



**NEW JERSEY COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**BOROUGH OF MIDLAND PARK  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2014

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# REPORT OF AUDIT

## INTRODUCTORY SECTION

Borough of Midland Park  
2014



## Borough of Midland Park

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June 10, 2015

Honorable Mayor, Members of the Borough Council  
and Citizens of the Borough of Midland Park

The Comprehensive Annual Financial Report for the Borough of Midland Park, County of Bergen, State of New Jersey, for the year ended December 31, 2014, is submitted herewith and includes financial statements and supplementary schedules. We believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Midland Park, as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the Borough's financial affairs have been included.

### **Organization of Report**

The New Jersey Comprehensive Annual Financial Report (NJ-CAFR) is modeled on national standards for the presentation of governmental financial information. The report is presented in four sections identified as follows:

The **Introductory Section** includes this transmittal letter and a list of principal officials.

The **Financial Section** includes the auditor's report, management's discussion and analysis, basic financial statements and notes to those financial statements. To comply with the regulatory filing requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the "Division"), the Borough includes additional detailed schedules to supplement the basic financial statements in this section.

The **Statistical Section** includes selected financial, economic and demographic information, generally presented on a multi-year basis.

An **Internal Control and Compliance Section** is also included to comply with Government Auditing Standards as well as US OMB Circular A-133 and NJ OMB 15-08. The Internal Control and Compliance Section includes a report on internal control and compliance, schedules of expenditures of federal awards, state financial assistance, and other financial assistance as well as notes to those schedules. In addition, comments and recommendations as required by the Division are included in this section.

Responsibility for completeness and clarity of the Report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council. By adopting the NJ-CAFR format, it is the administration's intent to facilitate an understanding by citizens with limited financial orientation, as well as provide all necessary information for the most sophisticated financial observer.

The Borough did not expend federal awards or state financial assistance in excess of limits that would require a single audit to be conducted, therefore no Single Audit Report or related sections are included in our NJ-CAFR.

### **Governmental Structure**

The Borough operates with an elected Mayor and Council under the Borough form of government. Officers and employees are duly appointed pursuant to the provision of the State Charters or Ordinance of the Borough.

### **Economic Condition and Outlook**

The Borough, a fully developed, predominantly suburban residential community in Bergen County, New Jersey, was incorporated in 1894. It is located approximately 30 miles northwest of Manhattan and, based on the 2010 U.S. Census, has a population of 7,128 residents and has an area of 1.7 square miles.

The Borough offers its residents the services of two public grade schools, a public junior-senior high school, several private nursery schools, one parochial school, several day-care centers, two recreation areas, a public library, a firehouse/garage complex and a Borough Hall/Police Department. Ten houses of worship are located in the Borough. The police force is composed of 12 officers. Volunteer organizations provide emergency ambulance service and fire protection, 24 hours a day. These organizations are equipped with modern equipment and up-to-date training.

There are shopping areas at each end of the Borough as well as a mixture of retail shops and services and professional and commercial offices along Godwin Avenue. The Borough also has a number of small and mid-size industries that provide employment for area residents and enhance tax revenues for the Borough. Public transportation through New Jersey Transit buses and a New Jersey Transit Park and Ride facility provide easy access within the area and to New York City.

Public Service Electric and Gas Company provides natural gas and electricity within the Borough. Most domestic, commercial and industrial water services in the Borough are supplied by the Ridgewood Village Water Department, which directly bills Borough property owners.

The Borough has 2,203 single-family homes, 133 commercial properties, 40 industrial properties and 4 apartment buildings.

## **Tax Rate**

The 2014 Tax Rate was \$2.691 per \$100 of assessed valuation. A home assessed at \$392,000 in 2014 paid \$10,549 in property taxes, detailed as follows:

<u>Tax Rate (1)</u>	<u>Entity Levying Tax</u>	<u>Tax Dollars (2)</u>
\$ 0.251	County of Bergen	\$ 984
1.755	Midland Park Board of Education	6,880
0.685	Borough of Midland Park	2,685
<u>\$ 2.691</u>	<u>TOTAL</u>	<u>\$ 10,549</u>

(1) Tax rate is per \$100 of assessed valuation. The Borough rate includes Minimum Library Tax of \$0.035 and Municipal Open Space Tax of \$0.01.

Tax Dollars assumes average assessed valuation of \$392,000.

## **Initiatives For 2014**

The Midland Park Mayor and Council adopted the 2014 municipal budget on April 10, 2014. This followed numerous meetings with department managers over the previous five months. Given the budgetary uncertainty at the State level, the Mayor and Council focused on the current economy, potential changes over the next several years and how to best position the town for future uncertainty beyond 2014. This budget is compliant with both the 3.5% budget appropriation and the 2% tax levy caps.

## **Summary of Municipal Taxes**

	2014	2013	Increase / Decrease	
			Dollar	Percentage
Total Appropriations*	\$ 10,354,666	\$ 10,026,931	\$ 327,735	3.3%
Total Anticipated Revenue*	3,187,161	3,151,983	35,178	1.1%
Taxes to be Raised	<u>\$ 7,167,505</u>	<u>\$ 6,874,948</u>	<u>\$ 292,557</u>	4.3%
Taxes per Average \$392,000 Home				
Library	\$ 137	\$ 145	\$ (8)	-5.4%
Municipal	2,509	2,391	118	4.9%
Municipal Open Space	39	-	39	100.0%
	<u>\$ 2,685</u>	<u>\$ 2,536</u>	<u>\$ 149</u>	5.9%

\*Includes offsetting items of revenue and appropriation inserted by c. 159 resolution after adoption of budget.

The net increase in taxes, including library and open space tax, was \$149 for the average assessed home of \$392,000. \$39 of this increase was due to no municipal open space tax being levied 2013.

The State of New Jersey requires a Reserve for Uncollected Taxes; a non spending budget line item which insures no deficit will be created when collections of taxes are less than 100%, as the school and the county must receive full payment despite lesser collections. There is no change in this line item and remains the same at \$550,000.



## **Major Changes in Appropriations**

A summary of the more significant changes to appropriations are noted as follows:

	2014	2013	Increase / Decrease	
			Dollar	Percentage
Capital Improvement Fund	\$ 617,814	\$ 414,000	\$ 203,814	49.2%
Construction Code Official (inside CAP)	140,000	64,000	76,000	118.8%
Employee Group Health Insurance	882,000	826,245	55,755	6.7%
Social Security	230,000	200,000	30,000	15.0%
Emergency Management Services	25,500	1,800	23,700	1316.7%
Contractual Sewer Service Charges	1,200,000	1,210,000	(10,000)	-0.8%
Police and Fireman's Retirement System	320,774	331,037	(10,263)	-3.1%
Police Salaries and Wages	1,662,000	1,700,000	(38,000)	-2.2%
Landfill / Solid Waste Disposal	225,000	300,000	(75,000)	-25.0%
First Aid Salaries and Wages	-	90,000	(90,000)	-100.0%

The Borough has continued to fund the Midland Park Memorial Library at same level in 2014 as 2013, in the amount of \$455,000 (\$78,376 above the statutory requirement). The increase in Construction Code Official costs is offset partially by the addition of \$60,000 of related shared service revenue.

## **Major Changes in Realized Revenue**

	2014	2013	Increase / Decrease	
			Dollar	Percentage
Lapsed Appropriation Reserves	\$ 815,070	\$ 1,121,184	\$ (306,114)	-27.3%
Other Credits to Income	61,700	108,364	(46,664)	-43.1%
Municipal Court Fines and Costs	59,977	42,948	17,029	39.7%
Uniform Construction Code Fees	148,903	120,061	28,842	24.0%
Building Department Shared Service	60,000	-	60,000	new

State Aid remained level from the prior year despite increased statutory costs and other expenditures. The Borough is now reliant on local income for 94% of its revenues. The most significant changes in revenue are reductions from the prior year, most notably in the lapsing of appropriation reserves. .

## **Compensating Measures Taken**

The Borough continues to utilize shared services wherever possible as a means to reduce overall costs, including:

- The use of the pistol range with Waldwick.
- Emergency dispatch with Wyckoff and 9-1-1 service with Paramus. These services were subsequently replaced in 2015 with a shared service agreement with the County of Bergen, which is estimated to save the Borough approximately \$90,000 per year.
- Board of Health services by Northwest Regional Health Department.
- Purchasing through the Northwest Bergen Cooperative Purchasing Alliance.
- Use of Bergen County Public Assistance.
- Shared Tax Collector with Glen Rock.
- Shared Court Administrator services with Waldwick.
- Shared Building Department with Ho-Ho-Kus

Collectively the Mayor and Council believe the budget positions the community well to both deal with known budget pressures of the current year without a reduction in any services while leaving the Borough flexibility to address future changes as the state budget situation continues to unfold.

## **Financial Information**

**Accounting** - The Borough maintains an on-line, real-time, computerized accounting system to record all financial transactions. In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits expected to be derived. All internal control evaluations occur within the above framework. We believe the Borough's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions. Management of the Borough is responsible for establishing and maintaining an adequate internal control structure.

Further information regarding the Borough's accounting policies and procedures can be found in the Management Discussion and Analysis section and Notes to the Financial Statements section to this report. Although the Governmental Accounting Standards Board is the accepted standard-setting body establishing governmental accounting and financial reporting principles, the Borough is required by Statutes of the State of New Jersey to maintain its records and financial reporting in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Note A to the Financial Statements describes this basis of accounting, including the more significant differences between it and accounting principles generally accepted in the United States of America.

**Budget** - The Local Budget Law imposes various restrictions on the formulation of the Municipal Budget, the more important of which pertain to anticipation of revenues and review of adequacy of appropriation. Among other restrictions, the Local Budget Law requires that the budget be balanced and that the Director examine the Budget with reference to all estimates of revenue and the following appropriations: (a) salaries and wages and other expenses of each office, department, institution, or other agency of the Borough, (b) contingent expenses in an amount not more than 3% of operations, (c) payment of interest and debt redemption charges, (d) deferred charges and statutory expenditures, (e) cash deficit of preceding year, (f) other reserves and non-disbursement items deemed advisable by the Mayor and Council, and (g) the payment of all judgments not for capital purposes and for which notes or bonds cannot be lawfully issued.

Anticipated non-tax revenues of the Municipality are limited to the amount actually realized the previous year, unless the Director authorizes a higher figure. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions, which focus on anticipated revenues, to protect the solvency of all local units. The Municipal Budget, by law and regulation of the Division, must be in balance and is a “cash basis” Budget.

Pursuant to the Local Budget Law, miscellaneous revenues shall include such amounts as may reasonably be expected to be realized in cash during the fiscal year from known and regular sources, or sources reasonably capable of anticipation and lawfully applicable to the appropriations made in the budget.

The Local Budget Law further provides that no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies such determination to the local unit.

The same principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a “reserve for uncollected taxes” in accordance with the statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body or a local unit. However, with minor exceptions, such appropriations must be included in full in the following year’s budget.

**Levy CAP** - N.J.S.A 40A:4-45.44 through 45.47 establishes a formula that limits increases in the total Borough amount to be raised by taxation (tax levy). The Levy CAP, or “2010 Cap”, limits the increase over the previous year’s amount to be raised by taxation, or tax levy, to 2%. There are several general exclusions including increases in debt service and capital expenditures, weather and other “declared” emergencies, pension contributions in excess of two percent, and health benefit cost increases in excess of 2 percent and limited by the increase in State Health Benefit rate increases. While some levy cap exclusions are treated as permanent add-ons, others will only be exclusions for the life of the specific appropriation.

**Appropriation CAP** - A statute passed in 1976, as amended by N.J.S.A. 40A:4-45.1 et. seq., commonly known as the “1977 Cap”, imposed limitations on increases in the municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c.89, which revised and made permanent the “Cap Law”. While the revised Cap Law is more restrictive on the ability of the municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. Additional changes were made to the Cap Law in 2004 with the passing of P.L. 2004, c. 74. Under this law, the Cap formula remains somewhat complex, but basically, it permits a municipality to increase its overall appropriations by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. A municipality can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5%, upon passage of a COLA Rate Ordinance. Exceptions to the limitations imposed by the “1977 Cap” also exist for other appropriations; including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an inter-local services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The “1977 Cap” does not limit the obligation of the Borough to levy ad valorem taxes upon all taxable real property within the Borough.

**Deferral of Current Expenses** - Supplemental appropriations made after the adoption of the budget and determination of the tax rate, may be authorized by the Mayor and Council with the approval of the Director. However, with certain exceptions, such appropriations must be included in full in the following year’s budget.

**Budget Process** - Primary responsibility for the Municipality’s Budget process lies with the Mayor and Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, the Division may grant extensions to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Municipality operates under a temporary budget that may not exceed 26.25% of the previous fiscal year’s adopted Budget. Upon adoption of an annual operating budget by the Mayor and Council, the Board of Taxation computes a tax rate for Municipal purposes. The tax rate for each municipality includes municipal tax, local school requirements, and county tax and county open space tax.

**Budget Transfers** - Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although subaccounts within an appropriation are not subject to the same year-end transfer restrictions, they are subject to internal review and approval.

**Cash Management** - The Borough strives to keep abreast of current developments and procedures in cash management to insure efficient and profitable use of available cash resources. Cash is deposited in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), the Governmental Unit Deposit Protection Act (GUDPA) or by any other agency of the United States that insures deposits or the State of New Jersey Cash Management Fund, in accordance with state law.

New Jersey Statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The Borough has complied with all statutes and regulations applicable to deposits and investments.

**General Government Functions** - Financial highlights and summaries of the Borough's Current Fund functions and overall operating results for the current year can be found in the Management Discussion and Analysis section of this report. More detailed and technical information regarding the Borough's accounting and operational results is located in the Financial and Supplemental sections of this report.

### **Risk Management**

The Municipality strives continually to evaluate its risk management policies, seeking to improve its safety and loss control functions, claims management, insurance placement, and financing practices. The Borough Risk Manager oversees the Joint Insurance Fund and Municipal Excess Liability programs of the Borough. The Safety Committee works to prevent employee and visitor injuries and damage to Borough property. To protect the self-insured funds, the joint fund monitors claims.

### **Other Information – Annual Independent Audit**

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey Statutes, regulates the non-budgetary financial activities of the Municipality. An annual audit of the Borough's books, accounts and financial transactions for the previous year must be performed by a licensed Registered Municipal Accountant or by qualified employees of the Bureau of Financial Regulation and Assistance in the State Department of Treasury. The accounting firm of DONOHUE, GIRONDA & DORIA, *Certified Public Accountants*, was selected to fulfill this requirement, and a copy of the auditor's reports on the financial statements and combined individual fund statements and schedules, is included in the financial section of this report.

The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the Borough's financial procedures and must be filed with the Director of the Division, within six (6) months after the close of each fiscal year. The Clerk of the Borough must publish a synopsis of the audit report, together with all recommendations made, in a local newspaper within 30 days after receipt thereof.

### **Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, Clerk's Office, Tax Office, auditors for the Borough and the cooperation of the various elected officials and appointed management. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,



Adeline M. Hanna, R.M.C.  
Borough Clerk / Borough Administrator  
Borough of Midland Park

**BOROUGH OF MIDLAND PARK  
OFFICIALS IN OFFICE**

**Governing Body:**

Patrick "Bud" O'Hagan ..... Mayor  
Nicholas Papapietro ..... Council President (2014)  
Scott Pruiksma ..... Councilperson (2014) / Council President (2015)  
Mark Braunius ..... Councilperson  
Jack Considine ..... Councilperson  
Nancy Cronk Peet ..... Councilperson  
Bernard Holst ..... Councilperson  
Lorraine De Luca ..... Councilperson (2015)

**Municipal Officials:**

Adeline M. Hanna ..... Borough Clerk / Borough Administrator  
Laurie O'Hanlon ..... Chief Financial Officer  
Patricia L. McCormick ..... Tax Collector (B)  
Marie Merolla ..... Tax Assessor  
Mark Berninger ..... Construction Code Official  
Ralph Porrino ..... Fire Sub-Code Official  
Michael Marra ..... Chief of Police (through 10/24/2014)  
Michael Powderly ..... Acting Chief of Police (10/25/14-2/28/15),  
Chief of Police (commencing 3/1/2015)  
Elizabeth Rutkowski ..... Tax Search Officer / Deputy Tax Collector  
Janet Giardino ..... Construction Control Person, Secretary for Planning Board and Board of  
Adjustment, Secretary to Assessor and Assistant Construction Official Control  
Person  
Donohue, Gironda & Doria, CPA's ..... Registered Municipal Accountant / Auditor  
Robert T. Regan ..... Attorney  
Stantec Consulting ..... Engineer

**Municipal Court Officials:**

Richard Brady ..... Magistrate (A)  
Allison Blau ..... Court Administrator (A)  
Joseph DeMarco ..... Prosecutor  
Peter A. Jeffer ..... Public Defender

*\*Unless otherwise noted, the above officials held their respective titles during the entire year ended December 31, 2014 and through the date of this report.*

The following coverage is provided by the Bergen County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Joint Insurance Fund (MEL):

(A) Statutory Position Bond of \$1,000,000 per loss for public employee dishonesty and faithful performance coverage subject to a \$1,000 deductible for all positions required by statute to be bonded.

(B) Statutory Position Bond of \$1,000,000 per loss for public employee dishonesty and faithful performance coverage subject to a \$1,000 deductible for all positions required by statute to be bonded. Such position is required by statute to be individually bonded. As per the terms of the JIF/MEL, this individual is specifically named and endorsed for coverage.

All other employees and officials are covered by either the Public Employee Dishonesty coverage or Excess Public Officials Bond. Limits of Liability under the Public Employee Dishonesty coverage are \$50,000 under the JIF with a \$2,500 deductible and \$950,000 under the MEL. The Excess Public Officials Bond covers \$1,000,000 per loss for public employee dishonesty and faithful performance coverage subject to a deductible equal to the greater of bonded amounts or amounts required to be bonded by statute.

Adequacy of insurance coverage is the responsibility of the governing body and management of the Borough.

# REPORT OF AUDIT

## FINANCIAL SECTION

Borough of Midland Park  
2014



# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

---

Matthew A. Donohue, CPA  
Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
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Linda P. Kish, CPA, RMA  
Tammy L. Zucca, CPA  
Mark W. Bednarz, CPA, RMA

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Midland Park, New Jersey

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

We have audited the accompanying financial statements – regulatory basis of the Borough of Midland Park, New Jersey (the “Borough”), which comprise the combined balance sheets – regulatory basis – all funds and General Fixed Assets, statement of revenues, expenditures and changes in fund balance – regulatory basis – Current Fund, and the statement of revenues, expenditures and changes in fund balance – regulatory basis – budgetary comparison – Current Fund, as of and for the year ended December 31, 2014 (with comparative totals for December 31, 2013), and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 and the standards applicable to the 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 Borough'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 Borough'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 A, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A 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 the Borough, as of December 31, 2014, or the respective changes in financial position for the year then ended.

***Basis for Qualified Opinion on Trust Fund***

As discussed in Note F to the financial statements, the Length of Service Awards Program (LOSAP) has not been audited, is explicitly not required by the Division to be audited, and we were not engaged to audit the LOSAP financial statements as part of our audit of the Borough's basic financial statements. The LOSAP financial activities are included in the Borough's basic financial statements as a Trust Fund and represents 54% of the assets and of the liabilities and reserves of the Borough's Trust Funds as of December 31, 2014.

### ***Qualified Opinion on Trust Fund***

In our opinion, except for the possible effects of the matter discussed in the “Basis for Modified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements – regulatory basis referred to in the first paragraph present fairly, in all material respects, the financial position of the Trust Fund of the Borough, as of December 31, 2014, in accordance with the financial reporting provisions of the Division as described in Note A.

### ***Unmodified Opinions***

In our opinion, the financial statements – regulatory basis referred to in the first paragraph present fairly, in all material respects, the financial position of the Current Fund, General Capital Fund and General Fixed Assets of the Borough, as of December 31, 2014, and their respective revenues, expenditures and changes in fund balance and the respective budgetary comparison schedule for the year then ended, in accordance with the financial reporting provisions of the Division as described in Note A.

### ***Other Matters***

#### ***Management’s Discussion and Analysis***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 15 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the management’s discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

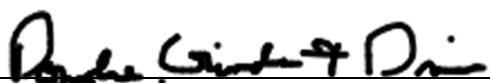
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s financial statements. The introductory section, statistical section, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and schedule of expenditures of other financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information – combining and individual fund financial schedules and letter of comments and recommendations are presented for purposes of additional analysis as required by the Division.

The other supplementary information – combining and individual fund financial schedules and letter of comments and recommendations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and the Division. In our opinion, the supplementary information section, general comments and comments and recommendations are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section, statistical section, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and schedule of expenditures of other financial assistance have not been subjected to the auditing procedures as applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

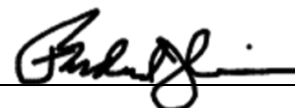
#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2015, on our consideration of the Borough's internal control over financial reporting and 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's internal control over financial reporting and compliance.



DONOHUE, GIRONDA & DORIA

Certified Public Accountants



FREDERICK J. TOMKINS

Registered Municipal Accountant No. 327

Bayonne, New Jersey  
June 12, 2015

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

This discussion and analysis of the financial performance of the Borough of Midland Park provides an overall review of the Borough's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the Borough's financial performance as whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Borough's financial performance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Borough's basic financial statements, which are comprised of two components: 1) combined basic financial statements of all funds and general fixed assets, and 2) notes to the financial statements.

**Combined Basic Financial Statements – All Funds and General Fixed Assets:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial statements of the Borough have been prepared in accordance with the financial reporting provisions of the State of New Jersey, Department of Community Affairs, Division of Local Government Services, (the "Division"), which differs from accounting principles generally accepted in the United States of America (GAAP). Such principles and practices prescribed by the Division 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, all of the funds of the Borough are: the Current Fund, Trust Funds and General Capital Fund. In addition, General Fixed Asset is used to account for all fixed assets of the Borough. General Fixed Assets is not considered a separate fund.

- The *Current Fund* is used to account for all resources and expenditures for governmental operations of a general nature. These operations include, but are not limited to, general government, public safety, public works, health, welfare, recreation and capital improvements.
- *Trust Funds* are used to account for receipts, custodianship and disbursement of dedicated revenues. Disbursements from these funds cannot exceed the amounts collected for the dedicated purpose for which the fund was created.
- The *General Capital Fund* is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or Trust Funds.

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the combined basic financial statements. The notes to the financial statements follow the basic financial statements.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the years ended December 31, 2014 and 2013 are as follows:

- Fund balance in the Current Fund was \$2,555,438 and \$2,590,633 for the years ended December 31, 2014 and 2013, respectively. The Borough's Current Fund operations resulted in a net decrease to fund balance of \$35,195 for the year ended December 31, 2014 and a net increase to fund balance of \$270,920 for the year ended December 31, 2013.
- Total realized revenues to the Borough, net of County and School property taxes collected and non-revenue credits to income, amounted to \$10,962,046 and \$10,597,287 for the years ended December 31, 2014 and 2013, respectively.
- Budgeted appropriations for the years ended December 31, 2014 and 2013 were \$10,354,666 and \$10,026,931, respectively. During the current year, appropriations that were not paid or charged and which remained from the adopted budget of the year ended December 31, 2013 lapsed to operations in the amount of \$815,070. Unexpended budget appropriations from the budget of the year ended December 31, 2014 will not lapse to operations until the year ended December 31, 2015, but are set aside in the current year as appropriation reserves in the amount of \$900,417.
- Included in the budgeted, or anticipated, revenues for the years ended December 31, 2014 and 2013 is the amount to be raised by taxation in support of the municipal budget in the amounts of \$7,167,505 and \$6,874,948, respectively.

In addition to the support of the local municipal budget, the Borough collected and was obligated to remit the following taxes to the appropriate agencies, as per the Bergen County Board of Taxation Certification of Tax Rate and Taxes Added or Omitted for the years ended December 31, 2014 and 2013: local school district taxes in the amount of \$18,620,004 and \$19,226,431, respectively, County of Bergen taxes in the amount of \$2,664,115 and \$2,741,718, respectively and Borough Open Space Trust Fund taxes in the amount of \$106,272 and \$24, respectively.

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**FINANCIAL POSITION AS A WHOLE**

The following table is a summary of the assets, liabilities, reserves and fund balances for all funds of the Borough as of December 31, 2014 and 2013. The table does not include unaudited Length of Service Awards Program (LOSAP) assets held in trust for benefits of \$895,416 and \$850,884, respectively, at December 31, 2014 and 2013.

In addition to these funds, the Borough maintains a separate accounting of fixed assets in accordance with accounting practices prescribed by the Division. As of December 31, 2014 and 2013, the Borough has fixed assets, recorded at historical cost, or estimated historical cost where actual historical cost was not available for assets acquired prior to 1986, of \$10,426,450, each year.

