

BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2014

BOROUGH OF DUMONT

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BOROUGH OF DUMONT

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2014



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Dumont, as of December 31, 2014 and 2013, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2014, 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 accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the Borough of Dumont on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey for municipal government entities.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the requirement that the Borough of Dumont prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Dumont as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 57 percent and 59 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Dumont as of December 31, 2014 and 2013, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the Current Fund for the year ended December 31, 2014 in accordance with the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

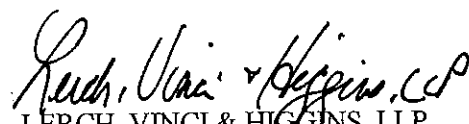
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Dumont as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Dumont.


The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2015 on our consideration of the Borough of Dumont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Dumont's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
June 26, 2015

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013

ASSETS	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash	A-4	\$ 3,426,357	\$ 3,009,132
Change Fund	A-6	<u>250</u>	<u>250</u>
		<u>3,426,607</u>	<u>3,009,382</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	733,400	503,103
Tax Title Lien	A-9	5,706	5,013
Property Acquired for Taxes	A-10	79,526	79,526
Revenue Accounts Receivable	A-11	12,107	13,828
Due from Free Public Library	A-16	<u>1,756</u>	<u>18,474</u>
		<u>832,495</u>	<u>619,944</u>
Deferred Charges			
Special Emergency Authorizations	A-12	100,000	150,000
Emergency Authorizations	A-13	<u>233,651</u>	<u>100,000</u>
		<u>333,651</u>	<u>250,000</u>
Total Assets		<u>\$ 4,592,753</u>	<u>\$ 3,879,326</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Liabilities			
Appropriation Reserves	A-3,A-14	\$ 575,573	\$ 305,866
Accounts Payable	A-15	597,704	478,069
Special Emergency Note Payable	A-17	100,000	150,000
Due to State of NJ - Senior Citizens and Veterans	A-7	2,825	2,075
Due to General Capital Fund	C-8	28	28
Miscellaneous Reserves	A-18	566,802	271,208
Prepaid Taxes	A-19	170,412	145,813
Tax Overpayments	A-20	5,312	7,571
County Taxes Payable	A-22	17,012	1,212
Appropriated Reserves for Grants	A-23	58,667	98,066
Unappropriated Reserves for Grants	A-24	<u>31,764</u>	<u>54,789</u>
		2,126,099	1,514,697
Reserve for Receivables and Other Assets	A	832,495	619,944
Fund Balance	A-1	<u>1,634,159</u>	<u>1,744,685</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,592,753</u>	<u>\$ 3,879,326</u>

BOROUGH OF DUMONT
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,249,000	\$ 1,178,971
Miscellaneous Revenues Anticipated	A-2	2,497,227	2,455,832
Receipts from Delinquent Taxes	A-2	479,144	557,666
Receipts from Current Taxes	A-2	55,117,357	54,359,041
Non-Budget Revenues	A-2	260,548	422,502
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-14	235,130	266,506
Interfunds Returned	A		3,534
Reserve for Receivable	A-1	<u>16,718</u>	<u>-</u>
 Total Revenues		 <u>59,855,124</u>	 <u>59,244,052</u>
EXPENDITURES			
Municipal Budget	A-3	20,212,006	19,728,820
County Taxes	A-22	4,353,730	4,408,036
Local District School Taxes	A-21	34,384,491	33,738,464
Refund of Prior Year Revenues	A-4	74	
Cancellation of Grant Receivable (Net)	A-1		237
Adjustment to Reserve for Receivables	A-1	<u>-</u>	<u>18,474</u>
 Total Expenditures		 <u>58,950,301</u>	 <u>57,894,031</u>
 Excess in Revenues		 904,823	 1,350,021
 Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	 A-13	 <u>233,651</u>	 <u>100,000</u>
 Statutory Excess to Fund Balance		 1,138,474	 1,450,021
 Fund Balance, January 1	 A	 <u>1,744,685</u>	 <u>1,473,635</u>
 Decreased by:		 2,883,159	 2,923,656
Utilization as Anticipated Revenue	A-1,A-2	<u>1,249,000</u>	<u>1,178,971</u>
 Fund Balance, December 31	 A	 <u>\$ 1,634,159</u>	 <u>\$ 1,744,685</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

		<u>Anticipated</u>		Excess or (Deficit)
	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	
Fund Balance Utilized	A-1	\$ 1,249,000	\$ 1,249,000	-
Miscellaneous Revenues				
Licenses				
Alcoholic Beverages	A-11	14,000	14,713	\$ 713
Other	A-2,A-11	5,000	5,839	839
Fees and Permits				
Construction Code Official	A-11	140,000	170,052	30,052
Recreation Fees	A-11	40,000	50,850	10,850
Other	A-2, A-11	50,000	83,326	33,326
Fines and Costs - Municipal Court	A-11	165,000	157,721	(7,279)
Interest on Costs on Taxes	A-11	90,000	90,862	862
Interest on Investments and Deposits	A-11	12,000	16,905	4,905
Fire Inspections - Additional	A-11	20,000	21,605	1,605
Consolidated Municipal Property Tax Relief Aid	A-11	91,826	91,826	
Energy Receipts Tax	A-11	1,263,426	1,263,426	
Clean Community Grant	A-24	27,794	27,794	
Police Body Armor	A-24	4,267	4,267	
Recycling Tonnage Grant	A-24	22,253	22,253	
Alcohol Education and Rehabilitation	A-24	475	475	
Police Outside Services - Admin. Fees	A-11	50,000	50,000	
General Capital Fund Balance	C-1	25,000	25,000	
Reserve for Payment of Debt	C-10	25,000	25,000	
Life Hazard Use Fees	A-11	11,000	12,309	1,309
Sale of Recyclables	A-11	87,000	81,920	(5,080)
PILOT - Senior Citizen Club	A-11	32,000	53,506	21,506
Cable Television Franchise Fees	A-11	200,000	227,578	27,578
		<u>2,376,041</u>	<u>2,497,227</u>	<u>121,186</u>
Total Miscellaneous Revenues				
Receipts from Delinquent Taxes	A-8	490,000	479,144	(10,856)
Amount to be Raised by Taxes for Support of				
Municipal Budget		16,374,628	16,890,443	515,815
Free Public Library		618,693	618,693	-
	A-2	<u>16,993,321</u>	<u>17,509,136</u>	<u>515,815</u>
Total General Revenues	A-3	<u>\$ 21,108,362</u>	21,734,507	<u>\$ 626,145</u>
Non-Budget Revenues	A-2		<u>260,548</u>	
			<u>\$ 21,995,055</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Reference</u>	
Analysis of Realized Revenues		
Allocation of Current Tax Collections		
Revenues from Collections	A-1,A-8	\$ 55,117,357
Less: Allocation to School and County Taxes	A-21,A-22	<u>38,738,221</u>
		16,379,136
Balance for Support of Municipal Budget Appropriation		16,379,136
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>1,130,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,509,136</u>
Licenses-Other		
Borough Clerk	A-11	\$ 5,653
Board of Health	A-11	<u>186</u>
	A-2	<u>\$ 5,839</u>
Fees and Permits-Other		
Borough Clerk	A-11	\$ 16,701
Construction Code	A-11	1,950
Police	A-11	1,632
Planning and Zoning	A-11	1,920
Fire Prevention	A-11	43,045
Board of Health	A-11	<u>18,078</u>
	A-2	<u>\$ 83,326</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
AT&T Tower Rental	\$	26,620
Metro PCS Monopole Rental		25,177
FEMA Reimbursement		76,651
Miscellaneous		19,034
Admin Fee - Srs. And Veterans		3,547
Division of Motor Vehicles		4,320
Housing Inspections		4,505
Dixon Homestead Library Reimbursements		44,723
6% Penalty		8,991
Losap Refunds		1,757
Recycling Cans		3,210
Unison Revenue Sharing		2,363
Sale of Assets		4,977
Premium on Foreclosed Property		15,000
Insurance Fund Dividend		<u>19,673</u>
	A-2, A-4	<u>\$ 260,548</u>

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	\$ 280,140	\$ 280,300	\$ 278,200	\$ 2,100	
Other Expenses	121,436	121,436	100,753	20,683	
Postage	20,000	20,000	18,303	1,697	
Ethics Board					
Salaries and Wages	540	540	90	450	
Other Expenses	2,000	1,100	321	779	
Elections					
Other Expenses	14,000	14,000	13,935	65	
Financial Administration					
Salaries and Wages	166,699	166,919	166,917	2	
Other Expenses	90,483	90,483	46,325	44,158	
Assessment of Taxes					
Salaries and Wages	25,101	22,101	21,247	854	
Other Expenses	5,000	6,500	6,432	68	
Reassessment of Real Property					
Collection of Taxes					
Salaries and Wages	77,055	77,055	76,567	488	
Other Expenses	9,545	8,545	7,568	977	
Legal Services and Costs					
Borough Attorney - Other Expenses	45,500	85,500	70,593	14,907	
Other Expenses	40,000	95,000	78,952	16,048	
Engineering					
Other Expenses	48,500	69,500	63,735	5,765	
Planning Board/Zoning Board					
Salaries and Wages	2,000	2,300	2,114	186	
Other Expenses	6,500	8,700	8,684	16	
Insurance					
Unemployment Insurance	24,000	24,000	24,000		
General Liability	320,315	320,315	318,549	1,766	
Workers Compensation	311,702	311,702	311,702		
Employee Group Health	1,688,179	1,588,179	1,561,287	26,892	
Health Benefit Waiver	10,081	13,206	13,202	4	
Rent Leveling Board					
Salaries and Wages	540	540	90	450	
Other Expenses	1,200	1,200	350	850	
PUBLIC SAFETY FUNCTIONS					
Fire Department					
Other Expenses	87,450	89,450	87,269	2,181	
Life Hazard Use Fees					
Salaries and Wages	25,000	22,500	20,870	1,630	
Other Expenses	500	5,500	5,103	397	
Aid to Volunteer Fire Companies					
Rental of Fire Houses	42,000	42,000	42,000		
Fire Hydrant Services	30,000	30,000	28,000	2,000	
Fire Hydrant Services	188,000	182,000	181,185	815	

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
PUBLIC SAFETY FUNCTIONS (Continued)					
Police Department					
Salaries and Wages	\$ 5,116,435	\$ 5,236,435	\$ 5,211,072	\$ 25,363	
Other Expenses	159,572	159,572	152,784	6,788	
Police Reserve - Other Expenses	4,000	4,000	3,222	778	
Emergency Management	4,000	4,000	630	3,370	
Volunteer Ambulance Corp.					
Other Expenses	28,000	28,000	28,000		
Municipal Prosecutor					
Salaries and Wages	7,944	7,944	7,944		
Other Expenses	100	100		100	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	1,861,806	1,861,806	1,818,593	43,213	
Other Expenses	194,810	185,961	164,387	21,574	
Recycling					
Salaries and Wages	3,931	3,931	3,931	-	
Garbage and Trash Removal					
Other Expenses	1,310,895	1,306,520	1,127,667	178,853	
Sewer System					
Other Expenses	5,000	12,500	11,894	606	
Public Building and Grounds					
Salaries and Wages	126,601	129,601	128,242	1,359	
Other Expenses	29,750	30,950	30,777	173	
Shade Tree					
Other Expenses	18,100	18,100	7,810	10,290	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	35,435	35,435	35,435	-	
Other Expenses	85,475	85,475	69,036	16,439	
Other Expenses-Contractual (Animal Shelter)	25,000	25,000	22,198	2,802	
Hepatitis Program	600	600		600	
Environmental Commission					
Other Expenses	500	500	400	100	
Administration of Public Assistance					
Salaries and Wages	3,182	3,292	3,058	234	
Aid to Community Center for Mental Health	8,000	8,000	8,000		
PARKS AND RECREATION FUNCTIONS					
Senior Citizens					
Salaries and Wages	67,239	67,239	67,069	170	
Other Expenses	13,350	13,350	12,118	1,232	
Parks and Playgrounds					
Salaries and Wages	81,667	81,667	76,508	5,159	
Other Expenses	34,550	37,050	35,101	1,949	

