BOROUGH OF NORTHVALE

Financial Statements With
Supplementary Information
December 31, 2013
(With Independent Auditors' Report Thereon)

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BOROUGH OF NORTHVALE

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BOROUGH OF NORTHVALE

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Northvale in the County of Bergen, as of December 31, 2013 and 2012, 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, 2013, 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.

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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 Northvale 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 Northvale as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, 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, 2013 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.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Northvale'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2014 on our consideration of the Borough of Northvale'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 Northvale's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Ferraioli, Wielkotz, Cerullo & Cuva, PA

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

May 20, 2014

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Exhibit A

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2013 and 2012

Assets	Ref.	2013	2012
Regular Fund			
Cash	A-4	$ 1,357,809	1,197,514
Cash - change funds	A-5	200	200
		1,358,009	1,197,714
Receivables and other assets with full reserves:			
Delinquent property tax receivable	A-8	600,648	520,167
Tax title liens receivable	A-9	47,368	44,101
Foreclosed property - property acquired for taxes - assessed valuation	A-10	2,156,700	2,156,700
Revenue accounts receivable	A-11	4,526	4,321
Prepaid School Taxes	A-13		2
Interfunds Receivable:			
General Capital Fund	A-21		250,000
Animal License Trust Fund	A-21		1,903
Community Development Trust Fund	A-21	18,768	20,032
Other Trust Fund	A-21	216	11,953
		2,828,226	3,009,179
Deferred charges:			
Deficit in Operations	A-1	87,576	87,576
Special emergency authorizations (40A:4-55)	A-12	153,300	92,400
		240,876	179,976
		4,427,111	4,386,869
Federal and State Grant Fund:			
Grants Receivable	A-26	13,241	6,923
Due from Current Fund	A-21	462,835	797,369
		476,076	804,292
		$ 4,903,187	5,191,161

Exhibit A

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2013 and 2012

	Ref.	2013	2012
Liabilities, Reserves & Fund Balance			
Regular Fund			
Liabilities:			
Appropriation reserves	A-3/A-23	41,349	75,169
Reserve for encumbrances	A-24	52,661	
Due to State of New Jersey - Senior Citizen and Veteran's Deductions	A-7	3,892	17
County Taxes Payable	A-15		2,358
Prepaid taxes	A-17	61,025	69,445
Marriage License Fees Payable	A-19	250	400
DCA Fees Payable	A-20	1,438	1,096
Reserve for:			
Tax Sale Premiums	A-25	14,000	35,400
McGuire Senior Center	A-25	77,782	55,530
Senior Van Donations	A-25	2,681	2,681
Cultural Arts Committee	A-25	3,379	3,379
Beautification Committee	A-25	4,050	4,050
Interfund Payable:			
Federal and State Grant Fund	A-21	462,835	797,369
		725,342	1,046,894
Reserve for receivables		2,828,226	3,009,179
Fund balance	A-1	873,543	330,796
		4,427,111	4,386,869
Federal and State Grant Fund			
Appropriated reserves	A-27	451,311	776,742
Due to General Capital Fund	C	22,875	22,875
Unappropriated reserves	A-28	1,890	4,675
		476,076	804,292
		$ 4,903,187	5,191,161

See accompanying notes to financial statements.

Exhibit A-1

BOROUGH OF NORTHVALE

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

Current Fund

Year Ended December 31, 2013 and 2012

		2013	2012
Revenue and other income realized:			
Fund balance utilized	$	115,000	175,000
Miscellaneous revenue anticipated		1,648,153	2,282,905
Receipts from delinquent taxes		526,167	414,678
Receipts from current taxes		20,867,058	20,719,186
Non-budget revenues		139,469	89,459
Other credits to income:			
Unexpended balance of appropriation reserves		58,975	56,600
Interfunds returned		283,888	9,346
Total income		23,638,710	23,747,174
Expenditures - budget appropriations:			
Appropriations			
Salaries and wages		3,160,479	2,897,557
Other expenses		2,925,113	3,707,108
Deferred charges and statutory expenditures		681,000	657,753
Capital improvements		50,000	35,000
Municipal debt service		428,600	635,885
County taxes		2,133,743	2,133,984
Amount due County for added and omitted taxes			2,358
Local district school tax		8,523,281	8,368,791
Regional high school tax		5,118,642	5,072,967
Other Refunds		21,616	1,190
Interfunds advanced		18,989	270,032
Tax Refunds		6,000	52,125
Total expenditures		23,067,463	23,834,750
Excess/(Deficit) in Revenues		571,247	(87,576)
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		86,500	
Statutory Excess to Surplus		657,747	
Fund balance, January 1		330,796	505,796
		988,543	505,796
Decreased by utilization as anticipated revenue		115,000	175,000
Fund balance, December 31	$	873,543	330,796

See accompanying notes to financial statements.

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2013

		Anticipated	Realized	Excess or (deficit)
Fund balance anticipated	$	115,000	115,000	
Miscellaneous revenues:	$			
Licenses:				
Alcoholic beverage		15,400	15,266	(134)
Other		11,600	12,500	900
Fees and permits:				
Construction code official		100,000	180,401	80,401
Other		29,700	50,663	20,963
Fines - Municipal Court		71,500	83,060	11,560
Interest and costs on taxes		100,000	101,934	1,934
Consolidated Municipal Property Tax Relief Act		35,453	35,453	
Energy Receipts Tax		525,852	525,852	
Interest on investments and deposits		2,531	3,283	752
Borough of Rockleigh - Police/Court Services		320,000	320,000	
Public and Private Programs offset by appropriations:				
Clean Communities		8,921	8,921	
Recycling Tonnage Grant		14,060	14,060	
USDA Commodities		2,640	2,640	
Northvale Drug Alliance-Golf		675	675	
Highway Traffic safety Program		4,000	4,000	
Highway Traffic safety Program		3,950	3,950	
Body Armor Grant		1,984	1,984	
Drunk Driving Enforcement Fund		1,140	1,140	
Northvale Municipal Alliance		9,520	9,520	
Municipal Open Space Trust (Field Maintenance)		90,000	90,000	
Life Hazard Use Fees (Fire)		27,000	34,333	7,333
Donation - Senior Center		5,000	6,152	1,152
Cable TV Franchise Fees		55,000	55,062	62
Senior Van Driver - Senior Financial Assoc		24,000	30,000	6,000
Compost Program - Hillsdale		57,000	57,304	304
		1,516,926	1,648,153	131,227

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2013

	Anticipated	Realized	Excess or (deficit)
Receipts from delinquent taxes	513,000	526,167	13,167
Subtotal - general revenues	2,144,926	2,289,320	144,394
Municipal budget - local tax for municipal purposes	5,653,766	5,658,748	4,982
Budget totals	$ 7,798,692	7,948,068	149,376
Non-budget revenues		139,469	
		$ 8,087,537	
Analysis of realized revenues:			
Current tax collections		20,867,058	
Allocated to:			
Local district school		8,523,283	
Regional high school		5,118,642	
County (including added county taxes)		2,131,385	
		15,773,310	
Balance for support of municipal budget appropriation		5,093,748	
Add appropriation reserve for uncollected taxes		565,000	
Amount for support of municipal budget appropriation		$ 5,658,748	
Receipts from delinquent taxes - delinquent tax			
Delinquent tax collections		$ 526,167	

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2013

	Antici-pated	Realized	Excess or (deficit)
Analysis of non-budget revenues:			
Miscellaneous revenue not anticipated:			
Photocopies		$ 12,083	
Tax Printouts		189	
Election Poll		240	
Property Owners Lists		80	
Sewer Connection Fees		5,721	
Miscellaneous		22,874	
Duplicate Tax Bills		535	
Teplitz-Metal		2,277	
Insurance Reimbursements		18,932	
Van Rides		1,262	
Medical and Dental Reimbursement		2,208	
FEMA		70,743	
Anministrative Fee-Senior Citizens and Veterans		1,100	
Zoning Books		26	
Void Checks		1,199	
		$ 139,469	

See accompanying notes to financial statements.

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
General Government:					
Administrative and executive:					
Salaries and wages	$ 102,712	101,212	100,995	217	
Other expenses	90,000	107,000	106,939	61	
Grants Person-Other Expense					
Mayor and Council					
Salaries and wages	25,917	26,417	26,376	41	
Other expenses	583	883	800	83	
Financial administration:					
Salaries and wages	54,305	61,505	61,457	48	
Other expenses	20,000	17,000	16,973	27	
Annual Audit	35,500	38,500	38,470	30	
Collection of Taxes:					
Salaries and wages	53,014	53,014	53,014		
Other expenses	15,000	12,000	11,977	23	
Assessment of taxes:					
Salaries and wages	10,927	13,227	13,142	85	
Other expenses	3,000	6,000	5,159	841	
Legal services and costs:					
Salaries and wages					
Other expenses	98,000	95,000	94,642	358	
Engineering services and costs:					
Other expenses	25,000	52,000	49,494	2,506	
Municipal Land Use Law NJSA (40:55D-1)					
Planning Board:					
Salaries and wages	4,144	4,144	4,144		
Other expenses	15,000	10,000	5,935	4,065	
Afforable Housing- COAH					
Other expenses	12,500				

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
Municipal Court					
Salaries and wages	72,787	71,287	71,287		
Other expenses	5,500	4,500	4,336	164	
Public Defender					
Salaries and wages	4,526	4,526	4,526		
Public Safety:					
Police:					
Salaries and wages	1,567,000	1,653,500	1,635,028	472	18,000
Other expenses:					
Miscellaneous other expenses	87,500	87,500	83,648	3,852	
Purchase new police vehicles					
First Aid Organization Contribution	6,000	9,100	9,096	4	
Ambulance Other Expenses	3,000	5,000	4,951	49	
Emergency Management Services:					
Salaries and wages	1,186	1,186	1,186		
Other expenses	500	500	325	175	
Insurance:					
Workers Compensation	115,183	116,336	116,336		
Other Insurance	8,134	7,134	7,034	100	
Liability Insurance	115,183	114,030	114,030		
Group Insurance for Employees	545,000	465,000	459,924	76	5,000
Fire:					
Other expenses:	35,000	61,000	58,793	2,207	
Rental of Fire House	25,590	28,090	28,090		
Fire Hydrant Service	90,000	91,000	90,499	501	
Interboro Radio-Other Expenses	61,910	61,910	61,910		
Fire Prevention Bureau:					
Salaries and wages	40,536	40,536	40,536		
Other expenses	3,000	2,000	1,899	101	
Prosecutor:					
Salaries and wages	11,560	11,560	11,560		

