

**BOROUGH OF PALISADES PARK**

**Financial Statements with  
Supplementary Information  
December 31, 2015  
(With Independent Auditors' Reports Thereon)**

**THIS PAGE INTENTIONALLY LEFT BLANK**

# BOROUGH OF PALISADES PARK

## Table of Contents

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1-3
	<b><u>FINANCIAL STATEMENTS</u></b>	
	<b><u>Current Fund</u></b>	
A	Comparative Balance Sheet - Regulatory Basis	4-5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	6-7
A-2	Statement of Revenues - Regulatory Basis	8-9
A-3	Statement of Expenditures - Regulatory Basis	10-19
	<b><u>Trust Funds</u></b>	
B	Comparative Balance Sheet - Regulatory Basis	20-21
B-1	Statement of Changes in Fund Balance - Regulatory Basis, Assessment Trust Fund	22
	<b><u>General Capital Fund</u></b>	
C	Comparative Balance Sheet - Regulatory Basis	23
C-1	Statement of Changes in Fund Balance - Regulatory Basis	24
	<b><u>Swimming Pool Utility Fund</u></b>	
D	Comparative Balance Sheet - Regulatory Basis	25
D-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	26
D-2	Statement of Changes in Capital Fund Balance - Regulatory Basis	27
D-3	Statement of Revenues - Regulatory Basis	28
D-4	Statement of Expenditures - Regulatory Basis	29
	<b><u>Payroll Account</u></b>	
E	Comparative Balance Sheet - Regulatory Basis	30
	<b><u>General Fixed Assets Account Group</u></b>	
F	Statement of General Fixed Assets - Regulatory Basis	31
	Notes to Financial Statements	32-66
	Supplementary Data	67-72

**BOROUGH OF PALISADES PARK**  
**Table of Contents, Continued**

**Part I (Continued)**

<u>Exhibit</u>		<u>Page</u>
<b><u>Current Fund</u></b>		
A-4	Schedule of Cash - Collector - Treasurer	73
A-5	Schedule of Change Fund	74
A-6	Schedule of Petty Cash	74
A-7	Schedule of Due (to)/from State of New Jersey - Chapter 20, P.L. 1971	75
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	76
A-9	Schedule of Tax Title Liens Receivable	77
A-10	Schedule of Foreclosed Property	77
A-11	Schedule of Revenue Accounts Receivable	78
A-12	Schedule of Interfunds	79
A-13	Schedule of Deferred Charges Overexpenditure of Appropriation Reserves	80
A-14	Schedule of Tax Overpayments	81
A-15	Schedule of Prepaid Taxes	81
A-16	Schedule of Local District School Taxes Payable	82
A-17	Schedule of County Taxes Payable	83
A-18	Schedule of Due County for Added and Omitted Taxes	83
A-19	Schedule of 2014 Appropriation Reserves	84
A-20	Schedule of Encumbrances	87
A-21	Schedule of Amount Due to the Borough of Fort Lee - Sewer Rent Payable	87
A-22	Schedule of Amount Due to Public Library	88
A-23	Schedule of Reserve for Tax Sale Premiums	89
A-24	Schedule of Reserve for Maintenance of Free Public Library	89
A-25	Schedule of Miscellaneous Reserves	90
A-26	Schedule of Grants Receivable	91
A-27	Schedule of Appropriated Grant Reserves	92
A-28	Schedule of Unappropriated Grant Reserves	93
<b><u>Trust Funds</u></b>		
B-2	Schedule of Cash - Collector-Treasurer	94
B-3	Schedule of Reserve for Animal License Trust Fund Expenditures	95
B-4	Schedule of Amount Due from Board of Health -- Animal License Trust Fund	96
B-5	Schedule of Amount Due to/(from) Current Fund -- Animal License Trust Fund	97

**BOROUGH OF PALISADES PARK**  
**Table of Contents, Continued**

**Part I (Continued)**

<u>Exhibit</u>		<u>Page</u>
B-6	Schedule of Amount Due from State of New Jersey – Department of Health – Animal License Trust Fund	97
B-7	Schedule of Interfunds- Other Trust Funds	98
B-8	Schedule of Amount Due from Current Fund - Assessment Trust Fund	99
B-9	Schedule of Due to/(from) General Capital Fund - Community Development Trust Fund	99
B-10	Schedule of Reserve for Other Trust Funds	100
B-11	Schedule of Reserve for Ambulance Corp.	101
B-12	Schedule of Reserve for Law Enforcement	101
B-13	Schedule of Reserve for Library Trust Fund Expenditures	102
B-14	Schedule of Reserve for Library Donations - Restricted	102
 <b><u>General Capital Fund</u></b>		
C-2	Schedule of Cash - Collector-Treasurer	103
C-3	Schedule of Analysis of Cash	104
C-4	Schedule of Due from/(to) Current Fund	105
C-5	Schedule of Due from/(to) Swim Pool Operating Utility	105
C-6	Schedule of Deferred Charges to Future Taxation - Funded	106
C-7	Schedule of Community Development Block Grants Receivable	106
C-8	Schedule of Due from Bergen County Open Space Trust Fund	107
C-9	Schedule of Due from/(to) Community Development Trust Fund	107
C-10	Schedule of Grants Receivable - State of New Jersey	108
C-11	Schedule of Deferred Charges to Future Taxation – Unfunded	109-110
C-12	Schedule of Capital Improvement Fund	111
C-13	Schedule of Improvement Authorizations	112-114
C-14	Schedule of Reserve for Payment of Debt	115
C-15	Schedule of Reserve for Grants Receivable	116
C-16	Schedule of General Serial Bonds	117
C-17	Schedule of Bond Anticipation Notes Payable	118
C-18	Schedule of Bonds and Notes Authorized But Not Issued	119

**BOROUGH OF PALISADES PARK**  
**Table of Contents, Continued**

**Part I (Continued)**

<u>Exhibit</u>		<u>Page</u>
<b><u>Swimming Pool Utility Fund</u></b>		
D-5	Schedule of Analysis of Cash	120
D-6	Schedule of Cash - Collector - Treasurer	121
D-7	Schedule of 2014 Reserves - Operating Fund	122
D-8	Schedule of Interfund Receivables/(Payable)	123
D-9	Schedule of Due from/to General Capital Fund	124
D-10	Schedule of Fixed Capital	125
D-11	Schedule of Fixed Capital Authorized and Uncompleted	125
D-12	Schedule of Improvement Authorizations	126
D-13	Schedule of Capital Improvement Fund	127
D-14	Schedule of Reserve for Amortization	127
D-15	Schedule of Due from Current Fund	128
D-16	Schedule of Deferred Reserve for Amortization	129
D-17	Schedule of Bonds and Notes Authorized but not Issued	130

**Part II**

Independent Auditors Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements	131-132
Schedule of Findings and Questioned Costs	133
General Comments	134-136
Comments	137-138
Recommendations	138
Status of Prior Years' Audit Findings/Recommendations	140
Acknowledgment	140

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Palisades Park in the County of Bergen, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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



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

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

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

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

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

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

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

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

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





***Other Matters***

*Other Information*


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

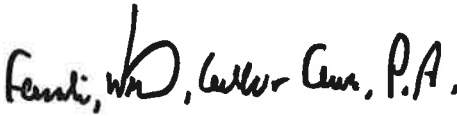
The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2016 on our consideration of the Borough of Palisades Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Palisades Park's internal control over financial reporting and compliance.

  
Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CROO413

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

August 5, 2016



**THIS PAGE INTENTIONALLY LEFT BLANK**

BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 7,352,920	6,225,653
Cash - Change Funds	A-5	200	200
Petty Cash	A-6		475
Due from State of New Jersey - Ch. 20, PL 1971	A-7	50,967	53,457
		<u>7,404,087</u>	<u>6,279,785</u>
Receivables and other assets with full reserves:			
Delinquent Property Taxes Receivable	A-8	525,265	581,756
Tax Title Liens Receivable	A-9	23,563	22,176
Foreclosed Property	A-10	275,000	275,000
Revenue Accounts Receivable	A-11	49,545	64,362
Interfund Receivables	A-12	16,036	219,812
		<u>889,409</u>	<u>1,163,106</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-13		2,429
		<u>\$ 8,293,496</u>	<u>7,445,320</u>

## BOROUGH OF PALISADES PARK

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities:			
Encumbrances Payable	A-3,A-20	210,048	351,042
Appropriation Reserves	A-3,A-19	1,951,779	1,122,271
Interfund Payables	A-12	120,360	26,142
Tax Overpayments	A-14	134,667	60,727
Prepaid Taxes	A-15	310,551	298,968
Due to County for Added Taxes	A-18	37,531	28,681
Sewer Charges Payable-Fort Lee	A-21	20,776	20,776
Due to Public Library	A-22	324,841	302,360
Reserve for:			
Tax Sale Premiums	A-23	23,700	28,200
Maintenance of Public Library	A-24	28,196	25,295
Miscellaneous Reserves	A-25	51,870	51,208
Appropriated Grant Reserves	A-27	92,539	70,503
Unappropriated Grant Reserves	A-28	36,346	54,733
		<u>3,343,204</u>	<u>2,440,906</u>
Reserves for receivables and other assets	A	889,409	1,163,106
Fund balance	A-1	<u>4,060,883</u>	<u>3,841,308</u>
		<u>4,950,292</u>	<u>5,004,414</u>
		<u>\$ 8,293,496</u>	<u>7,445,320</u>

See accompanying notes to financial statements.

## BOROUGH OF PALISADES PARK

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

## Current Fund

Year Ended December 31,

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 2,375,000	1,698,338
Miscellaneous revenue anticipated	3,526,934	3,632,819
Receipts from delinquent taxes	581,756	690,382
Receipts from current taxes	42,444,512	40,263,688
Non-budget revenues	290,046	279,069
Other credits to income:		
Unexpended balance of appropriation reserves and encumbrances	862,959	1,104,214
Liabilities cancelled	2,000	69,200
Interfunds returned	215,184	1,812
Total revenue and other income	<u>50,298,391</u>	<u>47,739,522</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	7,176,491	6,761,165
Other expenses	6,643,330	6,218,204
Deferred charges and statutory expenditures	1,822,841	1,784,366
Appropriations excluded from "CAPS":		
Operations:		
Salaries and wages	50,000	50,000
Other expenses	3,174,264	3,251,732
Capital improvements	75,000	75,000
Municipal debt service	1,043,991	1,024,808
Judgements	14	0
County taxes	5,891,030	5,745,488
Amount due county for added and omitted taxes	37,531	28,681
Local district school tax	21,271,463	20,451,536
Interfunds advanced	4,515	126,812
Refund of prior years' taxes	513,345	584,362
Total expenditures	<u>47,703,815</u>	<u>46,102,154</u>
Excess in revenue	<u>2,594,576</u>	<u>1,637,368</u>

**BOROUGH OF PALISADES PARK**

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

**Current Fund**

**Year Ended December 31,**

	<u>2015</u>	<u>2014</u>
Statutory excess to fund balance	2,594,576	1,637,368
Fund balance, January 1	<u>3,841,307</u>	<u>3,902,277</u>
	6,435,883	5,539,645
Decreased by utilization as anticipated revenue	<u>2,375,000</u>	<u>1,698,338</u>
Fund balance, December 31	<u>\$ 4,060,883</u>	<u>3,841,307</u>

See accompanying notes to financial statements.

## BOROUGH OF PALISADES PARK

## Statement of Revenues-Regulatory Basis

## Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 2,375,000	2,375,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	65,000	101,438	36,438
Other	600	395	(205)
Fees and permits:			
Construction Code Official	350,000	633,000	283,000
Other	135,000	249,583	114,583
Municipal Court - fines and costs	700,000	698,868	(1,132)
Interest and costs on taxes	92,000	100,000	8,000
Parking Meters	350,000	427,607	77,607
Interest on investments and deposits	2,000	2,497	497
Recreation Fees	12,000	16,332	4,332
Energy Receipts Tax	874,860	874,860	
Consolidated Municipal Property Tax Relief Act	74,130	74,130	
Ridgefield Contractual Services	34,500		(34,500)
Parking Meters	50,000	50,000	
Alcohol Education and Rehabilitation Fund	2,245	2,245	
Recycling Tonnage Grant	21,335	21,335	
Clean Communities Grant	24,168	24,168	
Body Armor Grant	6,985	6,985	
General Capital Fund Balance	7,083	7,083	
Due From General Capital	100,000	100,000	
Local Housing Inspections	3,200	11,027	7,827
Sewer Connection Fees	75,000	125,381	50,381
Total miscellaneous revenues	<u>2,980,106</u>	<u>3,526,934</u>	<u>546,828</u>
Receipts from delinquent taxes	<u>580,000</u>	<u>581,756</u>	<u>1,756</u>
Amount to be raised by taxes for support of municipal purposes	<u>15,279,512</u>	<u>15,850,341</u>	<u>570,829</u>
Total budget revenues	<u>\$ 21,214,618</u>	22,334,031	<u>1,119,413</u>
Non-budget revenues		<u>290,046</u>	
		<u>\$ 22,624,077</u>	

**BOROUGH OF PALISADES PARK**  
**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year ended December 31, 2015**

Analysis of Realized Revenue

Allocation of current tax collections:

Revenue from collections	\$	42,444,512
Allocated to school and county taxes		<u>27,794,171</u>
Balance for support of municipal budget appropriations		14,650,341
Add reserve for uncollected taxes		<u>1,200,000</u>
 Amount for support of municipal budget	 \$	 <u>15,850,341</u>
 Receipts from delinquent taxes	 \$	 <u>581,756</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Seepage Pits	\$	13,500
Fines		1,110
Bid Specs		32,320
LEA Rebate		39,498
In Lieu of Taxes		10,200
Polling		180
Verizon Cell Tower		89,422
Vision Cable		66,904
Street Opening Fees		6,854
Sale of Property		5,611
JIF Dividend		19,798
Miscellaneous		<u>4,649</u>
	\$	<u>290,046</u>

See accompanying notes to financial statements.



