

TOWNSHIP OF SADDLE BROOK
County of Bergen, New Jersey

NJ Comprehensive Annual Financial Report
Year Ended December 31, 2014
(With Independent Auditors' Reports Thereon)

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**TOWNSHIP OF SADDLE BROOK
 NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 YEAR ENDED DECEMBER 31, 2014**

<u>Reference</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Roster of Officials.....	1
Independent Auditors' Report.....	3-7
<u>FINANCIAL SECTION</u>	
A-1 Combined Comparative Balance Sheet -- Regulatory Basis.....	8
A-2 Combined Statement of Operations and Changes in Fund Balance -- Regulatory Basis.....	9
A-3 Statement of Operations and Changes in Fund Balance -- Regulatory Basis - Budget & Actual - Current Fund.....	10
A-4 Statement of Operations and Changes in Fund Balance -- Regulatory Basis - Budget & Actual - Water Utility Operating Fund.....	11
Notes to Financial Statements:	
Note 1 - Reporting Entity, Organization and Function.....	12
Note 2 - Summary of Significant Accounting Policies.....	13-20
Note 3 - Cash and Cash Equivalents.....	21
Note 4 - Investments.....	22
Note 5 - Fixed Assets.....	23
Note 6 - Municipal Debt.....	24-29
Note 7 - Risk Management.....	30
Note 8 - Interfunds.....	31
Note 9 - Deferred Charges to be Raised in Succeeding Budgets.....	32
Note 10 - Retirement Plans.....	33-35
Note 11 - Other Post Retirement Benefits.....	36
Note 12 - Fund Balances Appropriated.....	37
Note 13 - Economic Dependency.....	38
Note 14 - Deferred Compensation Plans.....	39
Note 15 - Contingencies.....	40
Note 16 - Subsequent Events.....	41
<u>Supplementary Data</u>	
<u>Current Fund</u>	
B-1 Comparative Balance Sheet - Regulatory Basis.....	42
B-2 Schedule of Revenues and Other Credits to Income - Regulatory Basis.....	43
B-3 Schedule of Expenditures and Other Charges to Income - Regulatory Basis.....	44-49
<u>Grant Fund</u>	
C-1 Comparative Balance Sheet - Regulatory Basis.....	50
C-2 Schedule of Grants Receivable.....	51
C-3 Schedule of Appropriated Reserves.....	52
C-4 Schedule of Unappropriated Reserves.....	53
<u>Trust Fund</u>	
D-1 Comparative Balance Sheet - Regulatory Basis.....	54

**TOWNSHIP OF SADDLE BROOK
NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014**

<u>Reference</u>	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
<u>Supplementary Data (Continued)</u>	
<u>General Capital Fund</u>	
E-1	Comparative Balance Sheet - Regulatory Basis..... 55
E-2	Schedule of Interfund Receivable..... 56
E-3	Schedule of Grants Receivable..... 57
E-4	Schedule of N.J.E.I.T. Loan Receivable..... 58
E-5	Schedule of Deferred Charges to Future Taxation - Funded..... 59
E-6	Schedule of Deferred Charges to Future Taxation - Unfunded..... 60
E-7	Schedule of Interfund Payable..... 61
E-8	Schedule of Capital Improvement Fund..... 62
E-9	Schedule of Reserve For Payment of Debt Service..... 63
E-10	Schedule of Encumbrances Payable..... 64
E-11	Schedule of Reserve For Mount Laurel Development..... 65
E-12	Schedule of Improvement Authorizations..... 66
E-13	Schedule of Serial Bonds Payable..... 67
E-14	Schedule of Bond Anticipation Notes Payable..... 68
E-15	Schedule of Loans Payable..... 69
E-16	Schedule of Fund Balance..... 70
E-17	Schedule of Bonds and Notes Authorized but not Issued..... 71
<u>Water Utility Fund</u>	
F-1	Comparative Balance Sheet - Regulatory Basis..... 72
F-2	Schedule of Revenues and Other Credits to Income - Regulatory Basis..... 73
F-3	Schedule of Expenditures and Other Charges to Income - Regulatory Basis..... 74
F-4	Schedule of Cash..... 75
F-5	Schedule of Consumer Accounts Receivable..... 76
F-6	Schedule of Interfund Receivable..... 77
F-7	Schedule of Water Utility Liens..... 78
F-8	Schedule of Accounts/Contracts Payable..... 79
F-9	Schedule of Reserve for Encumbrances..... 80
F-10	Schedule of Interfund Payable..... 81
F-11	Schedule of Accrued Interest on Bonds..... 82
F-12	Schedule of Accrued Interest on Notes..... 83
F-13	Schedule of Overpayments..... 84
F-14	Schedule of Fund Balance..... 85
F-15	Comparative Balance Sheet - Regulatory Basis..... 86
F-16	Schedule of Cash..... 87
F-17	Schedule of Interfund Receivable..... 88
F-18	Schedule of Fixed Capital Authorized & Uncompleted..... 89
F-19	Schedule of Fixed Capital..... 90
F-20	Schedule of Interfund Payable..... 91
F-21	Schedule of Capital Improvement Fund..... 92
F-22	Schedule of Reserve for Amortization..... 93
F-23	Schedule of Reserve for Deferred Amortization..... 94
F-24	Schedule of Improvement Authorizations..... 95
F-25	Schedule of Serial Bonds Payable..... 96
F-26	Schedule of Bond Anticipation Notes Payable..... 97
F-27	Schedule of Bonds and Notes Authorized but not Issued..... 98

**TOWNSHIP OF SADDLE BROOK
 NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 YEAR ENDED DECEMBER 31, 2014**

<u>Reference</u>	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
<u>Supplementary Data (Continued)</u>	
<u>General Fixed Asset Account Group</u>	
G-1	Comparative Balance Sheet - Regulatory Basis..... 99
G-2	Schedule of Changes in Reserve for General Fixed Assets..... 100
 <u>STATISTICAL SECTION</u>	
J-1	General Information About the Township..... 102-103
J-2	Adopted Budgets..... 104
J-3	Fund Balance Summary..... 105
J-4	Tax Levy and Collection Data..... 106
J-5	Assessed and County Equalized Valuation Data..... 107
J-6	Tax Requirement and Rate Data..... 108
J-7	Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita..... 109
J-8	Legal Debt Margin..... 110
J-9	Long Term Debt..... 111
J-10	Direct and Overlapping Debt..... 112
J-11	Ratio of Annual Debt Service Appropriations to Total Adopted Current Fund Appropriations..... 113
J-12	Demographic Statistics..... 114
J-13	Ten Largest Taxpayers by Assessment..... 115
J-14	Value of New Construction, Improvements, Alterations and Demolitions..... 116
 <u>SINGLE AUDIT SECTION</u>	
K-1	Independent Auditors' Report..... 118-119
K-3	Schedule of Expenditures of Federal Awards..... 120
K-4	Schedule of Expenditures of State Financial Assistance..... 121
K-5	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance..... 122-123
K-6	Schedule of Findings and Questioned Costs..... 124-128
K-7	Summary Schedule of Prior Audit Findings..... 129
 <u>GENERAL COMMENTS AND RECOMMENDATIONS</u>	
	Cash Cycle..... 131
	Revenues/Receipts Cycle..... 132
	Expenditures/Disbursements Cycle..... 133
	Payroll Cycle..... 134
	Fixed Assets..... 135
	Long Term Debt..... 136
	Water Utility..... 137
	Other Significant Matters..... 138
	Recommendations/Suggestions..... 139
	Status of Prior Years' Recommendations..... 140

TOWNSHIP OF SADDLE BROOK
NJ Comprehensive Annual Financial Report
Introductory Section

**TOWNSHIP OF SADDLE BROOK
 ROSTER OF OFFICIALS
 YEAR ENDED DECEMBER 31, 2014**

Name	Title	Term Expires
Karen Chamberlain	Mayor	12/31/14
Andrew Cimiluca	Councilman	12/31/16
Richard Conte	Councilman	12/31/14
Anthony Halko	Councilman	12/31/14
Florence Mazzer	Councilwoman	12/31/16
Joseph Camilleri	Councilman	12/31/16
Peter LoDico	Municipal Clerk	
	Business Administrator	
	Treasurer	
Raymond Carnevale	Chief Financial Officer	
Rose Marie Cokinos	Tax Collector	
Linda Pellicier	Central Cashier	
	Tax Search Officer	
Tracy Adams	Registrar of Vital Statistics	
DiMaria & DiMaria, LLP	Township Auditor	
Brian Chewcaskie, Esq.	Township Attorney	
Steven Muhlstock, Esq.	Tax Appeal Attorney	
Rogut, McCarthy LLC	Bond Counsel	
Arthur Carlson, Jr.	Tax Assessor	
Costa Engineering	Township Engineer	
Michael Kauker	Township Planner	
Brown & Brown Insurance	Risk Management Consultants	
Robert Kugler	Chief of Police	
Deborah M. Gross-Quatrone, Esq.	Municipal Court Judge	12/31/15
Christine Oravetz, CMCA	Municipal Court Administrator	
Eileen Pinto	Deputy Court Administrator	
Debra Zafonte	Violations Clerk	
Michael Calderone	Public Works Superintendent	
Anthony Ambrogio	Construction Code Official	
	Building Subcode Official	
	Zoning Officer	
	Property Maintenance Official	
Joseph Dymarczyk	Electrical Subcode Official	
	Electrical Inspector	
Michael Seitz	Fire Subcode Official	
	Fire Inspector	
Frank Giordano	Plumbing Subcode Official	
	Plumbing Inspector	
John Valentino	Property Maintenance Official	
John Ottina	Property Maintenance Official	

TOWNSHIP OF SADDLE BROOK

NJ Comprehensive Annual Financial Report

Financial Section

Di Maria & Di Maria LLP

Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the Township Committee
Township of Saddle Brook, 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 Township of Saddle Brook, in the County of Bergen (the "Township") as of and for the year ended 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 Township's basic financial statements as listed in the foregoing 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 (the "Division"). 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 misstatement, whether due to fraud or error.

Independent Auditors' Report (Continued)

Auditors' 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, audit requirements prescribed by 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township'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 Township'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.

Independent Auditors' Report (Continued)

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

As described in Note 2, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, 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 2 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 the 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 the Township as of December 31, 2014 and 2013, or the changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 14 of the financial statements, the Township 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 \$1,449,873 and \$1,465,675 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 of Accounting*" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance 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 2.

Independent Auditors' Report (Continued)

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental 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 financial statements. The accompanying schedules of expenditures of federal awards and the schedule of expenditures of state financial assistance, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information and schedules listed above are the responsibility of management and were derived from and relate 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 and schedules listed in the table of contents, the schedules of expenditures of federal awards, and the schedule of expenditures of state financial assistance 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 subjected 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.