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and wages	653,000	651,000	650,991	9	
Other expenses	50,000	58,000	56,202	1,798	
Sanitation:					
Garbage and Trash Removal					
Contractual	185,000	185,000	181,108	2,892	1,000
Tipping Fees - BCUA	185,000	185,000	181,445	2,555	1,000
Borough of Norwood - Contractual	14,000	14,000	14,000		
Recycling:					
Salaries and wages	5,830	5,830	5,512	318	
Other expenses	12,000	17,000	16,393	607	
Public Buildings and Grounds					
Other expenses	35,000	39,000	38,969	31	
Sewer Repairs and Maintenance:					
Other expenses	6,000	10,000	9,292	708	
Senior Van Repairs:					
Salaries and wages	21,000	19,000	18,702	298	
Other expenses	3,000	3,000	2,041	959	
Health and Welfare:					
Board of Health:					
Salaries and wages	23,242	23,242	22,590	652	
Other expenses	38,000	35,000	34,219	781	
Animal Control					
Other Expenses	7,500	7,500	6,690	810	
Recreation and education:					
Recreation:					
Other expenses	7,000	7,000	6,851	149	

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
James F. McGuire Memorial Center (NJSA 40:48 9a):					
Salaries and wages	25,000	25,000	24,577	423	
Other expenses	40,000	40,000	37,842	2,158	
Parks and Playgrounds:					
Other expenses	12,000	12,000	11,724	276	
Other Common Unclassified:					
Celebration of Public Events	2,000	2,000	1,990	10	
Other expenses					
Uniform Construction Code Official:					
Salaries and wages	74,685	78,285	78,196	89	
Other expenses	8,500	8,500	6,484	2,016	
Code Compliance:					
Salaries and wages	14,008	14,008	14,008		
Other expenses	1,000	1,000	26	974	
UNCLASSIFIED:					
Utilities:					
Electricity	80,000	85,000	60,751	3,249	21,000
Street Lighting	70,000	70,000	64,509	491	5,000
Telephone	35,000	35,000	27,758	242	7,000
Water	7,500	11,500	11,483	17	
Gas	40,000	25,000	20,946	54	4,000
Gasoline	85,000	85,000	82,959	41	2,000
Total operations within "CAPS"	5,104,962	5,185,462	5,082,769	38,693	39,000

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
Contingent	300	300		300	
Total Operations Including Contingent-within "CAPS"	5,105,262	5,185,762	5,082,769	38,993	39,000
Detail:					
Salaries and Wages	2,765,379	2,858,479	2,837,827	2,652	18,000
Other Expenses	2,339,883	2,327,283	2,244,942	36,341	46,000
	5,105,262	5,185,762	5,082,769	38,993	64,000
Deferred Charges and Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	220,000	216,000	214,726	1,274	
Police and Firemen's Retirement System of NJ	336,264	336,264	336,264		
Public Employees' Retirement System	103,136	103,136	103,136		
Total Deferred and Statutory Expenditures - Municipal within "CAPS"	659,400	655,400	654,126	1,274	
Total General Appropriations for Municipal Purposes within "CAPS"	5,764,662	5,841,162	5,736,895	40,267	64,000
Operations excluded from "CAPS":					
Aid to Library (NJSA 40:54-35)					
Privately Owned	40,000	40,000	29,724	276	10,000
Sewer:					
Bergen County Utilities Authority	528,940	528,940	528,935	5	
Contribution to:					
LOSAP	38,000	38,000	37,200	800	
Total Other Operations - Excluded from "CAPS"	606,940	606,940	595,859	1,081	10,000

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
Interlocal Municipal Service Agreements					
Borough of Rockleigh DPW Services					
Salaries and Wages	20,000	20,000	20,000		
Borough of Rockleigh Police and Court Services					
Salaries and Wages	300,000	300,000	300,000		
Total Interlocal Municipal Service Agreements	320,000	320,000	320,000		
Public and Private Programs Offset by Revenues					
Municipal Alliance on Alcoholism & Drug Abuse					
Other Expenses	9,520	9,520	9,520		
Highway Traffic Safety Grant -	3,950	3,950	3,950		
Highway Traffic Safety Grant -					
Click it or Ticket	4,000	4,000	4,000		
Clean Communities					
Other Expenses	8,921	8,921	8,921		
Drunk Driving Enforcement	1,140	1,140	1,140		
U.S.D.A. Commodities - Senior Food Program					
Other Expenses	2,640	2,640	2,640		

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

	Appropriation		Expended 2013		
General Appropriations	Budget	Total for 2013 as Modified by All Transfers	Paid or Charged	Reserved	Unexpended Balance Cancelled
Body Armor Grant	1,984	1,984	1,984		
Recycling Tonnage Grant	14,060	14,060	14,060		
Northvale Drug Alliance					
Other Expenses	675	675	675		
Total Public and Private Offset by Revenues	46,890	46,890	46,890		
Total Operations Excluded from "CAPS"	973,830	973,830	962,749	1,081	10,000
Detail:					
Salaries and Wages	320,000	320,000	320,000		
Other Expenses	653,830	653,830	642,749	1,081	10,000
	973,830	973,830	962,749	1,081	10,000
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	40,000	50,000	50,000		
Total Capital Improvements - Excluded from "CAPS"	40,000	50,000	50,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	340,000	340,000	340,000		
Interest on Bonds	88,600	88,600	88,600		
Interest on Notes	1,000	1,000			1,000
Total Municipal Debt Service-Excluded from "CAPS"	429,600	429,600	428,600		1,000

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2013

General Appropriations	Appropriation Budget	Appropriation Total for 2013 as Modified by All Transfers	Expended 2013 Paid or Charged	Expended 2013 Reserved	Unexpended Balance Cancelled
Deferred Charges:					
Special Emergency Authorizations- Emergency Authorization 5 years (N.J.S. 40A:4-55)	25,600	25,600	25,600		
Total Deferred Charges - Municipal - Excluded from "CAPS"	25,600	25,600	25,600		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,469,030	1,479,030	1,466,949	1,081	11,000
Total General Appropriations - Excluded from "CAPS"	1,469,030	1,479,030	1,466,949	1,081	11,000
Subtotal General Appropriations	7,233,692	7,320,192	7,203,844	41,348	75,000
Reserve for Uncollected Taxes	565,000	565,000	565,000		
Total General Appropriations	$ 7,798,692	7,885,192	7,768,844	41,348	75,000

Adopted Budget	7,838,302
Added by N.J.S.A. 40A:4-87	46,890
	$ 7,885,192

Reserve for Uncollected Taxes	565,000
Transferred to Federal and State Grant Fund	46,890
Special Emergency	25,600
Cash Disbursed	7,131,354
	$ 7,768,844

See accompanying notes to financial statements

Exhibit B

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2013 and 2012

	Ref.	2013	2012
Assets			
Animal Trust Fund:			
Cash	B-1	$ 5,614	7,696
Other Trust Funds:			
Cash	B-1	611,354	416,778
Community Development Block Grant Fund:			
Grants receivable	B-6	39,000	39,000
Unemployment Trust Fund:			
Cash	B-1	55,542	55,343
Due from Payroll Account	F	6,913	6,913
		62,455	62,256
Open Space Trust Fund:			
Cash	B-1	40,416	130,277
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	673,751	550,886
Service Award Contributions Receivable	B-12	37,200	39,000
		710,951	589,886
		$ 1,469,790	1,245,893

Exhibit B

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2013 and 2012

	Ref.	2013	2012
Liabilities, Reserves and Fund Balance			
Animal Trust Fund:			
Due to State of New Jersey	B-2	5	6
Reserve for Expenditures	B-3	5,609	5,787
Due to Current Fund	B-9		1,903
		5,614	7,696
Other Trust Funds:			
Due to General Capital Fund	B-4	36,393	36,393
Due to Current Fund	B-9	216	11,953
Escrow Deposits	B-5	394,698	205,682
Miscellaneous Reserves	B-10	180,047	162,750
		611,354	416,778
Community Development Block Grant Fund:			
Due to Current Fund	B-9	18,768	20,032
Reserve for Community Development	B-7	20,232	18,968
		39,000	39,000
Unemployment Trust Fund:			
Reserve for Unemployment Insurance Compensation	B-8	62,455	62,356
Open Space Trust Fund:			
Reserve for Expenditures	B-11	40,416	130,277
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-13	710,951	589,886
		$ 1,469,790	1,245,993

See accompanying notes to financial statements.

Exhibit C

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2013

	Ref.		2013	2012
Assets				
Cash	C-2/C-3	$	876,433	1,335
Deferred charges to future taxation:				
Funded	C-4		2,870,000	3,210,000
Unfunded	C-6		2,384,564	1,628,359
Due from Escrow Trust Fund	C-7		36,393	36,393
Grants receivable	C-8		329,201	791,211
Due from Federal and State Grant Fund	C-13		22,875	22,875
		$	6,519,466	5,690,173
Liabilities, Reserves and Fund Balance				
General Serial Bonds Payable	C-10		2,870,000	3,210,000
Due to Current Fund	C-5			250,000
Bond Anticipation Notes Payable	C-11		1,500,000	
Improvement authorizations:				
Funded	C-9		84,097	647,624
Unfunded	C-9		1,496,883	1,017,513
Capital Improvement Fund	C-12		3,572	3,072
Fund balance	C-1		564,914	561,964
		$	6,519,466	5,690,173

There were bond anticipation notes authorized but not issued on December 31, 2013 and 2012 of $884,564 and $1,628,359 respectively per Exhibit C-14.

