

**BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2013 AND 2012**

BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

| <u>Part I</u>  | <u>Page</u>    |
|--|----------------|
| Independent Auditor's Report   | 1 – 3          |
| <u>Current Fund</u>  | <u>Exhibit</u> |
| Comparative Balance Sheets – Regulatory Basis                                      | A              |
| Comparative Statements of Operations and Change in Fund Balance – Regulatory Basis | A – 1          |
| Statement of Revenues – Regulatory Basis   | A – 2          |
| Statement of Expenditures – Regulatory Basis                                       | A – 3          |
| <u>Trust Fund</u>  |                |
| Comparative Balance Sheets – Regulatory Basis                                      | B              |
| <u>General Capital Fund</u>  |                |
| Comparative Balance Sheets – Regulatory Basis                                      | C              |
| Statement of Fund Balance – Regulatory Basis                                       | C – 1          |
| <u>Grant Fund</u>  |                |
| Comparative Balance Sheets – Regulatory Basis                                      | D              |
| <u>Public Assistance Trust Fund</u>  |                |
| Comparative Balance Sheets – Regulatory Basis                                      | E              |
| <u>General Fixed Assets Accounts Group</u>   |                |
| Comparative Statement of General Fixed Assets Group of Accounts – Regulatory Basis | F              |
| Notes to Financial Statements  | 4 – 16         |

BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS  
(Continued)

Part I (Continued)

| <u>Supplementary Information:</u>  | <u>Page</u>    |
|--|----------------|
| Comparative Schedule of Fund Balances  | 17             |
| Comparative Schedule of Tax Rate Information   | 17             |
| Comparison of Tax Levies and Collection Currently  | 18             |
| Delinquent Taxes and Tax Title Liens   | 18             |
| Property Acquired by Tax Title Lien Liquidation  | 18             |
| <br>   |                |
| <u>Current Fund</u>  | <u>Exhibit</u> |
| Schedule of Cash-Collector-Treasurer   | A – 4          |
| Schedule of Cash- Change Funds   | A – 5          |
| Schedule of Petty Cash Funds   | A – 6          |
| Schedule of Due (To) / From State of New Jersey for Senior Citizens and Veterans Deduction (Ch. 20, P.L. 1971) | A – 7          |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy   | A – 8          |
| Schedule of Tax Title Liens Receivable   | A – 9          |
| Schedule of Martin Act Property  | A – 10         |
| Schedule of Revenue Accounts Receivable  | A – 11         |
| Schedule of Deferred Charges - N.J.S.A. 40A:4-53 Special Emergency   | A – 12         |
| Schedule of 2012 Appropriation Reserves  | A – 13         |
| Schedule of Tax Overpayments   | A – 14         |
| Schedule of Due To/(From) State of N.J. - Surcharge Fees   | A – 15         |
| Schedule of Reserve for Maintenance of Free Public Library with State Aid                                      | A – 16         |
| Schedule of School Taxes Payable   | A – 17         |
| Schedule of Reserve for Tax Appeals Pending  | A – 18         |
| Schedule of Reserve for Revaluation of Real Property   | A – 19         |
| Schedule of Reserve for Accounts Payable   | A – 20         |
| Schedule of Reserve for FEMA Reimbursements  | A – 21         |
| <br>   |                |
| <u>Trust Fund</u>  |                |
| Schedule of Cash-Collector-Treasurer   | B – 1          |
| Schedule of Reserve for Dog Fund Expenditures  | B – 2          |
| Schedule of Reserves and Deposits Payable  | B – 3          |
| Schedule of Payroll Deductions Payable   | B – 4          |
| Schedule of Due To/ (From) Current Fund  | B – 5          |
| Schedule of Reserve for Unemployment Insurance Trust Fund  | B – 6          |
| Schedule of Reserve for FEMA Reimbursements  | B – 7          |
| Schedule of Fund Balance   | B – 8          |
| <br>   |                |
| <u>General Capital Fund</u>  |                |
| Schedule of Cash-Collector-Treasurer   | C – 2          |
| Schedule of – Due From Current Fund  | C – 2a         |
| Schedule of Analysis of Cash   | C – 3          |
| Schedule of Due From State of N.J.   | C – 4          |
| Schedule of Due From County of Bergen - Community Development Block Grant/Open Space Grant                     | C – 5          |
| Schedule of Deferred Charges to Future Taxation – Unfunded   | C – 6          |

BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

Part I (Continued)

|   | <u>Exhibit</u> |
|---|----------------|
| <u>General Capital Fund (continued)</u>                     |                |
| Schedule of Capital Improvement Fund                        | C – 7          |
| Schedule of Improvement Authorizations                      | C – 8          |
| Schedule of General Serial Bonds                            | C – 9          |
| Schedule of Bond Anticipation Notes                         | C – 10         |
| Schedule of Bonds and Notes Authorized But Not Issued       | C – 11         |
| Schedule of Reserve for Garrison Avenue Repair – FEMA Funds | C – 12         |
| Schedule of Reserve for Payment of Bond Anticipation Notes  | C – 13         |

Grant Fund

|  |       |
|--|-------|
| Schedule of Cash-Collector-Treasurer                             | D – 1 |
| Schedule of Federal and State Grants Receivable                  | D – 2 |
| Schedule of Appropriated Reserves for Federal and State Grants   | D – 3 |
| Schedule of Unappropriated Reserves for Federal and State Grants | D – 4 |

Public Assistance Trust Fund

|  |       |
|--|-------|
| Schedule of Cash – Collector – Treasurer   | E – 1 |
| Schedule of Public Assistance Revenues     | E – 2 |
| Schedule of Public Assistance Expenditures | E – 3 |
| Schedule of Reserve For Public Assistance  | E – 4 |

Part II

|   |       |
|---|-------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 19-20 |
|---|-------|

|   |     |
|---|-----|
| Schedule of Expenditures of Federal Financial Assistance                    | I-1 |
| Schedule of Expenditures of State Financial Assistance                      | I-2 |
| Schedule of Expenditures of County Financial Assistance                     | I-3 |
| Notes to Schedule of Expenditures of Federal and State Financial Assistance | 21  |

BOROUGH OF HASBROUCK HEIGHTS  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

| <u>Part II</u>                                | <u>Page</u> |
|---|-------------|
| Officials in Office & Surety Bonds            | 22          |
| General Comments                              | 23-24       |
| Summary Schedule of Prior Year Audit Findings | 25          |
| Audit Comments and Recommendations            | 26-28       |
| Appreciation                                  | 29          |

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hasbrouck Heights, New Jersey

### Report on the Financial Statements

We have audited the accompanying comparative financial statements -regulatory basis of the various funds of the Borough of Hasbrouck Heights (the "Borough"), County of Bergen, State of New Jersey, as of December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements – regulatory basis as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis in accordance with practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements - regulatory basis based on our audit. 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 Comptroller General of the United States; and in compliance with audit requirements as 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 misstatements 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 representation 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, the financial statements are prepared and presented by the Borough on the basis of 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 these regulatory accounting practices 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 effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices on the basis of accounting discussed in Note 1, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2013 and 2012, or the results of its revenues, expenditures and changes in net assets for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets – regulatory basis of the various funds of the Borough as of December 31, 2013 and 2012, and the results of its operations and changes in net assets of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as prescribed in Note 1.

## **Other Matters**

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary schedules and schedules of expenditures of federal, state and county financial assistance are presented for purpose of additional analysis and are not required as part of the basic financial statements.

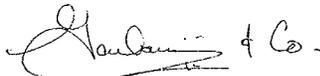
The supplementary schedules and schedules of expenditures of federal, state and county financial assistance are the responsibility of management and were derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject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

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 14, 2014 on our consideration of the Borough'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's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

July 14, 2014  
Carlstadt, New Jersey

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013 AND 2012

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

|  | Reference | <u>At December 31:</u> |                        |
|--|-----------|------------------------|------------------------|
|  |           | <u>2013</u>            | <u>2012</u>            |
| <b>ASSETS</b>  |           |                        |                        |
| Current Assets:                                      |           |                        |                        |
| Cash   | A-4       | \$ 3,163,399.54        | \$ 2,376,214.90        |
| Cash - Change Fund                                   | A-5       | <u>275.00</u>          | <u>275.00</u>          |
|  |           | <u>3,163,674.54</u>    | <u>2,376,489.90</u>    |
|  |           |                        |                        |
| Receivable and Other Assets with Full Reserves:      |           |                        |                        |
| Delinquent Property Taxes Receivable                 | A-8       | 382,618.97             | 407,014.59             |
| Tax Title Liens Receivable                           | A-9       | 224,828.47             | 215,389.65             |
| Martin Act Property                                  | A-10      | 543.04                 | 543.04                 |
| Property Acquired for Taxes -<br>Assessed Valuations |           | 304,730.00             | 304,730.00             |
| Revenue Accounts Receivable                          | A-11      | 13,906.97              | 8,856.19               |
| Due from Animal License Fund                         | B         | <u>1,237.00</u>        |                        |
|  | Contra    | <u>927,864.45</u>      | <u>936,533.47</u>      |
|  |           |                        |                        |
| Deferred Charges:                                    |           |                        |                        |
| Special Emergency - Revaluation<br>N.J.S.A. 40A:4-53 | A-12      | <u>75,000.00</u>       | <u>100,000.00</u>      |
|  |           |                        |                        |
| <b>TOTAL ASSETS</b>                                  |           | <u>\$ 4,166,538.99</u> | <u>\$ 3,413,023.37</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013 AND 2012

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
(CONTINUED)**

A

|   | Reference | <u>At December 31:</u> |                        |
|---|-----------|------------------------|------------------------|
|   |           | <u>2013</u>            | <u>2012</u>            |
| <b>LIABILITIES, RESERVES AND FUND BALANCES</b>                            |           |                        |                        |
| Liabilities:  |           |                        |                        |
| Appropriation Reserves  | A-3,13    | \$ 669,800.50          | \$ 732,832.25          |
| Reserve for Encumbrances  | A-3,13    | 36,843.57              | 40,439.71              |
| Accounts Payable  | A-20      | 9,355.92               | 9,154.84               |
| Prepaid Taxes   | A-4,8     | 501,894.12             | 92,493.99              |
| Due to State of New Jersey - Senior<br>Citizens' and Veterans' Deductions | A-7       | 5,537.68               | 4,537.68               |
| Tax Overpayments  | A-14      | 85,420.55              | 39,305.30              |
| Due to County for Added Taxes   | A-1,4     | 6,817.58               | 3,155.55               |
| Due to State of New Jersey:   |           |                        |                        |
| Building Surcharge Fees   | A-15      | 2,003.00               | 4,332.00               |
| Department of Human Services  | A-15      | 2,108.00               | 2,045.00               |
| Burial Permit Fees  | A-15      | 1,945.00               | 2,020.00               |
| Due to Capital Fund   | C         | 198,672.68             |                        |
| Reserve for:  |           |                        |                        |
| Maintenance of Free Public Library with State Aid                         | A-16      | 50.38                  | 185.94                 |
| Tax Appeals Pending   | A-18      | 97,127.66              | 59,401.02              |
| Revaluation of Real Property  | A-19      | 1,900.00               | 14,900.00              |
| Reserve for FEMA Reimbursements   | A-21      | 58,312.53              | 58,312.53              |
|   |           | <u>1,677,789.17</u>    | <u>1,063,115.81</u>    |
| Reserve for Receivables and Other Assets                                  | Contra    | 927,864.45             | 936,533.47             |
| Fund Balance (Note 3)   | A-1       | <u>1,560,885.37</u>    | <u>1,413,374.09</u>    |
| <b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>                       |           | <u>\$ 4,166,538.99</u> | <u>\$ 3,413,023.37</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013 AND 2012

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
- REGULATORY BASIS

A-1

|   | <u>Reference</u> | <u>For the Years Ended December 31:</u> |                        |
|---|------------------|---|------------------------|
|   |                  | <u>2013</u>                             | <u>2012</u>            |
| Revenue and Other Income Realized:                  |                  |   |                        |
| Fund Balance Utilized                               | A-2              | \$ 1,000,000.00                         | \$ 950,000.00          |
| Miscellaneous Revenue Anticipated                   | A-2              | 2,919,646.02                            | 2,774,321.94           |
| Receipts from Delinquent Taxes                      | A-2              | 407,530.95                              | 329,527.38             |
| Receipts from Current Taxes                         | A-2              | 43,513,603.10                           | 42,000,740.25          |
| Non-Budget Revenues                                 | A-2              | 116,062.42                              | 73,652.01              |
| Other Credits to Income:                            |                  |   |                        |
| Unexpended Balance of Appropriation Reserves        | A-13             | 275,158.67                              | 174,778.42             |
| Unexpended Balances of Budget Appropriations        | A-3              | 147.65                                  | 8,437.04               |
| Cancel Due to State of NJ                           | A-15             | 87.00                                   |                        |
| Miscellaneous Credits                               | A-4              | 678.72                                  | 736.68                 |
| Total Income  |                  | <u>48,232,914.53</u>                    | <u>46,312,193.72</u>   |
| Expenditures:                                       |                  |   |                        |
| Budget and Emergency Appropriations                 | A-3              | 17,563,111.71                           | 17,284,421.76          |
| County Taxes Paid                                   | A-4,8            | 3,918,836.19                            | 3,635,003.23           |
| Due to County for Added Taxes                       | A,A-8            | 6,817.58                                | 3,155.55               |
| Local District School Tax                           | A-4,8,17         | 25,374,764.00                           | 24,323,867.00          |
| Senior Citizens Deductions Disallowed - Prior Years | A-7              | 561.60                                  | 2,624.59               |
| Refunds Due to Tax Appeals                          | A-4              | 221,312.17                              |                        |
| Miscellaneous Refunds                               | A-4              |   | 250.00                 |
| Total Expenditures                                  |                  | <u>47,085,403.25</u>                    | <u>45,249,322.13</u>   |
| Statutory Excess to Fund Balance                    |                  | 1,147,511.28                            | 1,062,871.59           |
| Fund Balance January 1                              | A                | <u>1,413,374.09</u>                     | <u>1,300,502.50</u>    |
|   |                  | 2,560,885.37                            | 2,363,374.09           |
| Less: Amount of Fund Balance Utilized as Revenue    | A-2              | <u>1,000,000.00</u>                     | <u>950,000.00</u>      |
| Fund Balance December 31                            | A                | <u>\$ 1,560,885.37</u>                  | <u>\$ 1,413,374.09</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

|   | Reference        | Anticipated<br>Budget       | Realized                | Excess or<br>(Deficit)     |
|---|------------------|-----------------------------|-------------------------|----------------------------|
| Fund Balance Anticipated  | A-1              | \$ 1,000,000.00             | \$ 1,000,000.00         | \$ -                       |
| Miscellaneous Revenues:   |                  |                             |                         |                            |
| Licenses  |                  |                             |                         |                            |
| Alcoholic Beverages   |                  | 7,500.00                    | 10,140.00               | 2,640.00                   |
| Other   |                  | 34,900.00                   | 31,483.60               | (3,416.40)                 |
| Fees and Permits  |                  | 59,000.00                   | 64,974.00               | 5,974.00                   |
| Fines and Costs:  |                  |                             |                         |                            |
| Municipal Court   |                  | 185,000.00                  | 191,082.62              | 6,082.62                   |
| Interest and Costs on Taxes   |                  | 75,000.00                   | 97,637.35               | 22,637.35                  |
| Interest on Investments and Deposits                                |                  | 13,500.00                   | 14,534.41               | 1,034.41                   |
| Lease - Hasbrouck Heights Swim Club                                 |                  | 7,000.00                    | 7,000.00                | 0.00                       |
| Cable TV Franchise Fees   |                  | 156,665.23                  | 156,665.23              | 0.00                       |
| Energy Receipts Taxes   |                  | 1,059,840.00                | 1,059,840.00            | 0.00                       |
| Consolidated Municipal Property Replacement                         |                  | 23,308.00                   | 23,308.00               | 0.00                       |
| Fire Protection - Teterboro   |                  | 98,270.00                   | 98,270.00               | 0.00                       |
| 911 Coverage - Teterboro  |                  | 6,549.00                    | 6,696.25                | 147.25                     |
| 911 Coverage - Little Ferry   |                  | 7,650.00                    | 12,500.00               | 4,850.00                   |
| 911 Coverage - Wood-Ridge   |                  | 9,683.00                    | 9,683.00                | 0.00                       |
| Joint Assessor's Office - South Hackensack                          |                  | 16,000.00                   | 16,520.62               | 520.62                     |
| Pistol Range - Carlstadt  |                  | 2,575.00                    | 2,575.00                | 0.00                       |
| Lease - Port of New York Authority                                  |                  | 1,036.00                    | 1,036.63                | 0.63                       |
| Uniform Construction Code Fees                                      |                  | 165,000.00                  | 195,288.00              | 30,288.00                  |
| Hotel and Motel Occupancy Fee                                       |                  | 485,000.00                  | 555,312.57              | 70,312.57                  |
| Car Dealership Registration Fees                                    |                  | 60,000.00                   | 87,000.00               | 27,000.00                  |
| DOT Utility Agreement Reimbursement/Health<br>Benefit Reimbursement |                  |                             |                         | 0.00                       |
| Due from FEMA Storm Reimbursement                                   |                  | 75,000.00                   | 198,683.64              | 123,683.64                 |
| Due from Capital Fund Reserve for Interest on BANS                  |                  | 13,166.00                   | 13,166.00               | 0.00                       |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383)                        |                  | 12,700.00                   | 12,295.39               | (404.61)                   |
| State and Federal Revenues Offset with Appropriations:              |                  |                             |                         |                            |
| Governor's Council on Alcoholism and Drug                           |                  |                             |                         |                            |
| Abuse (P.L. 1989, c.51)   | D-2              | 9,876.00                    | 9,876.00                | 0.00                       |
| Reserve for Recycling Tonnage Grant                                 | D-2              | 17,917.68                   | 17,917.68               | 0.00                       |
| Reserve for Clean Communities Program                               | D-2              | 16,442.82                   | 16,442.82               | 0.00                       |
| Reserve for Drunk Driving Enforcement                               | D-2              | 5,490.61                    | 5,490.61                | 0.00                       |
| Reserve for Body Armor Fund   | D-2              | 3,039.41                    | 3,039.41                | 0.00                       |
| Res. For Alcohol Education and Rehabilitation Fund                  | D-2              | 1,187.19                    | 1,187.19                | 0.00                       |
| <br>Total Miscellaneous Revenues                                    | A-1, Next Pg.    | <br>2,628,295.94            | <br>2,919,646.02        | <br>291,350.08             |
| Receipts from Delinquent Taxes                                      | A-1, Next Pg.    | 355,000.00                  | 407,530.95              | 52,530.95                  |
| <br>Subtotal General Revenues                                       |                  | <br>3,983,295.94            | <br>4,327,176.97        | <br>343,881.03             |
| Amount to be Raised by Taxes  |                  |                             |                         |                            |
| for Support of Municipal Budget                                     | A-8              | 568,914.63                  |                         |                            |
| Local Tax for Municipal Purposes                                    | A-8, Next Page   | 14,006,525.41               | 15,208,809.60           | 1,202,284.19               |
| <br>Total General Revenues - Adopted                                | A-3              | <br><u>\$ 18,558,735.98</u> | <br>19,535,986.57       | <br><u>\$ 1,546,165.22</u> |
| Non-Budget Revenues   | A-1,4, Next Page |                             | 116,062.42              |                            |
|   |                  |                             | <u>\$ 19,652,048.99</u> |                            |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

**STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

A-2

| <u>ANALYSIS OF REALIZED REVENUES</u>   | <u>Reference</u> | <u>2013</u>             |
|--|------------------|-------------------------|
| Allocation of Current Tax Collections  |                  |                         |
| Revenue from Collections and State Share<br>of Senior Citizens and Veterans Deductions | A-1              | \$ 43,513,603.10        |
| Allocated to:  |                  |                         |
| School and County Taxes  | A-1              | <u>29,300,417.77</u>    |
| Balance for Support of Municipal Appropriations  |                  | 14,213,185.33           |
| Add: Appropriation "Reserve for Uncollected Taxes"                                     | A-3              | <u>995,624.27</u>       |
| Amount for Support of Municipal Budget Appropriations                                  | Prior Page       | <u>\$ 15,208,809.60</u> |
| <br><u>MISCELLANEOUS REVENUES</u>  |                  |                         |
| Current Fund   | A-4              | \$ 2,865,692.31         |
| Grant Fund   | A-3              | <u>53,953.71</u>        |
|  | Prior Page       | <u>\$ 2,919,646.02</u>  |
| <br><u>RECEIPTS FROM DELINQUENT TAXES</u>  |                  |                         |
| Delinquent Tax Collections   | A-1              | <u>\$ 407,530.95</u>    |
| <br><u>ANALYSIS OF NON-BUDGET REVENUES</u>   |                  |                         |
| Miscellaneous Revenues Not Anticipated:  |                  |                         |
| Miscellaneous Sewer Fee  |                  | \$ 86,245.26            |
| Towing Application Fees  |                  | 3,000.00                |
| Housing Inspection Reimbursement   |                  | 1,235.00                |
| Miscellaneous Fees & Charges   |                  | <u>25,582.16</u>        |
|  | A-1,4,Prior Page | <u>\$ 116,062.42</u>    |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                           | EXPENDED        |              |              | Paid or Charged and Encumbered | Cash Unexpended | Reserved | Unexpended Balance Canceled |
|--|----------------|---------------------------|-----------------|--------------|--------------|--------------------------------|-----------------|----------|-----------------------------|
|  | Budget         | Budget After Modification | Paid or Charged | Encumbrances |              |                                |                 |          |                             |
| OPERATIONS - WITHIN "CAPS"                       |                |                           |                 |              |              |                                |                 |          |                             |
| GENERAL GOVERNMENT:                              |                |                           |                 |              |              |                                |                 |          |                             |
| Administrative and Executive - Mayor and Council |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | \$ 39,500.00   | \$ 39,500.00              | \$ 38,857.26    | \$ -         | \$ 38,857.26 | \$ 642.74                      | \$ 642.74       | \$ -     |                             |
| Administrative and Executive                     |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 152,500.00     | 152,500.00                | 146,522.45      | -            | 146,522.45   | 5,977.55                       | 5,977.55        | -        |                             |
| Other Expenses                                   | 23,750.00      | 29,600.00                 | 29,351.33       | -            | 29,351.33    | 248.67                         | 248.67          | -        |                             |
| Elections  |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 6,000.00       | 6,000.00                  | 6,000.00        | -            | 6,000.00     | -                              | -               | -        |                             |
| Other Expenses                                   | 11,500.00      | 11,500.00                 | 10,200.78       | -            | 10,200.78    | 1,299.22                       | 1,299.22        | -        |                             |
| Financial Administration                         |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 130,000.00     | 131,500.00                | 131,167.25      | -            | 131,167.25   | 332.75                         | 332.75          | -        |                             |
| Other Expenses                                   | 5,000.00       | 5,000.00                  | 1,753.45        | 276.00       | 2,029.45     | 3,246.55                       | 2,970.55        | -        |                             |
| Other Expenses - Annual Audit                    | 35,500.00      | 35,500.00                 | 3,250.00        | -            | 3,250.00     | 32,250.00                      | 32,250.00       | -        |                             |
| Assessment of Taxes                              |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 42,500.00      | 42,500.00                 | 39,151.01       | -            | 39,151.01    | 3,348.99                       | 3,348.99        | -        |                             |
| Other Expenses                                   | 5,200.00       | 5,300.00                  | 3,776.14        | 1,500.00     | 5,276.14     | 1,523.86                       | 23.86           | -        |                             |
| Collection of Taxes                              |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 98,750.00      | 100,850.00                | 100,770.52      | -            | 100,770.52   | 79.48                          | 79.48           | -        |                             |
| Other Expenses                                   | 20,800.00      | 20,800.00                 | 15,515.93       | -            | 15,515.93    | 5,284.07                       | 5,284.07        | -        |                             |
| Legal Services and Costs                         |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               |                |                           |                 | -            | -            | -                              | -               | -        |                             |
| Other Expenses                                   | 182,000.00     | 149,075.00                | 129,503.66      | -            | 129,503.66   | 19,571.34                      | 19,571.34       | -        |                             |
| Municipal Court                                  |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 88,500.00      | 88,500.00                 | 88,465.55       | -            | 88,465.55    | 34.45                          | 34.45           | -        |                             |
| Other Expenses                                   | 8,700.00       | 10,200.00                 | 9,620.93        | 336.50       | 9,957.43     | 579.07                         | 242.57          | -        |                             |
| Municipal Prosecutor                             |                |                           |                 |              |              |                                |                 |          |                             |
| Salaries and Wages                               | 19,500.00      | 20,500.00                 | 20,482.00       | -            | 20,482.00    | 18.00                          | 18.00           | -        |                             |
| Other Expenses                                   | 500.00         | 500.00                    | -               | -            | -            | 500.00                         | 500.00          | -        |                             |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                              | EXPENDED           |              |              | Paid or<br>Charged and<br>Encumbered | Cash<br>Unexpended | Reserved | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|--------------|--------------|--------------------------------------|--------------------|----------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Encumbrances |              |                                      |                    |          |                                   |
| OPERATIONS - WITHIN "CAPS" (CONT'D)          |                |                              |                    |              |              |                                      |                    |          |                                   |
| Public Defender                              |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | \$ 10,000.00   | \$ 10,100.00                 | \$ 10,024.00       | \$ -         | \$ 10,024.00 | \$ 76.00                             | \$ 76.00           | \$ -     |                                   |
| Other Expenses                               | 500.00         | 500.00                       |                    |              | -            | 500.00                               | 500.00             | -        |                                   |
| Engineering Services and Costs               |                |                              |                    |              |              |                                      |                    |          |                                   |
| Other Expenses                               | 30,000.00      | 29,400.00                    | 20,815.13          |              | 20,815.13    | 8,584.87                             | 8,584.87           | -        |                                   |
| Public Buildings and Grounds                 |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | 63,000.00      | 60,500.00                    | 52,910.98          |              | 52,910.98    | 7,589.02                             | 7,589.02           | -        |                                   |
| Other Expenses                               | 68,200.00      | 83,700.00                    | 81,286.20          | 1,919.50     | 83,205.70    | 2,413.80                             | 494.30             | -        |                                   |
| Master Plan                                  |                |                              |                    |              |              |                                      |                    |          |                                   |
| Other Expenses                               | 7,500.00       | 7,500.00                     |                    |              | -            | 7,500.00                             | 7,500.00           | -        |                                   |
| Codification of ordinances                   |                |                              |                    |              |              |                                      |                    |          |                                   |
| Other Expenses                               | 5,000.00       | 5,000.00                     | 3,162.52           |              | 3,162.52     | 1,837.48                             | 1,837.48           | -        |                                   |
| MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)   |                |                              |                    |              |              |                                      |                    |          |                                   |
| Planning Board                               |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | 8,000.00       | 8,000.00                     | 6,788.00           |              | 6,788.00     | 1,212.00                             | 1,212.00           | -        |                                   |
| Other Expenses                               | 4,000.00       | 4,000.00                     | 2,030.61           |              | 2,030.61     | 1,969.39                             | 1,969.39           | -        |                                   |
| Board of Adjustment                          |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | 33,775.00      | 33,775.00                    | 32,819.50          |              | 32,819.50    | 955.50                               | 955.50             | -        |                                   |
| Other Expenses                               | 6,500.00       | 8,750.00                     | 8,677.15           |              | 8,677.15     | 72.85                                | 72.85              | -        |                                   |
| Shade Trees                                  |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | 262,500.00     | 263,500.00                   | 263,208.82         |              | 263,208.82   | 291.18                               | 291.18             | -        |                                   |
| Other Expenses                               | 16,950.00      | 19,650.00                    | 9,141.25           | 10,410.90    | 19,552.15    | 10,508.75                            | 97.85              | -        |                                   |
| Recycling Program                            |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                           | 199,500.00     | 199,500.00                   | 193,941.69         |              | 193,941.69   | 5,558.31                             | 5,558.31           | -        |                                   |
| Other Expenses                               | 80,000.00      | 97,000.00                    | 96,309.74          | -            | 96,309.74    | 690.26                               | 690.26             | -        |                                   |
| Insurance                                    |                |                              |                    |              |              |                                      |                    |          |                                   |
| Other Insurance Premiums - General Liability | 272,800.00     | 272,800.00                   | 266,867.83         | 385.00       | 267,252.83   | 5,932.17                             | 5,547.17           | -        |                                   |
| Workers Compensation                         | 316,314.00     | 316,389.00                   | 316,389.00         |              | 316,389.00   | -                                    | -                  | -        |                                   |
| Group Insurance for Employees                | 2,145,000.00   | 2,145,000.00                 | 2,118,489.30       |              | 2,118,489.30 | 26,510.70                            | 26,510.70          | -        |                                   |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                              | EXPENDED           |              |              | Paid or<br>Charged and<br>Encumbered | Cash<br>Unexpended | Reserved | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|--------------|--------------|--------------------------------------|--------------------|----------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Encumbrances |              |                                      |                    |          |                                   |
| OPERATIONS - WITHIN "CAPS" (CONT'D)        |                |                              |                    |              |              |                                      |                    |          |                                   |
| Fire                                       |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | \$ 90,500.00   | \$ 90,500.00                 | \$ 85,631.58       | \$ -         | \$ 85,631.58 | \$ 4,868.42                          | \$ 4,868.42        | \$ -     |                                   |
| Other Expenses                             | 103,500.00     | 103,500.00                   | 65,182.01          | 2,531.54     | 67,713.55    | 38,317.99                            | 35,786.45          | -        |                                   |
| Uniform Fire Safety Act (Ch.383 P.L. 1983) |                |                              |                    |              |              |                                      |                    |          |                                   |
| Fire                                       |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | 51,500.00      | 51,500.00                    | 50,442.71          |              | 50,442.71    | 1,057.29                             | 1,057.29           | -        |                                   |
| Other Expenses                             | 6,300.00       | 6,300.00                     | 3,921.13           | 694.38       | 4,615.51     | 2,378.87                             | 1,684.49           | -        |                                   |
| Police                                     |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | 4,293,000.00   | 4,224,400.00                 | 4,103,751.27       |              | 4,103,751.27 | 120,648.73                           | 120,648.73         | -        |                                   |
| Other Expenses                             | 198,500.00     | 248,500.00                   | 212,995.76         | 2,382.04     | 215,377.80   | 35,504.24                            | 33,122.20          | -        |                                   |
| Emergency Management Services              |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | 5,600.00       | 5,850.00                     | 5,710.41           |              | 5,710.41     | 139.59                               | 139.59             | -        |                                   |
| Other Expenses                             | 5,500.00       | 5,500.00                     | 5,281.97           |              | 5,281.97     | 218.03                               | 218.03             | -        |                                   |
| <u>STREETS AND ROADS</u>                   |                |                              |                    |              |              |                                      |                    |          |                                   |
| Road Repairs and Maintenance               |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | 416,000.00     | 333,000.00                   | 323,232.62         |              | 323,232.62   | 9,767.38                             | 9,767.38           | -        |                                   |
| Other Expenses                             | 55,900.00      | 74,400.00                    | 64,114.82          | 2,547.32     | 66,662.14    | 10,285.18                            | 7,737.86           | -        |                                   |
| <u>SANITATION</u>                          |                |                              |                    |              |              |                                      |                    |          |                                   |
| Street Cleaning                            |                |                              |                    |              |              |                                      |                    |          |                                   |
| Salaries and Wages                         | 235,000.00     | 235,000.00                   | 227,978.94         |              | 227,978.94   | 7,021.06                             | 7,021.06           | -        |                                   |
| Other Expenses                             | 28,100.00      | 28,100.00                    | 23,141.76          | 419.64       | 23,561.40    | 4,958.24                             | 4,538.60           | -        |                                   |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|   | APPROPRIATIONS |                              | EXPENDED           |              |                                      | Cash<br>Unexpended | Reserved  | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|--------------|--------------------------------------|--------------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Encumbrances | Paid or<br>Charged and<br>Encumbered |                    |           |                                   |
| OPERATIONS - WITHIN "CAPS" (CONT'D)                 |                |                              |                    |              |                                      |                    |           |                                   |
| Garbage and Trash Removal                           |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | \$ 589,000.00  | \$ 595,000.00                | \$ 594,813.53      | \$ -         | \$ 594,813.53                        | \$ 186.47          | \$ 186.47 | \$ -                              |
| Other Expenses                                      | 45,900.00      | 53,400.00                    | 53,231.61          | 117.25       | 53,348.86                            | 168.39             | 51.14     | -                                 |
| Sewer Maintenance                                   |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | 176,500.00     | 176,500.00                   | 166,676.06         |              | 166,676.06                           | 9,823.94           | 9,823.94  | -                                 |
| Other Expenses                                      | 24,200.00      | 25,950.00                    | 24,736.68          | 1,006.57     | 25,743.25                            | 1,213.32           | 206.75    | -                                 |
| Sanitary Landfill                                   |                |                              |                    |              |                                      |                    |           |                                   |
| Contractual - Bergen County                         | 420,000.00     | 365,000.00                   | 307,193.42         |              | 307,193.42                           | 57,806.58          | 57,806.58 |                                   |
| <u>HEALTH AND WELFARE</u>                           |                |                              |                    |              |                                      |                    |           |                                   |
| Board of Health                                     |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | 42,500.00      | 43,400.00                    | 43,386.72          |              | 43,386.72                            | 13.28              | 13.28     | -                                 |
| Other Expenses                                      |                |                              |                    |              |                                      |                    |           |                                   |
| Health Services - Contractual                       | 65,000.00      | 65,000.00                    | 64,824.75          |              | 64,824.75                            | 175.25             | 175.25    | -                                 |
| Miscellaneous Other Expenses                        | 6,200.00       | 5,300.00                     | 4,490.21           |              | 4,490.21                             | 809.79             | 809.79    | -                                 |
| Dog Regulation                                      |                |                              |                    |              |                                      |                    |           |                                   |
| Other Expenses:                                     |                |                              |                    |              |                                      |                    |           |                                   |
| County of Bergen - Contractual                      | 15,000.00      | 15,000.00                    | 7,782.00           |              | 7,782.00                             | 7,218.00           | 7,218.00  |                                   |
| Miscellaneous                                       | 500.00         | 500.00                       | -                  |              | -                                    | 500.00             | 500.00    | -                                 |
| Administration of Public Assistance                 |                |                              |                    |              |                                      |                    |           |                                   |
| Other Expenses                                      | 750.00         | 750.00                       |                    |              | -                                    | 750.00             | 750.00    | -                                 |
| <u>RECREATION AND EDUCATION</u>                     |                |                              |                    |              |                                      |                    |           |                                   |
| Parks and Playgrounds                               |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | 122,000.00     | 174,000.00                   | 173,900.87         |              | 173,900.87                           | 99.13              | 99.13     | -                                 |
| Other Expenses                                      | 16,500.00      | 16,500.00                    | 14,604.38          | 804.61       | 15,408.99                            | 1,895.62           | 1,091.01  | -                                 |
| Recreation  |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | 66,500.00      | 79,500.00                    | 78,710.49          |              | 78,710.49                            | 789.51             | 789.51    | -                                 |
| Other Expenses                                      | 31,000.00      | 31,000.00                    | 27,554.83          | -            | 27,554.83                            | 3,445.17           | 3,445.17  | -                                 |
| Celebration of Public Event, Anniversary or Holiday |                |                              |                    |              |                                      |                    |           |                                   |
| Salaries and Wages                                  | 12,500.00      | 12,750.00                    | 12,747.39          |              | 12,747.39                            | 2.61               | 2.61      | -                                 |