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	\$ 16,000	\$ 16,000	\$ 13,763	\$ 2,237	
MUNICIPAL COURT					
Salaries and Wages	127,936	127,936	120,484	7,452	
Other Expenses	13,500	13,500	10,203	3,297	
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	4,964	4,964	4,964		
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Salaries and Wages	178,202	186,802	186,277	525	
Other Expenses	3,400	19,400	18,668	732	
UNCLASSIFIED					
Utilities					
Gasoline	170,000	170,000	146,469	23,531	
Electricity	152,000	212,000	211,433	567	
Telephone	84,000	84,000	83,650	350	
Street Lighting	175,000	175,000	172,026	2,974	
Water	28,000	28,000	19,124	8,876	-
Total Operations Within "CAPS"	<u>13,862,410</u>	<u>14,085,201</u>	<u>13,567,280</u>	<u>517,921</u>	<u>-</u>
Detail:					
Salaries and Wages	8,192,417	8,319,307	8,229,672	89,635	
Other Expenses	<u>5,669,993</u>	<u>5,765,894</u>	<u>5,337,608</u>	<u>428,286</u>	
DEFERRED CHARGES AND REGULATORY					
EXPENDITURES-MUNICIPAL-WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	345,000	347,500	343,812	3,688	
Public Employees' Retirement System	388,202	388,202	387,246	956	
Police and Firemen's Retirement Fund of NJ	932,557	932,557	932,557		
Defined Contribution Retirement Plan (DCRP)	950	1,135	1,047	88	-
Total Deferred Charges and Statutory					
Expenditures - Within "CAPS"	<u>1,666,709</u>	<u>1,669,394</u>	<u>1,664,662</u>	<u>4,732</u>	<u>-</u>
Total General Appropriations for					
Municipal Purposes within "CAPS"	<u>15,529,119</u>	<u>15,754,595</u>	<u>15,231,942</u>	<u>522,653</u>	<u>-</u>

**BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSES AND BULK PURCHASES					
Bergen County Utilities Authority	\$ 1,742,592	\$ 1,742,592	\$ 1,742,592		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	639,575	639,575	639,575		
GENERAL GOVERNMENT FUNCTIONS					
Reserve for Tax Appeals	55,000	55,000	55,000		
PUBLIC SAFETY FUNCTIONS					
Length of Service Awards Program (LOSAP)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>\$ 50,000</u>	<u>-</u>
Total Other Operations - Excluded from "CAPS"	<u>2,487,167</u>	<u>2,487,167</u>	<u>2,437,167</u>	<u>50,000</u>	
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
FEDERAL AND STATE GRANTS					
Clean Communities Grant					
State Share	27,794	27,794	27,794	-	
Recycling Tonnage Grant					
Other Expenses	22,253	22,253	22,253	-	
Police Body Armor					
Other Expenses	4,267	4,267	1,822	2,445	
Alcohol Education and Rehabilitation					
Other Expenses	<u>475</u>	<u>475</u>	<u>-</u>	<u>475</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>54,789</u>	<u>54,789</u>	<u>51,869</u>	<u>2,920</u>	
Total Operations Excluded from "CAPS"	<u>2,541,956</u>	<u>2,541,956</u>	<u>2,489,036</u>	<u>52,920</u>	<u>-</u>
Detail:					
Other Expenses	<u>2,541,956</u>	<u>2,541,956</u>	<u>2,489,036</u>	<u>52,920</u>	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>

**BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>	<u>Expended</u>			
	<u>2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 680,000	\$ 680,000	\$ 680,000		
Payment of Bond Anticipation Note Principal	110,080	110,080	110,080		
Interest on Bonds	313,943	313,943	313,942		\$ 1
Interest on Notes	48,540	56,715	56,715		
Green Trust					
Loan Repayments for Principal and Interest - Multi-Parks	12,437	12,437	12,437		
Bergen County Improvement Authority -					
Loan Repayment	74,943	74,943	74,943		
NJEIT Loan Principal	345,833	345,833	345,828		5
NJEIT Loan Interest	97,608	97,608	97,607	-	1
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,683,384</u>	<u>1,691,559</u>	<u>1,691,552</u>	-	<u>7</u>
DEFERRED CHARGES					
Emergency Authorizations	100,000	100,000	100,000		
Special Emergency Authorizations - 5 yrs. (N.J.S. 40A:4-55)	50,000	50,000	50,000		
Deferred Charges to Future Taxation Unfunded Ordinance No. 1223	23,903	23,903	23,903	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>173,903</u>	<u>173,903</u>	<u>173,903</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,449,243</u>	<u>4,457,418</u>	<u>4,404,491</u>	<u>\$ 52,920</u>	<u>7</u>
Subtotal General Appropriations	19,978,362	20,212,013	19,636,433	575,573	7
RESERVE FOR UNCOLLECTED TAXES	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	-	-
Total General Appropriations	<u>\$ 21,108,362</u>	<u>\$ 21,342,013</u>	<u>\$ 20,766,433</u>	<u>\$ 575,573</u>	<u>\$ 7</u>
Original Budget	A-2	\$ 21,108,362			
Emergency Appropriation	A-13	233,651			
		<u>\$ 21,342,013</u>			
<u>Reference</u>	A-2		A		
Cash Disbursements	A-4		\$ 18,629,210		
Accounts Payable	A-15		594,240		
Due to Unemployment Insurance Trust Fund	B-5		24,000		
Due to General Capital Fund	C-8		183,983		
Emergency Appropriations	A-13		100,000		
Special Emergency Authorizations	A-12		50,000		
Reserve for Tax Appeals	A-18		55,000		
Reserve for Uncollected Taxes	A-2		1,130,000		
			<u>\$ 20,766,433</u>		

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 9,821	\$ 5,435
OTHER TRUST FUND			
Cash	B-1	746,391	642,175
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	71,086	58,717
Due from Payroll Service Provider	B-9	-	661
		<u>71,086</u>	<u>59,378</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Investment	B	1,051,442	955,492
Contribution Receivable	B	50,400	46,800
		<u>1,101,842</u>	<u>1,002,292</u>
Total Assets		<u>\$ 1,929,140</u>	<u>\$ 1,709,280</u>

**BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to State of New Jersey	B-3	\$ 146	\$ 146
Reserve for Animal Control Expenditures	B-2	<u>9,675</u>	<u>5,289</u>
		<u>9,821</u>	<u>5,435</u>
OTHER TRUST FUND			
Reserve for Developers Escrow	B-4	63,388	46,253
Miscellaneous Reserves	B-6	507,597	504,293
Payroll Deductions Payable	B-7	<u>175,406</u>	<u>91,629</u>
		<u>746,391</u>	<u>642,175</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	1,154	2,030
Reserve for Unemployment Insurance Expenditures	B-5	<u>69,932</u>	<u>57,348</u>
		<u>71,086</u>	<u>59,378</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Reserve for Length of Service Awards Program	B	<u>1,101,842</u>	<u>1,002,292</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,929,140</u>	<u>\$ 1,709,280</u>

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	C-2, C-3	\$ 1,678,094	\$ 1,098,603
Grants Receivable	C-6	651,112	566,063
Environmental Infrastructure Trust Loans Receivable	C-7	15,000	62,515
Deferred Charges to Future Taxation			
Funded	C-4	15,785,361	16,875,560
Unfunded	C-5	6,371,565	5,805,596
Cancelled Receivables	C-9		23,903
Due from Current Fund	C-8	<u>28</u>	<u>28</u>
 Total Assets		 <u>\$ 24,501,160</u>	 <u>\$ 24,432,268</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes	C-13	\$ 5,673,000	\$ 4,680,000
General Serial Bonds	C-11	9,340,000	10,020,000
Pension Obligation Lease Payable	C-12	813,000	868,000
Green Trust Fund Loan Payable	C-16	146,501	155,867
Environmental Infrastructure Trust Loan Payable	C-17	5,485,860	5,831,693
Improvement Authorizations			
Funded	C-14	834,010	883,207
Unfunded	C-14	1,605,662	1,091,727
Contracts Payable	C-15	43,786	431,238
Reserve for Payment of Debt	C-10	62,310	87,310
Reserve for Grants Receivable	C-6	357,937	272,888
Capital Improvement Fund	C-18	65,663	45,663
Fund Balance	C-1	<u>73,431</u>	<u>64,675</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 24,501,160</u>	 <u>\$ 24,432,268</u>

There were bonds and notes authorized but not issued of \$762,516 and \$1,305,857 at December 31, 2014 and 2013, respectively (Exhibit C-19).

BOROUGH OF DUMONT
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ 64,675	\$ 70,206
Increased by:			
Improvement Authorizations Canceled	C-1		323,292
Premium on Bond Anticipation Notes	C-2	<u>33,756</u>	<u>19,469</u>
		98,431	412,967
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-1	-	323,292
Anticipated as Revenue in Current Fund Budget	A-2	<u>25,000</u>	<u>25,000</u>
Balance, December 31	C	<u>\$ 73,431</u>	<u>\$ 64,675</u>

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	D-1	\$ <u>6,947</u>	\$ <u>9,906</u>
		<u>\$ 6,947</u>	<u>\$ 9,906</u>
 LIABILITIES			
Reserve for Goodwill	D-2	\$ <u>6,947</u>	\$ <u>9,906</u>
		<u>\$ 6,947</u>	<u>\$ 9,906</u>

**BOROUGH OF DUMONT
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Land and Land Improvements	\$ 3,310,251	\$ 3,093,893
Buildings and Building Improvements	4,754,780	4,754,780
Machinery and Equipment	<u>7,636,969</u>	<u>7,410,476</u>
	<u>\$ 15,702,000</u>	<u>\$ 15,259,149</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 15,702,000</u>	<u>\$ 15,259,149</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Dumont (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department, volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Reclassifications - Certain reclassifications have been made to the December 31, 2013 balances to conform to the December 31, 2014 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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 fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

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

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Dumont has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

Fixed Assets purchased after December 31, 2008 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 2008 are stated as follows:

Land and Land Improvements	Estimated Historical Cost
Building and Building Improvements	Assessed Value and/or Cost
Machinery and Equipment	Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund
Public Assistance Fund

**BOROUGH OF DUMONT
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2014 and 2013 the Borough Council increased the original budget by \$233,651 and \$100,000. The increases were attributable to emergency authorizations for police salaries and wages, legal expenses and electricity in 2014 and police salaries and wages and the acquisition of a public works vehicle in 2013. In addition, the governing body approved several budget transfers during 2014 and 2013.

