BOROUGH OF NORTHVALE

Financial Statements With Supplementary Information
December 31, 2014
(With Independent Auditors' Report Thereon)

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF NORTHVALE

TABLE OF CONTENTS

Part I

Exhibit		Page
	Independent Auditors' Report	1
	FINANCIAL STATEMENTS	
	Current Fund	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Comparative Statement of Revenues - Regulatory Basis	9
A-3	Comparative Statement of Expenditures - Regulatory Basis	12
	Trust Funds	
B	Comparative Balance Sheet - Regulatory Basis	20
	General Capital Fund	
C	Comparative Balance Sheet - Regulatory Basis	22
C-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis- General Capital Fund	23
	Public Assistance Fund	
E	Comparative Balance Sheet - Regulatory Basis	24
	Payroll and Agency Fund	
F	Balance Sheet - Regulatory Basis	25
	General Fixed Assets Account Group	
G	Statement of General Fixed Assets - Regulatory Basis	26
	Notes to Financial Statements	27
	Supplementary Data	48

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

Exhibit		Page
	Current Fund	
A-4	Schedule of Cash - Treasurer	54
A-5	Schedule of Change Fund	55
A-6	Schedule of Petty Cash Fund	55
A-7	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	56
A-8	Schedule of Taxes Receivable and Analysis of 2014 Property Tax Levy	57
A-9	Schedule of Tax Title Liens	58
A-10	Schedule of Property Acquired for Taxes at Assessed Valuation	58
A-11	Schedule of Revenue Accounts Receivable	59
A-12	Schedule of Deferred Charges	60
A-13	Schedule of Deferred Charges - N.J.S. 40A:4-55 Special Emergency	61
A-14	Schedule of Prepaid Local District School Taxes	62
A-15	Schedule of Regional High School Taxes	62
A-16	Schedule of County Taxes	63
A-17	Schedule of Prepaid Taxes	64
A-18	Schedule of Tax Overpayments Payable	64
A-19	Schedule of Due to State of New Jersey for Marriage Licenses/ Domestic Partnerships	65
A-20	Schedule of Due to State of New Jersey - DCA Fees	65
A-21	Schedule of Interfunds Receivable/(Payable)	66
A-22	Schedule of Due to State and Federal Grant Fund	67
A-23	Schedule of Appropriation Reserves	68
A-24	Schedule of Reserve for Encumbrances	70
A-25	Schedule of Reserve for Various Reserves	71
A-26	Schedule of Grants Receivable	72
A-27	Schedule of Appropriated Reserves for Federal and State Grant Fund	73
A-28	Schedule of Unappropriated Reserves for Federal and State Grant Fund	74

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

Exhibit		Page
	Trust Funds	
B-1	Schedule of Cash - Treasurer	75
B-2	Schedule of Due to State of New Jersey	76
B-3	Schedule of Reserve for Expenditures	77
B-4	Schedule of Due to/(from) General Capital Fund	78
B-5	Schedule of Escrow Deposits	79
B-6	Schedule of Grants Receivable	79
B-7	Schedule of Reserve for Community Development Projects	80
B-8	Schedule of Reserve for Unemployment Compensation	80
B-9	Schedule of Interfund (Receivables)/Payables - Current Fund	81
B-10	Schedule of Miscellaneous Reserves	82
B-11	Schedule of Reserve for Expenditures - Open Space Trust Fund	83
B-12	Statement of Service Award Contributions Receivable - Emergency Services Volunteer Length of Service Award Program	83
B-13	Statement of Net Assets Available for Benefits - Emergency Services Volunteer Length of Service Award Program	84
	General Capital Fund	
C-2	Schedule of General Capital Cash-Treasurer	85
C-3	Analysis of General Capital Cash	86
C-4	Schedule of Deferred Charges to Future Taxation – Funded	87
C-5	Schedule of Due to/(from) Current Fund	87
C-6	Schedule of Deferred Charges - Overexpenditure of Capital Improvement Fund	88
C-7	Schedule of Deferred Charges to Future Taxation – Unfunded	89
C-8	Schedule of Due from Escrow Trust Fund	91
C-9	Schedule of Grants Receivable	92
C-10	Schedule of Improvement Authorizations	93
C-11	Schedule of General Serial Bonds	94
C-12	Schedule of Anticipation Notes	95
C-13	Schedule of Capital Improvement Fund	96
C-14	Schedule of Down Payments on Improvements	96
C-15	Schedule of Due from Federal and State Grant Fund	97
C-16	Schedule of Bonds and Notes Authorized but not Issued	98

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

Exhibit		Page
	Public Assistance Fund	
E-1	Schedule of Cash - Treasurer	99
E-2	Schedule of Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5	100
E-3	Schedule of Public Assistance Cash and Reconciliation	101
E-4	Schedule of Reserve for Public Assistance Expenditures	102
E-5	Schedule of Revenues-Cash Basis	103

Part II

Independent Auditor's Report on Internal Control over Financial Reporting Based and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	104
General Comments	106
Recommendations	111
Status of Prior Years Audit Findings/Recommendations	113
Acknowledgment	113

BOROUGH OF NORTHVALE

* * * * * * * *

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

THIS PAGE INTENTIONALLY LEFT BLANK

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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, 2014 and 2013, 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, 2014, 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.

FWCC

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, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 10 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of $798,669 and $710,951 for 2014 and 2013, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*"paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, 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, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

FWCC

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015 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, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

March 23, 2015

FWCC

Exhibit A

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

Assets	Ref.	2014	2013
Regular Fund			
Cash	A-4	$ 1,044,516	1,357,809
Cash - change funds	A-5	200	200
		1,044,716	1,358,009
Receivables and other assets with full reserves:			
Delinquent property tax receivable	A-8	538,798	600,648
Tax title liens receivable	A-9	50,711	47,368
Foreclosed property - property acquired for taxes - assessed valuation	A-10	2,156,700	2,156,700
Revenue accounts receivable	A-11	4,934	4,526
Interfunds Receivable:			
Animal License Trust Fund	A-21	2,450	
Summer Recreation Trust Fund	A-21	17,561	
Payroll Account	A-21	100,000	
Community Development Trust Fund	A-21	19,500	18,768
Other Trust Fund	A-21	340	216
		2,890,994	2,828,226
Deferred charges:			
Deficit in Operations	A-12		87,576
Over-expenditure of Appropriation Reserves	A-12	7,930	
Emergency Authorizations	A-12	30,660	
Special emergency authorizations (40A:4-55)	A-13	222,900	153,300
		261,490	240,876
		4,197,200	4,427,111
Federal and State Grant Fund:			
Grants Receivable	A-26	7,221	13,241
Due from Current Fund	A-22	220,829	462,835
		228,050	476,076
		$ 4,425,250	4,903,187

Exhibit A

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

	Ref.	2014	2013
Liabilities, Reserves & Fund Balance			
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3/A-23	45,802	41,349
Reserve for Encumbrances	A-24	36,316	52,661
Due to State of New Jersey - Senior Citizen and Veteran's Deductions	A-7	4,392	3,892
Prepaid Taxes	A-17	45,714	61,025
Tax Overpayments Payable	A-18	2,763	
Marriage License Fees Payable	A-19	200	250
DCA Fees Payable	A-20	1,955	1,438
Reserve for:			
Tax Sale Premiums	A-25	14,000	14,000
McGuire Senior Center	A-25	62,273	77,782
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:			
General Capital Fund	A-21	43,815	
Federal and State Grant Fund	A-22	220,829	462,835
		488,169	725,342
Reserve for receivables		2,890,994	2,828,226
Fund balance	A-1	818,037	873,543
		4,197,200	4,427,111
Federal and State Grant Fund			
Appropriated reserves	A-27	163,067	451,311
Due to General Capital Fund	C	22,875	22,875
Unappropriated reserves	A-28	42,108	1,890
		228,050	476,076
		$ 4,425,250	4,903,187

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, 2014 and 2013

	2014	2013
Revenue and other income realized:		
Fund balance utilized	$ 200,000	115,000
Miscellaneous revenue anticipated	1,619,373	1,648,153
Receipts from delinquent taxes	601,648	526,167
Receipts from current taxes	21,413,040	20,867,058
Non-budget revenues	47,405	139,469
Other credits to income:		
Unexpended balance of appropriation reserves	51,006	58,975
Interfunds returned	18,768	283,888
Total income	23,951,240	23,638,710
Expenditures - budget appropriations:		
Appropriations		
Salaries and wages	3,211,710	3,160,479
Other expenses	2,886,230	2,925,113
Deferred charges and statutory expenditures	866,981	681,000
Capital improvements	70,660	50,000
Municipal debt service	445,764	428,600
County taxes	2,153,216	2,133,743
Amount due County for added and omitted taxes	5,261	
Local district school tax	8,711,853	8,523,281
Regional high school tax	5,403,758	5,118,642
Other Refunds	22,045	21,616
Interfunds advanced	137,061	18,989
Tax Court Judgements	35,367	6,000
Total expenditures	23,949,906	23,067,463
Excess/(Deficit) in Revenues	1,334	571,247
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	143,160	86,500
Statutory Excess to Surplus	144,494	657,747

Exhibit A-1

BOROUGH OF NORTHVALE

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

Current Fund

Year Ended December 31, 2014 and 2013

		2014	2013
Fund balance, January 1		873,543	330,796
		1,018,037	988,543
Decreased by utilization as anticipated revenue		200,000	115,000
Fund balance, December 31	$	818,037	873,543

See accompanying notes to financial statements.