See accompanying notes to financial statements.

Exhibit C-1

BOROUGH OF NORTHVALE

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

General Capital Fund

For the Years Ended December 31, 2013 and 2012

		2013	2012
Fund Balance, January 1	$	561,964	561,964
Increased by:			
Ordinances Cancelled		2,950	
Fund Balance, December 31	$	564,914	561,964

See accompanying notes to financial statements.

Exhibit E

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Public Assistance Trust Fund

December 31, 2013 and 2012

	Ref		2013	2012
Assets				
Cash - PATF I	E-1	$	108	108
Cash - PATF II	E-1		8,117	8,100
		$	8,225	8,208
Liabilities				
Reserve for Expenditure - PATF I	E-4	$	1,108	1,108
Reserve for Expenditure - PATF II	E-4		7,117	7,100
		$	8,225	8,208

See accompanying notes to financial statements.

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Exhibit F

BOROUGH OF NORTHVALE

Balance Sheet-Regulatory Basis

Payroll and Agency Fund

December 31, 2013 and 2012

		2013	2012
Assets			
Cash	$		
Deficit in Reserve for Payroll		7,647	7,646
	$	7,647	7,646
Liabilities			
Cash Deficit	$	734	733
Due to Unemployment Trust		6,913	6,913
	$	7,647	7,646

See accompanying notes to financial statements.

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Exhibit G

BOROUGH OF NORTHVALE

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2013 and 2012

		2013	2012
General Fixed Assets:			
Land and Land Improvements	$	5,934,700	5,934,700
Buildings and Building Improvements		2,861,700	2,861,700
Vehicles and Equipment		4,084,435	3,781,708
	$	12,880,835	12,578,108
Investment in Fixed Assets	$	12,880,835	12,578,108

See accompanying notes to financial statements.

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

A. Reporting Entity

The Borough of Northvale (the "Northvale") 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 volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

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

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

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

The Borough has the following funds and account group:

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

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

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

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

Municipal Open Space Trust - This fund is used to account for taxes raised to finance the acquisition and preservation of property.

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective April 7, 2009, the Borough transferred administration of the General Assistance Program to the Bergen County Board of Social Services.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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

Payroll and Agency Fund – This fund is used to account for net payroll checks and payroll deductions.

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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

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

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

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

General Capital Fund
Trust Fund
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2013, the Mayor and Council increased the budget by $46,890 which was funded by the insertion of additional revenues and appropriations in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body.

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

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

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 fair value and are limited by N.J.S.A. 40A:5-15.1(a).

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Northvale has developed a fixed assets accounting and reporting system.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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.

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, 2013, $-0- of the Borough's bank balance of $3,332,644 was exposed to custodial credit risk and as of December 31, 2012, $-0- of the Borough's bank balance of $2,252,035 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

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

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.

Concentration of Credit Risk

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

Unaudited Investments

As more fully described in Note 15, 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 Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2013 and 2012 amounted to $660,211 and $550,886, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2013 and 2012:

	2013	2012
LVIP SsgA small-Cap Index Fund	$306,659	$
DWS EQ 500 Index		231,476
Fixed Income	210,389	198,887
All Others	143,163	120,523
Total	$660,211	$550,886

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2013 consisted of the following:

	Balance Dec. 31, 2012	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$3,210,000	$	$340,000	$2,870,000	$355,000
Other Liabilities - Compensated Absences Payable	991,757	60,245	334,398	717,604	
	$4,201,757	$60,245	$674,398	$3,587,604	$355,000

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	2013	2012	2011
Issued - general bonds and notes	$4,370,000	$3,210,000	$3,743,000
Net debt issued	4,370,000	3,210,000	3,743,000
Authorized but not issued - general bonds and notes	884,564	1,628,359	674,359
	5,254,564	4,838,359	4,417,359
Less Deductions			
Net bonds and notes issued and authorized but not issued	$5,254,564	$4,838,359	$4,417,359

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .564%.

	Gross Debt	Deductions	Net Debt
School debt	$5,161,275	$5,161,275	$0
General debt	5,254,564		5,254,564
	$10,415,839	$5,161,275	$5,254,564

Net debt of $5,254,564 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $932,123,101 equals .564%.

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

3-1/2% of equalized valuation basis (municipal)	$32,624,309
Net debt	5,254,564
	$27,369,745

The Borough's long-term debt consisted of the following at December 31, 2013:

General serial bonds:

$3,310,000 general serial bonds issued February 15, 2009, due through February 15, 2020 with variable interest rates of 2.00% to 3.50%	$2,870,000

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements for outstanding bonded debt for the next five years is:

Year	Principal	Interest	Total
2014	$355,000	$81,650	$436,650
2015	370,000	73,475	443,475
2016	390,000	63,000	$453,000
2017	410,000	50,744	460,744
2018	430,000	37,619	467,619
2019-2020	915,000	31,725	946,725
Total	$2,870,000	$338,213	$3,208,213

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

At December 31, 2013, the Borough had authorized but not issued debt of $884,564.

NOTE 4. 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 Firemens' 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 Firemens' 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

NOTE 4. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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.

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 2013.

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.

NOTE 4. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

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 ¼ 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.

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.

NOTE 4. 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.

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

Year	PERS	PFRS
December 31, 2013	$103,136	$336,264
December 31, 2012	100,610	329,512
December 31, 2011	99,014	420,302

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 waiver participation in the DCRP for that office or position. The waiver is irrevocable.

NOTE 4. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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.

NOTE 5. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

NOTE 5. OTHER POST EMPLOYMENT BENEFITS, (continued)

Plan Description

The Borough of Northvale contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at http://www.state.nj.us/treasury/pensions/ gasb-43 - sept2008 .pdf

Plan Coverage

Employees are not entitled to post retirement health benefits.

NOTE 6. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2013 and 2012 which has been appropriated as revenue in the 2014 budget is $200,000 and the 2013 was respectively $115,000.

NOTE 7. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2013.

	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Land	$5,934,700			$5,934,700
Building and Building Improvements	2,861,700			2,861,700
Machinery and Equipment	3,781,708	$302,727	$-0-	4,084,435
	$12,578,108	$302,727	$-0-	$12,880,835

NOTE 8. ACCRUED SICK AND VACATION BENEFITS

The Borough permits all employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates $717,604 as of December 31, 2013. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not allow this amount to be reported either as an expenditure or liability.

NOTE 9. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2013 consist of the following:

$36,393	Due to the General Capital Fund from the Escrow Trust Fund to reimburse prior year expenses paid.
18,768	Due to the Current Fund from the Community Development Grant Fund to reimburse grant expenditures paid.
216	Due to the Current Fund from the Other Trust Fund for interest earned on investments and to reimburse expenses paid.
6,913	Due to the Unemployment Trust Fund from the Payroll Fund for employee share of SUI contributions.
22,875	Due to the General Capital Fund from the Federal and State Grant Fund as reimbursement for expenditures.
462,835	Due to the Federal and State Grant Fund from the Current Fund for grants received less expenses paid.
$548,000	

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

On December 15, 2000, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln National Life Insurance Company. 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.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be $600 per year of active emergency service and the maximum contribution for each active volunteer member shall be $1,150 per year of active emergency service, 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 years 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, 2013 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 11. 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 2013 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 Northvale is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The BCJIF and MEL coverage amounts are on file with the Borough.

NOTE 11. RISK MANAGEMENT, (continued)

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

NOTE 12. TAXES COLLECTED IN ADVANCE

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

	Balance Dec 31, 2013	Balance Dec 31, 2012
Prepaid Taxes	$61,025	$69,445
Cash Liability for Taxes Collected in Advance	$61,025	$85,708

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Borough of Northvale:

	Balance Dec.31, 2013	2014 Budget Appropriation	Balance Succeeding Year Budget
Current Fund:			
Special Emergency Authorizations:			
Reassessment of Real Property (40A:4-55)	$20,000	$10,000	$10,000
Accumulated Absence Payout	46,800	15,600	31,200
Deficit in Operations	87,576	87,576	-
Accumulated Absence Payout - Police	86,500	17,300	69,200
Total	$240,876	$130,476	$110,400

NOTE 14. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation.

NOTE 15. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through May 20, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

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BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2013

Comparative Schedule of Tax Rate Information

		2013	2012	2011
Tax rate		2.514	2.489	2.444
Apportionment of tax rate:				
	Municipal	0.663	0.662	0.655
	Municipal Open Space			0.010
	County	0.247	0.248	0.226
	County Open Space	0.003	0.003	0.003
	District School	1.000	0.982	0.968
	Regional school	0.601	0.594	0.582

Assessed valuation:

2013	$	852,170,100
2012		853,028,003
2011		851,035,901

Comparison of Tax Levies and Collections 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 levie

			Currently	
Year		Tax levy	Cash collections	Percentage of collections
2013	$	21,490,894	20,867,058	97.10%
2012		21,272,736	20,719,186	97.40%
2011		20,850,238	20,421,452	97.94%

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2013

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.

