation Reserves	A-16	<u>125,369.52</u>
Balance - December 31, 2015	A	<u>\$ 127,664.00</u>

Schedule of Prepaid Taxes  
 Current Fund  
 Year Ended December 31, 2015

Balance - December 31, 2014	A	\$ 64,907.50
Increased by:		
Receipts - Prepaid 2016 Taxes	A-4	<u>132,133.79</u>
		197,041.29
Decreased by:		
Applied to 2015 Taxes	A-9	<u>64,907.50</u>
Balance - December 31, 2015	A	<u>\$ 132,133.79</u>

Borough of Haledon, N.J.  
 Schedule of Local District School Tax  
 Current Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A, A-1	1.33
Increased by:		
Levy - Calendar Year 2015	A-1,A-9	\$ <u>5,989,962.00</u>
		5,989,963.33
Decreased by:		
Payments	A-4	<u>5,989,962.46</u>
Balance - December 31, 2015	A, A-1	\$ <u><u>0.87</u></u>

Exhibit A-20

Schedule of Regional High School Tax  
 Current Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014		
School Tax Payable	<u>A</u>	
School Tax Deferred		\$ <u>2,155,009.00</u> \$ 2,155,009.00
Increased by:		
Levy School Year - July 1, 2015 to June 30, 2016	A-9	<u>4,758,031.00</u>
		6,913,040.00
Decreased by:		
Payments	A-4	<u>4,526,221.50</u>
Balance - December 31, 2015		
School Tax Payable		
School Tax Deferred		\$ <u>2,386,818.50</u> \$ <u><u>2,386,818.50</u></u>
2015 Liability for Regional High School District Tax:		
Tax Payable - Dec. 31, 2015		<u>4,526,221.50</u>
Tax Paid		<u>4,526,221.50</u>
Less: Tax Payable - Dec. 31, 2014		<u>                    </u>
Amount Charged to 2015 Operations	A-1	<u><u>4,526,221.50</u></u>

Borough of Haledon, N.J.

Schedule of County Taxes Payable/(Receivable)

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	A		
Increased by:			
Levy - General	A-1/A-9	\$ 4,036,498.50	
Levy - Open Space	A-1/A-9	53,827.97	
Added and Omitted Taxes	A-1/A-9	<u>7,092.31</u>	4,097,418.78
			<u>4,097,418.78</u>
Decreased by:			
Payments	A-4		\$ <u>4,098,505.82</u>
Balance - December 31, 2015	A		<u><u>(1,087.04)</u></u>

Borough of Haledon, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
<u>Liabilities:</u>				
Tax Overpayments	\$	5,249.56	5,249.56	
Due to State of NJ Marriage Surcharge		1,400.00	1,400.00	
Due to State of NJ Building Surcharge	634.00	5,787.00	5,301.00	1,120.00
Accounts Payable	32,125.16			32,125.16
<u>Reserves for:</u>				
LOSAP	24,314.34			24,314.34
Revaluation	29,690.50			29,690.50
DARE Contribution	6,230.64			6,230.64
Redemption of Outside Liens		718,392.60	718,392.60	
Retirement Severance Liability	18,601.95			18,601.95
Master Plan	8,868.02			8,868.02
Judgment	170,404.71		170,404.71	
	<u>\$ 290,869.32</u>	<u>730,829.16</u>	<u>900,747.87</u>	<u>120,950.61</u>
	A			A
Received	<u>Ref.</u>	<u>730,829.16</u>		
Disbursed	A-4		<u>900,747.87</u>	
	A-4		<u>900,747.87</u>	



Borough of Haledon, N.J.  
 Schedule of Grants Receivable  
 Federal and State Grant Fund  
 Year Ended December 31, 2015

Grant	Balance Dec. 31, 2014	Budget Revenue	Received	Transfer from Unapprop. Reserve	Cancelled	Balance Dec. 31, 2015
Municipal Alliance on Alcoholism and Drug Abuse	\$ 5,896.35	16,792.00	15,731.81			6,956.54
Recycling Tonnage Grant		7,937.52		7,937.52		
Clean Communities Grant		10,147.01		10,147.01		
Alcohol Education and Rehab. Fund		1,358.84		1,358.84		
N.J. Transportation Trust Fund	277,120.92	2,018.32		2,018.32		277,120.92
Body Armor Replacement Fund	15,000.00					15,000.00
Special Legislative Grant - Business District	40,000.00					40,000.00
State Pedestrian Safety Program		17,200.00		17,200.00		
Passaic County CDBG Grant	305.00		305.00			
Over the Limit Under Arrest		7,983.00		7,983.00		
COPS Hiring Grant		63,436.69		46,644.69		
	<u>\$ 338,322.27</u>	<u>63,436.69</u>	<u>16,036.81</u>	<u>46,644.69</u>		<u>339,077.46</u>
	A	A-2	A-5	A-25		A