| Other Expenses                                      | 23,500.00      | 23,500.00                    | 12,872.27          | 1,000.00     | 13,872.27                            | 10,627.73          | 9,627.73  | -                                 |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS   |                           | EXPENDED         |              |                  | Paid or Charged and Encumbered | Cash Unexpended | Reserved | Unexpended Balance Canceled |
|--|------------------|---------------------------|------------------|--------------|------------------|--------------------------------|-----------------|----------|-----------------------------|
|  | Budget           | Budget After Modification | Paid or Charged  | Encumbrances |                  |                                |                 |          |                             |
| OPERATIONS - WITHIN "CAPS" (CONT'D)  |                  |                           |                  |              |                  |                                |                 |          |                             |
| <u>RECREATION AND EDUCATION (CONT'D)</u>   |                  |                           |                  |              |                  |                                |                 |          |                             |
| Senior Citizen's Transportation  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Salaries and Wages   | \$ 13,500.00     | \$ 14,150.00              | \$ 14,110.23     | \$ -         | \$ 14,110.23     | \$ 39.77                       | \$ 39.77        | \$ -     |                             |
| Other Expenses   | 2,000.00         | 2,000.00                  | 1,512.80         | -            | 1,512.80         | 487.20                         | 487.20          | -        |                             |
| Senior Citizen's Activities  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Salaries and Wages   | 28,900.00        | 29,500.00                 | 29,490.11        | -            | 29,490.11        | 9.89                           | 9.89            | -        |                             |
| Other Expenses   | 10,000.00        | 10,850.00                 | 10,691.32        | 151.78       | 10,843.10        | 158.68                         | 6.90            | -        |                             |
| UNIFORM CONSTRUCTION CODE - APPROPRIATION<br>OFFSET BY DEDICATED REVENUES<br><u>N.J.A.C. 5:23-4.17</u> |                  |                           |                  |              |                  |                                |                 |          |                             |
| Construction Code Officials  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Salaries and Wages   | 121,500.00       | 127,500.00                | 127,471.71       | -            | 127,471.71       | 28.29                          | 28.29           | -        |                             |
| Other Expenses   | 3,750.00         | 3,750.00                  | 3,662.71         | -            | 3,662.71         | 87.29                          | 87.29           | -        |                             |
| UNCLASSIFIED:  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Utilities  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Gasoline   | 155,000.00       | 155,000.00                | 145,022.98       | 9,439.07     | 154,462.05       | 9,977.02                       | 537.95          | -        |                             |
| Electricity  | 130,000.00       | 130,000.00                | 108,977.53       | -            | 108,977.53       | 21,022.47                      | 21,022.47       | -        |                             |
| Telephone  | 56,500.00        | 63,500.00                 | 62,695.24        | -            | 62,695.24        | 804.76                         | 804.76          | -        |                             |
| Natural Gas  | 38,500.00        | 38,500.00                 | 19,445.38        | -            | 19,445.38        | 19,054.62                      | 19,054.62       | -        |                             |
| Street Lighting  | 90,000.00        | 90,000.00                 | 73,227.04        | -            | 73,227.04        | 16,772.96                      | 16,772.96       | -        |                             |
| Fire Hydrant Service   | 130,000.00       | 130,000.00                | 118,274.53       | -            | 118,274.53       | 11,725.47                      | 11,725.47       | -        |                             |
| Water  | 15,000.00        | 15,600.00                 | 15,577.46        | -            | 15,577.46        | 22.54                          | 22.54           | -        |                             |
| TOTAL OPERATIONS WITHIN "CAPS"   | \$ 12,341,339.00 | \$ 12,314,339.00          | \$ 11,746,319.21 | \$ 35,922.10 | \$ 11,782,241.31 | \$ 568,019.79                  | \$ 532,097.69   | \$ -     |                             |
| Detail:  |                  |                           |                  |              |                  |                                |                 |          |                             |
| Salaries and Wages   | 7,418,525.00     | 7,349,775.00              | 7,169,163.67     | -            | 7,169,163.67     | 180,611.33                     | 180,611.33      | -        |                             |
| Other Expenses (Including Contingent)  | 4,922,814.00     | 4,964,564.00              | 4,577,155.54     | 35,922.10    | 4,613,077.64     | 387,408.46                     | 351,486.36      | -        |                             |
|  | \$ 12,341,339.00 | \$ 12,314,339.00          | \$ 11,746,319.21 | \$ 35,922.10 | \$ 11,782,241.31 | \$ 568,019.79                  | \$ 532,097.69   | \$ -     |                             |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS          |                                      | EXPENDED                   |                     | Paid or<br>Charged and<br>Encumbered | Cash<br>Unexpended   | Reserved             | Unexpended<br>Balance<br>Canceled |
|--|-------------------------|--------------------------------------|----------------------------|---------------------|--------------------------------------|----------------------|----------------------|-----------------------------------|
|  | <u>Budget</u>           | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> |                                      |                      |                      |                                   |
| DEFERRED CHARGES AND STATUTORY<br>EXPENDITURES - MUNICIPAL WITHIN "CAPS"       |                         |                                      |                            |                     |                                      |                      |                      |                                   |
| STATUTORY EXPENDITURES:  |                         |                                      |                            |                     |                                      |                      |                      |                                   |
| Contribution to:   |                         |                                      |                            |                     |                                      |                      |                      |                                   |
| Public Employees' Retirement System  | \$ 394,171.00           | \$ 394,171.00                        | \$ 394,171.00              | \$ -                | \$ 394,171.00                        | \$ -                 | \$ -                 | \$ -                              |
| Social Security System (O. A. S. I.)   | 375,000.00              | 350,000.00                           | 324,073.38                 | -                   | 324,073.38                           | 25,926.62            | 25,926.62            | -                                 |
| Consolidated Police and Firemen's Pension Fund                                 |                         |                                      |                            |                     |                                      |                      |                      |                                   |
| Police and Firemen's Retirement System of NJ                                   | 868,223.00              | 868,223.00                           | 868,223.00                 | -                   | 868,223.00                           | -                    | -                    | -                                 |
| Unemployment Insurance   | 50,000.00               | 50,000.00                            | 25,000.00                  | -                   | 25,000.00                            | 25,000.00            | 25,000.00            | -                                 |
| TOTAL DEFERRED CHARGES AND STATUTORY<br>EXPENDITURES - MUNICIPAL WITHIN "CAPS" | <u>\$ 1,687,394.00</u>  | <u>\$ 1,662,394.00</u>               | <u>\$ 1,611,467.38</u>     | <u>\$ -</u>         | <u>\$ 1,611,467.38</u>               | <u>\$ 50,926.62</u>  | <u>\$ 50,926.62</u>  | <u>\$ -</u>                       |
| TOTAL GENERAL APPROPRIATIONS FOR<br>MUNICIPAL PURPOSES WITHIN "CAPS"           | <u>\$ 14,028,733.00</u> | <u>\$ 13,976,733.00</u>              | <u>\$ 13,357,786.59</u>    | <u>\$ 35,922.10</u> | <u>\$ 13,393,708.69</u>              | <u>\$ 618,946.41</u> | <u>\$ 583,024.31</u> | <u>\$ -</u>                       |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|   | APPROPRIATIONS |                                      | EXPENDED                   |                     |   |                            | Unexpended<br>Balance<br>Canceled |                 |
|---|----------------|--------------------------------------|----------------------------|---------------------|---|----------------------------|-----------------------------------|-----------------|
|   | <u>Budget</u>  | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> | <u>Paid or<br/>Charged and<br/>Encumbered</u> | <u>Cash<br/>Unexpended</u> |                                   | <u>Reserved</u> |
| OPERATIONS - EXCLUDED FROM "CAPS"                               |                |                                      |                            |                     |   |                            |                                   |                 |
| Maintenance of Free Public Library<br>(Ch. 82 & 541, P.L. 1985) |                |                                      |                            |                     |   |                            |                                   |                 |
| Salaries and Wages  | \$ 462,500.00  | \$ 462,500.00                        | \$ 449,153.63              | \$ -                | \$ 449,153.63                                 | \$ 13,346.37               | \$ 13,346.37                      | \$ -            |
| Other Expenses  | 186,900.00     | 186,900.00                           | 167,178.13                 | 921.47              | 168,099.60                                    | 19,721.87                  | 18,800.40                         | -               |
| Group Insurance for Employees                                   | 121,500.00     | 121,500.00                           | 115,079.37                 | -                   | 115,079.37                                    | 6,420.63                   | 6,420.63                          | -               |
| Bergen County Utilities Authority                               |                |                                      |                            |                     |   |                            |                                   |                 |
| Service Charges - Contractual                                   | 1,210,000.00   | 1,210,000.00                         | 1,209,760.55               | -                   | 1,209,760.55                                  | 239.45                     | 239.45                            | -               |
| Other Sewer Service Charges - Contractual                       | -              | -                                    | -                          | -                   | -   | -                          | -                                 | -               |
| Reserve for Tax Appeals   | 75,000.00      | 125,000.00                           | 120,000.00                 | -                   | 120,000.00                                    | 5,000.00                   | 5,000.00                          | -               |
| L.O.S.A.P.  | 35,000.00      | 35,000.00                            | -                          | -                   | -   | 35,000.00                  | 35,000.00                         | -               |
| Sanitary Landfill Recycling Tax                                 | 18,750.00      | 18,750.00                            | 12,780.66                  | -                   | 12,780.66                                     | 5,969.34                   | 5,969.34                          | -               |
| NJDES Stormwater Permit NJSA 40A:4-45.3cc                       |                |                                      |                            |                     |   |                            |                                   |                 |
| Street Cleaning   |                |                                      |                            |                     |   |                            |                                   |                 |
| Salaries and Wages  | 48,500.00      | 48,500.00                            | 48,500.00                  | -                   | 48,500.00                                     | -                          | -                                 | -               |
| Other Expenses  | 6,500.00       | 6,500.00                             | 6,500.00                   | -                   | 6,500.00                                      | -                          | -                                 | -               |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|   | APPROPRIATIONS         |                                      | EXPENDED                   |                     |   |                            | Unexpended<br>Balance<br>Canceled |                 |
|---|------------------------|--------------------------------------|----------------------------|---------------------|---|----------------------------|-----------------------------------|-----------------|
|   | <u>Budget</u>          | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> | <u>Paid or<br/>Charged and<br/>Encumbered</u> | <u>Cash<br/>Unexpended</u> |                                   | <u>Reserved</u> |
| STATE AND FEDERAL PROGRAMS  |                        |                                      |                            |                     |   |                            |                                   |                 |
| <u>OFFSET BY REVENUES</u>   |                        |                                      |                            |                     |   |                            |                                   |                 |
| Reserve for Recycling Tonnage Grant   | \$ 17,917.68           | \$ 17,917.68                         | \$ 17,917.68               | \$ -                | \$ 17,917.68                                  | \$ -                       | \$ -                              | \$ -            |
| Reserve for Alcohol Education Act   | 1,187.19               | 1,187.19                             | 1,187.19                   |                     | 1,187.19                                      | -                          | -                                 | -               |
| Reserve for Drunk Driving Enforcement Fund                                    | 5,490.61               | 5,490.61                             | 5,490.61                   |                     | 5,490.61                                      | -                          | -                                 |                 |
| Division of Criminal Justice<br>Reserve for Body Armor Fund                   | 3,039.41               | 3,039.41                             | 3,039.41                   |                     | 3,039.41                                      |                            | -                                 |                 |
| Governor's Council on Alcoholism and Drug Abuse<br>(P.L. 1989, C. 51)         | 9,876.00               | 9,876.00                             | 9,876.00                   |                     | 9,876.00                                      | -                          | -                                 | -               |
| Governor's Council on Alcoholism and Drug Abuse<br>(P.L. 1989, C. 51) - Match | 2,875.00               | 2,875.00                             | 2,875.00                   |                     | 2,875.00                                      | -                          | -                                 | -               |
| Reserve for Clean Communities Act<br>Street Cleaning<br>Other Expenses        | 16,442.82              | 16,442.82                            | 16,442.82                  |                     | -<br>-<br>16,442.82                           | 0.00                       | 0.00                              | 0.00            |
| <b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>                                | <b>\$2,221,478.71</b>  | <b>\$ 2,271,478.71</b>               | <b>\$2,185,781.05</b>      | <b>\$ 921.47</b>    | <b>\$ 2,186,702.52</b>                        | <b>\$ 85,697.66</b>        | <b>\$ 84,776.19</b>               | <b>\$ -</b>     |
| Detail:   |                        |                                      |                            |                     |   |                            |                                   |                 |
| Salaries and Wages  | \$ 511,000.00          | \$ 511,000.00                        | \$ 497,653.63              | \$ -                | \$ 497,653.63                                 | \$ 13,346.37               | \$ 13,346.37                      | \$ -            |
| Other Expenses  | 1,710,478.71           | 1,760,478.71                         | 1,688,127.42               | 921.47              | 1,689,048.89                                  | 72,351.29                  | 71,429.82                         | -               |
|   | <b>\$ 2,221,478.71</b> | <b>\$ 2,271,478.71</b>               | <b>\$ 2,185,781.05</b>     | <b>\$ 921.47</b>    | <b>\$ 2,186,702.52</b>                        | <b>\$ 85,697.66</b>        | <b>\$ 84,776.19</b>               | <b>\$ -</b>     |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS         |                                      | EXPENDED                   |                     | Paid or<br>Charged and<br>Encumbered | Cash<br>Unexpended | Reserved           | Unexpended<br>Balance<br>Canceled |
|--|------------------------|--------------------------------------|----------------------------|---------------------|--------------------------------------|--------------------|--------------------|-----------------------------------|
|  | <u>Budget</u>          | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> |                                      |                    |                    |                                   |
| <u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>     |                        |                                      |                            |                     |                                      |                    |                    |                                   |
| Capital Improvement Fund                               | \$ 60,000.00           | \$ 62,000.00                         | \$ 60,000.00               | \$ -                | \$ 60,000.00                         | \$ 2,000.00        | \$ 2,000.00        | \$ -                              |
| TOTAL CAPITAL IMPROVEMENTS -<br>EXCLUDED FROM "CAPS"   | <u>\$ 60,000.00</u>    | <u>\$ 62,000.00</u>                  | <u>\$ 60,000.00</u>        | <u>\$ -</u>         | <u>\$ 60,000.00</u>                  | <u>\$ 2,000.00</u> | <u>\$ 2,000.00</u> | <u>\$ -</u>                       |
| <u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>   |                        |                                      |                            |                     |                                      |                    |                    |                                   |
| Payment of Bond Principal                              | \$ 375,000.00          | \$ 375,000.00                        | \$ 375,000.00              | \$ -                | \$ 375,000.00                        | \$ -               | \$ -               | \$ -                              |
| Payment of Bond Anticipation Notes                     | 653,500.00             | 653,500.00                           | 653,500.00                 | -                   | 653,500.00                           | -                  | -                  | -                                 |
| Interest on Bonds                                      | 157,650.00             | 157,650.00                           | 157,610.00                 | -                   | 157,610.00                           | -                  | -                  | 40.00                             |
| Interest on Notes                                      | 41,750.00              | 41,750.00                            | 41,642.35                  | -                   | 41,642.35                            | -                  | -                  | 107.65                            |
| TOTAL MUNICIPAL DEBT SERVICE -<br>EXCLUDED FROM "CAPS" | <u>\$ 1,227,900.00</u> | <u>\$ 1,227,900.00</u>               | <u>\$ 1,227,752.35</u>     | <u>\$ -</u>         | <u>\$ 1,227,752.35</u>               | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 147.65</u>                  |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS          |                                      | EXPENDED                   |                     |   |                            | Unexpended<br>Balance<br>Canceled |                  |
|--|-------------------------|--------------------------------------|----------------------------|---------------------|---|----------------------------|-----------------------------------|------------------|
|  | <u>Budget</u>           | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> | <u>Paid or<br/>Charged and<br/>Encumbered</u> | <u>Cash<br/>Unexpended</u> |                                   | <u>Reserved</u>  |
| <u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED<br/>FROM "CAPS"</u>             |                         |                                      |                            |                     |   |                            |                                   |                  |
| Special Emergency Authorizations-<br>5 Year (N.J.S.A. 40A:4-55)            | \$ 25,000.00            | \$ 25,000.00                         | \$ 25,000.00               | \$ -                | \$ 25,000.00                                  | \$ -                       | \$ -                              | \$ -             |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL<br>PURPOSE-EXCLUDED FROM "CAPS" | <u>\$ 3,534,378.71</u>  | <u>\$ 3,586,378.71</u>               | <u>\$ 3,498,533.40</u>     | <u>\$ 921.47</u>    | <u>\$ 3,499,454.87</u>                        | <u>\$ 87,697.66</u>        | <u>\$ 86,776.19</u>               | <u>\$ 147.65</u> |
| SUBTOTAL GENERAL APPROPRIATIONS  | <u>\$ 17,563,111.71</u> | <u>\$ 17,563,111.71</u>              | <u>\$ 16,856,319.99</u>    | <u>\$ 36,843.57</u> | <u>\$ 16,893,163.56</u>                       | <u>\$ 706,644.07</u>       | <u>\$ 669,800.50</u>              | <u>\$ 147.65</u> |
| Reserve for Uncollected Taxes  | <u>995,624.27</u>       | <u>995,624.27</u>                    | <u>995,624.27</u>          | <u>-</u>            | <u>995,624.27</u>                             | <u>-</u>                   | <u>-</u>                          | <u>-</u>         |
| TOTAL GENERAL APPROPRIATIONS   | <u>\$ 18,558,735.98</u> | <u>\$ 18,558,735.98</u>              | <u>\$ 17,851,944.26</u>    | <u>\$ 36,843.57</u> | <u>\$ 17,888,787.83</u>                       | <u>\$ 706,644.07</u>       | <u>\$ 669,800.50</u>              | <u>\$ 147.65</u> |
| Reference  | A-2                     |                                      | Below                      | A                   |   |                            | A                                 | A-1              |
| <u>Reference</u>   |                         |                                      |                            |                     |   |                            |                                   |                  |
| Reserve for Tax Appeals  | A-18                    |                                      | \$ 120,000.00              |                     |   |                            |                                   |                  |
| Special Emergency Authorizations   | A-12                    |                                      | 25,000.00                  |                     |   |                            |                                   |                  |
| Reserve for State Grants   | A-2                     |                                      | 53,953.71                  |                     |   |                            |                                   |                  |
| Reserve for State Grants - Matching Funds                                  | D-3, A-4                |                                      | 2,875.00                   |                     |   |                            |                                   |                  |
| Reserve for Uncollected Taxes  | A-2                     |                                      | 995,624.27                 |                     |   |                            |                                   |                  |
| Disbursed  | A-4                     |                                      | <u>16,654,491.28</u>       |                     |   |                            |                                   |                  |
| Above  |                         |                                      | <u>\$ 17,851,944.26</u>    |                     |   |                            |                                   |                  |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013 AND 2012