Independent Auditors' Report (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the Township'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 Township's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank DiMaria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 30, 2015

TOWNSHIP OF SADDLE BROOK
 COMBINED COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 DECEMBER 31, 2014

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Water Utility Operating Fund	Water Utility Capital Fund	Fixed Asset Account Group	Totals	
								2014	2013
ASSETS AND OTHER DEBITS									
Cash	\$ 6,837,819	\$ 234,011	\$ 2,237,339	\$ (22,705)	\$ 950,121	\$ 77,908	\$ -	\$ 10,314,493	\$ 7,151,161
Deferred Compensation Assets	-	-	1,449,873	-	-	-	-	1,449,873	1,465,675
Consumer Accounts Receivable	-	-	-	-	248,364	-	-	248,364	232,924
Interfunds Receivable	15,010	-	71,095	4,587,856	514,788	412,679	-	5,601,428	2,891,398
Intergovernmental Receivable	-	-	-	844,057	-	-	-	844,057	335,788
Other Receivables	1,400,615	-	-	-	3,571	-	-	1,404,186	1,485,946
Deferred Charges	380,000	-	-	31,157,861	-	-	-	31,537,861	31,077,814
Fixed Capital Authorized & Uncompleted	-	-	-	-	-	2,572,992	-	2,572,992	2,237,992
Fixed Capital	-	-	-	-	-	2,447,026	-	2,447,026	2,447,026
Fixed Assets	-	-	-	-	-	-	33,923,398	33,923,398	33,923,398
Total Assets and Other Debits	\$ 8,633,444	\$ 234,011	\$ 3,758,307	\$ 36,567,069	\$ 1,716,844	\$ 5,510,605	\$ 33,923,398	\$ 90,343,678	\$ 83,249,122

LIABILITIES, RESERVES AND FUND BALANCE

Interfunds Payable	\$ 4,795,987	\$ -	\$ -	\$ 707,927	\$ 15,010	\$ 82,504	\$ -	\$ 5,601,428	\$ 2,891,398
Accounts/Encumbrances Payable	-	-	-	550,267	125,447	-	-	675,714	651,347
Other Liabilities and Reserves	1,475,564	234,011	3,758,307	1,866,643	342,446	17,748	-	7,694,719	6,374,492
Improvement Authorizations	-	-	-	4,301,866	-	2,290,336	-	6,592,202	3,692,744
Intergovernmental Payable	15,638	-	-	-	-	-	-	15,638	6,748
Serial Bonds Payable	-	-	-	19,148,478	-	1,171,522	-	20,320,000	21,370,000
Bond Anticipation Notes Payable	-	-	-	8,290,214	-	545,316	-	8,835,530	7,457,400
Loan Payable	-	-	-	1,473,207	-	-	-	1,473,207	1,570,433
Special Emergency Note Payable	380,000	-	-	-	-	-	-	380,000	545,000
Reserve for Receivables & Other Assets	1,415,625	-	-	-	-	-	-	1,415,625	1,482,375
Reserve for Investment in Fixed Assets	-	-	-	-	-	-	33,923,398	33,923,398	33,923,398
Reserve for Amortization	-	-	-	-	-	1,275,503	-	1,275,503	1,227,706
Reserve for Deferred Amortization	-	-	-	-	-	127,676	-	127,676	123,792
Fund Balance	550,630	-	-	228,467	1,233,941	-	-	2,013,038	1,932,289
Total Liabilities, Reserves and Fund Balance	\$ 8,633,444	\$ 234,011	\$ 3,758,307	\$ 36,567,069	\$ 1,716,844	\$ 5,510,605	\$ 33,923,398	\$ 90,343,678	\$ 83,249,122

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF SADDLE BROOK
COMBINED STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2014**

	Current Fund	Water Utility Fund	Total
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 150,000	\$ -	\$ 150,000
Miscellaneous	3,306,358	-	3,306,358
Receipts from Delinquent Taxes	616,669	-	616,669
Amount to be Raised by Taxation - Local	740,549	-	740,549
Amount to be Raised by Taxation - Library	14,919,556	-	14,919,556
Water Rents	-	2,578,801	2,578,801
Interest on Delinquencies	-	14,319	14,319
Interest on Investments & Deposits	-	1,388	1,388
Total Revenues	19,733,132	2,594,508	22,327,640
Other Credits to Income	35,433,771	51,482	35,485,253
Total Revenues and Other Credits to Income	<u>\$ 55,166,903</u>	<u>\$ 2,645,990</u>	<u>\$ 57,812,893</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 6,912,751	\$ -	\$ 6,912,751
Other Expenses	6,249,743	-	6,249,743
Deferred Charges	-	-	-
Statutory Expenditures	1,602,266		
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	305,000	305,000
Other Expenses	1,695,822	2,006,000	3,701,822
Capital Improvements	150,000	4,850	154,850
Debt Service	2,665,431	114,150	2,779,581
Deferred Charges and Statutory Expenditures	165,000	70,000	235,000
Deficit in Operations in Prior Years	-	-	-
Reserve for Uncollected Taxes	650,000	-	650,000
Total Expenditures	20,091,013	2,500,000	20,988,747
Other Charges to Income	34,907,493	133,550	35,041,043
Total Expenditures and Charges to Income	<u>\$ 54,998,506</u>	<u>\$ 2,633,550</u>	<u>\$ 56,029,790</u>
Statutory Excess to Fund Balance	168,397	12,440	180,837
Deferred Charges to Budget of Succeeding Year	-	-	-
Fund Balance, January 1	532,233	1,221,501	1,753,734
	700,630	1,233,941	1,934,571
Decreased by:			
Utilization as Anticipated Revenue	150,000	-	150,000
Fund Balance, December 31	<u>\$ 550,630</u>	<u>\$ 1,233,941</u>	<u>\$ 1,784,571</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

TOWNSHIP OF SADDLE BROOK
STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE (REGULATORY BASIS)
CURRENT FUND--BUDGET & ACTUAL
YEAR ENDED DECEMBER 31, 2014

	Budget as Modified	Actual	Variance
REVENUES AND OTHER CREDITS TO INCOME			
Revenues:			
Fund Balance Anticipated	\$ 150,000	\$ 150,000	\$ -
Miscellaneous Revenues	3,034,233	3,306,358	272,125
Receipts from Delinquent Taxes	627,326	616,669	(10,657)
Amount to be Raised by Taxation - Local	740,549	740,549	-
Amount to be Raised by Taxation - Library	15,538,905	14,919,556	(619,349)
Total Revenues	20,091,013	19,733,132	(357,881)
Other Credits to Income	34,627,680	35,433,771	806,091
Total Revenues and Other Credits to Income	<u>\$ 54,718,693</u>	<u>\$ 55,166,903</u>	<u>\$ 448,210</u>
EXPENDITURES AND OTHER CHARGES TO INCOME			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 6,912,751	\$ 6,912,751	\$ -
Other Expenses	6,249,743	6,249,743	-
Deferred Charges	-	-	-
Statutory Expenditures	1,602,266	1,602,266	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	1,695,822	1,695,822	-
Capital Improvements	150,000	150,000	-
Municipal Debt Service	2,665,431	2,665,431	-
Deferred Charges	165,000	165,000	-
Reserve for Uncollected Taxes	650,000	650,000	-
Total Expenditures	20,091,013	20,091,013	-
Other Charges to Income	34,627,680	34,907,493	279,813
Total Expenditures and Charges to Income	<u>\$ 54,718,693</u>	<u>\$ 54,998,506</u>	<u>\$ 279,813</u>
Statutory Excess to Current Fund Balance		168,397	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		532,233	
		<u>\$ 700,630</u>	
Decreased by:			
Utilization as Anticipated Revenue		150,000	
Fund Balance, December 31		<u>\$ 550,630</u>	

TOWNSHIP OF SADDLE BROOK
STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE (REGULATORY BASIS)
WATER UTILITY FUND--BUDGET & ACTUAL
YEAR ENDED DECEMBER 31, 2014

	<u>Budget as Modified</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ -	\$ -	\$ -
Water Rents	2,489,000	2,578,801	89,801
Interest on Delinquencies	10,000	14,319	4,319
Interest on Investments & Deposits	1,000	1,388	388
Total Revenues	<u>2,500,000</u>	<u>2,594,508</u>	<u>94,508</u>
Other Credits to Income	-	51,482	51,482
Total Revenues and Other Credits to Income	<u>\$ 2,500,000</u>	<u>\$ 2,645,990</u>	<u>\$ 145,990</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operations:			
Salaries and Wages	\$ 305,000	\$ 305,000	\$ -
Other Expenses	2,006,000	2,006,000	-
Capital Improvements	4,850	4,850	-
Debt Service	114,150	114,150	-
Deferred Charges & Statutory Expenditures	70,000	70,000	-
Deficit in Operations in Prior Years	-	-	-
Total Expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Other Charges to Income	-	133,550	133,550
Total Expenditures and Charges to Income	<u>\$ 2,500,000</u>	<u>\$ 2,633,550</u>	<u>\$ 133,550</u>
Statutory Excess to Current Fund Balance		<u>12,440</u>	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		<u>1,221,501</u>	
		<u>1,233,941</u>	
Decreased by:			
Utilization as Anticipated Revenue		-	
Fund Balance, December 31		<u>\$ 1,233,941</u>	

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The Township of Saddle Brook (the "Township") is a municipal corporation of the State of New Jersey located in the county of Bergen and is located approximately 8 miles west of the City of New York. The Borough's population according to the 2010 census is 13,659.

The Township operates under the Faulkner Act (Mayor-Council) system of municipal government, and is governed by a Mayor and a five-member Township Council. Members of the Township Council are elected at-large in partisan elections to four-year terms of office on a staggered basis, with two or three seats up for election in even years. The Mayor is the chief executive officer. The Township operates on a calendar fiscal year, January 1 to December 31.

The municipal budget includes the following generally stated municipal services:

- General Government Functions
- Land Use Administration Functions
- Public Safety Functions
- Health and Human Service Functions
- Park and Recreation Functions
- Educational Functions
- Code Enforcement Functions
- Municipal Court Functions
- Capital Improvements
- Debt Service

B. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of this statement had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the municipality:

Free Public Library

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect assets, liabilities, revenues and expenditures during and as of the end of the reporting period. Accordingly, actual results may differ from those estimates.

Reclassifications and Restatements

Certain reclassifications and restatements may be made to prior amounts for clarification purposes.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with N.J.A.C. 5:30-5.6.

Water Utility Fund - The Water Utility Fund is used to account for the revenues and expenditures for the operation of the water utility and the related assets and liabilities. Acquisition or improvement of capital facilities and assets are accounted for in the capital section of the fund.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the municipality's financial statements.

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

E. Inventories of Supplies

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.

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the statute. 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. No depreciation on general fixed assets is recorded 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.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

The preparation of financial statements requires management 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.

U. New Reporting Standard(s)

In June 2012, the Governmental Accounting Standards Board (GASB) issued 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 Township'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 November 2013, Governmental Accounting Standards Board (GASB) issued 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 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.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 3 - Cash and Cash Equivalents

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits, or the New Jersey Cash Management Fund.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

At December 31, the municipality's deposits are summarized as follows:

<u>Year</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
2014	\$ 11,248,166	\$ 10,314,493

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. The Township had no investments in this Fund as of December 31, 2014.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

No investments were held as of December 31, 2014.

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014

Note 5 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Ending</u> <u>Balance</u>
Land	\$ 13,708,700	\$ -	\$ -	\$ -	\$ 13,708,700
Buildings and Improvements	12,582,606	-	-	-	12,582,606
Machinery & Equipment	3,171,679	-	-	-	3,171,679
Vehicles	4,460,413	-	-	-	4,460,413
	<u>\$ 33,923,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,923,398</u>

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

The Township's long term debt paid by the Current Fund consisted of the following at December 31, 2014:

\$21,394,943 - General Obligation Bonds (Bergen County Improvement AuthorityCounty Guaranteed Governmental Loan Bonds) Series 2006 issued 3/14/2006 payable in annual installments through 9/1/2030. Interest is paid semi-annually at varying rates from 3.50% to 5.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$16,598,478.

\$3,705,000 - General Obligation Bonds Series 2010 issued 8/31/2010 payable in annual installments through 9/1/2020. Interest is paid semi-annually at varying rates from 1.50% to 2.50% per annum. The balance remaining on this issue as of December 31, 2014 is \$2,550,000.