Comparison of Statements of Assets, Liabilities, Reserves and Fund Balances - All Funds								
	Current Fund		Capital Fund		Trust Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Assets:</b>								
Cash and Cash Equivalents	\$ 11,842,839	\$ 12,053,649	\$ 717,822	\$ 1,126,150	\$ 687,494	\$ 620,491	\$ 13,248,155	\$ 13,800,290
Intergovernmental Receivables	13,876	3,397	677,347	532,168	-	-	691,223	535,565
Receivables	301,894	338,857	-	-	102,903	107,630	404,797	446,487
Deferred Charges	-	-	478,845	558,169	-	-	478,845	558,169
Total Assets	<u>\$ 12,158,609</u>	<u>\$ 12,395,903</u>	<u>\$ 1,874,014</u>	<u>\$ 2,216,487</u>	<u>\$ 790,397</u>	<u>\$ 728,121</u>	<u>\$ 14,823,020</u>	<u>\$ 15,340,511</u>
<b>Liabilities and Reserves:</b>								
Short-Term	\$ 7,817,135	\$ 8,022,477	\$ 218,419	\$ 301,203	\$ 26,327	\$ 35,627	\$ 8,061,881	\$ 8,359,307
Reserved for Receivables	301,894	338,857	-	-	-	-	301,894	338,857
Reserved for Expenditures and Authorizations	1,484,142	1,443,936	1,224,758	1,458,833	764,070	692,494	3,472,970	3,595,263
Long-term	-	-	430,837	456,451	-	-	430,837	456,451
Total Liabilities and Reserves	9,603,171	9,805,270	1,874,014	2,216,487	790,397	728,121	12,267,582	12,749,878
Fund Balance	<u>2,555,438</u>	<u>2,590,633</u>	-	-	-	-	<u>2,555,438</u>	<u>2,590,633</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 12,158,609</u>	<u>\$ 12,395,903</u>	<u>\$ 1,874,014</u>	<u>\$ 2,216,487</u>	<u>\$ 790,397</u>	<u>\$ 728,121</u>	<u>\$ 14,823,020</u>	<u>\$ 15,340,511</u>

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CURRENT FUND FINANCIAL ANALYSIS**

Current Fund Expenditures and Charges by Function (as Defined by Flexible Chart of Accounts)				
	Year Ended December 31,		Change Increase (Decrease)	
	2014	2013	Dollar	Percentage
General Government	\$ 727,589	\$ 780,639	\$ (53,050)	(6.8) %
Land-Use Administration	44,000	44,000	-	0.0
Uniform Construction Code	149,500	144,600	4,900	3.4
Insurance	1,151,000	1,136,245	14,755	1.3
Public Safety	1,994,898	2,011,973	(17,075)	(0.8)
Public Works	1,165,384	1,130,836	34,548	3.1
Health and Human Services	63,940	63,140	800	1.3
Parks and Recreation	164,426	180,277	(15,851)	(8.8)
Education (including Library)	455,000	455,000	-	0.0
Unclassified	6,000	8,500	(2,500)	(29.4)
Utilities and Bulk Purchases	1,558,900	1,562,900	(4,000)	(0.3)
Landfill/Solid Waste Disposal	234,689	313,298	(78,609)	(25.1)
Statutory Expenditures	674,876	649,798	25,078	3.9
Judgments	5,000	5,000	-	0.0
Shared Services	650,908	438,358	212,550	48.5
Court and Public Defender	55,500	55,000	500	0.9
Capital Improvements	617,814	414,000	203,814	49.2
Debt Service	74,026	79,242	(5,216)	(6.6)
Deferred Charges	6,000	-	6,000	new
Reserve for Uncollected Taxes	550,000	550,000	-	0.0
Total Budgeted Appropriations	10,349,450	10,022,806	326,644	3.3
Non-Budget Expenditures	24,561	34,600	(10,039)	(29.0)
Total Expenditures and Charges	<u>\$ 10,374,011</u>	<u>\$ 10,057,406</u>	<u>\$ 316,605</u>	3.1

Significant changes from the prior year, as identified in the table above, are as follows:

- The decrease in General Government of \$53,050 is due to the transfer of \$85,000 from the Reserve for Tax Appeals line item to the consolidated dispatch for costs which were not anticipated at the time of budget adoption, less \$31,950 of various line item increases.
- Most of the increase in shared services of \$212,550 is due to significant changes in two shared service agreements. First, shared building department services increased \$80,000, but which were largely offset in the budget by an increase in corresponding revenue. Second, as mentioned above, monies were transferred to the consolidated dispatch from other appropriations for set-up costs of changing to a new shared dispatch agreement, which was not anticipated at the time of budget adoption. Together, these items account for \$210,500 of the total increase in shared services.



**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CURRENT FUND FINANCIAL ANALYSIS (continued)**

- \$75,000 of the \$78,609 decrease in solid waste and landfill costs was due to the reduction of the amount appropriated for disposal contracts.
- The Borough made a decision to increase Capital Improvement Fund appropriation by \$203,814 in order to pay for various projects and while maintaining the Borough's pay-as-you-go strategy.
- All other functions did not realize significant changes from the prior year.

Current Fund Realized Revenues and Other Credits to Income by Source

	Year Ended December 31,		Change Increase (Decrease)	
	2014	2013	Dollar	Percentage
Budgeted Operating Revenues:				
Fund Balance	\$ 1,500,000	\$ 1,500,000	\$ -	0.0 %
Local Revenues	510,527	496,857	13,670	2.8
State Aid	546,706	546,706	-	0.0
UCC Fees	148,903	120,061	28,842	24.0
Shared Service Agreements	107,405	47,052	60,353	128.3
Additional Revenues	99,452	92,921	6,531	7.0
Public and Private Programs	36,905	40,127	(3,222)	(8.0)
Other Special Items	14,307	13,412	895	6.7
Delinquent Taxes	283,297	292,048	(8,751)	(3.0)
Local Tax for Municipal Purposes	<u>7,485,895</u>	<u>7,201,030</u>	<u>284,865</u>	4.0
Subtotal	10,733,397	10,350,214	383,183	3.7
Non-Budget Revenues	<u>228,649</u>	<u>247,473</u>	<u>(18,824)</u>	(7.6)
Total Realized Revenues	10,962,046	10,597,687	364,359	
Other Credits to Income	61,700	108,364	(46,664)	(43.1)
Lapsed Appropriation Reserves	<u>815,070</u>	<u>1,121,184</u>	<u>(306,114)</u>	(27.3)
Total Realized Revenues and				
Other Credits to Income	<u>\$ 11,838,816</u>	<u>\$ 11,827,235</u>	<u>\$ 11,581</u>	0.1

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CURRENT FUND FINANCIAL ANALYSIS (continued)**

Significant changes from the prior year, as identified on the previous page, are as follows:

- Fund Balance was utilized to support the budget in the same amount as the prior year.
- \$60,000 of the increase in shared service agreements is due to a new Building Department agreement established with the Borough of Ho-Ho-Kus.
- Appropriation reserves lapsed is unexpended appropriations from the prior year's budget. There was a decrease in the amount of lapse of 27%, or \$306,114, from the prior year, which is in contrast to the increase in the amount of the lapse of 41% in the preceding year. Several line items contributed significantly to this year's reduction, including legal services other expenses, reserve for tax appeals and first aid salaries and wages.
- The decrease in non-budget revenues in 2014 corresponded directly to the reduction in other receivables full reserved at December 31, 2013 as compared to those receivables and reserves at December 31, 2012.
- Current year taxes receivable are nearly equivalent to the prior year; therefore the increase in collections of current year tax levy of \$284,865 is indicative of a higher levy.

All other increases and decreases are of minimal amount.

A summary of the result of operations in the Current Fund, per the revenue and expenditure tables preceding, is as follows:

Results of Current Fund Operations	
Total Revenues	\$ 11,838,816
Less: Fund Balance Utilized as Budget Revenues	<u>1,500,000</u>
Total Revenues, Net of Fund Balance Utilized	10,338,816
Less: Total Expenditures and Charges	<u>10,374,011</u>
Results of Current Year Operations	(35,195)
Fund Balance at December 31, 2013	<u>2,590,633</u>
Fund Balance at December 31, 2014	<u><u>\$ 2,555,438</u></u>

**BOROUGH OF MIDLAND PARK**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**ANALYSIS OF BUDGET VS. ACTUAL**

The following table represents revenues anticipated and budgeted appropriations after modification for the year ended December 31, 2014, as well as the actual results for all items budgeted. Non-budgeted revenues and expenditures are not included on the following table. Budgeted appropriations are net of cancellations totaling \$5,216.

Comparison of Budget vs. Actual				
	Budgeted	Actual	Variance	
<b>Budgeted Appropriations:</b>				
Operations within "CAPS"				
Operations: Salaries and Wages	\$ 2,736,200	\$ 2,688,697	\$ 47,503	(1)
Operations: Other Expenses	3,139,632	2,637,455	502,177	(1)
Deferred Charges and Statutory Exp.	694,876	633,438	61,438	(1)
Operations excluded from "CAPS"				
Other Operations	1,773,882	1,553,302	220,580	(1)
Shared Service Agreements	650,908	590,190	60,718	(1)
Offset by Revenues	64,207	61,206	3,001	(1)
Public and Private Programs	36,905	36,905	-	
Capital Improvements	617,814	617,814	-	
Debt Service	74,026	74,026	-	
Deferred Charges	6,000	6,000	-	
Judgments	5,000	-	5,000	(1)
Reserve for Uncollected Taxes	550,000	550,000	-	
	<u>\$ 10,349,450</u>	<u>\$ 9,449,033</u>	<u>\$ 900,417</u>	

The item noted as "(1)" in the above budget table represent amounts "reserved", or budgeted appropriations that will be available for expenditure in 2014.

Comparison of Budget vs. Actual				
	Budgeted	Actual	Variance	
<b>Anticipated Revenues:</b>				
Fund Balance Utilized	\$ 1,500,000	\$ 1,500,000	\$ -	
Miscellaneous Revenue Anticipated	1,417,161	1,464,205	47,044	
Receipts from Delinquent Taxes	270,000	283,297	13,297	
Local Tax for Municipal Purposes	7,167,505	7,485,895	318,390	
Total Anticipated Revenues	<u>\$ 10,354,666</u>	<u>\$ 10,733,397</u>	<u>\$ 378,731</u>	

Miscellaneous revenue collections and receipts from delinquent taxes were close to budgeted amounts. The excess in current year tax collected is due to added is due to the Borough's decision to appropriate a reserve or "allowance" for taxes not received near the statutory maximum, in the amount of \$550,000.

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**MUNICIPAL DEBT ADMINISTRATION**

The following table summarizes the changes in capital debt for the year ending December 31, 2014:

	<u>2014</u>	<u>2013</u>
Debt Issued and Outstanding	\$ 456,451	\$ 529,775
Authorized but not Issued	<u>22,394</u>	<u>28,394</u>
Total Debt Issued and Authorized but not Issued	<u>\$ 478,845</u>	<u>\$ 558,169</u>

The Borough's outstanding debt consists of a New Jersey Environmental Infrastructure Trust Loan for funding of the Erie Ave Sewer Abandonment Project of 2012. This loan has two components, a trust loan and a fund loan. Combined, the two loans pay \$29,483 of principal and interest annually through the year 2031.

In addition, the Borough still has on its books debt authorized but not issued of \$22,394. The purpose of this authorization was originally to secure a funding source for the Erie Avenue Sewer Pump Station Abandonment Project. The total unfunded portion remaining after the execution of the loan agreement with the New Jersey Environmental Infrastructure Trust was \$28,394. The Borough's is funding this amount through an annual budget appropriation of \$6,000 for four years and \$4,394 for one year.

With some exceptions State Statutes require that debt, issued or authorized, be limited by the Borough to no more than 3.5% of the three year equalized valuation be exceeded on the issuance or authorization of debt service. The Borough's debt limit at December 31, 2014 and 2013 was at 0.041% and 0.043%, respectively. The Borough's capacity to issue or authorized new debt is largely unaffected by its current debt position.

**COMPONENT UNITS**

Had this report been prepared in conformity with GAAP, the financial statements of the Borough of Midland Park Memorial Library would have been discretely presented with the financial statements of the Borough, the primary government or oversight entity. These financial statements are prepared in accordance with accounting practices as prescribed by the Division and, accordingly, do not include the financial statements of its component unit, the Borough of Midland Park Memorial Library.

**BOROUGH OF MIDLAND PARK  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CONTACTING THE BOROUGH'S CHIEF FINANCIAL OFFICER**

This financial report is designed to provide the citizens and taxpayers of the Borough of Midland Park with a general overview of the Borough's finances and to demonstrate the Borough's accountability for the appropriations it budgets and grants, state aid and taxes levied that it receives. If you have any questions about this report or need additional information, you may contact the Chief Financial Officer at 280 Godwin Avenue, Midland Park, New Jersey, 07432 or at (201) 445-5720.

# REPORT OF AUDIT

## FINANCIAL SECTION: Basic Financial Statements

Borough of Midland Park  
2014

**BOROUGH OF MIDLAND PARK**  
**ALL FUNDS AND GENERAL FIXED ASSETS**  
**AS OF DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

**COMBINED BALANCE SHEETS - REGULATORY BASIS**

	Current Fund	Trust Funds (1)	General Capital Fund	General Fixed Assets	COMPARATIVE TOTALS (MEMORANDUM ONLY)	
					Dec. 31, 2014	Dec. 31, 2013
<b>Assets:</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 11,842,839	\$ 687,494	\$ 717,822	\$ -	\$ 13,248,155	\$ 13,800,290
Investments	-	876,069	-	-	876,069	810,634
Intergovernmental Receivables	13,876	-	677,347	-	691,223	535,565
Delinquent Property Taxes Receivable	256,799	-	-	-	256,799	286,277
Tax Title Liens Receivable	21,134	-	-	-	21,134	20,001
Contributions Receivable	-	46,000	-	-	46,000	40,250
Revenue Accounts Receivable	7,924	-	-	-	7,924	4,239
Interfunds Receivable	16,037	102,903	-	-	118,940	135,970
Deferred Charges, Funded and Unfunded	-	-	478,845	-	478,845	558,169
Fixed Assets:						
Land	-	-	-	3,273,900	3,273,900	3,273,900
Building	-	-	-	3,568,587	3,568,587	3,568,587
Machinery and Equipment	-	-	-	3,583,963	3,583,963	3,583,963
Total Assets	\$ 12,158,609	\$ 1,712,466	\$ 1,874,014	\$ 10,426,450	\$ 26,171,539	\$ 26,617,845

(1) Includes the Length of Service Awards Program which is unaudited.

See Accompanying Notes to Financial Statements

**BOROUGH OF MIDLAND PARK**  
**ALL FUNDS AND GENERAL FIXED ASSETS**  
**AS OF DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

**COMBINED BALANCE SHEETS - REGULATORY BASIS**

	Current Fund	Trust Funds (1)	General Capital Fund	General Fixed Assets	COMPARATIVE TOTALS (MEMORANDUM ONLY)	
					Dec. 31, 2014	Dec. 31, 2013
<u>Liabilities, Reserves and Fund Balance:</u>						
Current Liabilities and Reserves:						
Prepaid Taxes and Tax Overpayments	\$ 77,843	\$ -	\$ -	-	\$ 77,843	\$ 85,012
Local District School Taxes Payable	7,432,009	-	-	-	7,432,009	7,735,223
Encumbrances and Contracts Payable	201,355	11	192,805	-	394,171	324,641
Interfunds Payable	102,903	16,037	-	-	118,940	135,970
Other Payables	3,025	33,500	-	-	36,525	374
Appropriation Reserves	900,417	-	-	-	900,417	956,405
Improvement Authorizations	-	-	1,057,245	-	1,057,245	890,755
Interest Payable	-	3,432	-	-	3,432	4,763
Reserve for:						
Other Expenditures	437,444	764,070	167,513	-	1,369,027	1,617,734
Appropriated and Unappropriated Grants	146,281	-	-	-	146,281	130,369
Receivables and Other Assets	301,894	-	-	-	301,894	338,857
Long Term Liabilities, Due within One Year						
Capital Lease Payable	-	-	-	-	-	47,744
Loan Payable	-	-	25,614	-	25,614	25,580
Long Term Liabilities, Due in More Than One Year						
Loans Payable	-	-	430,837	-	430,837	456,451
Total Liabilities and Reserves	9,603,171	817,050	1,874,014	-	12,294,235	12,749,878
Net Assets Held in Trust for Benefits	-	895,416	-	-	895,416	850,884
Investments in Fixed Assets	-	-	-	10,426,450	10,426,450	10,426,450
Fund Balance	2,555,438	-	-	-	2,555,438	2,590,633
Total Liabilities, Reserves and Fund Balance	\$ 12,158,609	\$ 1,712,466	\$ 1,874,014	\$ 10,426,450	\$ 26,171,539	\$ 26,617,845
Bonds and Notes Authorized But Not Issued			\$ 22,394		\$ 22,394	\$ 28,394

See Accompanying Notes to Financial Statements



**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- REGULATORY BASIS**

	Current Fund	
	December 31, 2014	December 31, 2013
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,500,000	\$ 1,500,000
Miscellaneous Revenues Anticipated	1,464,205	1,357,136
Receipts from Delinquent Taxes	283,297	292,048
Receipts from Current Taxes	28,326,286	28,619,203
Non-Budget Revenues	228,649	247,473
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	815,070	1,121,184
Prior Year Interfunds Returned	28,340	46,190
Chargebacks	23,980	23,980
Other Accounts Receivable Realized	-	18,000
Revenue Accounts Receivable	4,266	12,400
Statutory Excess in Dog License Fund	4,239	7,044
Marriage License Fees Remitted by Interlocal Agency	875	750
	<u>32,679,207</u>	<u>33,245,408</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Appropriations within "CAP"		
Operations:		
Salaries and Wages	2,736,200	2,734,960
Other Expenses	3,139,632	3,239,407
Deferred Charges & Statutory Expenditures	694,876	669,798
Appropriations excluded from "CAP"		
Operations:		
Salaries and Wages	275,258	194,758
Other Expenses	2,250,644	2,139,766
Capital Improvements	617,814	414,000
Municipal Debt Service	74,026	74,026
Deferred Charges	6,000	-
Judgments	5,000	5,000
Local District School Tax	18,620,004	19,226,431
County Taxes	2,664,115	2,741,718
Municipal Open Space Taxes	106,272	24
Interfund Advances Originating in Current Year	16,037	28,340

See Accompanying Notes to Financial Statements

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- REGULATORY BASIS**

	Current Fund	
	December 31, 2014	December 31, 2013
<u>Expenditures - continued</u>		
Revenue Accounts Receivable	\$ 7,924	\$ 4,239
Marriage License Collected by Interlocal Agency	600	825
Refund of Prior Year Revenues	-	1,096
Write Down Change Funds	-	100
	<u>31,214,402</u>	<u>31,474,488</u>
Statutory Excess to Fund Balance	1,464,805	1,770,920
Fund Balance, January 1	<u>2,590,633</u>	<u>2,319,713</u>
	4,055,438	4,090,633
Utilized as Anticipated Revenue	<u>1,500,000</u>	<u>1,500,000</u>
Fund Balance, December 31	<u>\$ 2,555,438</u>	<u>\$ 2,590,633</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- REGULATORY BASIS - BUDGETARY COMPARISON**

	Budget as Adopted	Budget as Modified (1)	Actual	Variance
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
Miscellaneous Revenues Anticipated	1,403,165	1,417,161	1,464,205	47,044
Receipts from Delinquent Taxes	270,000	270,000	283,297	13,297
Receipts from Current Taxes - Net of Taxes for County, School District and Municipal Open Space	7,167,505	7,167,505	7,485,895	318,390
Non-Budget Revenues	-	-	228,649	228,649
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	-	-	815,070	815,070
Prior Year Interfunds Returned	-	-	28,340	28,340
Chargebacks	-	-	23,980	23,980
Revenue Accounts Receivable	-	-	4,266	4,266
Statutory Excess in Dog License Fund	-	-	4,239	4,239
Marriage License Fees Remitted by Interlocal Agency	-	-	875	875
	<u>\$ 10,340,670</u>	<u>\$ 10,354,666</u>	<u>11,838,816</u>	<u>1,484,150</u>
<u>Expenditures</u>				
Budget and Emergency Appropriations:				
Appropriations within "CAP"				
Operations:				
Salaries and Wages	2,736,200	2,736,200	2,736,200	-
Other Expenses	3,274,632	3,139,632	3,139,632	-
Deferred Charges & Statutory Expenditures	694,876	694,876	694,876	-
Appropriations excluded from "CAP"				
Operations:				
Salaries and Wages	275,258	275,258	275,258	-
Other Expenses	2,101,648	2,250,644	2,250,644	-
Capital Improvements	617,814	617,814	617,814	-
Municipal Debt Service	79,242	79,242	74,026	(5,216)
Deferred Charges	6,000	6,000	6,000	-
Judgments	5,000	5,000	5,000	-
Reserve for Uncollected Taxes	550,000	550,000	550,000	-
Interfund Advances Originating in Current Year	-	-	16,037	16,037
Revenue Accounts Receivable	-	-	7,924	7,924
Marriage License Fees Collected by Interlocal Agency	-	-	600	600
	<u>\$ 10,340,670</u>	<u>\$ 10,354,666</u>	<u>10,374,011</u>	<u>19,345</u>
Statutory Excess to Fund Balance			1,464,805	1,464,805
Fund Balance, January 1			<u>2,590,633</u>	<u>2,590,633</u>
			4,055,438	4,055,438
Utilized as Anticipated Revenue			<u>1,500,000</u>	<u>1,500,000</u>
Fund Balance, December 31			<u>\$ 2,555,438</u>	<u>\$ 2,555,438</u>

(1) Municipal Debt Service cancellations totalling \$5,216 are reported in the variance column as an addition to fund balance.  
Reserve for uncollected taxes is presented as an appropriation charged and applied to realized revenue in the amount of \$550,000.

See Accompanying Notes to Financial Statements

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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

**REPORTING ENTITY**

The Borough of Midland Park (herein referred to as the “Borough”) is organized as a Mayor – Council municipality under the provisions of N.J.S.A. 40:69A. The Borough is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of six members which serve three year terms beginning on the first day of January next following their election. Two council positions are due for election annually by voters of the Borough. The Mayor is also elected directly by the voters of the Borough and serves a term of four years beginning the first day of January following the election.

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S. 40A:5-5. The Governmental Accounting Standards board (GASB) establishes criteria to be used to determine which component units should also be included in the financial statements of the primary government (the Borough). However, the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the Borough to be reported separately from its component units. If the provisions of GASB had been complied with, the financial statements of the Midland Park Memorial Library would have been discretely presented in the financial statements of the Borough. The audit report of the Midland Park Memorial Library is available at the offices of Library.

**BASIS OF PRESENTATION**

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose 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 have been prepared in conformity with accounting principles and practices prescribed by the Division, which differs from GAAP. Such principles and practices prescribed by the Division 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 and account group, which differ from the fund structure required by GAAP.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**DESCRIPTION OF FUNDS**

**Current Fund** – is used to account for all resources and expenditures for governmental operations of a general nature, including state and federal grants, for which the Borough has not created a separate fund.

**Trust Funds** – are used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable statutes or as an agent for individuals and other governmental agencies. The Borough has the following Trust Funds:

Animal Control Trust Fund – is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A 4:19-15.11.

Municipal Alliance Trust Fund – is used to account for revenues and disbursements from programs administered by the Municipal Alliance Committee as regulated by N.J.S.A.40A:5-29.

Private Duty Trust Fund – is used to account for the outside employment of off-duty police officers. Fees are charged contractors for the use of police officers and vehicles. Police overtime is then paid from these contractor's fees.

Unemployment Trust Fund – is used to account for employee and employer contributions and obligations resulting from the administration of unemployment benefits.

Public Assistance Trust Fund – is used to account for the administration of welfare benefits to citizens of the Borough. Local public assistance services have been transferred to the County of Bergen. The Borough is in the process of closing these funds.

Other Trust Fund – is used to account for the assets and resources held by the Borough in a trustee or agent capacity. Included in this fund are monies collected and disbursed for the purposes of: developer escrow accounts, firehouse rental deposits, the parking offenses adjudication act, public defender fees, recreation program proceeds, Council on Affordable Housing fees, tax sale redemption and premiums, the municipal open space program and occasionally donations of various sorts.

Length of Service Awards Program (LOSAP) – is used to account for the income tax deferred benefits IRC Code Section 457 plan available to the Borough's qualified volunteer emergency service volunteers.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

DESCRIPTION OF FUNDS (continued)

**General Capital Fund** – is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation.

**General Fixed Assets** – is not a separate fund type, but is used to account for all fixed assets of the Borough.

The accounts of the Borough are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BASIS OF ACCOUNTING

The Special Purpose Framework accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governments units. The current financial resources focus and modified accrual basis of accounting is generally followed with exceptions, the more significant of which are explained in the paragraphs that follow:

**Revenues** – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from federal revenue sharing funds and other federal and state grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due the Borough are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. GAAP requires such revenue to be recognized in the accounting period in which they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Reserve for Uncollected Taxes** – Reserve for Uncollected Taxes is the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

**Expenditures** – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

**Encumbrances** – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

**Interfunds** – Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

**Property Acquired for Taxes** - Property Acquired for Taxes is recorded in the current fund at the assessed valuation when such property was acquired and is subsequently updated for revaluations of such property. The value of such property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

**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 non-funding of the authorized costs of capital projects. The Borough may levy taxes on all taxable property within the Borough 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. GAAP does not require the establishment of deferred charges to future taxation.

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

**Improvement Authorizations** - in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.



**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**General Fixed Assets** - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the Borough's basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

All fixed assets are valued at historical cost or, if purchased prior to December 31, 1985 and historical cost is not available, estimated historical cost. Expenditures for construction in progress are recorded in the Capital Fund against the authorizations under which the project was approved until such time as the construction is completed and put into operation. No depreciation has been provided for in the financial statements.

The Borough is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit.

When acquired in a purchase separate from the building it is attached, fixed equipment is generally recorded as machinery and equipment.

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

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

**Use of Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Cash and Investments** - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC") and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey local units.

The Borough is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the Borough requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight appropriate to contemporary banking conditions. Among the increased protections and oversight, the revised GUDPA ensures a common level of deposit risk by each bank choosing to accept local government deposits, requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of banking and insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

Also see Note B – Deposits and Investments

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Budgets and Budgetary Accounting** - an annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund and General Fixed Assets account group. However, statutes require the Borough to adopt annually a three-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The Borough must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 10 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year, at which time transfers between certain line items are allowed. Transfers from appropriations excluded from "CAPS" are prohibited unless they are between debt service appropriations. Under certain circumstances, emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The Borough must prepare its budgets in compliance with applicable laws capping the amounts by which it can increase the budgeted appropriations and tax levy. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5% upon passage of a COLA Rate Ordinance.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It establishes limits on the increase in the total Borough amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Long-Term Obligations** – General long-term debt is recognized as a liability of the General Capital Fund for the full amount.