NOTE 3 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2014 and 2013, the book value of the Borough's deposits were \$5,938,946 and \$4,824,218 and bank and brokerage firm balances of the Borough's deposits amounted to \$6,020,724 and \$5,526,066, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2014</u>	<u>2013</u>
Insured	\$ 6,013,119	\$ 5,518,466
Uninsured and Collateralized	<u>7,605</u>	<u>7,600</u>
	<u>\$ 6,020,724</u>	<u>\$ 5,526,066</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

A. Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2014 and 2013, the Borough’s bank balances of \$7,605 and \$7,600 were exposed to custodial credit risk as follows:

	<u>2014</u>	<u>2013</u>
Collateral Held by Borough's Agent in the Borough's Name	\$ <u>7,605</u>	\$ <u>7,600</u>

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2014 and 2013, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2014</u>	<u>2013</u>
Investment in Lincoln Financial (LOSAP-Unaudited)	\$ <u>1,051,442</u>	\$ <u>955,492</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2014 and 2013, \$1,051,442 and \$955,492 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2014</u>	<u>2013</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name (LOSAP - Unaudited)	\$ <u>1,051,442</u>	\$ <u>955,492</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2014 and 2013, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

The fair value of the above-listed investments were based on quoted market prices provided by Lincoln Financial.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
<u>Current</u>		
Property Taxes	\$ 733,400	\$ 503,103
Tax Title Liens	<u>5,706</u>	<u>5,013</u>
	<u>\$ 739,106</u>	<u>\$ 508,116</u>

In 2014 and 2013, the Borough collected \$479,144 and \$557,666 from delinquent taxes, which represented 94% and 97%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2014</u>		<u>2013</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund		\$ 28		\$ 28
General Capital Fund	\$ 28	-	\$ 28	-
 Total	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>

The above balances are the result of revenues earned in one fund but owing to another fund.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2014</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 100,000	\$ 50,000	\$ 50,000
Emergency Authorization	<u>233,651</u>	<u>233,651</u>	<u>-</u>
	<u>\$ 333,651</u>	<u>\$ 283,651</u>	<u>\$ 50,000</u>
 <u>2013</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 150,000	\$ 50,000	\$ 100,000
Emergency Authorizations	<u>100,000</u>	<u>100,000</u>	<u>-</u>
	<u>\$ 250,000</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	2014		2013	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,400,508	\$ 1,100,000	\$ 1,644,685	\$ 1,249,000
Non-Cash Surplus	233,651	-	100,000	-
	<u>\$ 1,634,159</u>	<u>\$ 1,100,000</u>	<u>\$ 1,744,685</u>	<u>\$ 1,249,000</u>

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2014 and 2013.

	2014			2013				
	Balance December 31, 2013	Additions	Decreases	Balance, December 31, 2014	Balance, December 31, 2012	Additions	Decreases	Balance, December 31, 2013
2014								
Land and Land Improvements	\$ 3,093,893	\$ 216,358		\$ 3,310,251				\$ 3,093,893
Buildings and Building Improvements	4,754,780			4,754,780	4,633,826	\$ 120,954		4,754,780
Machinery and Equipment	7,410,476	226,493	-	7,636,969	6,991,355	419,121	-	7,410,476
	<u>\$ 15,259,149</u>	<u>\$ 442,851</u>	<u>\$ -</u>	<u>\$ 15,702,000</u>	<u>\$ 14,719,074</u>	<u>\$ 540,075</u>	<u>\$ -</u>	<u>\$ 15,259,149</u>
2013								
Land and Land Improvements	\$ 3,093,893			\$ 3,093,893				\$ 3,093,893
Buildings and Building Improvements	4,633,826	\$ 120,954		4,754,780	4,633,826	\$ 120,954		4,754,780
Machinery and Equipment	6,991,355	419,121	-	7,410,476	6,991,355	419,121	-	7,410,476
	<u>\$ 14,719,074</u>	<u>\$ 540,075</u>	<u>\$ -</u>	<u>\$ 15,259,149</u>	<u>\$ 14,719,074</u>	<u>\$ 540,075</u>	<u>\$ -</u>	<u>\$ 15,259,149</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2014</u>	<u>2013</u>
Issued		
General		
Bonds, Notes and Loans	\$ 21,458,361	\$ 21,555,560
Less Funds Temporarily Held to		
Pay Bonds and Notes	<u>126,261</u>	<u>267,571</u>
	21,332,100	21,287,989
Authorized But Not Issued		
General		
Bonds and Notes	<u>762,516</u>	<u>1,305,857</u>
Net Bonds and Notes Issued and Authorized		
But Not Issued	<u>\$ 22,094,616</u>	<u>\$ 22,593,846</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.14% and 1.12% at December 31, 2014 and 2013, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2014</u>			
General Debt	\$ 22,220,877	\$ 956,261	\$ 21,264,616
School Debt	<u>14,285,000</u>	<u>14,285,000</u>	<u>-</u>
Total	<u>\$ 36,505,877</u>	<u>\$ 15,241,261</u>	<u>\$ 21,264,616</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 22,861,417	\$ 1,152,571	\$ 21,708,846
School Debt	<u>16,396,464</u>	<u>16,396,464</u>	<u>-</u>
Total	<u>\$ 39,257,881</u>	<u>\$ 17,549,035</u>	<u>\$ 21,708,846</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2014</u>	<u>2013</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 65,290,717	\$ 67,783,872
Net Debt	<u>21,264,616</u>	<u>21,708,846</u>
Remaining Borrowing Power	<u>\$ 44,026,101</u>	<u>\$ 46,075,026</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2014</u>	<u>2013</u>
\$3,250,000, 2003 Bonds, due in annual installments of \$600,000 to \$610,000 through May 1, 2016, interest at 3.45% - 3.55%	\$ 1,210,000	\$ 1,790,000
\$8,530,000, 2010 Bonds, due in annual installments of \$100,000 to \$1,095,000 through July, 2025, interest at 2.0% - 4.0%	<u>8,130,000</u>	<u>8,230,000</u>
	<u>\$ 9,340,000</u>	<u>\$ 10,020,000</u>

General Intergovernmental Loans Payable

The Borough has entered into loan agreements with the New Jersey Green Trust and the Environmental Infrastructure Trust Funds. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2014</u>	<u>2013</u>
Green Trust Fund		
\$200,000, Bonds, due in semi-annual installments of \$4,753 to \$6,157 through 2028, interest at 2%	<u>\$ 146,501</u>	<u>\$ 155,867</u>
Total Green Trust Fund	<u>\$ 146,501</u>	<u>\$ 155,867</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

Pension Obligation Lease Agreement

The Borough previously entered into an agreement with the Bergen County Improvement Authority ("BCIA") for the retirement of the Borough's outstanding unfunded pension liability for the early retirement incentive program of 2003. The original amount financed totaled \$958,000. The Borough issued refunding revenue bonds totaling \$882,000 through the BCIA during 2012. The following is the schedule of the future minimum lease payments and the present value of the net minimum lease payment at December 31, 2014:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2015	\$ 79,521
2016	84,861
2017	89,864
2018	95,442
2019	101,583
2020-2023	<u>478,803</u>
Total. Minimum Lease Payments	930,074
Less: Amounts Representing Interest	<u>117,074</u>
Present Value of Net Minimum Lease Payments	<u>\$ 813,000</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

	<u>2014</u>	<u>2013</u>
Environmental Infrastructure Trust		
\$1,675,000 Trust Loan, due in annual installments of \$75,000 to \$125,000 through 2027, interest at 3.4% to 5.0%	\$ 1,285,000	\$ 1,355,000
\$1,572,000 Fund Loan, due in semi-annual installments of \$1,681 to \$80,765 through 2027 interest free	1,090,682	1,173,836
\$965,000 Trust Loan, due in annual installments of \$40,000 to \$70,000 through 2029, interest at 3.5% to 5.0%	820,000	860,000
\$2,850,000 Fund Loan, due in semi-annual installments of \$50,893 and \$101,786 through 2029, interest free	<u>2,290,178</u>	<u>2,442,857</u>
Total Environmental Infrastructure Trust	<u>5,485,860</u>	<u>5,831,693</u>
Total Intergovernmental Loans	<u>\$ 5,632,361</u>	<u>\$ 5,987,560</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2014 is as follows:

Calendar Year	General Bonds		Intergovernmental Loans				Total
	Principal	Interest	Environmental Infrastructure		Green Trust		
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 700,000	\$ 291,805	\$ 352,402	\$ 93,088	\$ 9,554	\$ 2,882	\$ 1,449,731
2016	710,000	268,628	358,193	87,338	9,746	2,690	1,436,595
2017	750,000	255,800	360,663	81,338	9,942	2,494	1,460,237
2018	775,000	238,925	366,295	75,088	10,142	2,295	1,467,745
2019	800,000	219,550	376,770	68,588	10,346	2,091	1,477,345
2020-2024	4,510,000	721,650	1,564,737	248,965	54,933	7,250	7,107,535
2025-2029	<u>1,095,000</u>	<u>43,800</u>	<u>2,106,800</u>	<u>71,864</u>	<u>41,838</u>	<u>1,690</u>	<u>3,360,992</u>
Total	<u>\$ 9,340,000</u>	<u>\$ 2,040,158</u>	<u>\$ 5,485,860</u>	<u>\$ 726,269</u>	<u>\$ 146,501</u>	<u>\$ 21,392</u>	<u>\$ 17,760,180</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
General Capital Fund					
Bonds Payable	\$ 10,020,000		\$ 680,000	\$ 9,340,000	\$ 700,000
Intergovernmental Loans Payable	5,987,560		355,199	5,632,361	361,956
Pension Obligation Lease	<u>868,000</u>	<u>-</u>	<u>55,000</u>	<u>813,000</u>	<u>60,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 16,875,560</u>	<u>\$ -</u>	<u>\$ 1,090,199</u>	<u>\$ 15,785,361</u>	<u>\$ 1,121,956</u>

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
General Capital Fund					
Bonds Payable	\$ 10,683,000		\$ 663,000	\$ 10,020,000	\$ 680,000
Intergovernmental Loans Payable	6,339,124		351,564	5,987,560	355,199
Pension Obligation Lease	<u>916,000</u>	<u>-</u>	<u>48,000</u>	<u>868,000</u>	<u>55,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 17,938,124</u>	<u>\$ -</u>	<u>\$ 1,062,564</u>	<u>\$ 16,875,560</u>	<u>\$ 1,090,199</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