**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>General Government:</b>					
<b>Administrative and Executive:</b>					
Salaries and Wages	612,000	762,000	746,895	15,105	
Printing and Supplies	8,000	13,000	11,648	1,352	
Miscellaneous expense	110,000	133,000	130,154	2,846	
<b>Financial Administration:</b>					
Salaries and Wages	39,536	43,036	40,922	2,114	
Other Expenses	55,000	55,000	36,220	18,780	
<b>Collection of Taxes:</b>					
Salaries and Wages	144,840	144,840	122,316	22,524	
Other Expenses	27,000	30,500	29,047	1,453	
<b>Assessment of Taxes:</b>					
Salaries and Wages	28,210	28,210	27,124	1,086	
Other Expenses	3,000	3,000	2,438	562	
Legal-Tax Appeals	30,000	35,500	31,477	4,023	
<b>Legal Services and Costs:</b>					
Other Expenses	630,000	559,475	198,554	360,921	
<b>Engineering Services and Costs:</b>					
Other Expenses	5,000	10,000	5,004	4,996	
<b>Municipal Land Use Law (N.J.S.A. 40:55D-1):</b>					
<b>Planning Board:</b>					
Salaries and Wages	5,630	5,630	5,628	2	
Other Expenses	7,500	7,500	1,038	6,462	
<b>Zoning Board of Adjustment:</b>					
Salaries and Wages	7,902	7,902	7,880	22	
Other Expenses	7,000	7,000	6,060	940	

**BOROUGH OF PALISADES PARK, N.J.**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Zoning Officer					
Salaries and Wages	4,547	16,547	14,735	1,812	
Housing Inspector					
Salaries and Wages	4,729	11,229	10,687	542	
Rent Leveling Board:					
Salaries and Wages	4,114	4,114	4,110	4	
Other Expenses	200	1,200	286	914	
Municipal Court					
Salaries and Wages	230,370	237,870	233,341	4,529	
Other Expenses	15,000	18,500	15,232	3,268	
Public Defender					
Salaries and Wages	3,000	3,000		3,000	
Health Standards Act N.J.A.C. 12:100-4.2					
Other Expenses	1,000	1,000		1,000	
Insurance:					
Other Insurance Premiums	290,969	420,969	419,470	1,499	
Group Insurance for Employees	2,386,472	2,376,972	2,107,087	269,885	
Workers Compensation	280,961				
Public Safety:					
Police:					
Salaries and Wages	4,168,695	4,168,695	4,066,502	102,193	
Clothing Allowance	25,000				
Miscellaneous Other Expenses	255,000	255,000	197,352	57,648	
Police Cars	46,000	46,000	25,021	20,979	
Communications					
Salaries and Wages	526	526		526	
Other Expenses	10,000	13,500	12,744	756	

**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Qualified Purchasing Agent					
Salaries and Wages	10,200	20,200	20,200		
Fire:					
Salaries and Wages	100,000	100,000	6,220	93,780	
Salaries and Wages - Stipends	150,000	150,000	148,288	1,712	
Clothing Allowance	85,000	85,000	64,376	20,624	
Miscellaneous Other Expenses	150,000	150,000	137,567	12,433	
Uniform Fire Safety Act:					
Salaries and Wages	95,000	95,000	91,664	3,336	
Other Expenses	5,000	5,000		5,000	
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	572,220	572,220	572,220		
Salaries and Wages - Overtime	80,000	80,000	56,159	23,841	
Other Expenses	120,000	120,000	119,522	478	
Garbage and Trash Removal:					
Trash Removal - Contractual	1,050,000	1,054,474	1,054,474	26	
Sanitary Landfill	12,000	12,000	4,650	7,350	
Windsor Road Garbage Removal	20,000	20,000	20,000		
Roosevelt Ave - Garbage	20,000	20,000		20,000	
Recycling:					
Salaries and Wages	19,150	19,150	2,692	16,458	
Other Expenses	10,000	10,000		10,000	

**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Buildings and Grounds:					
Salaries and Wages	46,071	46,071		46,071	
Other Expenses	35,000	52,000	50,703	1,297	
Snow Removal - Other Expenses	75,000	75,000	53,520	21,480	
Sewer System:					
Sewer repairs and rehabilitation	30,000	30,000	7,166	22,834	
Board of Health					
Salaries and Wages	155,892	155,892	141,790	14,102	
Other Expenses	20,000	24,000	21,494	2,506	
Housing Officer					
Salaries and Wages	3,783	3,783		3,783	
Environmental Commission					
(NJSA 40:56A-1 etc.):					
Salaries and Wages	2,547	2,547	2,138	409	
Other Expenses	500	500	25	475	
Tree Removal	10,000	10,000	7,360	2,640	
Animal Welfare:					
Other Expenses	29,500	29,500	26,338	3,162	
Recreation and Education:					
Salaries and Wages	47,277	47,277	33,445	13,832	
Other Expenses	55,000	55,000	38,193	16,807	
Senior Citizen Committee:					
Salaries and Wages	47,067	47,067	2,620	44,447	
Other Expenses	5,000	6,200	5,280	920	
Parks and Playgrounds:					
Salaries and Wages	1,061	1,061		1,061	
Other Expenses	7,500	7,500	(1,300)	8,800	

**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Summer Youth Program					
Other Expenses	24,000	24,000	19,835	4,165	
Town Historian					
Salaries and Wages	5,306	6,806	6,529	277	
Replacement and Repairs all Departments:					
Other Expenses	1,000	8,500	4,516	3,984	
Police Administration Hearings:					
Other Expenses	50,000	50,000	1,488	48,512	
Parking Lot Rental					
Other Expenses	40,000	40,000	28,186	11,814	
Traffic Control Other Expenses	1,000	1,000		1,000	
Anniversary or Holiday					
Other Expenses	30,000	30,000	19,690	10,310	
Grants Person					
Other Expenses	5,500	5,500	5,500		
Uniform Construction Code Officials					
Salaries and Wages	130,571	109,071	76,948	32,123	
Building Inspector					
Salaries and Wages	78,734	78,734	64,191	14,543	
Other Expenses	5,000	10,500	7,179	3,321	
Plumbing Inspector					
Salaries and Wages	9,690	11,690	11,593	97	
Electrical Inspector					
Salaries and Wages	9,690	11,690	10,180	1,510	
Fire Sub-Code Officials					
Salaries and Wages	9,690	11,690	10,180	1,510	

**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Code Enforcement Officer					
Salaries and Wages	63,240	63,240	53,813	9,427	
Elevator Inspection					
Salaries and Wages	7,803	9,803	7,453	2,350	
Zoning Official					
Salaries and Wages	200	200		200	
Building Sub-Code Official					
Salaries and Wages	13,734				
State Housing Inspection					
Salaries and Wages	10,200				
COAH Enforcement					
Salaries and Wages	16,320	16,320	(6,504)	22,824	
Inspection of Buildings					
Salaries and Wages	70,380	83,380	82,691	689	
State Housing					
Salaries and Wages	14,280				
UNCLASSIFIED:					
Utilities:					
Electricity	110,000	110,000	69,535	40,465	
Street Lighting	110,000	110,000	93,644	16,356	
Telephone	130,000	152,000	146,478	5,522	
Water	12,000	15,500	13,600	1,900	
Natural Gas	50,000	50,000	27,088	22,912	
Fire Hydrant Service	110,000	150,000	135,013	14,987	
Diesel	1,000	4,000	3,277	723	
Gasoline	200,000	129,014	101,146	27,868	
Total Operations within "CAPS"	<u>13,836,307</u>	<u>13,819,821</u>	<u>12,189,025</u>	<u>1,630,796</u>	

**BOROUGH OF PALISADES PARK, N.J.**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>B. Contingent</b>					
Total Operations Including Contingent-within "CAPS"	13,836,307	13,819,821	12,189,025	1,630,796	
Detail:					
Salaries & Wages	7,024,205	7,176,491	6,674,650	501,841	
Other Expenses (Including Contingent)	6,812,102	6,643,330	5,514,375	1,128,955	
	13,836,307	13,819,821	12,189,025	1,630,796	
<b>(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"</b>					
DEFERRED CHARGES:					
Overexpenditure of Appropriation Reserve	2,429	2,429	2,429		
<b>STATUTORY EXPENDITURES:</b>					
Contribution to:					
Public Employees' Retirement System	358,965	359,511	359,511		
Police and Firemen's Retirement System	864,026	864,466	864,466		
Social Security System (O.A.S.I.)	421,435	421,435	421,303	132	
Unemployment Compensation Insurance	175,000	175,000	6,889	168,111	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,821,855	1,822,841	1,654,598	168,243	
Total General Appropriations for Municipal Purposes within "CAPS"	15,658,162	15,642,662	13,843,623	1,799,039	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)					
Other Expenses	819,577	819,577	794,617	24,960	
Sewer Rent:					
Borough of Ridgefield	174,000	174,000	120,842	53,158	
Borough of Fort Lee	14,000	14,000		14,000	
Bergen County Utilities Authority					
Service Charges - Contractual	2,007,822	2,007,822	2,007,822		
Council on Affordable Housing					
Other Expenses	37,132	37,132	17,334	19,798	
Emergency Telecommunications					
911 Agreement	17,000	17,000	12,985	4,015	
Total Other Operations - Excluded from "CAPS"	<u>3,069,531</u>	<u>3,069,531</u>	<u>2,953,600</u>	<u>115,931</u>	
Interlocal Municipal Service Agreements:					
Ridgefield Contractual Services:					
Other Expenses	34,500	50,000	45,000	5,000	
Total Interlocal Agreements Excluded from "CAPS"	<u>34,500</u>	<u>50,000</u>	<u>45,000</u>	<u>5,000</u>	
Additional Appropriations Offset by					
Revenues (N.J.S. 40A:4-45.3h)					
Parking Meters:					
Salaries and Wages	50,000	50,000	50,000		
Total Additional Appropriations Offset by	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>		
Revenues (N.J.S. 40A:4-45.3h)					



**BOROUGH OF PALISADES PARK, N.J.**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues					
Clean Communities					
Other Expenses	24,168	24,168	15,939	8,229	
Recycling Tonnage Grant					
Other Expenses	21,335	21,335		21,335	
Body Armor Grant					
Police - Other Expenses	6,985	6,985	6,985		
Alcohol Education & Rehab					
Other Expenses	2,245	2,245		2,245	
<b>Total Public and Private Programs Offset by Revenues</b>	<b>54,733</b>	<b>54,733</b>	<b>22,924</b>	<b>31,809</b>	
<b>Total Operations-Excluded from "CAPS"</b>	<b>3,208,764</b>	<b>3,224,264</b>	<b>3,071,524</b>	<b>152,740</b>	
Detail:					
Salaries and Wages	50,000	50,000	50,000		
Other Expenses	3,158,764	3,174,264	3,021,524	152,740	
	3,208,764	3,224,264	3,071,524	152,740	
<b>Capital Improvements - Excluded from "CAPS"</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>		
Capital Improvement Fund	75,000	75,000	75,000		
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>		

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	750,000	750,000	750,000		
Payment of Bond Anticipation and Capital Notes	97,602	97,602	97,602		
Interest on Bonds	175,090	175,090	175,090		
Interest on Notes	25,000	25,000	21,299		3,701
Total Municipal Debt Service-Excluded from "CAPS"	<u>1,047,692</u>	<u>1,047,692</u>	<u>1,043,991</u>		<u>3,701</u>
Judgements	25,000	25,000	14		24,986
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,356,456</u>	<u>4,371,956</u>	<u>4,190,529</u>	152,740	<u>28,687</u>
Subtotal General Appropriations	20,014,618	20,014,618	18,034,152	1,951,779	28,687
Reserve for Uncollected Taxes	1,200,000	1,200,000	1,200,000		
Total General Appropriations	<u>\$ 21,214,618</u>	<u>21,214,618</u>	<u>19,234,152</u>	<u>1,951,779</u>	<u>28,687</u>
Adopted Budget	<u>21,214,618</u>				
	<u>\$ 21,214,618</u>				
		Reserve for Uncollected Taxes	1,200,000		
		Reserve for Encumbrances	210,048		
		Deferred Charges	2,429		
		Cash	<u>17,821,675</u>		
			<u>\$ 19,234,152</u>		

**BOROUGH OF PALISADES PARK**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-2	\$ 17,610	15,849
Due from Board of Health	B-4	313	310
Due from State of New Jersey	B-6	39	42
		<u>17,962</u>	<u>16,201</u>
Assessment Trust Fund:			
Due from Current Fund	B-8	<u>204</u>	<u>204</u>
Other Trust Fund:			
Cash	B-2	1,649,991	1,532,673
Due from Current Fund	B-7	5,805	16,848
		<u>1,655,796</u>	<u>1,549,521</u>
Ambulance Corp. Trust Fund:			
Cash	B-2	<u>3,059</u>	<u>3,056</u>
Law Enforcement Trust Fund:			
Cash	B-2	<u>23,209</u>	<u>23,186</u>
Community Development Trust Fund			
Due from General Capital Fund	B-9	<u></u>	<u>7</u>
Library Trust Fund:			
Cash	B-2	<u>65,465</u>	<u>65,821</u>
		<u>\$ 1,765,695</u>	<u>1,657,996</u>

## BOROUGH OF PALISADES PARK

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-3	\$ 7,369	10,941
Due to Current Fund	B-5	10,593	5,260
		<u>17,962</u>	<u>16,201</u>
Assessment Trust Fund:			
Fund Balance	B-1	204	204
		<u>204</u>	<u>204</u>
Other Trust Fund:			
Due to Current Fund	B-7	211	21,471
Due to Municipal Court		39	39
Reserve for:			
Other Trust Deposits	B-10	1,655,546	1,528,011
		<u>1,655,796</u>	<u>1,549,521</u>
Ambulance Corp. Trust Fund:			
Reserve for Ambulance Corp. expenditures	B-11	3,059	3,056
Law Enforcement Trust Fund:			
Reserve for Law Enforcement expenditures	B-12	23,209	23,186
Community Development Trust Fund:			
Due to Current Fund	B-7		7
Library Trust Fund:			
Reserve for Library expenditures	B-13	62,660	63,016
Reserve for Donations - Restricted	B-14	2,805	2,805
		<u>65,465</u>	<u>65,821</u>
		<u>\$ 1,765,695</u>	<u>1,657,996</u>

See accompanying notes to financial statements.