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2014

	Anticipated	Realized	Excess or (deficit)
Fund balance anticipated	$ 200,000	200,000	
Miscellaneous revenues:	$		
Licenses:			
Alcoholic beverage	15,000	15,316	316
Other	12,000	12,850	850
Fees and permits:			
Construction code official	125,000	152,507	27,507
Other	38,000	43,980	5,980
Fines - Municipal Court	94,000	79,010	(14,990)
Interest and costs on taxes	100,000	103,391	3,391
Consolidated Municipal Property Tax Relief Act	32,576	32,576	
Energy Receipts Tax	528,729	528,729	
Interest on investments and deposits	3,000	4,461	1,461
Borough of Rockleigh - Police/Court Services	300,000	300,000	
Borough of Rockleigh - Public Works Services	20,000	20,000	
Municipal Open Space Trust (Field Maintenance)	40,000	40,000	
Life Hazard Use Fees (Fire)	34,000	27,224	(6,776)
Donation - Senior Center	5,000	3,921	(1,079)
Cable TV Franchise Fees	57,000	57,908	908
Senior Van Driver - Senior Financial Assoc	30,000	30,000	
Compost Program - Hillsdale	60,000	60,000	
General Capital Fund Balance	107,500	107,500	
	1,601,805	1,619,373	17,568

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2014

	Antici-pated	Realized	Excess or (deficit)
Receipts from delinquent taxes	595,000	601,648	6,648
Subtotal - general revenues	2,396,805	2,421,021	24,216
Municipal budget - local tax for municipal purposes	5,653,766	5,773,952	120,186
Budget totals	$ 8,050,571	8,194,973	144,402
Non-budget revenues		47,405	
		$ 8,242,378	
Analysis of realized revenues:			
Current tax collections		21,413,040	
Allocated to:			
Local district school		8,711,853	
Regional high school		5,403,758	
County (including added county taxes)		2,158,477	
		16,274,088	
Balance for support of municipal budget appropriation		5,138,952	
Add appropriation reserve for uncollected taxes		635,000	
Amount for support of municipal budget appropriation		$ 5,773,952	
Receipts from delinquent taxes - delinquent tax			
Delinquent tax collections		$ 601,648	

Exhibit A-2

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2014

	Antici-pated	Realized	Excess or (deficit)
Analysis of non-budget revenues:			
Miscellaneous revenue not anticipated:			
Photocopies		$ 11,470	
Tax Printouts		422	
Election Poll		120	
Property Owners Lists		180	
Sewer Connection Fees		9,599	
Miscellaneous		2,735	
Duplicate Tax Bills		1,035	
Teplitz-Metal		2,606	
Insurance Reimbursements		4,281	
Van Rides		1,365	
Medical and Dental Reimbursement		3,139	
Construction Violations		2,000	
Anministrative Fee-Senior Citizens and Veterans		935	
Zoning Books		30	
Joint Insurance Fund - Dividend Refund		7,488	
		$ 47,405	

See accompanying notes to financial statements.

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
General Government:					
Administrative and executive:					
Salaries and wages	$ 103,612	107,912	107,819	93	
Other expenses	100,000	94,500	94,181	319	
Mayor and Council					
Salaries and wages	26,696	30,196	29,955	241	
Other expenses	1,000				
Financial administration:					
Salaries and wages	63,301	62,501	62,429	72	
Other expenses	20,000	22,200	22,195	5	
Annual Audit	41,000	36,200	36,145	55	
Collection of Taxes:					
Salaries and wages	54,604	54,604	54,604	0	
Other expenses	15,000	9,600	9,575	25	
Assessment of taxes:					
Salaries and wages	20,450	20,450	20,450		
Other expenses	5,000	700	674	26	
Legal services and costs:					
Salaries and wages					
Other expenses	75,000	55,000	53,303	1,697	
Engineering services and costs:					
Other expenses	30,000	48,000	47,464	536	

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Municipal Land Use Law NJSA (40:55D-1)					
Planning Board:					
Salaries and wages	4,268	4,268	4,268	0	
Other expenses	10,000	4,000	3,950	50	
Afforable Housing- COAH					
Other expenses					
Municipal Court					
Salaries and wages	73,425	73,425	73,063	362	
Other expenses	6,000	6,900	6,818	82	
Public Defender					
Salaries and wages	4,662	4,662	4,662		
Public Safety:					
Police:					
Salaries and wages	1,500,000	1,635,200	1,635,139	61	
Other expenses:	90,000	90,000	81,967	8,033	
Interboro Radio	64,000	64,000	63,684	316	
First Aid Organization					
Ambulance Other Expenses	15,000	15,000	15,000		
Other Expenses	5,000	5,000		5,000	
Emergency Management Services:					
Salaries and wages	1,222	1,222	1,222		
Other expenses	500	500	95	405	
Insurance:					
Workers Compensation	120,000	121,100	121,057	43	
Other Insurance	7,500	9,100	9,082	18	
Liability Insurance	120,000	118,500	118,430	70	
Group Insurance for Employees	475,000	447,100	447,076	24	

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Fire:					
Other expenses:	50,000	50,000	46,160	3,840	
Rental of Fire House	28,090	28,090	28,090		
Fire Hydrant Service	85,000	83,700	83,697	3	
Fire Prevention Bureau:					
Salaries and wages	36,603	37,603	37,603		
Other expenses	3,000	1,000	573	427	
Prosecutor:					
Salaries and wages	11,907	11,907	11,907	0	
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and wages	700,000	657,800	657,692	108	
Other expenses	65,000	86,300	83,990	2,310	
Sanitation:					
Garbage and Trash Removal					
Collection	185,000	181,500	181,380	120	
Disposal	185,000	181,500	181,373	127	
Recycling:					
Salaries and wages	5,677	5,677	5,668	9	
Other expenses	15,000	19,600	19,496	104	
Public Buildings and Grounds					
Other expenses	40,000	65,000	60,693	4,307	
Sewer Repairs and Maintenance:					
Other expenses	7,000	5,000	4,697	303	
Board of Health:					
Salaries and wages	23,269	25,269	25,269	0	
Other expenses	40,000	38,500	38,423	77	

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Animal Control					
Other Expenses	7,500	7,500	6,990	510	
Recreation and education:					
James F. McGuire Memorial Center (NJSA 40:48 9a):					
Salaries and wages	25,000	25,000	24,563	437	
Other expenses	40,000	40,000	38,216	1,784	
Golden Age Senior Trips:					
Other Expenses	7,000	7,800	7,105	695	
Celebration of Public Events					
Other Expenses	2,000	2,500	2,349	151	
Senior Van Driver:					
Salaries and Wages	27,000	27,000	21,163	5,837	
Other Expenses	3,000	3,000	1,339	1,661	
Parks and Playgrounds:					
Other expenses	15,000	20,000	19,874	126	
Uniform Construction Code Official:					
Salaries and wages	86,686	90,586	90,551	35	
Other expenses	4,500	8,700	8,621	79	
Code Compliance:					
Salaries and wages	14,428	16,428	16,428		
Other expenses	1,000	1,000	975	25	
UNCLASSIFIED:					
Utilities:					
Electricity	75,000	75,000	62,570	2,430	10,000
Street Lighting	75,000	75,000	56,363	637	18,000
Telephone	35,000	35,000	28,731	269	6,000
Water	15,000	15,000	10,510	490	4,000

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Natural Gas	30,000	31,500	31,418	82	
Vehicle Fuel	85,000	85,000	64,860	140	20,000
Total operations within "CAPS"	5,094,900	5,200,300	5,097,644	44,656	58,000
Contingent	640	640		40	600
Total Operations Including Contingent-within "CAPS"	5,095,540	5,200,940	5,097,644	44,696	58,600
Detail:					
Salaries and Wages	2,782,810	2,891,710	2,884,453	7,257	
Other Expenses	2,312,730	2,309,230	2,213,191	37,439	58,600
	5,095,540	5,200,940	5,097,644	44,696	58,600
Deferred Charges and Statutory Expenditures:					
DEFERRED CHARGES					
Deficit in Operations	87,576	87,576	87,576		
Deferred Charges - Bond Ord. #893-2011	107,500	107,500	107,500		
Contribution to:					
Social Security System (O.A.S.I.)	220,000	227,100	227,086	14	
Police and Firemen's Retirement System of NJ	297,645	297,645	297,645		
Public Employees' Retirement System	104,260	104,260	104,260		
Total Deferred and Statutory Expenditures - Municipal within "CAPS"	816,981	824,081	824,067	14	
Total General Appropriations for Municipal Purposes within "CAPS"	5,912,521	6,025,021	5,921,711	44,710	58,600

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Operations excluded from "CAPS":					
Aid to Library (NJSA 40:54-35)					
Privately Owned	40,000	40,000	25,050	950	14,000
Sewer:					
Bergen County Utilities Authority	576,000	576,000	575,858	142	
Contribution to:					
LOSAP	38,000	38,000	33,600		4,400
Total Other Operations - Excluded from "CAPS"	654,000	654,000	634,508	1,092	18,400
Shared Service Agreements					
Borough of Rockleigh Police and Court					
Salaries and Wages	300,000	300,000	300,000		
Borough of Rockleigh Public Work					
Salaries and Wages	20,000	20,000	20,000		
Total Shared Services Agreements	320,000	320,000	320,000		
Total Operations Excluded from "CAPS"	974,000	974,000	954,508	1,092	18,400
Detail:					
Salaries and Wages	320,000	320,000	320,000		
Other Expenses	654,000	654,000	634,508	1,092	18,400
	974,000	974,000	954,508	1,092	18,400