\$1,040,000 - New Jersey Environmental Infrastructure Trust (Trust Loan) Series 2007A issued 11/8/2007 payable in annual installments through 8/1/2027. Interest is paid semi-annually at varying rates from 3.40% to 5.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$800,000.

\$983,154 - New Jersey Environmental Infrastructure Trust (Fund Loan) Series 2007A issued 11/8/2007 payable in annual installments through 8/1/2027. No interest is payable on this issuance. The balance remaining on this issue as of December 31, 2014 is \$673,207.

The Township's long term debt paid by the Water Utility Operating Fund consisted of the following at December 31, 2013:

\$1,510,057 - General Obligation Bonds (Bergen County Improvement AuthorityCounty Guaranteed Governmental Loan Bonds) Series 2006 issued 3/14/2006 payable in annual installments through 9/1/2030. Interest is paid semi-annually at varying rates from 3.50% to 5.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$1,171,522.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt (Continued)

B. Summary of Debt and Remaining Borrowing Power

The following information summarizes the statutory debt calculations of the municipality as reported on the municipality's Annual Debt Statement.

	<u>2014</u>
Issued:	
School Bonds and Notes	13,805,000
General Bonds	19,148,478
Water Utility Bonds	1,171,522
Infrastructure Trust Loans	1,473,207
Bond Anticipation Notes - General	8,290,214
Bond Anticipation Notes - Water Utility	545,316
	<u>\$ 44,433,737</u>
Authorized but not Issued:	
General Bonds and Notes	\$ 2,245,962
Water Utility Bonds and Notes	1,900,000
	<u>\$ 4,145,962</u>
Gross Debt	<u>\$ 48,579,699</u>
Deductions	<u>\$ 21,444,988</u>
Net Debt	<u>\$ 27,134,711</u>
Equalized Valuation Basis	\$ 2,248,994,918
Statutory Net Debt Percentage	1.21%
3-1/2% of Equalized Valuation Basis	\$ 78,714,822
Remaining Borrowing Power	\$ 51,580,111

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2014 are as follows:

Loans and General Bonds

Calendar Year	3/7/06		8/31/10	
	General Improvement Bonds		Pension Refunding Bonds	
	Principal	Interest	Principal	Interest
2015	705,225	414,479	350,000	27,928
2016	728,577	401,079	375,000	24,428
2017	770,610	381,043	405,000	20,678
2018	812,644	359,852	440,000	16,628
2019	854,677	339,536	475,000	11,953
2020	896,710	318,169	505,000	6,312
2021	938,743	295,751	-	-
2022	990,117	272,282	-	-
2023	1,036,821	247,529	-	-
2024	1,088,195	221,609	-	-
2025	1,144,239	194,404	-	-
2026	1,200,284	165,798	-	-
2027	1,260,999	135,791	-	-
2028	1,321,713	104,266	-	-
2029	1,391,770	71,223	-	-
2030	1,457,154	36,429	-	-
	\$ 16,598,478	\$ 3,959,240	\$ 2,550,000	\$ 107,927

Calendar Year	11/08/07		11/08/07	
	N.J.E.I.T. Trust Loan		N.J.E.I.T. Fund Loan	
	Principal	Interest	Principal	Interest
2015	45,000	18,344	51,210	-
2016	50,000	17,219	52,934	-
2017	50,000	15,969	51,367	-
2018	55,000	14,719	52,934	-
2019	55,000	13,344	51,210	-
2020	60,000	12,244	52,965	-
2021	60,000	11,044	51,460	-
2022	65,000	9,544	52,715	-
2023	65,000	7,919	50,677	-
2024	70,000	6,537	52,080	-
2025	70,000	4,962	50,105	-
2026	75,000	3,387	51,265	-
2027	80,000	1,700	52,285	-
	\$ 800,000	\$ 136,932	\$ 673,207	\$ -

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Calendar Year	Total	
	Principal	Interest
2015	1,151,435	460,751
2016	1,206,511	442,726
2017	1,276,977	417,690
2018	1,360,578	391,199
2019	1,435,887	364,833
2020	1,514,675	336,725
2021	1,050,203	306,795
2022	1,107,832	281,826
2023	1,152,498	255,448
2024	1,210,275	228,146
2025	1,264,344	199,366
2026	1,326,549	169,185
2027	1,393,284	137,491
2028	1,321,713	104,266
2029	1,391,770	71,223
2030	1,457,154	36,429
	<u>\$ 20,621,685</u>	<u>\$ 4,204,099</u>

Water Utility Bonds

Calendar Year	3/7/06	
	General Improvement Bonds	
	Principal	Interest
2015	49,775	58,508
2016	51,423	56,616
2017	54,390	53,788
2018	57,356	50,797
2019	60,323	47,929
2020	63,290	44,913
2021	66,257	41,748
2022	69,883	38,435
2023	73,179	34,941
2024	76,805	31,282
2025	80,761	27,442
2026	84,716	23,404
2027	89,001	19,168
2028	93,287	14,718
2029	98,231	10,054
2030	102,845	5,142
	<u>\$ 1,171,522</u>	<u>\$ 558,885</u>

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2014 the following changes occurred in liabilities reported as general long-term debt:

Loans and General Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	-
Bond Anticipation Notes	7,243,200	8,290,214	(7,243,200)	8,290,214
Emergency Notes	-	-	-	-
	<u>\$ 7,243,200</u>	<u>\$ 8,290,214</u>	<u>\$ (7,243,200)</u>	<u>\$ 8,290,214</u>
Long-Term Debt:				
Serial Bonds	\$ 20,150,681	\$ -	\$ (1,002,203)	\$ 19,148,478
Loans/Notes Payable	1,570,433	-	(97,226)	1,473,207
Authorized but not Issued	1,568,500	2,242,962	(1,565,500)	2,245,962
	<u>\$ 23,289,614</u>	<u>\$ 2,242,962</u>	<u>\$ (2,664,929)</u>	<u>\$ 22,867,647</u>
	<u>\$ 30,532,814</u>	<u>\$ 10,533,176</u>	<u>\$ (9,908,129)</u>	<u>\$ 31,157,861</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	8,290,214	8,290,214	-
Emergency Notes	-	-	-
	<u>\$ 8,290,214</u>	<u>\$ 8,290,214</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 19,148,478	\$ 1,055,225	\$ 18,093,253
Loan Payable	1,473,207	96,210	1,376,997
Authorized but not Issued	2,245,962	-	2,245,962
	<u>\$ 22,867,647</u>	<u>\$ 1,151,435</u>	<u>\$ 21,716,212</u>
	<u>\$ 31,157,861</u>	<u>\$ 9,441,649</u>	<u>\$ 21,716,212</u>

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Water Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	-
Bond Anticipation Notes	214,200	545,316	(214,200)	545,316
Emergency Notes	-	-	-	-
	<u>\$ 214,200</u>	<u>\$ 545,316</u>	<u>\$ (214,200)</u>	<u>\$ 545,316</u>
Long-Term Debt:				
Serial Bonds	\$ 1,219,319	\$ -	\$ (47,797)	\$ 1,171,522
Loan Payable	-	-	-	-
Authorized but not Issued	1,900,000	-	-	1,900,000
	<u>\$ 3,119,319</u>	<u>\$ -</u>	<u>\$ (47,797)</u>	<u>\$ 3,071,522</u>
	<u>\$ 3,333,519</u>	<u>\$ 545,316</u>	<u>\$ (261,997)</u>	<u>\$ 3,616,838</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	545,316	545,316	-
Emergency Notes	-	-	-
	<u>\$ 545,316</u>	<u>\$ 545,316</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 1,171,522	\$ 49,775	\$ 1,121,747
Loan Payable	-	-	-
Authorized but not Issued	1,900,000	-	1,900,000
	<u>\$ 3,071,522</u>	<u>\$ 49,775</u>	<u>\$ 3,021,747</u>
	<u>\$ 3,616,838</u>	<u>\$ 595,091</u>	<u>\$ 3,021,747</u>

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 7 - Risk Management

The Township 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 Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. The Township of Saddle Brook is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) 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 and worker's compensation. The BJIF and MEL coverage amounts are on file with the Township. The relationship between the Township 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 Township is contractually obligated to make all annual and supplementary contributions to insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which the municipality was a member. The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and preventive 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 coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Township. The Township is billed quarterly for benefits paid to former employees. A separate dedicated unemployment Trust account is not maintained. Unemployment expenditures are charged against Current fund budget appropriations under the title "Unemployment Compensation".

Unemployment expenditures for the past 3 years are as follows:

CY2014 - \$63,027

CY2013 - \$74,207

CY2012 - \$69,697

**TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

Note 8 - Interfunds

As of December 31, 2014, interfund balances on the Township's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 15,010	\$ 4,795,987
Federal & State Grant Fund	-	-
Trust Fund	71,095	-
General Capital Fund	4,587,856	707,927
Water Utility Operating Fund	514,788	15,010
Water Utility Capital Fund	412,679	82,504
	<u>\$ 5,601,428</u>	<u>\$ 5,601,428</u>

Interfund balances are comprised of the following:

All interfund balances are due to expenditures paid from an incorrect fund except for \$50,000 and \$100,000 that the Current Fund owes the General Capital Fund for the Capital Improvement Fund appropriation and a reserve for Veterans Field improvements appropriation, respectively, raised in the current fund budget but not turned over. It is anticipated that all interfunds will be liquidated during the subsequent fiscal year.

**TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

Note 9 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheet of the indicated Fund:

	<u>Balance December 31,</u>	<u>Appropriated in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
Current Fund:			
Emergency Authorizations	\$ -	\$ -	-
Special Emergency Authorizations	380,000	165,000	215,000
	<u>\$ 380,000</u>	<u>\$ 165,000</u>	<u>\$ 215,000</u>

Note 10 - Retirement Plans

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. 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.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10.6% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2014, and 2013 were \$309,806, and \$304,057 respectively.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the years ended December 31, 2014, and 2013 were \$932,460, and \$1,012,327 respectively.

Eligible PERS or TPAF members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

Upon enrollment into the PERS or TPAF when an annual base salary is reported on the Enrollment Application that will exceed the maximum compensation; or when a PERS or TPAF member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and Benefits (either by directly contacting the Division, or when submitted by the employer on the Quarterly Report of Contributions). When enrolled in the DCRP, members contribute 5.5% of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution based on the salary in excess of the maximum compensation limit. The Township's contributions to DCRP for the years ended December 31, 2014, and 2013 were \$0, and \$0 respectively.

It is important that an employer enroll a DCRP eligible PERS or TPAF member as soon as it is known that the employee's annual salary will exceed the maximum compensation, so that the DCRP account can be established in advance of collection of any required contributions.

Note 10 - Retirement Plans (Continued)

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans 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. 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 a 1/7th of the required amount, beginning in fiscal years 2012.

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

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 10 - Retirement Plans (Continued)

Funded Status and Funding Progress (GASB 67)

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 61.2% with an unfunded actuarial accrued liability of \$54.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 51.5% and \$40.1 billion, respectively, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 74.9% and \$14.7 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013 PERS and PFRS actuarial valuations, the date of the most recent actuarial valuations, the entry age normal was used as actuarial cost method, and the five year average of market value was used as asset valuation method. The actuarial assumptions included (a) 7.9% for investment rate of return and (b) changes to projected salary increases of 2.15% to 5.40% based on age for PERS and 3.95% to 9.62% based on age for PFRS.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 11 - Other Post Retirement Benefits

A. Compensated Absences (Unaudited)

The Township has permitted certain employees and bargaining units to accumulate (with certain restrictions) unused sick pay which may be taken in cash (with certain limitations), upon death, retirement or by extended time off immediately preceding retirement.