Year	Amount of tax title liens	Amount of delin-quent taxes	Total delinquent	Per-centage of tax levy
2013	$ 47,368	600,648	648,016	3.02%
2012	44,101	520,167	564,268	2.65%
2011	40,868	416,435	457,303	2.19%

Property Acquired by Tax Title Lien Liquidation

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:

Year	Amount
2013	$ 2,156,700
2012	2,156,700
2011	2,156,700

Comparative Schedule of Fund Balances

	Year	Balance, Dec. 31	Utilized in budget of succeeding year
Current Fund	2013	$ 873,568	200,000
	2012	330,796	115,000
	2011	505,796	175,000
	2010	132,661	
	2009	91,514	

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2013

Officials in Office and Surety Bonds

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

Name	Title	Amount of bond	Type of Bond
Paul Bazela	Mayor		
Ed Piehler	Council President		
Gloria Libby	Councilwoman		
Pat Marana	Councilman		
Kenneth Shepard	Councilman		
Roy Sokoloski	Councilman		
Peter Sotiropoulos	Councilman		
Shuaib Firozvi	Chief Financial Officer/Treasurer		
Wanda Worner	Borough Clerk		
Suzanne Burroughs	Tax Collector	$ 1,000,000	(A)
Nicola Lepore	Construction Code Official		
Frank Giordanno	Plumbing Subcode Official		
Joseph Zavardino	Fire Subcode Official		
Roger Hauser	Municipal Court Judge	1,000,000	(A)
Maria Doerr	Municipal Court Administrator	1,000,000	(A)
Diane Frohlich	Deputy Court Clerk	1,000,000	(A)
John Guercio	Assessor		
Vincent St. Angelo	Chief of Police		
Paul Niehoff	Borough Engineer		
Joseph Zavardino	Fire Prevention Bureau		
Gregg Paster	Borough Attorney		

(A) - Statutory positions are covered under the South Bergen Municipal Jointure policy ($50,000) and the Municipal Excess Liability Joint Insurance Fund Excess Crime Policy - Public Employees Bond ($950,000)

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Schedule 1

BOROUGH OF NORTHVALE

Schedule of Expenditures of Federal Awards

Year ended December 31, 2013

Federal Funding Department	Federal Program	C.F.D.A. Number	Grant award amount	Grant period	Balance 12/31/12	Grant Receipts	Expendi-tures	Balance 12/31/13	MEMO cumulative Expenditures
(1) U.S. Department of Homeland Security	Disaster Grants - Public Assistance (Presidentially Declared Disasters)								
	4021 Public Assistance - Hurricane Irene	97.036	1,093	8/26/2011	$				
	4048 Public Assistance - Snowstorm	97.036	50,618	10/29/2011		50,618	50,618		50,618
						50,618	50,618		50,618
(1) U.S. Department of Transportation Federal Highway Administration	Highway Planning and Construction - (ARRA)								
	Streetscape Imps - Ord. 910 - 11-480-078-6320-AK3-6010	20.205	150,000	2011	112,500			112,500	102,553
	Livingston Street Sidewalk Installation - Ord. 910	20.205	146,500			146,500	146,500		146,500
		20.205	150,000	2013		39,686	131,045	(91,359)	131,045
					112,500	186,186	277,545	21,141	380,098
(1) U.S. Department of Transportation National Highway Traffic Safety Adm.	Occupant Protection Incentive Grants								
	Click it or Ticket	20.602	4,000	1/1/13-12/31/13		3,950		3,950	
	Alcohol Impaired Driving Countermeasures Incentive Grants, COPS in Shops	20.601	4,000	1/1/12-12/31/12	4,000			4,000	
					4,000	3,950		7,950	
(2) Housing and Urban Development	Community Development Block Grant Program								
	Operation of McGuire Senior Center (210-205-743-33-52)	14.218	39,000	7/1/12-6/30/13	(20,032)	39,000	37,736	(18,768) A	37,736
	Senior Center Heating System (210-124-739-33-09)	14.218	10,000	7/1/09-6/30/10				B	8,275
					(20,032)	39,000	37,736	(18,768)	46,011
(2) Department of Agriculture	USDA - Dining with Dignity	10.565	2,640	1/1/13-12/31/13		2,640		2,640	
(2) Department of Agriculture	USDA - Dining with Dignity	10.565	2,640	1/1/12-12/31/12	(36)			(36) C	2,456
					(36)	2,640		2,604	2,456
(2) Health and Human Services	Title III Older Americans Act	13.635	13,522	1/1/12-12/31/12	(202)	1,128		926	12,596
					(202)	1,128		926	12,596
					$ 96,230	232,904	315,281	13,853	441,161

(1) - Passed through the State of New Jersey
(2) - Passed through the County of Bergen.

This schedule was not subject to an audit in accordance with OMB Circular A-133.

A - Grants Receivable of $39,000, appropriated reserve of $20,032
B - Grants Receivable of $1,275, appropriated reserve of $1,275
C - Grants Receivable of $220, appropriated reserve of $184

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Schedule 2

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2013

State Funding Department	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2012	Cash received	Grant Expenditures	Balance 12/31/2013	MEMO Cumulative Expenditures
Administration of the Courts	Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2012	108	108			108	
			2011	647	647			647	
			2010	1,508	1,508			1,508	
			2009	928	928			928	
			2008	1,017	1,017			1,017	
			2007	1,579	1,579			1,579	
			2006	1,651	1,651			1,651	
			2005	1,760	4			4	1,757
					7,442			7,442	1,757
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-10-078-6400		1,140		1,140	547	593	548
			2012	2,335	2,335			2,335	
			2011	3,391	3,391			3,391	
			2010	3,853	3,433			3,433	420
			2009	2,856	2,856			2,856	
			2008	4,708	4,708			4,708	
			2007	5,049	3,072			3,072	1,977
					19,795	1,140	547	20,388	2,945
Department of Transportation Transportation Trust Fund	Veteran's Drive, Phase II - Ord. 781	8100-133-5837	1999	70,000	(11,413)			(11,413)	70,000
	Veteran's Drive, Phase I - Ord. 775	8100-133-5837	1999	150,000	(5,718)			(5,718)	150,000
	Extension of Birchwood Road - Ord. 746	8100-133-5837	1999	150,000	(259)			(259)	150,000
	Hill Terrace School Warning Lights, Curbs, Sidewalks - Ord. 729	8100-133-5837	1998	40,000	(1,984)			(1,984)	40,000
					(19,374)			(19,374)	410,000
Department of Environmental Protection	Clean Communities	4900-765-042-4900-004	2013	8,921		8,921		8,921	
			2012	7,599	7,599		1,764	5,835	1,764
			2011	7,720	7,720		7,720		7,720
			2010	8,044	5,305		5,305		8,045
			2009	7,725	6,911		6,911		7,725
	Hazardous Discharge Site Remediation-Danzig (New Jersey Economic Development Authority)	P37376	2012	295,577	266,260		266,260		295,577
	Hazardous Discharge Site Remediation-Deluxe (New Jersey Economic Development Authority)	P37389	2012	380,705	368,000		22,561	345,439	35,266
	Hazardous Discharge Site Remediation (New Jersey Economic Development Authority)	P17496	2006	11,143	3,838			3,838	7,305
	Recycling Tonnage Grant	4900-752-042-4900-001	2013	14,059		14,059	10,260	3,799	10,260
			2012	15,501	15,501		15,411		15,411
			2009	32,415	23,161		23,161		32,415
			2008	18,774	2,881		2,881		18,775
					707,176	22,980	362,234	367,832	440,263
(2) County of Bergen	Municipal Drug Alliance			9,520		2,074	6,500	(4,426)	6,576
			2010	10,000	(1)			(1)	10,000
			2009	10,000	340			340	5,361
			2006	10,000	10,396			10,396	18,723
			2005	10,000	9,155			9,155	6,379
					19,890	2,074	6,500	15,464	47,039

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2013

State Funding Department	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2012	Cash received	Grant Expenditures	Balance 12/31/2013	MEMO Cumulative Expenditures
Division of Criminal Justice	Police Body Armor Grant	1020-718-066-1020-001-YCJS	2013	1,984		1,984	850	1,134	850
			2012	1,638	1,638			1,638	
			2011	1,522	1,426			1,426	96
					3,064	1,984	850	4,198	946
Department of Human Services	Public Assistance	7500-150-158010-60	2010		7,084			7,084	975
	Total State Financial Assistance				$ 745,077	28,178	370,131	403,034	903,924
Other Financial Assistance									
County of Bergen	Livingston Street Improvements	Ord. 861	2008	750,000		172,617		172,617	537,384
	Improvements to Tappan Road	Ord. 761	2001	514,550	(83,136)			(83,136)	479,471
					(83,136)	172,617		89,481	1,016,855
County of Bergen Open Space Trust Fund	Jefferson & Hale Schools Recreation Field Imps.	006-910-785-20-31	2012	85,002		83,250			
	Refurbishing of Hogan's Park	Ord. 902	2011	59,154	(8,006)	8,006			59,154
	Drainage Imps. at field No. 4 - Hogan's Park		2010	40,920	(40,920)	40,920			40,920
	Imps. To Veteran's Park (playground equipment, conversion of roller hockery rink to basketball court - 006-910-785-20-31)	Ord. 871-09	2009	63,352	(11,427)	7,883		(3,544)	63,352
	Imps. To Veteran's Field								
					(60,353)	56,809		(3,544)	163,426
Local	DARE Donations - Golf Program		2012	4,097	675			675	
	DARE Donations - Golf Program		2011	4,097	4,097		606	3,491	
	DARE Donations - Golf Program		2010	12,079	1,586		1,584	2	12,077
	Recreation Batting Cages		Various		2,675			2,675	
	Senior Citizen Computers		Various		2,074			2,074	
	Senior Citizen Caregivers		Various		575			575	
	Mary McDougal		Various		1,685			1,685	
					13,367		2,190	11,177	12,077
	Total Other Financial Assistance				$ (130,122)	56,809	2,190	(75,503)	654,974
	Total State and Other Financial Assistance				$ 614,955	84,987	372,321	327,531	1,558,898

This schedule was not subject to an audit in accordance with NJ OMB 04-04

(2) Passed through the State of New Jersey
A - Grants Receivable of $4,299, appropriated reserve of $4,639.