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Capital Improvements - Excluded From "CAPS"					
Down Payments on Improvements		30,660	30,660		
Capital Improvement Fund	40,000	40,000	40,000		
Total Capital Improvements - Excluded from "CAPS"	40,000	70,660	70,660		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	355,000	355,000	355,000		
Interest on Bonds	81,650	81,650	81,650		
Interest on Notes	9,500	9,500	9,114		386
Total Municipal Debt Service-Excluded from "CAPS"	446,150	446,150	445,764		386
Deferred Charges:					
Special Emergency Authorizations- 5 years (N.J.S. 40A:4-55)	42,900	42,900	42,900		
Total Deferred Charges - Municipal - Excluded from "CAPS"	42,900	42,900	42,900		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,503,050	1,533,710	1,513,832	1,092	18,786
Total General Appropriations - Excluded from "CAPS"	1,503,050	1,533,710	1,513,832	1,092	18,786

Exhibit A-3

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

General Appropriations	Appropriation Budget	Appropriation Total for 2014 as Modified by All Transfers	Expended 2014 Paid or Charged	Expended 2014 Reserved	Unexpended Balance Cancelled
Subtotal General Appropriations	7,415,571	7,558,731	7,435,543	45,802	77,386
Reserve for Uncollected Taxes	635,000	635,000	635,000		
Total General Appropriations	$ 8,050,571	8,193,731	8,070,543	45,802	77,386

Adopted Budget	8,050,571
Special Emergency Appropriation	112,500
Emergency Appropriation	30,660
	$ 8,193,731

Reserve for Uncollected Taxes	635,000
Due to General Capital Fund	107,500
Deferred Charges	42,900
Deferred Charges - Deficit in Operations	87,576
Reserve for Encumbrances	36,316
Cash Disbursed	7,161,251
	$ 8,070,543

See accompanying notes to financial statements

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit B

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	Ref.	2014	2013
Assets			
Animal Trust Fund:			
Cash	B-1	$ 7,677	5,614
Other Trust Funds:			
Cash	B-1	518,282	611,354
Community Development Block Grant Fund:			
Grants receivable	B-6	37,000	39,000
Unemployment Trust Fund:			
Cash	B-1	59,647	55,542
Due from Payroll Account	F	6,913	6,913
		66,560	62,455
Open Space Trust Fund:			
Cash	B-1	444	40,416
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	761,469	673,751
Service Award Contributions Receivable	B-12	37,200	37,200
		798,669	710,951
		$ 1,428,632	1,469,790

Exhibit B

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	Ref.	2014	2013
Liabilities, Reserves and Fund Balance			
Animal Trust Fund:			
Due to State of New Jersey	B-2	5	5
Reserve for Expenditures	B-3	5,222	5,609
Due to Current Fund	B-9	2,450	
		7,677	5,614
Other Trust Funds:			
Due to General Capital Fund	B-4	36,393	36,393
Due to Current Fund	B-9	17,901	216
Escrow Deposits	B-5	262,118	394,698
Miscellaneous Reserves	B-10	201,870	180,047
		518,282	611,354
Community Development Block Grant Fund:			
Due to Current Fund	B-9	19,500	18,768
Reserve for Community Development	B-7	17,500	20,232
		37,000	39,000
Unemployment Trust Fund:			
Reserve for Unemployment Insurance Compensation	B-8	66,560	62,455
Open Space Trust Fund:			
Reserve for Expenditures	B-11	444	40,416
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-13	798,669	710,951
		$ 1,428,632	1,469,790

See accompanying notes to financial statements.

Exhibit C

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2014 and 2013

	Ref.		2014	2013
Assets				
Cash	C-2/C-3	$	1,227,234	876,433
Deferred charges to future taxation:				
Funded	C-4		2,515,000	2,870,000
Unfunded	C-7		3,765,664	2,384,564
Due from Current Fund	C-5		43,815	
Due from Escrow Trust Fund	C-8		36,393	36,393
Grants/Contributions Receivable	C-9		491,298	329,201
Due from Federal and State Grant Fund	C-15		22,875	22,875
Overexpenditure of Capital Improvement Fund	C-6		571	
		$	8,102,850	6,519,466
Liabilities, Reserves and Fund Balance				
General Serial Bonds Payable	C-11		2,515,000	2,870,000
Bond Anticipation Notes Payable	C-12		3,000,000	1,500,000
Improvement authorizations:				
Funded	C-10		184,299	84,097
Unfunded	C-10		1,946,137	1,496,883
Capital Improvement Fund	C-13			3,572
Fund balance	C-1		457,414	564,914
		$	8,102,850	6,519,466

There were bond anticipation notes authorized but not issued on December 31, 2014 and 2013 of $765,664 and $884,564 respectively per Exhibit C-16.

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, 2014 and 2013

	2014	2013
Fund Balance, January 1	$ 564,914	561,964
Increased by:		
Ordinances Cancelled		2,950
		2,950
Decreased by:		
Transfer to Current - Budget Revenue	107,500	
	107,500	
Fund Balance, December 31	$ 457,414	564,914

See accompanying notes to financial statements.

Exhibit E

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Public Assistance Trust Fund

December 31, 2014 and 2013

	Ref		2014	2013
Assets				
Cash - PATF I	E-1	$	109	108
Cash - PATF II	E-1		8,133	8,117
		$	8,242	8,225
Liabilities				
Reserve for Expenditure - PATF I	E-4	$	1,109	1,108
Reserve for Expenditure - PATF II	E-4		7,133	7,117
		$	8,242	8,225

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit F

BOROUGH OF NORTHVALE

Balance Sheet-Regulatory Basis

Payroll and Agency Fund

December 31, 2014 and 2013

	2014	2013
Assets		
Cash	$ 99,266	
Deficit in Reserve for Payroll	7,647	7,647
	$ 106,913	7,647
Liabilities		
Cash Deficit	$	734
Due to Current Fund	100,000	
Due to Unemployment Trust	6,913	6,913
	$ 106,913	7,647

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit G

BOROUGH OF NORTHVALE

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2014 and 2013

		2014	2013
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		4,308,391	4,084,435
	$	13,104,791	12,880,835
Investment in Fixed Assets	$	13,104,791	12,880,835

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

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 the 11th day of the 11th month in the current year taxes are levied, 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 2014, the Mayor and Council approved a special emergency appropriation in the amount of $112,500 for terminal leave pay liabilities and also approved an emergency appropriation in the amount of $30,660 for down payments on improvements. 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.

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

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

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

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

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.

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

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

Use of Estimates

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

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

C. Recent Accounting Pronouncements

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

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for financial statements beginning after December 15, 2013 will not have any effect on the entity's financial reporting.

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

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

C. Recent Accounting Pronouncements, (continued)

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

D. 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, 2014, $-0- of the Borough's bank balance of $3,321,837 was exposed to custodial credit risk and as of December 31, 2013, $-0- of the Borough's bank balance of $3,332,644 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, 2014 and 2013 amounted to $761,469 and $660,211, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2014 and 2013:

	2014	2013
LVIP SsgA S&P 500 Index	$353,865	$306,659
Fixed Income	226,674	210,389
All Others	180,930	156,703
Total	$761,469	$673,751

NOTE 3. MUNICIPAL DEBT

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

	Balance Dec. 31, 2013	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$2,870,000	$	$355,000	$2,515,000	$370,000
Other Liabilities - Compensated Absences Payable	717,604	225,938	282,579	660,963	
	$3,587,604	$225,938	$637,579	$3,175,963	$370,000

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)

	2014	2013	2012
Issued - general bonds and notes	$5,515,000	$4,370,000	$3,210,000
Net debt issued	5,515,000	4,370,000	3,210,000
Authorized but not issued - general bonds and notes	765,664	884,564	1,628,359
	6,280,664	5,254,564	4,838,359
Less Deductions			
Net bonds and notes issued and authorized but not issued	$6,280,664	$5,254,564	$4,838,359

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 .689%.

	Gross Debt	Deductions	Net Debt
School debt	$4,626,942	$4,626,942	$0
General debt	6,280,664		6,280,664
	$10,907,606	$4,626,942	$6,280,664

Net debt of $6,280,664 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $911,862,598 equals .689%.

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

3-1/2% of equalized valuation basis (municipal)	$31,915,191
Net debt	6,280,664
	$25,634,527

The Borough's long-term debt consisted of the following at December 31, 2014:

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%	$2,515,000

NOTE 3. MUNICIPAL DEBT, (continued)

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

Year	Principal	Interest	Total
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	450,000	23,588	473,588
2020	465,000	8,137	473,137
Total	$2,515,000	$256,563	$2,771,563

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, 2014, the Borough had authorized but not issued debt of $765,664.

NOTE 4. BOND ANTICIPATION NOTES

On December 31, 2014, the Borough had $3,000,000 outstanding General Capital Fund bond anticipation notes due on November 13, 2015 at an interest rate of .67%. The notes are expected to be renewed for another one year period upon maturity.

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:				
Valley National Bank	$1,500,000	$3,000,000	$1,500,000	$3,000,000

NOTE 5. 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

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

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 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

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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.

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.

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

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.

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, 2014	$104,260	$297,645
December 31, 2013	103,136	336,264
December 31, 2012	100,610	329,512

NOTE 5. PENSION PLANS, (continued)

Defined Contribution Retirement Program

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

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

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

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

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

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

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

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

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

NOTE 6. 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.

