

**TOWNSHIP OF SADDLE BROOK  
County of Bergen, New Jersey**

**NJ Comprehensive Annual Financial Report  
Year Ended December 31, 2013  
(With Independent Auditors' Reports Thereon)**

**TOWNSHIP OF SADDLE BROOK  
NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2013**

---

<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 Statement of Assets, Liabilities, Reserves and Fund Balance -- All Fund Types and Account Groups - Regulatory Basis.....	8
A-2 Combined Statement of Revenues, Expenses and Changes in Fund Balance -- Regulatory Basis.....	9
A-3 Statement of Revenues, Expenses and Changes in Fund Balance -- Regulatory Basis - Budget & Actual - Current Fund.....	10
A-4 Statement of Revenues, Expenses 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.....	13-21
Note 3 - Cash and Cash Equivalents.....	22
Note 4 - Investments.....	23
Note 5 - Receivables.....	24
Note 6 - Commitments.....	25
Note 7 - Fixed Assets.....	26
Note 8 - Municipal Debt.....	27-32
Note 9 - Risk Management.....	33
Note 10 - Interfunds.....	34
Note 11 - Deferred Charges to be Raised in Succeeding Budgets.....	35
Note 12 - Retirement Plans.....	36-43
Note 13 - Other Post Retirement Benefits.....	44
Note 14 - Deferred Compensation Plans.....	45
Note 15 - Contingencies.....	46
Note 16 - Subsequent Events.....	47
<u>Supplementary Data</u>	
<u>Current Fund</u>	
B-1 Schedule of Assets, Liabilities and Fund Balance - Regulatory Basis.....	48
B-2 Schedule of Revenues and Other Credits to Income - Regulatory Basis.....	49
B-3 Schedule of Expenditures and Other Charges to Income - Regulatory Basis.....	50-55
<u>Federal and State Grant Fund</u>	
C-1 Schedule of Assets, Liabilities and Reserves - Regulatory Basis.....	56
C-2 Schedule of Grants Receivable.....	57
C-3 Schedule of Appropriated Reserves.....	58
C-4 Schedule of Unappropriated Reserves.....	59
<u>Trust Fund</u>	
D-1 Schedule of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis.....	60

**TOWNSHIP OF SADDLE BROOK  
NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2013**

---

<u>Reference</u>		<u>Page</u>
	<u>FINANCIAL SECTION (Continued)</u>	
	<u>Supplementary Data (Continued)</u>	
	<u>General Capital Fund</u>	
E-1	Schedule of Assets, Liabilities and Fund Balance - Regulatory Basis.....	61
E-2	Schedule of Loans Payable.....	62
E-3	Schedule of Deferred Charges to Future Taxation - Unfunded.....	63
E-4	Schedule of Improvement Authorizations.....	64
E-5	Schedule of Serial Bonds Payable.....	65
E-6	Schedule of Bond Anticipation Notes Payable.....	66
E-7	Schedule of Bonds and Notes Authorized but not Issued.....	67
E-8	Schedule of Deferred Charges to Future Taxation - Funded.....	68
E-9	Schedule of Grants Receivable.....	69
	<u>Water Utility Fund</u>	
F-1	Schedule of Assets, Liabilities and Fund Balance - Regulatory Basis.....	70
F-2	Schedule of Revenues and Other Credits to Income - Regulatory Basis.....	71
F-3	Schedule of Expenditures and Other Charges to Income - Regulatory Basis.....	72
F-4	Schedule of Assets, Liabilities and Fund Balance - Regulatory Basis.....	73
F-5	Schedule of Fixed Capital Authorized & Uncompleted.....	74
F-6	Schedule of Improvement Authorizations.....	75
F-7	Schedule of Serial Bonds Payable.....	76
F-8	Schedule of Bond Anticipation Notes Payable.....	77
F-9	Schedule of Bonds and Notes Authorized but not Issued.....	78
	<u>General Fixed Asset Account Group</u>	
G-1	Schedule of Assets and Fund Balance - Regulatory Basis.....	79
G-2	Schedule of Reserve for General Fixed Assets.....	80

**TOWNSHIP OF SADDLE BROOK  
NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2013**

---

<u>Reference</u>		<u>Page</u>
<u>STATISTICAL SECTION</u>		
J-1	Adopted Budgets.....	82
J-2	Fund Balance Summary.....	83
J-3	Tax Levy and Collection Data.....	84
J-4	Assessed and County Equalized Valuation Data.....	85-86
J-5	Tax Requirement and Rate Data.....	87
J-6	Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita.....	88
J-7	Legal Debt Margin.....	89
J-8	Direct and Overlapping Debt.....	90
J-9	Ratio of Annual Debt Service Appropriations to Total Adopted Current Fund Appropriat	91
J-10	Demographic Statistics.....	92
J-11	Ten Largest Taxpayers by Assessment.....	93
J-12	Value of New Construction, Improvements, Alterations and Demolitions.....	94
<u>SINGLE AUDIT SECTION</u>		
K-1	Independent Auditors' Report.....	96-97
K-3	Schedule of Expenditures of Federal Awards.....	98
K-4	Schedule of Expenditures of State Financial Assistance.....	99
K-5	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.....	100-101
K-6	Schedule of Findings and Questioned Costs.....	102-106
K-7	Summary Schedule of Prior Audit Findings.....	107
<u>GENERAL COMMENTS AND RECOMMENDATIONS</u>		
	Cash Cycle.....	109
	Revenues/Receipts Cycle.....	110
	Expenditures/Disbursements Cycle.....	111
	Payroll Cycle.....	112
	Fixed Assets.....	113
	Long Term Debt.....	114
	Other Significant Matters.....	115
	Recommendations.....	116
	Status of Prior Years' Recommendations.....	117

TOWNSHIP OF SADDLE BROOK  
NJ Comprehensive Annual Financial Report  
Introductory Section

**TOWNSHIP OF SADDLE BROOK  
 ROSTER OF OFFICIALS  
 YEAR ENDED DECEMBER 31, 2013**

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	
Ray Carnevale	Chief Financial Officer	
Michele Sanzari	Tax Collector	
	Tax Search Officer	
Linda Pellicier	Central Cashier	
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	
Art 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, 2013 and 2012, the related statement of operations and changes in fund balance - *regulatory basis* - for the years then ended, and the related statement of revenues - *regulatory basis* - and statement of expenditures - *regulatory basis* - of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the 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, 2013 and 2012, 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 \$1,465,675 and \$1,194,515 for 2013 and 2012 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, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 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 supplementary data schedules 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 supplementary data schedules listed in the table of contents and the schedules of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 supplementary data 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 on the basis of accounting as described in Note 2.

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, 2014 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, 2014

**TOWNSHIP OF SADDLE BROOK**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**  
**ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS**  
**DECEMBER 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR 2012)**

	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 (Memorandum Only)	
								2013	2012
<b><u>ASSETS AND OTHER DEBITS</u></b>									
Cash	\$ 3,850,396	\$ 293,461	\$ 1,435,615	\$ 128,223	\$ 1,365,558	\$ 77,908	\$ -	\$ 7,151,161	\$ 7,575,516
Deferred Compensation Assets	-	-	1,465,675	-	-	-	-	1,465,675	1,194,515
Consumer Accounts Receivable	-	-	-	-	232,924	-	-	232,924	269,252
Interfunds Receivable	-	-	71,095	2,476,559	152,176	191,568	-	2,891,398	1,364,712
Intergovernmental Receivable	-	-	-	335,788	-	-	-	335,788	335,788
Other Receivables	1,482,375	-	-	-	3,571	-	-	1,485,946	1,570,528
Deferred Charges	545,000	-	-	30,532,814	-	-	-	31,077,814	29,289,378
Fixed Capital Authorized & Uncompleted	-	-	-	-	-	2,237,992	-	2,237,992	237,992
Fixed Capital	-	-	-	-	-	2,447,026	-	2,447,026	2,447,026
Fixed Assets	-	-	-	-	-	-	33,923,398	33,923,398	33,923,398
<b>Total Assets and Other Debits</b>	<b>\$ 5,877,771</b>	<b>\$ 293,461</b>	<b>\$ 2,972,385</b>	<b>\$ 33,473,384</b>	<b>\$ 1,754,229</b>	<b>\$ 4,954,494</b>	<b>\$ 33,923,398</b>	<b>\$ 83,249,122</b>	<b>\$ 78,208,105</b>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>									
Interfunds Payable	\$ 2,428,096	\$ -	\$ -	\$ -	\$ 54,532	\$ 408,770	\$ -	\$ 2,891,398	\$ 1,364,712
Accounts/Encumbrances Payable	-	-	-	516,087	135,260	-	-	651,347	209,396
Other Liabilities and Reserves	883,319	293,461	2,972,385	1,864,643	342,936	17,748	-	6,374,492	5,876,027
Improvement Authorizations	-	-	-	1,949,785	-	1,742,959	-	3,692,744	3,443,021
Intergovernmental Payable	6,748	-	-	-	-	-	-	6,748	10,998
Serial Bonds Payable	-	-	-	20,150,681	-	1,219,319	-	21,370,000	22,370,000
Bond Anticipation Notes Payable	-	-	-	7,243,200	-	214,200	-	7,457,400	3,971,600
Loan Payable	-	-	-	1,570,433	-	-	-	1,570,433	1,668,646
Special Emergency Note Payable	545,000	-	-	-	-	-	-	545,000	560,000
Reserve for Receivables & Other Assets	1,482,375	-	-	-	-	-	-	1,482,375	1,653,606
Reserve for Investment in Fixed Assets	-	-	-	-	-	-	33,923,398	33,923,398	33,923,398
Reserve for Amortization	-	-	-	-	-	1,227,706	-	1,227,706	1,181,558
Reserve for Deferred Amortization	-	-	-	-	-	123,792	-	123,792	23,792
Fund Balance	532,233	-	-	178,555	1,221,501	-	-	1,932,289	1,951,351
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$ 5,877,771</b>	<b>\$ 293,461</b>	<b>\$ 2,972,385</b>	<b>\$ 33,473,384</b>	<b>\$ 1,754,229</b>	<b>\$ 4,954,494</b>	<b>\$ 33,923,398</b>	<b>\$ 83,249,122</b>	<b>\$ 78,208,105</b>

**TOWNSHIP OF SADDLE BROOK  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -  
 REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013**

	Current Fund	Water Utility Fund	Total
<b>REVENUES AND OTHER CREDITS TO INCOME</b>			
Revenues:			
Fund Balance Anticipated	\$ 220,000	\$ -	\$ 220,000
Miscellaneous	2,992,605	-	2,992,605
Receipts from Delinquent Taxes	708,232	-	708,232
Amount to be Raised by Taxation - Local	766,099	-	766,099
Amount to be Raised by Taxation - Library	15,468,341	-	15,468,341
Water Rents	-	2,463,232	2,463,232
Interest on Delinquencies	-	16,895	16,895
Interest on Investments & Deposits	-	2,109	2,109
Receipts of Delinquent Rents	-	-	-
Total Revenues	20,155,277	2,482,236	22,637,513
Other Credits to Income	34,086,183	250,026	34,336,209
Total Revenues and Other Credits to Income	\$ 54,241,460	\$ 2,732,262	\$ 56,973,722
<b>EXPENDITURES AND OTHER CHARGES TO INCOME</b>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 6,957,370	\$ -	\$ 6,957,370
Other Expenses	6,290,226	-	6,290,226
Deferred Charges	-	-	-
Statutory Expenditures	1,691,384		
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	315,000	315,000
Other Expenses	1,710,849	1,950,000	3,660,849
Capital Improvements	280,805	54,532	335,337
Debt Service	2,264,175	110,468	2,374,643
Deferred Charges and Statutory Expenditures	265,000	70,000	335,000
Deficit in Operations in Prior Years	-	-	-
Reserve for Uncollected Taxes	750,000	-	750,000
Total Expenditures	20,209,809	2,500,000	21,018,425
Other Charges to Income	34,131,371	4,353	34,135,724
Total Expenditures and Charges to Income	\$ 54,341,180	\$ 2,504,353	\$ 55,154,149
Statutory Excess to Fund Balance	(99,720)	227,909	128,189
Deferred Charges to Budget of Succeeding Year	125,000	-	125,000
Fund Balance, January 1	726,953	993,592	1,720,545
	752,233	1,221,501	1,973,734
Decreased by:			
Utilization as Anticipated Revenue	220,000	-	220,000
Fund Balance, December 31	\$ 532,233	\$ 1,221,501	\$ 1,753,734

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

**TOWNSHIP OF SADDLE BROOK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - BUDGET & ACTUAL -- CURRENT FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budget as Modified	Actual	Variance
<b><u>REVENUES AND OTHER CREDITS TO INCOME</u></b>			
Revenues:			
Fund Balance Anticipated	\$ 220,000	\$ 220,000	\$ -
Miscellaneous Revenues	3,247,828	2,992,605	(255,223)
Receipts from Delinquent Taxes	371,104	708,232	337,128
Amount to be Raised by Taxation - Local	766,099	766,099	-
Amount to be Raised by Taxation - Library	15,479,778	15,468,341	(11,437)
Total Revenues	20,084,809	20,155,277	70,468
Other Credits to Income	33,433,830	34,086,183	652,353
Total Revenues and Other Credits to Income	<u>\$ 53,518,639</u>	<u>\$ 54,241,460</u>	<u>\$ 722,821</u>
<b><u>EXPENDITURES AND OTHER CHARGES TO INCOME</u></b>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 6,957,370	\$ 6,957,370	\$ -
Other Expenses	6,290,226	6,290,226	-
Deferred Charges	-	-	-
Statutory Expenditures	1,691,384	1,691,384	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	1,710,849	1,710,849	-
Capital Improvements	280,805	280,805	-
Municipal Debt Service	2,264,175	2,264,175	-
Deferred Charges	265,000	265,000	-
Reserve for Uncollected Taxes	750,000	750,000	-
Total Expenditures	20,209,809	20,209,809	-
Other Charges to Income	33,433,830	34,131,371	697,541
Total Expenditures and Charges to Income	<u>\$ 53,643,639</u>	<u>\$ 54,341,180</u>	<u>\$ 697,541</u>
Statutory Excess to Current Fund Balance		(99,720)	
Deferred Charges to Budget of Succeeding Year		125,000	
Fund Balance, January 1		726,953	
		\$ 752,233	
Decreased by:			
Utilization as Anticipated Revenue		220,000	
Fund Balance, December 31		<u>\$ 532,233</u>	

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

**TOWNSHIP OF SADDLE BROOK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - BUDGET & ACTUAL -- WATER UTILITY OPERATING FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budget as Modified	Actual	Variance
<b><u>REVENUES AND OTHER CREDITS TO INCOME</u></b>			
Revenues:			
Fund Balance Anticipated	\$ -	\$ -	\$ -
Water Rents	2,489,000	2,463,232	(25,768)
Interest on Delinquencies	10,000	16,895	6,895
Interest on Investments & Deposits	1,000	2,109	1,109
Receipts of Delinquent Rents	-	-	-
Special Billing	-	-	-
Total Revenues	<u>2,500,000</u>	<u>2,482,236</u>	<u>(17,764)</u>
Other Credits to Income	-	250,026	250,026
Total Revenues and Other Credits to Income	<u>\$ 2,500,000</u>	<u>\$ 2,732,262</u>	<u>\$ 232,262</u>
<b><u>EXPENDITURES AND OTHER CHARGES TO INCOME</u></b>			
Expenditures:			
Operations:			
Salaries and Wages	\$ 315,000	\$ 315,000	\$ -
Other Expenses	1,950,000	1,950,000	-
Capital Improvements	54,532	54,532	-
Debt Service	110,468	110,468	-
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	-	4,353	4,353
Total Expenditures and Charges to Income	<u>\$ 2,500,000</u>	<u>\$ 2,504,353</u>	<u>\$ 4,353</u>
Statutory Excess to Current Fund Balance		<u>227,909</u>	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		<u>993,592</u>	
		<u>1,221,501</u>	
Decreased by:			
Utilization as Anticipated Revenue		-	
Fund Balance, December 31		<u>\$ 1,221,501</u>	

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

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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, 2013**

---

**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 November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**U. New Reporting Standard(s) (Continued)**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Township's financial reporting.