The maximum sick leave benefit an employee is entitled to at retirement depends upon the actual years of service; however, the maximum number of days an employee is entitled to is 225 days for blue and white collar employees and 383 days for the police department.

In accordance with accounting practices prescribed by the Division of Local Government Services ("DLGS"), this amount is not recorded as either an expenditure or a liability. The Township approximates this liability at December 31, 2014 to be \$2,726,000. The Township has \$0 in cash on hand to fund any future liability, and has not anticipated any funding in the CY2015 budget.

B. Post Retirement Health Benefits

The Township provides, at its cost, post employment health care benefits administered by Horizon BC/BS of New Jersey in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981.

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Township shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Township. Dental benefits are not included.

Funding Policy

Pursuant to GASB Statement No. 45 ("GASB 45"), Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the Township is required to obtain an actuarially determined calculation for this obligation. As of the date of this report, the Township did not accumulate the actuarial data necessary to properly disclose the future cost of other post-employment benefits (OPEB) as required by GASB 45.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 12 - Fund Balances Appropriated

Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in their respective funds for the years ending December 31, 2015 and 2014 were as follows:

	<u>2015</u>		<u>2014</u>
Current Fund	\$ 150,000	\$	150,000
Water Utility		-	-

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 13 - Economic Dependency

The Township of Saddle Brook is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

**TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

Note 14 - Deferred Compensation Plans

A. Description

The Township offers its qualifying volunteers participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by outside contractors, permits participants (qualifying volunteers) to defer a portion of their Township contributions until future years. Amounts deferred under the plan are not available to participants until termination, retirement, unforeseeable emergency or, upon death, to their beneficiaries.

All amounts of Township contribution deferred under the plan and all income attributable to those amounts are (until paid or made available to the qualifying volunteer or other beneficiary) solely the property and rights of the Township subject only to the claims of the Township's general creditors. Participants' rights under the plan are equal to those of general creditors of the Township in an equal amount to the fair value of the deferred account for each participant.

It is the opinion of the Township's legal counsel that the Township has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrators, who manages the plan on behalf of the Township. Investment selection by the participants may change from time to time, as the Township manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan and its administration.

Information pertaining to the plan offered by the Township is as follows:

B. Lincoln National Life Insurance Co.

This plan administers Borough contributions towards its Volunteer Length of Service Award Program (LOSAP).

	<u>2014</u>
Assets, Beginning of Year (Market Value)	\$ 1,465,675
Municipal Contribution	-
Earnings and Adjustments to Market Value	112,431
Payments to Eligible Volunteers	(124,560)
Charges and Credits	(3,673)
Assets, Ending of Year (Market Value)	<u>\$ 1,449,873</u>

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 15 - Contingencies

A. Litigation

The Township is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the Township.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2014. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, to be material. As of December 31, 2014, the Township recorded \$0 of reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

C. Federal and State Grants

The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the Township may be required to reimburse the grantor agency. As of December 31, 2014, significant amounts of grant expenditures have not been audited. The Township believes that any future disallowed expenditures will not have a material effect on its financial position.

**TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note 16 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Township's 2015 Capital Budget currently includes the following:

<u>Purpose</u>	<u>Total</u>	<u>CIF and Other Funded Sources</u>	<u>Bonds & Notes Authorized</u>
Various Public Improvements	\$ 500,000	\$ 25,000	\$ 475,000
	<u>\$ 500,000</u>	<u>\$ 25,000</u>	<u>\$ 475,000</u>

B. Bond Anticipation Notes

The Township's outstanding Bond Anticipation Notes as of the date of this report will mature on August 28, 2015. It is anticipated that an equal or better interest rate will be secured on the renewal note however there can be no guarantee that this will be the case.

The Township has evaluated subsequent events through June 30, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**TOWNSHIP OF SADDLE BROOK
CURRENT FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)**

	2014	2013
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Current Account	\$ 6,837,344	\$ 3,849,921
Change Funds	475	475
	<u>\$ 6,837,819</u>	<u>\$ 3,850,396</u>
Interfunds Receivable:		
Water Utility Operating Fund	\$ 15,010	\$ -
Other Receivables:		
Delinquent Property Taxes Receivable	\$ 535,137	\$ 620,300
Tax Title Liens Receivable	123,229	119,826
Property Acquired for Taxes - Assessed Valuation	742,249	742,249
	<u>\$ 1,400,615</u>	<u>\$ 1,482,375</u>
Deferred Charges:		
Special Emergency Authorizations	\$ 380,000	\$ 545,000
Total Assets and Other Debits	<u>\$ 8,633,444</u>	<u>\$ 5,877,771</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
General Capital Fund	\$ 4,587,856	\$ 2,204,825
Developer's Escrow Trust Fund	429	429
Trust Fund	70,666	70,666
Water Utility Operating Fund	-	15,140
Water Utility Capital Fund	137,036	137,036
	<u>\$ 4,795,987</u>	<u>\$ 2,428,096</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 653,650	\$ 388,223
Reserve for Encumbrances	332,112	248,334
Pre-Paid Taxes	483,415	246,762
Tax Overpayments	-	-
Due to Free Public Library	6,387	-
	<u>\$ 1,475,564</u>	<u>\$ 883,319</u>
Intergovernmental Payable		
Due County for Added & Omitted Taxes	\$ -	\$ -
Due County for Added & Omitted Open Space Taxes	-	-
Due to State of New Jersey	15,638	6,748
	<u>\$ 15,638</u>	<u>\$ 6,748</u>
Special Emergency Note Payable	<u>\$ 380,000</u>	<u>\$ 545,000</u>
Reserve for Receivables and Other Assets	<u>\$ 1,415,625</u>	<u>\$ 1,482,375</u>
Fund Balance	<u>\$ 550,630</u>	<u>\$ 532,233</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,633,444</u>	<u>\$ 5,877,771</u>

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Budget As Modified	Realized	Excess/ (Deficit)
<u>REVENUES</u>			
Fund Balance Anticipated	\$ 150,000	\$ 150,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 16,000	\$ 17,590	\$ 1,590
Other Licenses	28,000	28,364	364
Fees and Permits	107,000	151,343	44,343
Municipal Court Fines and Costs	178,000	256,310	78,310
Interest and Costs on Taxes	99,000	122,272	23,272
Interest on Investments and Deposits	8,000	6,484	(1,516)
Consolidated Municipal Property Tax Relief	41,749	41,749	-
Energy Receipts Tax	1,398,418	1,398,418	-
Uniform Construction Code Fees	300,000	436,285	136,285
Recycling Tonnage Grant	62,945	62,945	-
Clean Communities Program	41,224	41,224	-
Body Armor Replacement Program	6,104	6,104	-
Uniform Fire Safety Act	40,000	40,077	77
Cable TV Franchise Fee - Cablevision	127,638	127,638	-
Cable TV Franchise Fee - Verizon FIOS	64,822	64,822	-
Hotel Occupancy Tax	350,000	335,228	(14,772)
Transfer from Trust Fund	-	-	-
Industrial & Tax Exempt Sewer Charges	30,415	37,155	6,740
FEMA Reimbursements	-	-	-
Sewer Charges	24,918	22,350	(2,568)
Pension Reimbursement - Water Utility	50,000	50,000	-
Health Insurance Reimbursement - Water Utility	60,000	60,000	-
Capital Surplus	-	-	-
Total Miscellaneous Revenues	\$ 3,034,233	\$ 3,306,358	\$ 272,125
Receipts From Delinquent Taxes	\$ 627,326	\$ 616,669	\$ (10,657)
Amount to be Raised by Taxation - Local	\$ 740,549	\$ 740,549	\$ -
Amount to be Raised by Taxation - Library	\$ 15,538,905	\$ 14,919,556	\$ (619,349)
Total Revenues	\$ 20,091,013	\$ 19,733,132	\$ (357,881)
<u>OTHER CREDITS TO INCOME</u>			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 472,262	\$ 472,262
Unexpended Balances of Appropriation Reserves	-	11,696	11,696
Interfund Loans Returned	-	15,141	15,141
Unexpended Balances Cancelled	-	306,992	306,992
Cancellations & Non-Cash Adjustments	-	-	-
Taxes Allocated to School and County:			
Local District School Tax	29,438,611	29,438,611	-
County Tax Levy	5,129,504	5,129,504	-
County Open Space	56,409	56,409	-
Added County Taxes	3,121	3,121	-
Added County Open Space	35	35	-
Total Other Credits to Income	\$ 34,627,680	\$ 35,433,771	\$ 806,091
Total Revenues and Other Credits to Income	\$ 54,718,693	\$ 55,166,903	\$ 448,210

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated			Expended		Unexpended	
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS"							
<u>General Government Functions</u>							
<u>General Administration:</u>							
Salaries and Wages	\$ 95,000	\$ -	\$ 95,000	\$ 95,000	\$ -	\$ -	\$ -
Other Expenses	10,000	-	10,000	10,000	-	-	-
Other Expenses - Postage	25,000	-	28,000	26,828	1,172	-	-
Other Expenses - Contractual Services	20,000	-	20,000	18,894	1,106	-	-
Other Expenses - Computer Svce. Contract	75,000	-	75,000	68,827	6,173	-	-
Other Expenses - SBCTV	25,000	-	25,000	22,580	2,420	-	-
Other Expenses - Master Plan	15,000	-	15,000	11,961	3,039	-	-
<u>Office of the Mayor:</u>							
Salaries and Wages	1	-	1	-	1	-	-
Other Expenses	4,000	-	4,000	1,537	2,463	-	-
<u>Council:</u>							
Salaries and Wages	23,750	-	23,750	23,748	2	-	-
Other Expenses	3,000	-	3,000	2,410	590	-	-
<u>Municipal Clerk:</u>							
Salaries and Wages	157,000	-	157,000	157,000	-	-	-
Other Expenses	8,500	-	8,500	4,631	3,869	-	-
Other Expenses - Land Use	1,000	-	1,000	-	1,000	-	-
Other Expenses - Codification of Ordinances	5,000	-	5,000	-	5,000	-	-
Other Expenses - Elections	25,000	-	25,000	13,256	11,744	-	-
<u>Financial Administration:</u>							
Salaries and Wages	147,000	-	147,000	147,000	-	-	-
Other Expenses	25,000	-	25,000	12,940	12,060	-	-
Other Expenses - Statements	20,250	-	20,250	19,250	1,000	-	-
Other Expenses - Special Financial Svcs.	1,000	-	1,000	-	1,000	-	-
Other Expenses - Supplemental Disclosure	2,975	-	2,975	2,975	-	-	-
<u>Audit Services:</u>							
Other Expenses	31,500	-	31,500	31,500	-	-	-
<u>Revenue Administration:</u>							
Salaries and Wages	87,500	-	87,500	87,328	172	-	-
Other Expenses	15,000	-	15,000	14,540	460	-	-
<u>Tax Assessment Administration:</u>							
Salaries and Wages	54,000	-	54,000	53,607	393	-	-
Other Expenses	3,000	-	3,000	1,232	1,768	-	-
Other Expenses - Tax Appeal Attorney	50,000	-	50,000	28,730	21,270	-	-
Other Expenses - Appraisals	50,000	-	50,000	42,030	7,970	-	-
<u>Legal Services:</u>							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	95,000	-	95,000	86,266	8,734	-	-
<u>Engineering Services:</u>							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	25,000	-	25,000	7,303	17,697	-	-
<u>Land Use Administration</u>							
<u>Planning Board:</u>							
Salaries and Wages	5,200	-	5,200	5,200	-	-	-
Other Expenses	1,500	-	1,500	1,383	117	-	-
<u>Zoning Board of Adjustment:</u>							
Salaries and Wages	4,800	-	4,800	4,800	-	-	-
Other Expenses	3,000	-	3,000	539	2,461	-	-
<u>Insurance</u>							
Liability Insurance	185,000	-	185,000	185,000	-	-	-
Liability Insurance - Deductible	10,000	-	10,000	2,720	7,280	-	-
Worker Compensation Insurance	219,000	-	219,000	93,011	989	125,000	-
Employee Group Health	2,700,000	-	2,700,000	2,578,789	21,211	100,000	-
Unemployment Compensation	75,000	-	75,000	63,027	11,973	-	-