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

|                             |                  | <u>At December 31:</u>   |                          |
|-----------------------------|------------------|--------------------------|--------------------------|
|                             | <u>Reference</u> | <u>2013</u>              | <u>2012</u>              |
| <b>ASSETS</b>               |                  |                          |                          |
| <u>Assessment Fund</u>      |                  |                          |                          |
| Cash                        | B-1              | \$ 1,838.67              | \$ 1,838.67              |
| <br><u>Dog License Fund</u> |                  |                          |                          |
| Cash                        | B-1              | \$ 32,549.80             | \$ 31,165.80             |
|                             |                  | \$ 32,549.80             | \$ 31,165.80             |
| <br><u>Other Funds</u>      |                  |                          |                          |
| Cash                        | B-1              | \$ 845,277.24            | \$ 639,827.07            |
|                             |                  | \$ 845,277.24            | \$ 639,827.07            |
| <br><b>TOTAL ASSETS</b>     |                  | <br><b>\$ 879,665.71</b> | <br><b>\$ 672,831.54</b> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013 AND 2012

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
(CONTINUED)**

**B**

|   | <u>Reference</u> | <u>At December 31:</u> |                      |
|---|------------------|------------------------|----------------------|
| <b>LIABILITIES, RESERVE AND FUND BALANCE</b>        |                  | <u>2013</u>            | <u>2012</u>          |
| <u>Assessment Fund</u>                              |                  |                        |                      |
| Fund Balance  | B-8              | \$ 1,838.67            | \$ 1,838.67          |
| <br>  |                  |                        |                      |
| <u>Dog License Fund</u>                             |                  |                        |                      |
| Reserve for Dog Fund Expenditures                   | B-2              | \$ 31,187.60           | \$ 31,050.80         |
| Registration Fees Due to State of New Jersey        | B-2              | 125.20                 | 115.00               |
| Due to Current Fund                                 | B-5              | 1,237.00               |                      |
|   |                  | \$ 32,549.80           | \$ 31,165.80         |
| <br>  |                  |                        |                      |
| <u>Other Funds</u>                                  |                  |                        |                      |
| Deposits Payable                                    | B-3              | \$ 678,297.73          | \$ 425,520.51        |
| Payroll Deductions Payable                          | B-4              | 108,466.13             | 192,754.35           |
| <br>  |                  |                        |                      |
| Reserve for:  |                  |                        |                      |
| Unemployment Insurance                              | B-6              | 39,532.53              | 3,153.40             |
| FEMA Reimbursement                                  | B-7              | 8,679.84               | 8,679.84             |
| Fund Balance  | B-8              | 10,301.01              | 9,718.97             |
|   |                  | 845,277.24             | 639,827.07           |
| <br>  |                  |                        |                      |
| <b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b> |                  | <b>\$ 879,665.71</b>   | <b>\$ 672,831.54</b> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013 AND 2012

C

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

| ASSETS   | Reference | Balance<br><u>Dec. 31, 2013</u> | Balance<br><u>Dec. 31, 2012</u> |
|--|-----------|---------------------------------|---------------------------------|
| Cash   | C-2,3     | \$ 539,451.30                   | \$ 423,062.70                   |
| Due From State of NJ - Dept. of Transportation     | C-4       | 610,904.75                      | 664,577.43                      |
| Due County of Bergen                               | C-5       | 289,721.35                      | 151,335.42                      |
| Due From Current Fund                              | C-2a      | 198,672.68                      |                                 |
| Deferred Charges to Future Taxation                |           |                                 |                                 |
| Funded   | C-9       | 3,734,000.00                    | 4,109,000.00                    |
| Unfunded   | C-6       | <u>5,077,818.48</u>             | <u>4,851,318.48</u>             |
| <b>TOTAL ASSETS</b>                                |           | <b><u>\$ 10,450,568.56</u></b>  | <b><u>\$ 10,199,294.03</u></b>  |
| <br><b>LIABILITIES, RESERVE AND FUND BALANCE</b>   |           |                                 |                                 |
| General Serial Bonds                               | C-9       | \$ 3,734,000.00                 | \$ 4,109,000.00                 |
| Improvement Authorizations                         |           |                                 |                                 |
| Funded   | C-8       | 943,430.87                      | 833,670.97                      |
| Unfunded   | C-8       | 1,843,800.51                    | 1,858,691.08                    |
| Capital Improvement Fund                           | C-7       | 46,510.17                       | 20,110.17                       |
| Reserve for Garrison Ave. F.E.M.A. Funds           | C-12      | 7,800.86                        | 7,800.86                        |
| Bond Anticipation Notes Payable                    | C-10      | 3,850,000.00                    | 3,350,000.00                    |
| Reserve for Payment of BANS                        | C-13      | 18,172.00                       | 13,166.00                       |
| Fund Balance                                       | C-1       | <u>6,854.15</u>                 | <u>6,854.95</u>                 |
| <b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b> |           | <b><u>\$ 10,450,568.56</u></b>  | <b><u>\$ 10,199,294.03</u></b>  |

There were Bonds and Notes Authorized but not Issued on December 31, 2013 of \$1,227,818.48 and on December 31, 2012 of \$1,501,318.48(Exhibit C-11).

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

C-1

|                            | Reference |                           |
|----------------------------|-----------|---------------------------|
| Balance December 31, 2012  | C         | \$ 6,854.95               |
| Decreased by:              |           |                           |
| Canceled Grants Receivable | C-5       | <u>0.80</u>               |
| Balance December 31, 2013  | C         | <b><u>\$ 6,854.15</u></b> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 GRANT FUND  
 DECEMBER 31, 2013 AND 2012

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**D**

|   |                  | <u>At December 31:</u>      |                             |
|---|------------------|-----------------------------|-----------------------------|
|   |                  | <u>2013</u>                 | <u>2012</u>                 |
|   | <u>Reference</u> |                             |                             |
| <b>ASSETS</b>                               |                  |                             |                             |
| <u>Federal and State Grants</u>             |                  |                             |                             |
| Cash  | D-1              | \$ 102,491.14               | \$ 90,152.01                |
| Grant Receivable                            | D-2              | <u>12,256.10</u>            | <u>13,756.10</u>            |
| <b>TOTAL ASSETS</b>                         |                  | <u><u>\$ 114,747.24</u></u> | <u><u>\$ 103,908.11</u></u> |
| <br><b>LIABILITIES AND RESERVES</b>         |                  |                             |                             |
| <u>Federal and State Grants</u>             |                  |                             |                             |
| <u>Reserve for Federal and State Grants</u> |                  |                             |                             |
| Appropriated                                | D-3              | \$ 59,835.12                | \$ 59,830.40                |
| Unappropriated                              | D-4              | <u>54,912.12</u>            | <u>44,077.71</u>            |
| <b>TOTAL LIABILITIES AND RESERVES</b>       |                  | <u><u>\$ 114,747.24</u></u> | <u><u>\$ 103,908.11</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 PUBLIC ASSISTANCE TRUST FUND  
 DECEMBER 31, 2013 AND 2012

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

|  |     | Balance<br><u>December 31, 2013</u> | Balance<br><u>December 31, 2012</u> |
|--|-----|-------------------------------------|-------------------------------------|
| <b>E</b>                               |     |                                     |                                     |
| <b><u>ASSETS</u></b>                   |     |                                     |                                     |
| Cash                                   | E-1 | \$ 17,998.33                        | \$ 15,886.64                        |
| <b>TOTAL ASSETS</b>                    |     | <b><u>\$ 17,998.33</u></b>          | <b><u>\$ 15,886.64</u></b>          |
| <b><u>LIABILITIES AND RESERVES</u></b> |     |                                     |                                     |
| Reserve for Public Assistance          | E-4 | \$ 17,998.33                        | \$ 15,886.64                        |
| <b>TOTAL LIABILITIES AND RESERVES</b>  |     | <b><u>\$ 17,998.33</u></b>          | <b><u>\$ 15,886.64</u></b>          |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL FIXED ASSETS ACCOUNTS GROUP  
DECEMBER 31, 2013 AND 2012

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**GROUP OF ACCOUNTS - REGULATORY BASIS**

F

|                                       | <u>December 31,</u>                   |                                       |
|---------------------------------------|---------------------------------------|---------------------------------------|
|                                       | <u>2013</u>                           | <u>2012</u>                           |
| <b>ASSETS</b>                         |                                       |                                       |
| Land-Assessed Value                   | \$ 23,686,300.00                      | \$ 23,686,300.00                      |
| Buildings                             | 13,081,300.00                         | 13,081,300.00                         |
| Machinery and Equipment               | <u>8,069,728.16</u>                   | <u>7,998,732.00</u>                   |
| <b>TOTAL ASSETS</b>                   | <b><u><u>\$ 44,837,328.16</u></u></b> | <b><u><u>\$ 44,766,332.00</u></u></b> |
| <br><b>LIABILITIES AND RESERVES</b>   |                                       |                                       |
| Investment in General Fixed Assets    | <u>\$ 44,837,328.16</u>               | <u>\$ 44,766,332.00</u>               |
| <b>TOTAL LIABILITIES AND RESERVES</b> | <b><u><u>\$ 44,837,328.16</u></u></b> | <b><u><u>\$ 44,766,332.00</u></u></b> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

**1. Summary of Significant Accounting Policies**

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

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

***A. Reporting Entity***

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

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

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

***B. Fund Accounting***

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

***B. Fund Accounting (Continued)***

Current Fund - Resources and expenditures for governmental operations of a general nature.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division regulates the accounting for these funds.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities other than those acquired in the Current Fund.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The public assistance program was transferred to Bergen County in July of 2001.

Grant Fund - Receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

***C. Basis of Accounting***

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with off-setting reserves on the statement of financial position of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual that are due the municipality are recorded as receivables with off-setting reserves and are recorded as revenue when received.

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

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

***C. Basis of Accounting (Continued)***

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division per N.J.S.A. 40A:4 et seq. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division (Chapter 159).

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

Trust Funds  
General Capital Fund  
Public Assistance Trust Fund

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

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

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

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

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

*C. Basis of Accounting (Continued)*

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

Self-Insurance Contributions - Payments to joint insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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

Inventories - The cost 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 statement of financial position.

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments, with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place but for which the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims if material.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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 and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

*C. Basis of Accounting (Continued)*

General Fixed Assets – N.J.A.C. 5:30-5.6 accounting for governmental fixed assets continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensures that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund valuation when such property was acquired and fully reserved.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013 AND 2012  
 (Continued)

1. **Summary of Significant Accounting Policies (Continued)**

*D. Basic Financial Statements*

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

2. **Cash and Cash Equivalents**

**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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2013, \$0 of the Borough's **bank balance** of \$ 4,735,674.70 was exposed to custodial credit risk.

At December 31, 2013, the Borough's funds **book balance** is held by a custodial bank or financial institution:

|                            |                        |
|----------------------------|------------------------|
| Current Fund               | \$ 3,163,399.54        |
| Current Fund – Change Fund | 275.00                 |
| Federal / State Grant Fund | 102,491.14             |
| Assessment Fund            | 1,838.67               |
| Trust Fund                 | 845,277.92             |
| Capital Fund               | 539,451.30             |
| Public Assistance Fund     | 17,998.33              |
| Dog License Fund           | 32,549.80              |
|                            | <u>\$ 4,703,281.70</u> |
| Municipal Court *          | \$ 32,393.00           |

\* Municipal Court files a regulatory report with the Administrative Office of Courts (the "AOC") and is presented for purposes of additional analysis.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**2. Cash and Cash Equivalents (Continued)**

*Investments*

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. However, New Jersey Statutes 40A: 5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Borough places no limit on the amount the Borough may invest in any one issuer.

As of December 31, 2013, the Borough had no investments.

**3. Leases**

The Borough had no leases during the year ended December 31, 2013.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013 AND 2012  
 (Continued)

**4. Long-Term Debt**

*Summary of Municipal Debt*

|   | <u>Year 2013</u>              | <u>Year 2012</u>              | <u>Year 2011</u>              |
|---|-------------------------------|-------------------------------|-------------------------------|
| Issued  |                               |                               |                               |
| Bonds and Note Issued                                       |                               |                               |                               |
| General:  |                               |                               |                               |
| Bonds and Notes   | <u>\$ 7,584,000.00</u>        | <u>\$ 7,459,000.00</u>        | <u>\$ 7,852,300.00</u>        |
| Net Debt Issued   | <u>7,584,000.00</u>           | <u>7,459,000.00</u>           | <u>7,852,300.00</u>           |
| Authorized But Not Issued                                   |                               |                               |                               |
| General:  |                               |                               |                               |
| Bonds and Notes   | <u>1,227,818.48</u>           | <u>1,501,318.48</u>           | <u>1,019,818.48</u>           |
| Net Bonds and Notes Issued<br>and Authorized But Not Issued | <u><u>\$ 8,811,818.48</u></u> | <u><u>\$ 8,960,318.48</u></u> | <u><u>\$ 8,872,118.48</u></u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .515%.

|              | Gross Debt                     | Deductions                    | Net Debt                      |
|--------------|--------------------------------|-------------------------------|-------------------------------|
| School Debt  | \$ 8,820,000.00                | \$ 8,820,000.00               | \$ -                          |
| General Debt | <u>8,811,818.48</u>            | <u>-</u>                      | <u>8,811,818.48</u>           |
|              | <u><u>\$ 17,631,818.48</u></u> | <u><u>\$ 8,820,000.00</u></u> | <u><u>\$ 8,811,818.48</u></u> |

Net Debt \$8,811,818.48 Equalized Valuation Basis per N.J.S.A. 40A:2-2  
 as amended \$ 1,712,389,010.67= .515 %

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

4. Long-Term Debt (Continued)

| <u>Calendar Year</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------|------------------|-----------------|
| 2014                 | \$ 375,000.00    | \$ 144,016.25   |
| 2015                 | 375,000.00       | 130,422.50      |
| 2016                 | 375,000.00       | 116,547.50      |
| 2017                 | 375,000.00       | 102,485.00      |
| 2018                 | 375,000.00       | 88,422.50       |
| 2019-2023            | 1,859,000.00     | 221,800.00      |
| Total                | \$ 3,734,000.00  | \$ 803,693.75   |

The Borough's long-term debt consisted of the following at December 31, 2013:

**General Obligation Bonds**

**\$7,279,000** – 2003 Bonds, due in annual installments of, \$375,000-09/15/2014-09/15/2022, \$359,000-09/15/2023, interest at variable rates (3.625-4.0%)

\$ 3,734,000.00

The Borough's short-term debt consisted of Bond Anticipation Notes Payable in the amount of \$3,350,000 Schedule C-10 of the financial statements disclosed the various due dates and interest rates of the Bond Anticipation Notes Payable as of December 31, 2013.

Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2013 were as follows:

|                  | <u>Receivables</u> | <u>Payables</u> |
|------------------|--------------------|-----------------|
| Current Fund     | \$ 1,237.00        | \$ 198,672.68   |
| Dog License Fund |                    | 1,237.00        |
| Capital Fund     | 198,672.68         |                 |
|                  | \$ 199,909.68      | \$ 199,909.68   |

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**5. Contingencies**

*Litigation*

The Borough is party to various legal proceedings which normally occur in governmental operations. In the opinion of the management, the ultimate resolution of such litigation will not have a material impact on the Borough's financial statements.

*Claims and Judgments*

The Borough received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes and effective internal control for the proper administration of the funds. The Borough is subject to the provision of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the Borough be audited in conjunction with the audit of the general purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of December 31, 2013, the Borough estimates that no material liabilities will result from such audits.