**BOROUGH OF PALISADES PARK**

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

**Assessment Trust Funds**

**Years ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Balance - January 1,	\$ <u>204</u>	<u>204</u>
Balance - December 31,	\$ <u><u>204</u></u>	<u><u>204</u></u>

See accompanying notes to financial statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**  
**Comparative Balance Sheet - Regulatory Basis**  
**General Capital Fund**  
**Years Ended December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	C-2,C-3	\$ 1,306,962	2,567,562
Grants Receivable			
Community Development Block Grant	C-7	98,165	219,747
Bergen County Open Space Trust Fund	C-8	19,000	166,178
State of New Jersey Department of Transportation	C-10	330,958	338,852
Due from Current Fund	C-4	114,351	
Due from Swim Pool Operating Utility	C-5		51,490
Deferred Charges to Future Taxation:			
Funded	C-6	4,135,000	4,885,000
Unfunded	C-11	9,337,230	6,087,321
		<u>\$ 15,341,666</u>	<u>14,316,150</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-16	4,135,000	4,885,000
Bond Anticipation Notes Payable	C-17	5,351,587	4,437,189
Improvement Authorizations:			
Funded	C-13	619,417	1,419,254
Unfunded	C-13	3,783,024	2,601,198
Due to Current Fund	C-4		108,048
Due to Community Development Trust Fund	C-9		7
Reserve for Payment of Debt	C-14	427,445	161,262
Reserve for Grants Receivable	C-15	448,123	578,049
Capital Improvement Fund	C-12	32,860	119,060
Fund Balance	C-1	544,210	7,083
		<u>\$ 15,341,666</u>	<u>14,316,150</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$3,985,643 and \$1,650,132 at December 31, 2014 (per exhibit C-18).

See accompanying notes to financial statements.

**BOROUGH OF PALISADES PARK**

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

**General Capital Fund**

**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Balance - December 31,	\$ <u>7,083</u>	<u>7,083</u>
Increased by:		
Funded Improvement Authorization Canceled	<u>544,210</u>	<u>          </u>
	551,293	7,083
Decreased by:		
Utilitized as Budget Revenue	<u>7,083</u>	<u>          </u>
Balance - December 31,	\$ <u><u>544,210</u></u>	<u><u>7,083</u></u>

See accompanying notes to financial statements



**BOROUGH OF PALISADES PARK**  
**Comparative Balance Sheet - Regulatory Basis**  
**Swimming Pool Utility Fund**  
**Years ended December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-6	\$ 375,726	499,264
Due from Bank		919	
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	5,024	5,024
Due from Current Fund	D-15		9,090
		<u>381,669</u>	<u>513,378</u>
 Total Operating Fund		 <u>381,669</u>	 <u>513,378</u>
 Capital Fund:			
Cash	D-5,D-6	3,195	3,195
Fixed capital	D-10	2,871,678	2,871,678
Fixed capital authorized and uncompleted	D-11	135,557	135,557
Total Capital Fund		<u>3,010,430</u>	<u>3,010,430</u>
		 \$ <u>3,392,099</u>	 <u>3,523,808</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 65,938	118,279
Encumbrances Payable	D-4,D-7	3,226	9,245
Interfund Payable - General Capital Fund	D-9		51,490
Fund Balance	D-1	312,505	334,364
Total Operating Fund		<u>381,669</u>	<u>513,378</u>
 Capital Fund:			
Improvement Authorizations - Funded	D-12	17,130	10,900
Improvement Authorizations - Unfunded	D-12	167	6,397
Capital Improvement Fund	D-13	18,506	18,506
Reserve for Amortization	D-14	2,965,535	2,965,535
Deferred Reserve for Amortization	D-16	1,700	1,700
Due to Swimming Pool Operating Fund	D-8	5,024	5,024
Fund Balance	D-2	2,368	2,368
Total Capital Fund		<u>3,010,430</u>	<u>3,010,430</u>
		 \$ <u>3,392,099</u>	 <u>3,523,808</u>

There were bonds and notes authorized but not issued on December 31, 2015 and December 31, 2014 in the amount of of \$40,000 (per Exhibit D-17).

See accompanying notes to financial statements.

## BOROUGH OF PALISADES PARK

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

## Swimming Pool Utility Fund

For the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 199,000	176,000
Membership fees	279,223	281,209
Miscellaneous revenues	136,611	86,652
Other credits to income:		
Unexpended balance of appropriation reserves	122,307	103,067
Total income	<u>737,141</u>	<u>646,928</u>
Expenditures:		
Operations:		
Salaries and wages	295,000	245,000
Other expenses	265,000	315,000
Membership Refunds		430
Total expenditures	<u>560,000</u>	<u>560,430</u>
Excess	177,141	86,498
Fund balance, January 1	<u>334,364</u>	<u>423,866</u>
	511,505	510,364
Decreased by utilization as anticipated revenue	<u>199,000</u>	<u>176,000</u>
Fund balance, December 31	<u>\$ 312,505</u>	<u>334,364</u>

See accompanying notes to financial statements.

**BOROUGH OF PALISADES PARK**

**Comparative Statement of Changes in Capital Fund Balance - Regulatory Basis**

**Swimming Pool Utility Capital Fund**

**Years ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	\$ <u>2,368</u>	<u>2,368</u>
Balance - December 31, 2015	\$ <u><u>2,368</u></u>	<u><u>2,368</u></u>

See accompanying notes to financial statements.

**BOROUGH OF PALISADES PARK**

**Statement of Revenues-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus	\$ 199,000	199,000	
Membership fees	281,000	279,223	(1,777)
Miscellaneous revenues	<u>80,000</u>	<u>136,611</u>	<u>56,611</u>
	<u>\$ 560,000</u>	<u>614,834</u>	<u>54,834</u>
		Cash Receipts	
		415,834	
		Surplus Realized	
		<u>199,000</u>	
		<u>\$ 614,834</u>	

Analysis of Miscellaneous Revenues

Petty Cash	\$ 200
Insurance Reimbursements	70,564
Miscellaneous	65,701
Interest on Investments	<u>146</u>
	<u>\$ 136,611</u>

See accompanying notes to financial statements.

**BOROUGH OF PALISADES PARK**

**Statement of Expenditures-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	<u>Appropriations</u>	<u>Expended</u>	
	Budget	Paid	Reserved
	after	or	
	modifi-	charged	
	cation	<u>          </u>	<u>          </u>
	<u>Budget</u>		
Operating:			
Salaries and wages	\$ 245,000	280,155	14,845
Other expenses	<u>315,000</u>	<u>213,907</u>	<u>51,093</u>
	<u>\$ 560,000</u>	<u>494,062</u>	<u>65,938</u>
		Encumbrances 3,226	
		<u>Cash Disbursed 490,836</u>	
		\$ <u>494,062</u>	

See accompanying notes to financial statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash	\$ 5,232	83,527
Deficit in Payroll Deductions and Withholdings		1,499
	<u>5,232</u>	<u>85,026</u>
	<u>\$ 5,232</u>	<u>85,026</u>
<u>Reserves</u>		
Due to Current Fund - Payroll Agency	\$ 2,607	85,026
Due to Current Fund - Net Payroll Account		2,625
	<u>2,625</u>	<u>85,026</u>
	<u>\$ 5,232</u>	<u>85,026</u>

See accompanying notes to financial statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**BOROUGH OF PALISADES PARK**

**Comparative Statement of General Fixed Assets-Regulatory Basis**

**General Fixed Assets Account Group**

**Year Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Land	\$ 4,953,992	4,953,992
Building	3,557,832	3,557,832
Vehicles and Equipment	<u>8,911,591</u>	<u>7,692,425</u>
	<u>\$ 17,423,415</u>	<u>16,204,249</u>
Investment in General Fixed Assets	<u>\$ 17,423,415</u>	<u>16,204,249</u>

See accompanying notes to financial statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**

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

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

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

A. Reporting Entity

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

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

The Borough has the following funds and account group:

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

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

Assessment Trust Fund - This fund is used to account for the collection of special assessments for improvements.

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective April 1, 1998, the borough transferred administration of the general assistance program to the Bergen County Board of Social Services.

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Swim Pool Utility Fund - is used to account for the operations and acquisition of the capital facilities and municipally owned utility.

Library Trust Fund - This fund is used to account for receipts and donations collected and used to offset miscellaneous expenses and book purchases made by the Library.

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

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

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

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2015 and 2014, the Governing Body approved additional revenues and appropriations of \$-0- and \$-0-, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2015 and 2014.

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

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

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

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

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

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

General Fixed Assets - The Borough of Palisades Park has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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

No depreciation has been provided for in the financial statements.



**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

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

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

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

Use of Estimates

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

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

Recent Accounting Pronouncements

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Recent Accounting Pronouncements, (continued)

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

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Recent Accounting Pronouncements, (continued)

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

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

Recent Accounting Pronouncements, (continued)

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

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

C. Basic Financial Statements

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Cash**

**Custodial Credit Risk - Deposits**

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015, \$-0- of the Borough's bank balance of \$11,122,604 was exposed to custodial credit risk. As of December 31, 2014, \$-0- of the Borough's bank balance of \$11,532,682 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2015 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$4,885,000	\$	\$750,000	\$4,135,000	\$785,000
Other Liabilities:					
Compensated Absences Payable	1,163,152	437,773	83,319	1,517,606	
Deferred PERS/PFRS Pension Obligation	<u>382,358</u>	<u>          </u>	<u>27,136</u>	<u>355,222</u>	<u>29,387</u>
	<u>\$6,430,510</u>	<u>\$437,773</u>	<u>\$860,455</u>	<u>\$6,007,828</u>	<u>\$814,387</u>

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued:</u>			
General - bonds, notes and loans	<u>\$9,486,587</u>	<u>\$9,322,189</u>	<u>\$8,640,008</u>
Total Issued	9,486,587	9,322,189	8,640,008
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes	<u>427,445</u>	<u>161,262</u>	<u>279,033</u>
Net Debt Issued	<u>9,059,142</u>	<u>9,160,927</u>	<u>8,360,975</u>
<u>Authorized But Not Issued</u>			
General - bonds, notes and loans	3,985,643	1,650,132	2,174,132
Swimming pool - bonds and notes	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Total Authorized But Not Issued	<u>4,025,643</u>	<u>1,690,132</u>	<u>2,214,132</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$13,084,785</u>	<u>\$10,851,059</u>	<u>\$10,575,107</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .523% for 2015.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Swimming Pool Utility Debt	\$40,000	\$40,000	\$0
School District Debt	624,000	624,000	0
General Debt	<u>13,472,230</u>	<u>427,445</u>	<u>13,044,785</u>
	<u>\$14,136,230</u>	<u>\$1,091,445</u>	<u>\$13,044,785</u>

Net debt of \$13,044,785 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,492,202,250 equals .523%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .430% for 2014.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Swimming Pool Utility Debt	\$40,000	\$	\$40,000
School District Debt	717,000	717,000	0
General Debt	<u>10,972,321</u>	<u>161,262</u>	<u>10,811,059</u>
	<u>\$11,729,321</u>	<u>\$878,262</u>	<u>\$10,851,059</u>

Net debt of \$10,851,059 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,521,032,372 equals .430%.

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

	<u>2015</u>	<u>2014</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$87,227,079	\$88,236,133
Net Debt	<u>13,044,786</u>	<u>10,851,059</u>
Remaining Borrowing Power	<u>\$74,182,293</u>	<u>\$77,385,074</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

Calculation of "Self-Liquidating Purpose", Swimming Pool Utility Per N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$614,834
Deductions:		
Operating and Maintenance Cost	\$560,000	
Total Deductions		<u>560,000</u>
Excess in Revenue - Not Self-Liquidating		<u>\$54,834</u>

General Obligation Bonds

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

Paid by Current Fund.

	<u>2015</u>	<u>2014</u>
<u>General serial bonds:</u>		
\$3,375,000 General Serial Bonds - with an interest rate of 3.875% to 4.00% issued August 1, 2006, due through August 1, 2017	\$1,115,000	1,640,000
\$3,735,000 General Improvement Bonds - with an interest rate of 2.00% to 4.00% issued April 5, 2011, due through April 15, 2025	<u>3,020,000</u>	<u>3,245,000</u>
	<u>\$4,135,000</u>	<u>\$4,885,000</u>

Aggregate bonded debt service requirements are as follows:

<u>Year</u>	<u>General Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$785,000	\$149,196	\$934,196
2017	820,000	120,728	940,728
2018	310,000	89,088	399,088
2019	315,000	79,319	394,319
2020	320,000	68,800	388,800
2020-2025	<u>1,585,000</u>	<u>157,900</u>	<u>1,742,900</u>
	<u>\$4,135,000</u>	<u>\$665,031</u>	<u>\$4,800,031</u>



**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

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

At December 31, 2015 and 2014, the Borough had authorized but not issued debt as follows:

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$3,985,643	\$1,650,132
Swim Pool Capital Fund	40,000	40,000

**NOTE 4. BOND ANTICIPATION NOTES**

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

On December 31, 2015 and 2014, the Borough had \$5,351,587 and \$4,437,189, respectively, in outstanding general capital bond anticipation notes

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2015 and 2014:

<u>2015</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Bank, N.A.	\$4,437,189	\$	\$4,437,189	\$0
PNC Bank, N.A.		<u>5,351,587</u>		<u>5,351,587</u>
	<u>\$4,437,189</u>	<u>\$5,351,587</u>	<u>\$4,437,189</u>	<u>\$5,351,587</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

<u>2014</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Bank, N.A.	\$	\$4,437,189	\$	\$4,437,189
TD Securities, LLC	<u>3,040,008</u>		<u>3,040,008</u>	
	<u>\$3,040,008</u>	<u>\$4,437,189</u>	<u>\$3,040,008</u>	<u>\$4,437,189</u>

**NOTE 5. LOCAL DISTRICT SCHOOL TAXES**

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

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

	<u>Local District School Tax Balance December 31,</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$10,932,805	\$10,338,658
Deferred	<u>10,932,805</u>	<u>10,338,658</u>
Tax Payable	<u>\$ -0-</u>	<u>\$ -0-</u>

**NOTE 6. PENSION PLANS**

Description of Systems:

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS)*

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

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems: (continued)

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

members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

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

*Police and Firemens' Retirement System (PFRS)*

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

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

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

Defined Contribution Retirement Program

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

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems: (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

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

Contribution Requirements

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2015	\$350,210	\$872,703
2014	343,603	811,811
2013	322,587	690,963

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$9,144,146 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .040734796400 percent, which was an increase/(decrease) of (.00094509) percent from its proportion measured as of June 30, 2014.