Borough of Haledon, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfer</u> <u>From 2015</u> <u>Budget</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Municipal Alliance on Alcoholism and Drug Abuse	\$				
State Share	3,351.45	16,792.00	15,290.93		4,852.52
Emergency Road & Bridge Repair	1,744.98				1,744.98
Clean Communities Grant	70,771.42	10,147.01	37,918.20		43,000.23
Alcohol Ed. and Rehabilitation Fund	955.47	1,358.84	475.00		1,839.31
Supplemental Safe Neigh. Discretionary Grant - Purchase of Police Car	30.00				30.00
Drunk Driving Enforcement Fund	27,377.23	7,937.52	12,602.83		14,774.40
Recycling Tonnage Grant			7,937.52		
Aid to Distressed Cities					
Transitional Services	195.16				195.16
Pothole Repair Program Grant	6,660.62				6,660.62
Body Armor Replacement Fund	9,763.31	2,018.32	5,950.00		5,831.63
H1N1 Influenza Grant	187.20				187.20
State Pedestrian Safety Program	40,000.00				40,000.00
NJDEP - Green Communities	3,000.00	7,983.00			3,000.00
COPS Hiring Grant		17,200.00	17,200.00		7,983.00
Passaic County CDBG Grant	153,092.35				153,092.35
N.J. Transportation Trust Fund	\$ 317,129.19	63,436.69	97,374.48		283,191.40
	A		A-5		A

Ref.  
A-3

63,436.69  
63,436.69

Federal and State Grants

Borough of Haledon, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance	Transfer	Received	Balance
	<u>Dec. 31, 2014</u>	To 2015 <u>Budget</u>	<u>Received</u>	<u>Dec. 31, 2015</u>
Alcohol Ed. and Rehabilitation Fund	\$ 1,358.84	1,358.84	1,532.26	1,532.26
Recycling Tonnage Grant	7,937.52	7,937.52	8,333.91	8,333.91
Clean Communities Grant	10,147.01	10,147.01	12,336.38	12,336.38
Passaic County CDBG	17,200.00	17,200.00	7,348.35	7,348.35
Over the Limit Under Arrest	7,983.00	7,983.00	50,975.00	50,975.00
Department of Justice COPS Grant	2,018.32	2,018.32	2,015.49	2,015.49
Body Armor Replacement Grant				
	\$ 46,644.69	46,644.69	82,541.39	82,541.39
	<u>A</u>	<u>A-23</u>	<u>A-5</u>	<u>A</u>

Borough of Haledon, N.J.

Schedule of Interfund General Capital Fund

Federal and State Grant Funds

Year Ended December 31, 2015

		<u>Ref.</u>	
Increased by:			
Received		A-5	<u>17,200.00</u>
Balance - December 31, 2015	Due to	A	<u>\$ 17,200.00</u>

Borough of Haledon, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Dog License Fund</u>	<u>Other Trust Funds</u>	<u>Unaudited Emergency Services Volunteer LOSAP</u>
Balance - December 31, 2014	B	\$ 2,699.08	755,743.48	236,224.53
Increased by Receipts:				
Other Receivables	B-2		20,180.93	
LOSAP - Contributions Receivable	B-3			14,950.00
Budget Appropriation	B-4	453.00		
Dog License Fees - Borough Share	B-4	1,136.60		
Dog License Fees - State Share	B-5	287.40		
Interfund - Current Fund	B-6	8.35	51,638.82	
Payroll Deductions Payable	B-8		4,689,213.70	
Other Trust Funds	B-9		712,618.85	
LOSAP - Net Assets Available	B-10			3,542.00
Total Receipts		<u>1,925.35</u>	<u>5,473,652.30</u>	<u>18,492.00</u>
		<u>4,624.43</u>	<u>6,229,395.78</u>	<u>254,716.53</u>
Decreased by Disbursements:				
Interfund - Current Fund	B-6	3,577.22	98,878.10	
Reserve for Dog Expenditures	B-4	891.03		
State Share - Dog Licenses	B-5	263.80		
Payroll Deductions Payable	B-8		4,687,537.13	
Other Trust Funds	B-9		694,534.57	
LOSAP - Net Assets Available	B-10			7,475.00
Total Disbursements		<u>4,732.05</u>	<u>5,480,989.80</u>	<u>7,475.00</u>
Balance - December 31, 2015	B	\$ <u>(107.62)</u>	<u>748,405.98</u>	<u>247,241.53</u>

Borough of Haledon, N.J.

Schedule of Other Receivables

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 20,180.93
Decreased by:		
Receipts	B-1	<u>20,180.93</u>
Balance - December 31, 2015	B	\$ <u><u>          </u></u>

Borough of Haledon, N.J.

Schedule of Emergency Services Volunteer Length  
of Service Award Program - Contributions Receivable

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 14,950.00
Increased by:		
Current Year Contributions	B-10	<u>14,950.00</u>
Decreased by:		
Receipts	B-1	<u>14,950.00</u>
Balance - December 31, 2015	B	<u><u>\$ 0.00</u></u>

Borough of Haledon, N.J.

Reserve/(Deficit) for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	(452.34)
Increased by:		
Budget Appropriation	B-1	453.00
Dog License Fees including Late Fees	B-1	<u>1,136.60</u>
		<u>1,589.60</u>
		1,137.26
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>891.03</u>
Balance - December 31, 2015	B	<u><u>246.23</u></u>

License Fees Collected

<u>Year</u>	
2014	1,258.60
2013	<u>1,417.80</u>
	<u><u>2,676.40</u></u>

Schedule of Due to/(from) State Department of Health

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 1.20
Increased by:		
State Fees Collected	B-1	<u>287.40</u>
		288.60
Decreased by:		
Paid to State	B-1	<u>263.80</u>
Balance - December 31, 2015	B	<u><u>24.80</u></u>



Borough of Haledon, N.J.  
 Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Dog License Trust	3,124.22	8.35	3,577.22	(444.65)
Other Trust	<u>(51,638.82)</u>	<u>51,638.82</u>	<u>98,878.10</u>	<u>(98,878.10)</u>
	<u>(48,514.60)</u>	<u>51,647.17</u>	<u>102,455.32</u>	<u>(99,322.75)</u>
	B	B-1	B-1	B