Exhibit A-4

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2013

		Regular fund
Balance, December 31, 2012		$ 1,197,514
Increased by receipts:		
Petty Cash	$ 200	
Prepaid taxes	61,025	
Taxes receivable	21,271,655	
Revenue accounts receivable	1,601,263	
Miscellaneous revenue not anticipated	139,469	
Tax overpayments	50,371	
Marriage License/Domestic Partnership Fees	425	
DCA fees	8,673	
State of New Jersey - Veterans and Senior Citizens	50,000	
Various Reserves	22,252	
Grants Receivable	35,897	
Unappropriated grant reserves	1,890	
Interfunds	653,080	
		23,896,200
		25,093,714
Decreased by disbursements:		
Budget appropriations	7,131,354	
Appropriation reserves	16,194	
Petty Cash	200	
County taxes	2,133,743	
Local district school taxes	8,523,281	
Regional high school taxes	5,118,642	
Tax overpayments	50,371	
Other Refunds	21,812	
Tax Refunds	6,000	
Interfunds	331,681	
Marriage License/Domestic Partnership Fees	575	
DCA fees	8,331	
Various reserves	21,400	
Appropriated grant reserves	372,321	
		23,735,905
Balance, December 31, 2013		$ 1,357,809

Exhibit A-5

BOROUGH OF NORTHVALE

Schedule of Change Fund

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$ 200
Balance, December 31, 2013	$ 200
Analysis of balance:	
Tax collector	50
Municipal court	150
	$ 200

Exhibit A-6

Schedule of Petty Cash Fund

Current Fund

Year ended December 31, 2013

Increased by:	
Petty Cash Advanced	$ 200
Decreased by:	
Petty Cash Returned	$ 200

Exhibit A-7

BOROUGH OF NORTHVALE

Schedule of Due from/(to) State of New Jersey - Senior Citizens' and Veterans' Deductions

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012		$ (17)
Increased by:		
Senior Citizen Deductions per tax duplicate	$ 11,000	
Veteran Deductions per tax duplicate	44,000	
		55,000
		54,983
Decreased by:		
Deductions disallowed by Tax Collector	2,875	
Deductions disallowed by Tax Collector-2011	6,000	
Cash Receipts	50,000	
		58,875
Balance, December 31, 2013		$ (3,892)

Exhibit A-8

BOROUGH OF NORTHVALE

Schedule of Taxes Receivable and Analysis of 2013 Property Tax Levy

Current Fund

Year ended December 31, 2013

Year	Balance, Dec. 31, 2012	Total 2013 Levy	Added	Collections 2012	Collections 2013	Veterans and Senior Citizens	Transferred to Tax Title Liens	Remitted, abated or cancelled	Balance, Dec. 31, 2013
2012	$ 520,167		6,000		526,167				(0)
2013		21,453,881	37,013	69,445	20,745,488	52,125	3,267	19,921	600,648
	$ 520,167	21,453,881	43,013	69,445	21,271,655	52,125	3,267	19,921	600,648

Analysis of Property Tax Levy

Tax yield:	
General purpose tax	$ 21,453,881
Added taxes (54:4-63.12 et seq.)	37,013
	$ 21,490,894
Tax levy:	
Regional high school tax	5,118,642
Local district school tax	8,523,283
County tax	2,107,349
Amount due county/added taxes	24,036
Local tax/municipal purposes	5,653,766
Additional tax levied	63,818
	$ 21,490,894

Exhibit A-9

BOROUGH OF NORTHVALE

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	44,101
Increased by:		
Transfers from 2012 taxes receivable		3,267
Balance, December 31, 2013	$	47,368

Exhibit A-10

Schedule of Property Acquired for Taxes at Assessed Valuation

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	2,156,700
Balance, December 31, 2013	$	2,156,700

Exhibit A-11

BOROUGH OF NORTHVALE

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2013

	Balance, Dec. 31, 2012	Accrued	Received	Balance, Dec. 31, 2013
Licenses:				
Alcoholic beverages	$	15,266	15,266	
Other		12,500	12,500	
Fees and permits:				
Construction Code Official		180,401	180,401	
Other		50,663	50,663	
Fines and costs - municipal court	4,320	83,266	83,060	4,526
Interest and costs on taxes		101,934	101,934	
Interest on investments and deposits		3,283	3,283	
Consolidated Municipal Tax Relief		35,453	35,453	
Energy Receipts Tax		525,852	525,852	
Borough of Rockleigh-Police/Court Services		320,000	320,000	
Municipal Open Space Trust (Field Maintenance)		90,000	90,000	
Life Hazard Use Fees		34,333	34,333	
Donation - Senior Center		6,152	6,152	
Cable TV Franchise Fees		55,062	55,062	
Senior Van Driver - Senior Financial Association		30,000	30,000	
Compost Program - Hillsdale		57,304	57,304	
	$ 4,320	1,601,469	1,601,263	4,526

Exhibit A-12

BOROUGH OF NORTHVALE

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2013

	Balance, Dec. 31, 2012	Balance, Dec. 31, 2013
Current Fund:		
Emergency Authorizations:		
Deficit in Operations	87,576	87,576
	$ 87,576	87,576

Exhibit A-13

BOROUGH OF NORTHVALE

Schedule of Deferred Charges
N.J.S. 40A:4-55 Special Emergency

Current Fund

Year ended December 31, 2013

Purpose	Date Authorized	Net Amount Authorized	1/5th of Net Amount Authorized	Balance, Dec. 31, 2012	Increased	Decreased	Balance, Dec. 31, 2013
Reassessment of Property	Oct. 13, 2010	50,000	10,000	30,000		10,000	20,000
Accumulated Absence Payout	Sept. 14, 2011	78,000	15,600	62,400		15,600	46,800
Accumulated Absence Payout	Dec. 30, 2013	86,500	17,300		86,500		86,500
		$ 214,500	42,900	$ 92,400	86,500	25,600	153,300

Exhibit A-14

BOROUGH OF NORTHVALE

Schedule of Prepaid Local District School Taxes

Current Fund

Year ended December 31, 2013

December 31, 2012	(2)
Increased by:	
2013 Levy	$ 8,523,283
Decreased by:	
Payments	$ 8,523,281

Exhibit A-15

Schedule of Regional High School Taxes

Current Fund

Year ended December 31, 2013

Increased by:	
2013 Levy	$ 5,118,642
Decreased by:	
Payments	$ 5,118,642

Exhibit A-16

BOROUGH OF NORTHVALE

Schedule of County Taxes

Current Fund

Year ended December 31, 2013

Increased by:		
2013 Levy	$ 2,107,349	
2013 Open Space Preservation	23,240	
2013 Added Taxes	3,154	
		2,133,743
Decreased by:		
Payments		$ 2,133,743

Exhibit A-17

BOROUGH OF NORTHVALE

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	69,445
Increased by:		
2013 Taxes Received in 2013		61,025
		130,470
Decreased by:		
Applied to 2013		69,445
Balance, December 31, 2013	$	61,025

Exhibit A-18

Schedule of Tax Overpayments Payable

Current Fund

Year ended December 31, 2013

Increased by:		
Overpayments received	$	50,371
Decreased by:		
Overpayments Refunded	$	50,371

Exhibit A-19

BOROUGH OF NORTHVALE

Schedule of Due to State of New Jersey for Marriage Licenses/Domestic Partnerships

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	400
Increased by:		
Cash Receipts		425
		825
Decreased by:		
Cash Disbursements		575
Balance, December 31, 2013	$	250

Exhibit A-20

Schedule of Due to State of New Jersey - DCA Fees

Current Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	1,096
Increased by:		
Receipts		8,673
		9,769
Decreased by:		
Disbursements		8,331
Balance, December 31, 2013	$	1,438

Exhibit A-21

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Current Fund

Year ended December 31, 2013

	Balance, Dec. 31, 2012	Increased	Decreased	Balance, Dec. 31, 2013
Due from/(to):				
General Capital Fund	250,000	350,224	600,224	
Animal License Trust Fund	1,903		1,903	
Other Trust Fund	11,953	216	11,953	216
Community Development Trust Fund	20,032	37,736	39,000	18,768
	$ 283,888	388,176	653,080	18,984
Interest on Investments		435		
Reimbursement for expenses paid		56,060		
Disbursements		331,681		
Receipts			653,080	
		$ 388,176	653,080	

Exhibit A-22

BOROUGH OF NORTHVALE

Schedule of Due to Federal and State Grant Fund

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012		$ 797,369
Increased by:		
Grants Receivable Collected	$ 35,897	
Unappropriated Grants Received	1,890	
		37,787
		835,156
Decreased by:		
Appropriated Reserve Expenditure		372,321
Balance - December 31, 2013		$ 462,835

Exhibit A-23

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, 2012	Balance after transfers and encumbrances	Paid or Charged	Balance Lapsed
Salaries and wages:				
Within "CAPS":				
General Government:				
Administrative and Executive	86	86		86
Mayor and Council	50	50		50
Financial Adminitration	5	5		5
Collection of Taxes	1	1		1
Assessment of Taxes	5	5		5
Planning Board	3	3		3
Municipal Court	41	41		41
Public Defender	3	3		3
Police	17,098	17,098	17,028	70
Emergency Management	3	3		3
Fire Prevention Bureau	2	2		2
Prosecutor	2	2		2
Road Repairs and Maintenance	284	284		284
Seniorn Van Repairs	1,242	1,242		1,242
Uniform Construction Code Official	13	13		13
Code Compliance	3	3		3

Exhibit A-23

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, 2012	Balance after transfers and encumbrances	Paid or Charged	Balance Lapsed
Salaries and wages:				
Other expenses:				
Within "CAPS":				
General Government:				
Administrative and Executive	137	137	74	63
Mayor and Council	93	93		93
Financial Adminitration	371	371		371
Collection of Taxes	10	10		10
Assessment of Taxes	51	51		51
Legal Services and Costs	1,354	1,354		1,354
Engineering	9,675	9,675		9,675
Municipal Land Use:				
Planning Board	661	661		661
Municipal Court	417	417		417
Police	617	617	(186)	803
Emergency Management Services	225	225		225
Insurance				
Workers Compensation	25	25		25
Other Insurance	15	15		15
Liability Insurance	21	21		21
Fire Misc. expenses	943	943	(557)	1,500
Fire hydrant service	8	8		8
Interboro Radio-Other Expenses	16	16		16
Fire Prevention Bureau	201	201		201
Road Repairs and Maintenance	2,860	2,860		2,860
Recycling	438	438	(139)	577
Public Buildings and Grounds	1,478	1,478		1,478
Sewer Repairs and Maintenance	106	106		106
Senior Van Repairs				
Board of Health	314	314		314
Animal Control	1,175	1,175		1,175
James F. McGuire Memorial Center	2,037	2,037		2,037
Parks and Playgrounds	155	155	(26)	181