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

For the year ended December 31, 2015, the Borough recognized pension expense of \$350,210. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$218,147	\$
Changes of assumptions	982,008	
Net difference between projected and actual earnings on pension plan investments		147,020
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>                    </u>	<u>299,426</u>
Total	<u>\$1,200,155</u>	<u>\$446,446</u>

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

Year ended June 30:	
2016	\$191,724
2017	191,724
2018	191,724
2019	305,351
2020	172,614



**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Additional Information**

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	.0407347964%	.0416798898%

**Actuarial Assumptions**

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

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Mortality Rates**

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

**Long-Term Rate of Return**

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

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Discount Rate**

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

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

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

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$11,365,054	\$9,144,146	\$7,282,152

**Pension Plan Fiduciary Net Position**

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

At December 31, 2015, the Borough had a liability of \$17,882,973 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .1073632397 percent, which was an increase/(decrease) of .00166819 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$872,703. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$154,246
Changes of assumptions	3,301,641	
Net difference between projected and actual earnings on pension plan investments		311,237
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,170,219</u>	<u>          </u>
Total	<u>\$4,471,860</u>	<u>\$465,483</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

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

Year ended June 30:	
2016	\$538,638
2017	538,638
2018	538,638
2019	883,181
2020	337,063

**Additional Information**

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	.107363239700%	.10569505200%

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Actuarial Assumptions**

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

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

**Mortality Rates**

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

**Long-Term Rate of Return**

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$25,642,923	\$17,882,973	\$14,402,494

**Pension Plan Fiduciary Net Position**

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



**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS**

On March 16, 2010, the Borough of Palisades Park approved a resolution to participate in the Health Program provided by the New Jersey State Health Benefits Act of the State of New Jersey (N.J.S.A. 52:14-17.25 et seq.) and to authorize coverage for all the employees and their dependents thereunder in accordance with the statute and regulations adopted by the State Health Benefits Commission. The State Health Benefits Program was established in 1961 to provide health benefits to State employees, retirees and their dependents.

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2013.pdf>.

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Borough 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 Borough. This does not include dental benefits.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)**

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of Palisades Park on a monthly basis. The rates charged by the system for the years ended December 31, 2015 and 2014 were as follows:

The Borough of Palisades Park contributions to SHBP for post-retirement benefits for the year ended December 31, 2015 was \$562,692 and \$496,839 for 2014, which equaled the required contribution for each year.

**NOTE 8. FUND BALANCE APPROPRIATED**

The fund balances at December 31, 2015 and December 31, 2014 which have been appropriated as revenue in the 2016 and 2015 budgets are as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	\$2,409,500	\$2,375,000
Swimming Pool Utility	151,000	199,000

**NOTE9. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2015.

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Fixed Assets:				
Land and Land Improvements	\$4,953,992	\$	\$	\$4,953,992
Building and Building Improvements	3,557,832			3,557,832
Machinery and Equipment	<u>7,692,425</u>	<u>1,219,166</u>	<u>—</u>	<u>8,911,591</u>
	<u>\$16,204,249</u>	<u>\$1,219,166</u>	<u>\$-0-</u>	<u>\$17,423,415</u>
Investment in Fixed Assets	<u>\$16,204,249</u>			<u>\$17,423,415</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 10. ACCRUED SICK AND VACATION BENEFITS**

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,517,606 and \$1,163,152 as of December 31, 2015 and 2014, respectively. The amount is not reported either as a liability or an expenditure.

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2015 consist of the following:

\$114,351	Due to the General Capital Fund from the Current Fund for grant receipts less interest on investments and budget revenue not turned over.
5,024	Due to the Swim Pool Utility Operating Fund from the Swim Pool Utility Capital Fund for funds transferred in error.
2,607	Due to the Current Fund from the Payroll Agency Account for monies in excess of that required to cover payroll deductions and withholdings.
10,593	Due to the Current Fund from the Animal License Trust Fund for current and prior years' statutory excess.
204	Due to the Assessment Trust Fund from the Current Fund for the collection of assessments received in the Current Fund.
211	Due to the Current Fund from the Developer's Escrow Trust Fund for the municipality's share of interest earned on developer's deposits.
2,625	Due to the Current Fund from the Public Defender Trust Fund for the unallocated balance in the account.
<u>5,805</u>	Due to the Unemployment Trust Fund from the Current Fund for monies transferred in error.
<u>\$141,420</u>	

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

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 12. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2014 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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

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

**NOTE 13. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$310,551</u>	<u>\$298,968</u>
Cash Liability for Taxes Collected in Advance	<u>\$310,551</u>	<u>\$298,968</u>

**BOROUGH OF PALISADES PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 14. LITIGATION**

The Borough is a defendant in various legal proceedings. A portion of these cases, if decided against the Borough, would be covered by insurance. Any judgements not covered by insurance would be raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

**NOTE 15. COMMITMENTS AND CONTINGENCIES**

There are numerous tax appeal litigations pending at December 31, 2015. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals which are currently estimated to be \$515,300. Any successful appeals would be raised through future taxation.

**NOTE 16. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through August 5, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**SUPPLEMENTARY DATA**

**THIS PAGE INTENTIONALLY LEFT BLANK**



## BOROUGH OF PALISADES PARK

### Supplementary Data

#### Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
James Rotunda	Mayor		
Henry Ruh	Council President		
Joseph Testa	Councilman		
Jong Chul Lee	Councilman		
Christopher Chung	Councilman		
Cyndy Pirrera	Councilman		
Frank Donahue	Councilman		
David Lorenzo	Administrator		
Gina Kim	Borough Clerk		
John L. Schettino	Attorney		
Roy Riggitano	Chief Finance Officer		
Michael Apicella	Tax Collector	\$ 1,200,000 (A)	Western Surety
John Grala	Superintendent of Public Works		
Joseph Rotolo	Magistrate	1,000,000 (A)	
Kathleen Scala	Court Administrator	1,000,000 (A)	
Joan Meo	Deputy Court Administrator	1,000,000 (A)	

(A) - The tax collector position is covered by an individual bond issued through Western Surety. In addition, the position is also covered under the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000, subject to a \$1,000 deductible. There are no individual bonds with respect to court officials. They are covered solely under the Municipal Excess Liability Joint Insurance Fund.

**BOROUGH OF PALISADES PARK**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax rate	\$ <u>1.861</u>	<u>1.777</u>	<u>1.784</u>
Apportionment of tax rate:			
Municipal	0.625	0.599	0.599
Library	0.035	0.035	0.038
County	0.256	0.249	0.266
Local school	<u>0.945</u>	<u>0.894</u>	<u>0.881</u>

Assessed valuation

2015	\$ 2,312,842,743
2014	2,313,215,180
2013	2,302,831,064

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2015	\$ 43,281,943	42,444,512	98.07%
2014	41,310,400	40,263,688	97.47%
2013	41,375,932	40,342,744	97.81%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	\$ 23,563	525,265	548,828	1.27%
2014	22,176	581,756	603,932	1.46%
2013	17,983	923,354	689,970	1.67%

**BOROUGH OF PALISADES PARK**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

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

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

<u>Year</u>		<u>Amount</u>
2015	\$	275,000
2014		275,000
2013		275,000

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2015	\$	4,060,883	2,409,500
	2014		3,841,308	2,375,000
	2013		3,902,277	1,698,338
	2012		2,427,069	1,511,448
	2011		1,664,320	1,450,000
Swimming Pool Utility Fund:	2015	\$	312,505	151,000
	2014		334,364	199,000
	2013		423,866	176,000
	2012		415,592	101,000
	2011		338,715	103,900

Comparison of Swimming Pool Utility Fees

<u>Year</u>		<u>Member- ship fees budgeted</u>	<u>Cash collection</u>
2015	\$	281,000	279,223
2014		375,000	281,209
2013		400,000	345,523
2012		400,000	458,542
2011		400,000	455,322

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**  
**Schedule of Expenditures of State Awards**

Year ended December 31, 2015

<u>State funding department</u>	<u>State program</u>	<u>Grant number</u>	<u>Grant year</u>	<u>Allocation or grant award amount</u>	<u>Receipts</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
Current Fund: Department of Community Affairs	Domestic Violence Training		2009	1,224			
Department of Environmental Protection Agency	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2014	21,335			
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2009	21,399			
	Clean Communities	4900-765-042-4900-004-V42Y	2015	29,385	29,385		15,939
	Clean Communities	4900-765-042-4900-004-V42Y	2014	24,168		15,939	8,071
	Clean Communities	4900-765-042-4900-004-V42Y	2013	31,021		8,071	17,632
	Clean Communities	4900-765-042-4900-004-V42Y	2012	21,953			20,048
	Clean Communities	4900-765-042-4900-004-V42Y	2011	22,300			19,995
	Clean Communities	4900-765-042-4900-004-V42Y	2010	21,340	29,385	24,010	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2015	2,593	2,593		
	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2014	2,245			
	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2012	755			
	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2011	755			
	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2010	955			
	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2009	2,356	2,593	825	825
Department of Law and Public Safety	Division of Criminal Justice						
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2015	3,110	3,110		2,883
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2014	2,946		2,883	6,985
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2013	6,378		6,985	
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2008	6,533	3,110	9,868	
					35,088	34,703	
<b>Total State Financial Assistance - Current Fund</b>							

**BOROUGH OF PALISADES PARK**  
**Schedule of Expenditures of State Awards**  
**Year ended December 31, 2015**

<u>State funding department</u>	<u>State program</u>	<u>Grant number</u>	<u>Grant year</u>	<u>Allocation or grant award amount</u>	<u>Receipts</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
<u>Trust Funds:</u>							
Department of Health and Senior Services	Municipal Alliance		2013	11,677			11,677
			2012	13,157			13,157
			2010	12,157			12,157
<b>Total State Financial Assistance - Trust Funds</b>							
General Capital Fund Department of Transportation	Resurfacing of East and West Hanwood Avenues - Ord. 1427		Ord. 1427	125,000			125,000
	Resurfacing of East and West Homestead Avenues and portion of 4th Street		Ord. 1533	220,000			28,774
	Lindbergh School Safe Routes to Schools		Ord. 1624	200,000			
	Imps. to East/West Edsall Blvd - 2013		Ord. 1633	150,000	150,000	150,000	
	Imps. to East/West Edsall Blvd - 2014		Ord. 1633	149,000	24,700	150,000	150,000
<b>Total State Financial Assistance - General Capital Fund</b>							
<b>Total State Financial Assistance</b>							
					\$ 209,788	\$ 184,703	
<u>Other Financial Assistance</u>							
County of Bergen	Open Space Trust Fund		2014	19,000			
	Ord. 1625		2013	56,080			
	Ord. 1603		2012	59,500	59,500		59,500
	Ord. 1581, 006-910-785-20-31		2007	82,500	59,500		82,500
	006-910-785-20-31 - OST-PP-07						
	BCUA - Municipal Recycling Grant		2009	4,976			
<b>Total Other Financial Assistance</b>							
<b>Total State and Other Financial Assistance</b>							
					\$ 269,288	\$ 184,703	

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

**BOROUGH OF PALISADES PARK**  
**Schedule of Expenditures of Federal Awards**

Year ended December 31, 2015

Federal Grantor	Federal program	CFDA #	Grant year	Grant award amount	Receipts	Expended	MEMO Cumulative Total Expenditures
(1) Department of Housing and Urban Development	Community Development Block Grant	14.218	2006	100,000 \$			85,529
	Construction of a Little League Field - Ord. 1478		2009	100,000			79,409
	Resurfacing of 10th Street - Ord. 1540		2012	91,000			91,000
	Resurfacing of Cleveland, Hillside, Highland - Ord. 1582		2013	100,000	91,835		98,835
	Improvement of Centre Place - Ord. 1604 Hillside Avenue Improvements - Ord. 1629		2014	90,000	91,835		
(2) Department of Health and Human Services	Local Public Health Emergency Response to H1N1	93.069	2009	104,746			94,999
	Public Health Priority Funding	93.069	2009	5,746			1,107
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	2012	2,700			361
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	2015	1,258	1,258		
		20.601	2010	4,350	1,258	152	547
(2) U.S. Department of Transportation Federal Highway Administration	Highway Planning and Construction						
	2012 Road Resurfacing Program - Ord. 1582	20.205	2012	146,500	46,811		146,500
	Resurfacing of First Street - Ord. 1546	20.205	2010	200,000			125,488
	Resurfacing of East and West Homestead Avenues and portion of 4th Street - Ord. 1533	20.205	2009	220,000	46,811		220,000
				\$ 139,904	152		

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

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## BOROUGH OF PALISADES PARK

## Schedule of Cash - Collector - Treasurer

## Current Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$ 6,225,653
Increased by receipts:		
Petty Cash Returned	\$ 1,550	
Taxes Receivable	42,629,263	
Prepaid Taxes	310,551	
Revenue Accounts Receivable	3,365,118	
Collection of Prior Year Disallowed deductions	2,500	
Due from State of N.J. - Senior Citizens' and Veterans' Deductions	50,490	
Miscellaneous Revenue Not Anticipated	290,046	
Tax Overpayments	127,668	
Unappropriated Grants	36,346	
Reserve for Free Public Library	8,581	
Interfunds	437,909	
Miscellaneous Reserves	8,171	
		<u>47,268,193</u>
		53,493,846
Decreased by disbursements:		
2015 Appropriations	17,821,675	
2014 Appropriation Reserves	564,860	
Petty cash advanced	1,075	
County taxes	5,891,030	
Added County taxes	28,681	
Interfunds	25,940	
Local district school tax	21,271,463	
Refund of prior years' taxes	513,345	
Tax overpayment refunds	6,191	
Tax Title Lien premium refunds	2,500	
Reserve for Free Public Library	5,680	
Miscellaneous Reserves	7,509	
Appropriated Grant Reserves	977	
		<u>46,140,926</u>
Balance, December 31, 2015		\$ <u>7,352,920</u>

**BOROUGH OF PALISADES PARK**

**Schedule of Change Fund**

**Current Fund**

**Year ended December 31, 2015**

Balance December 31, 2014	\$	<u>200</u>
Balance December 31, 2015	\$	<u><u>200</u></u>
Municipal Court		100
Tax Collector		<u>100</u>
	\$	<u><u>200</u></u>

**Schedule of Petty Cash**

**Current Fund**

**Year ended December 31, 2015**

Balance December 31, 2014	\$	475
Increased by:		
Petty Cash Advances		<u>1,075</u>
		1,550
Decreased by:		
Petty Cash Returned	\$	<u><u>1,550</u></u>
		100
Clerk		125
Board of Health		250
Recreation		100
Building Department		100
Police		100
Library		200
Department of Public Works		100
Municipal Court		<u>100</u>
	\$	<u><u>1,075</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Due (to)/ from State of New Jersey -  
Chapter 20, P.L. 1971**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014		\$	53,457
Increased by:			
Senior Citizen Deductions per Tax Billings	\$	15,500	
Veteran Deductions per Tax Billings		36,000	
Deductions Allowed by Tax Collector		<u>1,750</u>	
			<u>53,250</u>
			106,707
Decreased by:			
Collections of Prior Years' disallowed deductions		2,500	
Deductions disallowed by Tax Collector		2,750	
State share of Senior Citizens and Veteran's Deductions received in Cash		<u>50,490</u>	
			<u>55,740</u>
Balance, December 31, 2015		\$	<u><u>50,967</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Taxes Receivable and Analysis of  
Property Tax Levy**