Exhibit B-7

Schedule of Interfund - Dog License Fund

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	
Due from		26.00
Increased by:		
Disbursed	B-1	<u>40.00</u>
Balance - December 31, 2015		
Due from	B	<u><u>66.00</u></u>

**Borough of Haledon, N.J.**  
**Schedule of Payroll Deductions Payable**  
**Trust Funds**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 20,367.39
Increased by:		
Receipts	B-1	<u>4,689,213.70</u> 4,709,581.09
Decreased by:		
Disbursements	B-1	<u>4,687,537.13</u>
Balance - December 31, 2015	B	\$ <u><u>22,043.96</u></u>

## Borough of Haledon, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Escrow Deposits	167,316.78	70,852.65	43,974.33	194,195.10
Reserve for Unemployment	9,918.46	24.64	767.96	9,175.14
Reserve for Restitution	146.05	900.00		1,046.05
Reserve for P.O.A.A.	9,893.99	856.00	419.00	10,330.99
Reserve for Uniform Fire Safety Penalty	4,828.00			4,828.00
Reserve fo Community Fund	1,051.00			1,051.00
Reserve for Recreation	34,390.22	10,929.01	22,114.91	23,204.32
Reserve for Senior Citizen Recreation	3,029.67			3,029.67
Reserve for Centennial	3,090.00	210.00		3,300.00
Reserve for Special Police Outside Duty		197,656.92	159,789.00	37,867.92
Reserve for Affordable Housing	175,000.00			175,000.00
Reserve for Recreation Improvements	10,000.00			10,000.00
Reserve for Public Defender		1,590.00	150.00	1,440.00
Reserve for Legal Settlement Stone Industries		78,940.00		78,940.00
Other Escrow	6,401.00	200.00		6,601.00
Sale of Assets	34,809.48			34,809.48
Fireworks Donations	500.00	900.00		1,400.00
Junior Police Academy	3,150.00			3,150.00
Insurance Escrow	56,337.60	11,171.99	11,497.84	56,011.75
RX/Sec. 125 Plan	59.59	240,187.64	232,621.53	7,625.70
Reserve for Premium on Tax Sale	287,300.00	98,200.00	223,200.00	162,300.00
	<u>807,221.84</u>	<u>712,618.85</u>	<u>694,534.57</u>	<u>825,306.12</u>
	B	B-1	B-1	B

Borough of Haledon, N.J.

Schedule of Emergency Services Volunteer Length  
of Service Award Program - Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	251,174.53
Increased by:		
Borough Contributions	B-3	
Additional Prior Year Contributions	B-1	288.00
Appreciation / (Depreciation)	B-1	3,254.00
		<u>3,542.00</u>
		254,716.53
Decreased by:		
Withdrawals		6,250.00
Administration Fee		1,225.00
	B-1	<u>7,475.00</u>
Balance - December 31, 2015	B	<u><u>247,241.53</u></u>

**Borough of Haledon, N.J.**  
**Schedule of Cash**  
**General Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	C		\$ 735,535.97
Increased by Receipts:			
Interfund - Current Fund	C-4	1,136,310.82	
Various Receivables	C-7	275,958.66	
Serial Bonds Issued	C-11	2,699,000.00	
Def. Charges to Future Tax. - Unfunded	C-9	216.60	
Budget Appropriations:			
Capital Improvement Fund	C-15	50,000.00	
Reserve for Various Grants Receivable	C-17	<u>62,347.84</u>	
			<u>4,223,833.92</u>
			4,959,369.89
Decreased by Disbursements:			
Fund Balance	C-1	66,000.00	
Bond Anticipation Notes	C-13	3,277,031.00	
Interfund - State & Federal Grant Fund	C-6	17,200.00	
Improvement Authorizations	C-14	<u>781,959.20</u>	
			<u>4,142,190.20</u>
Balance - December 31, 2015	C		\$ <u><u>817,179.69</u></u>

Borough of Haledon, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	C-1	\$ 35,856.94
Due from Current Fund	C-4	185,241.85
Due from Water Capital Fund	C-5	(812,375.84)
Due from State & Federal Grant Fund	C-6	(17,200.00)
Various Receivables	C-7	(1,293,456.00)
Capital Improvement Fund	C-15	37,705.96
Various Reserves	C-16	417,296.12

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
3-11-04	Various Capital Improvements	30,806.44
06-18-09	Roe Street Sanitary Sewer Rehabilitation	1,144.94
08-20-09	Roe Street Sewer Repairs	19,647.94
07-01-10	Various Capital Improvements	178,641.36
03-03-11	Imp. Sanitary Sewer Haledon Avenue	22,192.05
08-18-11	Various Capital Improvements	281,303.11
06-21-12	Various Capital Improvements	235,765.78
05-02-13	Supp. To Ord. 6-21-12 Streetscape	21,775.30
04-17-14	Various Capital Improvements	134,706.00
08-21-14A	Various Capital Improvements	(348,727.91)
06-10-15	Various Capital Improvements	321,479.65
08-26-15A	Various Capital Improvements	1,365,376.00

\$ 817,179.69

C

Borough of Haledon, N.J.  
 Schedule of Interfund - Current Fund  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014 - Due from	C	\$ (951,068.97)
Increased by:		
Receipts		1,134,537.15
Interest Earned		<u>1,773.67</u>
	C-2	<u>1,136,310.82</u>
Balance - December 31, 2015 - Due to	C, C-3	\$ <u><u>185,241.85</u></u>