**Reserves (Other than Reserve for Receivables)** – Reserves, other than the reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

**Reserve for Receivables** – Receivables of the Borough, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the cash basis revenue recognition required by the Division’s accounting principles. The reserve delays the recognition of these revenues until they are received in cash.

**Advertising Costs** - advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

**Sale of Municipal Assets** - The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

**Fund Balance** – Fund equity represented on the financial statements consists solely of fund balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).

**BASIC FINANCIAL STATEMENTS**

The GASB Codification also requires the financial statements of a governmental unit 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.

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

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIC FINANCIAL STATEMENTS** (continued)

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

**Reclassifications** - Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

**Reconciliation of Accounting Basis** - As described throughout Note A, substantial differences exist between GAAP and the Special Purpose Framework prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The Borough has elected to utilize the New Jersey Comprehensive Annual Financial Report (NJ-CAFR) format for presentation of its audited financial statements. Where necessary, this format was modified to comply with reporting requirements prescribed by the Division. Some of the differences not already noted in the previous sections are described as follows:

All funds are reported as major. No distinction between major and non-major funds is required by the Division, therefore related information such as combining statements are not required. GAAP requires this distinction. No government-wide statements as required under GAAP are presented, instead, combined statements of fund types and account groups are presented which better present the basis of accounting prescribed by the Division.

Certain information, including pension and other post-employment benefits, typically required by GAAP to be included in a "Required Supplementary Information" section is instead included in the Notes to Financial Statements.

The Borough's NJ-CAFR includes a section titled supplementary information. This section incorporates budgetary comparison schedules similar to those required by GAAP, but also includes other detailed schedules which comply with accounting practices prescribed by the Division.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE B. DEPOSITS AND INVESTMENTS**

**DEPOSITS**

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Borough does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized.
- b. Collateralized with securities held by the pledging financial institution.
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Borough's name.

All cash and cash equivalents on deposit as of the years ended December 31, 2014 are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the GUDPA (see Note A - Cash and Investments) or are on deposit with the New Jersey Cash Management Fund. Under GUDPA, financial institutions are not required to pledge collateral amounts covered by FDIC insurance.

The Borough's deposits of cash and cash equivalents at December 31, 2014 are summarized in the following table.

Insured - FDIC	\$ 250,000
Insured - GUDPA	13,269,657
New Jersey Cash Management Fund	1,140
	<u>\$ 13,520,797</u>

**Concentration of Credit Risk** - The Borough places no formal limit on the amount the Borough may invest in any one financial institution. Except for a minimal investment in the New Jersey Cash Management Fund, all of the Borough's deposits are with one financial institution.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the Borough's deposits as of December 31, 2014 are held in foreign currency.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE B. DEPOSITS AND INVESTMENTS (continued)**

**INVESTMENTS**

New Jersey statutes permit the Borough to purchase the following types of securities when authorized by the cash management plan (described in note A):

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund.
- Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

**Custodial Credit Risk** - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Borough's name and are held by either the counterparty or its trust department or agent, but not in the Borough's name.

**Foreign Currency Risk** - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The Borough does not have any investments denominated in foreign currency as of December 31, 2014.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough does not have an investment policy regarding the management of credit risk.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE B. DEPOSITS AND INVESTMENTS (continued)**

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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

**Concentration of Credit Risk** - The Borough places no formal limit on the amount the Borough may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the “Investments” section of this Note. Currently, the Borough’s only investment consists of deposits with the New Jersey Cash Management Fund.

The Borough’s investments at December 31, 2014 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
Government Investment Pools	\$ 1,140	\$ 1,140	\$ -	\$ -	\$ -
Length of Service Award Program (LOSAP)					
Investment (unaudited) - Various	876,069	876,069	-	-	-
	<u>\$ 877,209</u>	<u>\$ 877,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Short-term investments are carried at cost, which approximates fair value.

Government Investment Pools investments consists of investments in the New Jersey Cash Management Fund. Because of their liquidity, these investments are classified as cash and cash equivalents on the financial statements of the Borough.

Length of Service Awards Program (LOSAP) investments consist of investments in interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest in their funds; State of New Jersey Cash Management Fund; individual or group annuity contracts, whether fixed or variable; mutual fund shares; or life insurance contracts, whether fixed or variable.

The above investments are described in more detail in the following paragraphs.



**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE B. DEPOSITS AND INVESTMENTS (continued)**

**New Jersey Cash Management Fund** - All investments in the New Jersey Cash Management Fund are governed by regulations of the State Investment Council, which prescribes specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Investment Council regulations, the Division of Investment sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. In all the years of the Division of Investment's existence, it has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the other-than-state participants, which includes the Borough. There is no available credit rating for the New Jersey Cash Management Fund. The Borough does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. As of December 31, 2014 and 2013, the Borough had balances of \$1,139 and \$1,138, respectively, in the New Jersey Cash Management Fund.

**NOTE C. PROPERTY TAXES**

**PROPERTY TAX CALENDAR**

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budget of the entities that follow:

**County Taxes** - The Borough is responsible for levying, collecting and remitting county and county open space taxes for the County of Bergen. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. Monies are forwarded to the County on a quarterly basis. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year. For the years ended December 31, 2014 and 2013, the Borough had no County taxes payable.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE C. PROPERTY TAXES (continued)**

PROPERTY TAX CALENDAR (continued)

**School Taxes** - The Borough is responsible for levying, collecting and remitting school taxes for the local school district. Monies are forwarded to the school district on a monthly basis. Operations is charged for the full amount due to operate the local school district, and is based upon the annual County certification of apportionment of levies. However, regulations allow for the deferral of not more than 50% of the annual school levy when school taxes are raised for a school year and have not been requisitioned by the school district. The amounts deferred and payable are as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Balance of Tax	\$ 9,310,002	\$ 9,613,216
Deferred Taxes	<u>1,877,993</u>	<u>1,877,993</u>
Tax Payable	<u>\$ 7,432,009</u>	<u>\$ 7,735,223</u>

The Borough did not defer additional school taxes payable during the years ended December 31, 2014 and 2013. See also Note R – Contingent Liabilities.

PROPERTY TAXES RECEIVABLE

**Municipal Open Space Taxes** – In 2001, and subsequently in 2006 and 2012, voters of the Borough approved a referendum for the collection of an additional \$0.01 per 100 dollars of assessed valuation to be added to the tax levy and dedicated to provide funding for approved open space purposes. Operations is charged for the amount due to the Open Space Trust Fund, based upon the annual County certification of apportionment of levies. The municipal open space tax levied during the years ended December 31, 2014 and 2013 was \$106,272 and \$24, respectively.

**Reserve for Uncollected Taxes** - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the Borough's annual budget. This appropriation protects the Borough from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined by the percentage of collections experienced in the immediate preceding year, unless the three-year average option is chosen. For the years ended December 31, 2014 and 2013, the budgeted reserve for uncollected taxes was \$550,000, each year.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE C. PROPERTY TAXES (continued)**

**PROPERTY TAXES RECEIVABLE** (continued)

**Delinquent Taxes and Tax Title Liens** - As described in Note A, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. For the years ended December 31, 2014 and 2013, property taxes receivable were \$256,799 and \$286,277 respectively and tax title liens receivable were \$21,134 and \$20,001, respectively.

**Property Acquired by Tax Title Lien Liquidation** – The Borough held its annual tax sale on April 11, 2014. No additional properties were acquired by foreclosure or deed. The value of properties acquired by tax title liens on December 31, 2014 and 2013 was \$-0-, each year.

**Prepaid Taxes** - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2014 and 2013 were \$77,842 and \$81,808, respectively.

**Tax Overpayments** - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of December 31, 2014 and 2013 were \$1 and \$3,204, respectively.

**NOTE D. MUNICIPAL DEBT**

**SUMMARY OF MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds to finance general capital and utility capital expenditures. During the years ended December 31, 2014 and 2013, the Borough did not issue, authorize or have outstanding any bonds or bond anticipation notes.

**School Debt** – The Borough of Midland Park Board of Education is a Type II School District. As such, statutes require bonds and notes issued and authorized by the Board of Education to be included in the Borough's statutory gross debt, but are not obligations of the Borough. Only the amount of school district debt exceeding the school district's debt limit, if any, is included in the net debt of the Borough.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**SUMMARY OF MUNICIPAL DEBT (continued)**

All of the Borough's indebtedness is accounted for in the General Capital Fund, the total of which, including short-term obligations, is as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
<b>Statutory Debt</b>		
<u>Issued:</u>		
General:		
NJEIT Loan	\$ 456,451	\$ 482,031
School:		
School Serial Bonds	<u>3,310,000</u>	<u>3,635,000</u>
Gross Statutory Debt Issued	3,766,451	4,117,031
Less Statutory Deductions:		
Bonds and Notes for School Purposes	<u>(3,310,000)</u>	<u>(3,635,000)</u>
Net Statutory Debt Issued	<u>456,451</u>	<u>482,031</u>
<u>Authorized but not Issued:</u>		
General Improvements	22,394	28,394
School Improvements	<u>8,500,000</u>	<u>-</u>
Gross Authorized but not Issued	8,522,394	28,394
Less Statutory Deductions:		
Authorized for School Purposes	<u>(8,500,000)</u>	<u>-</u>
Net Debt Authorized but not Issued	<u>22,394</u>	<u>28,394</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 478,845</u>	<u>\$ 510,425</u>
<b>Non-statutory Debt</b>		
<u>Issued:</u>		
Capital Lease Payable	<u>\$ -</u>	<u>\$ 47,744</u>

A summary of Long-term liability activity for the year ended is as follows. Additional detailed information is available on the following pages.

<u>Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Retirements</u>	<u>Balance Dec. 31, 2014</u>	<u>Due by Dec. 31, 2015</u>
Capital Lease Obligations	\$ 47,744	\$ 47,744	\$ -	\$ -
New Jersey Environmental Infrastructure Trust Loan	<u>482,031</u>	<u>25,580</u>	<u>456,451</u>	<u>25,614</u>
	<u>\$ 529,775</u>	<u>\$ 73,324</u>	<u>\$ 456,451</u>	<u>\$ 25,614</u>

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE**

The Borough has outstanding at December 31, 2014 a New Jersey Environmental Infrastructure Trust Loan. The following table is a summary of the activity for such debt as of and for the year ended December 31, 2014, as well as the short term liability:

Description	Balance Dec. 31, 2013	Decrease	Balance Dec. 31, 2014	Due by Dec. 31, 2015
Loan for Erie Ave Sewer Abandonment Project Issued 5/21/2012 for Total Loan of \$518,020, consisting of				
Trust Loan of \$210,285				
Maturing annually on August 1, from 2013 to 2031				
Bearing interest rates of 0.22% to 3.17%	\$ 200,375	\$ 9,932	\$ 190,443	\$ 9,967
Fund Loan of \$307,735				
Maturing annually on August 1, from 2012 to 2031				
Bearing no interest rate	281,656	15,648	266,008	15,647
	<u>\$ 482,031</u>	<u>\$ 25,580</u>	<u>\$ 456,451</u>	<u>\$ 25,614</u>

**CAPITAL LEASE PAYABLE**

The Borough has outstanding at December 31, 2014 and 2013 a capital lease with the Bergen County Improvement Authority ("BCIA"). The following table is a summary of the activity for such debt as of and for the year ended December 31, 2014, as well as the short term liability:

Description	Balance Dec. 31, 2013	Decrease	Balance Dec. 31, 2014	Due by Dec. 31, 2015
Capital Lease with BCIA for Fire Apparatus Issued 6/23/2006 for \$330,478 Maturing annually on August 1 from 2007 to 2014 Bearing an interest rate of 4.22%				
	\$ 47,744	\$ 47,744	\$ -	\$ -
	<u>\$ 47,744</u>	<u>\$ 47,744</u>	<u>\$ -</u>	<u>\$ -</u>

The fire apparatus purchased with this lease is recorded in General Fixed Assets in the asset category machinery and equipment, at the historical total cost of \$474,794. The original lease principal amount of \$330,478 has completely amortized as of December 31, 2014, for a lease payable balance at December 31, 2014 of \$-0- and no future minimum payments.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**DEBT SERVICE REQUIREMENTS TO MATURITY**

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments there-after, for the Borough's total outstanding debt is as follows:

Year Ended Dec. 31,	NJEIT Loan	
	Principal	Interest
2015	\$ 25,614	\$ 3,869
2016	25,663	3,821
2017	25,721	3,762
2018	25,801	3,682
2019	25,904	3,579
2020-2024	131,966	15,450
2025-2029	138,070	9,347
2030-2031	57,712	1,253
	<u>\$ 456,451</u>	<u>\$ 44,763</u>

**Variable Rate Terms** - Interest requirements for variable rate debt are calculated using the interest rate effective at the end of the reporting year. Interest rates on the New Jersey Environmental Infrastructure Trust Loan range from 0.22% to 3.17%.

**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.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 11,810,000	\$ 11,810,000	\$ -
General Debt	<u>478,845</u>	<u>-</u>	<u>478,845</u>
	<u>\$ 12,288,845</u>	<u>\$ 11,810,000</u>	<u>\$ 478,845</u>

Net Debt of \$478,845 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$1,155,049,767 = a percentage of net debt of equalized valuation basis of 0.041%.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED**

3.5% of Equalized Valuation Basis	\$ 40,426,742
Less: Net Debt	<u>478,845</u>
Remaining Borrowing Power	<u><u>\$ 39,947,897</u></u>

**BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

The following table illustrates the activity during the year ended December 31, 2014 which relates to bonds and notes authorized but not issued:

Ordinance Number	Improvement Description	Balance, Dec. 31, 2013	Raised by Budget Appropriation	Balance, Dec. 31, 2014
12-09	Erie Avenue Sewer Abandonment	<u>\$ 28,394</u>	<u>\$ 6,000</u>	<u>\$ 22,394</u>

**NOTE E. FUND BALANCES APPROPRIATED**

Fund Balance of the Borough consists of cash surplus and non-cash surplus. The Borough can anticipate Fund Balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year are as follows:

	Fund Balance Dec. 31, 2014	Utilized in 2015 Budget	Fund Balance Dec. 31, 2013	Utilized in 2014 Budget
Current Fund:				
Cash Surplus	\$ 2,541,562	\$ 1,500,000	\$ 2,587,236	\$ 1,500,000 *
Non-Cash Surplus	<u>13,876</u>	<u>-</u>	<u>3,397</u>	<u>-</u>
	<u><u>\$ 2,555,438</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 2,590,633</u></u>	<u><u>\$ 1,500,000</u></u>

\* Fund balance utilized per the Borough budget as adopted on April 9, 2015.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS**

Substantially all Borough employees participate in the Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey. The PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

In addition, certain employees participate in the Borough's Deferred Compensation Plan and qualifying emergency service volunteers participate in the Length of Service Awards Program.

**STATE-MANAGED PENSION PLANS - PERS**

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 1 and 2 employees who retire at or after age 60 are entitled to a retirement benefit determined by the formula "years of service" divided by 55 times the average of the highest three years salary.



**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

**STATE-MANAGED PENSION PLANS - PERS** (continued)

Tier 3 employees must earn a base salary that is annually adjusted. As of the years ended December 31, 2014 and 2013, this base salary amount was \$8,100 and \$8,000, respectively. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire at or after age 62 are entitled to a retirement benefit determined by the formula “years of service” divided by 55 times the average of the highest three years salary.

Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire at the minimum age; 62 and 65 for Tier 4 and Tier 5, respectively, are entitled to a retirement benefit determined by the formula “years of service” divided by 60 times the average of the highest five years salary.

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive the pension benefits outlined above. However, in order to receive state-paid insurance coverage, at least 25 years of service is required for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

**STATE-MANAGED PENSION PLANS - PFRS**

The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted below:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

**STATE-MANAGED PENSION PLANS – PFRS (continued)**

Tier 1, 2 and 3 employees do not have a minimum salary requirement to enroll. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and ‘federal pensionable maximum’ for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire either at or after the age of 55 are entitled to a retirement benefit dependent on years of service. In addition, Tier 1 employees can retire with 20 years of service with no minimum age requirement.

If the employee retires with less than 20 years of service, the benefit is calculated as 2% times the “final compensation”\* times years of service. If the employee retires with more than 20 but less than 25 years of service, the benefit is calculated as 50% of “final compensation”\*. If the employee retires with more than 25 but less than 30 years of service, the benefit is calculated as 60% of the “final compensation”\* salary plus 1% times “final compensation”\* for each year between 25 and 30. If the employee retires with at least 30 years of service, the benefit is calculated as 2% times the “final compensation”\* times years of service plus 1% of “final compensation”\* for each year over 30. In addition, if a Tier 1 employee retires at age 65 with 20 or more years of service, the benefit is calculated as 50% of the “final compensation”\* plus 3% of the “final compensation”\* times the number of years served over 20, to a maximum of 25.

**\*Note:** “Final Compensation” refers to the final 12 months of pensionable salary for Tier 1 employees and the average of the highest three years of pensionable salary for Tier 2 and 3 employees.

**STATE-MANAGED PENSION PLANS - GENERAL**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

**STATE-MANAGED PENSION PLANS – GENERAL** (continued)

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

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

**STATE-MANAGED PENSION PLANS - CONTRIBUTIONS**

The contribution policy for PFRS and PERS is set by laws of the State of New Jersey, and requires contributions by active members and their employers. Plan member and employer contributions may be amended by legislation of the State of New Jersey. Contributions made by employees for the previous three years are as follows:

Summary of Employee Contributions					
Year Ended Dec. 31,	As a Percentage of Base Wages			Amount	
	PFRS		PERS	PFRS	PERS
2014	10.00%	(1)	6.92%	\$ 127,628	\$ 73,204
2013	10.00%	(2)	6.78%	126,492	66,845
2012	10.00%	(3)	6.64%	131,281	63,857

(1) 2014 rate for PERS was 6.78% until July 1, 2014, after which the rates noted above took effect.

(2) 2013 rate for PERS was 6.64% until July 1, 2013, after which the rates noted above took effect.

(3) 2012 rate for PERS was 6.5% until July 1, 2012, after which the rates noted above took effect.

Employers are required to contribute at an actuarially determined rate in both systems. During the previous three years, the Borough made the following contributions:

Year Ended Dec. 31,	Borough PFRS Contribution		Borough PERS Contribution	
	Amount Paid or Charged	As a Percentage of Covered Payroll	Amount Paid or Charged	As a Percentage of Covered Payroll
2014	\$ 300,035	23.5%	\$ 106,989	10.0%
2013	331,037	26.2%	110,161	11.1%
2012	293,619	22.5%	125,566	12.9%

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

**DEFINED CONTRIBUTION RETIREMENT PROGRAM**

The DCRP was established under the provisions of P.L. 2007, Chapters 92 and 103 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limit and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than \$5,000 annually.

Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions were based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments.

The following table represents the Borough and employee contributions during the previous three years:

Year Ended Dec. 31,	Number of Employees	Employee Contributions		Borough Contributions	
		Amount	As a Percentage of Base Payroll	Amount	As a Percentage of Base Payroll
2014	4	\$ 2,301	5.50%	\$ 1,676	3.00%
2013	7	2,256	5.50%	1,230	3.00%
2012	1	457	5.50%	248	3.00%

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

DEFERRED COMPENSATION PLAN (unaudited)

The Borough has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The program is comprised of three separate plans, both of which are Public Employees' Deferred Compensation Plans, covering employees and elected officials who perform services for the Borough. One plan is underwritten by the Nationwide Retirement Solutions, Inc, another by Variable Annuity Life Insurance Company ("VALIC"), and the last by AXA Equitable.

The Plans are a tax-deferred supplemental retirement program that allows Borough employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Borough's general creditors.

Assets of the plans are invested in various mutual funds at the discretion of the participants.

LENGTH OF SERVICE AWARDS PROGRAM (unaudited)

The Borough has established a Length of Service Awards Program ("LOSAP") for all members of the Volunteer Fire Department and Volunteer Ambulance Corps of the Borough that are deemed eligible through a points system that represents the individual volunteer's level of service to the Borough. Volunteers earn points through attendance at dispatched emergencies, training courses and drills and other miscellaneous required activities and meetings as well as their officer status.

The LOSAP is a deferred income benefit plan established pursuant to P.L. 1997, c.388 and Section 457 of the Internal Revenue Code (IRC) of 1986. Contributions to the plan are made solely by the Borough, on behalf of those volunteers deemed eligible. The Borough has elected to contribute \$1,150 per each eligible volunteer, the maximum amount allowed by P.L. 1997, c.388.

Individuals are vested after five years of service. Distributions are not available to volunteers until termination, retirement, death, or unforeseeable emergency. All amounts of income benefits deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Borough's general creditors.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE F. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)**

**LENGTH OF SERVICE AWARDS PROGRAM (continued)**

Assets of the plans are invested in various mutual funds at the discretion of the participants.

During the years ended December 31, 2014 and 2013, the activity for the plan is as follows:

	<u>2014</u>	<u>2013</u>
Plan Assets, January 1	\$ 850,884	\$ 723,012
Add:		
Contributions Receivable	46,000	40,250
Appreciation in Investments	<u>69,373</u>	<u>145,578</u>
	966,257	908,840
Less:		
Distributions	53,471	55,806
Contributions Refunded to Borough	14,950	-
Fees and Other	<u>2,420</u>	<u>2,150</u>
Plan Assets, December 31	<u><u>\$ 895,416</u></u>	<u><u>\$ 850,884</u></u>

**NOTE G. POST-EMPLOYMENT BENEFITS**

**POST-EMPLOYMENT BENEFITS PLAN**

**Plan Description** – The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. 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 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. In 1965, the Borough authorized participation in the SHBP's post-retirement benefit program.

The Borough currently provides lifetime medical benefits to Borough employees who retire from the Borough under the following conditions: (a) after twenty five years of service with the Borough, or (b) upon a disability retirement. Coverage is also provided for eligible family members of the employee and paid by the Borough for the life of the retiree.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE G. POST-EMPLOYMENT BENEFITS (continued)**

POST-EMPLOYMENT BENEFITS PLAN (continued)

If the retiree obtains full time employment and the new employer offers equivalent or greater coverage, it becomes the retirees' discretion to either continue coverage under the Borough policy or cancel the Borough's coverage and accept the coverage of the new employer.

If the employee becomes, personally or through the retiree's spouse, eligible for Social Security Administration medical or hospital benefits, the Borough shall pay the requisite premiums pursuant to its existing medical plans or, in the case of equivalent or greater coverage for which the employee must enroll, the benefits provided pursuant to the Social Security Administration. If benefits are then provided pursuant to the Social Security Administration, the Borough's obligation to continue providing such post-employment medical benefits shall terminate.

Upon death of the employee, the surviving spouse may continue the group policy maintained by the Borough after cessation of any COBRA benefits, provided the spouse pays 100% of the group rate premium.

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 [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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.

Chapter 78, P.L. 2011, effective June 28, 2011, requires, with some important exceptions, all public employees that retire after the effective date and receive employer paid health benefits to make a health benefits contribution, paid to the employer as a deduction from their retirement benefit. Whereas the Borough does not otherwise require retirees to contribute, this legislation does not apply to any Borough employees that have 20 or more years of service as of the effective date and meet the eligibility requirements of the Borough pursuant to N.J.S.A. 40A:10-23. During the years ended of December 31, 2014 and 2013, the Borough was due to receive participant contributions under the legislation.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE G. POST-EMPLOYMENT BENEFITS (continued)**

POST-EMPLOYMENT BENEFITS PLAN (continued)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough contributions to the SHBP for the years ended December 31, 2014, 2013 and 2012 were \$330,979, \$310,007 and \$277,812, respectively. There were 19, 17 and 18 retired participants eligible at December 31, 2014, 2013 and 2012, respectively.

**NOTE H. COMPENSATED ABSENCES**

Under the existing contracts and policies of the Borough, vacation and sick pay are not accrued, but are recorded as budgetary expenditures at the time of payment. Employees are not permitted to accumulate sick days, but can carry over into the succeeding year vacation leave to a maximum of twelve days, for a maximum period of six months. Any such leave not taken within the first six months of the succeeding year will be rendered void. When calculating vacation leave, the leave earned first shall be used first.

Employees are not eligible to receive reimbursement for unused vacation time. All compensated absence liabilities represent the value of unused time that is due to employees, and not potential monetary compensation. The total liability for the years ended December 31, 2014 and 2013 was \$20,362 and \$15,178, respectively.

**NOTE I. RISK MANAGEMENT**

Insurance Coverage

The Borough is exposed to various property and casualty risks including: property damage caused to any of the Borough's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment apparatus; liability from the Borough's negligence, including that of its officers, employees and servants; and workers' compensation obligations.

The Borough has authorized participation in the 38 member Bergen County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Joint Insurance Fund (MEL), which is composed of 19 Joint Insurance Funds.



**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE I. RISK MANAGEMENT (continued)**

Insurance Coverage (continued)

The Borough has also obtained additional property insurance coverage through Zurich North America. Insurance obtained through the JIF, MEL and Zurich has a limit of liability shared by all member entities of the JIF / MEL and is reinstated after every occurrence. Certain sub-limits apply to certain coverages which are not noted in the schedule below. Coverage amounts are subject to deductibles. Additional information can be obtained from the Borough.

The Borough has obtained the following Limits of Liability through the JIF, MEL and Zurich:

	<u>JIF Layer</u>			<u>MEL Layer</u>			<u>Zurich</u>		
Property Insurance	\$	50,000	(1)	\$	200,000	(1)	\$	125,000,000	(2)
Crime Policy Declarations		50,000			950,000			n/a	
Excess Public Officials Bond		-			1,000,000	(6)		n/a	
Statutory Position Bond		-			1,000,000	(6)		n/a	
Casualty Policy Declarations		300,000	(3)		5,000,000	(3)		n/a	
Auto Policy Declarations		300,000	(4)		5,000,000	(4)		n/a	
Workers' Compensation		300,000	(5)		1,700,000	(5)		n/a	
Environmental Legal Liability Insurance		-			various			n/a	
Technology Policy		-			6,000,000	(2)		n/a	

(1) Per Occurrence

(4) Per Occurrence, Unaggregated Combined Single Limit

(2) Annual Aggregate Limit

(5) Per Each Accident or Each Employee for Disease

(3) Per Occurrence, Aggregated Combined Single Limit

(6) Per Loss

Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage during the year ended December 31, 2014.