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.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Township's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the financial position of the Township but will require due diligence analysis and specific disclosure in the financial statements.

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, 2013**

---

**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>
2013	\$ 7,449,833	\$ 7,151,161

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, 2013.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**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, 2013.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 5 - Receivables**

New Jersey municipal accounting procedures require accrued receivables to be off-set with a reserve originating with a charge to operations. Exceptions to this requirement include those grants used to fund capital projects reflected in the General Capital Fund, amounts due from the State of New Jersey for Veterans and Senior Citizens Deductions and public and private programs qualifying for grant accounting treatment in the Federal and State Grant Fund.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 6 - Commitments**

The municipality is entered into a number of immaterial operating leases (postage and copy machines) which vary on cancellation provisions and other terms. Annual requirements are provided for in appropriate department budget appropriations.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 7 - Fixed Assets**

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

2013

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Adjustments</u>		<u>Ending 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, 2013**

---

**Note 8 - 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, 2013:**

\$21,394,943 - General Obligation Bonds (Bergen County Improvement Authority County 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, 2013 is \$17,275,681.

\$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, 2013 is \$2,875,000.

\$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, 2013 is \$845,000.

\$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, 2013 is \$725,433.

**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 Authority County 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, 2013 is \$1,219,319.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 8 - 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>2013</u>
Issued:	
School Bonds and Notes	14,990,000
General Bonds	20,150,681
Water Utility Bonds	1,219,319
Infrastructure Trust Loans	1,570,433
Bond Anticipation Notes - General	7,243,200
Bond Anticipation Notes - Water Utility	214,200
	<u>\$ 45,387,833</u>
Authorized but not Issued:	
General Bonds and Notes	\$ 1,568,500
Water Utility Bonds and Notes	1,900,000
	<u>\$ 3,468,500</u>
Gross Debt	<u>\$ 48,856,333</u>
Deductions	<u>\$ 22,615,955</u>
Net Debt	<u>\$ 26,240,378</u>
Equalized Valuation Basis	\$ 2,308,487,706
Statutory Net Debt Percentage	1.14%
3-1/2% of Equalized Valuation Basis	\$ 80,797,070
Remaining Borrowing Power	\$ 54,556,692

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**Note 8 - 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, 2013 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
2014	677,203	427,176	325,000	31,178
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	-	-
	<b>\$ 17,275,681</b>	<b>\$ 4,386,416</b>	<b>\$ 2,875,000</b>	<b>\$ 139,105</b>

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
2014	45,000	19,154	52,226	-
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	-
	<b>\$ 845,000</b>	<b>\$ 156,086</b>	<b>\$ 725,433</b>	<b>\$ -</b>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 8 - Municipal Debt (Continued)**

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

---

Calendar Year	Total	
	Principal	Interest
2014	1,099,429	477,508
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>\$ 21,721,114</u>	<u>\$ 4,681,607</u>

**Water Utility Bonds**

Calendar Year	3/7/06 General Improvement Bonds	
	Principal	Interest
2014	47,797	60,300
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>\$ 1,219,319</u>	<u>\$ 619,185</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**Note 8 - Municipal Debt (Continued)**

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2013 the following changes occurred in liabilities reported as general long-term debt:

**Loans and General Bonds**

	Beginning Balance	Issued	Retired	Ending Balance
<b>Short-Term Debt:</b>				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	3,757,400	7,243,200	(3,757,400)	7,243,200
Emergency Notes	-	-	-	-
	<u>\$ 3,757,400</u>	<u>\$ 7,243,200</u>	<u>\$ (3,757,400)</u>	<u>\$ 7,243,200</u>
<b>Long-Term Debt:</b>				
Serial Bonds	\$ 21,104,532	\$ -	\$ (953,851)	\$ 20,150,681
Loans/Notes Payable	1,668,646	-	(98,213)	1,570,433
Authorized but not Issued	2,073,800	3,145,500	(3,650,800)	1,568,500
	<u>\$ 24,846,978</u>	<u>\$ 3,145,500</u>	<u>\$ (4,702,864)</u>	<u>\$ 23,289,614</u>
	<u>\$ 28,604,378</u>	<u>\$ 10,388,700</u>	<u>\$ (8,460,264)</u>	<u>\$ 30,532,814</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
<b>Short-Term Debt:</b>			
Tax Anticipation Notes	\$ -		\$ -
Bond Anticipation Notes	7,243,200	7,243,200	-
Emergency Notes	-		-
	<u>\$ 7,243,200</u>	<u>\$ 7,243,200</u>	<u>\$ -</u>
<b>Long-Term Debt:</b>			
Serial Bonds	\$ 20,150,681	\$ 1,002,203	\$ 19,148,478
Loan Payable	1,570,433	97,226	1,473,207
Authorized but not Issued	1,568,500	-	1,568,500
	<u>\$ 23,289,614</u>	<u>\$ 1,099,429</u>	<u>\$ 22,190,185</u>
	<u>\$ 30,532,814</u>	<u>\$ 8,342,629</u>	<u>\$ 22,190,185</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**Note 8 - 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	214,200	(214,200)	214,200
Emergency Notes	-	-	-	-
	<u>\$ 214,200</u>	<u>\$ 214,200</u>	<u>\$ (214,200)</u>	<u>\$ 214,200</u>
Long-Term Debt:				
Serial Bonds	\$ 1,265,468	\$ -	\$ (46,149)	\$ 1,219,319
Loan Payable	-	-	-	-
Authorized but not Issued	-	1,900,000	-	1,900,000
	<u>\$ 1,265,468</u>	<u>\$ 1,900,000</u>	<u>\$ (46,149)</u>	<u>\$ 3,119,319</u>
	<u><u>\$ 1,479,668</u></u>	<u><u>\$ 2,114,200</u></u>	<u><u>\$ (260,349)</u></u>	<u><u>\$ 3,333,519</u></u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	214,200	214,200	-
Emergency Notes	-	-	-
	<u>\$ 214,200</u>	<u>\$ 214,200</u>	<u>\$ -</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>\$ 47,797</u>	<u>\$ 3,071,522</u>
	<u><u>\$ 3,333,519</u></u>	<u><u>\$ 261,997</u></u>	<u><u>\$ 3,071,522</u></u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 9 - 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:

CY2013 - \$74,207  
CY2012 - \$69,697  
CY2011 - \$146,168

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 10 - Interfunds**

As of December 31, 2013, interfund balances on the Township's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ -	\$ 2,428,096
Federal & State Grant Fund	-	-
Trust Fund	71,095	-
General Capital Fund	2,476,559	-
Water Utility Operating Fund	152,176	54,532
Water Utility Capital Fund	191,568	408,770
	<u>\$ 2,891,398</u>	<u>\$ 2,891,398</u>

Interfund balances are comprised of the following:

All interfund balances are due to expenditures paid from an incorrect fund except for \$50,000 that the Current Fund owes the General Capital Fund for the Capital Improvement Fund appropriation raised 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, 2013**

---

**Note 11 - Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, 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	545,000	165,000	380,000
	<u>\$ 545,000</u>	<u>\$ 165,000</u>	<u>\$ 380,000</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 12 - Retirement Plans**

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Police and Firemans' Retirement System of New Jersey (PFRS) and the Defined Contribution Retirement Program (DCRP). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
County Agencies	65	65
Municipalities	579	580
School Districts	580	581
Other Public Agencies	481	483
Total	<u>1,706</u>	<u>1,710</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey 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 or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

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.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**Note 12 - Retirement Plans (Continued)**

A. Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System.

For Tier 1 members, retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit, as defined Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS hired after May 21, 2010 (Tier 4 and Tier 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and Tier 5 members of PERS no longer receive pension service credit from more than one employer. Pension service credit is earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and Tier 5 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 78, P.L. 2011, provided that new members of PERS hired on or after June 28, 2011 (Tier 5 members) need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. Tier 5 members are eligible for a service retirement benefit at age 65.

Membership in the system consisted of the following at June 30, 2011 and 2010, the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	149,218	141,973
Active Members:		
Vested	149,719	149,506
Non-Vested	142,107	159,593
Total Active Members	291,826	309,099
Total	441,044	451,072

**TOWNSHIP OF SADDLE BROOK  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2013**

---

**Note 12 - Retirement Plans (Continued)**

B. Police and Firemen's Retirement System (PFRS)

Description of the System

State of New Jersey Police and Firemen's Retirement System (the System; PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
Municipalities	585	588
Total	<u>586</u>	<u>589</u>

The System's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is primarily responsible for its administration.

According to State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

**Note 12 - Retirement Plans (Continued)**

B. Police and Firemen's Retirement System (PFRS) (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, the annual benefit under special retirement for members enrolled after June 28, 2011 (Tier 3 members), is 60% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 65% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living (COLA) increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

TOWNSHIP OF SADDLE BROOK  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2013

---

**Note 12 - Retirement Plans (Continued)**

B. Police and Firemen's Retirement System (PFRS) (Continued)

Significant Legislation:

Pursuant to Chapter 1, P.L. 2010, for new members of PFRS hired after May 21, 2010 (Tier 2 members), this 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 required the pension benefit to be calculated using a three-year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2011 and 2010 the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	38,091	35,973
Active members:		
Vested	28,817	29,552
Non-vested	13,182	14,652
Total active members	41,999	44,204
Total	80,090	80,177

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 12 - Retirement Plans (Continued)**

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008,

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Eligibility

Individuals eligible for membership in the DCRP include:

- 1) State or local officials who are elected or appointed on or after July 1, 2007
- 2) Employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and
- 3) Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Membership Tier 3 enrollment (\$7,500 in 2009, subject to adjustment in future years) but who earn salary of at least \$1,500 annually.)

Employees enrolled in the PERS or TPAF on or after July 1, 2007 are subject to a maximum compensation limit for PERS and TPAF pension contributions. The maximum compensation is based on the annual maximum wage for Social Security (see chart below) and is subject to change at the start of each calendar year.

Enrollment

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.

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 12 - Retirement Plans (Continued)**

C. Defined Contribution Retirement Program (DCRP)

Retirement

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

TOWNSHIP OF SADDLE BROOK  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2013

---

**Note 12 - Retirement Plans (Continued)**

D. Contributions Required by Employer

	Year	Pension Cost	Percentage Contributed	Non-Contrib Health Ins./ERI/CH19	Pension Obligation
<i>Police and Firemens' Pension Fund (PFRS)</i>					
	2013	\$ 950,389	100.00%	\$ 61,938	\$ 1,012,327
<i>Public Employees Retirement System (PERS)</i>					
	2013	\$ 287,776	100.00%	\$ 16,281	\$ 304,057
<i>Defined Contribution Retirement Program (DCRP)</i>					
	2013	\$ -	100.00%	\$ -	-

E. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS, PFRS and DCRP financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 13 - 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. A detail of amounts due is on file in the Office of the Borough Clerk - 93 Market Street, Saddle Brook, NJ 07663 - (201) 587-2906.

In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The township approximates this liability at December 31, 2013 to be \$2,008,000.

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, 2013**

---

**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>2013</u>
Assets, Beginning of Year (Market Value)	\$ 1,194,515
Municipal Contribution	93,150
Earnings and Adjustments to Market Value	267,888
Payments to Eligible Volunteers	(84,332)
Charges and Credits	(5,546)
Assets, Ending of Year (Market Value)	<u>\$ 1,465,675</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

---

**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, 2013. 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, 2013, 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, 2013, 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, 2013**

---

**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 2014 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#1574-14 Barrier Free Improvements to Polling Places	\$ 106,250	\$ 106,250	\$ -
#1576-14 DPW Salt Shed & Roof Repair, Various Road Repairs, Sewer Impts.	995,000	48,000	947,000
	<u>\$ 1,101,250</u>	<u>\$ 154,250</u>	<u>\$ 947,000</u>

B. Bond Anticipation Notes

The Township's outstanding Bond Anticipation Notes as of the date of this report will mature on August 28, 2014. 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.