Bond Anticipation Notes

Ord. No.	Improvement Description	Interest Rate	Date of Maturity	Balance, December 31, 2013	Increased	Decreased	Balance, December 31, 2014
1323	Reconstruction of Pershing	1.00%	6/25/2014	\$ 90,110		\$ 90,110	
1375/1407	Stormwater Sewer System Improvements	1.00%	6/25/2014	\$ 368,005	\$ 669,392	368,005	\$ 669,392
1393	Various General Improvements	1.00%	6/25/2014	695,385		695,385	
		1.00%	6/23/2015		640,490		640,490
1409	Library and Senior Center Handicap	1.00%	6/25/2014	73,291		73,291	
		1.00%	6/23/2015		65,920		65,920
1416	Park Improvements	1.00%	6/25/2014	174,800		174,800	
		1.00%	6/23/2015		168,772		168,772
1421	Various Capital Improvements	1.00%	6/25/2014	807,500		807,500	
		1.00%	6/23/2015		765,714		765,714
1431	DPW Garage Site Improvements	1.00%	6/25/2014	228,000		228,000	
		1.00%	6/23/2015		228,000		228,000
1432	Storm Sewer Improvements - Phase III	1.00%	6/25/2014	218,500		218,500	
		1.00%	6/23/2015		218,500		218,500
1434	Various Capital Improvements	1.00%	6/25/2014	414,284		414,284	
		1.00%	6/23/2015		414,284		414,284
1436	Various Storm Water Sewer Improvements	1.00%	6/25/2014	114,000		114,000	
		1.00%	6/23/2015		114,000		114,000
1438	Various Improvements - Twin Boro Field	1.00%	6/25/2014	1,139,525		1,139,525	
		1.00%	6/23/2015		1,140,000		1,140,000
1447	Installation of New Walking Path	1.00%	6/25/2014	152,000		152,000	
		1.00%	6/23/2015		152,000		152,000
1448	Improvements to DePew Street	1.00%	6/25/2014	142,850		142,850	
		1.00%	6/23/2015		52,699		52,699
1450	Acq. And Installation of Air Quality Equip.	1.00%	6/25/2014	61,750		61,750	
		1.00%	6/23/2015		61,750		61,750
1456	Improvements to DePew Street - Phase II	1.00%	6/23/2015		72,789		72,789
1460	Various Capital Improvements	1.00%	6/23/2015		537,690		537,690
1465	Library Window and Exterior Renovation	1.00%	6/23/2015		176,000		176,000
1466	Stormwater Sewer System Improvements Phase II	1.00%	6/23/2015	-	195,000	-	195,000
				<u>\$ 4,680,000</u>	<u>\$ 5,673,000</u>	<u>\$ 4,680,000</u>	<u>\$ 5,673,000</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Ord. No.	Improvement Description	Interest Rate	Date of Maturity	Balance, December 31, 2012	Increased	Decreased	Balance, December 31, 2013
1323	Reconstruction of Pershing	1.20%	6/27/2013	\$ 124,000		\$ 124,000	
		1.00%	6/25/2014		\$ 90,110		\$ 90,110
1375/1407	Stormwater Sewer System Improvements	1.00%	6/25/2014		368,005		368,005
1393	Various General Improvements	1.20%	6/27/2013	731,100		731,100	
		1.00%	6/25/2014		695,385		695,385
1409	Library and Senior Center Handicap	1.20%	6/27/2013	73,291		73,291	
		1.00%	6/25/2014		73,291		73,291
1416	Park Improvements	1.20%	6/27/2013	174,800		174,800	
		1.00%	6/25/2014		174,800		174,800
1421	Various Capital Improvements	1.20%	6/27/2013	807,500	-	807,500	
		1.00%	6/25/2014		807,500		807,500
1431	DPW Garage Site Improvements	1.20%	6/27/2013	228,000	-	228,000	
		1.00%	6/25/2014		228,000		228,000
1432	Storm Sewer Improvements - Phase III	1.20%	6/27/2013	218,500	-	218,500	
		1.00%	6/25/2014		218,500		218,500
1434	Various Capital Improvements	1.20%	6/27/2013	414,284	-	414,284	
		1.00%	6/25/2014		414,284		414,284
1436	Various Storm Water Sewer Improvements	1.20%	6/27/2013	114,000	-	114,000	
		1.00%	6/25/2014		114,000		114,000
1438	Various Improvements - Twin Boro Field	1.20%	6/27/2013	1,139,525		1,139,525	
		1.00%	6/25/2014		1,139,525		1,139,525
1447	Installation of New Walking Path	1.00%	6/25/2014		152,000		152,000
1448	Improvements to DePew Street	1.00%	6/25/2014		142,850		142,850
1450	Acq. And Installation of AiR Quality Equip.	1.00%	6/25/2014	-	61,750	-	61,750
				<u>\$ 4,025,000</u>	<u>\$ 4,680,000</u>	<u>\$ 4,025,000</u>	<u>\$ 4,680,000</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2014 and 2013 as follows:

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

	<u>Date of Maturity</u>	<u>Balance, December 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2014</u>
<u>2014</u>					
Reassessment of Real Property	12/16/2014	\$ 150,000		\$ 150,000	
	12/15/2015	-	\$ 100,000	-	\$ 100,000
		<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>
	<u>Date of Maturity</u>	<u>Balance, December 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2013</u>
<u>2013</u>					
Reassessment of Real Property	12/18/2013	\$ 200,000		\$ 200,000	
	12/16/2014	-	\$ 150,000	-	\$ 150,000
		<u>\$ 200,000</u>	<u>\$ 150,000</u>	<u>\$ 200,000</u>	<u>\$ 150,000</u>

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Estimated Date of Completion</u>
<u>2014</u>		
Improvements to Twin Boro Field Remediation	\$ 22,575	2015
Library Window Exterior Renovation	9,875	2015
<u>2013</u>		
Storm Sewer/Drainage Improvements	57,134	2014
Improvements to Veteran's Memorial Park and Other Parks and Fields	121,049	2014
Improvements to Twin Boro Field Remediation	28,575	2015

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement. Bargaining unit agreements and a local ordinance established the maximum number of accumulated days an employee can be compensated for.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$3,800,000 and \$3,400,890 at December 31, 2014 and 2013, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

Changes in Other Long-Term Liabilities

The Borough's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 3,400,890	\$ 257,964	\$ 94,973	\$ 3,563,881	\$ 94,973
	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 3,332,300	\$ 68,590	\$ -	\$ 3,400,890	\$ 94,973

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – 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 firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage. PERS is a cost-sharing multi-employer defined benefit pension plan.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP.

Other Pension Funds

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return and (b) changes to projected salary increases of 4.22 percent for PERS and 6.01 percent for PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended June 30, 2014 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the years ended December 31, 2014, 2013 and 2012, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ending December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2014	\$ 932,557	\$ 387,246	\$ 1,047
2013	943,025	396,683	810
2012	850,076	382,729	713

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher’s Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State’s Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

The State of New Jersey sponsors and administers the following health benefit program covering substantially all local government employees from local participating employers.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Health Benefits Program Funds (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2012 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2014, 2013 and 2012 were \$262,540, \$299,005 and \$268,609, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2014, 2013 and 2012 were \$1,599, \$3,902 and \$1,869, respectively.

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

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

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 14 RISK MANAGEMENT (Continued)

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 24,000	\$ 9,194	\$ 20,658	\$ 69,932
2013	22,000	9,794	24,395	57,348
2012	27,000	9,657	23,928	49,906

NOTE 15 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough’s Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2014 and 2013. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2014 and 2013, the Borough reserved \$167,629 and \$138,751, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget, from fund balance or the Current Fund Reserve for tax appeals.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2014 and 2013, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2014 and 2013, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Dumont Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 17, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Dumont approved the adoption of the Plan at the general election held on November 2, 2001.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Dumont has contributed \$49,800 and \$46,800 for 2014 and 2013, respectively, for each eligible volunteer fire department member and eligible volunteer first aid squad members into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

NOTE 18 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2014. As of December 31, 2014, the Borough has received \$280,196 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On June 23, 2015 the Borough issued Bond Anticipation Notes in the amount of \$6,508,859 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to TD Securities, LLC at an interest rate of 1.5%. These notes will mature on June 23, 2016.

Debt Authorized

On January 20, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$156,750 in Bonds or Bond Anticipation Notes for road resurfacing. The Borough has issued bond anticipation notes on June 23, 2015 to finance costs relating to this project.

On April 7, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$154,060 in Bonds or Bond Anticipation Notes to fund sewer improvements and improvements to Depew Street (Phase III). The Borough has issued bond anticipation notes on June 23, 2015 to finance costs relating to this project.

On May 19, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$490,475 in Bonds or Bond Anticipation Notes to fund various capital improvements. As of the date of this report, the Borough has not issued debt to finance cost relating to this ordinance.

SUPPLEMENTAL SCHEDULES

CURRENT FUND

**BOROUGH OF DUMONT
STATEMENT OF CASH**

Balance, December 31, 2013		\$ 3,009,132
Increased by Receipts:		
Taxes Receivable	\$ 55,274,083	
Revenue Accounts Receivable	2,392,438	
Non Budget Revenue	260,548	
Prepaid Taxes	170,412	
Receipts from General Capital Fund	50,000	
Unappropriated Reserves for Grants	31,764	
Miscellaneous Reserves	955,595	
Tax Overpayments	54,411	
Senior Citizens' and Veterans' Deductions	177,355	
Receipts from Library	435,497	
Petty Cash	<u>300</u>	
		<u>59,802,403</u>
		62,811,535
Decreased by Disbursements:		
2014 Appropriations	18,629,210	
2013 Appropriation Reserves	81,692	
Accounts Payable	423,919	
Tax Overpayments	56,670	
County Taxes	4,337,930	
Local District School Taxes	34,384,491	
Special Emergency Note	50,000	
Appropriated Grant Reserves	79,129	
Miscellaneous Reserves	715,001	
Payments to Library	418,779	
Payments to General Capital Fund	183,983	
Payments to Unemployment Insurance Trust Fund	24,000	
Refund of Prior Year Revenue	74	
Petty Cash	<u>300</u>	
		<u>59,385,178</u>
Balance, December 31, 2014		<u>\$ 3,426,357</u>

**BOROUGH OF DUMONT
STATEMENT OF PETTY CASH FUNDS**

<u>Office</u>	Petty Cash <u>Advance</u>	Petty Cash <u>Returned</u>
Tax Collector - Treasurer	\$ <u>300</u>	\$ <u>300</u>
	\$ <u>300</u>	\$ <u>300</u>

EXHIBIT A-6

STATEMENT OF CHANGE FUNDS

<u>Office</u>	Balance, December 31, <u>2013</u>	Balance, December 31, <u>2014</u>
Tax Collector - Treasurer	\$ <u>250</u>	\$ <u>250</u>
	\$ <u>250</u>	\$ <u>250</u>

EXHIBIT A-7

**STATEMENT OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2013		\$ 2,075
Increased by:		
Deductions Disallowed by Tax Collector	\$ 3,145	
Cash Receipts	<u>177,355</u>	<u>180,500</u>
		182,575
Decreased by:		
Deductions Allowed by Tax Collector	750	
Senior Citizens' and Veterans' Deductions Per Tax Billing	<u>179,000</u>	<u>179,750</u>
Balance, December 31, 2014		<u>\$ 2,825</u>

**BOROUGH OF DUMONT
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2013	Levy	Senior Citizens' and Veterans' Deductions Disallowed	2013 Collections	2014 Collections	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Lien	Balance, December 31, 2014
2011	\$ 2,676					\$ 2,676			
2012	10,532					10,532			
2013	489,895			\$ 479,144		10,751			
2014	-	\$ 55,940,205	\$ 3,145	\$ 145,813	\$ 54,794,939	\$ 179,750	\$ 88,755	\$ 693	\$ 733,400
	\$ 503,103	\$ 55,940,205	\$ 3,145	\$ 145,813	\$ 55,274,083	\$ 179,750	\$ 112,714	\$ 693	\$ 733,400

Analysis of 2014 Property Tax Levy

TAX YIELD	
General Property Tax	
Real Property Tax	\$ 55,722,317
Added Taxes (54:4-63.1 et seq.)	<u>217,888</u>
	\$ 55,940,205
TAX LEVY	
Local School Tax (Abstract)	\$ 34,384,491
County Taxes (Abstract)	\$ 4,290,257
County Open Space (Abstract)	46,461
Due County for Added Taxes (54:4-63.1)	<u>17,012</u>
	4,353,730
Local Tax for Municipal Purposes	16,374,628
Local Tax - Free Public Library	618,693
Add Additional Tax Levied	<u>208,663</u>
	<u>17,201,984</u>
	\$ 55,940,205