*Compensated Absences*

Employees cannot accrue sick and vacation benefits beyond the current year. The contract of the Department of Public Works employees' provides for terminal pay for unused sick days for those employees with specific continuous years of service. Any potential liability will be raised in that year's budget. The value of the Department of Public Works unused sick days as of December 31, 2013 was \$ 98,900. There is one police officer which also has accrued sick pay in the amount of \$156,800.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**6. Risk Management**

The purpose of the New Jersey Intergovernmental Insurance Fund is to administer property and liability, worker's compensation, unemployment, and disability insurance programs of the Borough on a cost reimbursement basis. This fund accounts for the risk financing activities of the Borough but does not constitute a transfer of risk from the Borough. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**7. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2013, the Borough had the following deferred charges:

Current Fund:

Special Emergency – Revaluation N.J.S.A. 40A:4-53: \$100,000

**8. Local District School, Regional High School and County Taxes**

The Local District School Taxes are raised on a calendar year basis, for the period January 1, 2013 to December 31, 2013.

**9. Taxes Collected in Advance**

Taxes collected in advance and the amounts set forth as cash liabilities in the financial statements as follows:

|               | Balance<br>Dec. 31, 2013 | Balance<br>Dec. 31, 2012 |
|---------------|--------------------------|--------------------------|
| Prepaid Taxes | \$ 501,894.12            | \$ 92,493.99             |

**10. Retirement Plans**

*Plan Description, Contribution Information, and Funding*

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State administered plans are: (1) the Public Employees' Retirement System, (2) the Police and Consolidated Police and Firemen's Pension Fund and (3) the Police and Firemen's Retirement System. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Borough's share of pension costs, which is based upon the amount paid or charged to the 2013 budget, amounted to \$1,262,394 for 2013 and \$1,234,761 for 2012.

Borough employees are also covered by the Federal Insurance Contribution Act. Information as to the comparison of the actuarial computed value of vested benefit with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**10. Retirement Plans (Continued)**

*Deferred Compensation Plan*

The Borough received State approval in October 1983 for a Deferred Compensation Plan. Those employees participating in this program started making contributions through payroll deductions in November 1983. The Program's financial accounting and investment plan is maintained by the ING Life Insurance and Annuity Company. Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. Fund assets at December 31, 2013 totaled \$ 3,877,332.43. These figures were taken directly from reports submitted by ING Life Insurance and Annuity Company, and an audit will be made by another Certified Public Accounting firm.

**11. Other Post Employment Benefits**

The Borough of Hasbrouck Heights contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursements to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 27, 2007, the Borough authorized participation in the SHBP's post retirement benefit program through a resolution number 42. Pursuant to N.J.S.A. 40A:10-23, the Borough shall pay the entire cost of health care insurance coverage for its retired employees and their eligible dependents under the following circumstances:

1. DPW workers which have retired after they have completed 25 years of service. 2. Health insurance for police officers is paid as specified by the Police and Fireman's Retirement System after 25 years of service. Currently the Borough has 39 retired employees, which have this benefit. In 2013 the cost of these health insurance benefits totaled \$748,121.17.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf](http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf)

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013 AND 2012  
 (Continued)

**12. Joint Insurance**

The Borough participates in North Jersey Intergovernmental Insurance Fund for workman's compensation and General Liability Insurance. The Borough pays an annual assessment to be part of the Fund. In 2013, the assessments were \$574,425. The annual assessments consist of an amount allocated for administrative costs, plus a specific assessment to replenish the claim or loss retention trust fund account for each type of average provided by the fund. Any monies for the Fund, in excess of the amount necessary to fund all obligations for the fiscal year, may be refunded to the Borough in proportion to the member's participation in the Fund for such year. The Fund purchases commercial insurance for all major programs except employee health care. The New Jersey Health Benefits fund is the carrier of the Borough's employee health insurance.

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.

**13. Property Tax Calendar**

The Borough property taxes are due on first of February, May, August and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sale was held on September 5, 2013 for 2012 taxes.

**14. Municipal Court**

Municipal Court files a regulatory report with the Bergen County AOC, Administrative Office of Courts.

**15. Other Commitments**

The Borough guarantees a prorated portion of the County of Bergen's debt based on net equalized valuation.

**16. Comparative Schedule of Fund Balances**

| <u>Year</u> | <u>Current Fund</u>            |  |
|-------------|--------------------------------|--|
|             | <u>Balance<br/>December 31</u> | <u>Utilized In Budget of<br/>Succeeding Year</u> |
| 2013        | \$1,560,885.37                 | \$1,100,000.00                                   |
| 2012        | 1,413,374.09                   | 1,000,000.00                                     |
| 2011        | 1,300,502.50                   | 950,000.00                                       |
| 2010        | 1,088,609.07                   | 900,000.00                                       |
| 2009        | 1,352,975.51                   | 1,200,000.00                                     |

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013 AND 2012  
 (Continued)

**17. Comparative Schedule of Tax Rate Information**

|                                  |                        |              |              |              |              |
|----------------------------------|------------------------|--------------|--------------|--------------|--------------|
| * Revaluation                    | <u>2013</u>            | <u>2012*</u> | <u>2011</u>  | <u>2010</u>  | <u>2009</u>  |
| Tax Rate                         | <u>2.836</u>           | <u>2.742</u> | <u>2.243</u> | <u>2.169</u> | <u>2.070</u> |
| <u>Apportionment of Tax Rate</u> |                        |              |              |              |              |
| Municipal                        | 0.941                  | 0.932        | 0.765        | 0.746        | 0.719        |
| County                           | 0.254                  | 0.236        | 0.205        | 0.202        | 0.201        |
| Local School                     | 1.641                  | 1.574        | 1.273        | 1.221        | 1.150        |
| <br>Assessed Valuation           |                        |              |              |              |              |
| 2013                             | <u>\$1,547,020,681</u> |              |              |              |              |
| 2012*                            | <u>\$1,545,907,308</u> |              |              |              |              |
| 2011                             | <u>\$1,866,373,599</u> |              |              |              |              |
| 2010                             | <u>\$1,872,097,822</u> |              |              |              |              |
| 2009                             | <u>\$1,867,662,044</u> |              |              |              |              |

**18. 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> |
|-------------|-----------------|-------------------------|---------------------------------|
| 2013        | \$ 43,946,309   | \$ 43,513,603           | 99.02%                          |
| 2012        | 42,425,442      | 42,000,740              | 99.00%                          |
| 2011        | 41,920,752      | 41,492,687              | 98.98%                          |
| 2010        | 40,654,752      | 40,047,463              | 98.51%                          |
| 2009        | 38,739,749      | 38,284,057              | 98.82%                          |

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013 AND 2012  
 (Continued)

**19. Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison-expressed percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the current and the previous four years.

| <u>Year</u> | <u>Amount of Tax<br/>Title Liens</u> | <u>Amount of<br/>Delinquent<br/>Taxes</u> | <u>Total</u> | <u>Percentage of<br/>Tax Levy</u> |
|-------------|--------------------------------------|---|--------------|-----------------------------------|
| 2013        | \$ 224,828                           | \$ 382,619                                | \$ 607,447   | 1.40%                             |
| 2012        | 215,933                              | 407,015                                   | 622,947      | 1.47%                             |
| 2011        | 200,635                              | 338,224                                   | 538,860      | 1.29%                             |
| 2010        | 184,639                              | 457,795                                   | 642,434      | 1.58%                             |
| 2009        | 174,211                              | 352,447                                   | 526,659      | 1.36%                             |

**20. Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2013        | 304,730       |
| 2012        | 304,730       |
| 2011        | 304,730       |
| 2010        | 304,730       |
| 2009        | 304,730       |

**21. Subsequent Events**

Municipal Budget was adopted on April 22, 2014. On February 10, 2014 the Borough issued General Improvement Refunding Bonds (Series 2014) in the amount of \$3,555,000, for the purpose of refunding the 2003 outstanding General Improvement Bonds in the amount of \$3,734,000. The Borough has evaluated subsequent events through July 14, 2014, which is the date the financial statements were available to be issued.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF CASH-COLLECTOR-TREASURER

A-4

|   | Reference |                  |                 |
|---|-----------|------------------|-----------------|
| Balance December 31, 2012                         | A         |                  | \$ 2,376,214.90 |
| Increased by Receipts:                            |           |                  |                 |
| Miscellaneous Revenue                             | A-2       | \$ 2,865,692.31  |                 |
| Miscellaneous Revenue Not Anticipated             | A-2       | 116,062.42       |                 |
| Due from State of New Jersey -                    |           |                  |                 |
| Senior Citizens' & Veterans' Deductions           | A-7       | 112,188.40       |                 |
| Taxes Receivable                                  | A-8       | 43,714,731.01    |                 |
| Tax Title Liens Receivable                        | A-9       | 1,588.04         |                 |
| Due to Capital Fund                               | C         | 198,672.68       |                 |
| Due to Trust - Other Fund                         | Contra    | 120,947.44       |                 |
| Miscellaneous Credits                             | A-1       | 678.72           |                 |
| Tax Overpayments                                  | A-14      | 57,555.10        |                 |
| Miscellaneous                                     |           | 7.86             |                 |
| Due to State of New Jersey:                       |           |                  |                 |
| Building Surcharge Fees                           | A-15      | 10,158.00        |                 |
| Department of Human Services                      | A-15      | 1,500.00         |                 |
| State Library Aid                                 | A-16      | 4,984.00         |                 |
| Prepaid Taxes                                     | A         | 501,894.12       |                 |
| Petty Cash Funds                                  | A-6       | 600.00           |                 |
|   |           |                  | 47,707,260.10   |
|   |           |                  | 50,083,475.00   |
| Decreased by Disbursements:                       |           |                  |                 |
| 2013 Budget Appropriations                        | A-3       | \$ 16,654,491.28 |                 |
| Reserve for Grants - Matching Funds               | A-3       | 2,875.00         |                 |
| 2012 Appropriation Reserves                       | A-13      | 457,113.29       |                 |
| County Taxes                                      | A-1,8     | 3,918,836.19     |                 |
| Local District School Tax                         | A-1,8,17  | 25,374,764.00    |                 |
| Due to County for Added Taxes - 2012              | A         | 3,155.55         |                 |
| Tax Appeal Refunds- Operations                    | A-1       | 221,312.17       |                 |
| Petty Cash Funds                                  | A-6       | 600.00           |                 |
| Due to Capital Fund                               | Contra    | 0.00             |                 |
| Due to Trust - Other Fund                         | Contra    | 120,947.44       |                 |
| Tax Overpayments Refunded                         | A-14      | 10,601.70        |                 |
| Due to State of New Jersey:                       |           |                  |                 |
| Building Surcharge Fees                           | A-15      | 12,487.00        |                 |
| Department of Human Services                      | A-15      | 1,350.00         |                 |
| Burial Permit Fees                                | A-15      | 75.00            |                 |
| Reserve for:                                      |           |                  |                 |
| Maintenance of Free Public Library with State Aid | A-16      | 5,119.56         |                 |
| Tax Appeals Pending                               | A-18      | 107,273.36       |                 |
| Revaluation of Real Property                      | A-19      | 13,000.00        |                 |
| Accounts Payable                                  | A-20      | 15,798.92        |                 |
|   |           |                  | 46,919,800.46   |
| Balance December 31, 2013                         | A         |                  | \$ 3,163,674.54 |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

**SCHEDULE OF CASH - CHANGE FUNDS**

A-5

|                            | <u>Reference</u> |                      |
|----------------------------|------------------|----------------------|
| Balance December 31, 2012  | A                | \$ <u>275.00</u>     |
| Balance December 31, 2013  | A                | \$ <u>275.00</u>     |
|                            |                  | <u>Dec. 31, 2013</u> |
| <u>Analysis of Balance</u> |                  |                      |
| Tax Collector - Treasurer  |                  | \$ 100.00            |
| Clerk of Municipal Court   |                  | 100.00               |
| Board of Health            |                  | 50.00                |
| Police Department          |                  | 25.00                |
|                            |                  | <u>\$ 275.00</u>     |

**SCHEDULE OF PETTY CASH FUNDS**

A-6

| <u>OFFICE</u>             | <u>Received from<br/>Treasurer</u> | <u>Returned to<br/>Treasurer</u> |
|---------------------------|------------------------------------|----------------------------------|
| Police Chief              | \$ 100.00                          | \$ 100.00                        |
| Borough Clerk             | 100.00                             | 100.00                           |
| Library                   | 100.00                             | 100.00                           |
| Tax Collector - Treasurer | 100.00                             | 100.00                           |
| Recreation Director       | 75.00                              | 75.00                            |
| Board of Health           | 25.00                              | 25.00                            |
| Superintendent of DPW     | 100.00                             | 100.00                           |
|                           | <u>\$ 600.00</u>                   | <u>\$ 600.00</u>                 |
| Reference                 | A-4                                | A-4                              |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

**SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY FOR  
SENIOR CITIZENS' & VETERANS' DEDUCTIONS (CH. 20, P.L. 1971)**

A-7

|                                    | <u>Reference</u> |                         |                             |
|------------------------------------|------------------|-------------------------|-----------------------------|
| Balance (Due To) December 31, 2012 | A                |                         | \$ (4,537.68)               |
| Increased by:                      |                  |                         |                             |
| Original Duplicate                 |                  |                         |                             |
| Senior Citizens' Deductions        |                  | \$ 16,250.00            |                             |
| Veterans' Deductions               |                  | 95,000.00               |                             |
| Allowed by Tax Collector:          |                  |                         |                             |
| Senior Citizens' Deductions        |                  | 500.00                  |                             |
| Veterans' Deductions               |                  | -                       |                             |
|                                    |                  | <u>          </u>       | 111,750.00                  |
|                                    |                  |                         | 107,212.32                  |
| Canceled to Budget Operations      |                  |                         | <u>          0.00</u>       |
|                                    |                  |                         | 107,212.32                  |
| Decreased by:                      |                  |                         |                             |
| Disallowed by Tax Collector:       |                  |                         |                             |
| Senior Citizens' Deductions /      |                  |                         |                             |
| Veterans' Deductions - 2012 Taxes  | A-1              | <u>          561.60</u> |                             |
|                                    |                  |                         | <u>          561.60</u>     |
|                                    |                  |                         | 106,650.72                  |
| Received in Cash from State        | A-4              | <u>112,188.40</u>       | <u>112,188.40</u>           |
| Balance (Due To) December 31, 2013 | A                |                         | <u><u>\$ (5,537.68)</u></u> |
| 2013 Tax Revenue:                  |                  |                         |                             |
| Original Duplicate                 |                  |                         |                             |
| Senior Citizens' Deductions        |                  | \$ 16,250.00            |                             |
| Veterans' Deductions               |                  | 95,000.00               |                             |
| Allowed by Tax Collector:          |                  |                         |                             |
| Senior Citizens' Deductions        |                  | 500.00                  |                             |
| Veterans' Deductions               |                  | -                       |                             |
|                                    |                  | <u>          </u>       | \$ 111,750.00               |
| Disallowed by Tax Collector:       |                  |                         |                             |
| Senior Citizens' Deductions        |                  |                         |                             |
| Veterans' Deductions               |                  | <u>          </u>       | <u>          0.00</u>       |
| Total Revenue                      | A-8              |                         | <u><u>\$ 111,750.00</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

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

A-8

| Year      | Balance              | 2013<br>Levy            | Added<br>Taxes      | Cash Collections    |                         | Senior Citizens<br>and Veterans<br>Deductions | Canceled            | Transfer to<br>Tax Title Liens | Balance              |
|-----------|----------------------|-------------------------|---------------------|---------------------|-------------------------|---|---------------------|--------------------------------|----------------------|
|           | Dec. 31, 2012        |                         |                     | 2012                | 2013                    |   |                     |                                | Dec. 31, 2013        |
| 2012      | \$ 407,014.59        | \$ -                    | \$ 561.60           | \$ -                | \$ 406,210.05           | \$ -  | \$ -                | \$ 1,069.65                    | \$ 296.49            |
| 2013      | -                    | 43,870,040.23           | 76,268.79           | 92,493.99           | 43,309,359.11           | 111,750.00                                    | 40,426.23           | 9,957.21                       | 382,322.48           |
|           | <u>\$ 407,014.59</u> | <u>\$ 43,870,040.23</u> | <u>\$ 76,830.39</u> | <u>\$ 92,493.99</u> | <u>\$ 43,715,569.16</u> | <u>\$ 111,750.00</u>                          | <u>\$ 40,426.23</u> | <u>\$ 11,026.86</u>            | <u>\$ 382,618.97</u> |
| Reference | A                    | Below                   |                     | A                   | Below                   | A-7   |                     | A-9                            | A                    |

|                                 |       |                         |
|---------------------------------|-------|-------------------------|
| Taxes Applied from Overpayments | A-14  | \$ 838.15               |
| Cash Receipts                   | A-4   | 43,714,731.01           |
|                                 | Above | <u>\$ 43,715,569.16</u> |

ANALYSIS OF 2013 PROPERTY TAX LEVY

Ref.