Exhibit C-5

Schedule of Interfund - Water Capital Fund  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014 - Due From	C	\$ <u><u>812,375.84</u></u>
Increased by:		
Disbursed	C-2	<u>812,375.84</u>
Decreased by:		
Receipts	C-2	<u>                    </u>
Balance - December 31, 2015 - Due From	C, C-3	\$ <u><u>812,375.84</u></u>

Exhibit C-6

Schedule of Interfund - Federal and State Grant Fund  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Disbursed	C-2	<u>17,200.00</u>
Balance - December 31, 2015 - Due From	C, C-3	\$ <u><u>17,200.00</u></u>

Borough of Haledon, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Grants</u> <u>Approved</u>	<u>Cash</u> <u>Received</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>State of New Jersey</u>				
<u>Transportation Trust Fund:</u>				
Ord. 7/01/10 - Avenue C etc.	\$ 1,971.62			1,971.62
Ord. 8/18/11 - Van Dyke Avenue	95,184.67			95,184.67
Ord. 6/21/12 - Southside Avenue	50,000.00			50,000.00
Ord. 6/21/12 - Streetscape Belmont Avenue	430,001.31		76,087.66	353,913.65
Ord. 8/26/15A - Various Borough Streets		488,228.00		488,228.00
Ord. 8/26/15A - Streetscape Belmont Ave. Ph. III		620,000.00		620,000.00
<u>Passaic County - Comm. Dev. Block Grant</u>				
Ord. 8/26/15A - Various Borough Streets		140,181.00		140,181.00
Ord. 8/26/15A - Roe St. Playground Cameras		45,047.00		45,047.00
<u>County of Passaic - Open Space Grant</u>				
Ord. 8/18/11 - Roe St. Playground	75,000.00		75,000.00	
Ord. 8/18/11 - Braen Memorial/Roe St. Field	124,871.00		124,871.00	
	<u>\$ 777,028.60</u>	<u>1,293,456.00</u>	<u>275,958.66</u>	<u>1,794,525.94</u>
	C	C-14	C-2/C-10/C-17	C



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

	<u>Ref.</u>		
Balance - December 31, 2014	C		\$ 5,453,791.74
Increased by:			
Improvement Costs Funded by:			
Bonds Issued	C-9	<u>2,699,000.00</u>	2,699,000.00
			<u>8,152,791.74</u>
Decreased by:			
Paid by Current Year Budget Appropriations:			
NJFIT Loan Payable	C-10	75,684.21	
Serial Bonds	C-11	405,000.00	
Greenacres Loan Payable	C-12	<u>14,107.90</u>	
			<u>494,792.11</u>
Balance - December 31, 2015	C		\$ <u><u>7,657,999.63</u></u>

Borough of Haledon, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance	2015	Balance	Analysis of Balance - Dec. 31, 2015		
		Dec. 31, 2014	Authorizations	Dec. 31, 2015	Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
11-08-07B	Imp. To Municipal Bldg. & Tilt St. Spring	\$ 136,172.00		136,172.00			
08-20-09	Roe Street Sewer Repairs	12,284.00		12,284.00			
10-15-09	Construction of Jail Cells	81,114.00		81,114.00			
07-01-10	Various Capital Improvements	693,175.62		693,175.62			
03-03-11	Imp. Sanitary Sewer Haledon Avenue	100,000.00		100,000.00			
08-18-11	Various Capital Improvements	518,619.67		518,619.67			
10-20-11	Imp. Sanitary Legion Place	109,500.00		109,500.00			
06-21-12	Various Capital Improvements	974,501.31		974,501.31			
05-02-13	Supp. To Ord. 6-21-12 Streetscape	173,850.00		173,850.00			
08-21-14A	Various Capital Improvements	745,275.00		745,275.00		331,527.91	413,747.09
08-26-15A	Various Capital Improvements		1,366,471.00	1,366,471.00			1,366,471.00
		\$ 3,544,491.60	1,366,471.00	2,799,216.60		331,527.91	1,780,218.09
		C	C-14/C-18	C			C-14

Grant Receipts  
 Transferred to Deferred Charges - Funded  
 Notes Paid by Budget Appropriation

Ref.	216.60
C-2	2,699,000.00
C-8	100,000.00
C-13	2,799,216.60

Borough of Haledon, N.J.

Schedule of New Jersey Environmental Infrastructure Trust/Loan

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Total</u>	<u>Trust</u>	<u>Loan</u>
Balance - December 31, 2014	C	\$ 692,403.16	189,535.00	502,868.16
Decreased by:				
Principal Paid	C-8	<u>75,684.21</u>	<u>15,000.00</u>	<u>60,684.21</u>
Balance - December 31, 2015	C	<u>\$ 616,718.95</u>	<u>174,535.00</u>	<u>442,183.95</u>