**TOWNSHIP OF SADDLE BROOK  
CURRENT FUND  
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	2013	2012
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Current Account	\$ 3,849,921	\$ 2,436,318
Change Funds	475	475
	<u>\$ 3,850,396</u>	<u>\$ 2,436,793</u>
Interfunds Receivable:		
Water Utility Operating Fund	\$ -	\$ 20,727
Water Utility Capital Fund	-	6,035
Animal Control Trust Fund	-	4,025
Developer's Escrow Trust Fund	-	752
Disaster Relief Trust Fund	-	16
Net Payroll Trust Fund	-	1,070
Payroll Agency Trust Fund	-	50,000
Police Off Duty Trust Fund	-	29
Treasurer's Trust Fund	-	1,712
Public Defender Trust	-	2,283
	<u>\$ -</u>	<u>\$ 86,649</u>
Other Receivables:		
Delinquent Property Taxes Receivable	\$ 620,300	\$ 713,376
Tax Title Liens Receivable	119,826	111,332
Property Acquired for Taxes - Assessed Valuation	742,249	742,249
	<u>\$ 1,482,375</u>	<u>\$ 1,566,957</u>
Deferred Charges:		
Emergency Authorizations	\$ -	\$ 125,000
Special Emergency Authorizations	545,000	560,000
	<u>\$ 545,000</u>	<u>\$ 685,000</u>
Total Assets and Other Debits	<u>\$ 5,877,771</u>	<u>\$ 4,775,399</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
General Capital Fund	\$ 2,204,825	\$ 1,040,032
Payroll Agency Trust Fund	-	2
Developer's Escrow Trust Fund	429	-
Treasurer's Trust Fund	70,666	-
Water Utility Operating Fund	15,140	-
Water Utility Capital Fund	137,036	-
	<u>\$ 2,428,096</u>	<u>\$ 1,040,034</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 388,223	\$ 127,663
Reserve for Encumbrances	248,334	260,958
Pre-Paid Taxes	246,762	324,922
Tax Overpayments	-	-
Library Taxes Payable	-	70,265
	<u>\$ 883,319</u>	<u>\$ 783,808</u>
Intergovernmental Payable		
Due County for Added & Omitted Taxes	\$ -	\$ 3,799
Due County for Added & Omitted Open Space Taxes	-	-
Due to State of New Jersey	6,748	7,199
	<u>\$ 6,748</u>	<u>\$ 10,998</u>
Special Emergency Note Payable	<u>\$ 545,000</u>	<u>\$ 560,000</u>
Reserve for Receivables and Other Assets	<u>\$ 1,482,375</u>	<u>\$ 1,653,606</u>
Fund Balance	<u>\$ 532,233</u>	<u>\$ 726,953</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 5,877,771</u>	<u>\$ 4,775,399</u>

**TOWNSHIP OF SADDLE BROOK**  
**CURRENT FUND**  
**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2013**

	Budget As Modified	Realized	Excess/ (Deficit)
<b>REVENUES</b>			
Fund Balance Anticipated	\$ 220,000	\$ 220,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 12,000	\$ 16,982	\$ 4,982
Other Licenses	31,000	28,206	(2,794)
Fees and Permits	175,000	107,918	(67,082)
Municipal Court Fines and Costs	213,000	178,326	(34,674)
Interest and Costs on Taxes	88,000	99,603	11,603
Interest on Investments and Deposits	15,000	8,299	(6,701)
Recycling Tonnage Grant	50,443	50,443	-
Consolidated Municipal Property Tax Relief	49,023	49,023	-
Energy Receipts Tax	1,391,144	1,391,144	-
Uniform Construction Code Fees	255,000	309,845	54,845
Clean Communities Program	19,274	19,274	-
Body Armor Replacement Program	7,033	7,033	-
Uniform Fire Safety Act	40,000	42,683	2,683
Cable TV Franchise Fee - Cablevision	126,616	126,616	-
Cable TV Franchise Fee - Verizon FIOS	60,156	60,156	-
Hotel Occupancy Tax	319,000	356,393	37,393
Transfer from Trust Fund	-	-	-
Industrial & Tax Exempt Sewer Charges	30,415	30,415	-
FEMA Reimbursements	-	-	-
Sewer Charges	24,918	246	(24,672)
Pension Reimbursement - Water Utility	50,000	50,000	-
Health Insurance Reimbursement - Water Utility	60,000	60,000	-
Capital Surplus	230,806	-	(230,806)
Total Miscellaneous Revenues	<u>\$ 3,247,828</u>	<u>\$ 2,992,605</u>	<u>\$ (255,223)</u>
Receipts From Delinquent Taxes	<u>\$ 371,104</u>	<u>\$ 708,232</u>	<u>\$ 337,128</u>
Amount to be Raised by Taxation - Local	<u>\$ 766,099</u>	<u>\$ 766,099</u>	<u>\$ -</u>
Amount to be Raised by Taxation - Library	<u>\$ 15,479,778</u>	<u>\$ 15,468,341</u>	<u>\$ (11,437)</u>
Total Revenues	<u>\$ 20,084,809</u>	<u>\$ 20,155,277</u>	<u>\$ 70,468</u>
<b>OTHER CREDITS TO INCOME</b>			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 419,312	\$ 419,312
Unexpended Balances of Appropriation Reserves	-	-	-
Interfund Loans Returned	-	86,647	86,647
Unexpended Balances Cancelled	-	8,192	8,192
Cancellations & Non-Cash Adjustments	-	138,202	138,202
Taxes Allocated to School and County:			
Local District School Tax	28,814,432	28,814,432	-
County Tax Levy	4,565,077	4,565,077	-
County Open Space	52,945	52,945	-
Added County Taxes	1,359	1,359	-
Added County Open Space	17	17	-
Total Other Credits to Income	<u>\$ 33,433,830</u>	<u>\$ 34,086,183</u>	<u>\$ 652,353</u>
Total Revenues and Other Credits to Income	<u>\$ 53,518,639</u>	<u>\$ 54,241,460</u>	<u>\$ 722,821</u>

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated		Expended		Unexpended		
	2013 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS"							
<u>General Government Functions</u>							
General Administration:							
Salaries and Wages	\$ 93,000	\$ -	\$ 93,000	\$ 89,192	\$ 3,808	\$ -	\$ -
Other Expenses	10,000	-	10,000	9,880	120	-	-
Other Expenses - Postage	15,000	-	19,500	19,337	163	-	-
Other Expenses - Contractual Services	20,000	-	20,000	18,395	1,605	-	-
Other Expenses - Computer Svce. Contract	50,000	-	50,000	47,831	2,169	-	-
Other Expenses - SBCTV	25,000	-	25,000	17,380	7,620	-	-
Office of the Mayor:							
Salaries and Wages	1	-	1	-	1	-	-
Other Expenses	4,000	-	4,000	1,320	2,680	-	-
Council:							
Salaries and Wages	23,750	-	23,750	23,746	4	-	-
Other Expenses	3,000	-	3,000	2,824	176	-	-
Municipal Clerk:							
Salaries and Wages	145,500	-	145,500	145,478	22	-	-
Other Expenses	8,500	-	6,500	3,822	2,678	-	-
Other Expenses - Land Use	1,000	-	1,000	-	1,000	-	-
Other Expenses - Codification of Ordinances	25,000	-	25,000	21,650	3,350	-	-
Other Expenses - Elections	25,000	-	14,000	13,034	966	-	-
Financial Administration:							
Salaries and Wages	164,500	-	164,500	164,500	-	-	-
Other Expenses	10,000	-	8,000	7,762	238	-	-
Other Expenses - Statements	20,250	-	20,250	20,250	-	-	-
Other Expenses - Special Financial Svcs.	1,000	-	1,000	-	1,000	-	-
Other Expenses - Supplemental Disclosure	2,975	-	2,975	2,975	-	-	-
Audit Services:							
Other Expenses	31,500	-	31,500	30,872	628	-	-
Other Expenses - Special	7,500	-	7,500	7,500	-	-	-
Revenue Administration:							
Salaries and Wages	85,000	-	85,000	85,000	-	-	-
Other Expenses	8,000	-	8,000	7,999	1	-	-
Tax Assessment Administration:							
Salaries and Wages	50,499	-	50,499	50,499	-	-	-
Other Expenses	3,000	125,000	128,000	126,578	1,422	-	-
Other Expenses - Tax Appeal Attorney	50,000	-	50,000	49,347	653	-	-
Other Expenses - Appraisals	50,000	-	50,000	49,550	450	-	-
Legal Services:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	95,000	-	95,000	94,954	46	-	-
Other Expenses	95,000	-	95,000	95,000	-	-	-
Engineering Services:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	25,000	-	25,000	25,000	-	-	-
<u>Land Use Administration</u>							
Planning Board:							
Salaries and Wages	5,200	-	5,200	5,200	-	-	-
Other Expenses	1,500	-	16,500	15,639	861	-	-
Zoning Board of Adjustment:							
Salaries and Wages	5,200	-	5,200	5,053	147	-	-
Other Expenses	3,000	-	3,000	2,965	35	-	-
<u>Insurance</u>							
Liability Insurance	185,000	-	185,000	184,155	845	-	-
Liability Insurance - Deductible	10,000	-	-	-	-	-	-
Worker Compensation Insurance	219,000	-	219,000	218,040	960	-	-
Employee Group Health	2,660,000	-	2,660,000	2,658,485	1,515	-	-
Employee Group Health - Cash in Lieu	4,000	-	4,000	-	4,000	-	-
Unemployment Compensation	75,000	-	75,000	74,207	793	-	-

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated		Expended		Unexpended		
	2013 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Public Safety Functions</u>							
Police:							
Salaries and Wages	\$ 3,853,720	\$ -	\$ 3,853,720	\$ 3,846,367	\$ 7,353	\$ -	\$ -
Salaries and Wages - Overtime	175,000	-	275,000	275,000	-	-	-
Salaries and Wages - Clothing Allowance	37,000	-	37,000	37,000	-	-	-
Other Expenses	65,000	-	90,000	88,368	1,632	-	-
Other Expenses - Purchase of Police Cars	45,000	-	45,000	38,292	6,708	-	-
Other Expenses - Lease of Police Cars	35,000	-	35,000	31,303	3,697	-	-
Civilian dispatchers:							
Salaries and Wages	83,500	-	83,500	82,803	697	-	-
School Marshals:							
Salaries and Wages	575,000	-	575,000	571,072	3,928	-	-
Other Expenses	1,000	-	1,000	861	139	-	-
Police Clerical:							
Salaries and Wages	30,500	-	30,500	30,000	500	-	-
Office of Emergency Management:							
Salaries and Wages	5,000	-	5,000	5,000	-	-	-
Other Expenses	2,500	-	2,500	2,286	214	-	-
Other Expenses - Consultant	15,000	-	-	-	-	-	-
Aid to Volunteer Ambulance Companies:							
Other Expenses	50,000	-	50,000	50,000	-	-	-
Fire Department:							
Other Expenses	105,000	-	105,000	104,911	89	-	-
Other Expenses - Clothing Allowance	76,000	-	76,000	75,800	200	-	-
Uniform Fire Safety Act:							
Salaries and Wages	103,500	-	103,500	103,500	-	-	-
Other Expenses	7,000	-	8,000	7,689	311	-	-
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	16,000	-	16,000	14,076	1,924	-	-
Other Expenses - Rental	1	-	1	-	1	-	-
Streets and Road Maintenance:							
Salaries and Wages	853,000	-	853,000	853,000	-	-	-
Salaries and Wages - Overtime	35,000	-	35,000	35,000	-	-	-
Other Expenses	125,000	-	185,000	180,038	4,962	-	-
Division of Sewers:							
Salaries and Wages	103,500	-	103,500	99,723	3,777	-	-
Other Expenses	10,000	-	11,000	10,235	765	-	-
Other Expenses - Pump Station Repairs	25,000	-	25,000	24,866	134	-	-
Solid Waste Collection:							
Other Expenses	775,000	-	662,500	662,162	338	-	-
Other Expenses - Recycling	125,000	-	125,000	123,996	1,004	-	-
Recycling:							
Salaries and Wages	5,000	-	2,000	496	1,504	-	-
Vehicle Maintenance:							
Salaries and Wages	60,000	-	5,000	-	5,000	-	-
<u>Health and Human Services</u>							
Public Health Services:							
Salaries and Wages	5,000	-	5,000	5,000	-	-	-
Other Expenses	70,000	-	70,000	69,882	118	-	-
Animal Control:							
Other Expenses	23,000	-	23,000	23,000	-	-	-

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated		Expended		Unexpended		
	2013 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	\$ 19,500	\$ -	\$ 19,500	\$ 19,150	\$ 350	\$ -	\$ -
Other Expenses	80,000	-	80,000	79,752	248	-	-
Other Expenses - Cheerleading Competition	8,500	-	8,500	8,425	75	-	-
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	3,482	18	-	-
Other Expenses - Senior Dinner Dance	3,000	-	3,000	3,000	-	-	-
Other Expenses - Community Projects & Activities	5,000	-	5,000	4,885	115	-	-
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	167,500	-	167,500	167,500	-	-	-
Salaries and Wages - (Special Court Situations)	10,000	-	10,000	8,241	1,759	-	-
Other Expenses	10,000	-	10,000	9,950	50	-	-
Public Defender:							
Salaries and Wages	1,500	-	1,500	1,479	21	-	-
<u>Code Enforcement &amp; Administration:</u>							
Salaries and Wages	212,500	-	212,500	212,429	71	-	-
Other Expenses	5,000	-	5,000	5,000	-	-	-
<u>Utility Expenses and Bulk Purchases</u>							
Electricity	250,000	-	250,000	246,118	3,882	-	-
Street Lighting	225,000	-	225,000	222,507	2,493	-	-
Telephone	85,000	-	101,000	100,203	797	-	-
Gasoline	140,000	-	125,000	124,506	494	-	-
<u>Landfill/Solid Waste Disposal Costs</u>							
Dump Fees	75,000	-	75,000	68,316	6,684	-	-
Total Operations - Within "CAPS"	\$ 13,125,596	\$ 125,000	\$ 13,247,596	\$ 13,145,105	\$ 102,491	\$ -	\$ -
Contingent	-	-	-	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	\$ 13,125,596	\$ 125,000	\$ 13,247,596	\$ 13,145,105	\$ 102,491	\$ -	\$ -
Detail:							
Salaries and Wages	\$ 6,915,370	\$ -	\$ 6,957,370	\$ 6,927,945	\$ 29,425	\$ -	\$ -
Other Expenses	\$ 6,210,226	\$ 125,000	\$ 6,290,226	\$ 6,217,160	\$ 73,066	\$ -	\$ -