Exhibit A-23

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, 2012	Balance after transfers and encumbrances	Paid or Charged	Balance Lapsed
Salaries and wages:				
Summer Recreation	650	650		650
Golden Age	22	22		22
Celebration of Public Events	51	51		51
Uniform Construction Code	78	78		78
Code Compliance	53	53		53
Gasoline	4,596	4,596		4,596
Street Lighting	5,743	5,743		5,743
Electricity	11,238	11,238		11,238
Telephone	2,106	2,106		2,106
Natural Gas	8,047	8,047		8,047
Water	226	226		226
Other expenses:				
Outside "CAPS":				
Aid to Library (NJSA 40:54-35)				
Privately Owned	63	63		63
Sewer:				
Bergen County Utilities Authority	30	30		30
Contriubtion				
Health Benefits	22	22		22
Total Expenditures	$ 75,169	75,169	16,194	58,975

Exhibit A-24

BOROUGH OF NORTHVALE

Schedule of Reserve for Encumbrances

Current Fund

Year ended December 31, 2013

Increased by:	
2013 Encumbrances	$ 52,661
Balance - December 31, 2013	$ 52,661

Exhibit A-25

BOROUGH OF NORTHVALE

Schedule of Reserve for Various Reserves

Current Fund

Year ended December 31, 2013

	Balance, Dec. 31, 2012	Cash Receipts	Cash Disbursements	Balance, Dec. 31, 2013
Reserve for:				
Tax Sale Premiums	$ 35,400		21,400	14,000
McGuire Senior Center	55,530	22,252		77,782
Senior Citizens Van Donations	2,681			2,681
Cultural Arts Committee	3,379			3,379
Beautification Committee	4,050			4,050
	$ 101,040	22,252	21,400	101,892

Exhibit A-26

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

State and Federal Grants

Year ended December 31, 2013

	Balance, Dec. 31, 2012	2013 Budget Revenue	Decreased by: Received	Balance, Dec. 31, 2013
Purpose:				
Clean Communities	$	8,922	8,922	
Recycling Tonnage Grant		14,059	14,059	
Title III, Older Americans Act	1,128		1,128	
USDA Food	220	2,640	2,640	220
Municipal Alliance	4,300	9,520	2,074	11,746
Northvale Drug Alliance (Golf Program)		675	675	
Cops in Shops		4,000	4,000	
Community Development Block Grant - Senior Center Heating System	1,275			1,275
Drunk Driving Enforcement Fund		1,140	1,140	
Body Armor Grant		1,984	1,984	
Click it or Ticket		3,950	3,950	
	$ 6,923	46,890	40,572	13,241
		Cash Receipts	35,897	
		Unappropriated Reserves	4,675	
			$ 40,572	

Exhibit A-27

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2013

	Balance, Dec. 31, 2012	Transferred from 2013 Budget	Expended	Balance, Dec. 31, 2013
Alcohol Education Rehabilitation Fund	$ 5,390			5,390
Title III	926			926
USDA Food Program	184			184
USDA Food Program		2,640		2,640
Community Development Block Grant - Senior Center Heating System	1,275			1,275
Donations - Mary McDougal	1,685			1,685
Clean Communities	19,936		19,936	
Recycling Tonnage	26,041		26,041	
Alcohol Education and Rehabilitation	1,945			1,945
Alcohol Education and Rehabilitation	108			108
Drunk Driving Enforcement Fund	2,335			2,335
Body Armor Grant	1,638			1,638
Northvale Drug Alliance-Golf Outing	4,097		606	3,491
Clean Communities	7,599		1,764	5,835
Recycling Tonnage	15,501		15,411	90
Hazardous Discharge Site Remediation-Danzig	266,260		266,260	
Hazardous Discharge Site Remediation-Deluxe Cleaner	368,000		22,561	345,439
Hazardous Discharge Site Remediation-Danzig	3,838			3,838
Municipal Alliance	19,551			19,551
Municipal Alliance	4,639			4,639
Municipal Alliance		9,520	6,501	3,019
Body Armor	1,426			1,426
Northvale Municipal Alliance (Golf Program)	1,584		1,584	
Senior Citizens Caregiver	575			575
Recreation-Batting Cages	2,675			2,675
Drunk Driving Enforcement Fund	3,072			3,072
Drunk Driving Enforcement Fund	14,388			14,388
Senior Citizens Computer Grant	2,074			2,074
Drunk Driving Enforcement Fund		1,140	547	593
Click it or Ticket		3,950		3,950
Clean Communities		8,922		8,922
Recycling Tonnage		14,059	10,260	3,799
Body Armor		1,984	850	1,134
Northvale Drug Alliance-Golf Outing		675		675
Cops in Shops		4,000		4,000
	$ 776,742	46,890	372,321	451,311

Budget	$ 4,675
Appropriations by 40A:4-87	42,215
	$ 46,890

Exhibit A-28

BOROUGH OF NORTHVALE

Schedule of Unappropriated Reserves for

State and Federal Grants

Year ended December 31, 2013

Grant	Balance, Dec. 31, 2012	Transferred to 2013 Budget	Cash Received	Balance, Dec. 31, 2013
Northvale Municipal Alliance (Golf Program)	$ 675	675		
COPS in Shops	4,000	4,000	1,890	1,890
	$ 4,675	4,675	1,890	1,890

Exhibit B-1

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2013

	Animal Trust Fund	Other Funds	Unemployment Trust	Open Space Trust	Emergency Services LOSAP Trust
Balance, December 31, 2012	$ 7,696	416,778	55,443	130,277	550,886
Increase by receipts:					
License Fees	2,623				
Due to State of New Jersey	511				
Escrow Deposits		309,256			
POAA Deposits		76			
Borough Contributions					37,200
Recreation Fees/Budget Appropriations		111,106			
Development Fees - Affordable Housing		6,218			
Library Media		26			
Public Defender Fees		83			
Meal Sales		13,379			
Interest on Investments		216	99	139	109,115
	3,134	440,360	99	139	146,315
	10,830	857,138	55,542	130,416	697,201
Decrease by payments:					
Due to State of New Jersey	512				
Animal Trust Expenditures	4,704				
Escrow Expenditures		120,240			
Development Fees - Affordable Housing		36			
Due to Current Fund		11,953			
Food Expenditures		20,367			
Recreation Expenditures		93,188			
Open Space Trust Expenditures				90,000	
LOSAP Withdrawals					21,228
Account Charges/Tax Withholdings					2,222
	5,216	245,784		90,000	23,450
Balance, December 31, 2013	$ 5,614	611,354	55,542	40,416	673,751

Exhibit B-2

BOROUGH OF NORTHVALE

Schedule of Due to State of New Jersey

Animal Trust Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	6
Increased by:		
State Fees Collected	$	511
		517
Decreased by:		
Paid to State of New Jersey		512
Balance, December 31, 2013	$	5

Exhibit B-3

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Animal Trust Fund

Year ended December 31, 2013

Balance, December 31, 2012		$ 5,787
Increased by:		
Dog license fees collected	$ 1,765	
Cat license fees collected	272	
Late Fees	265	
Potentially dangerous dog fees	300	
Interest on Investments	21	
		2,623
		8,410
Decreased by:		
Cash Disbursements		2,801
Balance, December 31, 2013		$ 5,609

License fees collected

Year	Amount
2011	3,010
2012	2,599
	$ 5,609

Exhibit B-4

BOROUGH OF NORTHVALE

Schedule of Due to/(from)
General Capital Fund

Other Trust Funds

Year ended December 31, 2013

Balance, December 31, 2012	$ 36,393
Balance, December 31, 2013	$ 36,393

Exhibit B-5

BOROUGH OF NORTHVALE

Schedule of Escrow Deposits

Other Trust Funds

Year ended December 31, 2013

Balance, December 31, 2012	$	205,682
Increased by:		
Escrow Deposits		309,256
		514,938
Decreased by:		
Escrow Disbursements/Refunds		120,240
Balance, December 31, 2013	$	394,698

Exhibit B-6

Schedule of Grants Receivable

Community Development Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	39,000
Increased by:		
2012-2013 Grant		39,000
		78,000
Decreased by:		
Receipts		39,000
Balance, December 31, 2013	$	39,000

Exhibit B-7

BOROUGH OF NORTHVALE

Schedule of Reserve for Community Development Projects

Community Development Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	18,968
Increased by:		
Grants authorized		39,000
		57,968
Decreased by:		
Expenditures		37,736
Balance, December 31, 2013	$	20,232

Exhibit B-8

Schedule of Reserve for Unemployment Compensation

Unemployment Trust Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	62,356
Increased by:		
Interest on Investments		99
Balance, December 31, 2013	$	62,455

Exhibit B-9

BOROUGH OF NORTHVALE

Schedule of Interfunds

Trust Funds

Year ended December 31, 2013

	Balance due from/ (to) Dec. 31, 2012	Increased	Decreased	Balance due from/ (to) Dec. 31, 2013
Current Fund:				
Animal Trust Fund	$ (1,903)	1,903		
Other Trust Fund:				
Escrow Trust Fund	(11,953)	11,953	216	(216)
Community Development Trust Fund	(20,032)	39,000	37,736	(18,768)
	$ (33,888)	52,856	37,952	(18,984)
	Grant Awards	39,000		
	Cash Disbursements	13,856		
	Expenses paid by Current Fund		37,736	
	Interest		216	
		$ 52,856	37,952	