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended	
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged			Reserved
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Public Safety Functions</u>							
Police:							
Salaries and Wages	\$ 3,646,500	\$ -	\$ 3,628,500	\$ 3,395,745	\$ 157,755	\$ 75,000	\$ -
Salaries and Wages - Retirements	110,000	-	110,000	84,164	25,836	-	-
Salaries and Wages - Overtime	175,000	-	157,000	131,258	25,742	-	-
Salaries and Wages - Clothing Allowance	40,000	-	35,000	34,600	400	-	-
Other Expenses	65,000	-	88,000	87,624	376	-	-
Other Expenses - Purchase of Police Cars	80,000	-	80,000	70,522	9,478	-	-
Other Expenses - Purchase of New Weapons	42,000	-	42,000	30,150	11,850	-	-
Civilian dispatchers:							
Salaries and Wages	122,000	-	122,000	76,168	45,832	-	-
School Marshals:							
Salaries and Wages	550,000	-	550,000	539,198	10,802	-	-
Other Expenses	5,000	-	5,000	4,042	958	-	-
Police Clerical:							
Salaries and Wages	31,000	-	31,000	30,808	192	-	-
Office of Emergency Management:							
Salaries and Wages	5,000	-	5,000	5,000	-	-	-
Other Expenses	2,500	-	2,500	2,031	469	-	-
Aid to Volunteer Ambulance Companies:							
Other Expenses	50,000	-	50,000	50,000	-	-	-
Fire Department:							
Other Expenses	105,000	-	185,000	156,810	28,190	-	-
Other Expenses - Clothing Allowance	76,000	-	76,000	75,100	900	-	-
Uniform Fire Safety Act:							
Salaries and Wages	136,500	-	136,500	134,748	1,752	-	-
Other Expenses	7,000	-	10,500	8,053	2,447	-	-
Municipal Prosecutor's Office:							
Salaries and Wages	7,000	-	7,000	6,517	483	-	-
<u>Public Works Functions</u>							
Buildings & Property:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	50,000	-	50,000	48,773	1,227	-	-
Streets and Road Maintenance:							
Salaries and Wages	890,000	-	890,000	862,641	27,359	-	-
Salaries and Wages - Overtime	25,000	-	25,000	14,947	10,053	-	-
Salaries and Wages - Retirements	13,500	-	13,500	13,500	-	-	-
Other Expenses	150,000	-	168,000	159,667	8,333	-	-
Snow Removal:							
Salaries and Wages - Overtime	75,000	-	75,000	62,520	12,480	-	-
Other Expenses	25,000	-	25,000	22,759	2,241	-	-
Division of Sewers:							
Salaries and Wages	105,500	-	105,500	105,500	-	-	-
Salaries and Wages - Overtime	10,000	-	10,000	6,784	3,216	-	-
Other Expenses	10,000	-	20,000	7,655	12,345	-	-
Other Expenses - Repairs	25,000	-	25,000	23,474	1,526	-	-
Solid Waste Collection:							
Other Expenses - Type 10 (Contract)	675,000	-	618,500	611,510	6,990	-	-
Other Expenses - Recycling (Contract)	125,000	-	125,000	123,996	1,004	-	-
Recycling:							
Salaries and Wages	5,000	-	5,000	-	5,000	-	-
Vehicle Maintenance:							
Salaries and Wages	30,000	-	-	-	-	-	-
Other Expenses	1	-	1	-	1	-	-
<u>Health and Human Services</u>							
Public Health Services:							
Salaries and Wages	5,000	-	5,000	5,000	-	-	-
Other Expenses	2,500	-	2,500	2,352	148	-	-
Other Expenses - (Wallington)	2,000	-	2,000	-	2,000	-	-
Other Expenses - (Contract)	27,671	-	27,671	27,671	-	-	-
Animal Control:							
Other Expenses	5,000	-	5,000	-	5,000	-	-
Other Expenses - (Contract)	17,346	-	17,346	17,346	-	-	-

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated			Expended		Unexpended	
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Park and Recreation Functions</u>							
Recreational Services & Programs:							
Salaries and Wages	\$ 17,500	\$ -	\$ 17,500	\$ 17,500	\$ -	\$ -	\$ -
Other Expenses	82,000	-	82,000	68,851	13,149	-	-
Other Expenses - Project Graduation	1,500	-	1,500	1,500	-	-	-
Other Expenses - Memorial Day	5,000	-	5,000	5,000	-	-	-
Other Expenses - Senior Citizens Center	3,500	-	3,500	3,478	22	-	-
Other Expenses - Senior Dinner Dance	3,000	-	3,000	2,900	100	-	-
Other Expenses - Community Projects & Activities	5,000	-	5,000	3,538	1,462	-	-
Other Expenses - Summer Program	5,000	-	5,000	-	5,000	-	-
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	167,500	-	167,500	165,864	1,636	-	-
Salaries and Wages - (Special Court Sessions)	5,000	-	5,000	4,675	325	-	-
Other Expenses	15,000	-	15,000	14,265	735	-	-
Public Defender:							
Salaries and Wages	-	-	-	-	-	-	-
<u>Code Enforcement & Administration:</u>							
Salaries and Wages	237,500	-	237,500	236,945	555	-	-
Other Expenses	5,000	-	5,000	4,928	72	-	-
<u>Utility Expenses and Bulk Purchases</u>							
Electricity	250,000	-	250,000	245,198	4,802	-	-
Street Lighting	225,000	-	225,000	218,613	6,387	-	-
Telephone	100,000	-	100,000	90,639	9,361	-	-
Gasoline	128,000	-	128,000	123,113	4,887	-	-
<u>Landfill/Solid Waste Disposal Costs</u>							
Dump Fees	75,000	-	65,000	54,796	10,204	-	-
Total Operations - Within "CAPS"	\$ 13,162,494	\$ -	\$ 13,162,494	\$ 12,226,278	\$ 636,216	\$ 300,000	\$ -
Contingent	-	-	-	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	\$ 13,162,494	\$ -	\$ 13,162,494	\$ 12,226,278	\$ 636,216	\$ 300,000	\$ -
Detail:							
Salaries and Wages	\$ 6,983,751	\$ -	\$ 6,912,751	\$ 6,507,765	\$ 329,986	\$ 75,000	\$ -
Other Expenses	\$ 6,178,743	\$ -	\$ 6,249,743	\$ 5,718,513	\$ 306,230	\$ 225,000	\$ -

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated			Expended		Unexpended	
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"							
<u>Deferred Charges</u>							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Statutory Expenditures</u>							
Public Employees' Retirement System (PERS)	309,806	-	309,806	309,806	-	-	-
Social Security System (O.A.S.I.)	250,000	-	250,000	250,000	-	-	-
Police and Firemen's Retirement System (PFRS)	932,460	-	932,460	932,460	-	-	-
Local Firemen's Pension Fund	5,000	-	5,000	5,000	-	-	-
LOSAP - Fire	75,000	-	75,000	74,750	250	-	-
LOSAP - Ambulance	30,000	-	30,000	29,900	100	-	-
	\$ 1,602,266	\$ -	\$ 1,602,266	\$ 1,601,916	\$ 350	\$ -	\$ -
Total General Appropriations for Municipal Purposes - With	\$ 14,764,760	\$ -	\$ 14,764,760	\$ 13,828,194	\$ 636,566	\$ 300,000	\$ -

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated			Expended		Unexpended	
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - EXCLUDED FROM "CAPS"							
<u>Educational Functions</u>							
Maintenance of Free Public Library	\$ 740,549	\$ -	\$ 740,549	\$ 740,549	\$ -	\$ -	\$ -
<u>Utility Expenses & Bulk Purchases</u>							
Sewerage Processing & Disposal							
Other Expenses - PVSC	810,000	-	810,000	796,725	13,275	-	-
Other Expenses - Lodi BORO	20,000	-	20,000	20,000	-	-	-
Reserve for Tax Appeals	-	-	-	-	-	-	-
<u>Landfill/Solid Waste Disposal Costs</u>							
Garbage & Trash Removal Tonnage Tax	15,000	-	15,000	11,191	3,809	-	-
<u>Public and Private Programs Offset by Revenues</u>							
Recycling Tonnage Grant	62,945	-	62,945	62,945	-	-	-
Clean Communities Program	41,224	-	41,224	41,224	-	-	-
Body Armor Replacement Program	6,104	-	6,104	6,104	-	-	-
Total Operations Excluded from "CAPS"	\$ 1,695,822	\$ -	\$ 1,695,822	\$ 1,678,738	\$ 17,084	\$ -	\$ -
Detail:							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 1,695,822	\$ -	\$ 1,695,822	\$ 1,678,738	\$ 17,084	\$ -	\$ -

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriated			Expended		Unexpended		Overexpended
	2014 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"								
Capital Improvement Fund	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	-
Veterans Field Improvements	100,000	-	100,000	100,000	-	-	-	-
Total Capital Improvements - Excluded From "CAPS"	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	-
DEBT SERVICE - EXCLUDED FROM "CAPS"								
<u>Municipal Debt Service</u>								
Bond Principal	\$ 1,002,203	\$ -	\$ 1,002,203	\$ 1,002,203	\$ -	\$ -	\$ -	-
Bond Interest	916,708	-	916,708	911,205	-	5,503	-	-
Payment of Bond Anticipation Notes	39,200	-	39,200	39,200	-	-	-	-
Note Interest - BANs	58,000	-	58,000	58,000	-	-	-	-
Payment of Tax Refunding Bonds (2011)	140,000	-	140,000	140,000	-	-	-	-
Interest on Refunding Bonds (2011)	6,000	-	6,000	5,287	-	713	-	-
Payment of Tax Refunding Bonds (2013)	339,286	-	339,286	339,286	-	-	-	-
Interest on Refunding Bonds (2013)	21,000	-	21,000	20,669	-	331	-	-
NJEIT Trust Loan Principal	45,000	-	45,000	45,000	-	-	-	-
NJEIT Trust Loan Interest	38,308	-	38,308	38,305	-	3	-	-
NJEIT Fund Loan Principal	52,226	-	52,226	52,226	-	-	-	-
Special Emergency Notes - Interest	7,500	-	7,500	7,058	-	442	-	-
Total Debt Service - Excluded From "CAPS"	\$ 2,665,431	\$ -	\$ 2,665,431	\$ 2,658,439	\$ -	\$ 6,992	\$ -	-
DEFERRED CHARGES - EXCLUDED FROM "CAPS"								
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Special Emergency Authorizations 5 Years (N.J.S. 40A:4-53)	165,000	-	165,000	165,000	-	-	-	-
Deferred Charges Unfunded - Ord#1522-11 - Refunding B	-	-	-	-	-	-	-	-
Total General Appropriations for Municipal Purposes - Excl	\$ 4,676,253	\$ -	\$ 4,676,253	\$ 4,652,177	\$ 17,084	\$ 6,992	\$ -	-
Subtotal General Appropriations	\$ 19,441,013	\$ -	\$ 19,441,013	\$ 18,480,371	\$ 653,650	\$ 306,992	\$ -	-
Reserve for Uncollected Taxes	650,000	-	650,000	650,000	-	-	-	-
Total General Appropriations	\$ 20,091,013	\$ -	\$ 20,091,013	\$ 19,130,371	\$ 653,650	\$ 306,992	\$ -	-
Budget Appropriations - Adopted Budget	\$ 20,091,013	\$ -	\$ 20,091,013					
Budget Appropriations - Added by N.J.S. 40A:4-87	-	-	-					
Emergency Appropriations	-	-	-					
	\$ 20,091,013	\$ -	\$ 20,091,013					
Other Charges to Income:								
Interfund Advances Originating in Current Year			\$ -	\$ 30,150				
Refund of Prior Year's Revenue			-	249,663				
Shortfall in Federal & State Grant Fund			-	-				
Taxes Allocated to School and County:								
Local District School Tax			29,438,611	29,438,611				
County Tax Levy			5,129,504	5,129,504				
County Open Space			56,409	56,409				
Added County Taxes			3,121	3,121				
Added County Open Space			35	35				
			\$ 34,627,680	\$ 34,907,493				