**BOROUGH OF DUMONT
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2013	\$ 5,013
Increased by:	
Transferred from Taxes Receivable	<u>693</u>
Balance, December 31, 2014	<u>\$ 5,706</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2013	<u>\$ 79,526</u>
Balance, December 31, 2014	<u>\$ 79,526</u>

BOROUGH OF DUMONT
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2013</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2014</u>
Licenses		\$ 14,713	\$ 14,713	
Alcoholic Beverages		186	186	
Board of Health		5,653	5,653	
Borough Clerk				
Fees and Permits		170,052	170,052	
Construction Code Official		50,850	50,850	
Recreation Fees		18,078	18,078	
Board of Health		16,701	16,701	
Borough Clerk		43,045	43,045	
Fire Prevention		1,920	1,920	
Planning and Zoning		1,632	1,632	
Police		1,950	1,950	
Construction Code	\$ 13,828	156,000	157,721	\$ 12,107
Fines and Costs - Municipal Court		90,862	90,862	
Interest and Cost on Taxes		16,905	16,905	
Interest on Investments and Deposits		91,826	91,826	
Consolidated Municipal Property Tax Relief		1,263,426	1,263,426	
Energy Receipts Tax		12,309	12,309	
Life Hazard Use Fees		21,605	21,605	
Fire Inspections - Additional		81,920	81,920	
Sale of Recyclables		53,506	53,506	
PILOT - Senior Citizens Club		50,000	50,000	
Police Outside Services - Admin Fee		227,578	227,578	
Cable Television Franchise Fees	-			-
	<u>\$ 13,828</u>	<u>\$ 2,390,717</u>	<u>\$ 2,392,438</u>	<u>\$ 12,107</u>

**BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES
N.J.S. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2013</u>	Budget <u>Appropriation</u>	Balance, December 31, <u>2014</u>
Reassessment of Real Property	\$ 250,000	\$ 50,000	\$ 150,000	\$ 50,000	\$ 100,000

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2013</u>	Increase in 2014 <u></u>	Budget <u>Appropriation</u>	<u>Cancelled</u>	Balance, December 31, <u>2014</u>
Emergency Appropriations	\$ 100,000	\$ 273,651	\$ 100,000	\$ 40,000	\$ 233,651

BOROUGH OF DUMONT
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013	Budget After Transfer or Modification	Paid or Charged	Transferred to Appropriated Grant Reserve	Balance Lapsed
Salaries and Wages					
General Administration	\$ 146				
Ethics Board	270				
Collection of Taxes	480				
Fire					
Life Hazard Use Fees	84	-			
Police	5,079	\$ 20,079			\$ 20,079
Streets and Roads	7,340	67,494			67,494
Recycling	117	-			-
Municipal Court	24	74	\$ 74	-	-
	<u>13,540</u>	<u>87,647</u>	<u>74</u>	<u>-</u>	<u>87,573</u>
Other Expenses					
General Administration		-			
Other Expenses	6,129	3,912	2,912		1,000
Postage	1,621	1,000	-		1,000
Ethics Board	3,621	1,000	-		1,000
Elections	188	-			-
Financial Administration	61,656	61,656	47,975		13,681
Assessment of Taxes	477	-			-
Collection of Taxes	2,369	1,666	666		1,000
Legal Services and Costs					
Borough Attorney - Other Expenses	6,545	6,545	-		6,545
Special Council	11,045	11,045	2,963		8,082
Engineering	4,304	4,304	3,034		1,270
Planning Board/Zoning Board	3,837	1,837	250		1,587
Rent Leveling Board	1,098	598	-		598
Fire					
Other Expenses	5,841	1,664			1,664
Life Hazard Use Fees	549	249			249
Fire Hydrant Services	3,060	1,060			1,060
Police					
Other Expenses	15,097	15,097	1,838		13,259
Emergency Management	3,515	3,515			3,515
Streets and Roads	7,584	20,015			20,015
Garbage and Trash Removal	27,101	38,180			38,180
Sewer System	98	-			-
Public Buildings and Grounds	6,970	1,970	259		1,711
Shade Tree	8,995	8,995	508		8,487
Board of Health	7,545	1,545	-		1,545
Animal Shelter	-	1,916			1,916
Senior Citizens	3,926	3,926	2,728		1,198

BOROUGH OF DUMONT
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, <u>2013</u>	Budget After Transfer or <u>Modification</u>	Paid or <u>Charged</u>	Transferred to Appropriated <u>Grant Reserve</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Environmental Commission	\$ 174	-			\$ 578
Parks and Playgrounds	622	\$ 622	\$ 44		39
Uniform Construction Code Officials	1,039	39	-		-
Administration of Public Assistance	68	-	-		-
Celebration of Public Events	3,815	3,815	-		3,815
Utilities					
Electricity	2,012	12,872	12,872		-
Street Lighting	2,143	716			716
Telephone	7,767	767	654		113
Gasoline	19,570	4,796			4,796
Water	8,367	367	-		367
Municipal Court	3,751	751	221		530
Insurance					
General Liability	2,404	2,404	525		1,879
Employee Group Health	18	18	-		18
Acquisition of DPW Vehicle	306	2,344			2,344
LOSAP	3,200	3,800			3,800
Clean Communities Grant	23,673	23,673	2,669	\$ 21,004	
Recycling Tonnage Grant	17,831	17,831		17,831	
Alcohol Education & Rehabilitation	270	270		270	
Green Communities Grant	1,500	1,500	1,500		
Police Body Armor	625	625	-	625	-
	<u>292,326</u>	<u>268,905</u>	<u>81,618</u>	<u>39,730</u>	<u>147,557</u>
	<u>\$ 305,866</u>	<u>\$ 356,552</u>	<u>\$ 81,692</u>	<u>\$ 39,730</u>	<u>\$ 235,130</u>

2013 Appropriation Reserves	\$ 305,866
Accounts Payable Restored to Appropriation Reserves	<u>50,686</u>
	<u>\$ 356,552</u>

**BOROUGH OF DUMONT
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2013		\$ 478,069
Increased by:		
Transfer from 2014 Budget Appropriations		<u>594,240</u>
		1,072,309
Decreased by:		
Payables Restored to Appropriation Reserves	\$ 50,686	
Cash Disbursements	<u>423,919</u>	
		<u>474,605</u>
Balance, December 31, 2014		<u>\$ 597,704</u>

EXHIBIT A-16

STATEMENT OF DUE FROM FREE PUBLIC LIBRARY

Balance, December 31, 2013		\$ 18,474
Increased by:		
Cash Disbursements		<u>418,779</u>
		437,253
Decreased by:		
Cash Receipts		<u>435,497</u>
Balance, December 31, 2014		<u>\$ 1,756</u>

BOROUGH OF DUMONT
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	Balance, December 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2014</u>
Reassessment of Real Property	12/17/2013	12/16/2014	\$ 150,000		\$ 150,000	
	12/16/2014	12/15/2015	<u>-</u>	<u>\$ 100,000</u>		<u>\$ 100,000</u>
			<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>
			Renewals	\$ 100,000	\$ 100,000	
			Note Retired	<u>-</u>	<u>50,000</u>	
				<u>\$ 100,000</u>	<u>\$ 150,000</u>	

EXHIBIT A-18

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2013</u>	<u>Increased</u>	<u>Disbursed</u>	Balance, December 31, <u>2014</u>
Tax Sale Premium	\$ 122,300	\$ 728,500	\$ 459,300	\$ 391,500
Redemption of Tax Sale Certificates	-	220,743	220,743	-
Tax Appeals	138,751	55,000	26,122	167,629
Master Plan	6,955			6,955
DCA Fees	2,284	4,777	7,061	-
Marriage Licenses	525	1,575	1,775	325
Homestead Rebate	<u>393</u>	<u>-</u>	<u>-</u>	<u>393</u>
	<u>\$ 271,208</u>	<u>\$ 1,010,595</u>	<u>\$ 715,001</u>	<u>\$ 566,802</u>
Cash Receipts		\$ 955,595		
Budget Appropriations		<u>55,000</u>		
		<u>\$ 1,010,595</u>		

**BOROUGH OF DUMONT
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2013	\$ 145,813
Increased by:	
Collection of 2014 Taxes	<u>170,412</u>
	316,225
Decreased by:	
Application to 2014 Taxes	<u>145,813</u>
Balance, December 31, 2014	<u>\$ 170,412</u>

EXHIBIT A-20

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2013	\$ 7,571
Increased by:	
Cash Receipts	<u>54,411</u>
	61,982
Decreased by:	
Refunds	<u>56,670</u>
Balance, December 31, 2014	<u>\$ 5,312</u>

EXHIBIT A-21

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Increased by:	
Levy - Calendar Year	\$ 34,384,491
Decreased by:	
Payments	<u>34,384,491</u>
Balance, December 31, 2014	<u>\$ -</u>

**BOROUGH OF DUMONT
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2013		\$ 1,212
Increased by:		
2014 Levy	\$ 4,290,257	
2014 County Open Space	46,461	
Added Taxes	<u>17,012</u>	
		<u>4,353,730</u>
		4,354,942
Decreased by:		
Payments		<u>4,337,930</u>
Balance, December 31, 2014		<u>\$ 17,012</u>

EXHIBIT A-23

SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2013</u>	Transfer from Appropriation <u>Reserves</u>	<u>Expended</u>	Balance, December 31, <u>2014</u>
Clean Communities Grant	\$ 28,075	\$ 21,004	\$ 28,075	\$ 21,004
Domestic Violence	5,315		5,315	
Alcohol Education and Rehabilitation Fund	1,859	270		2,129
State Recycling Grant	45,233	17,831	28,155	34,909
Stormwater Drainage	10,595		10,595	
Body Armor Grant	3,960	625	3,960	625
OEM Training	18		18	
Green Communities	3,000		3,000	
Bergen County Flu Vaccine	<u>11</u>	<u>-</u>	<u>11</u>	<u>-</u>
	<u>\$ 98,066</u>	<u>\$ 39,730</u>	<u>\$ 79,129</u>	<u>\$ 58,667</u>

BOROUGH OF DUMONT
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2013</u>	Increased by <u>Receipts</u>	Realized as Budget <u>Revenue</u>	Balance, December 31, <u>2014</u>
Clean Community	\$ 27,794	\$ 26,064	\$ 27,794	\$ 26,064
Recycling Tonnage	22,253	-	22,253	-
Police Body Armor Fund	4,267	5,346	4,267	5,346
Alcohol Education	475	354	475	354
	<u>\$ 54,789</u>	<u>\$ 31,764</u>	<u>\$ 54,789</u>	<u>\$ 31,764</u>

TRUST FUNDS

**BOROUGH OF DUMONT
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Trust Fund</u>
Balance, December 31, 2013	\$ 5,435	\$ 642,175	\$ 58,717
Increased by Receipts:			
Escrow Deposits	\$ 22,285		\$ 48
Interest on Investments and Deposits			
Miscellaneous Reserves		615,989	
License Fees Collected	\$ 5,182		24,000
Receipts from Current Fund			9,855
Receipts from Payroll Service Provider	980		
Due to State of New Jersey	-	<u>10,800,073</u>	-
Payroll and Payroll Deductions	<u>6,162</u>	<u>11,438,347</u>	<u>33,903</u>
	11,597	12,080,522	92,620
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	796		
Escrow Deposits		5,150	
Payments to State of NJ	980		21,534
Payroll and Payroll Deductions Payable		10,716,296	
Miscellaneous Reserves	-	<u>612,685</u>	-
	<u>1,776</u>	<u>11,334,131</u>	<u>21,534</u>
Balance, December 31, 2014	\$ 9,821	\$ 746,391	\$ 71,086