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated			Expended		Unexpended	
	2013 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overexpenditure - #1468-09	-	-	-	-	-	-	-
Overexpenditure - #1480-09	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Statutory Expenditures</u>							
Public Employees' Retirement System	304,057	-	304,057	304,057	-	-	-
Social Security System (O.A.S.I.)	250,000	-	250,000	246,167	3,833	-	-
Police and Firemen's Retirement System	1,012,327	-	1,012,327	1,012,327	-	-	-
Local Firemen's Pension Fund	5,000	-	5,000	5,000	-	-	-
LOSAP - Fire	75,000	-	75,000	72,450	2,550	-	-
LOSAP - Ambulance	45,000	-	45,000	29,900	15,100	-	-
	<u>\$ 1,691,384</u>	<u>\$ -</u>	<u>\$ 1,691,384</u>	<u>\$ 1,669,901</u>	<u>\$ 21,483</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Appropriations for Municipal Purposes:	\$ 14,816,980	\$ 125,000	\$ 14,938,980	\$ 14,815,006	\$ 123,974	\$ -	\$ -

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated			Expended		Unexpended	
	2013 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	\$ 766,099	\$ -	\$ 766,099	\$ 766,099	\$ -	\$ -	\$ -
<u>Utility Expenses &amp; Bulk Purchases</u>							
Sewerage Processing & Disposal							
Other Expenses - PVSC	835,000	-	835,000	802,728	32,272	-	-
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	10,000	-	13,000	11,827	1,173	-	-
<u>Public and Private Programs Offset by Revenues</u>							
Recycling Tonnage Grant	50,443	-	50,443	50,443	-	-	-
Clean Communities Program	19,274	-	19,274	19,274	-	-	-
Body Armor Replacement Program	7,033	-	7,033	7,033	-	-	-
Total Operations Excluded from "CAPS"	\$ 1,707,849	\$ -	\$ 1,710,849	\$ 1,677,404	\$ 33,445	\$ -	\$ -
Detail:							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 1,707,849	\$ -	\$ 1,710,849	\$ 1,677,404	\$ 33,445	\$ -	\$ -

TOWNSHIP OF SADDLE BROOK  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2013

	Appropriated			Expended		Unexpended	
	2013 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Veterans Field Improvements	\$ 230,805		\$ 230,805	\$ 1	\$ 230,804	\$ -	\$ -
Total Capital Improvements - Excluded From "CAPS"	\$ 280,805	\$ -	\$ 280,805	\$ 50,001	\$ 230,804	\$ -	\$ -
DEBT SERVICE - EXCLUDED FROM "CAPS"							
<u>Municipal Debt Service</u>							
Bond Principal	\$ 953,851	\$ -	\$ 953,851	\$ 953,851	\$ -	\$ -	\$ -
Bond Interest	947,228	-	947,228	947,228	-	-	-
Payment of Bond Anticipation Notes	25,000	-	25,000	25,000	-	-	-
Note Interest - BANs	50,000	-	50,000	45,089	-	4,911	-
Payment of Tax Refunding Bonds (2011)	140,000	-	140,000	140,000	-	-	-
NJEIT Trust Loan Principal	45,000	-	45,000	45,000	-	-	-
NJEIT Trust Loan Interest	39,883	-	39,883	39,881	-	2	-
NJEIT Fund Loan Principal	53,213	-	53,213	53,213	-	-	-
Emergency Notes - Interest	-	-	-	-	-	-	-
Special Emergency Notes - Interest	10,000	-	10,000	6,721	-	3,279	-
Total Debt Service - Excluded From "CAPS"	\$ 2,264,175	\$ -	\$ 2,264,175	\$ 2,255,983	\$ -	\$ 8,192	\$ -
DEFERRED CHARGES - EXCLUDED FROM "CAPS"							
Emergency Authorizations	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -
Special Emergency Authorizations 5 Years (N.J.S. 40A:4-53)	140,000	-	140,000	140,000	-	-	-
Deferred Charges Unfunded - Ord#1522-11 - Refund	-	-	-	-	-	-	-
Total General Appropriations for Municipal Purposes	\$ 4,517,829	\$ -	\$ 4,520,829	\$ 4,248,388	\$ 264,249	\$ 8,192	\$ -
Subtotal General Appropriations	\$19,334,809	\$ 125,000	\$19,459,809	\$19,063,394	\$ 388,223	\$ 8,192	\$ -
Reserve for Uncollected Taxes	750,000	-	750,000	750,000	-	-	-
Total General Appropriations	\$20,084,809	\$ 125,000	\$20,209,809	\$19,813,394	\$ 388,223	\$ 8,192	\$ -
Budget Appropriations - Adopted Budget	\$20,084,809	\$ -	\$20,084,809				
Budget Appropriations - Added by <u>N.J.S.</u> 40A:4-87	-	-	-				
Emergency Appropriations	-	125,000	125,000				
	\$20,084,809	\$ 125,000	\$20,209,809				
Other Charges to Income:							
Interfund Advances Originating in Current Year			\$ -	\$ -			
Refund of Prior Year's Revenue			-	697,541			
Shortfall in Federal & State Grant Fund			-	-			
Taxes Allocated to School and County:							
Local District School Tax			28,814,432	28,814,432			
County Tax Levy			4,565,077	4,565,077			
County Open Space			52,945	52,945			
Added County Taxes			1,359	1,359			
Added County Open Space			17	17			
			\$33,433,830	\$34,131,371			

**TOWNSHIP OF SADDLE BROOK  
FEDERAL & STATE GRANT FUND  
SCHEDULE OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash	\$ 293,461	\$ 253,214
Intergovernmental Receivable:		
Grants Receivable	\$ -	\$ -
Interfunds Receivable:		
Current Fund	\$ -	\$ -
 Total Assets	 <u>\$ 293,461</u>	 <u>\$ 253,214</u>
<u>LIABILITIES AND RESERVES</u>		
Interfunds Payable:		
Trust Fund - Police Department Trust	\$ -	\$ -
General Capital Fund	-	9,400
	<u>\$ -</u>	<u>\$ 9,400</u>
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 166,884	\$ 123,868
Reserve for Encumbrances	16,304	-
Unappropriated Reserves	110,273	119,946
	<u>\$ 293,461</u>	<u>\$ 243,814</u>
 Total Liabilities and Reserves	 <u>\$ 293,461</u>	 <u>\$ 253,214</u>

TOWNSHIP OF SADDLE BROOK  
 FEDERAL & STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE  
 YEAR ENDED DECEMBER 31, 2013

Program	Balance December 31, 2012	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2013
<u>Federal:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>State:</u>						
Clean Communities Program	\$ -	\$ 19,274	\$ -	\$ 19,274	\$ -	\$ -
Recycling Tonnage Grant	-	50,443	-	50,443	-	-
Body Armor Replacement Program	-	7,033	-	7,033	-	-
	<u>\$ -</u>	<u>\$ 76,750</u>	<u>\$ -</u>	<u>\$ 76,750</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	<u>\$ -</u>	<u>\$ 76,750</u>	<u>\$ -</u>	<u>\$ 76,750</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF SADDLE BROOK  
 FEDERAL & STATE GRANT FUND  
 SCHEDULE OF APPROPRIATED RESERVES  
 YEAR ENDED DECEMBER 31, 2013

Program	Balance December 31, 2012	Budget	Paid or Charged	Adjustments	Balance December 31, 2013
<u>Federal:</u>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>State:</u>					
Clean Communities Program	\$ -	\$ 19,274	\$ 15,288	\$ -	\$ 3,986
Municipal Alliance on Alcoholism & Drug Abuse - State	-	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse - Local	-	-	-	-	-
Recycling Tonnage Grant	-	50,443	2,314	-	48,129
Body Armor Replacement Program	14,254	7,033	15,587	-	5,700
Drunk Driving Enforcement Fund	34,906	-	545	-	34,361
Alcohol Education & Rehabilitation Fund	677	-	-	-	677
	<u>\$ 49,837</u>	<u>\$ 76,750</u>	<u>\$ 33,734</u>	<u>\$ -</u>	<u>\$ 92,853</u>
<u>Other:</u>					
Private Donation - Recreation	\$ 74,031	\$ -	\$ -	\$ -	\$ 74,031
	<u>\$ 74,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,031</u>
 Grand Total	 <u>\$ 123,868</u>	 <u>\$ 76,750</u>	 <u>\$ 33,734</u>	 <u>\$ -</u>	 <u>\$ 166,884</u>

TOWNSHIP OF SADDLE BROOK  
 FEDERAL & STATE GRANT FUND  
 SCHEDULE OF UNAPPROPRIATED RESERVES  
 YEAR ENDED DECEMBER 31, 2013

Program	Balance December 31, 2012	Appropriated in 2013	Received in 2013	Adjustments	Balance December 31, 2013
<u>State:</u>					
Recycling Tonnage Grant	\$ 71,814	\$ 50,443	\$ 41,574	\$ -	\$ 62,945
Body Armor Replacement Program	9,897	7,033	3,240	-	6,104
Clean Communities Program	38,235	19,274	22,263	-	41,224
	<u>\$ 119,946</u>	<u>\$ 76,750</u>	<u>\$ 67,077</u>	<u>\$ -</u>	<u>\$ 110,273</u>

**TOWNSHIP OF SADDLE BROOK**  
**TRUST FUND**  
**SCHEDULE OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS**

	2013	2012
<b>ASSETS</b>		
Cash:		
Unemployment Trust Account	\$ 70,342	\$ 67,655
Self-Insurance Health Benefit Trust Account	5,739	5,728
Net Payroll Trust Account	27,810	37,821
Payroll Agency Trust Account	7,883	134,246
Animal Control Trust Account	22,144	21,746
Trust & Escrow Deposit Account	499,552	423,025
Public Defender Trust Account	22,144	23,337
Other Trust Account	89,518	104,004
POAA Trust Account	6,302	6,159
Pistol Range Trust Account	2,183	2,180
Disaster Relief Trust Account	2,999	3,010
Dedicated Uniform Fire Safety Trust Account	1,184	1,182
Mount Laurel Trust Account	616,912	1,566,512
Shade Tree Commission Trust Account	6,230	6,221
Senior Center Trust Account	1,524	1,522
Senior Center Trust Account - Donations Only	380	635
Community Activities Trust Account	1,229	987
Police Department Trust Account	22,394	22,360
Police Outside Duty Overtime Trust Account	27,617	38,202
Recreation Trust Account	1,529	-
	<u>\$ 1,435,615</u>	<u>\$ 2,466,532</u>
Deferred Compensation Plan Assets:		
Lincoln Financial Group - LOSAP	\$ 1,465,675	\$ 1,194,515
Interfund Receivable:		
Current Fund (Payroll Agency Trust)	\$ -	\$ 2
Current Fund (Developers' Escrow)	429	-
Current Fund (Treasurer's Trust)	70,666	-
Unemployment Trust (Payroll Agency Trust)	-	6,462
Net Payroll (Payroll Agency Trust)	-	4,880
Net Payroll (Unemployment Trust)	-	1,651
	<u>\$ 71,095</u>	<u>\$ 12,995</u>
Intergovernmental Receivable:		
Due From State of N.J.	\$ -	\$ -
	<u>\$ 2,972,385</u>	<u>\$ 3,674,042</u>
<b>LIABILITIES AND RESERVES</b>		
Interfunds Payable:		
Current Fund (Animal Control Trust)	\$ -	\$ 4,025
Current Fund (Other Trust)	-	1,712
Current Fund (Police Outside Duty Overtime Trust)	-	29
Current Fund (Disaster Relief Trust)	-	16
Current Fund (Developer's Escrow Trust)	-	752
Current Fund (Net Payroll Trust)	-	1,070
Current Fund (Payroll Agency Trust)	-	50,000
Current Fund (Public Defender Trust)	-	2,283
Payroll Agency Trust (Unemployment Trust)	-	6,462
Payroll Agency Trust (Net Payroll Trust)	-	4,880
Unemployment Trust (Net Payroll Trust)	-	1,651
	<u>\$ -</u>	<u>\$ 72,880</u>
Intergovernmental Payable:		
State of N.J.	\$ -	\$ -
Other Liabilities and Reserves:		
Net Payroll & Deductions Payable	\$ 35,693	\$ 125,810
Tax Title Lien Premiums Payable	-	-
Due to Victims of Crime Compensation Board (VCCB)	19,179	19,179
Reserve for Deferred Compensation Assets	1,465,675	1,194,515
Reserve for Health Self-Insurance Claims	5,739	5,728
Reserve for Animal Control Expenditures	22,144	17,721
Reserve for Unemployment Claims	70,342	62,844
Reserve for Public Defender Expenditures	2,965	1,875
Reserve for Developers' Escrow Deposits	499,981	422,273
Reserve for Special Escrow Management Account Expenditures	160,184	102,292
Reserve for Police Pistol Range Expenditures	2,183	2,180
Reserve for Disaster Relief Fund Expenditures	2,999	2,994
Reserve for Police Outside Duty Overtime Expenditures	27,617	38,173
Reserve for Senior Center Expenditures - Donations	380	635
Reserve for Senior Center Expenditures - Non Donations	1,524	1,522
Reserve for Uniform Fire Safety Act Expenditures	1,184	1,182
Reserve for Mount Laurel Expenditures	616,912	1,566,512
Reserve for Recreation Expenditures	1,529	-
Reserve for Shade Tree Expenditures	6,230	6,221
Reserve for Police Department Trust Expenditures	22,394	22,360
Reserve for Community Projects/Town Picnic Expenditures	1,229	987
Reserve for POAA	6,302	6,159
	<u>\$ 2,972,385</u>	<u>\$ 3,601,162</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,972,385</u>	<u>\$ 3,674,042</u>

**TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash:		
General Capital Account	\$ 128,223	\$ 963,889
	<u>\$ 128,223</u>	<u>\$ 963,889</u>
Interfund Receivable:		
Current Fund	\$ 2,204,825	\$ 1,040,032
Federal & State Grant Fund	-	9,400
Water Utility Capital Fund	271,734	66,000
	<u>\$ 2,476,559</u>	<u>\$ 1,115,432</u>
Intergovernmental Receivable:		
Grants Receivable	\$ 278,942	\$ 278,942
N.J.E.I.T. Loans Receivable	56,846	56,846
	<u>\$ 335,788</u>	<u>\$ 335,788</u>
Deferred Charges:		
Funded	\$ 21,721,114	\$ 22,773,178
Unfunded	8,811,700	5,831,200
	<u>\$ 30,532,814</u>	<u>\$ 28,604,378</u>
Total Assets	<u>\$ 33,473,384</u>	<u>\$ 31,019,487</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Interfund Payable:		
Water Utility Capital Fund	\$ -	\$ 125,171
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 57,207	\$ 46,707
Reserve for Payment of Debt Service	1,707,436	485,349
Reserve for Encumbrances	516,087	72,548
Reserve for Mount Laurel Development	100,000	100,000
	<u>\$ 2,380,730</u>	<u>\$ 704,604</u>
Improvement Authorizations:		
Funded	\$ 261,960	\$ 297,643
Unfunded	1,687,825	3,130,685
	<u>\$ 1,949,785</u>	<u>\$ 3,428,328</u>
Serial Bonds Payable	<u>\$ 20,150,681</u>	<u>\$ 21,104,532</u>
Bond Anticipation Notes Payable	<u>\$ 7,243,200</u>	<u>\$ 3,757,400</u>
Loans Payable	<u>\$ 1,570,433</u>	<u>\$ 1,668,646</u>
Fund Balance	<u>\$ 178,555</u>	<u>\$ 230,806</u>
Total Liabilities and Reserves	<u>\$ 33,473,384</u>	<u>\$ 31,019,487</u>

TOWNSHIP OF SADDLE BROOK  
 GENERAL CAPITAL FUND  
 SCHEDULE OF LOANS PAYABLE  
 YEAR ENDED DECEMBER 31, 2013

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2012	Issued In 2013	Paid by Budget Appropriation	Balance December 31, 2013
11/8/07 Environmental Infrastructure Trust Loan	\$ 1,040,000	\$ 890,000	\$ -	\$ 45,000	\$ 845,000
11/8/07 State of NJ Fund Loan	\$ 983,154	778,646	-	53,213	725,433
		<u>\$ 1,668,646</u>	<u>\$ -</u>	<u>\$ 98,213</u>	<u>\$ 1,570,433</u>

TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2013

Improvement	Balance		Reserve for Payment of Debt Applied	BANs Paid By Budget	Serial Bonds Issued	Paid By		Balance December 31, 2013	Analysis of Balance		
	December 31, 2012	Authorized				BAN Premium	Cancelled		Outstanding BANs	B&N Authorized	Capital Cash
#1429-07 Renovation & Expansion of Library	\$ 1,500,000	\$ -	\$ -	\$ (25,000)	\$ -	\$ -	\$ -	\$ 1,475,000	\$ 525,000	\$ 950,000	\$ -
#1518-11 Various Sanitary Sewer Improvements	95,200	-	-	-	-	-	-	95,200	95,200	-	-
#1519-11 Replace Water Mains	938,000	-	-	-	-	-	-	938,000	938,000	-	-
#1522-11 Tax Appeal Refunding Bonds	560,000	-	-	(140,000)	-	-	-	420,000	420,000	-	-
#1526-12 Signal Improvements - Market Street	1,500,000	-	-	-	-	-	-	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	-	-	-	-	-	2,375,000	2,375,000	-	-
#1560-13 Various Public Improvements	-	523,500	-	-	-	-	-	523,500	-	523,500	-
	<u>\$ 5,831,200</u>	<u>\$ 3,145,500</u>	<u>\$ -</u>	<u>\$ (165,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,811,700</u>	<u>\$ 7,243,200</u>	<u>\$ 1,568,500</u>	<u>\$ -</u>

TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2013

Description	Authorized 2013											Balance - December 31, 2013		
	Balance - January 1, 2013		Capital Improvement Fund	Capital Surplus	Grants	Bonds & Notes Authorized	Expended	Transferred to Deferred Chg.	Refunds/ Adjustments	Cancellations			Funded	Unfunded
	Funded	Unfunded											Funded	Unfunded
#1264/1289/1313 Construction of Recreation Fields	\$ 7,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
#1286/1296/1330/1348 Construction of Police Headquarters	1,386	-	-	-	-	-	1,386	-	-	-	-	-	-	
#1317 Various Equipment Purchases	6,936	-	-	-	-	-	6,330	-	-	-	-	606	-	
#1318 Various Public Improvements	-	-	-	-	-	-	-	-	1,486	-	-	1,486	-	
#1319 Road & Drainage Improvement Program	4,835	-	-	-	-	-	-	-	5,430	-	-	10,265	-	
#1355/1378 Improvements to Veteran's Field	20,771	-	-	-	-	-	-	-	-	-	-	20,771	-	
#1385 Sewerage Pump Station on Mayhill & 5th Streets	45,039	-	-	-	-	-	64,684	-	19,645	-	-	-	-	
#1424 Purchase & Improvement of Land	59,343	-	-	-	-	-	-	-	-	-	-	59,343	-	
#1429 Renovation & Expansion of Library	-	1,045,509	-	-	-	-	588	-	-	-	-	-	1,044,921	
#1441 Oxford Ave. Road & Drainage Impts. - PH II	14,223	-	-	-	-	-	-	-	-	-	-	14,223	-	
#1471 Senior Center ADA Improvements	48,586	-	-	-	-	-	36	-	10,040	-	-	58,590	-	
#1474 Oxford Avenue - PH III	21,689	-	-	-	-	-	-	-	-	-	-	21,689	-	
#1479 DPW Facility Rehabilitation - Phase I	11,056	-	-	-	-	-	-	-	470	-	-	11,526	-	
#1485 New Fire Department Ladder Truck	-	-	-	-	-	-	-	-	27,893	-	-	27,893	-	
#1518-11 Various Sanitary Sewer Improvements	-	49,024	-	-	-	-	-	-	-	-	-	-	49,024	
#1519-11 Replace Water Mains	-	45,550	-	-	-	-	45,550	-	-	-	-	-	-	
#1522-11 Tax Appeal Refunding Bonds	-	283,348	-	-	-	-	283,348	-	-	-	-	-	-	
#1526-12 Signal Improvements - Market Street	-	516,672	-	-	-	-	536,672	-	20,000	-	-	-	-	
#1537-12 Acq. of Communication & Signal Equipment	-	66,782	-	-	-	-	58,857	-	-	-	-	-	7,925	
#1542-12 Acq. of Equipment/Machinery/Vehicles	56,200	1,123,800	-	-	-	-	1,131,748	-	-	-	-	-	48,252	
#1547-13 Veterans Field Barrier Free Improvements	-	-	-	52,251	37,749	-	54,432	-	-	-	-	35,568	-	
#1551-13 Township Wide Drainage Improvements	-	-	8,000	-	-	152,000	66,673	-	-	-	-	-	93,327	
#1552-13 Various Sanitary Sewer System Improvements	-	-	5,000	-	-	95,000	34,901	-	-	-	-	-	65,099	
#1559-13 Tax Appeal Refunding	-	-	-	-	-	2,375,000	2,375,000	-	-	-	-	-	-	
#1560-13 Various Public Improvements	-	-	26,500	-	-	523,500	170,723	-	-	-	-	-	379,277	
	<u>\$ 297,643</u>	<u>\$ 3,130,685</u>	<u>\$ 39,500</u>	<u>\$ 52,251</u>	<u>\$ 37,749</u>	<u>\$ 3,145,500</u>	<u>\$ 4,838,507</u>	<u>\$ -</u>	<u>\$ 84,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,960</u>	<u>\$ 1,687,825</u>	

**TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2013**

---

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2012</u>	<u>Issued In 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2013</u>
3/14/06 General Improvement Bonds	\$ 21,394,943	\$ 17,929,532	\$ -	\$ 653,851	\$ 17,275,681
8/31/10 General Improvement Bonds	3,705,000	3,175,000	-	300,000	2,875,000
		<u>\$ 21,104,532</u>	<u>\$ -</u>	<u>\$ 953,851</u>	<u>\$ 20,150,681</u>

TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Issued	Reserve for Payment of Debt Applied	Serial Bonds Issued	Renewal	Ordinance Cancelled	Budget Paydown	Balance December 31, 2013
<b>12-1R</b>													
#1429-07 Renovation & Expansion of Library	\$ 950,000	11/09/10	11/08/12	09/25/13	1.20%	\$ 550,000	\$ -	\$ -	\$ -	\$ 525,000	\$ -	\$ 25,000	\$ -
#1518-11 Various Sanitary Sewer Improvements	95,200	11/08/11	11/08/12	09/25/13	1.20%	95,200	-	-	-	95,200	-	-	-
#1519-11 Replace Water Mains	938,000	11/08/11	11/08/12	09/25/13	1.20%	938,000	-	-	-	938,000	-	-	-
#1522-11 Tax Appeal Refunding Bonds	560,000	09/25/12	09/25/12	09/25/13	1.20%	560,000	-	-	-	420,000	-	140,000	-
#1526-12 Signal Improvements - Market Street	1,500,000	09/25/12	09/25/12	09/25/13	1.20%	1,500,000	-	-	-	1,500,000	-	-	-
#1537-12 Acq. of Communication & Signal Equipment	114,200	09/25/12	09/25/12	09/25/13	1.20%	114,200	-	-	-	114,200	-	-	-
						<u>\$ 3,757,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,592,400</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ -</u>
<b>13-1R</b>													
#1429-07 Renovation & Expansion of Library	\$ 950,000	11/09/10	08/28/13	08/28/14	1.30%	\$ -	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,000
#1518-11 Various Sanitary Sewer Improvements	95,200	11/08/11	08/28/13	08/28/14	1.30%	-	95,200	-	-	-	-	-	95,200
#1519-11 Replace Water Mains	938,000	11/08/11	08/28/13	08/28/14	1.30%	-	938,000	-	-	-	-	-	938,000
#1522-11 Tax Appeal Refunding Bonds	560,000	09/25/12	08/28/13	08/28/14	1.30%	-	420,000	-	-	-	-	-	420,000
#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
						<u>\$ -</u>	<u>\$ 4,868,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,868,200</u>
<b>13-2R</b>													
#1559-13 Tax Appeal Refunding	\$ 2,375,000	12/27/13	12/27/13	08/28/14	1.30%	\$ -	\$ 2,375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,375,000
						<u>\$ 3,757,400</u>	<u>\$ 7,243,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,592,400</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 7,243,200</u>

TOWNSHIP OF SADDLE BROOK  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
 YEAR ENDED DECEMBER 31, 2013

Improvement Description	Balance December 31, 2012	Authorized	BANs Issued	Bonds Issued	BANs Paid By Budget	Balance December 31, 2013
#1429-07 Renovation & Expansion of Library	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ 950,000
#1542-12 Acq. of Equipment/Machinery/Vehicles	1,123,800	-	1,123,800	-	-	-
#1551-13 Township Wide Drainage Improvements	-	152,000	152,000	-	-	-
#1552-13 Various Sanitary Sewer System Improvements	-	95,000	-	-	-	95,000
#1559-13 Tax Appeal Refunding	-	2,375,000	2,375,000	-	-	-
#1560-13 Various Public Improvements	-	523,500	-	-	-	523,500
	<u>\$ 2,073,800</u>	<u>\$ 3,145,500</u>	<u>\$ 3,650,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568,500</u>

**TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2013**

Improvement	Balance	Paid By Budget	Serial Bonds Issued	Balance	Analysis of Balance	
	December 31, 2012			December 31, 2013	Outstanding Bonds	Outstanding Notes
3/14/06 General Improvement Bonds	\$ 17,929,532	\$ (653,851)	\$ -	\$ 17,275,681	\$ 17,275,681	\$ -
8/31/10 General Improvement Bonds	3,175,000	(300,000)	-	2,875,000	2,875,000	-
11/8/07 Environmental Infrastructure Trust Loan	890,000	(45,000)	-	845,000	-	845,000
11/8/07 State of NJ Fund Loan	778,646	(53,213)	-	725,433	-	725,433
	<u>\$ 22,773,178</u>	<u>\$ (1,052,064)</u>	<u>\$ -</u>	<u>\$ 21,721,114</u>	<u>\$ 20,150,681</u>	<u>\$ 1,570,433</u>

TOWNSHIP OF SADDLE BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2013

Program	Balance December 31, 2012	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2013
<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>278,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,942</u>
<u>State:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>Other:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Grand Total	<u>\$ 278,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,942</u>

**TOWNSHIP OF SADDLE BROOK  
WATER UTILITY OPERATING FUND  
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 1,365,538	\$ 1,454,312
Change Funds	20	20
	<u>\$ 1,365,558</u>	<u>\$ 1,454,332</u>
Consumer Accounts Receivable	<u>\$ 232,924</u>	<u>\$ 269,252</u>
Interfund Receivable:		
Water Utility Capital Fund	\$ 137,036	\$ 224
Current Fund	15,140	-
	<u>\$ 152,176</u>	<u>\$ 224</u>
Other Assets:		
Water Utility Liens	<u>\$ 3,571</u>	<u>\$ 3,571</u>
Total Assets	<u>\$ 1,754,229</u>	<u>\$ 1,727,379</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts Payable	<u>\$ 13,087</u>	<u>\$ -</u>
Reserve for Encumbrances	<u>\$ 122,173</u>	<u>\$ 136,848</u>
Interfund Payable:		
Current Fund	\$ -	\$ 20,727
Water Utility Capital Fund	54,532	24,241
	<u>\$ 54,532</u>	<u>\$ 44,968</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 20,100	\$ 20,677
Accrued Interest on Notes (BANs)	952	685
Reserve for Receivables	236,495	272,823
Water Rent Overpayments	27,245	13,816
Appropriation Reserves	58,144	243,970
	<u>\$ 342,936</u>	<u>\$ 551,971</u>
Fund Balance	<u>\$ 1,221,501</u>	<u>\$ 993,592</u>
Total Liabilities and Reserves	<u>\$ 1,754,229</u>	<u>\$ 1,727,379</u>