**TOWNSHIP OF SADDLE BROOK
GRANT FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 234,011	\$ 293,461
Intergovernmental Receivable: Grants Receivable	\$ -	\$ -
Interfunds Receivable: Current Fund	\$ -	\$ -
Total Assets	<u>\$ 234,011</u>	<u>\$ 293,461</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves: Appropriated Reserves	\$ 165,070	\$ 166,884
Reserve for Encumbrances	8,004	16,304
Unappropriated Reserves	60,937	110,273
	<u>\$ 234,011</u>	<u>\$ 293,461</u>
Total Liabilities and Reserves	<u>\$ 234,011</u>	<u>\$ 293,461</u>

TOWNSHIP OF SADDLE BROOK
 GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2014

Program	Balance December 31, 2013	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2014
<u>Federal:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>State:</u>						
Clean Communities Program	\$ -	\$ 41,224	\$ -	\$ 41,224	\$ -	\$ -
Recycling Tonnage Grant	-	62,945	-	62,945	-	-
Body Armor Replacement Program	-	6,104	-	6,104	-	-
	<u>\$ -</u>	<u>\$ 110,273</u>	<u>\$ -</u>	<u>\$ 110,273</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	<u>\$ -</u>	<u>\$ 110,273</u>	<u>\$ -</u>	<u>\$ 110,273</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF SADDLE BROOK
 GRANT FUND
 SCHEDULE OF APPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2014

Program	Balance December 31, 2013	Budget	Paid or Charged	Adjustments	Balance December 31, 2014
<u>Federal:</u>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
<u>State:</u>					
Clean Communities Program	\$ 3,986	\$ 41,224	\$ 18,934	\$ -	\$ 26,276
Recycling Tonnage Grant	48,129	62,945	8,009	-	103,065
Body Armor Replacement Program	5,700	6,104	15,554	4,441	691
Drunk Driving Enforcement Fund	34,361	-	-	-	34,361
Alcohol Education & Rehabilitation Fund	677	-	-	-	677
	<u>\$ 92,853</u>	<u>\$ 110,273</u>	<u>\$ 42,497</u>	<u>\$ 4,441</u>	<u>\$ 165,070</u>
<u>Other:</u>					
Private Donation - Recreation	\$ 74,031	\$ -	\$ 74,031	\$ -	\$ -
	<u>\$ 74,031</u>	<u>\$ -</u>	<u>\$ 74,031</u>	<u>\$ -</u>	<u>\$ -</u>
 Grand Total	 <u>\$ 166,884</u>	 <u>\$ 110,273</u>	 <u>\$ 116,528</u>	 <u>\$ 4,441</u>	 <u>\$ 165,070</u>

TOWNSHIP OF SADDLE BROOK
 GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2014

Program	Balance December 31, 2013	Appropriated in 2014	Received in 2014	Adjustments	Balance December 31, 2014
<u>State:</u>					
Recycling Tonnage Grant	\$ 62,945	\$ 62,945	\$ 20,876	\$ -	\$ 20,876
Body Armor Replacement Program	6,104	6,104	2,862	-	2,862
Clean Communities Program	41,224	41,224	37,199	-	37,199
	<u>\$ 110,273</u>	<u>\$ 110,273</u>	<u>\$ 60,937</u>	<u>\$ -</u>	<u>\$ 60,937</u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)

	2014	2013
ASSETS		
Cash:		
Unemployment Trust Account	\$ 79,756	\$ 70,342
Self-Insurance Health Benefit Trust Account	121,495	5,739
Net Payroll Trust Account	27,810	27,810
Payroll Agency Trust Account	191,097	7,883
Animal Control Trust Account	26,659	22,144
Trust & Escrow Deposit Account	788,318	499,552
Public Defender Trust Account	24,884	22,144
Other Trust Account	302,244	89,518
POAA Trust Account	6,660	6,302
Pistol Range Trust Account	-	2,183
Disaster Relief Trust Account	-	2,999
Dedicated Uniform Fire Safety Trust Account	-	1,184
Mount Laurel Trust Account	616,161	616,912
Shade Tree Commission Trust Account	-	6,230
Senior Center Trust Account	-	1,524
Senior Center Trust Account - Donations Only	998	380
Community Activities Trust Account	1,141	1,229
Police Department Trust Account	22,416	22,394
Police Outside Duty Overtime Trust Account	26,169	27,617
Recreation Trust Account	1,531	1,529
	<u>\$ 2,237,339</u>	<u>\$ 1,435,615</u>
Deferred Compensation Plan Assets:		
Lincoln Financial Group - LOSAP	<u>\$ 1,449,873</u>	<u>\$ 1,465,675</u>
Interfund Receivable:		
Current Fund (Developers' Escrow)	\$ 429	\$ 429
Current Fund (Other Trust)	70,666	70,666
	<u>\$ 71,095</u>	<u>\$ 71,095</u>
Intergovernmental Receivable:		
Due From State of N.J.	\$ -	\$ -
Total Assets	<u>\$ 3,758,307</u>	<u>\$ 2,972,385</u>
LIABILITIES AND RESERVES		
Other Liabilities and Reserves:		
Net Payroll & Deductions Payable	\$ 218,907	\$ 35,693
Due to Victims of Crime Compensation Board (VCCB)	23,259	19,179
Reserve for Deferred Compensation Assets	1,449,873	1,465,675
Reserve for Health Self-Insurance Claims	121,495	5,739
Reserve for Animal Control Expenditures	26,659	22,144
Reserve for Unemployment Claims	79,756	70,342
Reserve for Public Defender Expenditures	1,625	2,965
Reserve for Developers' Escrow Deposits	788,747	499,981
Reserve for Special Escrow Management Account Expenditures	372,911	160,184
Reserve for Police Pistol Range Expenditures	-	2,183
Reserve for Disaster Relief Fund Expenditures	-	2,999
Reserve for Police Outside Duty Overtime Expenditures	26,169	27,617
Reserve for Senior Center Expenditures - Donations	998	380
Reserve for Senior Center Expenditures - Non Donations	-	1,524
Reserve for Uniform Fire Safety Act Expenditures	-	1,184
Reserve for Mount Laurel Expenditures	616,161	616,912
Reserve for Recreation Expenditures	1,530	1,529
Reserve for Shade Tree Expenditures	-	6,230
Reserve for Police Department Trust Expenditures	22,416	22,394
Reserve for Community Projects/Town Picnic Expenditures	1,141	1,229
Reserve for POAA Expenditures	6,660	6,302
	<u>\$ 3,758,307</u>	<u>\$ 2,972,385</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,758,307</u>	<u>\$ 2,972,385</u>

TOWNSHIP OF SADDLE BROOK
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)

	2014	2013
<u>ASSETS</u>		
Cash:		
General Capital Account	\$ (22,705)	\$ 128,223
	<u>\$ (22,705)</u>	<u>\$ 128,223</u>
Interfund Receivable:		
Current Fund	\$ 4,587,856	\$ 2,204,825
Water Utility Capital Fund	-	271,734
	<u>\$ 4,587,856</u>	<u>\$ 2,476,559</u>
Intergovernmental Receivable:		
Grants Receivable	\$ 787,211	\$ 278,942
N.J.E.I.T. Loans Receivable	56,846	56,846
	<u>\$ 844,057</u>	<u>\$ 335,788</u>
Deferred Charges:		
Funded	\$ 20,621,685	\$ 21,721,114
Unfunded	10,536,176	8,811,700
	<u>\$ 31,157,861</u>	<u>\$ 30,532,814</u>
Total Assets	<u>\$ 36,567,069</u>	<u>\$ 33,473,384</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Interfund Payable:		
Water Utility Capital Fund	\$ 275,643	\$ -
Water Utility Operating Fund	432,284	-
	<u>\$ 707,927</u>	<u>\$ -</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 59,207	\$ 57,207
Reserve for Payment of Debt Service	1,707,436	1,707,436
Reserve for Encumbrances	550,267	516,087
Reserve for Mount Laurel Development	100,000	100,000
	<u>\$ 2,416,910</u>	<u>\$ 2,380,730</u>
Improvement Authorizations:		
Funded	\$ 643,910	\$ 261,960
Unfunded	3,657,956	1,687,825
	<u>\$ 4,301,866</u>	<u>\$ 1,949,785</u>
Serial Bonds Payable	<u>\$ 19,148,478</u>	<u>\$ 20,150,681</u>
Bond Anticipation Notes Payable	<u>\$ 8,290,214</u>	<u>\$ 7,243,200</u>
Loans Payable	<u>\$ 1,473,207</u>	<u>\$ 1,570,433</u>
Fund Balance	<u>\$ 228,467</u>	<u>\$ 178,555</u>
Total Liabilities and Reserves	<u>\$ 36,567,069</u>	<u>\$ 33,473,384</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUND RECEIVABLE
 YEAR ENDED DECEMBER 31, 2014

Description	Balance December 31, 2013	Interfunds Advanced	Interfunds Returned	Balance December 31, 2014
Due From - Current Fund	\$ 2,204,825	\$ 2,765,057	\$ 382,026	\$ 4,587,856
Due From - Water Utility Capital Fund	271,734	-	271,734	-
	<u>\$ 2,476,559</u>	<u>\$ 2,765,057</u>	<u>\$ 653,760</u>	<u>\$ 4,587,856</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF GRANTS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2014

Program	Balance December 31, 2013	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2014
<u>Federal:</u>						
U.S. Dept. of Transportation Passed Thru - State of NJ Department of Transportation - Oxford Avenue - Phase III	\$ 17,428	\$ -	\$ -	\$ -	\$ -	\$ 17,428
U.S. Dept. of Housing and Urban Development Passed Thru - Bergen County Community Development - Senior Citizen ADA Improvements	261,514	-	-	-	-	261,514
U.S. Dept. of Housing and Urban Development Passed Thru - Bergen County Community Development - Polling Place ADA Improvements	-	106,250	-	-	-	106,250
	<u>\$ 278,942</u>	<u>\$ 106,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,192</u>
<u>State:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other:</u>						
Bergen County Open Space, Recreation, Farmland & Historic Preservation Trust - Improvements to Veterans Field	\$ -	\$ 402,019	\$ -	\$ -	\$ -	\$ 402,019
	<u>\$ -</u>	<u>\$ 402,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,019</u>
Grand Total	<u>\$ 278,942</u>	<u>\$ 508,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 787,211</u>

TOWNSHIP OF SADDLE BROOK
GENERAL CAPITAL FUND
SCHEDULE OF N.J.E.I.T. LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2014