Exhibit B-10

BOROUGH OF NORTHVALE

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended December 31, 2013

	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
Reserve for:				
Parking Offenses Adjudication Act $	1,840	76		1,916
Archives Commission	413			413
McGuire Food Program	49,754	13,379	20,367	42,766
Recreation	61,936	50,149	45,449	66,636
Recreation - Summer Recreation	13,097	46,713	36,765	23,045
Recreation - Umpire Fees	(2,082)	14,244	10,974	1,188
Library Media	874	26		900
Public Defender	3,950	83		4,033
Affordable Housing	32,968	6,218	36	39,150
$	162,750	130,888	113,591	180,047

Exhibit B-11

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Open Space Trust Fund

Year ended December 31, 2013

Balance, December 31, 2012		$ 130,277
Increased by:		
Interest earned on deposits		139
		130,416
Decreased by:		
Current Fund Anticipated Revenue - Field Maintenance	90,000	
		90,000
Balance, December 31, 2013		$ 40,416

Exhibit B-12

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2013

Balance, December 31, 2012		$ 39,000
Increased by:		
2013 Service Award Contributions		37,200
		76,200
Decreased by:		
Contributions cancelled	$ 1,800	
Contributions paid	37,200	
		39,000
Balance, December 31, 2013		$ 37,200

Exhibit B-13

BOROUGH OF NORTHVALE

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2013

Balance, December 31, 2012		$ 589,886
Increased by:		
Investment appreciation	$ 109,115	
Borough Contributions	37,200	
		146,315
		736,201
Decreased by:		
Withdrawals	21,228	
Account Charges/Tax Withholdings	2,222	
Prior year contributions cancelled	1,800	
		25,250
Balance, December 31, 2013		$ 710,951

Exhibit C-2

BOROUGH OF NORTHVALE

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012		$ 1,335
Increased by receipts:		
Grants and Contributions Receivable	$ 340,356	
Due to Current Fund	350,000	
Notes Payable	1,500,000	
Capital Improvement Fund	50,000	
Interest earnings	244	
		2,240,600
		2,241,935
Decreased by disbursements:		
Due to Current Fund	600,244	
Improvement authorizations	765,258	
		1,365,502
Balance, December 31, 2013		$ 876,433

Exhibit C-3

BOROUGH OF NORTHVALE

Analysis of General Capital Cash

General Capital Fund

December 31, 2013

Fund balance		$ 564,914
Capital Improvement Fund		3,572
Due from Escrow Trust Fund		(36,393)
Grants/Contributions receivable		(329,201)
Due from Federal and State Grant Fund		(22,875)
Improvement authorizations:		
Ordinance number	Improvement description	
497	Improvement various streets	(32,594)
507/523	Acquisition ambulance	(855)
512	Acquisition equipment	(4,000)
561/590	Renovate Borough Hall	(12,180)
847	Purchase of Property-217 NY Ave.	(6,250)
879	Various Capital Improvements	54,999
883	Various Capital Improvements	(1,943)
893	Refunding Bond Ordinance - Tax Appeals	(106,431)
901	Site Investigation/Remedial Inv. on Borough owned Propert	(55,000)
902	Hogan's Park Improvements	9,000
903	Refurbishing of Hogan's Park	(88,980)
910	Various Capital Improvements	425,772
911	Various Capital Improvements	6,797
912	Various Capital Improvements	52,781
923	Various Public Improvements	298,955
924	Various replacement equipment/machinery/vehicles	127,345
926	Acquisition of new Pumper Fire Engine	29,000
		$ 876,433

Exhibit C-4

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012	$ 3,210,000
Decreased by:	
Paid via Budget Appropriation	340,000
Balance, December 31, 2013	$ 2,870,000

Exhibit C-5

Schedule of Due to Current Fund

Year Ended December 31, 2013

Balance, December 31, 2012		$ 250,000
Increased by:		
Interest earned	$ 244	
Cash Receipts	350,000	
		350,244
		600,244
Decreased by:		
Cash Disbursements		$ 600,244

Exhibit C-6

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2013

Ordinance number	Improvement description	Balance, Dec. 31, 2012	2013 Authori-zation	Reduced in 2013	Balance, Dec. 31, 2013	Analysis of balance: Bond Anticipation Notes	Analysis of balance: Expendi-tures	Analysis of balance: Unexpended improve-ment authori-zation
497	Improvement of various streets	$ 32,594			32,594		32,594	
512	Acquisition of equipment	4,000			4,000		4,000	
523	Acquisition of ambulance	855			855		855	
561/590	Renovation of Borough Hall	12,180			12,180		12,180	
847	Purchase of Property-217 NY Ave.	6,250			6,250		6,250	
871	Various Capital Improvements	19,000			19,000	19,000		
879	Various Capital Improvements	175,000		118,238	56,762	55,000		1,762
883	Various Capital Improvements	133,000		46,057	86,943	85,000	1,943	
893-11	Refunding Bond Ordinance - Tax Appeals	107,500			107,500		106,431	1,069
901-11	Site Investigation/Remedial Inv. On Borough owned Property	95,000		40,000	55,000		55,000	
903-11	Refurbishing of Hogan's Park	88,980			88,980		88,980	
910-12	Various Capital Improvements	479,000			479,000	479,000		
912-12	Various Capital Improvements	475,000			475,000	475,000		
923-2013	Various Public Improvements		266,000		266,000	266,000		
924-2013	Various replacement equipment/machinery/vehicles		123,500		123,500	121,000		2,500
926-2013	Acquisition of new Pumper Fire Engine		571,000		571,000			571,000
		$ 1,628,359	960,500	204,295	2,384,564	1,500,000	308,233	576,331

Improvement Authorizations - Unfunded		1,496,883
Less: Unexpended proceeds of bond anticipation notes		
879	54,999	
910-12	425,772	
912-12	52,781	
923-2013	266,000	
924-2013	121,000	
		920,552
		$ 576,331

Exhibit C-7

BOROUGH OF NORTHVALE

Schedule of Due from Escrow Trust Fund

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012	$ 36,393
Balance, December 31, 2013	$ 36,393

Exhibit C-8

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012		$ 791,211
Increased by:		
Grant and Contribution Awards		150,000
		941,211
Decreased by:		
Cash Receipts	340,356	
Cancellation	271,654	
		612,010
Balance, December 31, 2013		$ 329,201

Analysis of Balance		
Department of Transportation		
School Safety Program	$ 1,984	
Extension of Birchwood Road	259	
Improvements to Veteran's Drive, Phase II	11,412	
Imp. to White Avenue	39,300	
Streetscape Improvements-Livingston/Paris Aves	37,500	
Livingston Street Sidewalks Phase I & II	110,314	
		200,769
Bergen County Open Space Trust Fund:		
Imps. to Veteran's Park	3,544	
Improvement to Recreation Fields-Schools	1,753	
		5,297
Bergen County Direct Contributions:		
Improvements to Tappan Road	83,136	
Reconstruction of Livingston Street	39,999	
		123,135
		$ 329,201

Exhibit C-9

BOROUGH OF NORTHVALE

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2013

Ordinance number	Description	Ordinance Date	Amount	Balance, Dec. 31, 2012 Funded	Balance, Dec. 31, 2012 Unfunded	Authorizations	Paid or charged	Cancelled	Balance, Dec. 31, 2013 Funded	Balance, Dec. 31, 2013 Unfunded
861	Reconstruction of Livingston Street	Dec. 9, 2008	750,000	172,617				(172,617)		
871	Various Capital Improvements	June 10, 2009	192,064		7,883			(7,883)		
879	Various Capital Improvements	June 9, 2010	497,000	58,146	175,000			(176,385)		56,761
883	Various Capital Improvements	Oct. 13, 2010	140,000		46,057			(46,057)		
893-11	Refunding Bond Ordinance - Tax Appeals	Apr. 13, 2011	107,500		1,069					1,069
901-11	Site Investigation/Remedial Inv. On Borough owned Property	Dec. 14, 2011	100,000		40,000			(40,000)		
902-11	Hogan's Park Improvements	Dec. 14, 2011	118,308	19,956				(10,956)	9,000	
910-12	Various Capital Improvements	Jun. 13, 2012	800,000	196,900	479,000		250,128			425,772
911-12	Various Capital Improvements	Jun. 13, 2012	200,005	200,005			168,207	(25,001)	6,797	
912-12	Various Capital Improvements	Jul. 11, 2012	500,000		268,504		215,723			52,781
923-2013	Various Public Improvements	July 12, 2013	430,000			430,000	131,045		32,955	266,000
924-2013	Various replacement equipment/machinery/vehic	August 14, 2013	130,000			130,000	155		6,345	123,500
926-2013	Acquisition of new Pumper Fire Engine	November 13, 2013	600,000			600,000			29,000	571,000
				$ 647,624	1,017,513	1,160,000	765,258	(478,899)	84,097	1,496,883

Grants	$ 271,654
Capital Improvement Fund	49,500
Deferred Charges to Future Taxation-Unfunded	960,500
	$ 1,281,654

Fund Balance	$ 2,950
Grants	271,654
Deferred Charges to Future Taxation-Unfunded	204,295
	$ 478,899

Exhibit C-10

BOROUGH OF NORTHVALE

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2013

Purpose	Date of issue	Original issue	Maturity of bonds Outstanding Dec. 31, 2013 Date	Amount	Interest rate	Balance, Dec. 31, 2012	Decreased	Balance, Dec. 31, 2013
General Improvements	February 15, 2009	3,310,000	Feb. 15, 2014	355,000	2.00	3,210,000	340,000	2,870,000
			Feb. 15, 2015	370,000	2.50			
			Feb. 15, 2016	390,000	3.00			
			Feb. 15, 2017	410,000	3.125			
			Feb. 15, 2018	430,000	3.125			
			Feb. 15, 2019	450,000	3.25			
			Feb. 15, 2020	465,000	3.50			
						$ 3,210,000	340,000	2,870,000