**TOWNSHIP OF SADDLE BROOK  
WATER UTILITY OPERATING FUND  
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013**

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ -	\$ -	\$ -
Water Rents	\$ 2,489,000	\$ 2,463,232	\$ (25,768)
Interest on Delinquencies	10,000	16,895	6,895
Interest on Investments & Deposits	1,000	2,109	1,109
Receipts of Delinquent Rents	-	-	-
Special Billing	-	-	-
	<u>\$ 2,500,000</u>	<u>\$ 2,482,236</u>	<u>\$ (17,764)</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	\$ -	\$ 214,560	\$ 214,560
Deficit (General Budget)	-	-	-
Unexpended Balances Cancelled	-	-	-
Miscellaneous Revenue Not Anticipated	-	28,970	28,970
Cancellations & Adjustments	-	6,496	6,496
	<u>\$ -</u>	<u>\$ 250,026</u>	<u>\$ 250,026</u>
Fund Balance - Water Utility Capital	\$ -	\$ -	\$ -
Total Revenues and Credits to Income	<u>\$ 2,500,000</u>	<u>\$ 2,732,262</u>	<u>\$ 232,262</u>

TOWNSHIP OF SADDLE BROOK  
WATER UTILITY OPERATING FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

	Appropriations			Expended		Unexpended	
	Adopted Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Salaries and Wages - Overtime	65,000	-	65,000	61,089	3,911	-	-
Group Insurance	60,000	-	60,000	60,000	-	-	-
Other Expenses:	25,000	-	34,832	34,832	-	-	-
Bulk WaterPurchase (United Water)	1,500,000	-	1,573,494	1,573,494	-	-	-
Bulk WaterPurchase (Garfield CTY)	250,000	-	116,580	105,597	10,983	-	-
Fire Hydrant Service (Garfield CTY)	60,000	-	60,000	31,750	28,250	-	-
Repairs and Maintenance	40,000	-	90,094	90,094	-	-	-
Engineering	10,000	-	10,000	-	10,000	-	-
Audit	5,000	-	5,000	-	5,000	-	-
	<u>\$ 2,265,000</u>	<u>\$ -</u>	<u>\$ 2,265,000</u>	<u>\$ 2,206,856</u>	<u>\$ 58,144</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements:							
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	54,532	-	54,532	54,532	-	-	-
	<u>\$ 54,532</u>	<u>\$ -</u>	<u>\$ 54,532</u>	<u>\$ 54,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service:							
Payment of Bonds	\$ 46,149	\$ -	\$ 46,149	\$ 46,149	\$ -	\$ -	\$ -
Payment of BAN's & Capital Notes	-	-	-	-	-	-	-
Interest on Bonds	61,454	-	61,454	61,454	-	-	-
Interest on Notes	2,865	-	2,865	2,865	-	-	-
	<u>\$ 110,468</u>	<u>\$ -</u>	<u>\$ 110,468</u>	<u>\$ 110,468</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>\$ 2,441,856</u>	<u>\$ 58,144</u>	<u>\$ -</u>	<u>\$ -</u>
Other Charges to Income:							
Refund of Prior Year's Revenue				<u>\$ 4,353</u>			

**TOWNSHIP OF SADDLE BROOK  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
Cash:		
Operating Account	\$ 77,908	\$ 756
Interfund Receivable:		
General Capital Fund	\$ 137,036	\$ 125,171
Water Utility Operating Fund	54,532	24,241
	<u>\$ 191,568</u>	<u>\$ 149,412</u>
Fixed Capital Authorized & Uncompleted	<u>\$ 2,237,992</u>	<u>\$ 237,992</u>
Fixed Capital	<u>\$ 2,447,026</u>	<u>\$ 2,447,026</u>
Total Assets	<u><u>\$ 4,954,494</u></u>	<u><u>\$ 2,835,186</u></u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Interfund Payable:		
Current Fund	\$ -	\$ 6,035
General Capital Fund	271,734	66,000
Water Utility Operating Fund	137,036	224
	<u>\$ 408,770</u>	<u>\$ 72,259</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 17,748	\$ 63,216
Reserve for Amortization	1,227,706	1,181,558
Reserve for Deferred Amortization	123,792	23,792
	<u>\$ 1,369,246</u>	<u>\$ 1,268,566</u>
Improvement Authorizations:		
Funded	\$ 4,231	\$ 4,231
Unfunded	1,738,728	10,462
	<u>\$ 1,742,959</u>	<u>\$ 14,693</u>
Serial Bonds Payable	<u>\$ 1,219,319</u>	<u>\$ 1,265,468</u>
Bond Anticipation Notes Payable	<u>\$ 214,200</u>	<u>\$ 214,200</u>
Total Liabilities and Reserves	<u><u>\$ 4,954,494</u></u>	<u><u>\$ 2,835,186</u></u>

TOWNSHIP OF SADDLE BROOK  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2013

Improvement	Balance		Receipts Applied	B&Ns Paid By Budget	Serial Bonds Issued	Cancellations/ Adjustments	Balance		Analysis of Balance		
	December 31, 2012	Authorized					December 31, 2013	Outstanding B&Ns	B&N Authorized	Deferred Amortization	
#1200/1411 Extension of Water Mains/Meter Purchase	\$ 12,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,650	\$ -	\$ -	\$ 12,650	
#1205 Automatic Meter Reading Equipment	342	-	-	-	-	-	342	-	-	342	
#1514-11 Water Utility Improvements	225,000	-	-	-	-	-	225,000	214,200	-	10,800	
#1557-13 Replacement of Water Mains	-	2,000,000	-	-	-	-	2,000,000	-	1,900,000	100,000	
	<u>\$ 237,992</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,237,992</u>	<u>\$ 214,200</u>	<u>\$ 1,900,000</u>	<u>\$ 123,792</u>	

**TOWNSHIP OF SADDLE BROOK  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 YEAR ENDED DECEMBER 31, 2013**

Description	Balance - January 1, 2013		Authorized	Expended	Adjustments	Cancellations	Balance - December 31, 2013	
	Funded	Unfunded					Funded	Unfunded
#1200/1411 Extension of Water Mains/Meter Purchase	\$ 3,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,889	\$ -
#1205 Automatic Meter Reading Equipment	342	-	-	-	-	-	342	-
#1514-11 Water Utility Improvements	-	10,462	-	-	-	-	-	10,462
#1557-13 Replacement of Water Mains	-	-	2,000,000	271,734	-	-	-	1,728,266
	<u>\$ 4,231</u>	<u>\$ 10,462</u>	<u>\$ 2,000,000</u>	<u>\$ 271,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,231</u>	<u>\$ 1,738,728</u>

TOWNSHIP OF SADDLE BROOK  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS PAYABLE  
 YEAR ENDED DECEMBER 31, 2013

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2012	Issued In 2013	Paid by Budget Appropriation	Balance December 31, 2013
3/14/06 Water Utility Bonds - County Guaranteed	\$ 1,510,057	\$ 1,265,468	\$ -	\$ 46,149	\$ 1,219,319
		<u>\$ 1,265,468</u>	<u>\$ -</u>	<u>\$ 46,149</u>	<u>\$ 1,219,319</u>

TOWNSHIP OF SADDLE BROOK  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
 YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Issued	Decreased	Budget Paydown	Balance December 31, 2013
<u>12-1R</u>										
#1514-11 Water Utility Improvements	\$ 214,200	11/8/2011	9/25/2012	09/25/13	1.20%	\$ 214,200	\$ -	\$ 214,200	\$ -	\$ -
						\$ 214,200	\$ -	\$ 214,200	\$ -	\$ -
<u>13-1R</u>										
#1514-11 Water Utility Improvements	\$ 214,200	11/8/2011	8/28/2013	08/28/14	1.30%	\$ -	\$ 214,200	\$ -	\$ -	\$ 214,200
						\$ -	\$ 214,200	\$ -	\$ -	\$ 214,200
						\$ 214,200	\$ 214,200	\$ 214,200	\$ -	\$ 214,200

TOWNSHIP OF SADDLE BROOK  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
 YEAR ENDED DECEMBER 31, 2013

Improvement Description	Balance December 31, 2012	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2013
#1557-13 Replacement of Water Mains	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 1,900,000
	<u>\$ -</u>	<u>\$ 1,900,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900,000</u>

**TOWNSHIP OF SADDLE BROOK  
GENERAL FIXED ASSET ACCOUNT GROUP  
SCHEDULE OF ASSETS AND FUND BALANCE - REGULATORY BASIS**

---

	<u>2013</u>	<u>2012</u>
<u>ASSETS</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>\$ 33,923,398</u>
<u>FUND BALANCE</u>		
Reserve for Investment in General Fixed Assets	<u>\$ 33,923,398</u>	<u>\$ 33,923,398</u>

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS**

---

	Balance December 31, 2012	Additions	Retirements	Adjustments	Balance December 31, 2013
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

NJ Comprehensive Annual Financial Report

Annual Financial Information & Operating Data Section

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
ADOPTED BUDGETS  
(UNAUDITED)**

	2013	2012	2011	2010	2009	2008	2007
<b>CURRENT FUND</b>							
<b>REVENUES</b>							
Fund Balance	\$ 220,000	\$ -	\$ -	\$ 325,000	\$ 257,548	\$ 1,033,000	\$ 1,900,000
Miscellaneous Revenues	3,247,828	3,130,119	2,712,678	2,920,291	4,139,184	3,563,603	3,295,513
Receipts From Delinquent Taxes	371,104	345,000	345,000	345,000	386,000	280,000	398,500
Amount to be Raised by Taxation - Local	15,479,778	15,209,004	15,160,243	15,164,113	13,640,355	13,457,554	11,919,055
Amount to be Raised by Taxation - Library	766,099	803,251	830,050	-	-	-	-
<b>Total Revenues</b>	<b>\$ 20,084,809</b>	<b>\$ 19,487,374</b>	<b>\$ 19,047,971</b>	<b>\$ 18,754,404</b>	<b>\$ 18,423,087</b>	<b>\$ 18,334,157</b>	<b>\$ 17,513,068</b>

<b>APPROPRIATIONS</b>							
Within "CAPS":							
Operations:							
Salaries and Wages	\$ 6,919,371	\$ 6,477,251	\$ 6,273,701	\$ 6,586,215	\$ 6,724,663	\$ 6,655,723	\$ 6,439,295
Other Expenses	6,206,225	6,253,185	6,111,805	5,800,531	5,697,140	5,666,842	3,143,028
Deferred Charges	-	791	399,753	98,000	90,000	401,218	373,284
Statutory Expenditures	1,691,384	1,785,633	1,884,674	1,066,404	1,015,696	388,093	412,493
Judgments	-	-	-	-	-	-	-
Excluded From "CAPS":							
Operations:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	1,707,849	1,797,457	1,688,050	2,599,602	1,896,278	2,708,457	4,929,158
Capital Improvements	280,806	50,000	40,000	240,000	275,000	225,000	75,000
Municipal Debt Service	2,264,174	2,043,057	2,015,988	1,730,600	1,846,280	1,729,824	1,673,810
Deferred Charges	265,000	480,000	84,000	84,000	341,730	84,000	-
Reserve for Uncollected Taxes	750,000	600,000	550,000	549,052	536,300	475,000	467,000
<b>Total Appropriations</b>	<b>\$ 20,084,809</b>	<b>\$ 19,487,374</b>	<b>\$ 19,047,971</b>	<b>\$ 18,754,404</b>	<b>\$ 18,423,087</b>	<b>\$ 18,334,157</b>	<b>\$ 17,513,068</b>

**WATER UTILITY FUND**

<b>REVENUES</b>							
Fund Balance Anticipated	\$ -	\$ -	\$ 400,000	\$ 47,485	\$ 321,000	\$ 68,000	\$ 328,900
Water Rents	2,489,000	2,414,000	2,300,000	1,912,500	1,904,000	1,940,000	1,764,000
Interest on Delinquencies	10,000	10,000	9,700	8,700	6,800	9,000	16,500
Interest on Investments & Deposits	1,000	1,000	300	300	5,300	26,000	23,800
Receipts of Delinquent Rents	-	-	-	101,900	91,996	90,272	100,000
Special Billings	-	-	750,000	-	-	-	-
<b>Total Revenues</b>	<b>2,500,000</b>	<b>2,425,000</b>	<b>3,460,000</b>	<b>2,070,885</b>	<b>2,329,096</b>	<b>2,133,272</b>	<b>2,233,200</b>

<b>APPROPRIATIONS</b>							
Operations:							
Salaries and Wages	\$ 315,000	\$ 295,000	\$ 690,000	\$ 677,750	\$ 673,000	\$ 575,000	\$ 673,000
Other Expenses	1,950,000	1,949,700	1,857,377	1,214,950	1,273,258	1,385,000	1,304,247
Capital Improvements	54,532	-	-	-	-	-	-
Municipal Debt Service	110,468	110,300	107,623	108,600	116,542	108,272	108,257
Deferred Charges & Statutory Expenditures	70,000	70,000	805,000	60,949	266,296	65,000	107,706
Deficit in Operations	-	-	-	8,636	-	-	39,990
<b>Total Appropriations</b>	<b>\$ 2,500,000</b>	<b>\$ 2,425,000</b>	<b>\$ 3,460,000</b>	<b>\$ 2,070,885</b>	<b>\$ 2,329,096</b>	<b>\$ 2,133,272</b>	<b>\$ 2,233,200</b>

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
FUND BALANCE SUMMARY  
(UNAUDITED)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>CURRENT FUND</u>								
Fund Balance, Beginning	\$ 726,953	\$ 286,746	\$ 11,538	\$ 335,384	\$ 521,970	\$ 1,415,269	\$ 2,251,033	\$ 2,005,896
Generated Current Year	25,280	440,207	275,208	1,154	70,962	139,701	1,064,236	1,245,137
Utilized Current Year	(220,000)	-	-	(325,000)	(257,548)	(1,033,000)	(1,900,000)	(1,000,000)
Fund Balance, Ending	<u>\$ 532,233</u>	<u>\$ 726,953</u>	<u>\$ 286,746</u>	<u>\$ 11,538</u>	<u>\$ 335,384</u>	<u>\$ 521,970</u>	<u>\$ 1,415,269</u>	<u>\$ 2,251,033</u>
<u>WATER UTILITY FUND</u>								
Fund Balance, Beginning	\$ 993,592	\$ 130,493	\$ 440,869	\$ 47,619	\$ 337,999	\$ 405,999	\$ 401,637	\$ 401,637
Generated Current Year	227,909	863,099	89,624	440,735	30,620	-	333,262	-
Utilized Current Year	-	-	(400,000)	(47,485)	(321,000)	(68,000)	(328,900)	-
Fund Balance, Ending	<u>\$ 1,221,501</u>	<u>\$ 993,592</u>	<u>\$ 130,493</u>	<u>\$ 440,869</u>	<u>\$ 47,619</u>	<u>\$ 337,999</u>	<u>\$ 405,999</u>	<u>\$ 401,637</u>