BOROUGH OF DUMONT
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2013	\$	5,289
Increased by:		
Animal Control Fees		5,182
		10,471
Decreased by:		
Cash Disbursements		796
Balance, December 31, 2014	\$	9,675

STATEMENT OF DUE TO STATE OF NEW JERSEY
DOG REGULATION FEES

Balance, December 31, 2013	\$	146
Increased by:		
Registration Fees - Due State of New Jersey		980
		1,126
Decreased by:		
Payments		980
Balance, December 31, 2014	\$	146

**BOROUGH OF DUMONT
STATEMENT OF ESCROW DEPOSITS**

Balance, December 31, 2013		\$ 46,253
Increased by:		
Cash Receipts		<u>22,285</u>
		68,538
Decreased by:		
Cash Disbursements		<u>5,150</u>
Balance, December 31, 2014		<u>\$ 63,388</u>

STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE EXPENDITURES

Balance, December 31, 2013		\$ 57,348
Increased by:		
Payroll Deductions	\$ 9,194	
Interest on Investments and Deposits	48	
Current Fund Budget Appropriation	<u>24,000</u>	
		<u>33,242</u>
		90,590
Decreased by:		
Unemployment Insurance Claims		<u>20,658</u>
Balance, December 31, 2014		<u>\$ 69,932</u>

**BOROUGH OF DUMONT
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31,			Balance, December 31,
	<u>2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>2014</u>
Fire Prevention Fees	\$ 15,293	\$ 6,230	\$ 9,381	\$ 12,142
Recreation Commission	156,893	234,486	240,474	150,905
Tax Sale Premiums	200			200
Street Openings	7,218	500	-	7,718
Maintenance Bond	11,155			11,155
POAA	6,492	826		7,318
Drug and Alcohol	25,482	8,386	9,758	24,110
Police Outside Services	119,350	364,621	344,902	139,069
Police Donations	426			426
Shade Tree	8,308	940	1,470	7,778
Storm Emergency	<u>153,476</u>	<u>-</u>	<u>6,700</u>	<u>146,776</u>
	<u>\$ 504,293</u>	<u>\$ 615,989</u>	<u>\$ 612,685</u>	<u>\$ 507,597</u>

EXHIBIT B-7

STATEMENT OF ACCRUED SALARIES/WAGES AND PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2013	\$ 91,629
Increased by:	
Cash Receipts	<u>10,800,073</u>
	10,891,702
Decreased by:	
Cash Disbursements	<u>10,716,296</u>
Balance, December 31, 2014	<u>\$ 175,406</u>

EXHIBIT B-8

STATEMENT OF DUE TO STATE OF NEW JERSEY UNEMPLOYMENT INSURANCE FUND

Balance, December 31, 2013	\$ 2,030
Increased by:	
Unemployment Claims Due to State of New Jersey	<u>20,658</u>
	22,688
Decreased by:	
Unemployment Claims Paid by:	
Unemployment Insurance Account	<u>21,534</u>
Balance, December 31, 2014	<u>\$ 1,154</u>

**BOROUGH OF DUMONT
STATEMENT OF DUE FROM PAYROLL SERVICE PROVIDER**

Balance, December 31, 2013	\$ 661
Increased by:	
Payroll Deductions Transferred to Payroll Service Provider	<u>9,194</u>
	9,855
Decreased by:	
Cash Receipts from Payroll Service Provider	<u>9,855</u>
Balance, December 31, 2014	<u>\$ -</u>

GENERAL CAPITAL FUND

**BOROUGH OF DUMONT
STATEMENT OF GENERAL CAPITAL CASH**

Balance, December 31, 2013		\$ 1,098,603
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 1,283,341	
Premium on Bond Anticipation Notes	33,756	
Grant Receipts	63,951	
Loan Proceeds	47,515	
Receipts from Current Fund	<u>183,983</u>	
		<u>1,612,546</u>
		2,711,149
Decreased by:		
Improvement Authorizations	319,107	
Contracts Payable	373,607	
Payment of Bond Anticipation Notes	290,341	
Payments to Current Fund	<u>50,000</u>	
		<u>1,033,055</u>
Balance, December 31, 2014		<u>\$ 1,678,094</u>

**BOROUGH OF DUMONT
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2014**

Fund Balance	\$ 73,431
Contracts Payable	43,786
Grants Receivable	(293,175)
Loan Receivable	(15,000)
Due From Current Fund	(28)
Reserve for Payment of Notes	63,951
Reserve for Payment of Debt	62,310
Capital Improvement Fund	65,663

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
1250	Impvts of Various Parks and Acq. Of Equipment	(4,908)
1275	Unfunded Pension Liability	(2,280)
1292/1315	Repaving of Roads	6,748
1299/1320	Various Public Improvements	1,625
1311/1354/1365	Various Park Improvements	3,569
1321	Acquisition of Street Sweeper	13,690
1344/1375	Various Storm Sewer Improvements	608
1353	Acquisition of a Fire Truck	11,393
1363	Resurfacing of Howard Street	28,938
1364/1397	Various Improvements	1,426
1380	Park Improvements	248,404
1393	Various General Improvements	191,425
1400	Reconstruction of Short Street	64,262
1401	Reconstruction of Bussell Court	133,463
1409	Library and Sr. Ctr. Handicap Access	1,058
1416	Impvts. To Veteran's Memorial Park and Other Parks and Fields	29,163
1421	Various Capital Improvements	9,248
1431	DPW Garage Site Improvements	28,544
1432	Phase III Storm Sewer Improvements	4,252
1434	Various Capital Improvements	247,479
1436	Roosevelt Ave Flood Project	99,105
1447	Installation of New Walking Path	317
1448	Improvements to DePew Street	21
1456	Improvements to DePew Street Phase II	42
1460	Various Capital Improvements	25,014
1464	Various Park Improvements	1,070
1465	Library Window and Exterior Restoration	149,956
1466	Stormwater System Improvements Phase II	129,243
1467	Road Resurfacing & Repairs to Curbs/Sidewalks	309,422
1470	Road Improvements - Depew Street - Phase III	(16,202)
1480	Various Capital Improvements	(48,939)
1481	Temporary Relocation of Borough Offices	10,000
		<u>\$ 1,678,094</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2013		\$ 16,875,560
Decreased by:		
Budget Appropriations		
Serial Bonds	\$ 680,000	
Green Trust Loans	9,366	
NJEIT Loan Payable	345,833	
Pension Obligation Loan	<u>55,000</u>	
		<u>1,090,199</u>
Balance, December 31, 2014		<u>\$ 15,785,361</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance, December 31, 2013	2014 Authorizations	Grant Receipts	2014 Budget Appropriation	Balance, December 31, 2014	Bond Anticipation Notes	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
1250	Improv of Various Parks and Acq. Of Equip.	\$ 4,908				\$ 4,908		\$ 4,908	
1275	Refund Unfunded Pension Lib	17,000				17,000		2,280	\$ 14,720
1375	Sewer System Improvements	385,000				385,000	\$ 384,392		608
1393	Various General Improvements	695,385	\$ 54,895			640,490	640,490		
1407	Acq. of Easements and Prop Relating to Storm Water	285,000				285,000	285,000		
1409	Library and Senior Center Handicap Access	73,291	7,371			65,920	65,920		
1416	Imprvs to Yeiser's Memorial Park and Parks and Other Fields	174,800	6,028			168,772	168,772		
1421	Various Capital Improvements	807,500	41,786			765,714	765,714		
1431	DPW Garage Site Improvements	228,000				228,000	228,000		
1432	Phase III Storm Sewer System Improvements	218,500				218,500	218,500		
1434	Various Capital Improvements	414,284				414,284	414,284		
1436	Roosevelt Ave Flood Project	114,000				114,000	114,000		
1438	Twin Boro Field Remediation	1,140,000				1,140,000	1,140,000		
1447	Installation of New Walking Path	152,000		\$ 63,951		88,049	88,049		
1448	Improvements to DePew Street	52,699				52,699	52,699		
1450	Acq. And Installation of Air Quality Equip.	61,750				61,750	61,750		
1456	Improvements to DePew Street Phase II	72,789				72,789	72,789		
1460	Various Capital Improvements	537,690				537,690	537,690		
1465	Library Window and Exterior Restoration	176,000				176,000	176,000		
1466	Stormwater System Improvements Phase II	195,000				195,000	195,000		
1470	Road Improvements - Depew Street Phase III	\$ 170,000				170,000	170,000	16,202	153,798
1480	Various Capital Improvements	380,000				380,000	380,000	48,939	331,061
1481	Temporary Relocation of Borough Offices	190,000				190,000	190,000		190,000
		\$ 5,805,596	\$ 740,000	\$ 63,951	\$ 110,080	\$ 6,371,565	\$ 5,609,049	\$ 72,329	\$ 690,187

Bond Anticipation Notes
Less: Excess Note Proceeds
Ord. No. 1447

\$ 5,673,000
63,951

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds on Bond Anticipation Notes Issued

Ord. No. 1375	608
Ord. No. 1393	191,425
Ord. No. 1409	1,058
Ord. No. 1416	29,163
Ord. No. 1421	9,248
Ord. No. 1431	28,544
Ord. No. 1432	4,252
Ord. No. 1434	247,479
Ord. No. 1436	99,105
Ord. No. 1447	317
Ord. No. 1448	21
Ord. No. 1456	42
Ord. No. 1460	25,014
Ord. No. 1465	149,956
Ord. No. 1375/1407/1466/1344	129,243

\$ 1,605,662

915,475
\$ 690,187

**BOROUGH OF DUMONT
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2013</u>	<u>Grant Awards</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2014</u>
Community Development				
Ord No. 1354 Improvements to Memorial Park & C. Deangeles Park	\$ 123,762			\$ 123,762
Bergen County Open Space				
Ord. No. 1380 Improvements to Veterans Memorial Park	12,263			12,263
Ord. No. 1416 Improvements to Veterans Memorial Park and Other Fields	157,150			157,150
Ord. No. 1447 Installation of New Walking Path	65,000		\$ 63,951	1,049
Department of Transportation				
Ord. No. 1448 Improvements to Depew Street	60,639			60,639
Ord. No. 1456 Improvements to DePew Street, Phase II	59,849			59,849
Ord. No. 1470 Improvements to Depew Street - Phase III		\$ 149,000		149,000
Historic Preservation Trust Fund				
Ord. No. 1465 Library Window and Exterior Restoration	<u>87,400</u>	<u>-</u>	<u>-</u>	<u>87,400</u>
	<u>\$ 566,063</u>	<u>\$ 149,000</u>	<u>\$ 63,951</u>	<u>\$ 651,112</u>
				\$ 357,937
				<u>293,175</u>
				<u>\$ 651,112</u>

EXHIBIT C-7

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN RECEIVABLE

Balance, December 31, 2013	\$ 62,515
Decreased by:	
Cash Receipts	<u>47,515</u>
Balance, December 31, 2014	<u>\$ 15,000</u>