**Current Fund**

**Year ended December 31, 2015**

Year of levy	Balance, Dec. 31, 2014	2015 Levy	Collections		Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2015
			2014	2015			
2014	581,756			581,756			
2015		43,042,005	239,938	42,145,544	2,678	309,488	525,265
	\$ 581,756	43,042,005	239,938	42,727,300	2,678	309,488	525,265

Cash received	42,629,263
Overpayments Applied	47,537
Senior citizens' and veterans' deductions	50,500
	\$ 42,727,300

Analysis of 2015 Property Tax Levy

Tax yield - general purpose tax:  
 General property tax 43,042,005  
 Added and omitted taxes 239,938

\$ 43,281,943

Tax levy:

Local district school tax (abstract) 21,865,610  
 County tax (abstract) 5,891,030  
 Due county for added taxes (54:4-63.1 et seq.) 37,531  
 Local tax for municipal purposes (abstract) 15,279,512  
 Additional tax levied 208,260

\$ 43,281,943

**Exhibit A-9**

**BOROUGH OF PALISADES PARK**

**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	22,176
Increased by:		
2015 Taxes Transferred to Liens		<u>2,678</u>
		24,854
Decreased by:		
Prior year correction for outside lien miscategorized as municipal		<u>1,291</u>
Balance, December 31, 2015	\$	<u><u>23,563</u></u>

**Exhibit A-10**

**Schedule of Foreclosed Property**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	<u>275,000</u>
Balance, December 31, 2015	\$	<u><u>275,000</u></u>

Analysis of Balance

Block 428, Lot 3	\$	<u><u>275,000</u></u>
------------------	----	-----------------------

## BOROUGH OF PALISADES PARK

## Schedule of Revenue Accounts Receivable

## Current Fund

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance, Dec. 31, <u>2015</u>
Borough Clerk:				
Liquor licenses	\$	101,438	101,438	
Licenses - other		395	395	
Fees and permits - other		249,583	249,583	
Construction Code Official - fees and permits		633,000	633,000	
Municipal Court - fines and costs	64,362	684,051	698,868	49,545
Interest and Costs on Taxes		100,000	100,000	
Parking Meters		427,607	427,607	
Interest on investments		2,497	2,497	
Recreation Fees		16,332	16,332	
Energy Receipts Tax		874,860	874,860	
Consolidated Municipal Property				
Tax Relief Act		74,130	74,130	
Parking Meters		50,000	50,000	
Recycling Tonnage Grant		21,335	21,335	
Alcohol Education and Rehabilitation Fund		2,245	2,245	
Clean Communities Grant		24,168	24,168	
Body Armor Grant		6,985	6,985	
General Capital Fund Balance		7,083	7,083	
Due From General Capital		100,000	100,000	
Local Housing Inspections		11,027	11,027	
Sewer Connection Fees		125,381	125,381	
	<u>\$ 64,362</u>	<u>3,512,117</u>	<u>3,526,934</u>	<u>49,545</u>
			Cash	3,365,118
			Interfunds Receivable	107,083
			Grants Receivable	54,733
			<u>\$ 3,526,934</u>	

## BOROUGH OF PALISADES PARK

## Schedule of Interfunds

## Current Fund

Year ended December 31, 2015

	Due (from)/to Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due (from)/to Balance <u>Dec. 31, 2015</u>
General Capital Fund	\$ (108,048)	107,253	329,652	114,351
Swim Pool Utility Operating	9,090	9,090		
Payroll Agency Account	(85,026)		82,419	(2,607)
Net Payroll Account		2,625		(2,625)
Animal License Trust Fund	(5,260)	6,652	1,319	(10,593)
Assessment Trust Fund	204			204
Other Trust Funds -				
Municipal Alliance Trust Fund	16,848	16,848		
Developers Escrow	(883)	211	883	(211)
Flu Shot Reimbursement	(6,828)		6,828	
Public Defender Trust Fund	(800)		800	
Unemployment Trust Fund	(12,960)		18,765	5,805
Community Development Trust Fund	(7)		7	
	<u>\$ (193,670)</u>	<u>142,679</u>	<u>440,673</u>	<u>104,324</u>
Due from	(219,812)	116,741	320,517	(16,036)
Due to	<u>26,142</u>	<u>25,938</u>	<u>120,156</u>	<u>120,360</u>
	<u>\$ (193,670)</u>	<u>142,679</u>	<u>440,673</u>	<u>104,324</u>
			Cash Receipts \$ 225,489	
		Cash Disbursements 25,940		
		Unallocated balance in Net Payroll 2,625		
		Budget Revenue 107,083		
		Statutory Excess 6,652		
		Interfunds Returned	2,764	
		Interfunds Returned - Cash Receipts	212,420	
		Interest Earned on Investments 379		
		<u>\$ 142,679</u>	<u>440,673</u>	

**BOROUGH OF PALISADES PARK**

**Schedule of Deferred Charges: Overexpenditure of Appropriation Reserves**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$ <u>2,429</u>
Decreased By:	
Budget Appropriations	\$ <u><u>2,429</u></u>



**BOROUGH OF PALISADES PARK**

**Schedule of Tax Overpayments**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014		\$	60,727
Increased by:			
Cash Receipts			<u>127,668</u>
			188,395
Decreased by:			
Overpayments Applied	\$	47,537	
Overpayments Refunded		<u>6,191</u>	
			<u>53,728</u>
Balance, December 31, 2015		\$	<u><u>134,667</u></u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014		\$	298,968
Increased by:			
Payment of 2016 Taxes			<u>310,551</u>
			609,519
Decreased by:			
Applied to 2015 Taxes			<u>298,968</u>
Balance, December 31, 2015		\$	<u><u>310,551</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	
School Tax Deferred	10,338,658
Increased by:	
Levy - School Year July 1, 2015	
to June 30, 2016	<u>21,865,610</u>
	32,204,268
Decreased by:	
Cash disbursements	<u>21,271,463</u>
Balance, December 31, 2015	<u>\$ 10,932,805</u>
School Taxes Deferred	<u>\$ 10,932,805</u>
<u>2015 Liability for Local School District Taxes:</u>	
Tax Paid	\$ 21,271,463
Less: Tax Payable at 12/31/14	<u>10,338,658</u>
Amount charged to 2015 Operations	<u>\$ 10,932,805</u>

**BOROUGH OF PALISADES PARK**

**Schedule of County Taxes Payable**

**Current Fund**

**Year ended December 31, 2015**

Increased by:		
2015 General County Levy	\$ 5,829,354	
Open Space Tax	<u>61,676</u>	
		<u>5,891,030</u>
Decreased by:		
Cash Disbursements		\$ <u><u>5,891,030</u></u>

**Schedule of Due County for  
Added and Omitted Taxes**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$ 28,681
Increased by:	
County Share of Added and Omitted Taxes	<u>37,531</u>
	66,212
Decreased by:	
Cash Disbursements	<u>28,681</u>
Balance, December 31, 2015	\$ <u><u>37,531</u></u>

## BOROUGH OF PALISADES PARK, N.J.

## Schedule of 2014 Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
Administrative and Executive	\$ 14,314	14,314		14,314
Financial Administration	1,150	1,150		1,150
Collection of Taxes	16,884	16,884		16,884
Assessment of Taxes	1,064	1,064		1,064
Planning Board	301	301		301
Zoning Board of Adjustment	22	22		22
Zoning Officer	563	563		563
Housing Inspector	4,636	4,636		4,636
Municipal Court	419	419		419
Rent Leveling Board	204	204		204
Public Defender	3,000	3,000		3,000
Police	623	623		623
Communications	515	515		515
Qualified Purchasing Agent	300	300		300
Fire	96,520	96,520		96,520
Fire - Stipends	11,500	11,500		11,500
Uniform Fire Safety Act (PL 1983, C.383)	1,362	1,362		1,362
Road Repair and Maintenance	1,905	1,905		1,905
Recycling	10,898	10,898		10,898
Housing Officer	3,783	3,783		3,783
Board of Health	453	453		453
Environmental Commission	377	377		377
Recreation	11,762	11,762		11,762
Senior Citizens	41,954	41,954		41,954
Parks and Playgrounds	1,030	1,030		1,030
Town Historian	395	395		395
Uniform Construction Code Officials	24,605	24,605		24,605
Building Inspector	45,922	5,922		5,922
Fire Sub-Code Official	269	269		269
Code Enforcement Officer	14,501	14,501		14,501
Elevator Inspection	432	432		432
Building Sub-Code Official	13,464	13,464		13,464
Plumbing Inspector	293	293		293
Electrical Inspector	105	105		105
Zoning Official	200	200		200
COAH Enforcement	15,540	15,540		15,540
Inspection of Buildings	469	469		469
State Housing	14,000	14,000		14,000
State Housing Inspection	322	322		322
<b>Total Salaries and Wages Within "CAPS"</b>	<u>356,056</u>	<u>316,056</u>		<u>316,056</u>
<b>Other Expenses Within "CAPS":</b>				
Administrative and Executive:				
Stationery, Printing & Advertising	1,673	4,085	2,568	1,517
Miscellaneous	6,847	18,693	15,724	2,969
Financial Administration	8,159	33,909	27,500	6,409
Assessment of Taxes	708	708	420	288
Assessment of Taxes - Legal	2,670	2,670		2,670
Collection of Taxes	1,133	2,117	1,883	234

## BOROUGH OF PALISADES PARK, N.J.

## Schedule of 2014 Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Tax Appeals		14,434	14,434	
Legal Services and Costs	87,008	35,008	3,800	31,208
Engineering Services and Costs	4,534	4,534		4,534
Planning Board	4,891	4,991	106	4,885
Zoning Board of Adjustment	1,919	3,044	2,137	907
Rent Leveling Board	100	100		100
Municipal Court	2,597	4,822	2,819	2,003
Health Standards Act N.J.A.C. 12:100-42	1,000	1,000		1,000
Police:				
Other Expenses	3,000	3,000		3,000
Miscellaneous	55,223	133,923	78,463	55,460
Purchase of Police Vehicles	43,525	43,525		43,525
Communications	1,591	3,443	872	2,571
Red Light Administration	122,948	14,289		14,289
Fire:				
Clothing Allowance	22,208	22,208		22,208
Miscellaneous	419	25,322	23,518	1,804
Uniform Fire Safety Act:				
Other Expenses	865	865		865
Road Repairs and Maintenance	7,004	15,768	14,373	1,395
Sanitation:				
Sanitary Landfill - Contractual	37,000	118,083	81,083	37,000
Garbage and Trash Removal	4,500	7,908	1,860	6,048
Roosevelt Avenue Garage	20,000	20,000		20,000
Recycling	10,000	10,000		10,000
Public Buildings and Grounds	8,130	21,460	12,618	8,842
Snow Removal	20,061	20,211	339	19,872
Sewer Repairs and Rehabilitation	5,071	5,302	1,732	3,570
Board of Health	6,899	11,984	4,767	7,217
Environmental Commission:				
Other Expenses	500	500		500
Other Expenses - Tree Removal	2,665	6,365	3,700	2,665
Animal Control	4,875	4,875		4,875
Recreation	9,585	27,144	16,595	10,549
Senior Citizens	1,180	1,180		1,180
Parks and Playgrounds:				
Other Expenses	1,215	1,215		1,215
Summer Youth Program	208	208		208
Parking Lot Rental	2,826	2,826		2,826
Police Administrative Hearings	36,059	36,059		36,059
Traffic Control	1,130	1,130		1,130
Anniversary on Holiday	11,348	11,348	4,412	6,936
Insurance :				
Other Insurance Premiums	3,800	146,000	145,918	82
Group Insurance Plan for Employees	9,155	9,155		9,155
Building Inspector	1,889	2,693	804	1,889
Utilities:				
Electricity	12,772	24,090	12,706	11,384
Street Lighting	5,173	25,173	19,806	5,367
Telephone and Telegraph	6,435	20,733	11,197	9,536

**BOROUGH OF PALISADES PARK, N.J.**

**Schedule of 2014 Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Water	7,693	8,293	84	8,209
Natural Gas	10,482	10,644	2,435	8,209
Fire Hydrants	1,469	11,763	10,294	1,469
Diesel	1,500	3,000	1,057	1,943
Gasoline	40,708	13,595		13,595
Contingent	15,474	15,474		15,474
<b>Total Other expenses Within "CAPS"</b>	<u>679,824</u>	<u>990,869</u>	<u>520,024</u>	<u>470,845</u>
<b>Statutory Expenditures:</b>				
Public Employees' Retirement System	297	297		297
Unemployment Compensation Insurance		9,200	9,127	73
<b>Total Deferred Charges and Statutory Expenditures Within "CAPS"</b>	<u>297</u>	<u>9,497</u>	<u>9,127</u>	<u>370</u>
<b>Excluded From "CAPS":</b>				
Maintenance of Free Public Library	9,147	47,236	47,236	
Borough of Ridgefield - Sewer Rent	36,596	36,596		36,596
Borough of Fort Lee - Sewer Rent	14,000	14,000		14,000
Emergency Communications				
911 Agreement	269	269		269
Council on Affordable Housing	24,823	24,823		24,823
<b>Public and Private Programs Offset by Revenue:</b>				
Clean Communities	1,259	31,021	31,021	
Body Armor Grant		2,946	2,946	
<b>Total Other Expenses Excluded from "CAPS"</b>	<u>86,094</u>	<u>156,891</u>	<u>81,203</u>	<u>75,688</u>
<b>Total Reserves Excluded from "CAPS"</b>	<u>86,094</u>	<u>156,891</u>	<u>81,203</u>	<u>75,688</u>
<b>Total Reserves</b>	<u>\$ 1,122,271</u>	<u>1,473,313</u>	<u>610,354</u>	<u>862,959</u>
Appropriation reserves		1,122,271		
Encumbrances		<u>351,042</u>		
		<u>\$ 1,473,313</u>		
Transferred to Reserve for Due to Library			22,481	
Transferred to Appropriated Grant Reserves			23,013	
Cash Disbursements			<u>564,860</u>	
			<u>\$ 610,354</u>	

**BOROUGH OF PALISADES PARK**

**Schedule of Encumbrances**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	351,042
Increased by:		
Transfer from 2015 Budget		<u>210,048</u>
		561,090
Decreased by:		
Transferred to Appropriation Reserves		<u>351,042</u>
Balance, December 31, 2015	\$	<u><u>210,048</u></u>