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

NOTE 7. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2014 and 2013 which has been appropriated as revenue in the 2015 budget is $300,000 and the 2014 was respectively $200,000.

NOTE 8. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2014.

	Balance Dec. 31, 2013	Additions	Deletions	Balance Dec. 31, 2014
Land	$5,934,700			$5,934,700
Building and Building Improvements	2,861,700			2,861,700
Machinery and Equipment	4,084,435	$223,956	$-0-	4,308,391
	$12,880,835	$223,956	$-0-	$13,104,791

NOTE 9. 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 $660,963 as of December 31, 2014. 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 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2014 consist of the following:

$36,393	Due to the General Capital Fund from the Escrow Trust Fund to reimburse prior year expenses paid.
19,500	Due to the Current Fund from the Community Development Grant Fund to reimburse grant expenditures paid.
340	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.
43,815	Due to the General Capital Fund from the Current Fund for the deferred charges budget appropriation and NJDOT grant received in Current Fund less interest earnings and interfunds advanced.
22,875	Due to the General Capital Fund from the Federal and State Grant Fund as reimbursement for prior year expenditures.
220,829	Due to the Federal and State Grant Fund from the Current Fund for grants received less expenses paid.
17,561	Due to the Current Fund from the Summer Recreation Trust Fund to reimburse expenses paid.
2,450	Due to the Current Fund from the Animal License Trust Fund for Statutory Excess.
100,000	Due to the Current Fund from the Net Payroll Account for payroll funds advanced.
$470,676	

NOTE 11. 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, 2014 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 12. 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 2014 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 12. 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 13. 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, 2014	Balance Dec 31, 2013
Prepaid Taxes	$45,714	$61,025
Cash Liability for Taxes Collected in Advance	$45,714	$61,025

NOTE 14. 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, 2014	2015 Budget Appropriation	Balance Succeeding Year Budget
Current Fund:			
Emergency Authorizations:			
Down Payments on Improvements	$30,660	$30,660	$
Overexpenditure of Appropriation Reserves	7,930		7,930
Special Emergency Authorizations	222,900	65,400	157,500
Total Current Fund	261,490	96,060	165,430
General Capital Fund:			
Overexpenditure of Capital Improvement Fund	571	571	
Total General Capital Fund	571	571	
Total Deferred Charges	$262,061	$96,631	$165,430

NOTE 15. 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 16. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through March 23, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY DATA

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2014

Comparative Schedule of Tax Rate Information

	2014	2013	2012
Tax rate	2.573	2.514	2.489
Apportionment of tax rate:			
Municipal	0.663	0.663	0.662
Municipal Open Space			
County	0.250	0.247	0.248
County Open Space	0.003	0.003	0.003
District School	1.023	1.000	0.982
Regional school	0.634	0.601	0.594

Assessed valuation:	
2014	$ 851,385,600
2013	852,170,100
2012	853,028,003

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 levies.

		Currently	
Year	Tax levy	Cash collections	Percentage of collections
2014	$ 21,983,037	21,413,040	97.41%
2013	21,490,894	20,867,058	97.10%
2012	21,272,736	20,719,186	97.40%

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2014

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
2014	$	50,711	538,798	589,509	2.68%
2013		47,368	600,648	648,016	3.02%
2012		44,101	520,167	564,268	2.65%

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
2014	$	2,156,700
2013		2,156,700
2012		2,156,700

Comparative Schedule of Fund Balances

	Year		Balance, Dec. 31	Utilized in budget of succeeding year
Current Fund	2014	$	818,037	300,000
	2013		873,543	200,000
	2012		330,796	115,000
	2011		505,796	175,000
	2010		132,661	

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2014

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
Ed Piehler	Mayor		
Patrick Marana	Council President		
Gloria Libby	Councilwoman		
Ken Shepard	Councilman		
Roy Sokoloski	Councilman		
Peter Sotiropoulos	Councilman		
Toni Macchio	Councilwoman		
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 Administrator	$ 1,000,000	(A)
John Guercio	Assessor		
William Essmann	Chief of Police		
Paul Niehoff	Borough Engineer		
Gregg Paster	Borough Attorney		

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

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF NORTHVALE

Schedule of Expenditures of Federal Awards

Year ended December 31, 2014

Federal Funding Department	Federal Program	C.F.D.A. Number	Grant award amount	Grant period	Balance 12/31/13	Grant Receipts	Expendi-tures	Adjustments/ Cancelled	Balance 12/31/14	MEMO cumulative Expenditures
(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	37,500	150,000			150,000
	Livingston Street Sidewalk Imps. (Phase II, III) - Ord. 923	20.205	150,000	2013	(91,359)		18,955		(110,314)	150,000
	Paris Avenue Corridor Streetscape - Ord. 943 14-480-078-6320-ALW	20.205	159,597	2014						
					21,141	37,500	168,955		(110,314)	300,000
(1) U.S. Department of Transportation National Highway Traffic Safety Adm.	Occupant Protection Incentive Grants									
	Click it or Ticket	20.616	3,550	1/1/14-12/31/14		3,550			3,550	
	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	20.616	4,000	1/1/14-12/31/14		4,000			4,000	
	COPS in Shops	20.601	1,890	1/1/13-12/31/13				1,890	1,890	
	COPS in Shops	20.601	4,000	1/1/12-12/31/12	4,000				4,000	
					7,950	7,550		1,890	17,390	
(2) Housing and Urban Development	Community Development Block Grant Program									
	Operation of McGuire Senior Center (21-213-745-205-33-52)	14.218	37,000	7/1/14-6/30/15			19,500		(19,500) A	19,500
	Operation of McGuire Senior Center (210-205-744-33-52)	14.218	39,000	7/1/13-6/30/14	(18,768)	39,000	20,232			39,000
	Senior Center Heating System (210-124-739-33-09)	14.218	10,000	7/1/09-6/30/10					B	8,275
					(18,768)	39,000	39,732		(19,500)	66,775
(2) Department of Agriculture	USDA - Dining with Dignity	10.565	2,640	1/1/14-12/31/14		2,420			2,420	
	USDA - Dining with Dignity	10.565	2,640	1/1/13-12/31/13	2,640		2,500		140	
	USDA - Dining with Dignity	10.565	2,640	1/1/12-12/31/12	(36)	220	184			2,640
					2,604	2,640	2,684		2,560	2,640
(2) Health and Human Services	Title III Older Americans Act	13.635	13,522	1/1/12-12/31/12	926		767		159	13,363
					926		767		159	13,363
					$ 13,853	86,690	212,138	1,890	(109,705)	382,778

(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 $37,000, appropriated reserve of $17,500.
B - Grants Receivable of $1,275, appropriated reserve of $1,275

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2014

State Funding Department	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2013	Cash received	Grant Expenditures	Adjustment	Balance 12/31/2014	MEMO Cumulative Expenditures
Administration of the Courts	Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2014	236		236			236	
			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	236			7,678	1,757
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-10-078-6400	2013	1,140	593		216		377	764
			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
					20,388		216		20,172	3,161
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
	Veteran's Drive, Phase I - Ord. 775	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)			5,718	(13,656)	410,000
Department of Environmental Protection	Clean Communities	4900-765-042-4900-004	2014	8,367		8,367			8,367	
	Clean Communities	4900-765-042-4900-004	2013	8,921	8,921			1	8,922	
	Clean Communities	4900-765-042-4900-004	2012	7,599	5,835		4,516		1,319	6,280
	Hazardous Discharge Site Remediation-Deluxe (New Jersey Economic Development Authority)	P37389	2012	380,705	345,439		263,770		81,669	299,036
	Hazardous Discharge Site Remediation (New Jersey Economic Development Authority)	P17496	2006	11,143	3,838		1,820		2,018	9,125
	Recycling Tonnage Grant	4900-752-042-4900-001	2014	18,930		18,930			18,930	
	Recycling Tonnage Grant	4900-752-042-4900-001	2013	14,059	3,799		3,889	90		14,059
					367,832	27,297	273,995	91	121,225	328,500
(2) County of Bergen	Municipal Drug Alliance		2013	9,520	(4,426)	5,800	3,019		(1,645)	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		629		8,526	6,379
					15,464	5,800	3,648		17,616	47,039

Schedule 2

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2014

State Funding Department	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2013	Cash received	Grant Expenditures	Adjustment	Balance 12/31/2014	MEMO Cumulative Expenditures
Division of Criminal Justice	Body Armor Replacement Fund	1020-718-066-1020-001-YCJS	2014	1,765		1,765			1,765	
			2013	1,984	1,134		1,134			1,984
			2012	1,638	1,638		1,638			1,638
			2011	1,522	1,426		1,426			1,522
					4,198	1,765	4,198		1,765	5,144
Department of Human Services	Public Assistance	7500-150-158010-60	2014		7,084	16		33	7,133	
	Total State Financial Assistance				$ 403,034	35,114	282,057	5,842	161,933	795,601
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
					89,481			172,617	(83,136)	1,016,855
County of Bergen Open Space Trust Fund	Construction of a Gazebo at Hogan's Park - Ord. 943-14	03-200-56-130-910	2014	40,000						
	Imps. To Veteran's Park (playground equipment, conversion of roller hockey rink to basketball court - 006-910-785-20-31)	Ord. 871-09	2009	63,352	(3,544)				(3,544)	63,352
					(3,544)				(3,544)	63,352
Local	Donation - Police Body Armor		2014	600		600			600	
	DARE Donations - Golf Program		2014	350		350			350	
	DARE Donations - Golf Program		2012	675	675				675	
	DARE Donations - Golf Program		2011	4,097	3,491		2,736		755	3,340
	DARE Donations - Golf Program		2010	12,079	2			(2)		12,079
	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	
					11,177	950	2,736	(2)	9,389	15,419
	Total Other Financial Assistance				$ (75,503)	950	2,736	(2)	(77,291)	558,242
	Total State and Other Financial Assistance				$ 327,531	36,064	284,793	5,840	84,642	1,353,843