Disaster Recovery

The Borough backs up its financial data nightly with alternating tapes which are stored in a fire-proof safe.

**NOTE J. CLEARING ACCOUNT**

The Borough maintains a claims account, or a cash clearing bank account, from which bills are paid for the Current, Trust and Capital Funds.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE K. FIXED ASSETS**

The Borough had the following investment balance and activity in general fixed assets as of and for the year ended December 31, 2014:

	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
Land	\$ 3,273,900	\$ 3,273,900
Buildings	3,568,587	3,568,587
Machinery and Equipment	3,583,963	3,583,963
	<u>\$ 10,426,450</u>	<u>\$ 10,426,450</u>

In accordance with accounting practices prescribed by the Division of Local Government Services, and as further detailed in Note A, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

**NOTE L. INTERFUND BALANCES AND TRANSFERS**

The Borough has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers. As of December 31, 2014, the following interfund balances remained on the Borough's records for the reasons as stated.

	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
Interfund Due from Current Fund to Other Trust Fund				
Unallocated Escrow Deposits	\$ 1,096	\$ -	\$ 1,096	\$ -
Escrow Adjustment	-	1,500	1,803	(303)
Interest	(61)	61	1,587	(1,587)
Tax Sale Redemption and Recording Fees	177	-	177	-
Added/Omitted Open Space Tax	106,343	106,272	106,343	106,272
Firehouse Deposits	(400)	400	-	-
Public Defender	475	-	1,954	(1,479)
	<u>\$ 107,630</u>	<u>\$ 108,233</u>	<u>\$ 112,960</u>	<u>\$ 102,903</u>

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE L. INTERFUND BALANCES AND TRANSFERS (continued)**

	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
Interfund Due From Private Duty Trust to Current Fund:				
Interest	\$ -	\$ 48	\$ 48	-
Borough Portion of Private Duty Revenues	21,296	11,771	21,296	11,771
	<u>\$ 21,296</u>	<u>\$ 11,819</u>	<u>\$ 21,344</u>	<u>\$ 11,771</u>
Interfund Due from Animal Control Trust to Current Fund:				
Interest	\$ -	\$ 44	\$ 44	-
Statutory Excess	7,044	4,266	7,044	4,266
	<u>\$ 7,044</u>	<u>\$ 4,310</u>	<u>\$ 7,088</u>	<u>\$ 4,266</u>
Interfund Due from Current Fund to Unemployment Trust:				
Interest	\$ -	\$ 98	\$ 98	-
Budget Appropriation	-	20,000	20,000	-
	<u>\$ -</u>	<u>\$ 20,098</u>	<u>\$ 20,098</u>	<u>\$ -</u>
Interfund Between Current Fund and General Capital Fund:				
Interest	\$ -	\$ 2,762	\$ 2,762	-
Budget Appropriation	-	623,814	623,814	-
	<u>\$ -</u>	<u>\$ 626,576</u>	<u>\$ 626,576</u>	<u>\$ -</u>
Interfund Due from Other Trust to General Capital Fund:				
Capital Project Funded by Municipal Open Space Trust	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>-</u>

The Borough expects all balances to be repaid by year-end.

**NOTE M. RELATED PARTY TRANSACTIONS**

**MIDLAND PARK MEMORIAL LIBRARY**

The following schedule presents significant transactions between the Borough and its component unit, the Midland Park Memorial Library, during the year ended December 31, 2014:

Budget Year	Balance at Dec. 31, 2013		Budget Appropriation	Payments	Balance at Dec. 31, 2014	
	Payable	Reserved			Reserved	Payable
2014	\$ -	\$ -	\$ 455,000	\$ 414,738	\$ 40,262	\$ -
2013	-	10,296	-	1,376	-	8,920
2012	4,492	-	-	-	-	4,492
	<u>\$ 4,492</u>	<u>\$ 10,296</u>	<u>\$ 455,000</u>	<u>\$ 416,114</u>	<u>\$ 40,262</u>	<u>\$ 13,412</u>

Important accounting policies regarding component units are discussed in Note A.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE N. SHARED SERVICE AGREEMENTS**

The Interlocal Services Act, N.J.S.A. 40:8A-1, et seq., allows any local unit of the State to enter into a contract with any other local unit or units for the joint provision within their several jurisdictions of any service, including services incidental to the primary purposes of the local unit which any party to the agreement is empowered to render within its own jurisdiction. The Borough has entered into the following shared service agreements:

Shared Service	Local Unit	Paid or Charged	
		2014	2013
Consolidated Dispatch	Township of Wyckoff / County of Bergen	\$ 338,413	\$ 353,617
911 Service	Borough of Paramus	3,660	3,660
Pistol Range	Borough of Waldwick	11,944	11,843
Construction Code Official	Borough of Ho-Ho-Kus (1)	69,613	2,900
Public Assistance Services	Borough of Waldwick	145	395
Certified Tax Collector	Borough of Glen Rock	7,500	7,500
Court Administrator	Borough of Waldwick (2)	44,351	43,131

- (1) The Borough pays the full amount of the Construction Code Department salary, but in turns is reimbursed a portion of the costs. The amount received from the Borough of Ho-Ho-Kus for reimbursement of the Construction Code Official costs for the years ended December 31, 2014 and 2013 was \$60,000 and \$-0-, respectively.
- (2) The Borough pays the full amount of the Court Administrator's salary, but is reimbursed for 50% of the salary and benefits. The amount received from the Borough of Waldwick for reimbursement of the Court Administrator costs for the years ended December 31, 2014 and 2013 was \$47,052 and \$46,586, respectively.

In addition to the above, the Borough also approved the following agreements in 2014:

- Shared service agreement with other Bergen County towns to provide for preparedness against emergencies to participate in county-wide Mutual Aid Plan and Rapid Deployment Force.
- Shared service agreement with the Village of Ridgewood agrees to provide Municipal Court Videoconferencing to the Borough where needed.
- Board of Health Services with the Northwest Regional Health Commission, whereas the Commission collects the Borough's Health Department fees and remits these collections on a monthly basis to the Borough and the State of New Jersey for State Fees collected.
- Execution of an interlocal agreement with the Northwest Bergen Central Dispatch for the provision of 24 hour a day dispatch service for the Borough's Police, Fire, Ambulance and DPW services commencing January 1, 2015 and ending December 31, 2019.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE O. REVENUE ACCOUNTS RECEIVABLE**

Revenue accounts receivable are fully reserved receivables due from entities for revenues anticipated in support of the Borough's budget. The following table illustrates activity of the beginning and ending revenue accounts receivable balances for the year ended December 31, 2014:

	Balance Dec. 31, 2013	Current Year Accruals	Collections	Balance Dec. 31, 2013
Fees and Permits:				
Board of Health	\$ 1,005	\$ 18,364	\$ 16,173	\$ 3,196
Fines and Costs:				
Municipal Court	3,234	59,977	58,483	4,728
	<u>\$ 4,239</u>	<u>\$ 78,341</u>	<u>\$ 74,656</u>	<u>\$ 7,924</u>

**NOTE P. ECONOMIC DEPENDENCY**

The Borough does not have significant economic dependence on any one taxpayer. However, the ten largest taxpayers of the Borough as listed in the following table comprise 6.8% of the Borough's tax levy and assessed valuation taxable:

Tax Payer	Business Type	2014	
		Assessed Valuation	Tax Levy
Mid Park, Hye Partners	Shopping Center	\$ 20,372,400	\$ 548,221
Marlow Park, LLC	Office/Industrial	11,181,600	300,896
MW Midland Park	Super Market	9,849,500	265,050
Mature Environment	Assistant Living	7,169,800	192,939
Oak Trail II, LLC	Fitness Center	4,651,300	125,166
Henpal Realty	Shopping Center	4,780,000	128,629
Vander Sterre Bros.	Office	4,672,700	125,742
The Kentshire Land, LLC (1)	Land	3,381,900	91,007
Tenastic, Inc.	Manufacturer	3,090,600	83,168
Texel Apartments	Apartments	3,306,900	88,989
		<u>\$ 72,456,700</u>	<u>\$ 1,949,807</u>

(1) The Kentshire tax receipts are in the form of a Payment in Lieu of Tax agreement.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE Q. AGGREGATION OF ENCUMBRANCES AND CONTRACTS PAYABLE**

Other significant commitments include encumbrances and contracts outstanding for current, trust and general capital funds as shown below.

	Outstanding at Dec. 31, 2014		Outstanding at Dec. 31, 2013	
	Encumbrances Payable	Contracts Payable	Encumbrances Payable	Contracts Payable
<b>Current Fund</b>				
Budget Year:				
2014	\$ 199,549	\$ -	\$ -	\$ -
2013	-	-	90,181	-
2012	-	-	-	1,250
2011	-	-	-	779
Appropriated Grants	1,806	-	-	-
Surcharge Fees Due to State	-	-	2,102	-
	<u>201,355</u>	<u>-</u>	<u>92,283</u>	<u>2,029</u>
<b>Other Trust</b>				
Escrow Deposits	-	-	2,450	-
<b>Animal Control</b>				
Due to State	11	-	-	-
<b>Capital Fund</b>				
Reserve for Projects	1	-	-	-
Improvement Authorizations	<u>192,804</u>	<u>-</u>	<u>227,879</u>	<u>-</u>
	<u>\$ 394,171</u>	<u>\$ -</u>	<u>\$ 322,612</u>	<u>\$ 2,029</u>

**NOTE R. CONTINGENT LIABILITIES**

Grant Programs

The Borough participates in several federal award and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes.

The Borough has, at December 31, 2014, \$135,574 of appropriated grant reserves. Of this amount, all but \$5,058 has been received in cash. Should the Borough not utilize these funds within the allowable grant periods, the Borough may be required to return the unused funds received in cash.

As of December 31, 2014, the Borough does not believe that any material liabilities will result from such audits.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE R. CONTINGENT LIABILITIES (continued)**

Tax Appeals

The Borough is a defendant in various tax appeals that they are defending vigorously. The tax appeals it is defending are not unusual for a municipality of its size. In the past, the Borough has paid for such appeals through budget appropriations or its reserve for tax appeals pending. As of the year ended December 31, 2014, the Borough estimates potential exposure for tax appeals at \$140,393, and has reserved the full amount in its reserve for tax appeals account.

Deferred School Tax

As discussed in Note C, regulations allow for the deferral of not more than 50% of the school levy. The Borough has deferred school taxes of \$1,877,993 as of the year ended December 31, 2014 and 2013, and has not deferred additional tax since circa 1996. In accordance with financial reporting provisions of the Division, the amount of this deferral is not shown as a liability on the balance sheets of the Borough, but was a credit to operations in the year of deferral. Although not expected, a change in legislation requiring this deferral to be recorded as a liability could significantly impact the Borough's fund balance.

Litigation

The Borough, its officers and employees are defendants in a number of lawsuits, none of which is unusual for a municipality of its size and should be adequately covered by the Borough's insurance program, defense program or by the Borough directly and which may be settled in a manner satisfactory to the financial stability of the Borough. The Borough is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the Borough.

The Borough and its component unit, the Midland Park Memorial Library, are each involved in separate wrongful termination cases. The Borough's insurance representatives have requested a meeting to discuss a potential settlement in the suit against the Midland Park Memorial Library. The suit against the Borough is scheduled for a case management conference on June 19, 2015. The potential exposure of both suits to the Borough, if any, is not yet known.

**BOROUGH OF MIDLAND PARK  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**NOTE S. SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 12, 2015, which is the date the financial statements were available to be issued. Material events are as follows:

Capital Ordinance / Capital Lease – Fire Truck Acquisition

On February 12, 2015, the Borough adopted Ordinance No. 02-15 in the amount of \$869,000 authorizing the purchase of an Aerial Pumper Combination Fire Truck for the Borough. The ordinance authorizes \$344,000 in bonds and notes and provides for the remainder to be financed by funds reserved in prior year budgets for such purpose in the amount of \$525,000.

On March 27, 2015 the Borough entered into a 1.7205% capital lease to finance the acquisition of the Fire Truck referred to above. The terms of the lease require quarterly payments of principal and interest totaling \$13,244 quarterly through March 22, 2022.

Capital Ordinance – Acquisition of Real Property

On April 9, 2015, the Borough adopted Ordinance No. 06-15 in the amount of \$255,000, authorizing the purchase of 42 Pierce Avenue by and for the Borough and to provide for a \$40,000 down payment to be paid by the Capital Improvement Fund and the remaining \$215,000 to be financed by the execution of a note and mortgage.

To finance such acquisition, the Borough executed a Note and Mortgage to the Ambulance Trustees in the amount of \$215,000 at an interest rate of three (3%) percent and amortized over a ten (10) year period.

Capital Ordinance – Vehicle Reserve Fund

On April 9, 2015, the Borough adopted Ordinance No. 04-15 in the amount of \$200,000 authorizing the Borough to reserve additional funds from the Capital Improvement Fund for the purchase of Fire and Public Works vehicles.

Capital Ordinance – Various Municipal Improvements

On April 9, 2015, the Borough adopted Ordinance No. 05-15 in the amount of \$515,000 authorizing various municipal improvements, acquisitions and projects in the Borough, to be appropriated entirely from the Capital Improvement Fund.

Capital Ordinance – Dairy Street Park Project

On May 14, 2015, the Borough adopted Ordinance No. 08-15 in the amount of \$146,000 authorizing the Dairy Street Park Sidewalk and Wall Project, to be appropriated in the amount of \$120,000 from the municipal open space fund and \$26,000 from the Capital Improvement Fund.



# REPORT OF AUDIT

FINANCIAL SECTION:  
Other Supplementary Information –  
Combining & Individual Fund Schedules

Borough of Midland Park  
2014

# REPORT OF AUDIT

FINANCIAL SECTION:  
Other Supplementary Information -  
Current Fund Schedules

Borough of Midland Park  
2014

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
AS OF DECEMBER 31, 2014 AND 2013**

**COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

	2014	2013
<u>Assets</u>		
Cash and Cash Equivalents	\$ 11,842,789	\$ 12,053,599
Change Fund	50	50
	<u>11,842,839</u>	<u>12,053,649</u>
Intergovernmental Receivables:		
State of NJ: Sr. Citizens' and Veterans' Deductions	4,000	1,000
Federal and State Grants Receivable	9,876	2,397
	<u>13,876</u>	<u>3,397</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	256,799	286,277
Tax Title Liens Receivable	21,134	20,001
Revenue Accounts Receivable	7,924	4,239
Interfunds Receivable	16,037	28,340
	<u>301,894</u>	<u>338,857</u>
Total Assets	<u>\$ 12,158,609</u>	<u>\$ 12,395,903</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Appropriation Reserves	\$ 900,417	\$ 956,405
Reserve for Encumbrances	201,355	92,283
Accounts Payable	-	2,029
Tax Overpayments	1	3,204
Prepaid Taxes	77,842	81,808
Local District School Taxes Payable	7,432,009	7,735,223
Surcharges Due to State of New Jersey	3,025	300
Appropriated Grants	135,574	117,336
Unappropriated Grants	10,707	13,033
Interfunds Payable	102,903	107,630
Reserves Other	437,444	357,162
	<u>9,301,277</u>	<u>9,466,413</u>
Reserve for Receivables and Other Assets	301,894	338,857
Fund Balance	<u>2,555,438</u>	<u>2,590,633</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 12,158,609</u>	<u>\$ 12,395,903</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013**

**COMPARATIVE SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE**

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,500,000	\$ 1,500,000
Miscellaneous Revenue Anticipated	1,464,205	1,357,136
Receipts from Delinquent Taxes	283,297	292,048
Receipts from Current Taxes	28,326,286	28,619,203
Non-Budget Revenues	228,649	247,473
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	815,070	1,121,184
Prior Year Interfunds Returned	28,340	46,190
Chargebacks	23,980	23,980
Other Accounts Receivable Realized	-	18,000
Statutory Excess - Animal Control Trust Fund	4,266	7,044
Revenue Accounts Receivable	4,239	12,400
Marriage License Fees Remitted by Interlocal Agency	875	750
Total Income	<u>32,679,207</u>	<u>33,245,408</u>
<u>Expenditures</u>		
Budgetary and Emergency Appropriations:		
Appropriations within "CAPS"		
Operations:		
Salaries and Wages	2,736,200	2,734,960
Other Expenses	3,139,632	3,239,407
Deferred Charges and Statutory Expenditures	694,876	669,798
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	275,258	194,758
Other Expenses	2,250,644	2,139,766
Capital Improvements	617,814	414,000
Debt Service	74,026	74,026
Deferred Charges	6,000	-
Judgments	5,000	5,000
	<u>9,799,450</u>	<u>9,471,715</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013**

**COMPARATIVE SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE**

	<u>2014</u>	<u>2013</u>
<u>Expenditures - continued</u>		
Local District School Tax	\$ 18,620,004	\$ 19,226,431
County Taxes	2,664,115	2,741,718
Municipal Open Space Taxes	106,272	24
Interfund Advances Originating in Current Year	16,037	28,340
Revenue Accounts Receivable	7,924	4,239
Marriage License Fees Collected by Interlocal Agency	600	825
Refund of Prior Year Revenues	-	1,096
Write Down Change Funds	-	100
Total Expenditures	<u>31,214,402</u>	<u>31,474,488</u>
Statutory Excess to Fund Balance	1,464,805	1,770,920
Fund Balance, January 1	<u>2,590,633</u>	<u>2,319,713</u>
	4,055,438	4,090,633
Utilized as Anticipated Revenue	<u>1,500,000</u>	<u>1,500,000</u>
Fund Balance, December 31	<u><u>\$ 2,555,438</u></u>	<u><u>\$ 2,590,633</u></u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME**

	Anticipated			
	Budget as Adopted	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
<u>SURPLUS ANTICIPATED</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>
<u>MISCELLANEOUS REVENUES</u>				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverages	6,150	-	6,350	200
Other Licenses	5,400	-	7,066	1,666
Fees and Permits	75,500	-	64,652	(10,848)
Fines and Costs:				
Municipal Court	43,000	-	59,977	16,977
Interest and Costs on Taxes	55,000	-	58,614	3,614
Interest on Investments and Deposits	40,000	-	34,396	(5,604)
Cable Franchise Fee	91,500	-	96,923	5,423
Cell Tower	170,000	-	182,549	12,549
	<u>486,550</u>	<u>-</u>	<u>510,527</u>	<u>23,977</u>
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
Consolidated Municipal Property Tax Relief	26,951	-	24,168	(2,783)
Energy Receipts Tax	501,489	-	504,272	2,783
Supplemental Energy Receipts Tax	18,266	-	18,266	-
	<u>546,706</u>	<u>-</u>	<u>546,706</u>	<u>-</u>
DEDICATED UNIFORM CONSTRUCTION CODE FEES				
OFFSET WITH APPROPRIATIONS				
Uniform Construction Code Fees	115,000	-	148,903	33,903
SHARED SERVICE AGREEMENTS				
OFFSET WITH APPROPRIATIONS				
Municipal Court - Waldwick	47,000		47,405	405
Building Department - HoHoKus	80,000		60,000	(20,000)
	<u>127,000</u>	<u>-</u>	<u>107,405</u>	<u>(19,595)</u>
ADDITIONAL REVENUES				
Uniform Fire Safety Act - Local Inspection Fees	20,000	-	21,425	1,425
Recreation Programs	70,000	-	78,027	8,027
	<u>90,000</u>	<u>-</u>	<u>99,452</u>	<u>9,452</u>
PUBLIC AND PRIVATE REVENUES				
Recycling Tonnage	9,689	-	9,689	-
Drunk Driving Enforcement Fund	1,360	-	1,360	-
Body Armor Grant	1,984	1,681	3,665	-
Bulletproof Vest Partnership	-	381	381	-
NJDEP - Clean Communities Program	-	11,934	11,934	-
Municipal Alliance on Alcohol and Drug Abuse	9,876	-	9,876	-
	<u>22,909</u>	<u>13,996</u>	<u>36,905</u>	<u>-</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME**

	Anticipated		Realized	Excess or (Deficit)
	Budget as Adopted	N.J.S.A. 40A:4-87		
<u>MISCELLANEOUS REVENUES - continued</u>				
OTHER SPECIAL ITEMS				
Uniform Fire Safety Act	\$ 15,000	\$ -	\$ 14,307	\$ (693)
Total Miscellaneous Revenues	1,403,165	13,996	1,464,205	47,044
<u>RECEIPTS FROM DELINQUENT TAXES</u>	270,000	-	283,297	13,297
<u>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</u>				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	6,790,881	-	7,109,271	318,390
Minimum Library Tax	376,624	-	376,624	-
	7,167,505	-	7,485,895	318,390
Total Budget Revenues	10,340,670	13,996	10,733,397	378,731
Non-Budget Revenues	-	-	228,649	228,649
Total Revenue and Other Credits to Income	\$ 10,340,670	\$ 13,996	\$ 10,962,046	\$ 607,380

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME -  
ANALYSIS OF BUDGET REVENUES**

Allocation of Current Tax Collections:

Current Year Taxes Collected in Current Year	\$ 28,190,478	
Current Year Taxes Collected in Prior Year	81,808	
State Share of Sr. Citizens' & Veterans' Deductions	64,250	
Current Year Taxes Realized in Cash	<u>28,336,536</u>	
Less: Overpayments Refunded	<u>10,250</u>	
		\$ 28,326,286
Add: Appropriation for "Reserve for Uncollected Taxes"		<u>550,000</u>
		<u>28,876,286</u>

Allocated to:

School Taxes	18,620,004	
County Taxes	2,664,115	
Municipal Open Space Taxes	<u>106,272</u>	
Total Allocated to School, County and Municipal Open Space		<u>21,390,391</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 7,485,895</u></u>

Receipts from Delinquent Taxes:

Delinquent Taxes Collected	\$ 282,924	
Add: Applied from Overpayments	<u>3,204</u>	
	286,128	
Less: Overpayments Received	<u>1</u>	
		\$ 286,127
Less: Sr. Citizens and Veterans Deductions		<u>2,830</u>
Total Receipts from Delinquent Taxes		<u><u>\$ 283,297</u></u>

Miscellaneous Revenues Anticipated:

Accrual Per Revenue Accounts Receivable	\$ 880,594	
State Aid	546,706	
State and Federal Grants	<u>36,905</u>	
Total Miscellaneous Revenues Anticipated		<u><u>\$ 1,464,205</u></u>

Fund Balance Realized	<u><u>\$ 1,500,000</u></u>
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Total Realized Budget Revenues	<u><u>\$ 10,733,397</u></u>
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**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME -  
ANALYSIS OF NON-BUDGET REVENUES**

Miscellaneous Revenue not Anticipated:	
Workers' Compensation Reimbursements	\$ 36,043
Recycling Receipts	35,636
County Reimbursements - Plowing of County Roads	16,205
Private Duty Municipal Fees	11,771
Insurance Dividend	8,466
Miscellaneous Reimbursements	5,239
Bid Specs, Employment Applications and Other	5,035
Reimbursements Due from Other Trust	4,869
Fire House Rental	4,050
Park and Ride Permit Fees	3,741
LOSAP Refund - Non-Vested	1,441
Sr. Citizens and Veterans Deductions Administrative Reimbursement	1,253
DMV Inspection	1,100
Sale of Municipal Assets	988
Police Firearms	323
Police Department Accident Reports	178
Insurance Reimbursements	147
Miscellaneous	131
Property Owners' List	100
Polling Places	100
Telephone Commission	100
Police Fingerprinting	90
Xerox Copies	69
Car Magnets	45
Duplicate Tax Bills	40
NSF Check Charges Refunded	20
Total Miscellaneous Revenues Not Anticipated	137,180
Payments in Lieu of Taxes - Net of County Payments	91,469
Total Non-Budget Revenues Realized	\$ 228,649
Received in Cash	\$ 212,009
Due from Trust Funds	16,640
	\$ 228,649