General Purpose Tax:

|   |                   |
|---|-------------------|
| Communications Companies                                  | \$ 33,875.48      |
| General Property Tax                                      | 43,724,914.75     |
| State Share of Senior Citizens and<br>Veterans Deductions | <u>111,250.00</u> |

|                                     |       |                         |
|-------------------------------------|-------|-------------------------|
| Total                               | Above | \$ 43,870,040.23        |
| Added Taxes (54:4-63.1 et. seq.)    |       | 76,268.79               |
| Omitted Taxes (54:4-63.12 et. seq.) | Below | <u>\$ 43,946,309.02</u> |

TAX LEVY

|   |          |                         |
|---|----------|-------------------------|
| Local District School Tax (Abstract)    | A-1,4,17 | \$ 25,374,764.00        |
| County Taxes (Abstract)                 | A-1,4    | \$ 3,876,036.05         |
| Due County for Added Open Space Taxes   | A-1      | 42,800.14               |
| Due County for Added Taxes              | A-1      | <u>6,817.58</u>         |
| Total County Taxes                      |          | 3,925,653.77            |
| Local Tax for Municipal Purposes        | A-2      | 14,006,525.41           |
| Local Library Purposes                  | A-2      | 568,914.63              |
| Add: Additional Taxes                   |          | <u>70,451.21</u>        |
| Local Tax for Municipal Purposes Levied |          | <u>14,645,891.25</u>    |
|   | Above    | <u>\$ 43,946,309.02</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
CURRENT FUND  
DECEMBER 31, 2013

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

**A-9**

|                                | <u>Reference</u> |                             |
|--------------------------------|------------------|-----------------------------|
| Balance December 31, 2012      | A                | \$ 215,389.65               |
| Increased by:                  |                  |                             |
| Transfer from Taxes Receivable | A-8              | 11,026.86                   |
|                                |                  | <u>226,416.51</u>           |
| Decreased by:                  |                  |                             |
| Cash Collections               | A-4              | 1,588.04                    |
|                                |                  | <u>1,588.04</u>             |
| Balance December 31, 2013      | A                | <u><u>\$ 224,828.47</u></u> |

**SCHEDULE OF MARTIN ACT PROPERTY**

**A-10**

|                           | <u>Reference</u> |                         |
|---------------------------|------------------|-------------------------|
| Balance December 31, 2012 | A                | <u><u>\$ 543.04</u></u> |
| Balance December 31, 2013 | A                | <u><u>\$ 543.04</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

|                  | Balance<br>December 31,<br><u>2012</u> | Accrued<br>in <u>2013</u> | Collected          | Balance<br>December 31,<br><u>2013</u> |
|------------------|--|---------------------------|--------------------|--|
| Municipal Court  | \$ 8,856.19                            | \$ 13,906.97              | \$ 8,856.19        | \$ 13,906.97                           |
|                  | <u>\$ 8,856.19</u>                     | <u>\$ 13,906.97</u>       | <u>\$ 8,856.19</u> | <u>\$ 13,906.97</u>                    |
| <u>Reference</u> | A                                      |                           |                    | A                                      |

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53 SPECIAL EMERGENCY

A-12

| <u>Purpose</u>                                       | Net Amount<br><u>Authorized</u> | 1/5 of<br>Net Amount<br><u>Authorized</u> | Balance<br><u>12/31/2012</u> | Authorized<br>Current<br><u>Year</u> | Reduced by<br>2013 Budget<br><u>Appropriation</u> | Balance<br><u>12/31/2013</u> |
|--|---------------------------------|---|------------------------------|--------------------------------------|---|------------------------------|
| Special Emergency - Revaluation<br>N.J.S.A. 40A:4-53 | \$ 125,000.00                   | \$ 25,000.00                              | \$ 100,000.00                | \$ -                                 | \$ 25,000.00                                      | \$ 75,000.00                 |
|  | <u>\$ 125,000.00</u>            | <u>\$ 25,000.00</u>                       | <u>\$ 100,000.00</u>         | <u>\$ -</u>                          | <u>\$ 25,000.00</u>                               | <u>\$ 75,000.00</u>          |
| <u>Reference</u>                                     |                                 |   | A                            |                                      | A-3   | A                            |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

|  | Balance December 31, 2012 |           |           | Transfers   | Balance After Transfer | Paid or Charged | Balance Lapsed |
|--|---------------------------|-----------|-----------|-------------|------------------------|-----------------|----------------|
|  | Encumbered                | Reserved  | Total     |             |                        |                 |                |
| <b>OPERATIONS WITHIN "CAPS"</b>                  |                           |           |           |             |                        |                 |                |
| <b>GENERAL GOVERNMENT</b>                        |                           |           |           |             |                        |                 |                |
| Administrative and Executive - Mayor and Council |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               | \$ -                      | \$ 642.74 | \$ 642.74 | \$ (300.00) | \$ 342.74              | \$ -            | \$ 342.74      |
| Administrative and Executive                     |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 7,233.39  | 7,233.39  | (7,200.00)  | 33.39                  |                 | 33.39          |
| Other Expenses                                   | 427.97                    | 340.10    | 768.07    | 400.00      | 1,168.07               | 1,008.46        | 159.61         |
| Elections  |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | -         | -         |             | -                      |                 | -              |
| Other Expenses                                   |                           | 24.36     | 24.36     |             | 24.36                  |                 | 24.36          |
| Financial Administration                         |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 10.35     | 10.35     |             | 10.35                  |                 | 10.35          |
| Other Expenses                                   | 2,026.07                  | 219.99    | 2,246.06  |             | 2,246.06               | 2,224.07        | 21.99          |
| Audit  | 1,250.00                  | 18,750.00 | 20,000.00 |             | 20,000.00              | 20,000.00       | -              |
| Assessment of Taxes                              |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 48.33     | 48.33     |             | 48.33                  |                 | 48.33          |
| Other Expenses                                   | 329.70                    | 906.19    | 1,235.89  |             | 1,235.89               | 637.95          | 597.94         |
| Collection of Taxes                              |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 1,286.91  | 1,286.91  |             | 1,286.91               |                 | 1,286.91       |
| Other expenses                                   |                           | 5,271.20  | 5,271.20  | (5,000.00)  | 271.20                 |                 | 271.20         |
| Legal Services and Costs                         |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | -         | -         |             | -                      |                 | -              |
| Other Expenses                                   | 2,051.25                  | 24,040.92 | 26,092.17 | 18,000.00   | 44,092.17              | 38,349.70       | 5,742.47       |
| Municipal Court                                  |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 1,876.64  | 1,876.64  |             | 1,876.64               |                 | 1,876.64       |
| Other Expenses                                   | 281.00                    | 2,912.68  | 3,193.68  |             | 3,193.68               | 236.00          | 2,957.68       |
| Municipal Prosecutor                             |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 230.00    | 230.00    |             | 230.00                 |                 | 230.00         |
| Other Expenses                                   |                           | 500.00    | 500.00    |             | 500.00                 |                 | 500.00         |
| Public Defender                                  |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 160.00    | 160.00    |             | 160.00                 |                 | 160.00         |
| Other Expenses                                   |                           | 500.00    | 500.00    |             | 500.00                 |                 | 500.00         |
| Engineering Services and Costs                   |                           |           |           |             |                        |                 |                |
| Other Expenses                                   |                           | 3,247.76  | 3,247.76  |             | 3,247.76               | 2,563.73        | 684.03         |
| Public Buildings and Grounds                     |                           |           |           |             |                        |                 |                |
| Salaries and Wages                               |                           | 2,228.95  | 2,228.95  | 200.00      | 2,428.95               | 2,179.76        | 249.19         |
| Other Expenses                                   | 1,317.11                  | 1,096.38  | 2,413.49  | 2,350.00    | 4,763.49               | 4,134.83        | 628.66         |
| Master Plan                                      |                           |           |           |             |                        |                 |                |
| Other Expenses                                   |                           | 5,000.00  | 5,000.00  | (4,500.00)  | 500.00                 |                 | 500.00         |
| Codification of Ordinances                       |                           |           |           |             |                        |                 |                |
| Other Expenses                                   |                           | 7,500.00  | 7,500.00  |             | 7,500.00               |                 | 7,500.00       |
| Planning Board                                   |                           |           |           |             |                        |                 |                |
| Other Expenses                                   |                           | 2,064.28  | 2,064.28  |             | 2,064.28               | 788.00          | 1,276.28       |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

|                                  | Balance December 31, 2012 |           |           | Transfers   | Balance<br>After<br>Transfer | Paid<br>or<br>Charged | Balance<br>Lapsed |
|----------------------------------|---------------------------|-----------|-----------|-------------|------------------------------|-----------------------|-------------------|
|                                  | Encumbered                | Reserved  | Total     |             |                              |                       |                   |
| Board of Adjustment              |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               | \$ -                      | \$ 170.70 | \$ 170.70 | \$ -        | \$ 170.70                    | \$ -                  | \$ 170.70         |
| Other Expenses                   |                           | 1,492.51  | 1,492.51  | 350.00      | 1,842.51                     | 1,826.00              | 16.51             |
| Shade Trees                      |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 6,672.11  | 6,672.11  |             | 6,672.11                     | 3,480.76              | 3,191.35          |
| Other Expenses                   | 2,400.00                  | 151.53    | 2,551.53  | 350.00      | 2,901.53                     | 2,900.00              | 1.53              |
| Recycling Program                |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 10,409.18 | 10,409.18 | (6,150.00)  | 4,259.18                     | 1,815.27              | 2,443.91          |
| Other Expenses                   | 645.00                    | 185.65    | 830.65    | 6,150.00    | 6,980.65                     | 6,305.00              | 675.65            |
| Insurance                        |                           |           |           |             |                              |                       |                   |
| Group Insurance for Employees    |                           | 46,544.77 | 46,544.77 | (37,925.00) | 8,619.77                     | 297.11                | 8,322.66          |
| Workmen's Compensation Insurance |                           | 16,028.00 | 16,028.00 |             | 16,028.00                    | 16,000.00             | 28.00             |
| Other Insurance Premiums         | 350.00                    | 1,202.25  | 1,552.25  |             | 1,552.25                     |                       | 1,552.25          |
| <u>PUBLIC SAFETY</u>             |                           |           |           |             |                              |                       |                   |
| Fire                             |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 7,000.82  | 7,000.82  |             | 7,000.82                     |                       | 7,000.82          |
| Other Expenses                   | 12,191.72                 | 8,833.62  | 21,025.34 | (4,000.00)  | 17,025.34                    | 15,772.99             | 1,252.35          |
| Uniform Fire Safety Act          |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 2,786.44  | 2,786.44  |             | 2,786.44                     |                       | 2,786.44          |
| Other Expenses                   | 391.97                    | 13.18     | 405.15    | 150.00      | 555.15                       | 306.09                | 249.06            |
| Police                           |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 73,167.77 | 73,167.77 | (10,000.00) | 63,167.77                    | 56,728.05             | 6,439.72          |
| Other Expenses                   | 4,114.77                  | 692.80    | 4,807.57  | 5,600.00    | 10,407.57                    | 10,388.36             | 19.21             |
| Emergency Management Services    |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 41.48     | 41.48     |             | 41.48                        |                       | 41.48             |
| Other Expenses                   |                           | 193.18    | 193.18    |             | 193.18                       |                       | 193.18            |
| <u>STREETS AND ROADS</u>         |                           |           |           |             |                              |                       |                   |
| Road Repairs and Maintenance     |                           |           |           |             |                              |                       |                   |
| Salaries and Wages               |                           | 69,182.34 | 69,182.34 |             | 69,182.34                    | 12,244.36             | 56,937.98         |
| Other Expenses                   | 16.00                     | 5,164.14  | 5,180.14  |             | 5,180.14                     | 1,874.10              | 3,306.04          |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

|   | Balance December 31, 2012 |              |              | Transfers   | Balance<br>After<br>Transfer | Paid<br>or<br>Charged | Balance<br>Lapsed |
|---|---------------------------|--------------|--------------|-------------|------------------------------|-----------------------|-------------------|
|   | Encumbered                | Reserved     | Total        |             |                              |                       |                   |
| Street Cleaning   |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      | \$ -                      | \$ 10,427.28 | \$ 10,427.28 | \$ -        | \$ 10,427.28                 | \$ 6,183.48           | \$ 4,243.80       |
| Other Expenses  | 804.50                    | 15,028.83    | 15,833.33    |             | 15,833.33                    | 492.75                | 15,340.58         |
| Garbage and Trash Removal                               |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | 14,021.88    | 14,021.88    |             | 14,021.88                    | 13,739.61             | 282.27            |
| Other Expenses  | 1,487.61                  | 232.92       | 1,720.53     | 2,250.00    | 3,970.53                     | 2,441.08              | 1,529.45          |
| Sewer Maintenance                                       |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | \$7,056.99   | 7,056.99     |             | 7,056.99                     | 3,161.23              | 3,895.76          |
| Other Expenses  | 1,879.02                  | 11,784.33    | 13,663.35    | (2,900.00)  | 10,763.35                    | 2,527.64              | 8,235.71          |
| Sanitary Landfill                                       |                           |              |              |             |                              |                       |                   |
| Contractual-Bergen County                               |                           | 88,955.20    | 88,955.20    | (17,500.00) | 71,455.20                    | 68,029.09             | 3,426.11          |
| <u>HEALTH AND WELFARE</u>                               |                           |              |              |             |                              |                       |                   |
| Board of Health   |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | 64.00        | 64.00        |             | 64.00                        |                       | 64.00             |
| Health Services - Contractual                           |                           | 17,382.25    | 17,382.25    | 25.00       | 17,407.25                    | 17,399.00             | 8.25              |
| Other Expenses  |                           | 833.28       | 833.28       | 200.00      | 1,033.28                     | 1,031.77              | 1.51              |
| Dog Regulation  |                           |              |              |             |                              |                       |                   |
| Other Expenses  |                           | 489.02       | 489.02       |             | 489.02                       |                       | 489.02            |
| County of Bergen - Contractual                          |                           | 9,607.98     | 9,607.98     |             | 9,607.98                     |                       | 9,607.98          |
| Administration of Public Assistance                     |                           |              |              |             |                              |                       |                   |
| Other Expenses  |                           | 750.00       | 750.00       |             | 750.00                       |                       | 750.00            |
| Parks and Playgrounds                                   |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | 107.35       | 107.35       | 1,650.00    | 1,757.35                     | 1,702.83              | 54.52             |
| Other Expenses  |                           | 2,027.60     | 2,027.60     |             | 2,027.60                     | 408.00                | 1,619.60          |
| Board of Recreation Commissioners                       |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | 528.20       | 528.20       | (350.00)    | 178.20                       |                       | 178.20            |
| Other Expenses  | 37.99                     | 602.01       | 640.00       |             | 640.00                       | 633.99                | 6.01              |
| Celebration of Public Events, Anniversary<br>or Holiday |                           |              |              |             |                              |                       |                   |
| Salaries and Wages                                      |                           | 49.96        | 49.96        |             | 49.96                        |                       | 49.96             |
| Other Expenses  | 100.00                    | 3,933.16     | 4,033.16     |             | 4,033.16                     | 225.00                | 3,808.16          |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

|                                       | Balance December 31, 2012 |                      |                      | Transfers             | Balance After Transfer | Paid or Charged      | Balance Lapsed       |
|---------------------------------------|---------------------------|----------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
|                                       | Encumbered                | Reserved             | Total                |                       |                        |                      |                      |
| Senior Citizen's Transportation       |                           |                      |                      |                       |                        |                      |                      |
| Salaries and Wages                    | \$ -                      | \$ 18.40             | \$ 18.40             | \$ 275.00             | \$ 293.40              | \$ 279.00            | \$ 14.40             |
| Other Expenses                        |                           | 1,614.17             | 1,614.17             | (1,600.00)            | 14.17                  |                      | 14.17                |
| Senior Citizen's Activities           |                           |                      |                      |                       |                        |                      |                      |
| Salaries and Wages                    |                           | 35.90                | 35.90                |                       | 35.90                  |                      | 35.90                |
| Other Expenses                        |                           | 23.66                | 23.66                | 1,700.00              | 1,723.66               | 1,715.00             | 8.66                 |
| Construction Code Officials           |                           |                      |                      |                       |                        |                      |                      |
| Salaries and Wages                    |                           | 128.53               | 128.53               |                       | 128.53                 |                      | 128.53               |
| Other Expenses                        |                           | 354.51               | 354.51               |                       | 354.51                 |                      | 354.51               |
| Unclassified                          |                           |                      |                      |                       |                        |                      |                      |
| Utilities:                            |                           |                      |                      |                       |                        |                      |                      |
| Gasoline                              | 7,568.80                  | 1,712.63             | 9,281.43             | 14,000.00             | 23,281.43              | 21,505.14            | 1,776.29             |
| Electricity                           |                           | 18,468.27            | 18,468.27            | 5,500.00              | 23,968.27              | 23,943.64            | 24.63                |
| Telephone                             |                           | 153.16               | 153.16               | 4,750.00              | 4,903.16               | 4,886.50             | 16.66                |
| Natural Gas                           |                           | 19,087.89            | 19,087.89            |                       | 19,087.89              | 13,827.46            | 5,260.43             |
| Street Lighting                       |                           | 16,828.93            | 16,828.93            |                       | 16,828.93              | 7,610.60             | 9,218.33             |
| Fire Hydrant Service                  |                           | 227.45               | 227.45               | 10,525.00             | 10,752.45              | 10,752.05            | 0.40                 |
| Water                                 |                           | 3,385.06             | 3,385.06             |                       | 3,385.06               | 1,011.25             | 2,373.81             |
| Statutory Expenditures:               |                           |                      |                      |                       |                        |                      |                      |
| Contribution to:                      |                           |                      |                      |                       |                        |                      |                      |
| Public Employees Retirement System    |                           | 5,350.00             | 5,350.00             |                       | 5,350.00               | 5,338.37             | 11.63                |
| Social Security System (O.A.S.I.)     |                           | 30,980.19            | 30,980.19            | (15,000.00)           | 15,980.19              |                      | 15,980.19            |
| <b>TOTAL OPERATIONS WITHIN "CAPS"</b> | <b>\$ 39,670.48</b>       | <b>\$ 618,274.63</b> | <b>\$ 657,945.11</b> | <b>\$ (38,000.00)</b> | <b>\$ 619,945.11</b>   | <b>\$ 410,905.07</b> | <b>\$ 209,040.04</b> |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

|   | Balance December 31, 2012 |                      |                      | Transfers           | Balance<br>After<br>Transfer | Paid<br>or<br>Charged | Balance<br>Lapsed    |
|---|---------------------------|----------------------|----------------------|---------------------|------------------------------|-----------------------|----------------------|
|   | Encumbered                | Reserved             | Total                |                     |                              |                       |                      |
| <b>OPERATIONS EXCLUDED FROM "CAPS"</b>                            |                           |                      |                      |                     |                              |                       |                      |
| Maintenance of Free Public Library<br>(Chap. 82 & 541, P.L. 1985) | \$ 769.23                 | \$ 58,804.16         | \$ 59,573.39         | \$ -                | \$ 59,573.39                 | \$ 19,158.22          | \$ 40,415.17         |
| Bergen County Utilities Authority                                 |                           | 3.46                 | 3.46                 |                     | 3.46                         |                       | 3.46                 |
| L.O.S.A.P.  |                           | 45,000.00            | 45,000.00            |                     | 45,000.00                    | 28,050.00             | 16,950.00            |
| Sanitary Landfill Recycling Tax                                   |                           | 4,750.00             | 4,750.00             |                     | 4,750.00                     |                       | 4,750.00             |
| Reserve for Tax Appeals   |                           | 1,000.00             | 1,000.00             | 24,000.00           | 25,000.00                    | 25,000.00             | 0.00                 |
| Other Sewer Service Charges - Contractual                         |                           | 4,000.00             | 4,000.00             |                     | 4,000.00                     |                       | 4,000.00             |
| Capital Improvement Fund  |                           | 1,000.00             | 1,000.00             | 14,000.00           | 15,000.00                    | 15,000.00             | 0.00                 |
|   | <u>\$ 769.23</u>          | <u>\$ 114,557.62</u> | <u>\$ 115,326.85</u> | <u>\$ 38,000.00</u> | <u>\$ 153,326.85</u>         | <u>\$ 87,208.22</u>   | <u>\$ 66,118.63</u>  |
| <b>TOTALS</b>   | <u>\$ 40,439.71</u>       | <u>\$ 732,832.25</u> | <u>\$ 773,271.96</u> | <u>\$ -</u>         | <u>\$ 773,271.96</u>         | <u>\$ 498,113.29</u>  | <u>\$ 275,158.67</u> |
| Ref.  | A                         | A                    |                      |                     |                              | Below                 | A-1                  |
|   |                           |                      |                      |                     | Reference                    |                       |                      |
| Transferred to Reserve for Tax Appeals                            |                           |                      |                      |                     | A-18                         | \$ 25,000.00          |                      |
| Transferred to Accounts Payable                                   |                           |                      |                      |                     | A-20                         | 16,000.00             |                      |
| Disbursed   |                           |                      |                      |                     | A-4                          | 457,113.29            |                      |
|   |                           |                      |                      |                     | Above                        | <u>\$ 498,113.29</u>  |                      |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