Borough of Haledon, N.J.  
 Schedule of General Serial Bonds Payable  
 General Capital Fund  
 Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
General Improvement Bonds Series 2009	1/22/2009	4,220,000.00	9/1/2016	140,000.00	4.000%	\$ 3,690,000.00		130,000.00	3,560,000.00
			9/1/2017	150,000.00	4.000%				
			9/1/2018	350,000.00	4.000%				
			9/1/2019	360,000.00	4.250%				
			9/1/2020	370,000.00	4.500%				
			9/1/2021	395,000.00	5.000%				
			9/1/2022	405,000.00	5.500%				
			9/1/2023	445,000.00	4.625%				
			9/1/2024	460,000.00	5.500%				
			9/1/2025	485,000.00	5.500%				
General Obligation Refunding Bonds	8/12/2011	1,410,000	3/15/2016	285,000.00	3.000%	845,000.00		275,000.00	570,000.00
			3/15/2017	285,000.00	3.000%				
General Improvement Bonds Series 2015	10/15/2015	2,699,000.00	10/15/2016	95,000.00	2.000%		2,699,000.00		2,699,000.00
			10/15/2017	100,000.00	2.000%				
			10/15/2018	150,000.00	2.000%				
			10/15/2019	160,000.00	2.000%				
			10/15/2020-22	170,000.00	2.000%				
			10/15/2023	180,000.00	2.000%				
			10/15/2024	180,000.00	2.250%				
			10/15/2025	185,000.00	2.250%				
			10/15/2026-27	190,000.00	2.500%				
			10/15/2028	190,000.00	2.750%				
			10/15/2029-30	190,000.00	3.000%				
		10/15/2031	189,000.00	3.000%					
						\$ 4,535,000.00			\$ 4,535,000.00
							2,699,000.00		2,699,000.00
								405,000.00	405,000.00
									6,829,000.00

Borough of Haledon, N.J.  
 Schedule of New Jersey Green Acres Loan Payable  
 General Capital Fund  
 Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Semi-Annual Maturities Date	Amount	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Roe Street Athletic Field Renovations	4/15/2009	270,000.00	4/15 and 10/15	Various	2.00%	\$ 204,130.00		12,770.40	191,359.60
Roe Street Athletic Field Renovations	9/18/2009	28,561.00	3/18 and 9/18	Various	2.00%	22,258.58		1,337.50	20,921.08
						\$ 226,388.58		14,107.90	212,280.68
						C		C-8	C

Borough of Haledon, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Original Amount Issued	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
08-20-09	Roe Street Sewer Repairs	166,500.00	11/10/2010	11/5/2014	11/4/2015	0.69%	\$ 12,284.00		12,284.00	
10-15-09	Construction of Jail Cells	85,500.00	11/10/2010	11/5/2014	11/4/2015	0.69%	81,114.00		81,114.00	
07-01-10	Various Capital Improvements	1,330,000.00	11/10/2010	11/5/2014	11/4/2015	0.69%	693,176.00		693,176.00	
11-08-07B	Imp. To Mun. Bldg. & Tilt St. Spring	142,500.00	11/10/2011	11/5/2014	11/4/2015	0.69%	136,172.00		136,172.00	
08-18-11	Various Capital Improvements	875,000.00	11/10/2011	11/5/2014	11/4/2015	0.69%	673,435.00		673,435.00	
06-12-12	Various Capital Improvements	1,397,500.00	11/8/2012	11/5/2014	11/4/2015	0.69%	1,397,500.00		1,397,500.00	
03-03-11	Imp. Sanitary Sewer Haledon Avenue	100,000.00	11/7/2013	11/5/2014	11/4/2015	0.69%	100,000.00		100,000.00	
10-20-11	Imp. Sanitary Legion Place	109,000.00	11/7/2013	11/5/2014	11/4/2015	0.69%	109,500.00		109,500.00	
10-20-11	Imp. Sanitary Legion Place	109,000.00	11/5/2014	11/5/2014	11/4/2015	0.69%	173,850.00		173,850.00	
							\$ 3,377,031.00		3,377,031.00	C

Ref.	
C-9	100,000.00
C-2	2,699,000.00
C-2	578,031.00
	<u>3,377,031.00</u>

Paid by Budget Appropriation  
 Paid by Bond Proceeds  
 Paid by Cash On Hand



**Borough of Haledon, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 59,625.96
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		109,625.96
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-14	<u>71,920.00</u>
Balance - December 31, 2015	C/C-3	<u>\$ 37,705.96</u>



Borough of Haledon, N.J.  
 Schedule of Various Reserves  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Debt Service	\$ 78,989.62	338,306.50		417,296.12
	<u>\$ 78,989.62</u>	<u>338,306.50</u>		<u>417,296.12</u>
	C			C/C-3

	<u>Ref.</u>	
Receipts	C-2	62,347.84
Transfer from Reserve for Various Grants	C-17	<u>275,958.66</u>
		<u>338,306.50</u>

Exhibit C-17

Schedule of Reserve for Various Grants Receivable  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>State of New Jersey</u>				
Transportation Trust Fund:				
Ord. 7/01/10 - Avenue C etc.	\$ 1,971.62			1,971.62
Ord. 8/18/11 - Van Dyke Avenue	95,184.67			95,184.67
Ord. 6/21/12 - Southside Avenue	50,000.00			50,000.00
Ord. 6/21/12 - Streetscape Belmont Avenue	430,001.31		76,087.66	353,913.65
<u>County of Passaic - Open Space Grant</u>				
Ord. 8/18/11 - Roe St. Playground	75,000.00		75,000.00	
Ord. 8/18/11 - Braen Memorial/Roe St. Field	124,871.00		124,871.00	
	<u>\$ 777,028.60</u>		<u>275,958.66</u>	<u>501,069.94</u>
	C		C-7/C-16	C