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Within "CAPS"						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 75,000	\$ 75,000	\$ 70,097	\$ -	\$ 4,903	\$ -
Other Expenses	72,969	72,969	47,945	1,054	23,970	-
Mayor & Council						
Salaries and Wages	22,000	22,000	21,174	-	826	-
Other Expenses	6,000	6,000	2,886	350	2,764	-
Municipal Clerk						
Salaries and Wages	65,000	65,000	62,747	-	2,253	-
Other Expenses	26,000	26,000	16,760	-	9,240	-
Financial Administration						
Salaries and Wages	50,000	50,000	48,667	-	1,333	-
Other Expenses	9,920	9,920	5,541	435	3,944	-
Audit Services	23,000	23,000	175	-	22,825	-
Information Technology						
Other Expenses	10,000	10,000	4,198	-	5,802	-
Tax Collection						
Salaries and Wages	59,000	59,000	56,758	-	2,242	-
Other Expenses	7,000	7,000	3,514	-	3,486	-
Tax Assessment Administration						
Salaries and Wages	42,000	42,000	40,346	-	1,654	-
Other Expenses	35,700	35,700	5,410	1,301	28,989	-
Reserve for Tax Appeals	85,000	-	-	-	-	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Within "CAPS" - continued						
<u>GENERAL GOVERNMENT (continued):</u>						
Legal Services and Costs						
Salaries and Wages	\$ 2,000	\$ 2,000	\$ -	-	\$ 2,000	\$ -
Other Expenses	212,000	212,000	112,168	3,777	96,055	-
Engineering						
Other Expenses	10,000	10,000	7,650	-	2,350	-
<u>LAND USE ADMINISTRATION:</u>						
Planning Board (NJSA 40:55D-1)						
Salaries and Wages	14,000	14,000	13,637	-	363	-
Other Expenses	6,000	6,000	2,364	-	3,636	-
Board of Adjustment						
Salaries and Wages	14,000	14,000	13,688	-	312	-
Other Expenses	5,000	5,000	4,547	-	453	-
Master Plan	5,000	5,000	5,000	-	-	-
<u>INSURANCE:</u>						
General Liability	300,000	249,000	234,601	-	14,399	-
Employee Group Health	860,518	860,518	854,521	-	5,997	-
<u>PUBLIC SAFETY:</u>						
Police						
Salaries and Wages	1,662,000	1,662,000	1,655,350	-	6,650	-
Other Expenses	66,635	66,635	56,282	4,020	6,333	-
Emergency Management Services						
Salaries and Wages	25,500	25,500	18,750	-	6,750	-
Other Expenses	5,000	5,000	-	-	5,000	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Within "CAPS" - continued						
<u>PUBLIC SAFETY (continued):</u>						
Fire Department						
Contribution - Aid to Volunteer Fire Department	\$ 55,150	\$ 55,150	\$ 51,378	\$ 1,908	\$ 1,864	\$ -
Other Expenses - Hydrant Services	21,000	21,000	19,749	-	1,251	-
First Aid Services						
Other Expenses	2,500	2,500	1,285	-	1,215	-
Contribution - Volunteer First Aid Organization	37,000	37,000	37,000	-	-	-
Uniform Fire Safety Act c.383, PL 1938						
Salaries and Wages	33,000	33,000	31,317	-	1,683	-
Municipal Prosecutor						
Salaries and Wages	8,500	8,500	7,834	-	666	-
<u>PUBLIC WORKS:</u>						
Road Repairs and Maintenance						
Salaries and Wages	343,000	343,000	340,889	-	2,111	-
Other Expenses	80,850	80,850	63,615	3,162	14,073	-
Snow Removal (NJSA 40A:4-62.1)	100,000	100,000	69,778	6,095	24,127	-
Sewer System						
Other Expenses	3,500	3,500	2,754	-	746	-
Solid Waste Collection & Recycling						
Salaries and Wages	27,600	27,600	27,168	-	432	-
Other Expenses	374,800	374,800	337,324	7,059	30,417	-
Public Buildings and Grounds						
Salaries and Wages	51,600	51,600	44,466	-	7,134	-
Other Expenses	86,100	86,100	56,553	11,934	17,613	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Within "CAPS" - continued						
<u>PUBLIC WORKS (continued):</u>						
Vehicle Maintenance:						
Other Expenses	\$ 86,000	\$ 86,000	\$ 40,418	\$ 18,249	\$ 27,333	\$ -
<u>HEALTH AND HUMAN SERVICES:</u>						
Board of Health						
Northwest Bergen Regional Contract						
Animal Control	53,500	53,500	53,308	-	192	-
Other Expenses	10,240	10,240	9,540	-	700	-
Public Assistance						
Other Expenses	200	200	-	-	200	-
<u>PARKS AND RECREATION:</u>						
Recreation						
Salaries and Wages	60,000	60,000	54,813	-	5,187	-
Other Expenses	30,550	30,550	27,644	1,329	1,577	-
Parks Maintenance						
Other Expenses	12,000	13,000	12,695	120	185	-
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>						
Electricity	78,500	78,500	51,443	2,144	24,913	-
Street Lighting	90,000	90,000	79,863	-	10,137	-
Telephone	39,000	39,000	25,595	12	13,393	-
Water	10,000	10,000	8,211	-	1,789	-
Natural Gas	22,500	22,500	11,437	1,078	9,985	-
Gasoline	81,500	81,500	55,836	-	25,664	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Within "CAPS" - continued						
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Landfill/Solid Waste Disposal	\$ 225,000	\$ 225,000	\$ 163,059	\$ 20,638	\$ 41,303	\$ -
<u>MUNICIPAL COURT:</u>						
Municipal Court						
Salaries and Wages	41,000	41,000	41,000	-	-	-
Other Expenses	11,500	11,500	3,695	-	7,805	-
Public Defender ( PL.1997,c256)						
Other Expenses	3,000	3,000	1,000	-	2,000	-
<u>UNIFORM CONSTRUCTION CODE:</u>						
Construction Code Officials						
Salaries and Wages	140,000	140,000	139,996	-	4	-
Other Expenses	9,500	9,500	3,018	305	6,177	-
<u>OTHER COMMON OPERATING FUNCTIONS (Unclassified):</u>						
Celebration of Public Events						
Other Expenses	5,000	5,000	2,725	-	2,275	-
Awards Adjustment	1,000	1,000	-	-	1,000	-
Total Operations Including Contingent - within "CAPS"	6,010,832	5,875,832	5,241,182	84,970	549,680	-
Detail:						
Salaries and Wages	2,736,200	2,736,200	2,688,697	-	47,503	-
Other Expenses (Including Contingent)	3,274,632	3,139,632	2,552,485	84,970	502,177	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Deferred Charges and Statutory Expenditures - within "CAPS" <u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System	\$ 119,102	\$ 119,102	\$ 106,989	\$ -	\$ 12,113	\$ -
Social Security System (O.A.S.I.)	230,000	230,000	204,723	-	25,277	-
Police and Firemen's Retirement System	320,774	320,774	300,035	-	20,739	-
Unemployment Insurance	20,000	20,000	20,000	-	-	-
Defined Contribution Retirement Program	5,000	5,000	1,676	15	3,309	-
	694,876	694,876	633,423	15	61,438	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>6,705,708</b>	<b>6,570,708</b>	<b>5,874,605</b>	<b>84,985</b>	<b>611,118</b>	<b>-</b>
Operations - Excluded From "CAPS" <u>EDUCATION FUNCTIONS:</u>						
Maintenance of Free Public Library (CH.82 & 541, PL 1985)	455,000	455,000	414,738	-	40,262	-
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>						
Sewer Services Charges-Contractual						
Northwest Bergen County Utilities Authority	1,200,000	1,200,000	1,098,996	-	101,004	-
Borough of Waldwick	17,000	17,000	11,362	-	5,638	-
Village of Ridgewood	20,400	20,400	14,400	-	6,000	-
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Length of Service Awards Program	60,000	60,000	-	-	60,000	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Operations - Excluded From "CAPS" - continued						
<u>INSURANCE:</u>						
Employee Group Health	\$ 21,482	\$ 21,482	\$ 13,806	\$ -	\$ 7,676	\$ -
	1,773,882	1,773,882	1,553,302	-	220,580	-
Shared Service Agreements						
<u>GENERAL GOVERNMENT:</u>						
Shared Tax Collector - Glen Rock	7,500	7,500	7,500	-	-	-
Salaries and Wages						
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>						
Construction Code Officials - HoHoKus	80,000	80,000	69,613	-	10,387	-
Salaries and Wages						
<u>HEALTH AND HUMAN SERVICES:</u>						
Public Assistance Shared Services / Well Child	1,000	1,000	145	-	855	-
<u>PUBLIC SAFETY:</u>						
Pistol Range - Waldwick						
Salaries and Wages	6,835	6,835	6,835	-	-	-
Other Expenses	5,150	5,150	5,109	-	41	-
Consolidated Dispatch						
Salaries and Wages	82,923	82,923	15,730	63,147	4,046	-
Other Expenses	280,500	415,500	322,683	51,417	41,400	-
911 Service - Shared Service - Paramus	5,000	5,000	3,660	-	1,340	-



**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014  
  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or		Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification	Charged	Encumbered	Reserved		
Shared Service Agreements - continued							
<u>MUNICIPAL COURT:</u>							
Shared Court Administrator	\$ 47,000	\$ 47,000	\$ 44,351	\$ -	\$ 2,649	\$ -	
Salaries and Wages	515,908	650,908	475,626	114,564	60,718	-	
Additional Appropriations Offset by Revenues							
PUBLIC SAFETY FUNCTIONS:							
Uniform Fire Safety Act	13,207	13,207	11,469	-	1,738	-	
PARKS AND RECREATION FUNCTIONS:							
Recreation Program	51,000	51,000	49,737	-	1,263	-	
Salaries and Wages	64,207	64,207	61,206	-	3,001	-	
Public and Private Programs Offset by Revenues							
PUBLIC SAFETY FUNCTIONS:							
State and Federal Grants							
Body Armor Grant	1,984	3,665	3,665	-	-	-	
Bulletproof Vest Partnership	-	381	381	-	-	-	
Drunk Driving Enforcement Fund	1,360	1,360	1,360	-	-	-	
Municipal Alliance on Alcohol and Drug Abuse	9,876	9,876	9,876	-	-	-	

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget as Adopted	Budget After Modification		Encumbered	Reserved	
Public and Private Programs Offset by Revenues - continued						
PUBLIC WORKS FUNCTIONS:						
State and Federal Grants						
Recycling Tonnage	\$ 9,689	\$ 9,689	\$ 9,689	\$ -	\$ -	\$ -
NJDEP - Clean Communities Program	-	11,934	11,934	-	-	-
	22,909	36,905	36,905	-	-	-
	2,376,906	2,525,902	2,127,039	114,564	284,299	-
∞ Total Operations - Excluded from "CAPS"						
Detail:						
Salaries and Wages	275,258	275,258	193,766	63,147	18,345	-
Other Expenses (Including Contingent)	2,101,648	2,250,644	1,933,273	51,417	265,954	-
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	617,814	617,814	617,814	-	-	-
Municipal Debt Service - Excluded from "CAPS"						
Capital Lease Obligations	49,759	49,759	49,759	-	-	-
New Jersey Environmental Infrastructure Trust Loan	29,483	29,483	24,267	-	-	5,216
	79,242	79,242	74,026	-	-	5,216
Deferred Charges-Municipal-Excluded from "CAPS"						
Deferred Charges to Future Taxation - Unfunded						
Ordinance No. 12-09	6,000	6,000	6,000	-	-	-
	6,000	6,000	6,000	-	-	-
Judgments (NJSA 40A:4-45.3cc)	5,000	5,000	-	-	5,000	-

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF EXPENDITURES AND OTHER CHARGES**

	Appropriations		Paid or		Expended		Unexpended
	Budget as Adopted	Budget After Modification	Charged		Encumbered	Reserved	Balance Canceled
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>	<b>\$ 3,084,962</b>	<b>\$ 3,233,958</b>	<b>\$ 2,824,879</b>	<b>\$</b>	<b>114,564</b>	<b>\$ 289,299</b>	<b>\$ 5,216</b>
Subtotal General Appropriations	9,790,670	9,804,666	8,699,484		199,549	900,417	5,216
Reserve for Uncollected Taxes	550,000	550,000	550,000		-	-	-
<b>Total Budget Appropriations and Expenditures</b>	<b>\$ 10,340,670</b>	<b>\$ 10,354,666</b>	<b>\$ 9,249,484</b>	<b>\$</b>	<b>199,549</b>	<b>\$ 900,417</b>	<b>\$ 5,216</b>
Reserve for Uncollected Taxes	\$	-	\$ 550,000				
Capital Improvement Fund		-	617,814				
Deferred Charges Unfunded		-	6,000				
State and Federal Grants		-	36,905				
Reserved for Future Use		-	66,362				
Due to Other Trust - Unemployment		-	20,000				
Library Chargebacks		-	23,980				
Cash Disbursed (net of reimbursements)		-	7,928,423				
Original Budget as Adopted		10,340,670	-				
40A:4-87 Added to Adopted Budget		13,996	-				
		<u>10,354,666</u>	<u>\$ 9,249,484</u>				
Less: Reserve for Uncollected Taxes		550,000					
		<u>9,804,666</u>					
Less: Cancellations of Current Year Appropriations		5,216					
To Operations: Current Year Appropriations after Cancellations		<u>\$ 9,799,450</u>					

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF CASH - TREASURER**

Balance: December 31, 2013		\$ 12,053,599
Increased by Cash Receipts:		
Non-Budget Revenues	\$ 212,009	
Received for Current Taxes	28,190,478	
Received for Delinquent Taxes	282,924	
Senior Citizens and Veterans Deductions	58,420	
State and Federal Grants Receivable	15,825	
Revenue Accounts Receivable	1,420,648	
Interfunds	33,268	
Prepaid Taxes	77,842	
Tax Overpayments	130,003	
State Surcharges	8,440	
Unappropriated Grants	10,707	
	<hr/>	<hr/>
		30,440,564
		<hr/>
		42,494,163
Decreased by Cash Disbursed for:		
Budget Appropriations	7,928,423	
Interfunds	751,905	
Appropriation Reserves	217,596	
School District Taxes	18,923,218	
County Taxes	2,664,115	
Contracts Payable	2,029	
Tax Overpayments	140,253	
State Surcharge Fees	7,542	
Appropriated Grants	16,293	
	<hr/>	<hr/>
		30,651,374
		<hr/>
Balance: December 31, 2014		<u><u>\$ 11,842,789</u></u>

**BOROUGH OF MIDLAND PARK**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2013	2014 Tax Levy	Added Taxes	By Cash - Net of Overpayments 2013	Collections 2014	By Discounts Allowed	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance, December 31, 2014
Prior Year:										
2010	\$ -	\$ -	\$ -	\$ -	\$ (1,178)	\$ -	\$ 3,204	\$ (2,026)	\$ -	\$ -
2012	250	-	-	-	250	-	-	-	-	-
2013	286,027	-	-	-	283,852	(2,830)	-	4,738	-	267
	286,277	-	-	-	282,924	(2,830)	3,204	2,712	-	267
2014	-	28,563,255	34,492	81,808	28,190,478	64,250	-	3,546	1,133	256,532
	\$ 286,277	\$ 28,563,255	\$ 34,492	\$ 81,808	\$ 28,473,402	\$ 61,420	\$ 3,204	\$ 6,258	\$ 1,133	\$ 256,799
Analysis of 2014 Property Tax Levy:										
Tax Yield:										
General Purpose Tax			\$ 28,563,255	Tax Levy:						
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.)			34,492	Local District School (Abstract)			\$ 18,620,004			
			<u>\$ 28,597,747</u>	County Taxes:						
				County Taxes (Abstract)			\$ 2,632,321			
				County Open Space Taxes (Abstract)			28,577			
				Due County for Added Taxes and Added Open Space			3,217			
				Total County Taxes			2,664,115			
				Municipal Open Space Taxes:						
				Municipal Open Space Taxes (Abstract)			106,144			
				Due Open Space for Added Taxes			128			
				Total Municipal Open Space Taxes			106,272			
				Local Tax for Municipal and Library Purposes (Abstract)			7,167,505			
				Local Tax for Municipal Purposes (Added)			31,147			
				Add: Additional Tax Levied			8,704			
				Local Tax for Municipal Purposes Levied			7,207,356			
							<u>\$ 28,597,747</u>			

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS**

Balance: December 31, 2013		\$ 1,000
Increased by:		
Senior Citizens Deductions Per Tax Billing	\$ 10,000	
Veterans Deductions Per Tax Billing	55,750	
Allowed by Tax Collector:		
Current Year Veterans Deductions	250	
Current Year Senior Citizens Deductions	250	
	<hr/>	66,250
		<hr/> 67,250
Decreased by:		
Cash Receipts	58,420	
Disallowed by Tax Collector:		
Current Year Senior Citizens Deductions	1,750	
Current Year Veterans Deductions	250	
Prior Year Senior Citizens Deductions	2,830	
	<hr/>	63,250
		<hr/> \$ 4,000
Balance: December 31, 2014		<hr/> <hr/>

Analysis of State Share of Senior Citizens and Veterans Deductions

Current Year Senior Citizens Deductions		
Per Tax Billings	\$ 10,000	
Allowed by Tax Collector	250	
Disallowed by Tax Collector	(1,750)	
	<hr/>	
Current Year Veterans Deductions		\$ 8,500
Per Tax Billings	55,750	
Allowed by Tax Collector	250	
Disallowed by Tax Collector	(250)	
	<hr/>	55,750
		<hr/> \$ 64,250
State Share of 2014 Sr. Citizens and Veterans Deductions		<hr/> <hr/>
Prior Year Senior Citizens' Deductions		
Disallowed by Tax Collector	\$ (2,830)	
	<hr/>	
State Share of Prior Year Sr. Citizens and Veterans Deductions		<hr/> \$ (2,830)
		<hr/> <hr/>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

Balance: December 31, 2013	\$ 20,001
Increased by:	
Transfer from Current Taxes Receivable	<u>1,133</u>
Balance: December 31, 2014	<u><u>\$ 21,134</u></u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance December 31, 2013	Accrued	Collected	Balance December 31, 2014
<u>MISCELLANEOUS REVENUES</u>				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverages	\$ -	\$ 6,350	\$ 6,350	\$ -
Other Licenses	-	7,066	7,066	-
Fees and Permits	1,005	64,652	62,461	3,196
Fines and Costs:				
Municipal Court	3,234	59,977	58,483	4,728
Interest and Costs on Taxes	-	58,614	58,614	-
Interest on Investments and Deposits	-	34,396	34,396	-
Cable Franchise Fee	-	96,923	96,923	-
Cell Tower	-	182,549	182,549	-
DEDICATED UNIFORM CONSTRUCTION CODE FEES				
OFFSET WITH APPROPRIATIONS				
Uniform Construction Code Fees	-	148,903	148,903	-
SHARED SERVICE AGREEMENTS				
OFFSET WITH APPROPRIATIONS				
Municipal Court - Walldwick	-	47,405	47,405	-
Building Department - HoHoKus	-	60,000	60,000	-
ADDITIONAL REVENUES				
Uniform Fire Safety Act - Local Inspection Fees	-	21,425	21,425	-
Recreation Programs	-	78,027	78,027	-
OTHER SPECIAL ITEMS				
Uniform Fire Safety Act	-	14,307	14,307	-
Total Revenue Accounts Receivable	<u>\$ 4,239</u>	<u>\$ 880,594</u>	<u>\$ 876,909</u>	<u>\$ 7,924</u>
State Aid		546,706	546,706	
State and Federal Grants		36,905	36,905	
Total Miscellaneous Revenues		<u>\$ 1,464,205</u>	<u>\$ 1,460,520</u>	
			\$ 36,905	
			2,967	
			1,420,648	
			<u>\$ 1,460,520</u>	



**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE**

	Year	Balance, December 31, 2013	Realized As Revenues 2014 Budget	N.J.S.A. 40A:4-87	Cash Receipts	Canceled	Transfer From Unappropriated Reserve	Balance, December 31, 2014
<u>State Grants</u>								
Municipal Alliance on Alcoholism and Drug Abuse	2014-15	\$ -	\$ 9,876	\$ -	\$ -	\$ -	\$ -	\$ 9,876
Municipal Alliance on Alcoholism and Drug Abuse	2013	1,829	-	-	1,829	-	-	-
Recycling Tonnage Grant	2014	-	9,689	-	-	-	9,689	-
Clean Communities Program	2014	-	-	11,934	11,934	-	-	-
Drunk Driving Enforcement Fund	2013	-	1,360	-	-	-	1,360	-
Body Armor Grant	2013	-	1,984	-	-	-	1,984	-
Body Armor Grant	2014	-	-	1,681	1,681	-	-	-
DCA - Recreation for Individuals with Disabilities	2010	568	-	-	-	568	-	-
Total State Grants		2,397	22,909	13,615	15,444	568	13,033	9,876
<u>Federal Grants</u>								
USDOJ Bulletproof Vest Partnership	2014	-	-	381	381	-	-	-
Total Grants Receivable		\$ 2,397	\$ 22,909	\$ 13,996	\$ 15,825	\$ 568	\$ 13,033	\$ 9,876

Grants Anticipated by Budget	\$ 22,909
Added by N.J.S.A. 40A:4-87	13,996
	<u>\$ 36,905</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)**

	Total	General Capital	Animal Control	Private Duty Trust Fund	Other Trust	Public Assistance	Unemployment Trust
Balance: December 31, 2013							
Interfunds Receivable	\$ 28,340	\$ -	\$ 7,044	\$ 21,296	\$ -	\$ -	\$ -
Interfunds Payable	(107,630)	-	-	-	(107,630)	-	-
Debits:							
Cash Disbursements	751,905	623,814	-	-	108,091	-	20,000
Miscellaneous Revenues Not Anticipated	16,640	-	-	11,771	4,869	-	-
Interest Earned and Due Current	2,967	2,762	44	48	-	15	98
Statutory Excess	4,266	-	4,266	-	-	-	-
	<u>775,778</u>	<u>626,576</u>	<u>4,310</u>	<u>11,819</u>	<u>112,960</u>	<u>15</u>	<u>20,098</u>
Credits:							
Cash Receipts	33,268	2,762	7,088	21,344	1,961	15	98
Budget Appropriations							
Capital Improvement Fund	617,814	617,814	-	-	-	-	-
Deferred Charges	6,000	6,000	-	-	-	-	-
Unemployment	20,000	-	-	-	-	-	20,000
Municipal Open Space Tax Levy	106,272	-	-	-	106,272	-	-
	<u>783,354</u>	<u>626,576</u>	<u>7,088</u>	<u>21,344</u>	<u>108,233</u>	<u>15</u>	<u>20,098</u>
Balance: December 31, 2014	\$ (86,866)	\$ -	\$ 4,266	\$ 11,771	\$ (102,903)	\$ -	\$ -
Interfunds Receivable	\$ 16,037	\$ -	\$ 4,266	\$ 11,771	\$ -	\$ -	\$ -
Interfunds Payable	(102,903)	-	-	-	(102,903)	-	-
Net Interfund	<u>\$ (86,866)</u>	<u>\$ -</u>	<u>\$ 4,266</u>	<u>\$ 11,771</u>	<u>\$ (102,903)</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>Appropriations within "CAPS"</b>					
General Administration					
Salaries and Wages	\$ 709	\$ -	709	\$ 99	\$ 610
Other Expenses	23,951	201	24,152	5,262	18,890
Mayor & Council					
Salaries and Wages	757	-	757	-	757
Other Expenses	1,046	189	1,235	821	414
Municipal Clerk					
Salaries and Wages	180	-	180	-	180
Other Expenses	10,081	-	10,081	478	9,603
Financial Administration					
Salaries and Wages	689	-	689	-	689
Other Expenses	2,831	-	2,831	1,243	1,588
Audit Services	23,000	-	23,000	21,000	2,000
Information Technology					
Other Expenses	3,489	831	4,320	831	3,489
Tax Collection					
Salaries and Wages	581	-	581	-	581
Other Expenses	3,703	-	3,703	-	3,703
Tax Assessment Administration					
Salaries and Wages	251	-	251	-	251
Other Expenses	27,550	1,277	28,827	1,272	27,555

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>Appropriations within "CAPS" - continued</b>					
Legal Services and Costs					
Salaries and Wages	\$ 2,000	\$ -	2,000	\$ -	2,000
Other Expenses	48,319	443	48,762	14,512	34,250
Engineering					
Other Expenses	4,663	-	4,663	2,700	1,963
Planning Board (NJSA 40:55D-1)					
Salaries and Wages	564	-	564	-	564
Other Expenses	2,120	-	2,120	500	1,620
Board of Adjustment					
Salaries and Wages	564	-	564	-	564
Other Expenses	355	-	355	200	155
Master Plan	5,000	-	5,000	5,000	-
Police					
Salaries and Wages	81,959	-	81,959	2,794	79,165
Other Expenses	846	2,985	3,831	3,058	773
Emergency Management Services					
Other Expenses	13	-	13	-	13
Fire Department					
Contribution - Aid to Volunteer Fire Department	463	9,605	10,068	9,772	296
Other Expenses	41	-	41	-	41

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>Appropriations within "CAPS" - continued</b>					
First Aid Services					
Salaries and Wages	\$ 4,625	\$ -	\$ 4,625	-	\$ 4,625
Other Expenses	105	-	105	-	105
Uniform Fire Safety Act c.383, PL 1938					
Salaries and Wages	244	-	244	-	244
Municipal Prosecutor					
Salaries and Wages	55	-	55	-	55
Road Repairs and Maintenance					
Salaries and Wages	12,087	-	12,087	942	11,145
Other Expenses	28,926	27,853	56,779	28,274	28,505
Sewer System					
Other Expenses	4,529	-	4,529	-	4,529
Solid Waste Collection & Recycling					
Salaries and Wages	245	-	245	-	245
Other Expenses	25,666	12,987	38,653	13,187	25,466
Public Buildings and Grounds					
Salaries and Wages	3,065	-	3,065	-	3,065
Other Expenses	438	3,675	4,113	4,113	-
Vehicle Maintenance:					
Other Expenses	15,740	15,264	31,004	16,884	14,120

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>Appropriations within "CAPS" - continued</b>					
Board of Health - Northwest Bergen Regional					
Other Expenses	\$ 280	\$ -	280	\$ -	280
Animal Control					
Other Expenses	880	-	880	-	880
Public Assistance					
Other Expenses	200	-	200	-	200
Recreation					
Salaries and Wages	15,819	-	15,819	612	15,207
Other Expenses	10,367	721	11,088	841	10,247
Parks Maintenance					
Other Expenses	2,509	755	3,264	755	2,509
Celebration of Public Events					
Other Expenses	5,474	-	5,474	-	5,474
Awards Adjustment	1,000	-	1,000	-	1,000
Municipal Court					
Other Expenses	7,354	89	7,443	89	7,354
Public Defender ( PL.1997,c256)					
Other Expenses	2,000	100	2,100	100	2,000
General Liability Insurance	64,448	-	64,448	-	64,448
Employee Group Health Insurance	4,066	-	4,066	-	4,066

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>Appropriations within "CAPS" - continued</b>					
Construction Code Officials					
Salaries and Wages	\$ 91	\$ -	\$ 91	-	\$ 91
Other Expenses	4,749	408	5,157	503	4,654
Electricity	26,122	3,856	29,978	4,719	25,259
Street Lighting	11,257	-	11,257	7,759	3,498
Telephone	13,797	14	13,811	14	13,797
Water	5,710	-	5,710	4,404	1,306
Natural Gas	7,979	2,718	10,697	2,719	7,978
Gasoline	20,963	6,175	27,138	8,496	18,642
Landfill/Solid Waste Disposal	132,843	-	132,843	16,982	115,861
Social Security System (O.A.S.I.)	6,217	-	6,217	-	6,217
<b>Operations - Excluded From "CAPS"</b>					
Maintenance of Free Public Library	10,296	-	10,296	10,296	-
Sewer Authority					
Sewer Services Charges-Contractual	148,351	-	148,351	-	148,351
Borough of Waldwick	3,790	-	3,790	-	3,790
Length of Service Awards Program	60,000	-	60,000	40,250	19,750
Employee Group Health Insurance (CAP Exception)	9,273	-	9,273	-	9,273
Consolidated Dispatch - Interlocal Agreement, Wyckoff					
Other Expenses	14,306	-	14,306	-	14,306