SCHEDULE OF TAX OVERPAYMENTS

A-14

|                               | <u>Reference</u> |    |                         |
|-------------------------------|------------------|----|-------------------------|
| Balance December 31, 2012     | A                | \$ | 39,305.30               |
| Increased by:                 |                  |    |                         |
| Overpayments in 2013          | A-4              |    | <u>57,555.10</u>        |
|                               |                  |    | 96,860.40               |
| Decreased by:                 |                  |    |                         |
| Applied to Current Year Taxes | A-8              | \$ | 838.15                  |
| Refunds                       | A-4              |    | <u>10,601.70</u>        |
|                               |                  |    | <u>11,439.85</u>        |
| Balance December 31, 2013     | A                | \$ | <u><u>85,420.55</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 CURRENT FUND  
 DECEMBER 31, 2013

**SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY - SURCHARGE FEES**

A-15

|                           | <u>Reference</u> | <u>Burial<br/>Permit<br/>Fees</u> | <u>Construction<br/>Surcharge<br/>Fees</u> | <u>Marriage<br/>License<br/>Fees</u> |
|---------------------------|------------------|-----------------------------------|--|--------------------------------------|
| Balance December 31, 2012 | A                | \$ 2,020.00                       | \$ 4,332.00                                | \$ 2,045.00                          |
| Increased by:             |                  |                                   |  |                                      |
| Receipts                  | A-4              | -                                 | 10,158.00                                  | 1,500.00                             |
|                           |                  | <u>2,020.00</u>                   | <u>14,490.00</u>                           | <u>3,545.00</u>                      |
| Decreased by:             |                  |                                   |  |                                      |
| Cancel to Operations      | A-1              |                                   |  | 87.00                                |
| Cash Disbursements        | A-4              | 75.00                             | 12,487.00                                  | 1,350.00                             |
|                           |                  | <u>75.00</u>                      | <u>12,487.00</u>                           | <u>1,350.00</u>                      |
| Balance December 31, 2013 | A                | <u>\$ 1,945.00</u>                | <u>\$ 2,003.00</u>                         | <u>\$ 2,108.00</u>                   |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 CURRENT FUND  
 DECEMBER 31, 2013

**SCHEDULE OF RESERVE FOR MAINTENANCE OF  
 FREE PUBLIC LIBRARY WITH STATE AID**

A-16

|                           | <u>Reference</u> |           |
|---------------------------|------------------|-----------|
| Balance December 31, 2012 | A                | \$ 185.94 |
| Increased by:             |                  |           |
| State Library Aid         | A-4              | 4,984.00  |
|                           |                  | 5,169.94  |
| Decreased by:             |                  |           |
| Cash Disbursements        | A-4              | 5,119.56  |
|                           |                  | 5,119.56  |
| Balance December 31, 2013 | A                | \$ 50.38  |

**SCHEDULE OF SCHOOL TAXES PAYABLE**

A-17

|                           | <u>Reference</u> |               |
|---------------------------|------------------|---------------|
| Balance December 31, 2012 | A                | \$ -          |
| Increased by:             |                  |               |
| 2013 School Tax Levy      | A-1,8            | 25,374,764.00 |
|                           |                  | 25,374,764.00 |
| Decreased by:             |                  |               |
| School Taxes Paid         | A-4              | 25,374,764.00 |
|                           |                  | 25,374,764.00 |
| Balance December 31, 2013 | A                | \$ -          |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

**SCHEDULE OF RESERVE FOR TAX APPEALS PENDING**

A-18

|   | <u>Reference</u> |                   |                            |
|---|------------------|-------------------|----------------------------|
| Balance December 31, 2012                   | A                |                   | \$ 59,401.02               |
| Increased by:                               |                  |                   |                            |
| Transferred from 2012 Budget Reserves       | A-13             | \$ 25,000.00      |                            |
| Transferred from 2013 Budget Appropriations | A-3              | <u>120,000.00</u> | <u>145,000.00</u>          |
|   |                  |                   | 204,401.02                 |
| Decreased by:                               |                  |                   |                            |
| Cash Disbursements                          | A-4              |                   | <u>107,273.36</u>          |
| Balance December 31, 2013                   | A                |                   | <u><u>\$ 97,127.66</u></u> |

**RESERVE FOR REVALUATION OF REAL PROPERTY**

A-19

|                           | <u>Reference</u> |  |                           |
|---------------------------|------------------|--|---------------------------|
| Balance December 31, 2012 | A                |  | \$ 14,900.00              |
| Decreased by:             |                  |  |                           |
| Cash Disbursements        | A-4              |  | <u>13,000.00</u>          |
| Balance December 31, 2013 | A                |  | <u><u>\$ 1,900.00</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
CURRENT FUND  
DECEMBER 31, 2013

**SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE**

**A-20**

|                                      | <u>Reference</u> |    |                  |
|--------------------------------------|------------------|----|------------------|
| Balance December 31, 2012            | A                | \$ | 9,154.84         |
| Increased by:                        |                  |    |                  |
| Transfer from Appropriation Reserves | A-13             |    | 16,000.00        |
|                                      |                  |    | <u>25,154.84</u> |
| Decreased by:                        |                  |    |                  |
| Cash Disbursements                   | A-4              |    | 15,798.92        |
|                                      |                  |    | <u>15,798.92</u> |
| Balance December 31, 2013            | A                | \$ | <u>9,355.92</u>  |

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS**

**A-21**

|                           | <u>Reference</u> |    |                  |
|---------------------------|------------------|----|------------------|
| Balance December 31, 2012 | A                | \$ | 58,312.53        |
| Balance December 31, 2013 | A                | \$ | <u>58,312.53</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

SCHEDULE OF CASH-COLLECTOR -TREASURER

B-1

|   | <u>Reference</u> | <u>Assessment Fund</u> | <u>Dog License Fund</u> | <u>Other Funds</u>   |  |
|---|------------------|------------------------|-------------------------|----------------------|--|
| <u>Balance December 31, 2012</u>          | B                | \$ 1,838.67            | \$ 31,165.80            | \$ 639,827.07        |  |
| Increased by Receipts:                    |                  |                        |                         |                      |  |
| Dog License Fees                          | B-2              |                        | \$ 16,246.60            |                      |  |
| State Registration Fess                   | B-2              |                        | 1,970.40                |                      |  |
| Deposits Payable                          | B-3              |                        |                         | \$ 949,443.75        |  |
| Payroll Deductions Payable                | B-4, B-6         |                        |                         | 4,600,916.01         |  |
| Unemployment Budget Appropriation         | B-6              |                        |                         | 62,500.00            |  |
| Adjustment to Fund Balance                | B-8              |                        |                         | 582.04               |  |
|   |                  | _____                  | _____                   | _____                |  |
|   |                  | -                      | 18,217.00               | 5,613,441.80         |  |
|   |                  | <u>1,838.67</u>        | <u>49,382.80</u>        | <u>6,253,268.87</u>  |  |
| Decreased by Disbursements:               |                  |                        |                         |                      |  |
| Expenditures under R.S. 4:19-15.11        | B-2              |                        | 14,872.80               |                      |  |
| Due to State of NJ - Registration Fees    | B-2              |                        | 1,960.20                |                      |  |
| Deposits Payable                          | B-3              |                        |                         | 575,719.09           |  |
| Payroll Deductions Payable                | B-4              |                        |                         | 4,685,204.23         |  |
| Due to/from Current Fund                  | B-5              |                        | -                       | 120,947.44           |  |
| Due to Department of Labor - Unemployment | B-5, B-6         |                        |                         | 26,120.87            |  |
|   |                  | _____                  | _____                   | _____                |  |
|   |                  | -                      | 16,833.00               | 5,407,991.63         |  |
| <u>Balance December 31, 2013</u>          | B                | <u>\$ 1,838.67</u>     | <u>\$ 32,549.80</u>     | <u>\$ 845,277.24</u> |  |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

B-2

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

|   | <u>Reference</u> |                     |                            |
|---|------------------|---------------------|----------------------------|
| Balance December 31, 2012                 | B                |                     | \$ 31,050.80               |
| Increased by:                             |                  |                     |                            |
| Dog License Fees Collected                | B-1              | <u>\$ 16,246.60</u> |                            |
|   |                  |                     | <u>16,246.60</u>           |
|   |                  |                     | 47,297.40                  |
| Decreased by:                             |                  |                     |                            |
| Statutory Excess- Due to Current Fund     | B-5              | 1,237.00            |                            |
| Expenditures Under R.S. 4:19-15.11 - Cash | B-1              | <u>14,872.80</u>    |                            |
|   |                  |                     | <u>16,109.80</u>           |
| Balance December 31, 2013                 | B                |                     | <u><u>\$ 31,187.60</u></u> |

Licenses Fees Collected

| <u>Year</u> | <u>Amount</u>              |
|-------------|----------------------------|
| 2012        | \$ 15,473.20               |
| 2011        | <u>15,714.40</u>           |
|             | <u><u>\$ 31,187.60</u></u> |

Summary of State Registration Fees

|   |     |                         |  |
|---|-----|-------------------------|--|
| State Registration Fees Due at 12/31/12 | B   | \$ 115.00               |  |
| State Registration Fees Collected       | B-1 | <u>1,970.40</u>         |  |
|   |     | 2,085.40                |  |
| State Registration Fees Paid            | B-1 | <u>1,960.20</u>         |  |
| State Registration Fees Due at 12/31/13 | B   | <u><u>\$ 125.20</u></u> |  |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF RESERVES AND DEPOSITS PAYABLE**

B-3

| <b>DEPOSITS</b>                                       | Balance<br>December 31, 2012 | Receipts             | Disbursements        | Due From Current     | Balance<br>December 31, 2013 |
|---|------------------------------|----------------------|----------------------|----------------------|------------------------------|
| Merchant Bonds  | \$ 8,950.00                  | \$ 50.00             | \$ -                 | \$ -                 | \$ 9,000.00                  |
| Library Book Fund                                     | 44,384.24                    | 35,608.09            | 34,563.82            |                      | 45,428.51                    |
| Board of Recreation Commission                        | 1,794.99                     | 79,401.76            | 74,146.14            | 4,110.00             | 2,940.61                     |
| Towing  | 2,689.94                     |                      | 13.00                |                      | 2,676.94                     |
| Planning Board / Developers Escrow                    | 139,266.38                   | 61,935.73            | 71,472.26            |                      | 129,729.85                   |
| Off-Duty Municipal Police Pay                         | (13,510.12)                  | 201,095.82           |                      | 116,837.44           | 70,748.26                    |
| Off-Duty Police Car Charges                           | (85,462.19)                  |                      | 32,390.96            | -                    | (117,853.15)                 |
| Developer's Deposit - Car Wash                        | 14,109.07                    | 4.33                 |                      |                      | 14,113.40                    |
| Performance Bond - ADPP                               | 24,283.09                    | 7.50                 |                      |                      | 24,290.59                    |
| Developer's Deposit - Three Buildings Escrow          |                              | 77,150.00            | 8,263.50             |                      | 68,886.50                    |
| Developer's Deposit - Heights Cliff Escrow            |                              | 20,650.00            | 19,201.00            |                      | 1,449.00                     |
| Redemption of Outside Tax Title -<br>Lien Certificate | 0.00                         | 188,561.44           | 170,807.25           | -                    | 17,754.19                    |
| Tax Sale Premiums                                     | 160,600.00                   | 204,400.00           | 105,300.00           |                      | 259,700.00                   |
| Sidewalk Crossing                                     | 750.00                       |                      |                      |                      | 750.00                       |
| Street Opening  | 9,449.22                     | -                    | 2,100.00             |                      | 7,349.22                     |
| Miscellaneous   | 4,148.91                     | 11,310.06            | 6,760.85             |                      | 8,698.12                     |
| Parking Offenses Adjudication Act                     | 39,549.06                    | 2,116.00             |                      |                      | 41,665.06                    |
| Uniform Fire Penalties                                | 8,155.60                     | 820.00               |                      |                      | 8,975.60                     |
| Reserve for the 200 Club                              | (330.00)                     |                      |                      | -                    | (330.00)                     |
| Reserve for Street Fair                               | 9,322.48                     | 23,000.00            | 25,742.00            |                      | 6,580.48                     |
| Reserve for Firefighters Walk of Honor                | 1,098.80                     |                      | -                    |                      | 1,098.80                     |
| Reserve for Board of Health 5K Run                    | -                            | 5,310.94             | 5,310.94             |                      | -                            |
| Reserve for Drug Alliance- Space Odyssey              | 851.68                       | 3,694.00             | 3,058.30             |                      | 1,487.38                     |
| Reserve for Veterans Memorial Park                    | 4,827.00                     | 50.00                |                      |                      | 4,877.00                     |
| Reserve for Veterans Memorial Park Maint.             | 9,740.05                     | 50.00                |                      |                      | 9,790.05                     |
| Reserve for Bench Program                             | 945.56                       |                      |                      |                      | 945.56                       |
| Reserve for Andrew Feintuch Memorial Fund             | 6,183.07                     | 2.20                 | 500.00               |                      | 5,685.27                     |
| Reserve for Hurricane Katrina Memorial Fund           | 226.36                       | 0.12                 |                      |                      | 226.48                       |
| Reserve for 9-11 Memorial Fund                        | 4,930.88                     | -                    | 2,960.24             |                      | 1,970.64                     |
| Reserve for Energy Efficiency Funding                 | -                            |                      | -                    |                      | -                            |
| Reserve for Port Authority Donation                   | 6,236.05                     |                      | 5,364.00             |                      | 872.05                       |
| Recycling Proceeds                                    | 23,214.39                    | 34,225.76            | 7,764.83             |                      | 49,675.32                    |
| Reserve for Police Exam                               | (884.00)                     | -                    | -                    |                      | (884.00)                     |
|   | <u>\$ 425,520.51</u>         | <u>\$ 949,443.75</u> | <u>\$ 575,719.09</u> | <u>\$ 120,947.44</u> | <u>\$ 678,297.73</u>         |
| Reference   | B                            | B-1                  | B-1                  | B-5                  | B                            |

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF RESERVES AND DEPOSITS PAYABLE**