Borough of Haledon, N.J.  
 Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Increased</u>	<u>2015 Decreased</u>	<u>Balance Dec. 31, 2015</u>
	<u>General improvements:</u>				
05-02-13	Supp. To Ord. 6-21-12 Streetscape				
03-03-11	Imp. Sanitary Sewer Haledon Avenue	745,275.00			745,275.00
08-21-14A	Various Capital Improvements		1,366,471.00		1,366,471.00
08-26-15A	Various Capital Improvements				
		<u>\$ 745,275.00</u>	<u>1,366,471.00</u>		<u>2,111,746.00</u>
		Footnote C			Footnote C

Ref.  
C-9  
1,366,471.00

Authorizations

## Borough of Haledon, N.J.

## Schedule of Cash

## Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	D	\$ <u>74,311.29</u>	<u>8,803.94</u>
Increased by Receipts:			
Svc. Agree. Manchester Utilities Auth.	D-7	156,330.46	
Due from Manchester Utilities Auth.	D-6	585,593.76	
Interest on Deposits	D-2/D-5	400.64	22.35
Interfund Receipts	D-5	300,586.88	
		<u>1,042,911.74</u>	<u>22.35</u>
		<u>1,117,223.03</u>	<u>8,826.29</u>
Decreased by Disbursements:			
Budget Appropriations	D-3	575,928.03	
Appropriation Reserves	D-10	5,488.49	
Interfund Disbursements	D-5	30,000.00	
		<u>611,416.52</u>	
Balance - December 31, 2015	D	\$ <u><u>505,806.51</u></u>	<u><u>8,826.29</u></u>

Borough of Haledon, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Total</u>	<u>Water Operating Fund</u>	
			<u>Water Capital Fund</u>	<u>Current Fund</u>
Balance - December 31, 2014	D	\$ (502,985.63)	(803,572.51)	300,586.88
Increased by:				
Disbursed	D-4	30,000.00		30,000.00
Interest on Deposits	D-2/D-4	22.35	22.35	
		<u>30,022.35</u>	<u>22.35</u>	<u>30,000.00</u>
Decreased by:				
Receipts	D-4	300,586.88		300,586.88
		<u>300,586.88</u>		<u>300,586.88</u>
Balance - December 31, 2015	D	\$ <u>(773,550.16)</u>	<u>(803,550.16)</u>	<u>30,000.00</u>

Borough of Haledon, N.J.

Schedule of Due from/(to) Manchester Utilities Authority  
Operating

Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Annual Charges per Service Agreement	D-2	\$ 585,593.76
		<u>585,593.76</u>
Dereased by:		
Receipts	D-4	<u>585,593.76</u>
		<u><u>585,593.76</u></u>

Exhibit D-7

Schedule of Due from Manchester Utilities Authority  
Per Service Agreement

Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 504,143.50
Dereased by:		
Received	D-4	<u>156,330.46</u>
Balance - December 31, 2015	D	<u><u>\$ 347,813.04</u></u>

Exhibit D-8

Schedule of Water Utility Capital Cash

Water Utility Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	Balance <u>Dec. 31, 2015</u>
Capital Improvement Fund	D-12	\$ 0.61
Interfund - Water Operating Fund	D-5	(803,550.16)
Interfund - General Capital Fund	D-14	812,375.84
	D	<u><u>\$ 8,826.29</u></u>

## Borough of Haledon, N.J.

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year Ended December 31, 2015

<u>Account Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
	Intangible Plant:		
303	Miscellaneous Intangible Plant	\$ 1,252,159.24	1,252,159.24
	Source of Supply Plant:		
312	Collecting and Impounding Reservoirs	210,540.45	210,540.45
314	Wells and Springs	2,926.00	2,926.00
316	Supply Mains	8,838.60	8,838.60
317	Other Water Source Plant	469,099.90	469,099.90
	Pumping Plant:		
321	Structures and Improvements	26,890.79	26,890.79
325	Electric Pumping Equipment	15,474.17	15,474.17
327	Hydraulic Pumping Equipment	4,106.79	4,106.79
	Water Treatment Plant:		
331	Structures and Improvements	342,335.55	342,335.55
	Transmission and Distribution Plant:		
341	Structures and Improvements	939,628.53	939,628.53
342	Distribution Reservoirs and Standpipes	9,721.21	9,721.21
343	Transmission and Distribution Mains	5,823,057.76	5,823,057.76
345	Services	54,852.07	54,852.07
346	Meters	586,214.91	586,214.91
348	Hydrants	35,878.01	35,878.01
349	Other Transmission and Distribution Plant	298.00	298.00
	General Plant:		
379	Other General Equipment	115,561.44	115,561.44
		<u>\$ 9,897,583.42</u>	<u>9,897,583.42</u>
		D	D

**Borough of Haledon, N.J.**  
**Schedule of 2014 Appropriation Reserves**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2015**

	<u>Balance,</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	25,176.27	25,176.27	4,934.22	20,242.05
Other Expenses	23,105.02	23,105.02	216.80	22,888.22
Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,604.47	1,604.47	337.47	1,267.00
	<u>49,885.76</u>	<u>49,885.76</u>	<u>5,488.49</u>	<u>44,397.27</u>
	<u>D</u>		<u>D-4</u>	<u>D-1</u>

Borough of Haledon, N.J.  
 Schedule of Water Serial Bonds Payable  
 Water Utility Capital Fund  
 Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015	Interest Rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
Water Utility Refunding Bonds	8/12/2011	1,815,000.00					
			03/15/16	3.00%	\$ 1,405,000.00	185,000.00	1,220,000.00
			03/15/17	3.00%			
			03/15/18	2.50%			
			03/15/19	3.00%			
			03/15/20	3.25%			
		03/15/21	3.38%				
		03/15/22	3.63%				
					\$ 1,405,000.00	185,000.00	1,220,000.00
					D	D-13	D