**Schedule of Amount Due to the Borough of Fort Lee  
Sewer Rent Payable**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	<u>20,776</u>
Balance, December 31, 2015	\$	<u><u>20,776</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Amount Due to Public Library**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	302,360
Increased by:		
Transfer from Appropriation Reserves		<u>22,481</u>
Balance, December 31, 2015	\$	<u><u>324,841</u></u>



**BOROUGH OF PALISADES PARK**  
**Schedule of Reserve for Tax Sale Premiums**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	28,200
Decreased by:		
Redemptions Paid	\$	2,500
Forfeited to Borough		<u>2,000</u>
		<u>4,500</u>
Balance, December 31, 2015	\$	<u><u>23,700</u></u>

**Schedule of Reserve for Maintenance  
of Free Public Library**

**Current Fund**

**Year ended December 31, 2015**

Balance, December 31, 2014	\$	25,295
Increased by:		
State Aid Received		<u>8,581</u>
		33,876
Decreased by:		
Cash Disbursements		<u>5,680</u>
Balance, December 31, 2015	\$	<u><u>28,196</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Miscellaneous Reserves**

**Current Fund**

**Year ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Parking Offenses Adjudication Act	\$ 48,883	8,171	7,509	49,545
Seized and Forfeiture Funds	1,750			1,750
Preparation of Master Plan	275			275
Preparation of Tax Map	300			300
	<u>\$ 51,208</u>	<u>8,171</u>	<u>7,509</u>	<u>51,870</u>

**BOROUGH OF PALISADES PARK**

**Schedule of Grants Receivable**

**Current Fund**

Year ended December 31, 2015

<u>Purpose</u>	Budget Revenue <u>Realized</u>	<u>Decreased</u>
Body Armor Grant	\$ 6,985	6,985
Recycling Tonnage	21,335	21,335
Alcohol Education and Rehabilitation	2,245	2,245
Clean Communities Grant	<u>24,168</u>	<u>24,168</u>
	<u>\$ 54,733</u>	<u>54,733</u>
	Unappropriated Reserves	<u>54,733</u>
		<u>\$ 54,733</u>

## BOROUGH OF PALISADES PARK

## Schedule of Appropriated Grant Reserves

## Current Fund

Year ended December 31, 2015

<u>Grant</u>	Balance Dec. 31, 2014	Transferred from 2014 Appropriation Reserves	Cash Disbursed	Balance Dec. 31, 2015
Clean Communities	\$ 7,918	22,950		30,868
Domestic Violence Training Grant	1,224			1,224
BCUA Recycling Grant	4,976			4,976
Alcohol Education and Rehabilitation	4,822		825	3,997
Body Armor Fund	2,009	63		2,072
Bulletproof Vest Partnership Program	2,339			2,339
Recycling Tonnage Grant	21,399			21,399
Priority Health	4,639			4,639
Drunk Driver Protection Grant	3,955		152	3,803
Influenza A H1N1 Virus Prevention Grant	17,222			17,222
	<u>\$ 70,503</u>	<u>23,013</u>	<u>977</u>	<u>92,539</u>

**BOROUGH OF PALISADES PARK**  
**Schedule of Unappropriated Grant Reserves**

**Current Fund**

**Year ended December 31, 2015**

<u>Grant</u>	Balance Dec. 31, <u>2014</u>	Transferred to 2015 <u>Budget</u>	<u>Received</u>	Balance Dec. 31, <u>2015</u>
Recycling Tonnage Grant	\$ 21,335	21,335		
Impaired Driving Countermeasures			1,258	1,258
Clean Communities Grant	24,168	24,168	29,385	29,385
Alcohol Education and Rehabilitation	2,245	2,245	2,593	2,593
Body Armor	6,985	6,985	3,110	3,110
	<u>\$ 54,733</u>	<u>54,733</u>	<u>36,346</u>	<u>36,346</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

BOROUGH OF PALISADES PARK

Schedule of Cash - Collector-Treasurer

Trust Funds

Year ended December 31, 2015

	Animal License Fund	Other Trust Funds	Law Enforcement Trust Fund	Ambulance Corp. Trust Fund	Community Development Trust Fund	Library Trust Fund
Balance - December 31, 2014	\$ 15,849	1,532,673	23,186	3,056		65,821
Increased by receipts:						
Interest earned	12		23	3		151
Due from Board of Health	3,068					
Library Receipts						28,469
Grant Receipts					91,835	
Interfunds - General Capital Fund					7	
Interfunds - Current Fund		17,059				
Other Trust Funds		554,504				
	<u>3,080</u>	<u>571,563</u>	<u>23</u>	<u>3</u>	<u>91,842</u>	<u>28,620</u>
	18,929	2,104,236	23,209	3,059	91,842	94,441
Decreased by disbursements:						
Interfunds	1,319	27,276			7	
Interfunds - General Capital Fund					91,835	
Other Trust Funds		426,969				
Due to State of New Jersey	637					
Library Trust						28,976
	<u>1,319</u>	<u>454,245</u>			<u>91,842</u>	<u>28,976</u>
Balance - December 31, 2015	\$ <u>17,610</u>	<u>1,649,991</u>	<u>23,209</u>	<u>3,059</u>		<u>65,465</u>

**BOROUGH OF PALISADES PARK**

**Schedule of Reserve for Animal  
License Trust Fund Expenditures**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	10,941
Increased by:			
Cat License Fees	\$	412	
Dog License Fees		2,396	
Late Fees		260	
Interest Earned		<u>12</u>	
			<u>3,080</u>
			14,021
Decreased by:			
Statutory Excess			<u>6,652</u>
Balance - December 31, 2015		\$	<u><u>7,369</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	3,178
2014	<u>4,191</u>
	\$ <u><u>7,369</u></u>



**BOROUGH OF PALISADES PARK**

**Schedule of Amount Due from  
Board of Health -  
Animal License Trust Fund**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	310
Increased by:			
License Fees Collected			<u>3,708</u>
			4,018
Decreased by:			
Dog and Cat Fees Disbursed to Trust	\$	3,068	
State Fees		<u>637</u>	
			<u>3,705</u>
Balance - December 31, 2015		\$	<u><u>313</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Amount Due from/(to) Current Fund**

**Animal License Trust Fund**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ (5,260)
Increased by:	
Statutory Excess	<u>6,652</u>
	(11,912)
Decreased by:	
Paid to Current	<u>1,319</u>
Balance - December 31, 2015	<u><u>\$ (10,593)</u></u>

**Schedule of Amount Due from  
State of New Jersey - Department of Health  
Animal License Trust Fund**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ 42
Increased by:	
Paid to State	<u>637</u>
	679
Decreased by:	
Fees Collected	<u>640</u>
Balance - December 31, 2015	<u><u>\$ 39</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Interfunds**

**Other Trust Funds**

**Year ended December 31, 2015**

	Due from/(to) Balance Dec. 31, 2014	Increased	Decreased	Due from/(to) Balance Dec. 31, 2015
Current Fund				
Other Trust Fund:				
Escrow	\$ (883)	883	211	(211)
Municipal Alliance	16,848		16,848	
Public Defender	(800)	800		
Flu Shot Reimbursement	(6,828)	6,828		
Unemployment	(12,960)	18,765		5,805
Community Development	(7)	7		
	<u>(4,630)</u>	<u>27,283</u>	<u>17,059</u>	<u>5,594</u>
Due from	16,848	5,805	16,848	5,805
Due to	<u>(21,478)</u>	<u>21,478</u>	<u>211</u>	<u>(211)</u>
	<u>(4,630)</u>	<u>27,283</u>	<u>17,059</u>	<u>5,594</u>
			17,059	
		<u>27,283</u>		
		<u>\$ 27,283</u>	<u>17,059</u>	

**BOROUGH OF PALISADES PARK**

**Schedule of Amount Due From Current Fund**

**Assessment Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>204</u>
Balance - December 31, 2015	\$ <u><u>204</u></u>

**Schedule of Due to/(from) General Capital Fund**

**Community Development Trust Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>(7)</u>
Increased by:	
Grant Receipts	\$ 91,835
Due from General Capital	<u>7</u>
	<u>91,842</u>
	91,835
Decreased by:	
Cash Disbursements	\$ <u><u>91,835</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Reserve for Other Trust Funds**

**Trust Funds**

**Year ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Developers Escrow Deposits	\$ 465,850	145,025	225,317	385,558
Unemployment Insurance Benefits	185,776	12,028	3,671	194,133
Recycling	28,721	4,113	6,889	25,945
Food Handlers Fees	26,963	501	150	27,314
Public Defender Fees	33,963	1,850	10	35,803
U.F.C. Fines & Penalties	890	4,265	539	4,616
Centennial Fund	7,644	8		7,652
Municipal Alliance	16,063	2,889	8,405	10,547
Tree Preservation	192,874	35,209	7,270	220,813
Affordable Housing Fees (COAH)	48			48
Memorial Fund	23,198	23		23,221
Veteran's Memorial Fund	10,100			10,100
Night out against Crime	2,323	2,700	3,573	1,450
Flu Shot Reimbursement	20,170		3,810	16,360
Affordable Senior Facility Trust Fund	<u>513,428</u>	<u>345,893</u>	<u>167,335</u>	<u>691,986</u>
	<u>\$ 1,528,011</u>	<u>554,504</u>	<u>426,969</u>	<u>1,655,546</u>
		Cash Receipts		
		554,504		
		Cash Disbursements	426,969	
		<u>\$ 554,504</u>	<u>426,969</u>	

**BOROUGH OF PALISADES PARK**

**Schedule of Reserve for Ambulance Corp.**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$	3,056
Increased by:		
Interest earned on Investments		<u>3</u>
Balance - December 31, 2015	\$	<u><u>3,059</u></u>

**Schedule of Reserve for Law Enforcement**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$	23,186
Increased by:		
Interest earned		<u>23</u>
Balance - December 31, 2015	\$	<u><u>23,209</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Reserve for Library Trust Fund Expenditures**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	63,016
Increased by:			
Interest Earned	\$	151	
Cash Receipts		<u>28,469</u>	
			<u>28,620</u>
			91,636
Decreased by:			
Cash Disbursements			<u>28,976</u>
Balance - December 31, 2015		\$	<u><u>62,660</u></u>

**Schedule of Reserve for Library Donations - Restricted**

**Trust Funds**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	<u>2,805</u>
Balance - December 31, 2015		\$	<u><u>2,805</u></u>
<u>Analysis of Balance</u>			
Sandy Farber Memorial Donation			305
Jubilee Church Donation			<u>2,500</u>
		\$	<u><u>2,805</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**



**BOROUGH OF PALISADES PARK**  
**Schedule of Cash - Collector-Treasurer**  
**General Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$	2,567,562
Increased by receipts:		
Due to/from Current Fund	\$	170
Due to Swim Pool Operating Utility		51,490
Grants Received		
Community Development Block Grant		91,835
Municipal Open Space Grant		59,500
Due from Assessment Trust		18,479
Capital Improvement Fund		75,000
Bond Anticipation Notes		<u>1,071,500</u>
		<u>1,367,974</u>
		3,935,536
Decreased by disbursements:		
Improvement Authorizations		2,460,926
Due to Community Development Trust		7
Due to Current Fund		108,141
Bond Anticipation Notes		<u>59,500</u>
		<u>2,628,574</u>
Balance - December 31, 2015	\$	<u><u>1,306,962</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Analysis of Cash**

**General Capital Fund**

**December 31, 2015**

Capital Improvement Fund	\$ 32,860
Due from/(to) Current Fund	(114,351)
Reserve for payment of debt	427,445
Due from Bergen County Community Development	(98,165)
Due from Bergen County Open Space Trust Fund	(19,000)
Due from State of New Jersey	(330,958)
Reserve for Grants Receivable	448,123
Fund Balance	544,210

Improvement authorizations:

Ordinance

<u>number</u>	<u>Improvement description</u>	
987	Acquisition of Cab and Chassis	(903)
1214	Rehabilitation of Affordable Housing	(24,946)
1358	Acquisition of New & Replacement Equipment	(1)
1502/1523	Installation of a Salt Storage Shed	(91,975)
1508	Construction of a Parking Deck Structure	550,422
1582	2012 Road Improvement Program	229,805
1583	Acquisition of a Street Sweeper	53,671
1603	Reconstruction of Lindbergh School Athletic Track Phase II	8,692
1604	Improvements to Centre Place	(25,717)
1609	Pumper Rescue Fire Truck	12,426
1623	2014 Road Improvement Program	46,328
1624	Lindbergh Elementary School Safe Route to School Project	21,386
1625	Improvements to Columbus Park	10,733
1627	Acquisition of New Pickup Trucks and Roll-On/ Roll-Off Truck	207,334
1629	Resurfacing of Hillside Avenue	177,995
1633	Various Improvements to East/West Edsall Blvd.	375,091
1639	Acq. Of Equip, Machinery & Technology Equipment	(481,360)
1643	Replacement of Rooftop Air Conditioner	(78,414)
1644	Emergency Generator at Municipal Building	(102,181)
1645	Classroom Construction at Library	(13,742)
1646	2015 Road Improvement Program	(6,583)
1649	Acq. Of Property for Use as Parking Lot for Library	(509,263)
1653	Acq. Of New Ladder Truck	58,000

\$ 1,306,962

**BOROUGH OF PALISADES PARK**  
**Schedule of Due from/(to) Current Fund**  
**General Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014		\$ <u>(108,048)</u>
Increased by:		
Interest on Investments	\$ 170	
Budget Revenue	<u>107,083</u>	
		<u>107,253</u>
		(215,301)
Decreased by:		
Grant Receipts received in Current Fund	\$ 221,511	
Cash Disbursements	<u>108,141</u>	
		<u>329,652</u>
Balance - December 31, 2015		\$ <u><u>114,351</u></u>

**Schedule of Due from/(to) Swim Pool Operating Utility**  
**General Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014		\$ <u>51,490</u>
Decreased by:		
Cash Receipts		\$ <u><u>51,490</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Deferred Charges to Future Taxation - Funded**

**General Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ 4,885,000
Decreased by:	
Budget Appropriations:	
Serial Bonds	<u>750,000</u>
Balance - December 31, 2015	<u>\$ 4,135,000</u>

**Schedule of Community Development Block Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ 219,747
Decreased by:	
Cash receipts	\$ 91,835
Cancelled	<u>29,747</u>
	<u>121,582</u>
Balance - December 31, 2015	<u>\$ 98,165</u>
<u>Analysis of Balance</u>	
Ord. 1604	8,165
Ord. 1629	90,000
	<u>\$ 98,165</u>