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
TAX LEVY AND COLLECTION DATA  
(UNAUDITED)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>CURRENT YEAR % COLLECTION RATES</u>								
Current Tax Levy	\$ 49,542,145	\$ 49,095,590	\$ 48,869,920	\$ 46,174,264	\$ 43,281,951	\$ 42,053,812	\$ 39,277,735	\$ 36,861,478
Current Collections	\$ 48,918,494	\$ 48,403,136	\$ 48,402,293	\$ 45,683,871	\$ 42,829,290	\$ 41,520,173	\$ 38,930,911	\$ 36,357,494
Percentage of Collections	98.74%	98.59%	99.04%	98.94%	98.95%	98.73%	99.12%	98.63%

DELINQUENT TAX %

Delinquent Taxes	\$ 620,300	\$ 713,376	\$ 480,163	\$ 490,393	\$ 339,619	\$ 442,956	\$ 292,546	\$ 406,495
Tax Title Liens	119,826	111,332	111,332	101,530	101,530	97,093	-	-
Total Delinquent	\$ 740,126	\$ 824,708	\$ 591,495	\$ 591,923	\$ 441,149	\$ 540,049	\$ 292,546	\$ 406,495
Tax Levy	\$ 49,542,145	\$ 49,095,590	\$ 48,869,920	\$ 46,174,264	\$ 43,281,951	\$ 42,053,812	\$ 39,277,735	\$ 36,861,478
Percentage of Tax Levy	1.49%	1.68%	1.21%	1.28%	1.02%	1.28%	0.74%	1.10%

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ 742,249	\$ 742,249	\$ 742,249	\$ 742,249	\$ 742,249	\$ 742,249	\$ 934,149	\$ 934,149
----------------------------------	------------	------------	------------	------------	------------	------------	------------	------------

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
ASSESSED AND COUNTY EQUALIZED  
VALUATION DATA  
(UNAUDITED)**

Description	2013*		2012		2011		2010	
	# of Parcels	Value						
<b>NET VALUATIONS TAXABLE</b>								
Vacant Land	65	\$ 14,930,800	66	\$ 18,354,500	64	\$ 17,964,700	64	\$ 18,124,000
Residential	4131	1,219,248,600	4135	1,485,483,200	4132	1,487,689,200	4129	1,482,058,700
Farm (Regular)	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-
Commercial	144	347,277,600	140	378,682,945	138	389,686,700	140	397,401,100
Industrial	79	269,651,600	80	303,470,900	80	307,091,800	80	309,480,900
Apartments	<u>8</u>	<u>75,505,900</u>	<u>9</u>	<u>81,712,700</u>	<u>9</u>	<u>81,712,700</u>	<u>9</u>	<u>81,712,700</u>
Sub-Total	<u>4427</u>	<u>1,926,614,500</u>	<u>4430</u>	<u>2,267,704,245</u>	<u>4423</u>	<u>2,284,145,100</u>	<u>4422</u>	<u>2,288,777,400</u>
Personal Property		-		1,889,310		2,351,315		2,351,315
Net Valuations Taxable		1,926,614,500		2,269,593,555		2,286,496,415		2,291,128,715
Bergen County Equalization Adjustment		191,199,971		140,786,576		217,351,154		120,431,815
Bergen County Equalized Valuations		<u>\$ 2,117,814,471</u>		<u>\$ 2,410,380,131</u>		<u>\$ 2,503,847,569</u>		<u>\$ 2,411,560,530</u>
Bergen County Equalization Ratio		<u>91.73%</u>		<u>94.88%</u>		<u>92.00%</u>		<u>95.82%</u>
Average Improved Residential Assessment		<u>\$ 295,146</u>		<u>\$ 359,246</u>		<u>\$ 360,041</u>		<u>\$ 358,939</u>
Residential Load %		67.20%		69.05%		68.64%		68.25%
Non-Residential Load %		<u>32.80%</u>		<u>30.95%</u>		<u>31.36%</u>		<u>31.75%</u>
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

\* Reassessment Year

\*\*Revaluation Year

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND O  
ASSESSED AND COUNTY EQUALIZED  
VALUATION DATA  
(UNAUDITED)**

Description	2009**		2008		2007		2006	
	# of Parcels	Value						
<b>NET VALUATIONS TAXABLE</b>								
Vacant Land	65	\$ 25,575,000	65	\$ 9,870,800	66	\$ 9,961,800	138	\$ 12,170,800
Residential	4127	1,480,640,200	4143	779,770,600	4143	775,970,000	4072	754,697,700
Farm (Regular)	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-
Commercial	141	407,172,400	124	207,328,400	123	207,257,500	123	209,372,500
Industrial	80	310,075,600	79	161,843,754	79	161,843,754	79	161,423,454
Apartments	8	63,652,700	7	28,978,300	7	29,578,300	7	29,578,300
Sub-Total	<u>4421</u>	<u>2,287,115,900</u>	<u>4418</u>	<u>1,187,791,854</u>	<u>4418</u>	<u>1,184,611,354</u>	<u>4419</u>	<u>1,167,242,754</u>
Personal Property		2,301,600		768,949		1,451,852		1,451,852
Net Valuations Taxable		<u>2,289,417,500</u>		<u>1,188,560,803</u>		<u>1,186,063,206</u>		<u>1,168,694,606</u>
Bergen County Equalization Adjustment		179,970,648		1,283,789,359		1,154,042,146		947,163,766
Bergen County Equalized Valuations		<u>\$ 2,469,388,148</u>		<u>\$ 2,472,350,162</u>		<u>\$ 2,340,105,352</u>		<u>\$ 2,115,858,372</u>
Bergen County Equalization Ratio		<u>93.51%</u>		<u>48.48%</u>		<u>51.11%</u>		<u>55.69%</u>
Average Improved Residential Assessment		<u>\$ 358,769</u>		<u>\$ 188,214</u>		<u>\$ 187,297</u>		<u>\$ 185,338</u>
Residential Load %		67.45%		68.04%		67.92%		67.11%
Non-Residential Load %		<u>32.55%</u>		<u>31.96%</u>		<u>32.08%</u>		<u>32.89%</u>
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

\* Reassessment Year

\*\*Revaluation Year

**TOWNSHIP OF SADDLE BROOK**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**TAX REQUIREMENT AND RATE DATA**  
**(UNAUDITED)**

	2013*	2012	2011	2010	2009**	2008	2007	2006
<b>TAX REQUIREMENTS</b>								
County	\$ 4,565,077	\$ 5,197,650	\$ 5,113,665	\$ 4,645,675	\$ 4,464,768	\$ 4,320,480	\$ 4,008,768	\$ 3,743,430
County Open Space	52,945	60,259	62,596	60,289	246,939	247,235	234,011	211,586
District School	28,814,432	28,306,566	27,809,024	26,436,052	24,800,734	23,857,489	22,966,002	21,909,880
Municipal Open Space	-	-	-	-	-	-	-	-
Municipal - Local	15,479,778	15,209,004	15,160,243	15,154,113	13,640,355	13,457,554	11,919,055	10,551,714
Municipal - Library	766,099	803,251	830,050	-	-	-	-	-
Total Tax Requirements	\$ 49,678,331	\$ 49,576,730	\$ 48,975,578	\$ 46,296,129	\$ 43,152,796	\$ 41,882,758	\$ 39,127,836	\$ 36,416,610

**TAX RATES**

County	0.237	0.230	0.224	0.203	0.196	0.364	0.338	0.320
County Open Space	0.003	0.003	0.003	0.003	0.011	0.021	0.010	0.010
District School	1.496	1.247	1.216	1.154	1.083	2.007	1.936	1.875
Municipal Open Space	-	-	-	-	-	-	-	-
Municipal - Local	0.804	0.670	0.663	0.662	0.595	1.133	1.016	0.915
Municipal - Library	0.039	0.035	0.036	-	-	-	-	-
Total Tax Rates	2.579	2.185	2.142	2.022	1.885	3.525	3.300	3.120

\*Reassessment Year

\*\*Revaluation Year

**TOWNSHIP OF SADDLE BROOK**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**RATIO OF GROSS AND NET DEBT TO COUNTY EQUALIZED VALUE AND DEBT PER CAPITA**  
**(UNAUDITED)**

	2013	2012	2011	2010	2009	2008	2007
Population (Est.)	13,895	14,021	13,748	13,675	14,173	13,845	13,440
County Equalized Valuation	\$ 2,117,814,471	\$ 2,410,380,131	\$ 2,503,847,569	\$ 2,411,560,530	\$ 2,469,388,148	\$ 2,472,350,162	\$ 2,340,105,352
Gross Debt	\$ 48,856,333	\$ 46,209,046	\$ 45,716,977	\$ 45,754,762	\$ 45,655,005	\$ 47,261,250	\$ 49,043,350
Gross Debt Per Capita	\$ 3,516	\$ 3,296	\$ 3,325	\$ 3,346	\$ 3,221	\$ 3,414	\$ 3,649
Ratio of Gross Debt to County Equalized Valuations	2.31%	1.92%	1.83%	1.90%	1.85%	1.91%	2.10%
Net Debt	\$ 26,240,377	\$ 27,559,029	\$ 26,302,808	\$ 27,976,762	\$ 26,237,650	\$ 27,198,370	\$ 27,366,691
Ratio of Net Debt to County Equalized Valuations	1.24%	1.14%	1.05%	1.16%	1.06%	1.10%	1.17%
Net Debt per Capita	\$ 1,888	\$ 1,966	\$ 1,913	\$ 2,046	\$ 1,851	\$ 1,964	\$ 2,036

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
LEGAL DEBT MARGIN  
(UNAUDITED)**

J-7

	2013	2012	2011	2010	2009	2008	2007
Equalized Valuation Basis (State)	\$ 2,308,487,706	\$ 2,397,205,026	\$ 2,427,364,509	\$ 2,436,229,678	\$ 2,421,464,260	\$ 2,387,096,813	\$ 2,271,467,030
Municipal Borrowing Power:							
3 1/2% of Equalized Valuation Basis	\$ 80,797,070	\$ 83,902,176	\$ 84,957,758	\$ 85,268,039	\$ 84,751,249	\$ 83,548,388	\$ 79,501,346
Net Debt	26,240,377	27,559,029	26,302,808	27,976,762	26,237,650	27,198,370	27,366,691
Remaining Borrowing Power	\$ 54,556,693	\$ 56,343,147	\$ 58,654,950	\$ 57,291,277	\$ 58,513,599	\$ 56,350,018	\$ 52,134,655
School Borrowing Power:							
4% of Equalized Valuation Basis	\$ 92,339,508	\$ 95,888,201	\$ 97,094,580	\$ 97,449,187	\$ 96,858,570	\$ 95,483,873	\$ 90,858,681
Net School Debt	14,990,000	16,125,000	17,190,000	17,778,000	18,023,000	18,913,000	19,768,000
School Borrowing Margin Available	\$ 77,349,508	\$ 79,763,201	\$ 79,904,580	\$ 79,671,187	\$ 78,835,570	\$ 76,570,873	\$ 71,090,681

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
DIRECT AND OVERLAPPING DEBT  
(UNAUDITED)**

	2013	2012	2011	2010	2009	2008	2007	2006
<b>NET DIRECT DEBT</b>								
Municipal Debt	\$ 26,240,377	\$ 27,559,029	\$ 26,302,808	\$ 27,976,762	\$ 26,237,650	\$ 27,198,370	\$ 27,366,691	\$ 27,366,691
Local School Debt	14,990,000	16,125,000	17,190,000	17,778,000	18,023,000	18,913,000	19,768,000	19,768,000
	<u>\$ 41,230,377</u>	<u>\$ 43,684,029</u>	<u>\$ 43,492,808</u>	<u>\$ 45,754,762</u>	<u>\$ 44,260,650</u>	<u>\$ 46,111,370</u>	<u>\$ 47,134,691</u>	<u>\$ 47,134,691</u>
<b>OVERLAPPING DEBT</b>								
County of Bergen (1)	\$ 17,200,483	\$ 18,258,682	\$ 17,541,097	\$ 16,352,383	\$ 15,028,272	\$ 14,884,743	\$ 14,684,723	\$ 11,310,689
Passaic Valley Sewerage Authority (2)	1,839,243	2,120,656	2,175,234	2,202,454	1,894,307	1,792,733	1,832,433	1,833,800
	<u>\$ 19,039,726</u>	<u>\$ 20,379,338</u>	<u>\$ 19,716,331</u>	<u>\$ 18,554,837</u>	<u>\$ 16,922,579</u>	<u>\$ 16,677,476</u>	<u>\$ 16,517,156</u>	<u>\$ 13,144,489</u>
<b>(1) County Debt:</b>								
Municipal Equalized Valuations	\$ 2,117,814,471	\$ 2,410,380,131	\$ 2,503,847,569	\$ 2,411,560,530	\$ 2,469,388,148	\$ 2,472,350,162	\$ 2,340,105,352	\$ 2,115,858,372
Total County Equalized Valuations	\$ 165,008,934,260	\$ 168,748,014,772	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	1.28%	1.43%	1.45%	1.31%	1.32%	1.35%	1.35%	1.37%
County's Outstanding Debt	1,343,787,738	1,276,830,919	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	<u>\$ 17,200,483</u>	<u>\$ 18,258,682</u>	<u>\$ 17,541,097</u>	<u>\$ 16,352,383</u>	<u>\$ 15,028,272</u>	<u>\$ 14,884,743</u>	<u>\$ 14,684,723</u>	<u>\$ 11,310,689</u>
<b>(2) Passaic Valley Sewerage Authority Debt</b>								
Municipal Sewer Flow Charges	\$ 792,728	\$ 824,625	\$ 826,653	\$ 799,951	\$ 789,364	\$ 759,581	\$ 729,217	\$ 695,533
Total Flow Charges	\$ 127,569,056	\$ 123,957,348	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095
	0.62%	0.67%	0.64%	0.62%	0.62%	0.61%	0.60%	0.58%
X's Outstanding Debt	296,652,116	316,515,886	339,880,368	355,234,494	305,533,465	293,890,682	305,405,498	316,172,356
	<u>\$ 1,839,243</u>	<u>\$ 2,120,656</u>	<u>\$ 2,175,234</u>	<u>\$ 2,202,454</u>	<u>\$ 1,894,307</u>	<u>\$ 1,792,733</u>	<u>\$ 1,832,433</u>	<u>\$ 1,833,800</u>