Borough of Haledon, N.J.  
 Schedule of Capital Improvement Fund  
 Water Utility Capital Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ <u>0.61</u>
Balance - December 31, 2015	D/D-8	\$ <u><u>0.61</u></u>

Schedule of Reserve for Amortization  
 Water Utility Capital Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>			
Balance - December 31, 2014	D	\$ 8,492,583.42		
Increased by:				
Serial Bonds Paid by Budget	D-11	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;"><u>185,000.00</u></td> <td style="text-align: right;"><u>185,000.00</u></td> </tr> </table>	<u>185,000.00</u>	<u>185,000.00</u>
<u>185,000.00</u>	<u>185,000.00</u>			
Balance - December 31, 2015	D	\$ <u><u>8,677,583.42</u></u>		

Borough of Haledon, N.J.

Schedule of Interfund General Capital Fund

Water Utility Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ <u>812,375.84</u>
Balance - December 31, 2015	D/D-8	\$ <u>812,375.84</u>

Borough of Haledon , N.J.  
 Schedule of Cash-Treasurer  
 Public Assistance Fund  
 Year Ended December 31, 2015

	Ref.	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2014	E	\$ 69,989.48	248.98	69,740.50
Increased by Receipts:				
State Aid		160,600.00		160,600.00
Other Receipts		128.30	0.62	127.68
Supplemental Security Income		18,210.36		18,210.36
Interfund - Current Fund		3,968.60		3,968.60
		<u>182,907.26</u>	<u>0.62</u>	<u>182,906.64</u>
		252,896.74	249.60	252,647.14
Decreased by Disbursements:				
Public Assistance - 2015		173,795.00		173,795.00
Supplemental Security Income, Intrafund Transfers				
Interfund - Current Fund				
		<u>173,795.00</u>		<u>173,795.00</u>
Balance - December 31, 2015	E	\$ <u>79,101.74</u>	<u>249.60</u>	<u>78,852.14</u>

Borough of Haledon , N.J.  
 Schedule of Cash-Treasurer  
 Public Assistance Fund  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2015	E-1	\$ <u>79,101.74</u>
Increased by:		
Cash Receipts Record		<u>0.00</u>
		<u>79,101.74</u>
Decreased by:		
Cash Disbursements Record		<u>0.00</u>
Balance - July 31, 2016		\$ <u><u>79,101.74</u></u>

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
<u>Reconciliation - July 31, 2016</u>			
Balance on Deposit per Statement of:			
Valley National Bank - Checking			0.00
Valley National Bank			
Welfare Director Petty Cash			0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Add: Bank Charge			0.00
Less: Outstanding Checks			<u>0.00</u>
Balance - July 31, 2016	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

**Borough of Haledon , N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014		\$ <u>69,989.48</u>
Increased by Receipts:		
Cash Receipts Record		182,907.26
		<u>182,907.26</u>
		<u>252,896.74</u>
Decreased by Disbursements:		
Cash Disbursements Record		173,795.00
		<u>173,795.00</u>
Balance - December 31, 2015		\$ <u><u>79,101.74</u></u>

<u>Reconciliation - December 31, 2015</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Valley National Bank - Checking	249.60	60,146.56	60,396.16
Valley National Bank			
Welfare Director Petty Cash		26,129.98	26,129.98
	<u>249.60</u>	<u>86,276.54</u>	<u>86,526.14</u>
Add: Deposit in Transit/Bank Charge		3,968.60	3,968.60
Less: Outstanding Checks		<u>11,393.00</u>	<u>11,393.00</u>
Balance - December 31, 2015	<u><u>249.60</u></u>	<u><u>78,852.14</u></u>	<u><u>79,101.74</u></u>

Borough of Haledon , N.J.  
 Schedule of Revenues - Cash Basis  
 Public Assistance Fund  
 Year Ended December 31, 2015

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
State Aid Payments	\$ 160,600.00		160,600.00
Less: Refunds to the State			
Net State Aid Payments	<u>160,600.00</u>		<u>160,600.00</u>
Interest Earned	128.30	0.62	127.68
Refund State Matched Assistance			
Void Stale Date Checks			
Petty Cash Interest Earned			
Supplemental Security Income			
State/Municipal Refund	17,780.36		17,780.36
Client Refund	<u>430.00</u>		<u>430.00</u>
Total Revenues (P.A.T.F.)	178,938.66	0.62	178,938.04
Intra-Fund Transfers			
Inter-Fund Transfers - Current Fund	<u>3,968.60</u>		<u>3,968.60</u>
Total Receipts	<u>\$ 182,907.26</u>	<u>0.62</u>	<u>182,906.64</u>

Exhibit E-5

Schedule of Expenditures - Cash Basis  
 Public Assistance Fund  
 Year Ended December 31, 2015

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	\$ 48,840.00		48,840.00
Other:			
Emergency Assistance - Utilities	2,456.00		2,456.00
Emergency Assistance - Rent	117,595.00		117,595.00
Emergency Assistance - House Furnishings	2,400.00		2,400.00
Transportation	54.00		54.00
Work Related Expenses	2,260.00		2,260.00
Transient	190.00		190.00
Total Payments Reported	<u>173,795.00</u>		<u>173,795.00</u>
Payments for Eligible Assistance Not Reported			
Total P.A.T.F. Eligible Payments	<u>173,795.00</u>		<u>173,795.00</u>
Inter-Fund Transfers - Current Fund			
Intra-Fund Transfers			
SSI Payments:			
Reimbursement to Clients			
Total Disbursements (P.A.T.F.)	<u>\$ 173,795.00</u>		<u>173,795.00</u>