<u>Program</u>	<u>Balance December 31, 2013</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance December 31, 2014</u>
N.J.E.I.T. Loan Receivable	<u>\$ 56,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,846</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
 YEAR ENDED DECEMBER 31, 2014

E-5

	Balance December 31, 2013	Paid By Budget	Serial Bonds Issued	Balance December 31, 2014	Analysis of Balance	
					Outstanding Bonds	Outstanding Notes
Improvement						
3/14/06 General Improvement Bonds	\$ 17,275,681	\$ (677,203)	-	\$ 16,598,478	\$ 16,598,478	\$ -
8/31/10 General Improvement Bonds	2,875,000	(325,000)	-	2,550,000	2,550,000	-
11/8/07 Environmental Infrastructure Trust Loan	845,000	(45,000)	-	800,000	-	800,000
11/8/07 State of NJ Fund Loan	725,433	(52,226)	-	673,207	-	673,207
	<u>\$ 21,721,114</u>	<u>\$ (1,099,429)</u>	<u>\$ -</u>	<u>\$ 20,621,685</u>	<u>\$ 19,148,478</u>	<u>\$ 1,473,207</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 YEAR ENDED DECEMBER 31, 2014

Improvement	Balance	Reserve for	Serial	Paid By	Cancelled	Balance	Analysis of Balance				
	December 31, 2013					Payment of Debt Applied	BANs Paid By Budget	Bonds Issued	BAN Premium	December 31, 2014	Outstanding BANs
#1429-07 Renovation & Expansion of Library	\$ 1,475,000	\$ -	\$ -	\$ -	\$ -	\$ 1,450,000	\$ 500,000	\$ 950,000	\$ -		
#1518-11 Various Sanitary Sewer Improvements	95,000	-	(25,000)	-	-	93,000	93,000	-	-		
#1519-11 Replace Water Mains	939,000	-	(2,200)	-	-	926,000	926,000	-	-		
#1522-11 Tax Appeal Refunding Bonds	420,000	-	(12,000)	-	-	280,000	280,000	-	-		
#1526-12 Signal Improvements - Market Street	1,500,000	-	(140,000)	-	-	1,500,000	1,500,000	-	-		
#1537-12 Acq. of Communication & Signal Equipment	114,200	-	-	-	-	114,200	114,200	-	-		
#1542-12 Acq. of Equipment/Machinery/Vehicles	1,123,800	-	-	-	-	1,123,800	1,123,800	-	-		
#1551-13 Township Wide Drainage Improvements	152,000	-	-	-	-	152,000	152,000	-	-		
#1552-13 Various Sanitary Sewer System Improvements	95,000	-	-	-	-	95,000	95,000	-	-		
#1559-13 Tax Appeal Refunding	2,375,000	-	(339,286)	-	-	2,035,714	2,035,714	-	-		
#1560-13 Various Public Improvements	523,500	-	-	-	-	523,500	523,500	-	-		
#1575-14 Various Public Improvements	-	947,000	-	-	-	947,000	947,000	-	-		
#1579-14 Various Improvements to Veterans Field	-	1,295,962	-	-	-	1,295,962	-	1,295,962	-		
	\$ 8,811,700	\$ 2,242,962	\$ (518,486)	\$ -	\$ -	\$ 10,536,176	\$ 8,290,214	\$ 2,245,962	\$ -		

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUND PAYABLE
 YEAR ENDED DECEMBER 31, 2014

Description	Balance		Interfunds		Balance
	December 31, 2013		Advanced	Returned	
Due To - Water Utility Capital Fund	\$ -	\$	545,316	269,673	\$ 275,643
Due To - Water Utility Operating Fund	-	-	516,899	84,615	432,284
	\$ -	\$	1,062,215	354,288	\$ 707,927

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2014

Description	Balance December 31, 2013	Current Fund Appropriation	Used to Finance Authorizations	Cancelled Funded Authorizations	Balance December 31, 2014
Capital Improvement Fund	\$ 57,207	\$ 50,000	\$ (48,000)	\$ -	\$ 59,207

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
 YEAR ENDED DECEMBER 31, 2014

Ordinance	Balance December 31, 2013	Current Fund Revenue	Other Cash Receipts	Current Fund Appropriation	Cancelled Funded Authorizations	Balance December 31, 2014
#1429-07 - Revovation & Expansion of Library	\$ 460,000	\$ -	\$ -	\$ -	\$ -	460,000
#1526-12 - Signal Improvements - Market Street	1,247,436	-	-	-	-	1,247,436
	<u>\$ 1,707,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,707,436</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF ENCUMBRANCES PAYABLE
 YEAR ENDED DECEMBER 31, 2014

Vendor	Ordinance Number	Contract Number	Balance December 31, 2013	Accrued	Paid	Cancellations and Adjustments	Balance December 31, 2014
Various	Various	Various	\$ 516,087	\$ 1,277,061	\$ 1,242,881	\$ -	\$ 550,267
			\$ 516,087	\$ 1,277,061	\$ 1,242,881	\$ -	\$ 550,267

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR MOUNT LAUREL DEVELOPMENT
 YEAR ENDED DECEMBER 31, 2014

Description	Balance December 31, 2013	Current Fund Appropriation	Used to Finance Authorizations	Cancelled	Balance December 31, 2014
Unidentified Projects	\$ 100,000	\$ -	\$ -	\$ -	100,000

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2014

Description	Balance - January 1, 2014		Authorized 2014				Reserve		Expended	Retunds/ Adjustments	Cancellations	Balance - December 31, 2014	
	Funded	Unfunded	Capital Improvement Fund	Capital Surplus	Grants	Raised in Current Fund	Bonds & Notes Authorized	Funded				Unfunded	
	\$	\$	\$	\$	\$	\$	\$	\$				\$	
#1317 Various Equipment Purchases	606	-	-	-	-	-	-	-	-	-	-	606	-
#1318 Various Public Improvements	1,486	-	-	-	-	-	-	-	-	-	-	1,486	-
#1319 Road & Drainage Improvement Program	10,265	-	-	-	-	-	-	-	-	-	-	10,265	-
#1355/1378 Improvements to Veteran's Field	20,771	-	-	-	-	-	-	-	-	-	-	20,771	-
#1424 Purchase & Improvement of Land	59,343	-	-	-	-	-	-	-	-	-	-	59,343	-
#1429 Renovation & Expansion of Library	-	1,044,921	-	-	-	-	-	328	-	-	-	-	1,044,593
#1441 Oxford Ave. Road & Drainage Impts. - PH II	14,223	-	-	-	-	-	-	-	-	-	-	14,223	-
#1471 Senior Center ADA Improvements	59,590	-	-	-	-	-	-	-	-	-	-	59,590	-
#1474 Oxford Avenue - PH III	21,689	-	-	-	-	-	-	-	-	-	-	21,689	-
#1479 DPW Facility Rehabilitation - Phase I	11,526	-	-	-	-	-	-	-	-	-	-	11,526	-
#1485 New Fire Department Ladder Truck	27,893	-	-	-	-	-	-	2,880	-	-	-	25,013	-
#1518-11 Various Sanitary Sewer Improvements	-	49,024	-	-	-	-	-	327	-	-	-	-	48,697
#1519-11 Replace Water Mains	-	-	-	-	-	-	-	11,277	122,361	-	-	111,084	-
#1526-12 Signal Improvements - Market Street	-	-	-	-	-	-	-	1,098	1,098	-	-	-	-
#1537-12 Acq. of Communication & Signal Equipment	-	7,925	-	-	-	-	-	68,561	68,561	-	-	-	-
#1542-12 Acq. of Equipment/Machinery/Vehicles	-	48,252	-	-	-	-	-	1,280	-	-	-	-	6,645
#1547-13 Veterans Field Barrier Free Improvements	35,568	-	-	-	-	-	-	80,300	32,048	-	-	-	-
#1551-13 Township Wide Drainage Improvements	-	93,327	-	-	-	-	-	21,120	215,705	-	-	14,448	-
#1552-13 Various Sanitary Sewer System Improvements	-	65,099	-	-	-	-	-	276,184	14,264	-	-	-	32,848
#1559-13 Tax Appeal Refunding	-	-	-	-	-	-	-	79,363	1,603	-	-	-	-
#1560-13 Various Public Improvements	-	379,277	-	-	-	-	-	97,535	469	-	-	-	282,211
#1574-14 Polling Places Barrier Free Improvements	-	-	-	-	-	-	-	976	-	-	-	105,274	-
#1575-14 Various Public Improvements	-	-	48,000	-	-	-	-	32,594	-	-	-	15,406	947,000
#1579-14 Various Improvements to Veterans Field	-	-	-	-	402,019	-	-	629,852	-	-	-	174,186	1,295,962
	261,960	1,687,825	48,000	-	508,269	402,019	1,305,278	1,305,278	456,109	-	-	643,910	3,657,956

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED DECEMBER 31, 2014

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2013	Issued In 2014	Paid by Budget Appropriation	Balance December 31, 2014
3/14/06 General Improvement Bonds	\$ 21,394,943	\$ 17,275,681	\$ -	\$ 677,203	\$ 16,598,478
8/31/10 General Improvement Bonds	3,705,000	2,875,000	-	325,000	2,550,000
		<u>\$ 20,150,681</u>	<u>\$ -</u>	<u>\$ 1,002,203</u>	<u>\$ 19,148,478</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
 YEAR ENDED DECEMBER 31, 2014

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2013	Reserve for Payment of Debt Applied	Serial Bonds Issued	Renewal	Ordinance Cancelled	Budget Paydown	Balance December 31, 2014
13-1R												
#1429-07 Renovation & Expansion of Library	\$ 950,000	11/09/10	08/28/13	08/28/14	1.30%	\$ 525,000	\$ -	\$ -	\$ 500,000	\$ -	\$ 25,000	\$ -
#1518-11 Various Sanitary Sewer Improvements	95,200	11/08/11	08/28/13	08/28/14	1.30%	95,200	-	-	93,000	-	2,200	-
#1519-11 Replace Water Mains	938,000	11/08/11	08/28/13	08/28/14	1.30%	938,000	-	-	926,000	-	12,000	-
#1522-11 Tax Appeal Refunding Bonds	560,000	09/25/12	08/28/13	08/28/14	1.30%	420,000	-	-	280,000	-	140,000	-
#1526-12 Signal Improvements - Market Street	1,500,000	09/25/12	08/28/13	08/28/14	1.30%	1,500,000	-	-	1,500,000	-	-	-
#1537-12 Acq. of Communication & Signal Equipment	114,200	09/25/12	08/28/13	08/28/14	1.30%	114,200	-	-	114,200	-	-	-
#1542-12 Acq. of Equipment/Machinery/Vehicles	1,123,800	08/28/13	08/28/13	08/28/14	1.30%	1,123,800	-	-	1,123,800	-	-	-
#1551-13 Township Wide Drainage Improvements	152,000	08/28/13	08/28/13	08/28/14	1.30%	152,000	-	-	152,000	-	-	-
						\$ 4,868,200	\$ -	\$ -	\$ 4,689,000	\$ -	\$ 179,200	\$ -
13-2R												
#1559-13 Tax Appeal Refunding	\$ 2,375,000	12/27/13	12/27/13	08/28/14	1.30%	\$ 2,375,000	\$ -	\$ -	\$ 2,035,714	\$ -	\$ 339,286	\$ -
14-1R												
#1429-07 Renovation & Expansion of Library	\$ 950,000	11/09/10	08/28/14	08/28/15	1.25%	\$ -	-	500,000	-	-	-	500,000
#1518-11 Various Sanitary Sewer Improvements	95,200	11/08/11	08/28/14	08/28/15	1.25%	-	-	93,000	-	-	-	93,000
#1519-11 Replace Water Mains	938,000	11/08/11	08/28/14	08/28/15	1.25%	-	-	926,000	-	-	-	926,000
#1522-11 Tax Appeal Refunding Bonds	560,000	09/25/12	08/28/14	08/28/15	1.25%	-	-	280,000	-	-	-	280,000
#1526-12 Signal Improvements - Market Street	1,500,000	09/25/12	08/28/14	08/28/15	1.25%	-	-	1,500,000	-	-	-	1,500,000
#1537-12 Acq. of Communication & Signal Equipment	114,200	09/25/12	08/28/14	08/28/15	1.25%	-	-	114,200	-	-	-	114,200
#1542-12 Acq. of Equipment/Machinery/Vehicles	1,123,800	08/28/13	08/28/14	08/28/15	1.25%	-	-	1,123,800	-	-	-	1,123,800
#1542-12 Acq. of Equipment/Machinery/Vehicles	152,000	08/28/13	08/28/14	08/28/15	1.25%	-	-	152,000	-	-	-	152,000
#1551-13 Township Wide Drainage Improvements	95,000	08/28/14	08/28/14	08/28/15	1.25%	-	-	95,000	-	-	-	95,000
#1552-13 Various Sanitary Sewer System Improvements	2,375,000	12/27/13	08/28/14	08/28/15	1.25%	-	-	2,035,714	-	-	-	2,035,714
#1559-13 Tax Appeal Refunding	523,500	08/28/14	08/28/14	08/28/15	1.25%	-	-	523,500	-	-	-	523,500
#1560-13 Various Public Improvements	947,000	08/28/14	08/28/14	08/28/15	1.25%	-	-	947,000	-	-	-	947,000
						\$ -	\$ -	\$ 8,290,214	\$ -	\$ -	\$ -	\$ 8,290,214
						\$ 7,243,200	\$ 8,290,214	\$ -	\$ 6,724,714	\$ -	\$ 518,486	\$ 8,290,214