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF 2013 APPROPRIATION RESERVES**

**Operations - Excluded From "CAPS" - continued**

	Balance: December 31, 2013		Budget After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
911 Service - Shared Service - Paramus	\$ 1,340	\$ -	\$ 1,340	\$ -	\$ 1,340
Pistol Range - Shared Service - Waldwick					
Other Expenses	92	-	92	-	92
Public Assistance Shared Services	570	35	605	35	570
Municipal Court Shared Services					
Salaries and Wages	1,869	-	1,869	-	1,869
Uniform Fire Safety Act	1,831	-	1,831	-	1,831
Recreation Program					
Salaries and Wages	14,112	-	14,112	-	14,112
Judgments (NJSA 40A:4-45.3cc)	5,000	-	5,000	-	5,000
	<u>\$ 956,405</u>	<u>\$ 90,181</u>	<u>\$ 1,046,586</u>	<u>\$ 231,516</u>	<u>\$ 815,070</u>

Reserved for Future Use	\$ 13,920
Cash Disbursements	217,596
	<u>\$ 231,516</u>



**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Balance: December 31, 2013		
School Tax Payable	\$ 7,735,223	
School Tax Deferred	<u>1,877,993</u>	
		\$ 9,613,216
Increased by:		
Levy school year July 1, 2014 to June 30, 2015		<u>18,620,004</u>
		28,233,220
Decreased by Payments to School District for:		
School Fiscal Year July 1, 2013 to June 30, 2014	9,613,216	
School Fiscal Year July 1, 2014 to June 30, 2015	<u>9,310,002</u>	
		<u>18,923,218</u>
Balance: December 31, 2014		
School Tax Payable	7,432,009	
School Tax Deferred	<u>1,877,993</u>	
		<u>\$ 9,310,002</u>
2014 Liability for Local District School Tax		
Tax Paid		\$ 18,923,218
Tax Payable at December 31, 2014		<u>7,432,009</u>
		26,355,227
Less: Tax payable at December 31, 2013		<u>7,735,223</u>
Amount Charged to 2014 operations		<u>\$ 18,620,004</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance: December 31, 2013		\$ -
Increased by Levy:		
Per Certification of Tax Rate:		
General County Levy	\$ 2,632,321	
County Open Space Taxes	28,577	
Per Added and Omitted Taxes		
General County Levy	3,179	
County Open Space Taxes	38	
	<hr/>	<hr/>
		2,664,115
		<hr/>
		2,664,115
Decreased by:		
Disbursements to County		<hr/>
		2,664,115
		<hr/>
Balance: December 31, 2014		<hr/> <hr/>
2014 Liability for County Tax		
Tax paid	\$ 2,664,115	
Tax payable at December 31, 2014		<hr/>
		-
		<hr/>
		2,664,115
Less: Tax payable at December 31, 2013		<hr/>
		-
		<hr/>
Amount Charged to 2014 operations		<hr/> <hr/>
		\$ 2,664,115

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF OTHER RESERVES**

	Balance, December 31, 2013	Additions:		Balance, December 31, 2014
		Current Year Appropriations	Appropriation Reserves	
Reserve for:				
Court Restitution	\$ 73	\$ -	\$ -	\$ 73
Master Plan	10,000	5,000	5,000	20,000
Library	4,492	-	8,920	13,412
Salaries and Wages	202,204	61,362	-	263,566
Tax Appeals Pending	140,393	-	-	140,393
	<u>\$ 357,162</u>	<u>\$ 66,362</u>	<u>\$ 13,920</u>	<u>\$ 437,444</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF SURCHARGES DUE TO STATE OF NEW JERSEY**

	<u>Total</u>	<u>Marriage Licenses</u>	<u>DCA Fees</u>
Balance: December 31, 2013	\$ 300	\$ 300	\$ -
Increased by:			
Cash Received By Borough	8,440	-	8,440
Prior Year Encumbrances	2,102	-	2,102
Collections by Interlocal Agency			
Charged Against Operations	600	600	-
	<u>11,142</u>	<u>600</u>	<u>10,542</u>
Decreased by:			
Remitted to State By Borough	7,542	-	7,542
Credit to Operations			
Payments to State By Interlocal Agency	675	675	-
Adjustment to Beginning Balance	200	200	
	<u>8,417</u>	<u>875</u>	<u>7,542</u>
Balance: December 31, 2014	<u>\$ 3,025</u>	<u>\$ 25</u>	<u>\$ 3,000</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	Balance, December 31, 2013	Increased by: Encumbered at Close of Year	Decreased by: Added Back to Reserves	Balance, December 31, 2014
Appropriation Reserves	\$ 90,181	\$ -	\$ 90,181	\$ -
Current Year Appropriations	-	199,549	-	199,549
Reserve for Appropriated Grants	-	1,806	-	1,806
Surcharge Fees Due to State	2,102	-	2,102	-
	<u>\$ 92,283</u>	<u>\$ 201,355</u>	<u>\$ 92,283</u>	<u>\$ 201,355</u>

Exhibit A-17

**SCHEDULE OF CONTRACTS PAYABLE**

	Balance, December 31, 2013	Increased by: Charges to 2013 Appropriations	Decreased by: Cash Disbursements	Balance, December 31, 2014
Contracts from Budget Year:				
2011	\$ 779	\$ -	\$ 779	\$ -
2012	1,250	-	1,250	-
	<u>\$ 2,029</u>	<u>\$ -</u>	<u>\$ 2,029</u>	<u>\$ -</u>

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF PREPAID TAXES**

Balance: December 31, 2013	\$ 81,808
Increased by:	
Collected in Current Year for Following Year's Taxes	77,842
	<u>159,650</u>
Decreased by:	
Applied to Current Year Taxes	81,808
	<u>81,808</u>
Balance: December 31, 2014	<u><u>\$ 77,842</u></u>

## Exhibit A-19

**SCHEDULE OF TAX OVERPAYMENTS**

Balance: December 31, 2013	\$ 3,204
Increased by:	
Cash Receipts	\$ 130,003
Current Year Tax Refunds Charged Against Revenues	10,250
Overpayments Received	<u>1</u>
	<u>140,254</u>
	143,458
Decreased by Returned to Taxpayers by:	
Credit to Prior Year Taxes	3,204
Cash Disbursements	<u>140,253</u>
	<u>143,457</u>
Balance: December 31, 2014	<u><u>\$ 1</u></u>

**BOROUGH OF MIDLAND PARK**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED**

	Year	Balance: December 31, 2013		Appropriations Budgeted	Cancelled	Paid or Charged	Balance: December 31, 2014	
		Reserved	Encumbered				Encumbered	Reserved
<u>State Grants</u>								
Alcohol Education and Rehabilitation Fund	2006	\$ 277	\$ -	\$ -	-	\$ -	-	\$ 277
Alcohol Education and Rehabilitation Fund	2007	118	-	-	-	-	-	118
Body Armor Grant	2011	344	-	-	-	344	-	-
Body Armor Grant	2012	1,726	-	-	-	758	968	-
Body Armor Grant	2013	-	-	1,984	-	1,984	-	-
Body Armor Grant	2014	-	-	1,681	-	-	-	1,681
Clean Communities - Recreation	2008	146	-	-	-	-	-	146
Clean Communities Program	2010	11,146	-	-	-	3,077	-	8,069
Clean Communities Program	2011	11,017	-	-	-	-	-	11,017
Clean Communities Program	2012	10,839	-	-	-	-	-	10,839
Clean Communities Program	2013	9,939	-	-	-	-	-	9,939
Clean Communities Program	2014	-	-	11,934	-	-	-	11,934
DCA-Recreation for Individuals with Disabilities	2010	568	-	-	568	-	-	-
Drunk Driving Enforcement Fund	2011	743	-	-	-	743	-	-
Drunk Driving Enforcement Fund	2012	2,500	-	-	-	788	165	1,547
Drunk Driving Enforcement Fund	2013	-	-	1,360	-	-	-	1,360
Municipal Alliance - Alcohol & Drug Abuse	2013	-	-	9,876	-	4,818	-	5,058
Polling Places Accessibility Grant	2006	5,015	-	-	-	-	-	5,015
Recycling Assistance BC	2008	194	-	-	-	-	-	194
Recycling Tonnage Grant	2009	9,885	-	-	-	2,945	-	6,940
Recycling Tonnage Grant	2010	11,922	-	-	-	-	-	11,922
Recycling Tonnage Grant	2011	14,639	-	-	-	-	-	14,639
Recycling Tonnage Grant	2013	13,298	-	-	-	-	-	13,298
Recycling Tonnage Grant	2014	-	-	9,689	-	-	-	9,689
State & Local All Hazards Emergency Operations Planning Program	2004	1,252	-	-	-	-	-	1,252
		105,568	-	36,524	568	15,457	1,133	124,934

**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED**

Year	Balance: December 31, 2013		Appropriations Budgeted	Cancelled	Paid or Charged	Balance: December 31, 2014	
	Reserved	Encumbered				Encumbered	Reserved
2011	\$ -	\$ -	\$ 381	-	\$ 344	\$ -	\$ 37
2010	1,725	-	-	-	-	-	1,725
	1,725	-	381	-	344	-	1,762
<u>Federal Grants</u>							
Bulletproof Vest Partnership							
FEMA Homeland Security -							
Firefighters' Assistance Grant							
<u>Private Contributions</u>							
De Phillips Foundation:							
Veterans Memorial Plaza	\$ 150	\$ -	\$ -	-	\$ -	\$ -	\$ 150
Night Vision Equipment	2,000	-	-	-	-	673	1,327
Sound Recording Equipment	7,000	-	-	-	-	-	7,000
Fire Department Equipment	492	-	-	-	492	-	-
Ambulance Corp Equipment	401	-	-	-	-	-	401
	10,043	-	-	-	492	673	8,878
	\$ 117,336	\$ -	\$ 36,905	\$ 568	\$ 16,293	\$ 1,806	\$ 135,574
Total Reserve for Appropriated Grants							
Grants Appropriated by Budget		\$ 22,909					
Added by N.J.S.A. 40A:4-87		13,996					
		\$ 36,905					



**BOROUGH OF MIDLAND PARK  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED**

	Balance, December 31, 2013	Appropriated in Budget of Current Year	Received	Balance, December 31, 2014
<u>State Grants</u>				
Body Armor Grant	\$ 1,984	\$ 1,984	\$ -	\$ -
Drunk Driving Enforcement	1,360	1,360	-	-
Recycling Tonnage Grant	9,689	9,689	10,707	10,707
	<u>\$ 13,033</u>	<u>\$ 13,033</u>	<u>\$ 10,707</u>	<u>\$ 10,707</u>

# REPORT OF AUDIT

FINANCIAL SECTION:  
Other Supplementary Information -  
Trust Fund Schedules

Borough of Midland Park  
2014

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
AS OF DECEMBER 31, 2014 AND 2013**

**COMBINING SCHEDULE OF ASSETS, LIABILITIES AND RESERVES**

	Total Trust Funds Dec. 31, 2014	Animal Control	Municipal Alliance	Other Trust	Private Duty	Unemployment	Public Assistance	Length of Service Awards Program (Unaudited)
<u>Assets:</u>								
Cash and Cash Equivalents	\$ 687,464	\$ 17,919	\$ 12,254	\$ 589,552	\$ 13,458	\$ 48,249	\$ 6,032	\$ -
Change Fund	30	30	-	-	-	-	-	-
Investments	876,069	-	-	-	-	-	-	876,069
Interfunds Receivable - Current Fund	102,903	-	-	102,903	-	-	-	-
Contribution Receivable	46,000	-	-	-	-	-	-	46,000
Total Assets	\$ 1,712,466	\$ 17,949	\$ 12,254	\$ 692,455	\$ 13,458	\$ 48,249	\$ 6,032	\$ 922,069
<u>Liabilities and Reserves:</u>								
Interfunds Payable - Current Fund	\$ 16,037	\$ 4,266	\$ -	\$ -	\$ 11,771	\$ -	\$ -	\$ -
Due to State and Other	33,500	-	-	-	-	6,847	-	26,653
Escrow Interest Payable	3,432	-	-	3,432	-	-	-	-
Reserve for Encumbrances	11	11	-	-	-	-	-	-
Net Assets Held in Trust for Benefits	895,416	-	-	-	-	-	-	895,416
Reserve for Expenditures	764,070	13,672	12,254	689,023	1,687	41,402	6,032	-
Total Liabilities and Reserves	\$ 1,712,466	\$ 17,949	\$ 12,254	\$ 692,455	\$ 13,458	\$ 48,249	\$ 6,032	\$ 922,069

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
AS OF DECEMBER 31, 2014 AND 2013**

**COMBINING SCHEDULE OF ASSETS, LIABILITIES AND RESERVES**

	Total Trust Funds Dec. 31, 2013	Animal Control	Municipal Alliance	Other Trust	Private Duty	Unemployment	Public Assistance	Length of Service Awards Program (Unaudited)
<u>Assets:</u>								
Cash and Cash Equivalents	\$ 620,461	\$ 17,970	\$ 9,463	\$ 524,356	\$ 24,468	\$ 38,172	\$ 6,032	\$ -
Change Fund	30	30	-	-	-	-	-	-
Investments	810,634	-	-	-	-	-	-	810,634
Interfunds Receivable - Current Fund	107,630	-	-	107,630	-	-	-	-
Contribution Receivable	40,250	-	-	-	-	-	-	40,250
Total Assets	\$ 1,579,005	\$ 18,000	\$ 9,463	\$ 631,986	\$ 24,468	\$ 38,172	\$ 6,032	\$ 850,884
<u>Liabilities and Reserves:</u>								
Interfunds Payable - Current Fund	\$ 28,340	\$ 7,044	\$ -	\$ -	\$ 21,296	\$ -	\$ -	\$ -
Due to State	74	-	-	-	-	74	-	-
Escrow Interest Payable	4,763	-	-	4,763	-	-	-	-
Reserve for Encumbrances	2,450	-	-	2,450	-	-	-	-
Net Assets Held in Trust for Benefits	850,884	-	-	-	-	-	-	850,884
Reserve for Expenditures	692,494	10,956	9,463	624,773	3,172	38,098	6,032	-
Total Liabilities and Reserves	\$ 1,579,005	\$ 18,000	\$ 9,463	\$ 631,986	\$ 24,468	\$ 38,172	\$ 6,032	\$ 850,884

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF CASH AND CASH EQUIVALENTS**

	Animal Control	Municipal Alliance	Other Trust	Private Duty	Unemployment	Public Assistance
Cash Receipts:						
Trust Deposits	\$ 7,985	\$ 7,110	\$ 164,211	\$ 55,789	\$ -	\$ -
State Fees	916	-	-	-	-	-
Interfunds	-	-	108,091	-	20,000	-
Interest:						
Due Developers	-	-	256	-	-	-
Municipal Interest	44	26	657	48	98	15
Total Cash Receipts	8,945	7,136	273,215	55,837	20,098	15
Cash Disbursements:						
Interfunds						
Current Fund	7,088	-	1,961	21,344	98	15
General Capital Fund	-	-	90,000	-	-	-
Expenditures	1,003	4,345	116,058	45,503	-	-
State Fees Remitted	905	-	-	-	9,923	-
Total Cash Disbursements	8,996	4,345	208,019	66,847	10,021	15
Increase / (Decrease) in Cash	(51)	2,791	65,196	(11,010)	10,077	-
Balance: December 31, 2013	17,970	9,463	524,356	24,468	38,172	6,032
Balance: December 31, 2014	\$ 17,919	\$ 12,254	\$ 589,552	\$ 13,458	\$ 48,249	\$ 6,032

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)**

	Due from / (to) Current Fund				Due from / (to) General Capital
	Animal Control	Private Duty	Unemployment Trust	Other Trust	Other Trust
Increased by:					
Cash Disbursements	7,088	21,344	98	1,961	90,000
Budget Appropriation	-	-	20,000	-	-
Open Space Taxes:					
Per County Certification	-	-	-	106,144	-
Added and Omitted Tax	-	-	-	128	-
	<u>7,088</u>	<u>21,344</u>	<u>20,098</u>	<u>108,233</u>	<u>90,000</u>
Decreased by:					
Cash Receipts	\$ -	\$ -	\$ 20,000	\$ 108,091	\$ -
Public Defender Charges	-	-	-	1,479	-
Municipal Fees	-	11,771	-	-	-
Adjustment to Escrow	-	-	-	1,803	-
Improvement Authorizations	-	-	-	-	90,000
Statutory Excess	4,266	-	-	-	-
Interest	44	48	98	1,587	-
	<u>4,310</u>	<u>11,819</u>	<u>20,098</u>	<u>112,960</u>	<u>90,000</u>
Change in Interfunds	2,778	9,525	-	(4,727)	-
Balance: December 31, 2013					
Receivable	-	-	-	107,630	-
Payable	<u>(7,044)</u>	<u>(21,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance: December 31, 2014	<u>\$ (4,266)</u>	<u>\$ (11,771)</u>	<u>\$ -</u>	<u>\$ 102,903</u>	<u>\$ -</u>
Analysis of Ending Balance:					
Receivable	\$ -	\$ -	\$ -	\$ 102,903	\$ -
Payable	<u>(4,266)</u>	<u>(11,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (4,266)</u>	<u>\$ (11,771)</u>	<u>\$ -</u>	<u>\$ 102,903</u>	<u>\$ -</u>

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY**

	Animal Control	Unemployment Trust
	<hr/>	<hr/>
Increased by:		
State Portion of Dog License Fees:		
Registration Fees	\$ 658	\$ -
Pilot Clinic Fees	132	-
Population Control Fees	126	-
State Unemployment Billings	-	16,696
	<hr/>	<hr/>
	916	16,696
	<hr/>	<hr/>
Decreased by:		
Cash Disbursed to State	905	9,923
Encumbrances	11	-
	<hr/>	<hr/>
	916	9,923
	<hr/>	<hr/>
Increase in Amount Due to State	-	6,773
Balance: December 31, 2013	<hr/>	<hr/>
	-	74
Balance: December 31, 2014	<hr/>	<hr/>
	\$ -	\$ 6,847
	<hr/>	<hr/>

**SCHEDULE OF ESCROW INTEREST PAYABLE - OTHER TRUST**

Balance: December 31, 2013	\$ 4,763
Increased by:	
Interest Received	256
	<hr/>
	5,019
Decreased by:	
Interest Due to Current Fund - Borough Revenue	1,587
	<hr/>
Balance: December 31, 2014	<hr/>
	\$ 3,432
	<hr/>

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVES FOR OTHER TRUST EXPENDITURES**

	Balance: December 31, 2013		Increased by: Cash Receipts	Increased / (Decreased) by		Decreased by: Cash Disbursements	Balance, December 31, 2014
	Reserved	Encumbered		Interfund Activity Current	Capital		
Reserve for:							
Developer Escrows	\$ 225,018	\$ 2,450	\$ 74,334	\$ (1,803)	\$ -	\$ 42,732	\$ 257,267
Firehouse Deposits	400	-	9,800	-	-	10,200	-
POAA	2,312	-	200	-	-	-	2,512
Recreation Programs	713	-	4,747	-	-	4,837	623
Ball Donations	1,284	-	-	-	-	-	1,284
Barn Donations	916	-	500	-	-	879	537
COAH Fees	5,965	-	15	-	-	-	5,980
Public Defender	1,280	-	1,300	(1,479)	-	800	301
Tax Sale:							
Redemption of Certificates	-	-	26,530	-	-	26,530	-
Premiums Received	47,200	-	46,800	-	-	-	94,000
Reserves and Special Deposits	285,088	2,450	164,226	(3,282)	-	85,978	362,504
Municipal Open Space Tax	339,685	-	642	106,272	(90,000)	30,080	326,519
	<u>\$ 624,773</u>	<u>\$ 2,450</u>	<u>\$ 164,868</u>	<u>\$ 102,990</u>	<u>\$ (90,000)</u>	<u>\$ 116,058</u>	<u>\$ 689,023</u>
Trust Deposits			\$ 164,211	\$ 106,144	Open Space Tax Per County Certification		
Interest				128	Open Space Tax Added and Omitted		
Reserves and Special Deposits			15	106,272			
Municipal Open Space			642	1,803	Less: Adjustments to Developers Escrow		
			<u>\$ 164,868</u>	<u>1,479</u>	Less: Public Defeder Chargebacks		
				<u>\$ 102,990</u>			



**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance: December 31, 2013		\$ 10,956
Increased by:		
Dog License Fees Collected	\$ 5,790	
Cat License Fees Collected	900	
Late Fees Collected	1,220	
Dog Handling Fees	60	
Duplicate License Fees	15	
	<hr/>	7,985
		<hr/> 18,941
Decreased by:		
Expenditures	943	
Dog Handling Fees	60	
	<hr/>	1,003
Statutory Excess Due to Current Fund	4,266	
	<hr/>	5,269
		<hr/>
Balance: December 31, 2014		<u><u>\$ 13,672</u></u>

License Fees Collected

2013	\$ 7,806
2012	5,866
	<hr/>
Maximum Allowable Reserve	<u><u>\$ 13,672</u></u>

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST EXPENDITURES**

Balance: December 31, 2013	\$ 38,098
Increased by:	
Current Fund Budget Appropriation	20,000
	<u>58,098</u>
Decreased by:	
State Unemployment Billings	16,696
	<u>16,696</u>
Balance: December 31, 2014	<u><u>\$ 41,402</u></u>

## Exhibit B-8

**SCHEDULE OF RESERVE FOR PRIVATE DUTY EXPENDITURES**

Balance: December 31, 2013	\$ 3,172
Increased by:	
Deposits Received	55,789
	<u>58,961</u>
Decreased by:	
Payroll Reimbursed to Current Fund	\$ 45,503
Borough Portion of Private Duty Fees Due to Current Fund	11,771
	<u>57,274</u>
Balance: December 31, 2014	<u><u>\$ 1,687</u></u>

**BOROUGH OF MIDLAND PARK  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE EXPENDITURES**

Balance: December 31, 2013		\$ 9,463
Increased by:		
Cash Received for:		
Prom Bus Deposits	\$ 4,110	
Take Action Camp Deposits	3,000	
	<u>7,110</u>	
Interest	26	
		<u>7,136</u>
		16,599
Decreased by:		
Cash Disbursed for:		
Prom Bus	934	
After School Prevention	411	
Take Action Camp	3,000	
		<u>4,345</u>
Balance: December 31, 2014		<u><u>\$ 12,254</u></u>

# REPORT OF AUDIT

FINANCIAL SECTION:  
Other Supplementary Information -  
General Capital Fund Schedules

Borough of Midland Park  
2014

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2014 AND 2013**

**SCHEDULE OF ASSETS, LIABILITIES AND RESERVES**

	2014	2013
<u>Assets</u>		
Cash and Cash Equivalents	\$ 717,822	\$ 1,126,150
Capital Grants Receivable	677,347	532,168
Deferred Charges to Future Taxation:		
Funded	456,451	529,775
Unfunded	22,394	28,394
Total Assets	<u>\$ 1,874,014</u>	<u>\$ 2,216,487</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Capital Lease Payable	\$ -	\$ 47,744
NJ Environmental Infrastructure Trust Loans Payable	456,451	482,031
Improvement Authorizations:		
Funded	1,057,245	890,755
Reserve for Specific Projects Appropriated by Ordinance	86,502	401,068
Reserve for Encumbrances	192,805	227,879
Capital Improvement Fund	81,011	167,010
Total Liabilities and Reserves	<u>\$ 1,874,014</u>	<u>\$ 2,216,487</u>
Bonds and Notes Authorized but not Issued	<u>\$ 22,394</u>	<u>\$ 28,394</u>

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS**

	Balance, December 31, 2013	Receipts		Disbursements		Transfers		Balance, December 31, 2014
		Budget	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Intergovernmental Receivables	\$ (532,168)	\$ -	\$ 32,440	\$ -	\$ -	\$ 177,619	\$ -	\$ (677,347)
Interfunds Receivable / (Payable)	-	-	2,762	-	2,762	-	-	-
Capital Improvement Fund	167,010	617,814	1	-	-	703,814	-	81,011
Reserve for Specific Projects Appropriated by Ordinance	401,068	-	-	-	569,565	1	255,000	86,502
Reserved for Encumbrances	227,879	-	-	-	-	227,879	192,805	192,805
<b>Improvement Authorizations</b>								
Number	Description							
14-05	Various Municipal Improvements							-
06-06	Various Municipal Improvements							36
08-06	Tennis Court Construction							10,285
05-07	Various Municipal Improvements							2,100
04-08	Various Municipal Improvements							30,999
05-08	Various Open Space Improvements							8,908
06-09	Various Municipal Improvements							9,057
12-09	Erie Ave Sewer Pump Station Abandonment							8,207
08-10	Various Municipal Improvements							(22,394)
02-11	Drainage Project / Building Renovation							32,315
04-11	Various Municipal Improvements							32,092
07-11/02-12	Wortendyke Park Lighting Project							5,000
04-12	Various Municipal Improvements							-
07-12	Central Ave Park and Ride Lot							29,639
02-13	Various Capital Improvement Projects							64,179
07-13/09-14	Spruce/Highwood Improvements							77,582
09-13	Dairy Street Playground							91,490
10-13	Borough ADA Handicap Bathroom							292,400
06-14	Various Municipal Improvements							868
07-14	Vehicle Reserve Funds							24,708
10-14	Dairy Street Park Pavilion Project							241,197
13-14	Witten Drive Firehouse Improvements							115,758
								10,100
	\$ 1,126,150	\$ 623,814	\$ 131,485	\$ 591,300	\$ 572,327	\$ 1,557,117	\$ 1,557,117	\$ 717,822