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

(2) Passed through the State of New Jersey

Exhibit A-4

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2014

		Regular fund
Balance, December 31, 2013		$ 1,357,809
Increased by receipts:		
Petty Cash	$ 200	
Prepaid taxes	45,714	
Taxes receivable	21,906,413	
Revenue accounts receivable	1,619,187	
Miscellaneous revenue not anticipated	47,405	
Tax overpayments	23,420	
Marriage License/Domestic Partnership Fees	400	
DCA fees	7,177	
State of New Jersey - Veterans and Senior Citizens	46,750	
Various Reserves	2,853	
Grants Receivable	6,020	
Unappropriated grant reserves	40,218	
Interfunds	56,268	
		23,802,025
		25,159,834
Decreased by disbursements:		
Budget appropriations	7,161,251	
Appropriation reserves	50,933	
Petty Cash	200	
County taxes	2,158,477	
Local district school taxes	8,711,853	
Regional high school taxes	5,403,758	
Tax overpayments	20,657	
Other Refunds	22,045	
Tax Refunds	35,367	
Interfunds	237,061	
Marriage License/Domestic Partnership Fees	450	
DCA fees	6,660	
Various reserves	18,362	
Appropriated grant reserves	288,244	
		24,115,318
Balance, December 31, 2014		$ 1,044,516

Exhibit A-5

BOROUGH OF NORTHVALE

Schedule of Change Fund

Current Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 200
Balance, December 31, 2014	$ 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, 2014

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, 2014

Balance, December 31, 2013		$ (3,892)
Increased by:		
Senior Citizen Deductions per tax duplicate	$ 8,750	
Veteran Deductions per tax duplicate	40,500	
		49,250
		45,358
Decreased by:		
Deductions disallowed by Tax Collector	2,000	
Deductions disallowed by Tax Collector-2013	1,000	
Cash Receipts	46,750	
		49,750
Balance, December 31, 2014		$ (4,392)

BOROUGH OF NORTHVALE

Schedule of Taxes Receivable and
Analysis of 2014 Property Tax Levy

Current Fund

Year ended December 31, 2014

Year	Balance, Dec. 31, 2013	Total 2014 Levy	Added	Collections 2013	Collections 2014	Veterans and Senior Citizens	Transferred to Tax Title Liens	Remitted, abated or cancelled	Balance, Dec. 31, 2014
2013	$ 600,648		1,000		601,648				
2014		21,929,535	53,502	61,025	21,304,765	47,250	3,343	27,856	538,798
	$ 600,648	21,929,535	54,502	61,025	21,906,413	47,250	3,343	27,856	538,798

Analysis of Property Tax Levy

Tax yield:	
General purpose tax	$ 21,929,535
Added taxes (54:4-63.12 et seq.)	53,502
	$ 21,983,037
Tax levy:	
Regional high school tax	5,403,758
Local district school tax	8,711,853
County tax	2,153,216
Amount due county/added taxes	5,261
Local tax/municipal purposes	5,653,766
Additional tax levied	55,183
	$ 21,983,037

Exhibit A-9

BOROUGH OF NORTHVALE

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2014

Balance, December 31, 2013	$	47,368
Increased by:		
Transfers from 2014 taxes receivable		3,343
Balance, December 31, 2014	$	50,711

Exhibit A-10

Schedule of Property Acquired for Taxes at Assessed Valuation

Current Fund

Year ended December 31, 2014

Balance, December 31, 2013	$	2,156,700
Balance, December 31, 2014	$	2,156,700

Exhibit A-11

BOROUGH OF NORTHVALE

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, 2013	Accrued	Received	Balance, Dec. 31, 2014
Licenses:				
Alcoholic beverages	$	15,316	15,316	
Other		12,850	12,850	
Fees and permits:				
Construction Code Official		152,507	152,507	
Other		43,980	43,980	
Fines and costs - municipal court	4,526	79,418	79,010	4,934
Interest and costs on taxes		103,391	103,391	
Interest on investments and deposits		4,461	4,461	
Consolidated Municipal Tax Relief		32,576	32,576	
Energy Receipts Tax		528,729	528,729	
Borough of Rockleigh-Police/Court Services		300,000	300,000	
Borough of Rockleigh-Public Works Services		20,000	20,000	
Municipal Open Space Trust (Field Maintenance)		40,000	40,000	
Life Hazard Use Fees		27,224	27,224	
Donation - Senior Center		3,921	3,921	
Cable TV Franchise Fees		57,908	57,908	
Senior Van Driver - Senior Financial Association		30,000	30,000	
Compost Program - Hillsdale		60,000	60,000	
General Capital Fund Balance		107,500	107,500	
	$ 4,526	1,619,781	1,619,373	4,934

Interest on Investments	186
Cash Receipts	1,619,187
	$ 1,619,373

Exhibit A-12

BOROUGH OF NORTHVALE

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, 2013	Added in 2014	Decreased by: Budget Appropriation	Balance, Dec. 31, 2014
Current Fund:				
Emergency Authorizations:				
Down Payments on Improvements	$	30,660		30,660
Deficit in Operations	87,576		87,576	
Overexpenditure of Appropriation Reserves		7,930		7,930
Total Deferred Charges	$ 87,576	38,590	87,576	38,590

Exhibit A-13

BOROUGH OF NORTHVALE

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

Current Fund

Year ended December 31, 2014

Purpose	Date Authorized	Net Amount Authorized	1/5th of Net Amount Authorized	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
Reassessment of Property	Oct. 13, 2010	50,000	10,000	20,000		10,000	10,000
Accumulated Absence Payout	Sept. 14, 2011	78,000	15,600	46,800		15,600	31,200
Accumulated Absence Payout	Dec. 30, 2013	86,500	17,300	86,500		17,300	69,200
Accumulated Absence Payout	Dec. 30, 2014	112,500	22,500		112,500		112,500
		$ 327,000	65,400	$ 153,300	112,500	42,900	222,900

Exhibit A-14

BOROUGH OF NORTHVALE

Schedule of Local District School Taxes

Current Fund

Year ended December 31, 2014

Increased by:	
2014 Levy	$ 8,711,853
Decreased by:	
Payments	$ 8,711,853

Exhibit A-15

Schedule of Regional High School Taxes

Current Fund

Year ended December 31, 2014

Increased by:	
2014 Levy	$ 5,403,758
Decreased by:	
Payments	$ 5,403,758

Exhibit A-16

BOROUGH OF NORTHVALE

Schedule of County Taxes

Current Fund

Year ended December 31, 2014

Increased by:		
2014 Levy	$ 2,130,140	
2014 Open Space Preservation	23,076	
2014 Added Taxes	5,261	
		2,158,477
Decreased by:		
Payments		$ 2,158,477

Exhibit A-17

BOROUGH OF NORTHVALE

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2014

Balance, December 31, 2013	$	61,025
Increased by:		
2015 Taxes Received in 2014		45,714
		106,739
Decreased by:		
Applied to 2014		61,025
Balance, December 31, 2014	$	45,714

Exhibit A-18

Schedule of Tax Overpayments Payable

Current Fund

Year ended December 31, 2014

Increased by:		
Overpayments received	$	23,420
Decreased by:		
Overpayments Refunded		20,657
Balance, December 31, 2014	$	2,763

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, 2014

Balance, December 31, 2013	$	250
Increased by:		
Cash Receipts		400
		650
Decreased by:		
Cash Disbursements		450
Balance, December 31, 2014	$	200

Exhibit A-20

Schedule of Due to State of New Jersey - DCA Fees

Current Fund

Year ended December 31, 2014

Balance, December 31, 2013	$	1,438
Increased by:		
Receipts		7,177
		8,615
Decreased by:		
Disbursements		6,660
Balance, December 31, 2014	$	1,955

Exhibit A-21

BOROUGH OF NORTHVALE

Schedule of Interfunds (Receivable)/Payable

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
Due from/(to):				
General Capital Fund		101,185	145,000	43,815
Animal License Trust Fund		2,450		(2,450)
Other Trust Fund	(216)	124		(340)
Summer Recreation Trust Fund		17,561		(17,561)
Community Development Trust Fund	(18,768)	19,500	18,768	(19,500)
Payroll		100,000		(100,000)
	$ (18,984)	240,820	163,768	(96,036)

Interest on Investments	1,309	
Deferred Charges Unfunded - Budget Appropriation		107,500
Interfunds Advanced	137,061	
Disbursements	100,000	
Statutory Excess	2,450	
Interfunds Returned		18,768
Receipts		37,500
	$ 240,820	163,768

Exhibit A-22

BOROUGH OF NORTHVALE

Schedule of Due to Federal and State Grant Fund

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013		$ 462,835
Increased by:		
Grants Receivable Collected	$ 6,020	
Unappropriated Grants Received	40,218	
		46,238
		509,073
Decreased by:		
Appropriated Reserve Expenditures		288,244
Balance - December 31, 2014		$ 220,829