TOWNSHIP OF SADDLE BROOK
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2014

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2013</u>	<u>Issued In 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2014</u>
11/8/07 Environmental Infrastructure Trust Loan	\$ 1,040,000	\$ 845,000	\$ -	\$ 45,000	\$ 800,000
11/8/07 State of NJ Fund Loan	\$ 983,154	725,433	-	52,226	673,207
		<u>\$ 1,570,433</u>	<u>\$ -</u>	<u>\$ 97,226</u>	<u>\$ 1,473,207</u>

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF FUND BALANCE
 YEAR ENDED DECEMBER 31, 2014

Description	Balance December 31, 2013	Increased by			Decreased by Fund Balance Anticipated	Balance December 31, 2014
		Bond/BAN Premiums	Cancelled Funded Authorizations	Other Cash Receipts		
Fund Balance	\$ 178,555	\$ 47,095	\$ -	\$ 2,817	\$ -	\$ 228,467

TOWNSHIP OF SADDLE BROOK
 GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2014

Improvement Description	Balance December 31, 2013	Authorized	BANs Issued	Bonds Issued	BANs Paid By Budget	Balance December 31, 2014
#1429-07 Renovation & Expansion of Library	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ 950,000
#1542-12 Acq. of Equipment/Machinery/Vehicles	-	-	-	-	-	-
#1551-13 Township Wide Drainage Improvements	-	-	-	-	-	-
#1552-13 Various Sanitary Sewer System Improvements	95,000	-	95,000	-	-	-
#1559-13 Tax Appeal Refunding	-	-	-	-	-	-
#1560-13 Various Public Improvements	523,500	-	523,500	-	-	-
#1575-14 Various Public Improvements	-	947,000	947,000	-	-	-
#1579-14 Various Public Improvements	-	1,295,962	-	-	-	1,295,962
	<u>\$ 1,568,500</u>	<u>\$ 2,242,962</u>	<u>\$ 1,565,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,245,962</u>

**TOWNSHIP OF SADDLE BROOK
WATER UTILITY OPERATING FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 950,101	\$ 1,365,538
Change Funds	20	20
	<u>\$ 950,121</u>	<u>\$ 1,365,558</u>
Consumer Accounts Receivable	<u>\$ 248,364</u>	<u>\$ 232,924</u>
Interfund Receivable:		
Water Utility Capital Fund	\$ 82,504	\$ 82,504
Current Fund	-	15,140
General Capital Fund	432,284	-
	<u>\$ 514,788</u>	<u>\$ 97,644</u>
Other Assets:		
Water Utility Liens	<u>\$ 3,571</u>	<u>\$ 3,571</u>
Total Assets	<u>\$ 1,716,844</u>	<u>\$ 1,699,697</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts Payable	<u>\$ -</u>	<u>\$ 13,087</u>
Reserve for Encumbrances	<u>\$ 125,447</u>	<u>\$ 122,173</u>
Interfund Payable:		
Current Fund	<u>\$ 15,010</u>	<u>\$ -</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 19,503	\$ 20,100
Accrued Interest on Notes (BANs)	2,310	952
Reserve for Receivables	251,935	236,495
Water Rent Overpayments	19,369	27,245
Appropriation Reserves	49,329	58,144
	<u>\$ 342,446</u>	<u>\$ 342,936</u>
Fund Balance	<u>\$ 1,233,941</u>	<u>\$ 1,221,501</u>
Total Liabilities and Reserves	<u>\$ 1,716,844</u>	<u>\$ 1,699,697</u>

**TOWNSHIP OF SADDLE BROOK
 WATER UTILITY OPERATING FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014**

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ -	\$ -	\$ -
Water Rents	\$ 2,489,000	\$ 2,578,801	\$ 89,801
Interest on Delinquencies	10,000	14,319	4,319
Interest on Investments & Deposits	1,000	1,388	388
	<u>\$ 2,500,000</u>	<u>\$ 2,594,508</u>	<u>\$ 94,508</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	\$ -	\$ 36,639	\$ 36,639
Miscellaneous Revenue Not Anticipated	-	14,843	14,843
Cancellations & Adjustments	-	-	-
	<u>\$ -</u>	<u>\$ 51,482</u>	<u>\$ 51,482</u>
Fund Balance - Water Utility Capital	\$ -	\$ -	\$ -
Total Revenues and Credits to Income	<u>\$ 2,500,000</u>	<u>\$ 2,645,990</u>	<u>\$ 145,990</u>

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY OPERATING FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014

	Appropriations			Expended		Unexpended	
	Adopted Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 240,000	\$ -	\$ 240,000	\$ 240,000	\$ -	\$ -	-
Salaries and Wages - Overtime	65,000	-	65,000	52,412	12,588	-	-
Group Insurance	60,000	-	60,000	60,000	-	-	-
Other Expenses	25,000	-	159,525	159,523	2	-	-
Bulk WaterPurchase (United Water)	1,750,000	-	1,591,000	1,590,668	332	-	-
Bulk WaterPurchase (Garfield CITY)	40,000	-	40,000	25,220	14,780	-	-
Fire Hydrant Service (Garfield CITY)	15,000	-	14,475	8,309	6,166	-	-
Repairs and Maintenance	40,000	-	126,000	125,389	611	-	-
Engineering	10,000	-	10,000	-	10,000	-	-
Audit	5,000	-	5,000	5,000	-	-	-
	<u>\$ 2,250,000</u>	<u>\$ -</u>	<u>\$ 2,311,000</u>	<u>\$ 2,266,521</u>	<u>\$ 44,479</u>	<u>\$ -</u>	<u>-</u>
Capital Improvements:							
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Capital Outlay	65,850	-	4,850	-	4,850	-	-
	<u>\$ 65,850</u>	<u>\$ -</u>	<u>\$ 4,850</u>	<u>\$ -</u>	<u>\$ 4,850</u>	<u>\$ -</u>	<u>-</u>
Debt Service:							
Payment of Bonds	\$ 47,797	\$ -	\$ 47,797	\$ 47,797	\$ -	\$ -	-
Payment of BAN's & Capital Notes	3,884	-	3,884	3,884	-	-	-
Interest on Bonds	59,703	-	59,703	59,703	-	-	-
Interest on Notes	2,766	-	2,766	2,766	-	-	-
	<u>\$ 114,150</u>	<u>\$ -</u>	<u>\$ 114,150</u>	<u>\$ 114,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Deferred Charges:							
Prior Year Bills	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Overexpenditures	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Statutory Expenditures:							
Public Employee Retirement System	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	-
Social Security System	20,000	-	20,000	20,000	-	-	-
	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Deficit in Operations in Prior Years							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Surplus (General Budget)							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Appropriations	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ 2,450,671</u>	<u>\$ 49,329</u>	<u>\$ -</u>	<u>-</u>
Other Charges to Income:							
Refund of Prior Year's Revenue				<u>\$ 133,550</u>			

**TOWNSHIP OF SADDLE BROOK
 WATER UTILITY OPERATING FUND
 SCHEDULE OF CASH
 YEAR ENDED DECEMBER 31, 2014**

Cash Balance, December 31, 2013		\$	1,365,558
Receipts:			
Rents	\$	2,570,925	
Interest on Delinquencies		14,319	
Interfunds		140,162	
Miscellaneous Receipts		447	
Other Adjustments		14,395	
Non-Budget Revenue			
Interest Earned		1,388	
			<u>2,741,636</u>
			4,107,194
Disbursements:			
Budget Appropriations	\$	2,211,073	
Appropriation Reserves		21,505	
Reserve for Encumbrances		122,173	
Accounts Payable		13,087	
Refund of Prior Year Revenue		132,173	
Interfunds		657,062	
			<u>3,157,073</u>
Cash Balance, December 31, 2014		\$	<u>950,121</u>

**TOWNSHIP OF SADDLE BROOK
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$	232,924
Increased by:			
Billed	\$	2,594,731	
Record Current Year Overpayments		<u>19,369</u>	
			<u>2,614,100</u>
			<u>2,847,024</u>
Decreased by:			
Collections - Cash	\$	2,570,925	
Billing Adjustments	\$	490	
Overpayments Applied		<u>27,245</u>	
			<u>2,598,660</u>
Balance, December 31, 2014		<u>\$</u>	<u>248,364</u>

TOWNSHIP OF SADDLE BROOK
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUND RECEIVABLE
YEAR ENDED DECEMBER 31, 2014

F-6

Description	Balance December 31, 2013	Interfunds Advanced	Interfunds Returned	Balance December 31, 2014
Due From - Water Utility Capital Fund	\$ 82,504	\$ -	-	\$ 82,504
Due From - Current Fund	15,140	-	15,140	-
Due From - General Capital Fund	-	600,349	168,065	432,284
	<u>\$ 97,644</u>	<u>\$ 600,349</u>	<u>\$ 183,205</u>	<u>\$ 514,788</u>

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY OPERATING FUND
 SCHEDULE OF WATER UTILITY LIENS
 YEAR ENDED DECEMBER 31, 2014

F-7

Description	Balance	Amounts	Remitted/ Cancelled	Balance
	December 31, 2013	Transferred To Lien		December 31, 2014
Unidentified Lien Balances	\$ 3,571	\$ -	\$ -	\$ 3,571
	<u>\$ 3,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,571</u>

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY OPERATING FUND
 SCHEDULE OF ACCOUNTS/CONTRACTS PAYABLE
 YEAR ENDED DECEMBER 31, 2014

Vendor	Ordinance Number	Contract Number	Balance December 31, 2013	Accrued	Paid	Cancellations and Adjustments	Balance December 31, 2014
Various	Various	Various	\$ 13,087	- \$	13,087 \$	- \$	-
			\$ 13,087	- \$	13,087 \$	- \$	-