**BOROUGH OF DUMONT
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2013		\$ 28
Increased by:		
Budget Appropriation - Current Fund		
Note Principal	\$ 110,080	
Deferred Charges - Cancelled Receivables	23,903	
Capital Improvement Fund	50,000	
Payments to Current Fund	<u>50,000</u>	
		<u>233,983</u>
		234,011
Decreased by:		
Anticipated as Revenue in Current Fund		
General Capital Surplus	25,000	
Reserve for Payment of Debt	25,000	
Receipts from Current Fund	<u>183,983</u>	
		<u>233,983</u>
Balance, December 31, 2014		<u>\$ 28</u>

EXHIBIT C-9

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELLED RECEIVABLES**

Balance, December 31, 2013		\$ 23,903
Decreased by:		
2014 Budget Appropriation		<u>23,903</u>
Balance, December 31, 2014		<u>\$ -</u>

EXHIBIT C-10

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2013		\$ 87,310
Decreased by:		
Anticipated as Current Fund Revenue		<u>25,000</u>
Balance, December 31, 2014		<u>\$ 62,310</u>

**BOROUGH OF DUMONT
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2014	Interest Rate	Balance, December 31, 2013	Decreased	Balance, December 31, 2014	
								Date
General Improvements	5/1/2003	\$ 3,250,000	\$ 600,000	3.45%	\$ 1,790,000	\$ 580,000	\$ 1,210,000	
			5/1/2016	610,000				3.55%
General Improvements	7/15/2010	8,530,000	7/15/15-16	100,000	2.00%	8,230,000	100,000	8,130,000
			7/15/2017	750,000	2.25%			
			7/15/2018	775,000	2.50%			
			7/15/2019	800,000	2.75%			
			7/15/2020	825,000	3.00%			
			7/15/2021	840,000	3.13%			
			7/15/2022	880,000	3.25%			
			7/15/2023	890,000	3.50%			
			7/15/2024	1,075,000	4.00%			
			7/15/2025	1,095,000	4.00%			
					<u>\$ 10,020,000</u>	<u>\$ 680,000</u>	<u>\$ 9,340,000</u>	

**BOROUGH OF DUMONT
SCHEDULE OF PENSION OBLIGATION LEASE PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Leases Outstanding	Interest Rate	Balance, December 31, 2013	Decreased	Balance, December 31, 2014
Refunding - Unfunded Pension Obligation	3/15/2012	\$ 882,000	3/15/2015	\$ 60,000	0.84%		
			3/15/2016	66,000	1.24%		
			3/15/2017	72,000	1.64%		
			3/15/2018	79,000	2.11%		
			3/15/2019	87,000	2.36%		
			3/15/2020	97,000	2.66%		
			3/15/2021	106,000	2.96%		
			3/15/2022	117,000	3.11%		
			3/15/2023	129,000	3.26%		
					\$ 868,000	\$ 55,000	\$ 813,000
					\$ 868,000	\$ 55,000	\$ 813,000

BOROUGH OF DUMONT
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2013	Increased	Decreased	Balance, December 31, 2014
1323	Reconstruction of Pershing	8/2/2007	6/26/2013	6/25/2014	1.00%	\$ 90,110	\$	\$ 90,110	\$
1375/1407	Stormwater Sewer System Improvements	6/26/2013	6/26/2013	6/23/2015	1.00%	368,005	669,392	368,005	669,392
1393	Various General Improvements	12/22/2009	6/26/2013	6/23/2015	1.00%	695,385	640,490	695,385	640,490
1409	Library and Senior Center Handicap	7/1/2011	6/26/2013	6/23/2015	1.00%	73,291	65,920	73,291	65,920
1416	Park Improvements	7/1/2011	6/26/2013	6/23/2015	1.00%	174,800	168,772	174,800	168,772
1421	Various Capital Improvements	7/1/2011	6/26/2013	6/23/2015	1.00%	807,500	765,714	807,500	765,714
1431	DPW Garage Site Improvements	6/28/12	6/26/2013	6/23/2015	1.00%	228,000	228,000	228,000	228,000
1432	Storm Sewer Improvements - Phase III	6/28/12	6/26/2013	6/23/2015	1.00%	218,500	218,500	218,500	218,500
1434	Various Capital Improvements	6/28/12	6/26/2013	6/23/2015	1.00%	414,284	414,284	414,284	414,284
1436	Various Storm Water Sewer Improvements	6/28/12	6/26/2013	6/23/2015	1.00%	114,000	114,000	114,000	114,000
1438	Various Improvements - Twin Boro Field	6/26/13	6/26/2013	6/23/2015	1.00%	1,139,525	1,140,000	1,139,525	1,140,000
1447	Installation of New Walking Path	6/26/13	6/26/2013	6/23/2015	1.00%	152,000	152,000	152,000	152,000
1448	Improvements to DePew Street	6/26/13	6/26/2013	6/23/2015	1.00%	142,850	52,699	142,850	52,699
1450	Acq. And Installation of Air Quality Equip.	6/26/13	6/26/2013	6/23/2015	1.00%	61,750	61,750	61,750	61,750
1456	Improvements to DePew Street - Phase II	6/24/2014	6/24/2014	6/23/2015	1.00%	72,789	72,789	72,789	72,789
1460	Various Capital Improvements	6/24/2014	6/24/2014	6/23/2015	1.00%	537,690	537,690	537,690	537,690
1465	Library Window and Exterior Renovation	6/24/2014	6/24/2014	6/23/2015	1.00%	176,000	176,000	176,000	176,000
1466	Stormwater System Improvements Phase II	6/24/2014	6/24/2014	6/23/2015	1.00%	195,000	195,000	195,000	195,000
						\$ 4,680,000	\$ 5,673,000	\$ 4,680,000	\$ 5,673,000
						\$	\$ 4,389,659	\$ 4,389,659	\$
							110,080	110,080	
							1,283,341	1,283,341	
						\$	\$ 5,673,000	\$ 4,680,000	\$ 4,680,000

Removels Paid by Budget Appropriation Excess Note Proceeds Notes Issued

**BOROUGH OF DUMONT
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2013		\$ 431,238
Increased by:		
Charges to Improvement Authorizations		<u>15,997</u>
		447,235
Decreased by:		
Payments	\$ 373,607	
Cancellations	<u>29,842</u>	
		<u>403,449</u>
Balance, December 31, 2014		<u>\$ 43,786</u>

STATEMENT OF GREEN TRUST FUND LOAN PAYABLE

Balance, December 31, 2013		\$ 155,867
Decreased by:		
2014 Budget Appropriation		<u>9,366</u>
Balance, December 31, 2014		<u>\$ 146,501</u>

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE**

Balance, December 31, 2013		\$ 5,831,693
Decreased by:		
2014 Budget Appropriation		<u>345,833</u>
Balance, December 31, 2014		<u>\$ 5,485,860</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2013		\$ 45,663
Increased by:		
Current Fund Budget Appropriation		<u>50,000</u>
		95,663
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>30,000</u>
Balance, December 31, 2014		<u>\$ 65,663</u>

BOROUGH OF DUMONT
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance, December 31, 2013	2014 Improvement Authorizations	Bond Anticipation Notes Issued	Balance, December 31, 2014
1250	Impvts of Various Parks and Acq. Of Equip	\$ 4,908			\$ 4,908
1275	Refund Unfunded Pension Liab	17,000			17,000
1375	Sewer System Improvements	16,995		\$ 16,387	608
1407	Acq. Of Easements and Prop Relating to Storm Water	285,000		285,000	
1438	Twin Boro Field Remediation	475		475	
1456	Improvements to DePew Street Phase II	72,789		72,789	
1460	Various Capital Improvements	537,690		537,690	
1465	Library Window and Exterior Renovation	176,000		176,000	
1466	Stormwater System Improvements Phase II	195,000		195,000	
1471	Improvements to DePew Street Phase III		\$ 170,000		170,000
1480	Various Capital Improvements		380,000		380,000
1481	Temporary Relocation of Borough Offices	-	190,000	-	190,000
		<u>\$ 1,305,857</u>	<u>\$ 740,000</u>	<u>\$ 1,283,341</u>	<u>\$ 762,516</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE CASH**

Balance, December 31, 2013	\$ 9,906
Increased by:	
Donations	528
	10,434
Decreased by:	
Expenditures	3,487
Balance, December 31, 2014	\$ 6,947

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

Balance, December 31, 2013	\$ 9,906
Increased by:	
Revenues	528
	10,434
Decreased by:	
Expenditures	3,487
Balance, December 31, 2014	\$ 6,947

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

Revenues/Receipts
Donations

\$ 528

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

Expenditures/Disbursements
Current Year Assistance
Non-Reimbursable Expenditures

\$ 3,487

**BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2014**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, 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 financial statements – regulatory basis of the Borough of Dumont as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Dumont'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont'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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Dumont'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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Dumont in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

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



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
June 26, 2015

SCHEDULE A

**BOROUGH OF DUMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Program	CFDA Number	Grant Receipts	Grant Award	Balance, January 1, 2014	Revenue	Expended	Adjustments	Balance, December 31, 2014	Cumulative Expenditures
Department of Transportation									
Improvements to Depew Street, Phase I	20.205		\$ 142,850	\$ (41,986)			\$ 41,986		\$ 124,197
Improvements to Depew Street, Phase II	20.205		150,000	(37,487)			37,487		127,638
Improvements to Depew Street, Phase III	20.205		149,000						
National Priority Safety Grants	20.616	\$ 5,000			\$ 5,000	\$ 5,000			5,000
Department of Environmental Protection									
Green Communities Grant (Consolidated Forest Management)	10.664		3,000	4,500		4,500			4,500
Department of Homeland Security									
Federal Emergency Management Agency	97.036	76,651	76,651	-	76,651	76,651	-	-	76,651
				\$ (74,973)	\$ 81,651	\$ 86,151	\$ 79,473	\$ -	\$ -

This schedule is not subject to a single audit in accordance with OMB Circular A-133.