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Ordinance Number and Description	Balance, December 31, 2013	Decreased by Budget Appropriation:		Balance, December 31, 2014	Analysis of Ending Balance	
		NJEIT Loan Debt Service	Capital Lease Debt Service		NJEIT Loan	
12-09: Sewer Station Abandonment	\$ 482,031	\$ 25,580	\$ -	\$ 456,451	\$	456,451
16-05: Triple Pumper Firetruck	47,744	-	47,744	-		-
	<u>\$ 529,775</u>	<u>\$ 25,580</u>	<u>\$ 47,744</u>	<u>\$ 456,451</u>	<u>\$</u>	<u>456,451</u>
Payment of Principal		\$ 20,364				
Principal Forgiveness		<u>5,216</u>				
		<u>\$ 25,580</u>				

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Description	Balance, December 31, 2013	Decreased by: Funded by Budget Appropriation	Balance, December 31, 2014	Analysis of Ending Balance		Non-Financed Improvement Authorizations Unexpended
				Bonds & Notes Authorized But Not Issued	Expended	
12-09: Sewer Station Abandonment	\$ 28,394	\$ 6,000	\$ 22,394	\$ 22,394	\$	-

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF CAPITAL GRANTS RECEIVABLE**

Ordinance Number and Description	Balance, December 31, 2013	Grants Approved	Cash Received	Balance December 31, 2014
New Jersey Department of Transportation:				
06-12: Greenwood Ave - Section 2	\$ 81,349	\$ -	\$ -	\$ 81,349
07-12: Central Ave Park and Ride Lot	90,000	-	-	90,000
07-13/09-14: Spruce St / Highwood Ave	150,000	149,000	-	299,000
	<u>321,349</u>	<u>149,000</u>	<u>-</u>	<u>470,349</u>
Community Development:				
10-13: Borough Hall Handicapped Accessible Improvements	44,000	-	-	44,000
	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>44,000</u>
Bergen County Open Space:				
06-04: Wortendyke Park Phase II	16,999	-	-	16,999
21-05: Dairy Street Playground	3,700	-	-	3,700
11-10: Dairy Street Playground	38,370	-	-	38,370
07-11/02-02: Wortendyke Park Lighting	32,750	-	32,440	310
09-13: Dairy Street Playground	75,000	-	-	75,000
10-14: Dairy Street Park Pavilion	-	28,619	-	28,619
	<u>166,819</u>	<u>28,619</u>	<u>32,440</u>	<u>162,998</u>
	<u>\$ 532,168</u>	<u>\$ 177,619</u>	<u>\$ 32,440</u>	<u>\$ 677,347</u>



**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF INTERFUNDS**

	<u>Trust Fund</u>	<u>Current Fund</u>
Balance: December 31, 2013	\$ -	\$ -
Increased by:		
Funding Appropriated by:		
Municipal Open Space - Ord. No. 10-14	90,000	-
Current Fund Budget Appropriation		
Capital Improvement Fund	-	617,814
Deferred Charges	-	6,000
Cash Disbursed	-	2,762
	<u>90,000</u>	<u>626,576</u>
Decreased by:		
Cash Received for:		
Capital Fund Interest	-	2,762
Appropriated Items	90,000	623,814
	<u>90,000</u>	<u>626,576</u>
Balance: December 31, 2014	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - FUNDED AND UNFUNDED**

Ordinance: Number and Description	Ordinance Date	Amount	Balance: December 31, 2013			2014 Authorizations	Paid or Charged	Balance: December 31, 2014		
			Funded	Unfunded	Encumbered			Encumbered	Funded	Unfunded
14-05: Various Municipal Improvements	05/12/2005	\$ 283,500	\$ -	\$ -	\$ 36	\$ -	\$ 36	\$ -	\$ -	\$ -
06-06: Various Municipal Improvements	06/08/2006	345,800	10,285	-	-	-	-	-	10,285	-
08-06: Tennis Court Construction Project	08/10/2006	130,000	2,100	-	-	-	-	-	2,100	-
05-07: Various Municipal Improvements	04/12/2007	564,700	26,088	-	-	-	(4,911)	-	30,999	-
04-08: Various Municipal Improvements	05/22/2008	438,900	8,908	-	3,137	-	3,137	-	8,908	-
05-08: Various Open Space Projects	05/22/2008	44,500	9,057	-	-	-	-	-	9,057	-
06-09: Various Municipal Improvements	07/09/2009	332,300	22,207	-	-	-	14,000	-	8,207	-
08-10: Various Municipal Improvements	08/12/2010	283,300	32,315	-	-	-	-	-	32,315	-
02-11: Drainage Project / Building Renovation	04/28/2011	190,650	32,092	-	-	-	-	-	32,092	-
04-11: Various Municipal Improvements	06/23/2011	335,575	11,404	-	83,582	-	89,986	-	5,000	-
07-11 / 02-12: Wortendyke Park Lighting Proj.	08/11/2011	44,750	-	-	29,639	-	29,639	-	-	-
04-12: Various Municipal Improvements	05/10/2012	363,300	110,191	-	2,668	-	20,230	28,450	64,179	-
07-12: Central Ave Park and Ride Lot	06/28/2012	112,500	79,231	-	5,666	-	1,650	5,665	77,582	-
02-13: Various Capital Improvement Projects	03/28/2013	316,225	258,209	-	20,319	-	187,038	-	91,490	-
07-13/09-14: Spruce & Highwood Improvements	07/11/2013	-	-	-	-	-	-	-	-	-
09-13: Dairy Street Playground	06/26/2014	370,000	170,000	-	-	185,000	33,900	28,700	292,400	-
10-13: Borough ADA Handicap Bathroom	08/22/2013	150,000	68,368	-	74,132	-	141,632	-	868	-
06-14: Various Municipal Improvements	09/26/2013	59,000	50,300	-	8,700	-	34,292	-	24,708	-
07-14: Vehicle Reserve Funds	03/27/2014	362,814	-	-	-	362,814	31,528	90,089	241,197	-
10-14: Dairy Street Park Pavilion Project	05/08/2014	255,000	-	-	-	255,000	255,000	-	-	-
13-14: Witten Drive Firehouse Improvements	09/25/2014	118,619	-	-	-	118,619	2,861	39,900	115,758	-
	12/11/2014	50,000	-	-	-	50,000	-	-	10,100	-
			<u>\$ 890,755</u>	<u>\$ -</u>	<u>\$ 227,879</u>	<u>\$ 971,433</u>	<u>\$ 840,018</u>	<u>\$ 192,804</u>	<u>\$ 1,057,245</u>	<u>\$ -</u>
Cash Expenditures						\$ -	\$ 591,300			
Charged to Specific Reserves						-	255,000			
Capital Improvement Fund						703,814	-			
Interfunds						90,000	-			
Cash Received						-	(6,282)			
Grants Receivable						177,619	-			
			<u>\$ 971,433</u>			<u>\$ 971,433</u>	<u>\$ 840,018</u>			

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - FUNDED AND UNFUNDED  
ANALYSIS OF FUNDING OF IMPROVEMENT AUTHORIZATIONS AS ADOPTED**

	Funding Source					Total Authorizations
	Capital Improvement Fund	Municipal	Grants:			
		Open Space Trust Fund	Bergen County Open Space	Department of Transportation		
06-14: Various Municipal Improvements	\$ 362,814	\$ -	\$ -	\$ -	\$ 362,814	
07-14: Vehicle Reserve Funds	255,000	-	-	-	255,000	
09-14: Spruce St. and Highwood Ave Improvements	36,000	-	-	149,000	185,000	
10-14: Dairy Street Park Pavilion Project	-	90,000	28,619	-	118,619	
13-14: Witten Drive Firehouse Improvements	50,000	-	-	-	50,000	
	\$ 703,814	\$ 90,000	\$ 28,619	\$ 149,000	\$ 971,433	

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF CAPITAL LEASE PAYABLE**

Purpose	Original Issue		Maturities of Lease Outstanding		Interest Rate	Balance, December 31, 2013	Maturities Paid	Balance, December 31, 2014
	Date	Amount	As of December 31, 2014 Date	Amount				
Triple Combination Fire Truck	6/23/2006	\$ 330,478	n/a	n/a	n/a	\$ 47,744	\$ 47,744	\$ -
						\$ 47,744	\$ 47,744	\$ -

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE**

Purpose	Original Issue		Maturities of Loan Outstanding As of December 31, 2014			Balance, December 31,		Loans Issued	Decreased	Balance, December 31, 2014
	Date	Amount	Date	Trust Loan	Fund Loan	2013	2014			
NJEIT Trust Loan	5/21/2012	\$ 210,285	2/1/2015	-	5,215	\$ 482,031	\$	-	\$ 25,580	\$ 456,451
NJEIT Fund Loan	5/21/2012	307,735	8/1/2015	9,967	10,432					
		<u>\$ 518,020</u>	2/1/2016	-	5,216					
Erie Ave Sewer Abandonment, Ord. No. 12-09										
			8/1/2016	10,015	10,432					
			2/1/2017	-	5,215					
			8/1/2017	10,074	10,432					
			2/1/2018	-	5,216					
			8/1/2018	10,153	10,432					
			2/1/2019	-	5,215					
			8/1/2019	10,257	10,432					
			2/1/2020	-	5,216					
			8/1/2020	10,385	10,432					
			2/1/2021	-	5,215					
			8/1/2021	10,543	10,432					
			2/1/2022	-	5,216					
			8/1/2022	10,725	10,432					
			2/1/2023	-	5,215					
			8/1/2023	10,927	10,432					
			2/1/2024	-	5,216					
			8/1/2024	11,148	10,432					
			2/1/2025	-	5,215					
			8/1/2025	11,386	10,432					
			2/1/2026	-	5,216					
			8/1/2026	11,644	10,432					
			2/1/2027	-	5,215					
			8/1/2027	11,917	10,432					

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE**

Purpose	Original Issue		Maturities of Loan Outstanding As of December 31, 2014		Balance, December 31, 2013	Loans Issued	Decreased	Balance, December 31, 2014
	Date	Amount	Date	Trust Loan				
Erie Ave Sewer Abandonment, Ord. No. 12-09 (continued)			2/1/2028	\$ -	\$ 5,216			
			8/1/2028	12,261	10,432			
			2/1/2029	-	5,215			
			8/1/2029	12,624	10,432			
			2/1/2030	-	5,216			
			8/1/2030	13,007	10,432			
			2/1/2031	-	5,216			
			8/1/2031	13,410	10,432			
				190,443	266,008			
						\$ 482,031	\$ 25,580	\$ 456,451
						Payment of Principal	\$ 20,364	
						Principal Forgiveness	5,216	
							\$ 25,580	

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR SPECIFIC PROJECTS APPROPRIATED BY ORDINANCE**

Ordinance: Number and Description	Ordinance		Balance: December 31, 2013		Appropriated By Ordinance No. 07-14	Paid or Charged	Balance: December 31, 2014	
	Date	Amount	Reserved	Encumbered			Encumbered	Reserved
Acquisition of Fire Apparatus								
Ord No. 13-07	12/13/2007	\$ 50,000	\$ 350,000	\$ -	\$ 150,000	\$ 478,000	\$ -	\$ 22,000
Ord No. 11-08	11/06/2008	50,000						
Ord No. 07-10	08/12/2010	100,000						
Ord No. 05-11	06/23/2011	50,000						
Ord No. 05-12	06/28/2012	50,000						
Ord No. 03-13	03/28/2013	50,000						
Ord No. 07-14	05/08/2014	150,000						
Public Works Vehicles			16,068	-	100,000	66,565	1	49,502
Ord No. 11-08	11/06/2008	30,000						
Ord No. 07-10	08/12/2010	60,000						
Ord No. 05-11	06/23/2011	30,000						
Ord No. 05-12	06/28/2012	30,000						
Ord No. 03-13	03/28/2013	17,500						
Ord No. 07-14	05/08/2014	100,000						
Fire Chief Vehicle			10,000	-	5,000	-	-	15,000
Ord No. 05-12	06/28/2012	5,000						
Ord No. 03-13	03/28/2013	5,000						
Ord No. 07-14	05/08/2014	5,000						
Ladder Truck								
Ord No. 03-13	03/28/2013	25,000	25,000	-	-	25,000	-	-
			\$ 401,068	\$ -	\$ 255,000	\$ 569,565	\$ 1	\$ 86,502

**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Balance: December 31, 2013		\$ 227,879
Increased by Encumbered at Year End for:		
Improvement Authorizations	\$ 192,804	
Reserve for Specific Projects Appropriated by Ordinance	<u>1</u>	
		<u>192,805</u>
		420,684
Decreased by Prior Year Encumbrances Added Back to:		
Improvement Authorizations		<u>227,879</u>
Balance: December 31, 2014		<u><u>\$ 192,805</u></u>



**BOROUGH OF MIDLAND PARK  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance: December 31, 2013		\$ 167,010
Increased By:		
Current Year Budget Appropriation	\$ 617,814	
Rounding Adjustment	<u>1</u>	
		<u>617,815</u>
		784,825
Decreased by:		
Improvement authorizations		
Ord. 06-14: Various Municipal Improvements	362,814	
Ord. 07-14: Vehicle Reserve Funds	255,000	
Ord. 09-14: Spruce St. and Highwood Ave Improvements	36,000	
Ord. 13-14: Witten Drive Firehouse Improvements	<u>50,000</u>	
		<u>703,814</u>
Balance: December 31, 2014		<u><u>\$ 81,011</u></u>

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Description	Balance, December 31, 2013	Funded by Budget Appropriation	Balance December 31, 2014
12-09 Sewer Station Abandonment	<u>\$ 28,394</u>	<u>\$ 6,000</u>	<u>\$ 22,394</u>

# REPORT OF AUDIT

FINANCIAL SECTION:  
Other Supplementary Information -  
General Fixed Assets Schedules

Borough of Midland Park  
2014

**BOROUGH OF MIDLAND PARK  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2014 AND 2013**

**SCHEDULE OF GENERAL FIXED ASSETS**

	Balance, December 31, 2014	Balance, December 31, 2013
General Fixed Assets:		
Land	\$ 3,273,900	\$ 3,273,900
Buildings	3,568,587	3,568,587
Machinery and Equipment	3,583,963	3,583,963
Total General Fixed Assets	<u>\$ 10,426,450</u>	<u>\$ 10,426,450</u>
Investment in General Fixed Assets	<u>\$ 10,426,450</u>	<u>\$ 10,426,450</u>

**Exhibit D-1**

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY CLASS**

	Balance, December 31, 2013	Additions	Disposals	Balance, December 31, 2014
Land	\$ 3,273,900	\$ -	\$ -	\$ 3,273,900
Buildings	3,568,587	-	-	3,568,587
Machinery and Equipment	3,583,963	-	-	3,583,963
	<u>\$ 10,426,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,426,450</u>

# REPORT OF AUDIT

## STATISTICAL SECTION

Borough of Midland Park  
2014

Table 1

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF GOVERNMENTAL EXPENDITURES\*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	\$ 619,600	\$ 618,500	\$ 847,275	\$ 735,582	\$ 680,000	\$ 702,695	\$ 644,400	\$ 780,600	\$ 780,639	\$ 727,589
Land-Use Administration	54,500	92,000	75,000	76,950	71,000	51,000	51,000	47,000	44,000	44,000
Uniform Construction Code	58,500	53,000	73,000	65,000	65,500	66,000	65,500	147,500	144,600	149,500
Insurance	786,750	889,000	988,500	976,500	936,900	941,299	970,450	1,092,855	1,136,245	1,151,000
Public Safety	1,628,539	1,682,622	1,714,393	1,689,318	1,730,164	1,757,605	1,987,040	2,133,398	2,016,598	1,994,898
Public Works	970,659	984,791	1,038,087	1,067,136	1,121,391	1,127,796	1,166,132	1,136,020	1,130,836	1,165,384
Health & Human Services	58,200	59,200	59,200	66,200	64,300	59,265	60,680	63,205	63,140	63,940
Parks & Recreation	132,500	140,620	144,175	154,375	177,817	194,356	187,931	169,356	180,277	164,426
Education (incl. Library)	466,159	456,000	471,956	455,000	455,000	455,000	455,000	455,000	455,000	455,000
Unclassified	7,000	6,000	16,000	16,000	21,000	22,800	10,000	8,500	8,500	6,000
Utilities & Bulk Purchases	1,325,500	1,332,000	1,357,500	1,434,000	1,477,500	1,540,500	1,573,600	1,620,500	1,562,900	1,558,900
Landfill/Solid Waste Disposal	305,559	308,733	327,381	328,775	346,172	310,987	336,561	300,000	313,298	234,689
Statutory Expenditures	252,000	318,000	430,000	533,000	574,000	595,000	655,327	619,650	649,798	674,876
Judgments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Shared Services	350,800	377,100	372,300	404,236	410,500	434,300	508,911	446,000	438,358	650,908
Court and Public Defender	79,000	81,000	76,000	79,288	79,500	94,500	50,500	52,000	54,500	55,500
Capital Improvements	550,000	800,000	550,000	525,000	525,000	475,000	450,000	343,300	414,000	617,814
Debt Service	-	17,500	55,000	50,000	50,000	50,000	49,759	49,759	79,242	79,242
Deferred Charges	41,000	5,566		36,000	36,000	36,000	36,000	36,502		6,000
Reserve For Uncollected Taxes	490,000	500,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total	\$ 8,181,266	\$ 8,726,632	\$ 9,150,767	\$ 9,247,360	\$ 9,376,744	\$ 9,469,103	\$ 9,813,791	\$ 10,056,145	\$ 10,026,931	\$ 10,354,666

2007 Includes a special emergency appropriation passed during the year ended December 31, 2007 for revaluation costs. It is included in General Government.

\* Refers to Current Fund Appropriation after Modifications.

Table 2

**BOROUGH OF MIDLAND PARK**  
**STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF GOVERNMENTAL REALIZED REVENUES

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Current Taxes (1)	\$ 5,862,054	\$ 6,141,463	\$ 6,357,449	\$ 6,505,640	\$ 6,529,882	\$ 6,673,495	\$ 6,839,630	\$ 6,888,251	\$ 7,201,030	\$ 7,485,895
Delinquent Taxes	174,655	166,235	192,553	306,006	249,976	335,608	367,485	346,820	292,048	283,297
Local Revenues (2)	805,700	1,019,041	989,943	721,087	625,228	743,970	832,877	837,121	770,303	880,594
State Aid	849,414	849,114	864,537	704,870	687,249	546,706	546,706	546,706	546,706	546,706
State & Fed. Grants	107,719	43,304	59,045	43,048	80,044	72,577	53,774	24,971	40,127	36,905
Surplus Anticipated	1,000,000	1,250,000	1,200,000	1,350,000	1,425,000	1,500,000	1,523,907	1,661,734	1,500,000	1,500,000
Non Budget Revenues & Other Items (3)	586,343	823,508	875,995	981,467	1,144,599	1,033,618	1,010,336	1,162,419	1,477,021	1,105,419
Total	\$ 9,385,885	\$ 10,292,665	\$ 10,539,522	\$ 10,612,118	\$ 10,741,978	\$ 10,905,974	\$ 11,174,715	\$ 11,468,022	\$ 11,827,235	\$ 11,838,816

(1) Includes taxes levied for municipal and library purposes.

Does not include collections of County, School District and Open Space Taxes. These items pass through operations before they are remitted to the appropriate agency at 100% funding.

(2) Includes Licenses, Fees, Permits, Fines and Costs, Interest on Deposits and Taxes, Cell Tower and Franchise Fees Shared Service Agreements and Other Special Items.

(3) Includes Miscellaneous Revenues not Anticipated, PILOT Fees not Anticipated, Lapsed Appropriation Reserves and Other Credits to Income.

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

COMPARISON OF SOURCE AND DISPOSITION OF CURRENT FUNDS

	Year Ended December 31, 2013		Year Ended December 31, 2014	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Fund Balance Utilized	\$ 1,500,000	4.51%	\$ 1,500,000	4.59%
Miscellaneous Revenue Anticipated	1,357,136	4.08%	1,464,205	4.48%
Receipts from Delinquent Taxes	292,048	0.88%	283,297	0.87%
Receipts from Current Taxes	28,619,203	86.08%	28,326,286	86.68%
Miscellaneous Revenue Not Anticipated	247,473	0.74%	228,649	0.70%
Other Credits to Income	1,229,548	3.70%	876,770	2.68%
	<u>33,245,408</u>	<u>100.00%</u>	<u>32,679,207</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	9,471,715	30.09%	9,799,450	31.39%
School, County and Special Improvement				
District Taxes	21,968,173	69.80%	21,390,391	68.53%
Other Charges	34,600	0.11%	24,561	0.08%
	<u>31,474,488</u>	<u>100.00%</u>	<u>31,214,402</u>	<u>100.00%</u>
Change in Operations, net of Surplus Utilized	1,770,920		1,464,805	
Fund Balance, January 1	<u>2,319,713</u>		<u>2,590,633</u>	
	4,090,633		4,055,438	
Utilized as Anticipated Revenue	<u>1,500,000</u>		<u>1,500,000</u>	
Fund Balance, December 31	<u>\$ 2,590,633</u>		<u>\$ 2,555,438</u>	

**Table 4**

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

**TEN-YEAR HISTORY OF TAX RATE AND APPORTIONMENT OF TAX RATE**  
(per \$100 of assessed valuation)

<u>Year Ended</u>	<u>Total Tax Rate</u>	<u>Municipal**</u>	<u>County*</u>	<u>Local School</u>
Dec. 31, 2014	2.691	0.685	0.251	1.755
Dec. 31, 2013	2.719	0.647	0.259	1.813
Dec. 31, 2012 (1)	2.571	0.640	0.244	1.687
Dec. 31, 2011	3.136	0.777	0.319	2.040
Dec. 31, 2010	3.057	0.763	0.295	1.999
Dec. 31, 2009	2.959	0.743	0.295	1.921
Dec. 31, 2008	2.854	0.723	0.285	1.846
Dec. 31, 2007	2.782	0.703	0.286	1.793
Dec. 31, 2006	2.669	0.681	0.254	1.734
Dec. 31, 2005	2.538	0.656	0.243	1.639

\* Includes County Open Space.

\*\*Includes Municipal Open Space, except 2013 where no open space tax was levied. Includes Minimum Library Tax beginning with (1) First year of property revaluation.

**Table 5**

**TEN-YEAR HISTORY OF DELINQUENT TAXES AND TAX TITLE LIENS**

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
Dec. 31, 2014	\$ 21,134	\$ 256,799	\$ 277,933	0.97%
Dec. 31, 2013	20,001	286,277	306,278	1.06%
Dec. 31, 2012	18,856	283,683	302,539	1.11%
Dec. 31, 2011	17,774	386,068	403,842	1.49%
Dec. 31, 2010	16,918	420,017	436,935	1.65%
Dec. 31, 2009	16,083	341,585	357,668	1.40%
Dec. 31, 2008	15,275	249,976	265,251	1.07%
Dec. 31, 2007	14,496	303,827	318,323	1.32%
Dec. 31, 2006	13,734	189,524	203,258	0.89%
Dec. 31, 2005	11,070	162,392	173,462	0.80%



**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF TAX LEVIES AND COLLECTIONS

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Collection Percentage</u>
Dec. 31, 2014	\$ 28,597,747	\$ 28,336,536	99.09%
Dec. 31, 2013	28,908,840	28,660,188	99.14%
Dec. 31, 2012	27,334,700	27,045,045	98.94%
Dec. 31, 2011	27,088,189	26,728,989	98.67%
Dec. 31, 2010	26,437,846	26,031,136	98.46%
Dec. 31, 2009	25,608,902	25,248,344	98.59%
Dec. 31, 2008	24,724,113	24,508,394	99.13%
Dec. 31, 2007	24,065,715	23,837,195	99.05%
Dec. 31, 2006	22,945,571	22,815,272	99.43%
Dec. 31, 2005	21,717,168	21,655,835	99.72%

Table 7

TEN-YEAR HISTORY OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

<u>As of</u>	<u>Amount</u>
Dec. 31, 2014	\$ -
Dec. 31, 2013	-
Dec. 31, 2012	-
Dec. 31, 2011	-
Dec. 31, 2010	27,300
Dec. 31, 2009	27,300
Dec. 31, 2008	27,300
Dec. 31, 2007	27,300
Dec. 31, 2006	27,300
Dec. 31, 2005	27,300

Table 8

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

**TEN-YEAR HISTORY OF PERCENTAGE OF  
NET ASSESSED VALUATION TO ESTIMATED FULL CASH VALUATIONS**

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percent of Net Assessed Value to Estimated Full Cash Valuation
2014	\$ 1,061,436,400	\$ 1,151,607,247	92.17%
2013	1,060,725,200	1,129,873,455	93.88%
2012 (1)	1,062,812,959	1,183,668,599	89.79%
2011	863,221,213	1,253,943,289	68.84%
2010	863,927,458	1,309,827,995	65.96%
2009	865,457,967	1,312,090,839	65.96%
2008	865,993,258	1,324,971,905	65.36%
2007	862,570,429	1,268,714,041	67.99%
2006	859,384,669	1,168,930,256	73.52%
2005	855,006,629	1,038,401,097	82.34%

(1) First year of property revaluation.