Exhibit A-23

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after transfers and encumbrances	Paid or Charged	Balance Lapsed	Over-expended
Salaries and wages:					
Within "CAPS":					
General Government:					
Administrative and Executive	217	217		217	
Mayor and Council	41	41		41	
Financial Adminitration	48	48		48	
Assessment of Taxes	85	85		85	
Police	472	472		472	
Road Repairs and Maintenance	9	9		9	
Recycling	318	318		318	
Board of Health	652	652		652	
James F. Mcguire Memorial Center	423	423		423	
Uniform Construction Code Official	89	89		89	
Senior Van Repairs	298	298		298	
Other expenses:					
Within "CAPS":					
General Government:					
Administrative and Executive	61	286	450		164
Mayor and Council	83	83		83	
Annual Audit	30	30		30	
Financial Adminitration	27	27		27	
Collection of Taxes	23	23		23	
Assessment of Taxes	841	1,777	936	841	
Legal Services and Costs	358	4,407	9,517		5,110
Engineering	2,506	4,506	2,886	1,620	
Municipal Land Use:					
Planning Board	4,065	5,609		5,609	
Municipal Court	164	164		164	
Police	3,852	9,131	4,910	4,221	
First Aid Organization Contribution	4	4		4	
Ambulance Other Expenses	49	4,049		4,049	
Emergency Management Services	175	175		175	
Insurance					
Other Insurance	100	100		100	
Group Insurance for Employees	76	76		76	
Fire Misc. expenses	2,207	2,710		2,710	
Fire hydrant service	501	7,303	6,975	328	
Fire Prevention Bureau	101	101		101	
Road Repairs and Maintenance	1,798	2,939	342	2,597	

Exhibit A-23

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after transfers and encumbrances	Paid or Charged	Balance Lapsed	Over-expended
Salaries and wages:					
Garbage and Trash Removal:					
Contractual	2,892	2,892		2,892	
Tipping Fees-BCUA	2,555				
Recycling	607	607		607	
Public Buildings and Grounds	31	771	1,192		421
Sewer Repairs and Maintenance	708	732	24	708	
Senior Van Repairs	959	959		959	
Board of Health	781	781		781	
Animal Control	810	810		810	
James F. McGuire Memorial Center	2,158	2,493		2,493	
Parks and Playgrounds	276	512		512	
Recreation	149	229		229	
Celebration of Public Events	10	10		10	
Uniform Construction Code	2,016	2,016		2,016	
Code Compliance	974	974		974	
Gasoline	41	7,341	8,682		1,341
Street Lighting	491	5,491	4,617	874	
Electricity	3,249	8,249	4,918	3,331	
Telephone	242	2,342	2,036	306	
Natural Gas	54	2,554	3,448		894
Water	17	1,917		1,917	
Contingent	300	300		300	
Solid Waste Disposal		3,752		3,752	
Social Security System (O.A.S.I.)	1,274	77		77	
Other expenses:					
Outside "CAPS":					
Aid to Library (NJSA 40:54-35)					
Privately Owned	276	1,243		1,243	
Sewer:					
Bergen County Utilities Authority	5	5		5	
Contribution to:					
LOSAP	800	800		800	
Total Expenditures	$ 41,348	94,009	50,933	51,006	7,930

Appropriation Reserves	41,348
Encumbrances	52,661
	$ 94,009

Exhibit A-24

BOROUGH OF NORTHVALE

Schedule of Reserve for Encumbrances

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	$	52,661
Increased by:		
2014 Encumbrances		36,316
		88,977
Decreased by:		
Transferred to appropriation reserves		52,661
Balance - December 31, 2014	$	36,316

Exhibit A-25

BOROUGH OF NORTHVALE

Schedule of Reserve for Various Reserves

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, 2013	Cash Receipts	Cash Disbursements	Balance, Dec. 31, 2014
Reserve for:				
Tax Sale Premiums	$ 14,000			14,000
McGuire Senior Center	77,782	2,853	18,362	62,273
Senior Citizens Van Donations	2,681			2,681
Cultural Arts Committee	3,379			3,379
Beautification Committee	4,050			4,050
	$ 101,892	2,853	18,362	86,383

Exhibit A-26

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

State and Federal Grants

Year ended December 31, 2014

		Balance, Dec. 31, 2013	Decreased by: Received	Balance, Dec. 31, 2014
Purpose:				
USDA Food	$	220	220	
Municipal Alliance		11,746	5,800	5,946
Community Development Block Grant - Senior Center Heating System		1,275		1,275
	$	13,241	6,020	7,221
		Cash Receipts	6,020	

Exhibit A-27

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2014

		Balance, Dec. 31, 2013	Expended	Balance, Dec. 31, 2014
Alcohol Education Rehabilitation Fund	$	5,390		5,390
Title III		926	767	159
USDA Food Program		184	184	
USDA Food Program		2,640	2,500	140
Community Development Block Grant - Senior Center Heating System		1,275		1,275
Donations - Mary McDougal		1,685		1,685
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		3,491	2,736	755
Clean Communities		5,835	4,516	1,319
Recycling Tonnage		90	90	
Hazardous Discharge Site Remediation-Deluxe Cleaner		345,439	263,770	81,669
Hazardous Discharge Site Remediation-Danzig		3,838	1,820	2,018
Municipal Alliance		19,551	629	18,922
Municipal Alliance		4,639		4,639
Municipal Alliance		3,019	3,019	
Body Armor		1,426	1,426	
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		593	216	377
Click it or Ticket		3,950		3,950
Clean Communities		8,922		8,922
Recycling Tonnage		3,799	3,799	
Body Armor		1,134	1,134	
Northvale Drug Alliance-Golf Outing		675		675
Cops in Shops		4,000		4,000
	$	451,311	288,244	163,067

Exhibit A-28

BOROUGH OF NORTHVALE

Schedule of Unappropriated Reserves for

State and Federal Grants

Year ended December 31, 2014

Grant		Balance, Dec. 31, 2013	Cash Received	Balance, Dec. 31, 2014
Northvale Municipal Alliance (Golf Program)	$		350	350
Highway Traffic Safety - Click it or Ticket			3,550	3,550
Highway Traffic Safety - COPS in Shop		1,890	4,000	5,890
USDA Food Program - 2014			2,420	2,420
Clean Communities Grant			8,367	8,367
Recycling Tonnage Grant			18,930	18,930
Alcohol Education and Rehabilitation Grant			236	236
Body Armor Replacement Grant			1,765	1,765
Donation - Body Armor			600	600
	$	1,890	40,218	42,108

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit B-1

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2014

	Animal Trust Fund	Other Funds	Unemployment Trust	Community Development Trust	Open Space Trust	Emergency Services LOSAP Trust
Balance, December 31, 2013	$ 5,614	611,354	55,542		40,416	673,751
Increase by receipts:						
License Fees	2,494					
Due to State of New Jersey	487					
Escrow Deposits		42,317				
POAA Deposits		60				
Grants Receivable				39,000		
Borough Contributions						33,600
Recreation Fees/Budget Appropriations		104,556				
Development Fees - Affordable Housing		23,492				
Library Media		25				
Employee Deductions			3,990			
Due to Current Fund		124				
Public Defender Fees		425				
Meal Sales		11,702				
Interest on Investments		338	115		28	57,085
	2,981	183,039	4,105	39,000	28	90,685
	8,595	794,393	59,647	39,000	40,444	764,436
Decrease by payments:						
Due to State of New Jersey	487					
Animal Trust Expenditures	431					
Escrow Expenditures		174,897				
Development Fees - Affordable Housing						
Due to Current Fund				18,768		
Community Development Expenditures				20,232		
Food Expenditures		21,668				
Recreation Expenditures		79,546				
Open Space Trust Expenditures					40,000	
LOSAP Withdrawals						817
Account Charges/Tax Withholdings						2,150
	918	276,111		39,000	40,000	2,967
Balance, December 31, 2014	$ 7,677	518,282	59,647		444	761,469

Exhibit B-2

BOROUGH OF NORTHVALE

Schedule of Due to State of New Jersey

Animal Trust Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 5
Increased by:	
State Fees Collected	487
	492
Decreased by:	
Paid to State of New Jersey	487
Balance, December 31, 2014	$ 5

Exhibit B-3

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Animal Trust Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 5,609
Increased by:		
Dog license fees collected	$ 1,705	
Cat license fees collected	208	
Late Fees	265	
Potentially dangerous dog fees	300	
Interest on Investments	16	
		2,494
		8,103
Decreased by:		
Statutory Excess	2,450	
Reserve Expenditures	431	
		2,881
Balance, December 31, 2014		$ 5,222

License fees collected

Year	Amount
2012	2,599
2013	2,623
	$ 5,222

Exhibit B-4

BOROUGH OF NORTHVALE

Schedule of Due to/(from)
General Capital Fund

Other Trust Funds

Year ended December 31, 2014

Balance, December 31, 2013	$ 36,393
Balance, December 31, 2014	$ 36,393

Exhibit B-5

BOROUGH OF NORTHVALE

Schedule of Escrow Deposits

Other Trust Funds

Year ended December 31, 2014

Balance, December 31, 2013	$	394,698
Increased by:		
Escrow Deposits		42,317
		437,015
Decreased by:		
Escrow Disbursements/Refunds		174,897
Balance, December 31, 2014	$	262,118