Exhibit C-11

BOROUGH OF NORTHVALE

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2013

Ordinance number	Improvement description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Increased	Balance, Dec. 31, 2013
871-2009	Various Capital Improvements	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	$ 19,000	19,000
879-2010	Various Capital Improvements	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	55,000	55,000
883-2010	Various Capital Improvements	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	85,000	85,000
910-2012	Various Public Imps/Acquisitions	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	479,000	479,000
912-2012	Various Public Imps/Acquisitions	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	475,000	475,000
923-2013	Various Capital Improvements	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	266,000	266,000
924-2013	Various Capital Improvements	Dec. 27, 2013	Dec. 27, 2013	Nov. 14, 2014	0.69%	121,000	121,000
						$ 1,500,000	1,500,000

Exhibit C-12

BOROUGH OF NORTHVALE

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012	$	3,072
Increased by:		
Budget Appropriation		50,000
		53,072
Decreased by:		
Down payment on improvements		49,500
Balance, December 31, 2013	$	3,572

Exhibit C-13

BOROUGH OF NORTHVALE

Schedule of Due from Federal and State Grant Fund

General Capital Fund

Year ended December 31, 2013

Balance, December 31, 2012	$ 22,875
Balance, December 31, 2013	$ 22,875

Exhibit C-14

BOROUGH OF NORTHVALE

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2013

Ordinance number	Description	Balance, Dec. 31, 2012	Increases	Decreased	Balance, Dec. 31, 2013
497	Improvement of various streets	$ 32,594			32,594
512	Acquisition of equipment	4,000			4,000
561/590	Renovation of Borough Hall	12,180			12,180
523	Acquisition of ambulance	855			855
847	Purchase of Property-217 NY Ave.	6,250			6,250
871	Various Public Improvements	19,000		19,000	
879	Various Capital Improvements	175,000		173,238	1,762
883	Various Capital Improvements	133,000		131,057	1,943
893-11	Refunding Bond Ordinance - Tax Appeals	107,500			107,500
901-11	Site Investigation/Remedial Inv. On Borough owned Property	95,000		40,000	55,000
903-11	Refurbishing of Hogan's Park	88,980			88,980
910-12	Various Capital Improvements	479,000		479,000	
912-12	Various Capital Improvements	475,000		475,000	
923-13	Various Public Improvements		266,000	266,000	
924-13	Various replacement equipment/machinery/vechiles		123,500	121,000	2,500
926-13	Acquisition of New Pumper Fire Engine		571,000		571,000
		$ 1,628,359	960,500	1,704,295	884,564
	Cancellations via Resolution 2013-50			204,295	
	Bond Anticipation Notes Issued			1,500,000	
			$	1,704,295	

Exhibit E-1

BOROUGH OF NORTHVALE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2013

		Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2012	$	8,208	108	8,100
Increased by:				
Interest Earned		17		16
Balance - December 31, 2013	$	8,225	108	8,116

Exhibit E-2

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation
Per N.J.S.A. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2013

Balance - December 31, 2013	$	8,225
Increased by:		
Interest on Investments		6
Balance - April 31, 2014	$	8,231

Reconciliation - April 31, 2014		PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:				
Checking	$	109	8,122	8,231

Exhibit E-3

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2013

Balance - December 31, 2012	$ 8,208
Increased by:	
Interest Earned	17
Balance - December 31, 2013	$ 8,225

Reconciliation - December 31, 2013	PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:			
Checking	$ 108	8,117	8,225

Exhibit E-4

BOROUGH OF NORTHVALE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2013

		Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2012	$	8,208	1,108	7,100
Increased by:				
Interest Earned		17		17
Balance - December 31, 2013	$	8,225	1,108	7,117

Exhibit E-5

BOROUGH OF NORTHVALE

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2013

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Interest Earned	$ 17		17
Total Revenues (P.A.T.F.)	$ 17		17

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BOROUGH OF NORTHVALE

PART II

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

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Ferraioli, Wielkotz, 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

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

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 Northvale in the County of Bergen as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated May 20, 2014, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Northvale'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 Northvale's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Northvale'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.

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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 Northvale 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 Northvale'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 Northvale 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 Northvale's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Northvale's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

May 20, 2014

FWCC

BOROUGH OF NORTHVALE

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. 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 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. 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 of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $36,000.

GENERAL COMMENTS
(continued)

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

Improvements to School Fields	Pumper Engine
Road Improvements	Fire Equipment

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. No violations were disclosed.

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 governing body on January 2, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> WHEREAS, Public Law No. 435, which changes the rate of interest charged for delinquent taxes, has been enacted;
>
> BE IT RESOLVED by the Mayor and Council of the Borough of Northvale that the rate of interest on delinquent taxes and Borough charges shall be at 8% per annum on the first $1,500 of the delinquency, and 18% per annum on any amount in excess of $1,500 for the year 1998, except that the rate will be one thousandth of one percent per annum on the taxes for any current quarter if the taxes are paid during the first ten days following February 1st, May 1st, August 1st, and November 1st; and
>
> BE IT FURTHER RESOLVED that if the office of the Tax Collector is closed on the tenth day of February, May, August, or November, then the rate of one thousandth of one percent per annum above described shall be extended to include the first business day thereafter.

It appears from an audit of the Tax Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 8, 2013 and was complete.

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

Year	Number of Liens
2013	7
2012	7
2011	7

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

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, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2013, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

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BOROUGH OF NORTHVALE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2013

Comments

Finance:

1. *Goods/Services are being ordered prior to being encumbered as prescribed by Technical Directive #1.
2. *State fees associated with marriage license applications are not being remitted accurately or in a timely manner.
3. *Formal general ledgers are not being maintained for the Recreation Umpire Trust as required by N.J.S.A. 50A:5-5.
4. *There are various outstanding grant/contribution receivables in the General Capital Fund.
5. *The prior year inter-fund balance between the Escrow Trust Fund and the General Capital Fund has not been liquidated.
6. *The Payroll Account has a cash deficit of $734 and a reserve deficit of $7,647.
7. There were instances where supporting documentation for purchase order could not be located for review.
8. Purchase order could not be located for review as required by the Division of Local Government Services, requirement of Audit and for Expenditure Disbursement.
9. There were instances where subsidiary ledgers could not be obtained prior to the completion of the audit.
10. The following trust funds have not been approved through a dedication by rider:
    a. Unemployment Trust Fund
    b. Animal License Trust Fund
    c. Escrow Trust Fund
    d. Affordable Housing Trust Fund
    e. Recreation Umpire Fee Trust Fund
    f. McGuire Food Program Trust Fund
11. There were instances where purchase orders were on an open purchase order after being paid.
12. General fixed asset account was not updated for the current year.
13. The 2012 Corrective Action Plan was not available for review.

Administration:

1. *There were instances in which resolutions awarding professional service contracts under the fair and open process did not set forth the anticipated value of the contract and did not include "not to exceed" cost language.
2. *Not all Local Government Ethics Law Financial Disclosure statements were returned as required by N.J.S.A 40A:9-22.1
3. Awarding resolution for Request for Qualifications does not include a certification of availability of funds and budget line to which appropriations will be charged.
4. Formal evaluations of submissions to Request for Qualifications are not being prepared.
5. The 2013 temporary budget was not properly approved via resolution.
6. Petty cash amount and custodians are not being approved on a yearly basis through the Mayor and Council.

Payroll:

1. The incorrect health benefit deduction is being taken for one employee in our sample.
2. Payroll master control records do not equal amount reflected on employee deferred compensation authorization document.

Departments:

1. *The Recreation Department does not maintain an adequate record of cash receipts.
2. Increases in fees for the Building Department have not been approved by the Mayor and Council via ordinance.

Court:

1. There are 23 tickets Assigned over 180 days on the December Monthly Management Report.
2. Ticket amount being charged for overnight parking (186-15) does not agree to approve fee ordinance.

Recommendations

Finance:

1. *That all goods/services be encumbered prior to being ordered in accordance with Technical Directive #1.
2. *That state fees be remitted to the appropriate state agencies in a timely manner.
3. *A general ledger be implemented and maintained for the Recreation Umpire Trust Fund as required by N.J.S.A. 50A:5-5.
4. *Old outstanding grants/contributions receivable in the General Capital Fund be investigated for possible collection.
5. *All prior year inter-funds be liquidated.
6. *Appropriate steps be taken to raise the cash and reserve deficits in the payroll account in the subsequent years budget.
7. That supporting documentation for all purchases be kept on hand.
8. That all purchase orders are available to be located for review.
9. That all information is available upon request.
10. Dedication by riders be filed for approval with the Division of Local Government Services for the following Trust Funds:
    a. Unemployment Trust Fund
    b. Animal License Trust Fund
    c. Escrow Trust Fund
    d. Affordable Housing Trust Fund
    e. Recreation Umpire Fee Trust Fund
    f. McGuire Food Program Trust Fund
11. That the open purchase order listing accurately reflect open purchase orders at year end.
12. That the fixed asset account be updated to the current year.
13. That the requested documents are available upon request.

Administration:

1. *That awarding resolutions for Request for Qualifications include anticipated value of the contract or "not to exceed" cost language.

2. *That all Government Officials are required and should submit a Local Government Ethics Law Financial Disclosure Statement per N.J.S.A. 40A:9-22.1.

3. That awarding resolutions for Request for Qualifications include certification of availability of funds and a budget line to which appropriations will be charged.
4. That an evaluation system for Request for Qualification submissions be implemented.
5. That the temporary budget resolution is updated to reflect the current year.
6. That petty cash funds are properly approved by Mayor and Council on a yearly basis.

Payroll:

1. That all health benefit deductions are properly calculated.
2. That the amount being deducted for deferred compensation accurately reflects the signed application.

Departments:

1. *That the fees collected reflect the approved fee ordinance.
2. The Recreation Department maintain an all-inclusive analysis of cash receipts collected by the various program directors.

Court:

1. That tickets Over 180 days be recalled by the Court Administrator.
2. That all fees being charged for tickets match the approved fee ordinance.

Status of Prior Years Audit Findings/Recommendation

A review was performed on all prior years' recommendations and corrective action was taken on all except those with an "*".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz, C.P.A.
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No. CR00413

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May 20, 2014