**BOROUGH OF PALISADES PARK**

**Schedule of Due from Bergen County Open Space Trust Fund**

**General Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	166,178
Decreased by:			
Cash Receipts	\$	59,500	
Cancelled		<u>87,678</u>	
			<u>147,178</u>
Balance - December 31, 2015		\$	<u><u>19,000</u></u>
	<u>Analysis of Balance</u>		
	Ord. 1625		19,000
		\$	<u><u>19,000</u></u>

**Schedule of Due from/(to) Community Development Trust Fund**

**General Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014		\$	<u>(7)</u>
Increased by:			
Cash Disbursement		\$	<u><u>7</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Grants Receivable**  
State of New Jersey

**General Capital Fund**

**Year ended December 31, 2015**

<u>Improvement description</u>	Balance, Dec. 31 <u>2014</u>	Grant Awards	Decreased by: Collections	Balance, Dec. 31 <u>2015</u>
<u>State Department of Transportation:</u>				
Ord. 1427 - Resurfacing of East and West Harwood Ave. \$	499		499	
Ord. 1533 - Resurfacing of East and West Homestead Avenues and a portion of 4th Street	1,622		1,622	
Ord. 1546 - Resurfacing of First Street	83,262		83,262	
Ord. 1582 - 2012 Road Improvement Program	53,469		46,811	6,658
Ord. 1624 - Lindbergh School Safe Routes to Schools	200,000			200,000
Ord. 1633 - Various Improvements to East and West Edsall Boulevard (Sec. 2,3,4) - 2013		150,000	150,000	
Ord. 1633 - Various Improvements to East and West Edsall Boulevard (Sec. 2,3,4) - 2014		149,000	24,700	124,300
	<u>\$ 338,852</u>	<u>299,000</u>	<u>306,894</u>	<u>330,958</u>
		Cancelled	85,383	
		Due from Current Fund	221,511	
		<u>\$</u>	<u>306,894</u>	
		Reserve for Receivable		<u>330,958</u>

**BOROUGH OF PALISADES PARK**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**

		General Capital Fund							
		Year ended December 31, 2015							
Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased	Balance, Dec. 31, 2015	Bond Anticipation Notes	Expenditures	Unexpended improvement authorizations	
987	Acquisition of Cab & Chassis	\$ 903			903		903		
1214	Rehabilitation of Affordable Housing	285,000			285,000		24,946	260,054	
1358	Acquisition of New & Replacement Equipment	1			1				
1364	Resurfacing of East Harriet Avenue	71,000		71,000					
1449	Rehab. Sanitary Sewer - Bergen Blvd	100,000		100,000					
1523	Installation of a Salt Storage Shed	95,000		3,025	91,975		91,975		
1530-LI	Resurfacing of Various Roads			3,258	52,126	52,126			
1538-LI	Resurfacing of Roosevelt Place	55,384		728	44,736	44,736			
1542	Resurfacing of Glen Avenue	728		2,632	723,842	723,842			
1546	Resurfacing of First Street	47,368		4,026	229,448	229,448			
1553	Acquisition of Fire Pumper and alterations to the Cleveland Avenue Firehouse	766,421							
1556	Construction of an Ambulance Garage	233,474							
1558	Various Road Improvements (Glenn Ave, Abbott Ave, Roff Ave.)	315,473		17,527	297,946	297,946			
1559	Reconstruction of Lindbergh School Athletic Track	123,201		6,783	116,418	116,418			
1561	Tree Planting Program, Phase I	10,068		3,932	6,136	6,136			
1568	Resurfacing of Roff Avenue, Section 2	130,000		6,843	123,157	123,157			
1572	Resurfacing of Oakdene Avenue and 10th Street	190,400		10,022	180,378	180,378			
1581	Construction of a Ground Zero Memorial Passive Park	190,000		59,500	130,500	130,500			
1582	2012 Road Improvement Program	634,900			634,900	634,900			
1583	Acquisition of a Street Sweeper	238,000			238,000	238,000			
1603	Reconstruction of Lindbergh School Athletic Track, Phase II	106,800			106,800	106,800			
1604	Improvements to Centre Place	119,000		91,835	27,165		25,717	1,448	
1609	Pumper Rescue Fire Truck	825,700			825,700	825,700			
1610	Acquisition of Property (602/21)	570,000			570,000	570,000			
1623	2014 Road Improvement Program	147,500			147,500	147,500			
1624	Lindbergh Elementary School Safe Route to School Project								
1625	Improvements to Columbus Park	266,000			266,000	66,000		200,000	
1627	Acquisition of New Pickup Trucks and Roll-On/Roll-Off Truck	38,000			38,000	19,000		19,000	
1629	Resurfacing of Hillside Avenue	270,000			270,000	270,000			
1633	Various Improvements to East & West Edsall Blvd (Sec. 2,3,4)	257,000			257,000	167,000		90,000	
1639	Acquisition of New or Replacement Equipment, Machinery and Technology Equipment		701,000	174,701	526,299	402,000		124,299	
			670,500		670,500		481,360	189,140	

**BOROUGH OF PALISADES PARK**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**General Capital Fund**

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased	Balance, Dec. 31, 2015	Bond Anticipation Notes	Expenditures	Unexpended improvement authorizations
1643	Replacement of Rooftop Air Conditioner at Library		80,000		80,000		78,414	1,586
1644	Installation of Emergency Generator at Municipal Building		120,000		120,000		102,181	17,819
1645	Construction of Classrooms at Free Public Library		401,000		401,000		13,742	387,258
1646	2015 Road Improvement Program: Liberty Place, Burr Place, Orchard Avenue and Ackerman Place		200,000		200,000		6,583	193,417
1649	Acquisition of Property for Use as Parking Lot for Library		523,800		523,800		509,263	14,537
1653	Acquisition of new Ladder Truck		1,152,000		1,152,000			1,152,000
		\$ 6,087,321	3,848,300	598,391	9,337,230	5,351,587	1,335,085	2,650,558

2015 Improvement Authorizations \$ 3,848,300  
3,848,300

Cancelled 441,289  
Reserve for Payment of Notes 59,500  
Budget Appropriation - Principal on Notes 97,602  
598,391

Improvement Authorizations - Unfunded \$ 3,783,024  
Less: Unexpended balance of Bond Anticipation Note Proceeds  
Ord. 1582 229,805  
Ord. 1583 53,671  
Ord. 1603 8,692  
Ord. 1609 12,426  
Ord. 1623 46,328  
Ord. 1624 21,386  
Ord. 1625 10,733  
Ord. 1627 207,334  
Ord. 1629 167,000  
Ord. 1633 375,091

1,132,466  
\$ 2,650,558



**BOROUGH OF PALISADES PARK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$	119,060
Increased by:		
2015 Budget Appropriation		<u>75,000</u>
		194,060
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>161,200</u>
Balance - December 31, 2015	\$	<u><u>32,860</u></u>



**BOROUGH OF PALISADES PARK**  
**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year ended December 31, 2015**

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, December 31, 2014		2015 authorizations	Cancelled	Paid or charged	Balance, December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
1538-L1	Resurfacing of Roosevelt Place	Sept. 15, 2009	65,000				3,621	136		
1540	Resurfacing of 10th Street	Oct. 20, 2009	143,000	49,630	3,757		49,630			
1542	Resurfacing of Glen Avenue	Oct. 20, 2009	100,000	60,098			60,826			
1546	Resurfacing of First Street	Mar. 16, 2010	250,000	32,221	47,368		79,453	136		
1553	Acquisition of Fire Pumper and alterations to the Cleveland Avenue Fire House	May 18, 2010	850,000		34,420		34,284	136		
1556	Construction of an Ambulance Garage	June 15, 2010	250,000		205		69	136		
1558	Various Road Improvements (Glenn Avenue, Abbott Avenue, Roff Avenue)	July 20, 2010	350,000		6,236		6,100	136		
1559	Reconstruction of Lindbergh School Athletic Track	Oct. 19, 2010	206,550		10,280		10,025	255		
1561	Tree Planting Program, Phase I	Nov. 23, 2010	120,000	7,606	10,068		17,538	136		
1568	Resurfacing of Roff Avenue	Mar. 15, 2011	280,000		75,513		75,377	136		
1571	Resurfacing of Roff Avenue/12th Street	July 19, 2011	115,000	5,933			5,933			
1572	Resurfacing of Oakdene Avenue/10th Street	July 19, 2011	200,000		120,685		120,549	136		
1581	Construction of a Ground Zero Memorial Passive Park	Aug. 21, 2012	200,000		4,497			4,497		
1582	2012 Road Improvement Program	Sept. 18, 2012	666,680		239,846			10,041		229,805
1583	Acquisition of a Street Sweeper	Sept. 18, 2012	250,000		53,807			136		53,671
1603	Reconstruction of Lindbergh School Athletic Track, Phase II	Sept. 17, 2013	112,160		53,946			45,254		8,692
1604	Improvements to Centre Place	Sept. 17, 2013	125,000		5,530			4,082		1,448
1609	New Pumper Rescue Fire Truck	Dec. 17, 2013	867,000		541,126			528,700		12,426
1623	2014 Road Improvement Program	Aug. 26, 2014	155,000	5,957	147,500			107,129		46,328
1624	Lindbergh School Safe Route to School Project	Sept. 23, 2014	280,000		246,972			25,586		221,386
1625	Improvements to Columbus Park	Oct. 28, 2014	40,000		37,635			7,902		29,733
1627	Acq. of New Pickup & Roll-On/Roll-Off Truck	Nov. 25, 2014	283,500	13,500	270,000			76,166		207,334
1629	Resurfacing of Hillside Avenue	Nov. 25, 2014	270,000	13,000	257,000			2,005	10,995	257,000
1633	Various Improvements to East/West Edsall Blvd.	Feb. 24, 2015	701,000					201,610		499,390
1639	Acq. Of Equip, Machinery & Technology Equipment	May 26, 2015	704,500					515,360		189,140
1643	Replacement of Rooftop Air Conditioner	July 28, 2015	85,000					83,414		1,586

**BOROUGH OF PALISADES PARK**  
**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year ended December 31, 2015**

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, December 31, 2014		2015 authorizations	Cancelled	Paid or charged	Balance, December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
1644	Emergency Generator at Municipal Building	July 28, 2015	127,000	-	127,000			109,181	17,819	
1645	Classroom Construction at Library	July 28, 2015	422,000		422,000			34,742	387,258	
1646	2015 Road Improvement Program	July 28, 2015	210,000		210,000			16,583	193,417	
1649	Acq. Of Property for Use as Parking Lot for Library	Aug. 25, 2015	550,000		550,000			535,463	14,537	
1653	Acq. Of New Ladder Truck	Nov. 24, 2015	1,210,000		1,210,000			58,000	1,152,000	
				<u>\$ 1,419,254</u>	<u>2,601,198</u>	<u>4,009,500</u>	<u>1,166,585</u>	<u>2,460,926</u>	<u>619,417</u>	<u>3,783,024</u>

Capital Improvement Fund \$ 161,200  
Deferred charges to future taxation - unfunded 3,848,300  
\$ 4,009,500

Grants Receivable 146,728  
Deferred Charges Unfunded - Authorized not Issued 174,753  
Excess Note Proceeds on Cancelled Authorizations 300,894  
Capital Fund Balance 544,210  
\$ 1,166,585

**BOROUGH OF PALISADES PARK**  
**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$	161,262
Increased by:		
Note Proceeds on Cancelled Ordinances	\$	300,894
Transferred from Reserve for Receivables		46,811
Ord. 1582 - Notes		18,479
		366,184
		527,446
Decreased by:		
Due to Current	\$	1
Budgeted Revenue		100,000
		100,001
Balance - December 31, 2015	\$	427,445
<u>Analysis of Balance</u>		
Ord. 1581 - Notes		108,072
Ord. 1582 - Notes		18,479
Note Proceeds on Cancelled Ordinances		300,894
	\$	427,445

**BOROUGH OF PALISADES PARK**

**Schedule of Reserve for Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2014**

Balance - December 31, 2014		\$	578,049
Increased by:			
Grant Awards			<u>299,000</u>
			877,049
Decreased by:			
Cancelled	\$	56,080	
Applied to Authorized Not Issued		266,535	
Utilized as Paydown on Notes		59,500	
Transferred to Reserve for Payment of Debt		<u>46,811</u>	
			<u>428,926</u>
Balance - December 31, 2015		\$	<u><u>448,123</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of General Serial Bonds**

**General Capital Fund**

**Year ended December 31, 2015**

Purpose	Date of issue	Amount of original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec.31, 2014	Decreased	Balance, Dec.31, 2015
			Date	Amount				
General Improvements	August 1, 2006	3,375,000	Aug. 1, 2016	550,000	4.000%	1,640,000	525,000	1,115,000
			Aug. 1, 2017	565,000	4.100%			
General Improvements	April 5, 2011	3,735,000	Apr. 15, 2016	235,000	2.250%	3,245,000	225,000	3,020,000
			Apr. 15, 2017	255,000	3.000%			
			Apr. 15, 2018	310,000	3.000%			
			Apr. 15, 2019	315,000	3.250%			
			Apr. 15, 2020	320,000	3.375%			
			Apr. 15, 2021-22	320,000	4.000%			
Apr. 15, 2023-25	315,000	4.000%						
						\$ 4,885,000	750,000	4,135,000