Source: County of Bergen; Passaic Valley Sewerage Commission

**TOWNSHIP OF SADDLE BROOK  
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
 RATIO OF ANNUAL DEBT SERVICE APPROPRIATIONS TO TOTAL ADOPTED CURRENT FUND APPROPRIATIONS  
 (UNAUDITED)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Serial Bonds:							
Principal	\$ 953,851	\$ 905,499	\$ 862,147	\$ 674,000	\$ 771,359	\$ 666,433	\$ 647,752
Interest	947,228	975,684	1,005,293	997,000	1,021,415	996,857	1,026,058
Notes:							
Principal	175,000	-	-	-	-	-	-
Interest	50,000	29,700	10,000	59,600	53,506	66,534	-
Loans:							
Principal	98,213	90,931	92,185	-	-	-	-
Interest	39,883	41,243	46,363	-	-	-	-
	<u>\$ 2,264,175</u>	<u>\$ 2,043,057</u>	<u>\$ 2,015,988</u>	<u>\$ 1,730,600</u>	<u>\$ 1,846,280</u>	<u>\$ 1,729,824</u>	<u>\$ 1,673,810</u>
Total Current Fund Budget Appropriations	<u>\$ 20,084,809</u>	<u>\$ 19,487,374</u>	<u>\$ 19,047,971</u>	<u>\$ 18,771,699</u>	<u>\$ 18,423,087</u>	<u>\$ 18,333,541</u>	<u>\$ 17,513,068</u>
Ratio of Debt Service to Current Fund Budget Appropriations	<u>11.27%</u>	<u>10.48%</u>	<u>10.58%</u>	<u>9.22%</u>	<u>10.02%</u>	<u>9.44%</u>	<u>9.56%</u>

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
DEMOGRAPHIC STATISTICS  
(UNAUDITED)**

	2013	2012*	2011	2010	2009	2008	2007	2006	2005	2004
Average Labor Force Estimates by Municipality:										
Labor Force	7,409	7,577	7,516	7,525	7,571	7,423	7,313	7,318	7,223	7,196
Employment	6,801	6,738	6,697	6,692	6,752	6,967	6,966	6,934	6,856	6,795
Unemployment	608	839	819	833	818	457	347	385	367	401
Unemployment Rate	8.2%	11.1%	10.9%	11.1%	10.8%	6.2%	4.7%	5.3%	5.1%	5.6%
Per Capital Personal Income - Bergen Cty.	\$ 69,919	\$ 69,919	\$ 67,240	\$ 63,950	\$ 63,862	\$ 67,375	\$ 67,606	\$ 63,166	\$ 57,745	\$ 55,322

Estimates as of July 1,

Subcounty Population Estimates:										
Saddle Brook TWP	13,895	14,021	13,748	13,675	14,173	13,845	13,440	13,332	13,126	13,053
County of Bergen	925,328	918,888	911,004	906,184	895,250	889,915	885,664	884,581	887,322	890,232

\* Latest Information Available

**TOWNSHIP OF SADDLE BROOK  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
TEN LARGEST TAXPAYERS BY ASSESSMENT  
(UNAUDITED)**

Taxpayer (Block/Lot)	2013 Assessed Valuation	As a Percent of Total 2013 Net Valuations \$ 1,926,614,500
1 L&L Park 80, LLC (1002/1)	\$ 91,400,000	4.74%
2 Tri State Realty (123/1)	33,256,400	1.73%
3 CP Saddle Brook, LLC (1003/1)	26,000,000	1.35%
4 Arrow Fastener (1008/5)	24,000,000	1.25%
5 Midland Holding Co. (1202/30)	23,739,800	1.23%
6 A.O. Associates (512/3)	20,141,300	1.05%
7 Saddle Brook Mayhill (910/2)	17,875,000	0.93%
8 A.O. Associates (512/4)	13,858,700	0.72%
9 Kessler Institute (512/1)	15,202,300	0.79%
10 Brook Associates C/O Roseheart (1005/4)	12,549,000	0.65%
	<u>\$ 278,022,500</u>	14.43%

**TOWNSHIP OF SADDLE BROOK**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**VALUE OF NEW CONSTRUCTION, IMPROVEMENTS, ALTERATIONS AND DEMOLITIONS**  
**(UNAUDITED)**

---

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
# of New Permits Issued	756	742	876	624	596	636	712
# of Permit Updates	79	77	69	55	67	70	76
Value of Construction	\$ 13,087,237	\$ 10,026,477	\$ 8,877,231	\$ 11,171,788	\$ 8,020,666	\$ 14,336,303	\$ 29,364,594

TOWNSHIP OF SADDLE BROOK  
NJ Comprehensive Annual Financial Report  
Single Audit Section

*Di Maria & Di Maria LLP*  
*Accountants and 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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *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, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2014, which was adverse due to the financial statements being prepared in conformity with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

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

## *Di Maria & Di Maria LLP*

---

### Independent Auditors' Report (Continued)

#### Compliance and Other Matters

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

We noted certain other matters that we reported to management of the Township of Saddle Brook, New Jersey in a separate letter dated June 30, 2014.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank DiMaria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2014

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2013**

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance December 31, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts	Deferred	Due to
					From	To							Receivable)	Revenue	Grantor at
													December 31,	December 31,	December 31,
													2013	2013	2013
<b>General Capital Fund</b>															
<i>US Department of Housing and Urban Development - Passed Thru the County of Bergen- CDBG Grant - Senior Center ADA Improvements</i>															
	20.205	Community Development	N/A	\$ 316,814	01/01/09	12/31/09	\$ (261,514)	\$ -	\$ -	\$ -	\$ -	\$ -	(261,514)	\$ -	\$ -
<i>Transportation State Aid Highway Projects Highway Planning and Construction NJ Department of Transportation- Road Impts. Oxford Avenue Phase III</i>															
	20.205	Highway Planning & Construction	N/A	200,000	01/01/09	12/31/09	(17,428)	-	-	-	-	-	(17,428)	-	-
							<u>\$ (278,942)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (278,942)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Federal and State Grant Fund</b>															
<i>None</i>															
							<u>Total Federal Financial Assistance</u>	<u>\$ (278,942)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (278,942)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF SADDLE BROOK  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2013

K-4

Schedule B

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at
			From	To	December 31, 2012						December 31, 2013	December 31, 2013	December 31, 2013
<i>State of N.J., Department of Environmental Protection --</i>													
Clean Communities Program	042-4900-765-004	19,274	01/01/13	12/31/13	-	-	19,274	(15,288)	-	-	-	3,986	-
Recycling Tonnage Grant		50,443	01/01/13	12/31/13	-	-	50,443	(2,314)	-	-	-	48,129	-
<i>State of N.J., Department of Law and Public Safety --</i>													
Body Armor Replacement Program		7,033	01/01/13	12/31/13	-	-	7,033	(1,333)	-	-	-	5,700	-
Body Armor Replacement Program		14,254	01/01/09	12/31/09	14,254	-	-	(14,254)	-	-	-	-	-
Drunk Driving Enforcement Fund		28,332	01/01/10	12/31/10	28,332	-	-	(545)	-	-	-	27,787	-
Drunk Driving Enforcement Fund		10,783	01/01/09	12/31/09	6,574	-	-	-	-	-	-	6,574	-
Alcohol Education & Rehabilitation Fund		1,310	01/01/09	12/31/09	677	-	-	-	-	-	-	677	-
<b>Total State Financial Assistance</b>					<b>\$ 49,837</b>	<b>\$ -</b>	<b>\$ 76,750</b>	<b>\$ (33,734)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,853</b>	<b>\$ -</b>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2013**

---

**Note 1 - General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Saddle Brook, County of Bergen, State of New Jersey. The Township of Saddle Brook is defined in Note I to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 2 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3 - Relationship to General-Purpose Financial Statements**

Organization

The Township of Saddle Brook, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Township has delegated the general administration of grant programs and the reporting function to the Borough Treasurer. Substantially all grant and program cash funds are commingled with the Township's other funds, although each grant is accounted for separately within the Township's financial records. The Township Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Township's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected in total on the Schedule of State Financial Assistance.

**TOWNSHIP OF SADDLE BROOK  
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2013**

---

**Note 3 - Relationship to General-Purpose Financial Statements (continued)**

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2013 to December 31, 2013.

**Note 4 - Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**Note 5 - Federal and State Loans Outstanding**

The Township had the following federal and state loans outstanding at December 31, 2013:

<u>General Capital Fund (Paid by the Current Fund):</u>	
NJEIT Trust Loan	\$ 845,000
NJEIT Fund Loan	<u>725,433</u>
	<u>\$ 1,570,433</u>

**Note 6 - Contingencies**

Each of the grantor agencies reserve the right to conduct additional audits of the Township's grant programs for economy, efficiency and program results.

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Section I -- Summary of Auditors' Results**

Financial Statements

- A) Type of auditors' report issued: Adverse - GAAP; Qualified - Regulatory
- B) Internal control over financial reporting:
1. Material weakness(es) identified?   X   yes        no
  2. Significant deficiency(ies) identified?        yes   X   no
- C) Noncompliance material to general-purpose financial statements noted?        yes   X   no

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Section I -- Summary of Auditors' Results (Continued)**

Federal Awards

**\*\*NOT APPLICABLE - EXPENDITURES UNDER \$500,000\*\***

A) Internal control over compliance:

1. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2. Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

B) Type of auditors' report issued on compliance  
for major programs: N/A

C) Any audit findings disclosed that are required  
to be reported in accordance with  
section .510(a) of OMB Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no

D) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

---



---



---

E) Dollar threshold used to distinguish between  
type A and type B programs:

F) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no



**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Section II -- Financial Statement Findings**

1. Condition: The municipality failed to comply with N.J.A.C. 5:30-5.6 which requires the implementation and continued maintenance of a fixed asset accounting system.

Criteria: N.J.A.C. 5:30-5.6

Cause: The CFO has failed to implement the accounting directive.

Effect: The financial statements do not reflect correct amounts for fixed assets.

Recommendation: That a fixed asset accounting system be implemented in accordance with N.J.A.C. 5:30-5.6.

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

---

**Section III -- Federal and State Award Findings and Questioned Costs**

Current Year

Federal Awards:

None

State Awards:

None

**TOWNSHIP OF SADDLE BROOK  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2013**

---

The Chief Financial Officer did not implement and maintain a general fixed asset accounting system as per *N.J.A.C. 5:30-5.6*.

Status: Condition continues to exist.

TOWNSHIP OF SADDLE BROOK

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013

---

Cash Cycle

Ref.

None

N/A

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

<u>Revenues/Receipts Cycle</u>	<u>Ref.</u>
<u>Municipal Court</u>	
Disbursement checks in the General and Bail accounts require only one authorizing signature.	1.
It is suggested that the the Township utilize a private collection agency to collect outstanding municipal court debts.	N/A
<u>Construction Official</u>	
None	N/A
<u>Recreation</u>	
None	N/A
<u>Tax Collector</u>	
There was a shortage in the Outside Lien Redemption liability account relating to Certificate # 2012-39, Block 1716 Lot 27 in the amount of \$674.88.	2.
<u>Recreation</u>	
Individual activity groups maintained separate bank accounts never authorized by the Council. Those accounts and related activity are not included in these financial statements. Management has informed us that said accounts are not under the auspices of the Township of Saddle Brook. Further, they may have, and may be erroneously utilizing the Township's federal tax identification number.	3.

TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013

---

Expenditures/Disbursements Cycle

Ref.

None

N/A

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

**Payroll Cycle**

**Ref.**

Payroll Agency Accounts were not maintained on an imprest basis. 4.

Controls regarding electronic disbursement for payroll purposes were not implemented in accordance with N.J.A.C. 5:30-17. 5.

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

**Fixed Assets**

**Ref.**

The Township did not implement a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6. 6.

TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013

---

Long-Term Debt

Ref.

None

N/A

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

**Other Significant Matters**

**Ref.**

The Township did not implement a general ledger accounting system in accordance with N.J.A.C. 5:30-5.7; Several significant posting differences were noted; subsidiary records were not reconciled to control accounts. 7.

Disclosures for Post-Retirement Benefits were not prepared in accordance with State Regulations. 8.

There were significant interfund balances existing at year end. 9.

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

**Recommendations**

1. That disbursement checks in the municipal court general and bail accounts be made to require at least two authorizing signatures.
2. That the shortage in the Outside Lien Redemption liability account relating to Certificate #2012-39, Block 1716 Lot 27 in the amount of \$674.88 be reviewed and addressed accordingly.
3. That recreation accounts purporting to be under the auspices of the municipality be addressed, adjusted and/or closed; and immediately cease from utilizing the Township's federal tax identification number.
4. That payroll agency accounts be maintained on an imprest basis.\*
5. That controls be implemented in accordance with N.J.A.C. 5:30-17 regarding electronic disbursement controls for payroll purposes.\*
6. That a fixed asset system be implemented in accordance with N.J.A.C. 5:30-5.6.\*
7. That a general ledger accounting system be implemented in accordance with N.J.A.C. 5:30-5.7.\*
8. That required disclosures pertaining to post-employment benefits be prepared.\*
9. That all interfund balances be cleared prior to year end.\*

**TOWNSHIP OF SADDLE BROOK  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013**

---

**Status of Prior Years' Recommendations**

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the Municipal Officials during the course of the audit.

**DI MARIA & DI MARIA LLP  
Accountants and Consultants**

*Frank DiMaria*

**Registered Municipal Accountant  
RMA No. CR00463**

June 30, 2014