Exhibit B-6

Schedule of Grants Receivable

Community Development Fund

Year ended December 31, 2014

Balance, December 31, 2013	$	39,000
Increased by:		
2014-2015 Grant		37,000
		76,000
Decreased by:		
Receipts		39,000
Balance, December 31, 2014	$	37,000

Exhibit B-7

BOROUGH OF NORTHVALE

Schedule of Reserve for Community Development Projects

Community Development Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 20,232
Increased by:		
Grants authorized		37,000
		57,232
Decreased by:		
Cash Disbursements	$ 20,232	
Expenditures - Due to Current Fund	19,500	
		39,732
Balance, December 31, 2014		$ 17,500

Exhibit B-8

Schedule of Reserve for Unemployment Compensation

Unemployment Trust Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 62,455
Increased by:		
Employee deductions	$ 3,990	
Interest on Investments	115	
		4,105
Balance, December 31, 2014		$ 66,560

Exhibit B-9

BOROUGH OF NORTHVALE

Schedule of Interfunds

Trust Funds

Year ended December 31, 2014

	Balance due from/ (to) Dec. 31, 2013	Increased	Decreased	Balance due from/ (to) Dec. 31, 2014
Current Fund:				
Animal Trust Fund	$		2,450	(2,450)
Other Trust Fund:				
Escrow Trust Fund	(216)		124	(340)
Summer Recreation Program			17,561	(17,561)
Community Development Trust Fund	(18,768)	18,768	19,500	(19,500)
	$ (18,984)	18,768	39,635	(39,851)
Cash Disbursements		18,768		
Statutory Excess			2,450	
Reimburse expenses paid from Current			37,061	
Interest			124	
		$ 18,768	39,635	

Exhibit B-10

BOROUGH OF NORTHVALE

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended December 31, 2014

	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Reserve for:				
Parking Offenses Adjudication Act $	1,916	66		1,982
Archives Commission	413			413
McGuire Food Program	42,766	11,702	21,668	32,800
Recreation	66,636	55,228	48,264	73,600
Recreation - Summer Recreation	23,045	40,564	39,685	23,924
Recreation - Umpire Fees	1,188	9,002	9,158	1,032
Library Media	900	26		926
Public Defender	4,033	434		4,467
Affordable Housing	39,150	23,576		62,726
$	180,047	140,598	118,775	201,870

Cash Receipts	140,260	
Interest on Investments	338	
Cash Disbursements		101,214
Due to Current Fund		17,561
$	140,598	118,775

Exhibit B-11

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Open Space Trust Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 40,416
Increased by:	
Interest earned on deposits	28
	40,444
Decreased by:	
Current Fund Anticipated Revenue - Field Maintenance	40,000
Balance, December 31, 2014	$ 444

Exhibit B-12

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2014

Balance, December 31, 2013		$ 37,200
Increased by:		
2014 Service Award Contributions		37,200
		74,400
Decreased by:		
Contributions cancelled	$ 3,600	
Contributions paid	33,600	
		37,200
Balance, December 31, 2014		$ 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, 2014

Balance, December 31, 2013		$ 710,951
Increased by:		
Investment appreciation	$ 57,085	
Borough Contributions	37,200	
		94,285
		805,236
Decreased by:		
Withdrawals	$ 817	
Account Charges/Tax Withholdings	2,150	
Prior year contributions cancelled	3,600	
		6,567
Balance, December 31, 2014		$ 798,669

Exhibit C-2

BOROUGH OF NORTHVALE

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 876,433
Increased by receipts:		
Due to Current Fund	$ 101,185	
Notes Payable	1,500,000	
Capital Improvement Fund	40,000	
Down Payments on Improvements	30,660	
		1,671,845
		2,548,278
Decreased by disbursements:		
Fund Balance paid to Current Fund	107,500	
Improvement authorizations	1,213,544	
		1,321,044
Balance, December 31, 2014		$ 1,227,234

Exhibit C-3

BOROUGH OF NORTHVALE

Analysis of General Capital Cash

General Capital Fund

December 31, 2014

Fund balance		$ 457,414
Due from Current Fund		(43,815)
Due from Escrow Trust Fund		(36,393)
Grants/Contributions receivable		(491,298)
Due from Federal and State Grant Fund		(22,875)
Overexpenditure of Capital Improvement Fund		(571)
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	1,069
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	307,615
911	Various Capital Improvements	6,797
912	Various Capital Improvements	52,781
923	Various Public Improvements	128,847
924	Various replacement equipment/machinery/vehicles	45,652
926	Acquisition of new Pumper Fire Engine	528,483
939	Various Capital Improvements	147,734
942	Acq. of property/equipment/machinery/vehicles	44,647
943	Various Capital Improvements	238,950
		$ 1,227,234

Exhibit C-4

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 2,870,000
Decreased by:	
Paid via Budget Appropriation	355,000
Balance, December 31, 2014	$ 2,515,000

Exhibit C-5

Schedule of Due to/(from) Current Fund

Year Ended December 31, 2014

Increased by:		
Cash Receipts	$ 100,000	
Interest on Investments	1,185	
		101,185
		101,185
Decreased by:		
Deferred Charges Unfunded - Budget Appropriation, Ord. 893-11	107,500	
Grant Receipts	37,500	
		145,000
Balance, December 31, 2014		$ (43,815)

Exhibit C-6

BOROUGH OF NORTHVALE

Schedule of Deferred Charges:
Overexpenditure of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2014

Increased by:	
Overexpenditure of Capital Improvement Fund	$ 571
Balance, December 31, 2014	$ 571

Exhibit C-7

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authori-zation	Reduced in 2014	Balance, Dec. 31, 2014	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	56,762			56,762	55,000		1,762
883	Various Capital Improvements	86,943			86,943	85,000	1,943	
893-11	Refunding Bond Ordinance - Tax Appeals	107,500		107,500				
901-11	Site Investigation/Remedial Inv. On Borough owned Property	55,000			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	500,000		71,000
939-2014	Various Capital Improvements		523,800		523,800	400,000		123,800
942-2014	Acq. of property/equipment/machinery/vehicles		795,000		795,000	500,000		295,000

Exhibit C-7

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authori-zation	Reduced in 2014	Balance, Dec. 31, 2014	Analysis of balance: Bond Anticipation Notes	Analysis of balance: Expendi-tures	Analysis of balance: Unexpended improve-ment authori-zation
943-2014	Various Capital Improvements		169,800		169,800	100,000		69,800
		$ 2,384,564	1,488,600	107,500	3,765,664	3,000,000	201,802	563,862

Budget Appropriation
Deferred Charges - Unfunded, Ord. 893-11 107,500

Improvement Authorizations - Unfunded		1,946,137
Less: Unexpended proceeds of bond anticipation notes		
879	54,999	
910-12	307,615	
912-12	52,781	
923-2013	128,847	
924-2013	45,652	
926-2013	500,000	
939-2014	147,734	
942-2014	44,647	
943-2014	100,000	
		1,382,275
		$ 563,862

Exhibit C-8

BOROUGH OF NORTHVALE

Schedule of Due from Escrow Trust Fund

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 36,393
Balance, December 31, 2014	$ 36,393

Exhibit C-9

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 329,201
Increased by:		
Grant and Contribution Awards		199,597
		528,798
Decreased by:		
Due from Current Fund		37,500
Balance, December 31, 2014		$ 491,298

Analysis of Balance		
Department of Transportation		
School Safety Program	$ 1,984	
Improvements to Veteran's Drive	259	
Improvements to Veteran's Drive, Phase II	11,412	
Imp. to White Avenue	39,300	
Livingston Street Sidewalks Phase I & II	110,314	
Paris Avenue Corridor Streetscape	159,597	
		322,866
Bergen County Open Space Trust Fund:		
Imps. to Veteran's Park	3,544	
Improvement to Recreation Fields-Schools	1,752	
Construction of Gazebo at Hogan's Park	40,000	
		45,296
Bergen County Direct Contributions:		
Improvements to Tappan Road	83,136	
Reconstruction of Livingston Street	40,000	
		123,136
		$ 491,298

Exhibit C-10

BOROUGH OF NORTHVALE

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2014

Ordinance number	Description	Ordinance Date	Amount	Balance, Dec. 31, 2013 Funded	Balance, Dec. 31, 2013 Unfunded	Authorizations	Paid or charged	Balance, Dec. 31, 2014 Funded	Balance, Dec. 31, 2014 Unfunded
879	Various Capital Improvements	June 9, 2010	497,000		56,761				56,761
893-11	Refunding Bond Ordinance - Tax Appeals	Apr. 13, 2011	107,500		1,069			1,069	
902-11	Hogan's Park Improvements	Dec. 14, 2011	118,308	9,000				9,000	
910-12	Various Capital Improvements	Jun. 13, 2012	800,000		425,772		118,157		307,615
911-12	Various Capital Improvements	Jun. 13, 2012	200,005	6,797				6,797	
912-12	Various Capital Improvements	Jul. 11, 2012	500,000		52,781				52,781
923-2013	Various Public Improvements	July 12, 2013	430,000	32,955	266,000		170,108		128,847
924-2013	Various replacement equipment/ machinery and vehicles	Aug. 14, 2013	130,000	6,345	123,500		81,693		48,152
926-2013	Acquisition of new Pumper Fire Engine	Nov. 13, 2013	600,000	29,000	571,000		517	28,483	571,000
939-2014	Various Capital Improvements	May 14, 2014	550,000			550,000	278,466		271,534
942-2014	Acquisition of property/equipment/ machinery and vehicles	May 14, 2014	835,000			835,000	495,353		339,647
943-2014	Various Capital Improvements	Aug. 13, 2014	378,000			378,000	69,250	138,950	169,800
				$ 84,097	1,496,883	1,763,000	1,213,544	184,299	1,946,137