**BOROUGH OF PALISADES PARK**  
**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

Year ended December 31, 2015

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
1538-LI	Resurfacing of Roosevelt Place	Apr. 22, 2010	Apr. 17, 2015	Apr. 15, 2016	0.45%	55,384	52,126	55,384	52,126
1546	Resurfacing of 1st Street	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	47,368	44,736	47,368	44,736
1553	Acquisition of a Fire Pumper Truck and the undertaking of alterations to the Cleveland Firehou	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	766,421	723,842	766,421	723,842
1556	Construction of an Ambulance Garage	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	233,474	229,448	233,474	229,448
1558	Various Road Improvements	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	315,473	297,946	315,473	297,946
1559	Reconstruction of Lindbergh School Athletic Track	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	123,201	116,418	123,201	116,418
1561	Tree Planting Program - Phase I	Oct. 20, 2011	Apr. 17, 2015	Apr. 15, 2016	0.45%	10,068	6,136	10,068	6,136
1568	Resurfacing of Roff Avenue, Section 2	Apr. 20, 2012	Apr. 17, 2015	Apr. 15, 2016	0.45%	130,000	123,157	130,000	123,157
1572	Resurfacing of Oakdene Avenue/10th Street	Apr. 20, 2012	Apr. 17, 2015	Apr. 15, 2016	0.45%	190,400	180,378	190,400	180,378
1581	Construction of a Ground Zero Memorial Passive Park	Apr. 19, 2013	Apr. 17, 2015	Apr. 15, 2016	0.45%	190,000	130,500	190,000	130,500
1582	2012 Road Improvement Program	Apr. 19, 2013	Apr. 17, 2015	Apr. 15, 2016	0.45%	634,900	634,900	634,900	634,900
1583	Acquisition of a Street Sweeper	Apr. 19, 2013	Apr. 17, 2015	Apr. 15, 2016	0.45%	238,000	238,000	238,000	238,000
1603	Reconst. Of Lindbergh School Athletic Track, Phase	Apr. 17, 2014	Apr. 17, 2015	Apr. 15, 2016	0.45%	106,800	106,800	106,800	106,800
1609	New Pumper Rescue Fire Truck	Apr. 17, 2014	Apr. 17, 2015	Apr. 15, 2016	0.45%	825,700	825,700	825,700	825,700
1610	Acquisition of Property (602/21)	Apr. 17, 2014	Apr. 17, 2015	Apr. 15, 2016	0.45%	570,000	570,000	570,000	570,000
1623	2014 Road Improvement Program	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		147,500		147,500
1624	Lindbergh Elementary School Safe Route to School Project	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		66,000		66,000
1625	Improvements to Columbus Park	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		19,000		19,000
1627	Acquisition of New Pickup Trucks and Roll-On/Roll-Off Truck	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		270,000		270,000
1629	Resurfacing of Hillside Avenue	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		167,000		167,000
1633	Various Improvements to East and West Edsall Blvd	Apr. 17, 2015	Apr. 17, 2015	Apr. 15, 2016	0.45%		402,000		402,000
						\$ 4,437,189	5,351,587	4,437,189	5,351,587
						Cash	1,071,500		
						Reserve for Grants Receivable	59,500		
						Budget Appropriation - Principal on Notes Renewed	97,602		
							4,280,087		
							<u>5,351,587</u>		<u>5,351,587</u>
								<u>4,437,189</u>	



## BOROUGH OF PALISADES PARK

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31 2014	Increased by 2015 Authorizations	Decreased in 2015	Balance, Dec. 31 2015
987	Acquisition of Cab & Chassis	\$ 903			903
1214	Rehabilitation of Affordable Housing	285,000			285,000
1358	Acquisition of New & Replacement Equipment	1			1
1364	Resurfacing of East Harriet Ave.	71,000		71,000	
1449	Rehab. Sanitary Sewer - Bergen Blvd.	100,000		100,000	
1523	Installation of a Salt Storage Shed	95,000		3,025	91,975
1542	Resurfacing of Glen Avenue	728		728	
1604	Improvement of Centre Place	119,000		91,835	27,165
1623	2014 Road Improvement Program	147,500		147,500	
1624	Lindbergh Elementary School Safe Route to School Project	266,000		66,000	200,000
1625	Improvements to Columbus Park	38,000		19,000	19,000
1627	Acquisition of New Pickup Trucks and Roll-On/Roll-Off Truck	270,000		270,000	
1629	Resurfacing of Hillside Avenue	257,000		167,000	90,000
1633	Various Improvements to East and West Edsall Blvd		701,000	576,701	124,299
1639	Acquisition of New or Replacement Equipment, Machinery and Technology Equipment		670,500		670,500
1643	Replacement of Rooftop Air Conditioner at Library		80,000		80,000
1644	Intallation of Emergency Generator at Municipal Building		120,000		120,000
1645	Construction of Classrooms at Free Public Library		401,000		401,000
1646	2015 Road Improvement Program		200,000		200,000
1649	Acquisition of Property		523,800		523,800
1653	Acquisition of New Ladder Truck		1,152,000		1,152,000
		\$ 1,650,132	3,848,300	1,512,789	3,985,643
	Improvement Authorizations		3,848,300		
			\$ 3,848,300		
			Cancelled	174,754	
			Grants Received, CDBG Ord. 1604	91,835	
			Grants Received, DOT Ord. 1633	174,700	
			Bond Anticipation Notes Issued	1,071,500	
				\$ 1,512,789	

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**

**Schedule of Analysis of Cash**

**Swimming Pool Utility Capital Fund**

**December 31, 2015**

Capital Improvement Fund	\$ 18,506
Due to Swim Pool Operating	5,024
Fund Balance	2,368

Improvement authorizations:

Ordinance

<u>number</u>	<u>Improvement description</u>	
1210	Various Swim Pool Improvements	(39,833)
1313	Various Swim Pool Improvements	10,763
1465	Various Swim Pool Improvements	137
1483	Various Swim Pool Improvements	253
1495	Various Swim Pool Improvements	5,977
		\$ <u>3,195</u>

**BOROUGH OF PALISADES PARK**

**Schedule of Cash - Collector-Treasurer**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	\$ 499,264	3,195
Increased by receipts:		
Membership Fees	279,223	
Miscellaneous	136,611	
Interfunds		
Current Fund	9,090	
	<u>424,924</u>	
	924,188	3,195
Decreased by disbursements:		
2015 Appropriations	490,836	
Appropriation Reserves	5,217	
Interfunds:		
Swim Pool Operating	51,490	
Due from Bank	919	
	<u>548,462</u>	
Balance - December 31, 2015	<u>\$ 375,726</u>	<u>3,195</u>

**BOROUGH OF PALISADES PARK**

**Schedule of 2014 Reserves - Operating Fund**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 3,361	3,361		3,361
Other expenses	<u>114,918</u>	<u>124,163</u>	<u>5,217</u>	<u>118,946</u>
	<u>\$ 118,279</u>	<u>127,524</u>	<u>5,217</u>	<u>122,307</u>
Appropriation Reserves		118,279		
Encumbrances		<u>9,245</u>		
		<u>\$ 127,524</u>		

**BOROUGH OF PALISADES PARK**

**Schedule of Interfund Receivables/(Payable)**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	\$ <u>5,024</u>	<u>(5,024)</u>
Balance - December 31, 2015	\$ <u><u>5,024</u></u>	<u><u>(5,024)</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Due from/(to) to General Capital Fund**

**Swimming Pool Utility Operating Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>(51,490)</u>
Decreased by:	
Disbursements	\$ <u><u>51,490</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Fixed Capital**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>2,871,678</u>
Balance - December 31, 2015	\$ <u><u>2,871,678</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>2,871,678</u></u>

**Schedule of Fixed Capital Authorized  
and Uncompleted**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>135,557</u>
Balance - December 31, 2015	\$ <u><u>135,557</u></u>
<u>Analysis of Balance</u>	
Ord. 1210	167
Ord. 1313	35,000
Ord. 1465	137
Ord. 1483	253
Ord. 1495	100,000
	\$ <u><u>135,557</u></u>



**BOROUGH OF PALISADES PARK**  
**Schedule of Improvement Authorizations**  
**Swimming Pool Utility Capital Fund**

Year ended December 31, 2015

Ordinance number	Improvement description	Date	Ordinance Amount	Balance December 31, 2014		Balance December 31, 2015	
				Funded	Unfunded	Funded	Unfunded
1210	Various Swim Pool Improvements	April 11, 1996	50,000 \$		167		167
1313	Various Swim Pool Improvements	March 12, 1999	35,000	10,763		10,763	
1465	Various Swim Pool Improvements	Feb. 21, 2006	250,000	137		137	
1483	Various Swim Pool Improvements	Mar. 20, 2007	200,000		253	253	
1495	Various Swim Pool Improvements	Oct. 16, 2007	100,000		5,977	5,977	
			\$	10,900	6,397	17,130	167

**Exhibit D-13**

**BOROUGH OF PALISADES PARK**  
**Schedule of Capital Improvement Fund**  
**Swimming Pool Utility Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>18,506</u>
Balance - December 31, 2015	\$ <u><u>18,506</u></u>

**Exhibit D-14**

**Schedule of Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>2,965,535</u>
Balance - December 31, 2015	\$ <u><u>2,965,535</u></u>

**BOROUGH OF PALISADES PARK**  
**Schedule of Due from/(to) Current Fund**  
**Swimming Pool Utility Operating Fund**  
**Year ended December 31, 2015**

Balance - December 31, 2014	\$ <u>9,090</u>
Decreased by:	
Cash Receipts	\$ <u><u>9,090</u></u>

**BOROUGH OF PALISADES PARK**

**Schedule of Deferred Reserve for Amortization**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2015**

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
1313	Various Swim Pool Improvements	March 12, 1999	1,700	1,700
			\$ 1,700	1,700

**BOROUGH OF PALISADES PARK**

**Schedule of Bonds and Notes Authorized but not Issued**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2015**

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2014</u>	Balance Dec. 31, <u>2015</u>
1210	Various Swim Pool Improvements	\$ <u>40,000</u>	<u>40,000</u>
		\$ <u><u>40,000</u></u>	<u><u>40,000</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**

**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

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

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Palisades Park in the County of Bergen as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated August 5, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

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

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

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Palisades Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2015-001.

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

### **Purpose of this Report**

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



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



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

August 5, 2016



**BOROUGH OF PALISADES PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

*Financial Statement Findings*

**Finding 2015-001**

Adequate controls for the swim pool utility cash collections are not being utilized.

**Criteria or Specific Requirement:**

Statements of Auditing Standards No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended, suggests that a properly designed control environment consist of risk assessment by management, information and communication, monitoring and policies/procedures that help ensure that management directives are carried out and that necessary steps to address risk are taken.

**Condition:**

The daily receipt ledgers provided by the swim pool utility were not always in agreement with amounts deposited and/or reported in the general ledger.

**Questioned Costs:**

None

**Context:**

The collections posted to the general ledger do not agree to the daily receipt ledgers provided by the swim pool utility.

**Effect:**

The amount deposited and recorded as revenue in the swim pool was greater than the amount reflected in the receipt ledgers.

**Cause:**

The finance department and the swim pool utility do not reconcile the daily deposits to the daily receipt ledgers.

**Recommendation:**

Collections by the swim pool utility be recorded at the time of receipt, reconciled to the deposit slip by a separate individual, and deposited in a timely manner.

**Management's Response:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF PALISADES PARK**

**GENERAL COMMENTS**

**Contracts and Agreements**

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

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

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

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

**BOROUGH OF PALISADES PARK**

**GENERAL COMMENTS, (continued)**

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000.

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

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

Snack-Bar - Municipal Pool  
Swim Pool Maintenance  
Pest Management Program  
Roof Top HVAC Units at Library  
Classroom Renovations

Roll-off Truck for DPW  
Improvements to Hillside Avenue  
Municipal Pool Rehabilitation  
Various Road Improvements  
Columbus Park Improvements

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

**Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 3, 2015 adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

**BOROUGH OF PALISADES PARK**

**GENERAL COMMENTS, (continued)**

"NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Palisades Park, that taxes due the Borough shall be payable February 1st, May 1st, August 1st and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the taxpayer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500;

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from due date the interest shall be waived except if the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in this Resolution."

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on December 10, 2015, and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of liens</u>
2015	4
2014	5
2013	4

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



**BOROUGH OF PALISADES PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2015**

**COMMENTS**

**Finance:**

1. \*Inter-funds between the various funds were not liquidated prior to year end.
2. \*A general ledger is not maintained for the Borough's Trust Funds.
3. \*Certificates of availability of funds for professional service contracts and contracts awarded through the bidding process did not stipulate which budget appropriations and/or improvement authorizations would be charged for the contract expenditures as required by N.J.A.C. 5:30-5.4.
4. Resolutions for professional service contracts awarded through the "fair and open" process do not include "not to exceed" cost language.
5. Some payments related to the 911 Memorial Project were not charged to the correct Improvement Authorization.
6. There were instances in which actual budget transfers made did not agree to the approved resolutions.

**Tax Collector:**

1. \*Tax stubs are not being validated when payment is received, making it impossible to determine if deposits are being made in a timely manner.

**Tax Assessor:**

1. \*The Borough's tax map has not been updated to reflect all properties with qualifiers resulting from subdivisions.

**Payroll:**

1. There is a lack of controls over the approval of some departmental overtime.
2. There was an instance in which a new employee's signed W-4 document was not available at time of audit.
3. There was an instance in which an employee was receiving compensation for an unapproved, undocumented hourly position.

**COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2015**

**COMMENTS, (cont.)**

**Board of Health:**

1. \*There is a cumulative overpayment due from the State of New Jersey resulting from errors made in payments for animal licenses collected.

**Police Records Bureau:**

1. Receipts are not being deposited within 48 hours.

**Municipal Court:**

1. \*The analysis of open bail per the ATS/ACS reports does not agree with the reconciled cash balance at 12/31/2015.

**RECOMMENDATIONS**

**Finance:**

1. \*Prior year inter-fund balances be liquidated before the close of the year.
2. \*The trust funds should be maintained utilizing the Borough's operating system.
3. \*Certificates of availability of funds be prepared and stipulate the budget appropriations and/or improvement authorizations to be charged.
4. All resolutions awarding a professional service contract through the "fair and open" process should include "not to exceed" cost language.
5. Payments for capital projects be charged to the appropriate Improvement Authorization.
6. All budget transfers be made in accordance with approved resolutions.

**Tax Collector:**

1. \*All receipts be validated upon collection.

**COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2015**

**RECOMMENDATIONS, (cont.)**

**Tax Assessor:**

1. \*That the tax map be updated to include all properties with qualifiers resulting from subdivisions.

**Payroll:**

1. That better controls be developed and implemented concerning the approval of overtime for some departmental supervisors.
2. Completed W-4 documents be kept on file and available for review during audit.
3. All compensated positions be documented within the approved labor agreements or by resolution of Mayor and Council.

**Board of Health:**

1. \*That more care be taken to ensure that the proper amount collected for dog licenses be remitted to the State of New Jersey and corrective action be taken to recoup the running prior year overpayment made to the State.

**Police Records Bureau:**

1. Deposits be made within 48 hours of receipt.

**Municipal Court:**

1. \*Procedures be implemented to compare and agree the analysis of open bail per ATS/ACS to the reconciled cash balance on a monthly basis.

**STATUS OF PRIOR YEARS' AUDIT FINDINGS/RECOMMENDATIONS**

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

**ACKNOWLEDGMENT**

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

Respectfully submitted,



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



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

August 5, 2016