Table 9

**TEN-YEAR COMPARISON OF SURPLUS**

Year	Current Fund	Capital Fund	Trust Funds
2014	\$ 2,555,438	\$ -	\$ -
2013	2,590,633	-	-
2012	2,319,713	-	-
2011	2,668,888	-	-
2010	2,861,630	-	-
2009	2,980,700	30,225	-
2008	3,200,409	30,225	-
2007	3,194,161	-	-
2006	2,828,703	-	-
2005	2,540,225	-	-

Table 10

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF RATIO OF ANNUAL DEBT SERVICE\* TO OPERATING EXPENDITURES AND REVENUES

Year	Debt Service Requirements			Total Budget (1) Appropriations	Ratio of Debt Service to Current Fund Expenditures	Total Realized Budget Revenues	Ratio of Debt Service to Current Fund Revenue
	Principal	Interest	Total				
2014	\$ 68,108	\$ 5,918	\$ 74,026	\$ 10,349,450	0.72%	\$ 10,733,397	0.69%
2013	66,151	7,875	74,026	10,021,715	0.74%	10,350,214	0.72%
2012	43,956	5,803	49,759	10,056,145	0.49%	10,305,603	0.48%
2011	42,176	7,583	49,759	9,813,791	0.51%	10,164,379	0.49%
2010	40,468	9,290	49,758	9,469,103	0.53%	9,872,356	0.50%
2009	38,829	10,929	49,758	9,376,744	0.53%	9,597,379	0.52%
2008	37,257	12,501	49,758	9,247,360	0.54%	9,630,651	0.52%
2007	34,238	15,521	49,759	9,150,767	0.54%	9,663,527	0.51%
2006	-	17,500	17,500	8,726,632	0.20%	9,469,157	0.18%
2005	-	-	-	8,181,266	0.00%	8,799,542	0.00%

(1) Budget After Modification less unexpended balances cancelled.

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)  
AS OF DECEMBER 31, 2014**

COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT

(Three Year) Average Equalized Valuation	<u><u>\$ 1,155,049,767</u></u>
Debt Limit - 3.5% of Average Equalized Valuation	\$ 40,426,742
Net Debt	<u>478,845</u>
Remaining Borrowing Power	<u><u>\$ 39,947,897</u></u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 11,810,000	\$ 11,810,000	\$ -
Municipal Debt	<u>478,845</u>	<u>-</u>	<u>478,845</u>
Total	<u><u>\$ 12,288,845</u></u>	<u><u>\$ 11,810,000</u></u>	<u><u>\$ 478,845</u></u>

Overlapping Debt:

County of Bergen (December 31, 2014)	\$ 10,377,205
Bergen County Improvement Authority (December 31, 2013)	115,209
Midland Park Board of Education (June 30, 2013)	<u>11,810,000</u>
	<u><u>\$ 22,302,415</u></u>

Table 12

**BOROUGH OF MIDLAND PARK**  
**STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF RATIO OF BONDED AND BONDABLE DEBT TO EQUALIZED VALUE AND DEBT PER CAPITA

Year	Population (1)	Average Equalized Valuation (2)	Gross Debt	Gross Debt Per Capita	Ratio of Gross Bondable Debt to Equalized Valuation	Net Bondable Debt	Ratio of Net Bondable Debt to Equalized Valuation	Net Bondable Debt per Capita
2014	7,128	\$ 1,155,049,767	\$ 12,288,845	\$ 1,724	1.06%	\$ 478,845	0.04%	\$ 67
2013	7,128	1,189,161,781	4,145,425	582	0.35%	510,425	0.04%	\$ 72
2012	7,128	1,249,146,628	4,539,568	637	0.36%	589,568	0.05%	83
2011	7,128	1,288,419,269	5,108,055	717	0.40%	600,000	0.05%	84
2010	7,128	1,309,889,628	5,562,345	780	0.42%	600,000	0.05%	84
2009	6,763	1,312,090,839	5,822,345	861	0.44%	600,000	0.05%	89
2008	6,763	1,324,971,905	5,472,345	809	0.41%	-	0.00%	-
2007	6,776	1,268,714,041	6,129,357	905	0.48%	417,012	0.03%	62
2006	6,789	1,168,691,280	6,272,823	924	0.54%	451,250	0.04%	66
2005	6,856	1,032,481,336	11,257,482	1,642	1.09%	-	0.00%	-

Included above is all debt as required by N.J.S.A. 40A:4-20.

Capital Lease Obligations are not included in the amounts above.

- (1) Year 2005-2009 data provided by estimated revisions of 2000 U.S. Bureau of Census data per the State of New Jersey Department of Labor and Workforce Development, as of July 1 of that year.  
Year 2010-2014 is based on 2010 census data provided by U.S. Bureau of Census.

- (2) Per the New Jersey Division of Local Government Services

**BOROUGH OF MIDLAND PARK  
STATISTICAL SECTION (UNAUDITED)**

TEN-YEAR HISTORY OF UNEMPLOYMENT STATISTICS

Year	Unemployment Rate (%)		
	Borough	County	State
2014	4.5%	not available	5.8%
2013	4.5%	7.1%	8.2%
2012	3.5%	8.1%	9.5%
2011	3.5%	7.9%	9.1%
2010	3.7%	8.3%	9.4%
2009	3.4%	7.9%	10.7%
2008	1.9%	4.5%	7.2%
2007	1.4%	3.4%	4.2%
2006	1.6%	3.9%	4.6%
2005	1.6%	3.7%	4.2%

2014 Per the U.S. Bureau of Labor Statistics (website)

2005-2013 Per the State of New Jersey Department of Labor and Workforce Development (website)  
Report entitled: *"NJ Annual Average Labor Force Estimates by Municipality"*

Table 14

MISCELLANEOUS STATISTICS

Date of Incorporation	1894
Form of Government	Borough
Area in Square Miles	1.7
Miles of Streets:	
Municipal	21.83
County	4.2

# REPORT OF AUDIT

## INTERNAL CONTROL AND COMPLIANCE SECTION

Borough of Midland Park  
2014

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Midland Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the combined balance sheets – regulatory basis and statement of revenues, expenditures and changes in fund balance – regulatory basis, of each fund and General Fixed Assets, and the statement of revenues, expenditures and changes in fund balance – regulatory basis – budgetary comparison of the Borough of Midland Park, New Jersey (the "Borough") as of and for the year ended December 31, 2014 (with comparative totals for December 31, 2013), and the related notes to the financial statements, which collectively comprise the Borough's combined basic financial statements, and have issued our report thereon dated June 12, 2015.

As described in Note A, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



## **Internal Control over Financial Reporting**

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

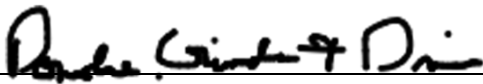
Our consideration of internal was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, the results of our tests instances of noncompliance or other matters that are required to be reported under audit requirements prescribed by the Division and which are described in the accompanying "Comments and Recommendations" as Findings 1 through 4 on page 148 through 153.

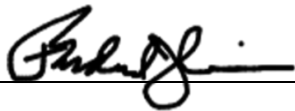
## Purpose of this Report

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



DONOHUE, GIRONDA & DORIA

Certified Public Accountants



FREDERICK J. TOMKINS

Registered Municipal Accountant No. 327

Bayonne, New Jersey

June 12, 2015

**BOROUGH OF MIDLAND PARK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Department and Program	Federal CFDA Number	State Account Number	Grant Period		Program or Award Amount	Funds Received	Funds Available: Dec. 31, 2013		Current Year Appropriations	Expended in Current Year	Program Income/ Transfers	Funds Available: Dec. 31, 2014		Cumulative Expenditures
			From	To			Reserved	Encumbered				Encumbered	Reserved	
<b>U.S. Department of Housing and Urban Development</b>														
Passed Through County of Bergen														
Community Development Block Grant (CDBG)														
	14.218	*	01/01/2013	12/31/2013	\$ 44,000	\$ -	\$ 44,000	\$ -	\$ -	\$ 20,707	\$ -	\$ -	\$ 23,293	\$ 20,707
<b>Total U.S. Department of Housing and Urban Development</b>														
						\$ -	\$ 44,000	\$ -	\$ -	\$ 20,707	\$ -	\$ -	\$ 23,293	
<b>U.S. Department of Justice</b>														
Bulletproof Vest Partnership														
	16.607	*	01/01/2011	12/31/2011	\$ 2,831	\$ 381	\$ -	\$ -	\$ 381	\$ 344	\$ -	\$ -	\$ 37	\$ 2,794
<b>U.S. Department of Transportation</b>														
Passed through New Jersey Department of Transportation														
Highway Planning and Construction														
Municipal Aid Program:														
	20.205	6320-480	01/01/2013	12/31/2014	\$ 299,000	\$ -	\$ 150,000	\$ -	\$ 149,000	\$ -	\$ -	\$ 6,600	\$ 292,400	\$ 6,600
NJ Transportation Trust Fund - Local Aid Infrastructure Fund Program														
	20.205	6320-480	01/01/2012	12/31/2012	90,000	-	79,231	5,666	-	1,650	-	5,666	77,581	12,419
<b>Total U.S. Department of Transportation</b>														
						\$ -	\$ 229,231	\$ 5,666	\$ 149,000	\$ 1,650	\$ -	\$ 12,266	\$ 369,981	
<b>U.S. Department of Homeland Security</b>														
Passed through New Jersey Department of Laws and Public Safety														
Public Assistance Grants														
	97.036	1200-100-A57	01/01/2010	12/31/2010	\$ 34,500	\$ -	\$ 1,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,725	\$ 32,775
<b>Total U.S. Department of Homeland Security</b>														
						\$ -	\$ 1,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,725	
<b>GRAND TOTAL FEDERAL AWARDS</b>														
						\$ 381	\$ 274,956	\$ 5,666	\$ 149,381	\$ 22,701	\$ -	\$ 12,266	\$ 395,036	

\* Not Available

**BOROUGH OF MIDLAND PARK  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

State Department and Program	State Account Number/ Grant Number	Grant Period		Program or Award Amount	Funds Received	Funds Available: Dec. 31, 2013		Current Year Appropriations	Expended in Current Year	Cancelled	Funds Available: Dec. 31, 2014		Cumulative Expenditures
		From	To			Reserved	Encumbered				Encumbered	Reserved	
State Grants													
Department of Community Affairs													
Clean Communities Program	178910	01/01/2013	12/31/2013	\$ 12,726	\$ -	\$ 9,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,939	\$ 2,787
Clean Communities Program	4900-765-004	01/01/2010	12/31/2010	11,146	-	11,146	-	-	3,077	-	-	8,069	3,077
Clean Communities Program	4900-765-004	01/01/2011	12/31/2011	11,017	-	11,017	-	-	-	-	-	11,017	-
Clean Communities Program	4900-765-004	01/01/2012	12/31/2012	10,839	-	10,839	-	-	-	-	-	10,839	-
Clean Communities Program	178910	01/01/2014	12/31/2014	11,934	11,934	-	-	11,934	-	-	-	11,934	-
Clean Communities Program - Recreation	4900-765-004	01/01/2008	12/31/2008	275	-	146	-	-	-	-	-	146	129
Recreation for Individuals with Disabilities	8050-100-035	01/01/2010	12/31/2010	8,900	11,934	43,087	-	11,934	3,077	-	-	51,944	8,900
Total Department of Community Affairs					\$ 11,934	\$ 43,655	\$ -	\$ 11,934	\$ 3,077	\$ (568)	\$ -	\$ 51,944	
Department of State													
Polling Places Accessibility	*	01/01/2006	12/31/2006	\$ 20,000	\$ -	\$ 5,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,015	\$ 14,985
Department of Law and Public Safety													
Body Armor Fund	090160	01/01/2012	12/31/2012	\$ 1,726	\$ -	\$ 1,726	\$ -	\$ -	\$ 758	\$ -	\$ 968	\$ -	\$ 1,726
Body Armor Fund	1020-718-001	01/01/2012	12/31/2012	1,608	-	344	-	-	344	-	-	-	1,608
Body Armor Fund	68280	01/01/2013	12/31/2013	1,984	-	-	-	1,984	1,984	-	-	-	-
Body Armor Fund	090160	01/01/2014	12/31/2014	1,681	1,681	-	-	1,681	-	-	-	1,681	-
Drunk Driving Enforcement - OT	*	07/01/2012	06/30/2013	2,168	-	743	-	-	743	-	-	-	2,168
Drunk Driving Enforcement - OT	*	07/01/2013	06/30/2014	2,500	-	2,500	-	-	788	-	165	1,547	953
Drunk Driving Enforcement - OT	*	07/01/2013	06/30/2014	1,360	-	-	-	1,360	-	-	-	1,360	(1,360)
State/Local All Hazards Emerg. Operations Planning	*	01/01/2004	12/31/2004	1,252	-	1,252	-	-	-	-	-	1,252	-
Total Department of Law and Public Safety					\$ 1,681	\$ 6,565	\$ -	\$ 5,025	\$ 4,617	\$ -	\$ 1,133	\$ 5,840	
Other State Grants													
Municipal Recycling Assistance	042-4900-752-001	01/01/2008	12/31/2008	\$ 3,774	\$ -	\$ 194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194	\$ 3,580
Municipal Recycling Assistance	042-4900-752-001	01/01/2009	12/31/2009	14,283	-	9,885	-	-	2,945	-	-	6,940	7,343
Municipal Recycling Assistance	042-4900-752-001	01/01/2010	12/31/2010	11,922	-	11,922	-	-	-	-	-	11,922	-
Municipal Recycling Assistance	042-4900-752-001	01/01/2011	12/31/2011	14,639	-	14,639	-	-	-	-	-	14,639	-
Municipal Recycling Assistance	178810	01/01/2012	12/31/2012	13,298	-	13,298	-	-	-	-	-	13,298	-
Municipal Recycling Assistance	178810	01/01/2013	12/31/2013	9,689	-	-	-	9,689	-	-	-	9,689	-
Municipal Recycling Assistance	238490	01/01/2014	12/31/2014	10,707	10,707	-	-	-	-	-	-	-	10,707
N.J. Administrative Office of the Courts					10,707	49,938	-	9,689	2,945	-	-	56,682	
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	*	01/01/2006	12/31/2006	\$ 568	\$ -	\$ 277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277	\$ 291
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	*	01/01/2007	12/31/2007	118	-	118	-	-	-	-	-	118	-
					\$ -	\$ 395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395	

**BOROUGH OF MIDLAND PARK**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

State Account Number/ Grant Number	State Department and Program	Grant Period		Program or Award Amount	Funds Received	Funds Available: Dec. 31, 2013		Current Year Appropriations	Expended in Current Year	Cancelled	Funds Available: Dec. 31, 2014		Cumulative Expenditures
		From	To			Reserved	Encumbered				Encumbered	Reserved	
<b>Other State Grants (continued)</b>													
	Subtotal Other State Grants				\$ 10,707	\$ 50,333	\$ -	\$ 9,689	\$ 2,945	\$ -	\$ -	\$ 57,077	
	Passed Through County of Bergen				1,829	-	-	9,876	4,818	-	-	5,058	4,818
*	Municipal Alliance - Drug Elimination	01/01/2014	12/31/2014	\$ 9,876									
	<b>Total Other State Grants</b>				<u>\$ 12,536</u>	<u>\$ 50,333</u>	<u>\$ -</u>	<u>\$ 19,565</u>	<u>\$ 7,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,135</u>	
	GRAND TOTAL STATE FINANCIAL ASSISTANCE				\$ 26,151	\$ 105,568	\$ -	\$ 36,524	\$ 15,457	\$ (568)	\$ 1,133	\$ 124,934	

\* Not Available

**BOROUGH OF MIDLAND PARK**  
**SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

Source and Program	Grant Number	Grant Period		Program or Award Amount	Funds Received	Funds Available: Dec. 31, 2013		Current Year Appropriations	Expended in Current Year	Adjusted / Cancelled	Funds Available: Dec. 31, 2014		Cumulative Expenditures
		From	To			Reserved	Encumbered				Encumbered	Reserved	
Other Grants													
County of Bergen Grants													
Bergen County Open Space:													
Dairy Street Playground - Additional	*	01/01/2013	12/31/2013	\$ 75,000	\$ -	\$ 868	\$ 74,132	\$ -	\$ 74,132	\$ -	\$ -	\$ 868	\$ 74,132
Dairy Street Playground Improvements	*	01/01/2010	12/31/2010	100,214	-	-	-	-	-	-	-	-	100,214
Dairy Street Pavilion Project	*	01/01/2014	12/31/2014	28,619	-	-	-	28,619	-	-	-	28,619	-
Wortendyke Park Lighting Project	*	01/01/2011	12/31/2011	32,750	32,440	-	14,819	-	14,819	-	-	-	32,750
					32,440	868	88,951	28,619	88,951	-	-	29,487	
Private Contributions													
DePhilips Foundation:													
Veterans' Memorial Plaza	*	01/01/2005	12/31/2005	150	-	150	-	-	-	-	-	150	-
Night Vision Equipment	*	01/01/2007	12/31/2007	2,000	-	2,000	-	-	-	-	673	1,327	673
Sound Recording Equipment	*	01/01/2007	12/31/2007	7,000	-	7,000	-	-	-	-	-	7,000	-
Fire Department Equipment	*	01/01/2009	12/31/2009	492	-	492	-	-	492	-	-	-	492
Ambulance Corp Equipment	*	01/01/2009	12/31/2009	401	-	401	-	-	-	-	-	401	-
					-	10,043	-	-	492	-	673	8,878	-
TOTAL OTHER ASSISTANCE													
					\$ 32,440	\$ 10,911	\$ 88,951	\$ 28,619	\$ 89,443	\$ -	\$ 673	\$ 38,365	
Not Available													

\* Not Available

**BOROUGH OF MIDLAND PARK**  
**NOTES TO SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE A. GENERAL**

The Borough of Midland Park (the “Borough”), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The Borough is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the Borough.

Reporting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state grant programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the Schedule of Expenditures of Federal Awards. All state awards received directly from state agencies or passed through other government agencies are included on the Schedule of expenditures of State Financial Assistance.

The information in these schedules are presented in accordance with the requirements of U.S. OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the provisions of the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Federal awards provided to sub-recipients are treated as expenditures when paid.

**NOTE B. BASIS OF ACCOUNTING**

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). 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 federal awards and state financial assistance through the following accounting practices which differ from those required by accounting principles generally accepted in the United States of America.

The Borough, in accordance with the Division’s directives, fully realizes revenues and charges appropriations when grants are adopted by the governing body in the budget of its Current Fund. The revenues are charged and the receivable accounted for in the Current Fund in separate schedules. Appropriations are charged and the amount allotted for spending is accounted for as an appropriated reserve. Programs within the General Capital Fund and various Trust Funds are accounted for within the equivalent revenue accounts for those respective funds. Expenditures are measured from payments charged directly to specific grant programs.

**BOROUGH OF MIDLAND PARK**  
**NOTES TO SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE B. BASIS OF ACCOUNTING (continued)**

**Local Contributions** – Local matching contributions are required by certain federal and state grants. The amount of percentage of matching contributions varies with each program. Local matching contributions are raised in the Current Fund budget.

**NOTE C. REPORTING ENTITY**

The Borough, for purposes of the Schedule of Expenditures of Federal Awards and State Financial Assistance, includes all the funds of the primary government, but does not include component units, in accordance with accounting practices prescribed by the Division.

**NOTE D. PASS-THROUGH AWARDS**

The Borough receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified.

**NOTE E. CONTINGENCIES**

Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable laws and regulations. Federal and state grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

**NOTE F. MONITORING OF SUBRECIPIENTS**

Under the requirements of the Single Audit Act and State regulations, if the Borough, as a primary recipient, receives federal and state financial assistance and provides \$500,000 or more of such assistance to a subrecipient in a fiscal year, the Borough is responsible for determining that the expenditures of federal and state monies passed-through to subrecipients are utilized in accordance with applicable laws and regulations.

**NOTE G. NO SINGLE AUDIT REQUIRED**

The Borough did not expend \$500,000 or more in federal or state funds, and is therefore not subject to a single audit in accordance with U.S. OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the provisions of the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*.



**BOROUGH OF MIDLAND PARK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

NONE NOTED

**BOROUGH OF MIDLAND PARK  
GENERAL COMMENTS**

**DECEMBER 31, 2014**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET. SEQ.**

N.J.S.A. 40A:11-3 states “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 or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to 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 a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000 or the threshold amount adjusted by the Governor pursuant to subsection c. of this section. 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.” The current threshold amount as adjusted by the Governor is \$36,000, however, the Borough has not appointed a Qualified Purchasing Agent and is therefor subject to a bid threshold of \$17,500.

N.J.S.A. 40A:11-4 states “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.” The governing body of the Borough has the responsibility of determining whether the expenditures in any category will exceed \$17,500 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of Borough Counsel should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

- Repair of Vehicle Electrical Systems and Equipment
- Borough Hall ADA Bathroom Project
- Library Front Stair Renovation Project
- Fire House Alterations
- Repair of Public Works and Fire Department Vehicles
- Repair of Emergency Vehicles

**BOROUGH OF MIDLAND PARK  
GENERAL COMMENTS**

**DECEMBER 31, 2014**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET. SEQ. (continued)**

Inasmuch as the system of records did not provide for an accumulation by categories of payments for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not be reasonably ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

**CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6 AND 40A:11-12**

N.J.S.A. 40A:11-12 states: "Any contracting unit under this act [the Borough] may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefore, purchase any goods or services under any contract or contracts for such goods or services entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury." When utilizing state contracts, as the contracts are commonly referred to, the Borough is required to place its order with the vendor offering the lowest price, including delivery charges, that best meets the Borough's requirements, and is also required to document such with specificity prior to placing the order.

The minutes indicate that no resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "state contracts" per N.J.S.A. 40A:11-12.

N.J.S.A. 40A:11-5(1)(a)(i) states: "Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor and shall be awarded by resolution of the governing body if the subject matter thereof consists of professional services. The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk."

**BOROUGH OF MIDLAND PARK  
GENERAL COMMENTS**

**DECEMBER 31, 2014**

**CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR  
BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (continued)**

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “professional services” per N.J.S.A. 40A:11-5 as follows:

- Engineering Services
- Legal Services
- Grant Consulting Services
- Professional Planning Services
- Audit Services

N.J.S.A. 40A:11-5(2) states: “Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor and shall be awarded by resolution of the governing body if it is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any board, body, officer, agency or authority thereof or any other state or subdivision thereof.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “government agency contracts” per N.J.S.A. 40A:11-5(2) as follows:

- Department of Health Services, Training and Vaccinations

N.J.S.A. 40A:11-6 states: “Any contract may be negotiated or awarded for a contracting unit without public advertising for bids and bidding therefor, notwithstanding that the contract price will exceed the bid threshold, when an emergency affecting the public health, safety or welfare requires the immediate delivery of goods or the performance of services; provided that the awarding of such contracts is made in the following manner: (a) The official in charge of the agency wherein the emergency occurred, or such other officer or employee as may be authorized to act in place of that official, shall notify the purchasing agent, a supervisor of the purchasing agent, or a designated representative of the governing body, as may be appropriate to the form of government, of the need for the performance of a contract, the nature of the emergency, the time of its occurrence and the need for invoking this section. If that person is satisfied that an emergency exists, that person shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs. Such notification shall be reduced to writing and filed with the purchasing agent as soon as practicable. (b) Upon the furnishing of such goods or services, in accordance with the terms of the contract, the contractor furnishing such goods or services shall be entitled to be paid therefor and the contracting unit shall be obligated for said payment. The governing body of the contracting unit shall take such action as shall be required to provide for the payment of the contract price.”

**BOROUGH OF MIDLAND PARK  
GENERAL COMMENTS**

**DECEMBER 31, 2014**

**CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (continued)**

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “emergency contracts” per N.J.S.A. 40A:11-6 as follows:

- Remediation of Sinkhole on Rae Avenue

**CONTRACTS AND AGREEMENTS ENTERED INTO BY JOINT AGREEMENTS FOR THE PROVISION OF GOODS AND SERVICES PER N.J.S.A. 40A:11-10**

N.J.S.A. 40A:11-10(a)(1) states “ The governing bodies of two or more contracting units may provide by joint agreement for the provision and performance of goods and services for use by their respective jurisdictions...(c) Such agreement shall be entered into by resolution adopted by each of the participating bodies and boards, which shall set forth the categories of goods or services to be provided or performed, the manner of advertising for bids and of awarding of contracts, the method of payment by each participating body and board, and other matters deemed necessary to carry out the purposes of the agreement. (d) Each participating body's and board's share of expenditures for purchases under any such agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as for other expenses of the participating body and board.”

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for “cooperative pricing systems contracts” per N.J.S.A. 40A:11-10 as follows:

- Two Chevrolet Tahoes and Vehicle Equipment and Changeover Costs

**EXPENDITURE LESS THAN BID THRESHOLD, BUT 15% OR MORE OF THAT AMOUNT PER N.J.S.A. 40A:11-6.1**

N.J.S.A. 40A:11-6.1 states: “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable.” The Borough advised us that quotations were, for the most part, solicited for items, the cost of which was \$2,625 or more, within the terms of N.J.S.A. 40A:11-6.1.

**BOROUGH OF MIDLAND PARK  
GENERAL COMMENTS**

**DECEMBER 31, 2014**

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

Statutes provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

“In all cases, interest shall be calculated and charged at the rates of 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any delinquent amounts in excess of \$1,500, to be calculated from the date upon which the taxes first became due and payable to the date that the payment is actually received.”

In all instances tested, the collector’s records indicate that interest was collected in accordance with the foregoing resolution.

**DELINQUENT TAXES AND TAX TITLE LIENS**

The Borough held its annual tax sale on April 11, 2014. As a result of this sale, there were no additional municipally held liens obtained by the Borough.

The following comparison is made of the number of tax title liens receivable for the most recent five fiscal years:

<u>Year</u>	<u>Number of Liens</u>
December 31, 2014	2
December 31, 2013	2
December 31, 2012	2
December 31, 2011	2
December 31, 2010	2

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.

**BOROUGH OF MIDLAND PARK  
COMMENTS AND RECOMMENDATIONS**

**DECEMBER 31, 2014**

**Finding 1:** Currently, the Borough backs up its financial data nightly with alternating tapes which are stored in a fire-proof safe. The safe is located in the same building as the primary data is created. A sound disaster recovery policy would require off-site backup of the Borough's financial data.

**Recommendation:** The Borough should consider off-site storage and backup of its financial data.

\*\*\*\*\*

**Corrective Action**

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

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