* Not Available

BOROUGH OF DUMONT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

State Grant Program	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2014	Revenue	Expended	Adjustment	Balance, December 31, 2014	Cumulative Expenditures
Department of Transportation									
Improvements to Depew Street, Phase I	609162	2012	\$ 5,346	\$ 4,267	\$ 5,346	\$ 1,822	\$ (41,986)	\$ (41,986)	\$ 124,197
Improvements to Depew Street, Phase II	609163	2013		625			(37,487)	(37,487)	127,638
Improvements to Depew Street, Phase III	609164	2014		3,397		3,397			*
Division of Criminal Justice									
Body Armor	1020-718-066-1020-001-YCJS-6120	2014	\$ 5,346	\$ 4,267	\$ 5,346	\$ 1,822	\$ (41,986)	\$ (41,986)	\$ 124,197
Body Armor	1020-718-066-1020-001-YCJS-6120	2013		625			(37,487)	(37,487)	127,638
Body Armor	1020-718-066-1020-001-YCJS-6120	2012		3,397		3,397			*
Body Armor	1020-718-066-1020-001-YCJS-6120	2011		563		563			*
Body Armor	1020-718-066-1020-001-YCJS-6120	2010							
Department of Law and Public Safety									
NJOEM SLAHEOP Grant	1110-448-031020-22	2004		18		18			*
Department of Environmental Protection									
Clean Communities Program	4900-765-178910-60	2014	26,064	27,794	26,064	27,794		26,064	27,794
Clean Communities Program	4900-765-178910-60	2013		23,673		2,669		21,004	2,669
Clean Communities Program	4900-765-178910-60	2012		20,731		7,344			24,068
Clean Communities Program	4900-765-178910-60	2011		22,253		22,253			*
Clean Communities Program	4900-765-178910-60	2010		17,831		16,102		17,831	22,253
State Recycling Fund		2012		15,465		7,588		15,465	4,558
State Recycling Fund		2011		17,715		4,465		1,613	*
State Recycling Fund		2009		7,588		2,247			*
State Recycling Fund		2008		4,465		3,007			*
State Recycling Fund		2007		2,247		5,341			*
State Recycling Fund		2006		3,007		35,637			*
State Recycling Fund		2005		5,341					*
State Recycling Fund		2010	35,637		35,637				2,830,000
Stormwater Management Grant									
Stormwater Management Grant									
Stormwater Management Grant									
Stormwater Management Grant									
Stormwater Management Grant									
Water Resources Planning - Wastewater	4860-150-093050-60	2010	35,637		35,637				
Administrative Offices of the Courts									
Alcohol Education and Rehabilitation	9735-760-060000-60	2014	354	475	354			354	
Alcohol Education and Rehabilitation	9735-760-060000-60	2013		270				475	
Alcohol Education and Rehabilitation	9735-760-060000-60	2012		395				270	
Alcohol Education and Rehabilitation	9735-760-060000-60	2007		205				395	
Alcohol Education and Rehabilitation	9735-760-060000-60	2006		250				205	
Alcohol Education and Rehabilitation	9735-760-060000-60	2005		434				250	
Alcohol Education and Rehabilitation	9735-760-060000-60	2002		575				434	
Alcohol Education and Rehabilitation	9735-760-060000-60	1998		500		500		575	
Domestic Violence Training		2008		3,500		3,500			*
Domestic Violence Training		2007		1,315		1,315			*
Domestic Violence Training		2005							*
Total State Financial Assistance			\$ 192,243	\$ 67,401	\$ 166,293	\$ (79,473)	\$ 13,878	\$ 13,878	

* Not Available

This schedule is not subject to a single audit in accordance with NJ Circular 15-08

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

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Dumont. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 81,651	\$ 31,764	\$ 113,415
General Capital Fund	<u>-</u>	<u>35,637</u>	<u>35,637</u>
Total Financial Awards	<u>\$ 81,651</u>	<u>\$ 67,401</u>	<u>\$ 149,052</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

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

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2014, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

Loan Program

Green Trust Fund	
Park Improvements	\$ 146,501
NJ Environmental Infrastructure Trust	
Trust Loan - 2007	1,285,000
Fund Loan - 2007	1,090,682
Trust Loan - 2010	820,000
Fund Loan - 2010	<u>2,290,178</u>
	<u>\$ 5,632,361</u>

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

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified, Presentation of Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not considered to be material weakness(es)?

_____ yes X none

Noncompliance material to the financial statements noted?

_____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part II – Schedule of Financial Statement Findings

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 of *Government Auditing Standards*.

There are none.

**BOROUGH OF DUMONT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF DUMONT

BERGEN COUNTY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

**BOROUGH OF DUMONT
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,249,000	2.09 %	\$ 1,178,971	1.99 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,757,775	4.61	2,878,334	4.86
Collection of Delinquent Taxes and Tax Title Liens	479,144	0.80	557,666	0.94
Collection of Current Tax Levy	55,117,357	92.08	54,359,041	91.75
Other Credits	<u>251,848</u>	<u>0.42</u>	<u>270,040</u>	<u>0.46</u>
 Total Income	 <u>59,855,124</u>	 <u>100.00 %</u>	 <u>59,244,052</u>	 <u>100.00 %</u>
EXPENDITURES				
Municipal Budget	20,212,006	34.29 %	19,728,820	34.08 %
County Taxes	4,353,730	7.38	4,408,036	7.61
Local District School Taxes	34,384,491	58.33	33,738,464	58.28
Other Expenditures	<u>74</u>	<u>0.00</u>	<u>18,711</u>	<u>0.03</u>
 Total Expenditures	 <u>58,950,301</u>	 <u>100.00 %</u>	 <u>57,894,031</u>	 <u>100.00 %</u>
 Less: Expenditures to be Raised by Future Revenue	 <u>233,651</u>		 <u>100,000</u>	
 Total Adjusted Expenditures	 <u>58,716,650</u>		 <u>57,794,031</u>	
 Excess in Revenue	 1,138,474		 1,450,021	
 Fund Balance, January 1	 <u>1,744,685</u>		 <u>1,473,635</u>	
	2,883,159		2,923,656	
 Less Utilization as Anticipated Revenue	 <u>1,249,000</u>		 <u>1,178,971</u>	
 Fund Balance, December 31	 <u>\$ 1,634,159</u>		 <u>\$ 1,744,685</u>	

**BOROUGH OF DUMONT
SUPPORTING DATA**

Comparative Schedule Of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$3.298	\$3.248	\$3.182
 <u>Apportionment of Tax Rate</u>			
Municipal	.969	.952	.928
County	.257	.261	.242
Local School	2.036	1.997	1.972
Library	.036	.038	.040

Assessed Valuation

2014	\$1,689,579,054	
2013		\$1,689,590,654
2012		\$1,690,897,900

Comparison Of Tax Levies And Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 55,940,205	\$ 55,117,357	98.52%
2013	54,892,984	54,359,041	99.02%
2012	53,810,186	53,201,423	98.87%

**BOROUGH OF DUMONT
SUPPORTING DATA**

Delinquent Taxes And Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2014	\$733,400	\$5,706	\$739,106	1.32%
2013	503,103	5,013	508,116	0.93%
2012	570,874	4,331	575,205	1.07%

The Borough held a tax sale on March 27, 2014.

The following is a comparison of the number of tax title liens receivable held by the Borough on December 31 of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2014	1
2013	1
2012	1

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2014	\$79,526
2013	79,526
2012	79,526

Comparative Schedule Of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2014	\$1,634,159	\$1,100,000
	2013	1,744,585	1,249,000
	2012	1,473,635	1,178,971

**BOROUGH OF DUMONT
SUPPORTING DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
James J. Kelly	Mayor		
Rafael Riquelme	Councilman		
William Brophy	Councilman		
Barbara Correa	Councilwoman		
Carl J. Manna	Councilman (5/6/14-12/31/14)		
Matthew M. Carrick	Councilman (1/1/14-4/15/14)		
Matthew Hayes	Councilman		
Ellen Zamechansky	Councilwoman		
John Perkins	Administrator		
Susan Connelly	Borough Clerk		
Gregg Paster	Attorney		
Remington & Vernick Engineers, Inc.	Engineers		
Barbara Kozay	Tax Collector		
Donald Holdsworth	Magistrate		
Beryl Horbert	Court Administrator		
Glenda Hickey	Deputy Ct. Administrator		
James Anzevino	Tax Assessor		
Rosemarie Giotis	Chief Financial Officer		

The Bergen County Municipal Joint Insurance Fund and Hartford Fire Insurance Company provide a blanket position bond in the amount of \$1,000,000.

BOROUGH OF DUMONT

GENERAL COMMENTS

Prior Year Unresolved

Our audit of the Other Trust Fund revealed that escrow monies are not always refunded upon completion of project. It is recommended that the Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.

Certain municipal departments ordered goods or materials prior to the issuance of a purchase order. It is recommended that the encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.

Our audit noted that the Borough's fixed asset accounting records are not updated in a timely manner, nor integrated with the Borough's financial accounting software. It is recommended that the Borough's fixed asset accounting records be currently maintained and integrated with the Borough's financial accounting software.

Our audit of the Police Department revealed that monies were not always turned over to the Finance Department within forty-eight hours of receipt. It is recommended that all fees collected by the Police Department be turned over to the Finance Department within forty-eight hours of receipt.

Our audit of the General Capital Fund revealed that there remains uncollected several grant receivable balances for projects which have been previously completed. It is recommended that action be taken to collect the outstanding General Capital Fund grant receivable balances or clear them of record.

Our audit of payroll tax remittances revealed that the Borough is not verifying that the payroll service provider has made the federal withholding tax payments by the required due dates. It is recommended that the Borough verify on a monthly basis that the various federal and state taxes have been paid by the Borough's payroll service provider by the required due dates.

Current Year

Our audit of payroll noted that the amount of compensation paid to employees for waiving health benefits was not always calculated correctly. It is recommended that all extra pay calculations be reviewed for accuracy prior to payment.

Our audit of the Other Trust Fund noted that an accounts receivable ledger of Police Outside Services billings was not currently maintained. It is recommended that an accounts receivable ledger be maintained for all Police Outside Services billings.

Our audit of the Public Assistance Fund noted that IRS Form 1099 was not issued for rental assistance paid to landlords in excess of \$600. It is recommended that all payments from the Public Assistance Fund be reviewed at year end to determine compliance for tax reporting purposes.

We could not perform an audit of the Recreation Department fees due to a lack of sufficient documentation as a result of turnover of department personnel and the relocation of Borough offices. It is recommended that all records of the Recreation Department be properly maintained and made available for audit.

BOROUGH OF DUMONT

GENERAL COMMENTS

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

The minutes indicated that bids were received for the following items:

Adult Mini Bus 16 Ambulatory
Leaf Transportation, Disposal and Recycling Services

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

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

Our examination of expenditures revealed instances where the accumulation of expenditures exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection Of Interest On Delinquent Taxes And Assessments

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

The Governing Body on January 7, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the Borough to fix a rate of interest to be charged for delinquent taxes; and

WHEREAS, N.J.S.A. 54:4-67, as amended by Section 29 of P.L. 1991, c. 75, authorizes the Borough to fix a penalty of 6% to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year.

WHEREAS, the Council has decided to charge the maximum interest and penalty allowed by law on delinquent taxes.

BOROUGH OF DUMONT

GENERAL COMMENTS

Collection Of Interest On Delinquent Taxes And Assessments (Continued)

RESOLVED, by the Council of the Borough of Dumont, as follows:

1. For the year 2014 the rate of interest for delinquent taxes and Borough charges shall be 8% per annum for the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 except that, for any quarter if the taxes are paid during the first ten (10) days following February 1st, May 1st, August 1st, and November 1st there shall be no interest. If the office of the Tax Collector is closed on the 10th day of February, May, August or November this shall be extended to include the first business day thereafter.

2. For the year 2014 any taxpayer with a tax delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year shall be charged a penalty of 6% of the amount of the delinquency.

3. The Tax Collector is hereby authorized to cancel any overpayment of taxes or tax delinquency which is less than \$10.00.

**BOROUGH OF DUMONT
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:


- * 1. The Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.
- * 2. The encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.
- * 3. All fees collected by the Police Department be turned over to the Finance Department within forty-eight hours of receipt.
- * 4. The Borough's fixed asset accounting records be currently maintained and integrated with the Borough's financial accounting software.
- * 5. Action be taken to collect the outstanding General Capital Fund grant receivable balances or clear them of record.
- * 6. The Borough verify on a monthly basis that the various federal and state taxes have been paid by the Borough's payroll service provider by the required due dates.
- 7. All extra pay calculations be reviewed for accuracy prior to payment.
- 8. All payments from the Public Assistance Fund be reviewed at year end to determine compliance for tax reporting purposes.
- 9. All records of the Recreation Department be properly maintained and made available for audit.
- 10. An accounts receivable ledger be maintained for all Police Outside Services billings.


Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Certified Public Accountant
RMA Number CR00411