**Borough of Haledon , N.J.**  
**Schedule of Reserve for Public Assistance**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	\$ 73,958.08
Increased by:		
Receipts		<u>178,938.04</u>
		252,896.12
Decreased by:		
Disbursements		<u>173,795.00</u>
Balance - December 31, 2015	E	<u>\$ 79,101.12</u>
<u>Analysis of Balance:</u>		
Account #1		26,445.21
Account #2		<u>52,655.91</u>
		<u>79,101.12</u>

**Schedule of Interfund - Current Fund**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	\$ (3,968.60)
Increased by:		
Receipts		<u>3,969.22</u>
Balance - December 31, 2015	E	<u>\$ 0.62</u>
<u>Analysis of Balance:</u>		
Account #1	Due To	315.37
Account #2	Due From	<u>(314.75)</u>
		<u>0.62</u>

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**BOROUGH OF HALEDON**

**PART II**

**LETTERS ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

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

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

The Honorable Mayor and  
Members of the Borough Council  
Borough of Haledon  
Haledon, New Jersey 07508

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Haledon in the County of Passaic as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated August 29, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the omission of the fixed assets account group and the Length of Service Awards Program being unaudited.

### **Internal Control Over Financial Reporting**

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

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

**FWCC**

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Haledon in the accompany comments and recommendations section of this report.

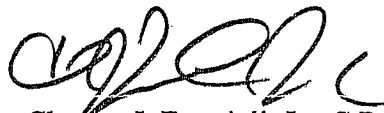
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Haledon's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Haledon in the accompanying comments and recommendations section of this report.

### Purpose of this Report

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

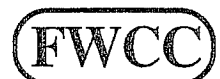


Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

August 29, 2016



## GENERAL COMMENTS

### Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010 the threshold was increased to \$36,000.00 and on July 1, 2015 increased to \$40,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough increased the bid threshold to \$36,000.00 and \$40,000.00, respectively, as allowed by law for having a qualified purchasing agent.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Custodian Cleaning Services
- DPW Backhoe
- Tilt Street Park improvements
- Solid Waste Disposal

### Contracts and Agreements, (continued)

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJSA54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allow an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Haledon, County of Passaic, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after the due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be collected against the delinquency.
2. Effective January 1, 1994, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

**Collection of Interest on Delinquent Taxes and Assessments, (continued)**

4. This resolution shall be published in its entirety, once, in an official newspaper of the Borough of Haledon.
5. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Borough Attorney, and Borough Auditor of the Borough.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 11, 2015, and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2015	2
2014	2
2013	3

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The results of the test, which was made as of December 31, 2015, is not yet known, but a separate report will be rendered if any irregularities were developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

**OTHER COMMENTS**

**Fixed Assets**

\*The Borough has not valued its fixed assets as required by State regulation.

**Outside Offices**

\*Police Department and Building Department deposits are not being made within 48 hours as required by statute.

Police Department receipts journal does not contain deposit totals or monthly totals.

**OTHER COMMENTS, (continued)**

**Other**

\*The tax receipt postings to general ledger and cash receipts journal were not in agreement with the tax account status reports.

Police petty cash account was not closed out at the end of the year.

A Cooperative purchasing contract with Atlantic Salt was not approved in the minutes.

\*There exists several outstanding grants receivable as detailed on Exhibit A-23 that should be reviewed for collectibility.

\*There exists various interfunds that have existed for several years that should be liquidated.

Several police timesheets included in our testing of payroll were not being approved by Department head.

Three retired employees payment of compensatory time were paid by voucher instead of being paid through payroll.

Several purchases included in our testing of expenditures were made prior to purchase order approval.

Two vouchers included in our testing of expenditures did not contain CFO, Finance Chairman and Department approval signatures.

In one instance, amount paid to vendor was more than amount on supporting invoice.

The Borough's share of Unemployment Insurance was not charged to the correct budgetary account.



## RECOMMENDATIONS

- \*1. That the Borough update its inventory and value its Fixed Assets according to the requirements promulgated by the Division of Local Government Services.
- \*2. That the Police and Building Departments deposits be made within 48 hours of receipt as required by statute.
3. That the Police Department receipts journal be totaled by deposit and monthly.
- \*4. That the tax receipt postings to the general ledger and cash receipts journal be reconciled to the monthly tax account status reports.
5. That purchases being made through Cooperative purchase contract be approved in the minutes.
- \*6. That the various grants receivable as and appropriated reserves for grants as detailed on Exhibit's A-23 and A-24 be reviewed for collectibility and or proper disposition.
- \*7. That an effort be made to liquidate all interfunds.
8. That Police Department petty cash account be closed out at year end.
9. That Police Department timesheets contain Department head approval.
10. That payment for employee compensatory time be paid through payroll.
11. That purchases not be made prior to purchase order approval.
12. That vouchers contain required approval signatures.
13. That payment to vendors be in agreement with supporting invoices.
14. That the employer share of Unemployment be charged to the correct budgetary account.

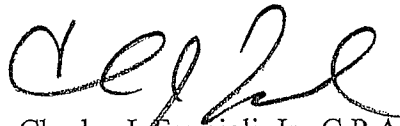
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of those marked with an "\*" which are included in this year's recommendations.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
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