Grants	$ 199,597
Capital Improvement Fund	44,143
Down Payments on Improvements	30,660
Deferred Charges to Future Taxation-Unfunded	1,488,600
	$ 1,763,000

Exhibit C-11

BOROUGH OF NORTHVALE

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturity of bonds Outstanding Dec. 31, 2014 Date	Amount	Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
General Improvements	February 15, 2009	3,310,000	Feb. 15, 2015	370,000	2.50	2,870,000	355,000	2,515,000
			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			
						$ 2,870,000	355,000	2,515,000

Exhibit C-12

BOROUGH OF NORTHVALE

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
871-2009	Various Capital Improvements	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	$ 19,000	19,000	19,000	19,000
879-2010	Various Capital Improvements	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	55,000	55,000	55,000	55,000
883-2010	Various Capital Improvements	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	85,000	85,000	85,000	85,000
910-2012	Various Public Imps/Acquisitions	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	479,000	479,000	479,000	479,000
912-2012	Various Public Imps/Acquisitions	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	475,000	475,000	475,000	475,000
923-2013	Various Capital Improvements	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	266,000	266,000	266,000	266,000
924-2013	Various Capital Improvements	Dec. 27, 2013	Nov. 14, 2014	Nov. 13, 2015	0.67%	121,000	121,000	121,000	121,000
926-2013	Acquisition of New Pumper Fire Engine	Nov. 14, 2014	Nov. 14, 2014	Nov. 13, 2015	0.67%		500,000		500,000
939-2014	Various Capital Improvements	Nov. 14, 2014	Nov. 14, 2014	Nov. 13, 2015	0.67%		400,000		400,000
942-2014	Acquisition of property/equipment/machinery/vehicles	Nov. 14, 2014	Nov. 14, 2014	Nov. 13, 2015	0.67%		500,000		500,000
943-2014	Various Capital Improvements	Nov. 14, 2014	Nov. 14, 2014	Nov. 13, 2015	0.67%		100,000		100,000
						$ 1,500,000	3,000,000	1,500,000	3,000,000
						Cash	1,500,000		
						Renewals	1,500,000	1,500,000	
							$ 3,000,000	1,500,000	

Exhibit C-13

BOROUGH OF NORTHVALE

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013		$ 3,572
Increased by:		
Budget Appropriation	$ 40,000	
Deferred Charge: Overexpenditure of Capital Improvement Fund	571	
		40,571
		44,143
Decreased by:		
Appropriated to Finance Improvement Authorizations		$ 44,143

Exhibit C-14

Schedule of Down Payments on Improvements

General Capital Fund

Year ended December 31, 2014

Increased by:	
Emergency Budget Appropriation	$ 30,660
Decreased by:	
Appropriated to Finance Improvement Authorizations	$ 30,660

Exhibit C-15

BOROUGH OF NORTHVALE

Schedule of Due from Federal and State Grant Fund

General Capital Fund

Year ended December 31, 2014

Balance, December 31, 2013	$ 22,875
Balance, December 31, 2014	$ 22,875

Exhibit C-16

BOROUGH OF NORTHVALE

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2014

Ordinance number	Description	Balance, Dec. 31, 2013	Increases	Decreased	Balance, Dec. 31, 2014
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
879	Various Capital Improvements	1,762			1,762
883	Various Capital Improvements	1,943			1,943
893-11	Refunding Bond Ordinance - Tax Appeals	107,500		107,500	
901-11	Site Investigation/Remedial Inv. On Borough owned Property	55,000			55,000
903-11	Refurbishing of Hogan's Park	88,980			88,980
924-13	Various replacement equipment/machinery/vehicles	2,500			2,500
926-13	Acquisition of New Pumper Fire Engine	571,000		500,000	71,000
939-14	Various Capital Improvements		523,800	400,000	123,800
942-14	Acquisition of property/equipment/machinery/vehicles		795,000	500,000	295,000
943-14	Various Capital Improvements		169,800	100,000	69,800
		$ 884,564	1,488,600	1,607,500	765,664

Deferred Charges Unfunded 893-11 - Budget Appropriation	107,500
Bond Anticipation Notes Issued	1,500,000
$	1,607,500

Exhibit E-1

BOROUGH OF NORTHVALE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2014

		Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2013	$	8,225	108	8,117
Increased by:				
Interest Earned		17	1	16
Balance - December 31, 2014	$	8,242	109	8,133

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, 2014

Balance - December 31, 2014	$	8,242
Increased by:		
Interest on Investments		3
Balance - February 27, 2015	$	8,245

Reconciliation - February 27, 2015		PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:				
Checking	$	8,136	109	8,245

Exhibit E-3

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2014

Balance - December 31, 2013	$	8,225
Increased by:		
Interest Earned		17
Balance - December 31, 2014	$	8,242

Reconciliation - December 31, 2014	PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:			
Checking	$ 109	8,133	8,242

Exhibit E-4

BOROUGH OF NORTHVALE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2014

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2013	$ 8,225	1,108	7,117
Increased by:			
Interest Earned	17	1	16
Balance - December 31, 2014	$ 8,242	1,109	7,133

Exhibit E-5

BOROUGH OF NORTHVALE

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2014

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Interest Earned	$ 17	1	16
Total Revenues (P.A.T.F.)	$ 17	1	16

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2014

THIS PAGE INTENTIONALLY LEFT BLANK

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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, 2014 and the related notes to the financial statements, and have issued our report thereon dated March 23, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

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.

FWCC

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of 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

March 23, 2015

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.

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:

Demolition of 411 Clinton Avenue
Construction of a Gazebo at Hogan Park
Dump Truck with attachments for DPW

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 7, 2014 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 December 5, 2014 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
2014	7
2013	7
2012	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, 2014, 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.

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF NORTHVALE
GENERAL COMMENTS
DECEMBER 31, 2014

Finance:

1. *Formal general ledgers are not being maintained for the Recreation Umpire Trust Fund as required by N.J.S.A. 50A:5-5.
2. *There are various outstanding grant/contribution receivables in the General Capital Fund.
3. *The prior year inter-fund balance between the Escrow Trust Fund and the General Capital Fund has not been liquidated.
4. *There were instances where supporting documentation for purchase orders could not be located for review.
5. *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
6. Appropriation reserves were over-expended by $7,930.
7. The Capital Improvement Fund was over-expended by $571.
8. The Payroll account has a deficit reserve balance of $7,647.
9. Payments for referee services are being made payable to "cash" and there were instances in which the payee was left blank. These payments are also not processed through the Borough's purchasing system.
10. There were instances in which various deposits in transit and outstanding withdrawals were determined to be invalid; audit adjustments were made to properly reflect cash transactions at 12/31/14.
11. There were instances in which various purchase orders selected for review were not provided at the time of audit.
12. Community Development Block Grant proceeds were not disbursed out of the sub-recipient trust fund bank account to the Current Fund within 3 business days as required by the grant agreement.
13. Resolutions awarding professional service contracts do not include a certification of availability of funds and the budget appropriation to which expenditures will be charged.

BOROUGH OF NORTHVALE
GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2014

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. (4 times)

Departments:

1. *Increases in fees for the Building Department have not been approved by the Mayor and Council via ordinance.

Court:

1. *There are 28 tickets Assigned over 180 days on the December Monthly Management Report.
2. *Fees levied for overnight parking violations be in agreement with the approved fee ordinance.
3. There are 32 tickets and 10 complaints that are in FTA status on the December monthly management report.

BOROUGH OF NORTHVALE
RECOMMENDATIONS
DECEMBER 31, 2014

Finance:

1. *A general ledger be implemented and maintained for the Recreation Umpire Trust Fund as required by N.J.S.A. 50A:5-5.
2. *Old outstanding grants/contributions receivable in the General Capital Fund be investigated for possible collection.
3. *All prior year inter-funds be liquidated.
4. *That the requested documents are available upon request.
5. *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
6. The over-expenditure of Appropriation Reserves be funded through a succeeding years' budget appropriation.
7. Adequate appropriations be made to support the necessary down payments required and the over-expenditure of the Capital Improvement Fund be funded through a succeeding years' budget appropriation.
8. The deficit in the Payroll account be funded through a succeeding years' budget appropriation and greater care be used to ensure adequate funds are charged and transferred to cover the borough's payroll expenses.
9. The practice of issuing checks to cash be discontinued, all checks include a payee, and payments for referee services be processed through the borough's purchasing system.
10. All financial transactions be properly classified at year end.
11. Purchase orders and other financial documentation to support expenditures be made available for audit review.
12. All Community Development Block Grant proceeds be transferred from the Trust Fund within 3 business days as required by the grant agreement.
13. Resolutions awarding professional service contracts should include a certification of availability of funds and the budget appropriation to which expenditures will be charged.

BOROUGH OF NORTHVALE
RECOMMENDATIONS (CONTINUED)
DECEMBER 31, 2014

Administration:

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

Departments:

1. *That the fees in the computer accurately reflect the approved fee ordinance.

Court:

1. *Tickets over 180 days be recalled by the Court Administrator and either reassigned or destroyed.
2. *Fees levied for overnight parking violations be in agreement with the approved fee ordinance.
3. Tickets and complaints in FTA status be researched and processed accordingly.

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.
Registered Municipal Accountant
No. CR00413

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

March 23, 2015