B-3

| <b>DEPOSITS</b>                                       | Balance              |                      | Receipts             | Disbursements        | Due From Current | Balance              |  |
|---|----------------------|----------------------|----------------------|----------------------|------------------|----------------------|--|
|   | December 31, 2012    |                      |                      |                      |                  | December 31, 2013    |  |
| Merchant Bonds  | \$ 8,950.00          | \$ 50.00             | \$ -                 | \$ -                 | \$ -             | \$ 9,000.00          |  |
| Library Book Fund                                     | 44,384.24            | 35,608.09            | 34,563.82            |                      |                  | 45,428.51            |  |
| Board of Recreation Commission                        | 1,794.99             | 79,401.76            | 74,146.14            |                      | 4,110.00         | 2,940.61             |  |
| Towing  | 2,689.94             |                      | 13.00                |                      |                  | 2,676.94             |  |
| Planning Board / Developers Escrow                    | 139,266.38           | 61,935.73            | 71,472.26            |                      |                  | 129,729.85           |  |
| Off-Duty Municipal Police Pay / Car Charges           | (98,972.31)          | 201,095.82           | 32,390.96            |                      | 116,837.44       | (47,104.89)          |  |
| Developer's Deposit - Car Wash                        | 14,109.07            | 4.33                 |                      |                      |                  | 14,113.40            |  |
| Performance Bond - ADPP                               | 24,283.09            | 7.50                 |                      |                      |                  | 24,290.59            |  |
| Developer's Deposit - Three Buildings Escrow          |                      | 77,150.00            | 8,263.50             |                      |                  | 68,886.50            |  |
| Developer's Deposit - Heights Cliff Escrow            |                      | 20,650.00            | 19,201.00            |                      |                  | 1,449.00             |  |
| Redemption of Outside Tax Title -<br>Lien Certificate | 0.00                 | 188,561.44           | 170,807.25           |                      | -                | 17,754.19            |  |
| Tax Sale Premiums                                     | 160,600.00           | 204,400.00           | 105,300.00           |                      |                  | 259,700.00           |  |
| Sidewalk Crossing                                     | 750.00               |                      |                      |                      |                  | 750.00               |  |
| Street Opening  | 9,449.22             | -                    | 2,100.00             |                      |                  | 7,349.22             |  |
| Miscellaneous   | 4,148.91             | 11,310.06            | 6,760.85             |                      |                  | 8,698.12             |  |
| Parking Offenses Adjudication Act                     | 39,549.06            | 2,116.00             |                      |                      |                  | 41,665.06            |  |
| Uniform Fire Penalties                                | 8,155.60             | 820.00               |                      |                      |                  | 8,975.60             |  |
| Reserve for the 200 Club                              | (330.00)             |                      |                      |                      |                  | (330.00)             |  |
| Reserve for Street Fair                               | 9,322.48             | 23,000.00            | 25,742.00            |                      |                  | 6,580.48             |  |
| Reserve for Firefighters Walk of Honor                | 1,098.80             |                      |                      |                      |                  | 1,098.80             |  |
| Reserve for Board of Health 5K Run                    | -                    | 5,310.94             | 5,310.94             |                      |                  | -                    |  |
| Reserve for Drug Alliance- Space Odyssey              | 851.68               | 3,694.00             | 3,058.30             |                      |                  | 1,487.38             |  |
| Reserve for Veterans Memorial Park                    | 4,827.00             | 50.00                |                      |                      |                  | 4,877.00             |  |
| Reserve for Veterans Memorial Park Maint.             | 9,740.05             | 50.00                |                      |                      |                  | 9,790.05             |  |
| Reserve for Bench Program                             | 945.56               |                      |                      |                      |                  | 945.56               |  |
| Reserve for Andrew Feintuch Memorial Fund             | 6,183.07             | 2.20                 | 500.00               |                      |                  | 5,685.27             |  |
| Reserve for Hurricane Katrina Memorial Fund           | 226.36               | 0.12                 |                      |                      |                  | 226.48               |  |
| Reserve for 9-11 Memorial Fund                        | 4,930.88             | -                    | 2,960.24             |                      |                  | 1,970.64             |  |
| Reserve for Energy Efficiency Funding                 | -                    |                      |                      |                      |                  | -                    |  |
| Reserve for Port Authority Donation                   | 6,236.05             |                      | 5,364.00             |                      |                  | 872.05               |  |
| Recycling Proceeds                                    | 23,214.39            | 34,225.76            | 7,764.83             |                      |                  | 49,675.32            |  |
| Reserve for Police Exam                               | (884.00)             | -                    |                      |                      |                  | (884.00)             |  |
|   | <u>\$ 425,520.51</u> | <u>\$ 949,443.75</u> | <u>\$ 575,719.09</u> | <u>\$ 120,947.44</u> |                  | <u>\$ 678,297.73</u> |  |
| Reference   | B                    | B-1                  | B-1                  | B-5                  |                  | B                    |  |

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

B-4

| <u>ACCOUNT</u>                         | Balance<br>December 31,<br>2012 | Receipts               | Disbursements          | Prior Year<br>Adjustments | Balance<br>December 31,<br>2013 |
|--|---------------------------------|------------------------|------------------------|---------------------------|---------------------------------|
| Federal Withholding Tax                | \$ 46,574.10                    | \$ 1,022,947.82        | \$ 1,063,454.26        | \$ (6,067.66)             | \$ (0.00)                       |
| F.I.C.A.                               | 4,150.40                        | 488,479.80             | 502,382.31             | 9,752.11                  | (0.00)                          |
| Medicare                               | 15,795.01                       | 221,040.64             | 229,450.70             | (7,384.95)                | (0.00)                          |
| Unemployment Insurance                 | 35,758.18                       | 17,642.54              | 33,981.57              |                           | 19,419.15                       |
| State of NJ - Gross Income Tax         | (2,498.05)                      | 289,913.88             | 301,213.41             | 13,797.58                 | 0.00                            |
| P.E.R.S. - Pension                     | 29,023.33                       | 337,403.86             | 331,592.81             |                           | 34,834.38                       |
| P.E.R.S. - Contributory Insurance      | 2,348.98                        | 16,424.02              | 16,911.84              |                           | 1,861.16                        |
| Police and Firemen's Retirement System | 57,174.13                       | 407,267.19             | 409,521.10             | (7,318.19)                | 47,602.03                       |
| Deferred Compensation Plan             | 80.00                           | 230,909.10             | 230,909.10             |                           | 80.00                           |
| Union Dues - DPW                       | 307.01                          | 22,908.00              | 19,783.50              |                           | 3,431.51                        |
| Union Dues - PBA                       | 2,063.60                        | 16,575.00              | 16,600.00              |                           | 2,038.60                        |
| Wage Garnishes                         | 1,192.85                        | 76,727.11              | 76,727.11              | (1,192.85)                | 0.00                            |
| Credit Union                           | 826.03                          | 18,730.00              | 18,730.00              |                           | 826.03                          |
| AFLAC                                  | (1,947.00)                      | 17,001.56              | 17,001.53              |                           | (1,946.97)                      |
| Colonial Life                          | -                               | 683.80                 | 683.80                 |                           | -                               |
| Premier Vision Care                    | 14.86                           | 156.00                 | 156.00                 | (14.86)                   | 0.00                            |
| Suspense                               | 1,890.92                        | 0.50                   |                        | (1,571.18)                | 320.24                          |
| Employer Pension Contribution          |                                 | 1,267,732.37           | 1,267,732.37           |                           | -                               |
| Employee Contribution to Benefits      | -                               | 148,372.82             | 148,372.82             |                           | -                               |
| <b>Total Payroll Deductions</b>        | <b>\$ 192,754.35</b>            | <b>\$ 4,600,916.01</b> | <b>\$ 4,685,204.23</b> | <b>\$ 0.00</b>            | <b>\$ 108,466.13</b>            |
| Reference                              | B                               | B-1                    | B-1                    |                           | B                               |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF DUE TO / (FROM) CURRENT FUND**

**B-5**

|                                    | <u>Reference</u> | <u>Dog Fund</u> | <u>Other Funds</u> |
|------------------------------------|------------------|-----------------|--------------------|
| Balance December 31, 2012          | B                | \$ -            | \$ -               |
| Increased by:                      |                  |                 |                    |
| Statutory Excess- Dog License Fund | B-2              | 1,237.00        |                    |
| Paid to Current Fund               | B-1              | -               | 120,947.44         |
|                                    |                  | 1,237.00        | 120,947.44         |
| Decreased by:                      |                  |                 |                    |
| Due to Current Fund                | B-3              | -               | 120,947.44         |
|                                    |                  | -               | 120,947.44         |
| Balance December 31, 2013          | B                | \$ 1,237.00     | \$ -               |

**SCHEDULE OF RESERVE FOR UNEMPLOYMENT  
INSURANCE TRUST FUND**

**B-6**

|                              | <u>Reference</u> |              |              |
|------------------------------|------------------|--------------|--------------|
| Balance December 31, 2012    | B                |              | \$ 3,153.40  |
| Increased by:                |                  |              |              |
| 2013 Budget Appropriation    | A-3, B-1         | \$ 62,500.00 |              |
|                              |                  |              | 62,500.00    |
|                              |                  |              | 65,653.40    |
| Decreased by:                |                  |              |              |
| Payments - NJ Dept. of Labor | B-1              | 26,120.87    |              |
|                              |                  | 26,120.87    | 26,120.87    |
| Balance December 31, 2013    | B                |              | \$ 39,532.53 |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS**

**B-7**

|                           | <u>Reference</u> |                 |
|---------------------------|------------------|-----------------|
| Balance December 31, 2012 | B                | \$ 8,679.84     |
|                           |                  | <u>8,679.84</u> |
| Balance December 31, 2013 | B                | \$ 8,679.84     |
|                           |                  | <u>8,679.84</u> |

**SCHEDULE OF FUND BALANCE**

**B-8**

|                                       |     |                  |
|---------------------------------------|-----|------------------|
| Balance December 31, 2012             | B   | \$ 11,557.64     |
| Increased by:                         |     |                  |
| Cancellation of PY Outstanding Checks | B-1 | 582.04           |
|                                       |     | <u>582.04</u>    |
| Balance December 31, 2013             | B   | \$ 12,139.68     |
|                                       |     | <u>12,139.68</u> |

Analysis of Balance

|                   |   |                  |
|-------------------|---|------------------|
| Assessment Fund   | B | \$ 1,838.67      |
| Other Trust Funds | B | 10,301.01        |
|                   |   | <u>10,301.01</u> |
| Total             |   | <u>12,139.68</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

**SCHEDULE OF CASH - COLLECTOR - TREASURER**

C-2

|   | Reference   |                     |                             |
|---|-------------|---------------------|-----------------------------|
| Balance December 31, 2012                         | C           |                     | \$ 423,062.70               |
| Increased by:                                     |             |                     |                             |
| Budget Appropriation for Capital Improvement Fund | C-3,7       | \$ 75,000.00        |                             |
| County Grants- Grants Receivable                  | C-5         | 71,193.27           |                             |
| Due To Current Fund - Interest                    | Contra      | 2,252.58            |                             |
| Premium on BAN                                    | C-13        | 18,172.00           |                             |
| Bond Anticipation Notes Issued                    | C-3,10,11   | <u>3,850,000.00</u> |                             |
|   |             |                     | <u>4,016,617.85</u>         |
|   |             |                     | 4,439,680.55                |
| Decreased by:                                     |             |                     |                             |
| Due to Current Fund - Interest                    | Contra, C-3 | 2,252.58            |                             |
| Improvement Authorization Expenditures            | C-8         | 1,188,310.67        |                             |
| Transfer to Current                               | C-13        | 13,166.00           |                             |
| Bond Anticipation Notes Paid                      | C-10        | <u>2,696,500.00</u> |                             |
|   |             |                     | <u>3,900,229.25</u>         |
| Balance December 31, 2013                         | C           |                     | <u><u>\$ 539,451.30</u></u> |

**SCHEDULE OF DUE FROM CURRENT FUND**

C-2a

|                            | Reference |  |                             |
|----------------------------|-----------|--|-----------------------------|
| Increased by:              |           |  |                             |
| Grants Received in Current | C-4       |  | <u>\$ 198,672.68</u>        |
| Balance December 31, 2013  | C         |  | <u><u>\$ 198,672.68</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF ANALYSIS OF CASH

C-3

|   | Balance<br>Dec. 31, 2012 | Receipts     |                            |               | Disbursements                 |                 | Transfers |               | Balance<br>Dec. 31, 2013 |
|---|--------------------------|--------------|----------------------------|---------------|-------------------------------|-----------------|-----------|---------------|--------------------------|
|   |                          | Budget       | Sale of<br>Notes and Bonds | Miscellaneous | Improvement<br>Authorizations | Misc.           | To        | From          |                          |
| Fund Balance  | \$ 6,854.95              | \$ -         | \$ -                       | \$ -          | \$ -                          | \$ -            | \$ -      | \$ 0.80       | \$ 6,854.15              |
| Capital Improvement Fund  | 20,110.17                | 75,000.00    |                            |               |                               |                 |           | 48,600.00     | 46,510.17                |
| Reserve for Improvements to Garrison Avenue - F.E.M.A.  | 7,800.86                 |              |                            |               |                               |                 |           |               | 7,800.86                 |
| Due to/from Current Fund  | -                        |              |                            | 2,252.58      |                               | 2,252.58        |           | 198,672.68    | (198,672.68)             |
| Bond Anticipation Note Payable- Rollovers   | -                        |              | 2,696,500.00               |               |                               | 2,696,500.00    |           |               | -                        |
| Reserve for Payment of BANS- Premium  | 13,166.00                |              |                            | 18,172.00     |                               | 13,166.00       |           |               | 18,172.00                |
| Improvement Authorizations:   | -                        |              |                            |               |                               |                 |           |               | -                        |
| <u>Ord. #</u>   |                          |              |                            |               |                               |                 |           |               |                          |
| <u>Improvement Description</u>  |                          |              |                            |               |                               |                 |           |               |                          |
| 1600 Provide for the Rehabilitation of Underground Fuel Storage Tanks   | 78.09                    |              |                            |               |                               |                 |           |               | 78.09                    |
| 1620 Reconstruction of the Woodside Avenue Sewer Pump Station   | 3,400.46                 |              |                            |               | 3,400.46                      |                 |           |               | -                        |
| 1628 Resurfacing of a Portion of Burton Ave. from Williams Ave. to Rt 46  | (2,015.00)               |              |                            |               |                               |                 |           |               | (2,015.00)               |
| 1653 Reconstruction or Replacement of Curbs   | 9,217.89                 |              |                            |               | 9,217.89                      |                 |           |               | -                        |
| 1716 Acquisition of 34 Semi-Automatic Pistols for the Police Dept.  | 830.98                   |              |                            |               |                               |                 |           |               | 830.98                   |
| 1719 Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.   | (25,577.19)              |              |                            |               |                               |                 |           |               | (25,577.19)              |
| 1772 Acquisition of Pagers and Relocation of Radio Fail Safe System for the Fire Dept   | 127.96                   |              |                            |               |                               |                 |           |               | 127.96                   |
| 1803 Resurfacing of Burton Ave. from Williams Ave. to Passaic Ave.  | (2,408.06)               |              |                            |               |                               |                 |           |               | (2,408.06)               |
| 1848 Resurfacing of Hamilton Ave. from the Boulevard to Terrace Ave.  | 429.65                   |              |                            |               |                               |                 |           |               | 429.65                   |
| 1858 Acquisition of Computer Hardware and Software as part of Year 2000 upgrades  | 1,998.16                 |              |                            |               | 1,998.16                      |                 |           |               | -                        |
| 1868 Barrier Free Curb Ramps  | (4,001.32)               |              |                            |               |                               |                 |           |               | (4,001.32)               |
| 1899 Purchase of Communications Equipment for the Police and Fire Departments   | 7.09                     |              |                            |               |                               |                 |           |               | 7.09                     |
| 1895 Purchase of a High Pressure Breathing Air System   | 2,434.07                 |              |                            |               |                               |                 |           |               | 2,434.07                 |
| 1908 Resurfacing of Ottawa Ave. from Burton Ave. to Route 17  | 17,362.65                |              |                            |               |                               |                 |           |               | 17,362.65                |
| 1915/1940 Purchase of Comm Equip, Improve of Parks, Improve of Police Pistol Range<br>and Acquisition of a 4 Wheel Drive Vehicle for Police Dept. | -                        |              |                            |               |                               |                 |           |               | -                        |
| 1936 Refurbishment of the Hook and Ladder   | 224.34                   |              |                            |               |                               |                 |           |               | 224.34                   |
| 1942 Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave. and<br>Paterson Ave. from Terrace Ave. to Burton Ave.                       | 1,343.27                 |              |                            |               |                               |                 |           |               | 1,343.27                 |
| 1,139.41  |                          |              |                            |               |                               |                 |           |               | 1,139.41                 |
| 1944/1968/1985  |                          |              |                            |               |                               |                 |           |               |                          |
| 2038/2082 Construction of a New Municipal Building and a New Public Safety Building   | 45,579.97                |              |                            |               | 10,964.15                     |                 | 0.80      |               | 34,616.62                |
| 1948 Acquisition of a New Ambulance   | 566.49                   |              |                            |               |                               |                 |           |               | 566.49                   |
| 1976 Acquisition of Real Property located at 302 Boulevard  | 815.29                   |              |                            |               |                               |                 |           |               | 815.29                   |
| 2007 Acquisition of Furniture Furnishings, Shelving and other Fittings for the<br>New Free Public Library   | (13,348.41)              |              |                            |               |                               |                 |           |               | (13,348.41)              |
| -   |                          |              |                            |               |                               |                 |           |               | -                        |
| Sub total   | \$ 86,137.77             | \$ 75,000.00 | \$ 2,696,500.00            | \$ 20,424.58  | \$ 25,580.66                  | \$ 2,711,918.58 | \$ 0.80   | \$ 247,273.48 | \$ (106,709.57)          |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF ANALYSIS OF CASH

C-3

|                             | Balance<br>Dec. 31, 2012  | Receipts             |                 |               | Disbursements                 |                     | Transfers   |             | Balance<br>Dec. 31, 2013 |
|-----------------------------|---|----------------------|-----------------|---------------|-------------------------------|---------------------|-------------|-------------|--------------------------|
|                             |   | Budget               | Sale of         |               | Improvement<br>Authorizations | Misc.               | To          | From        |                          |
|                             |   |                      | Notes and Bonds | Miscellaneous |                               |                     |             |             |                          |
| Improvement Authorizations: |   |                      |                 |               |                               |                     |             |             |                          |
| <u>Ord. #</u>               | <u>Improvement Description</u>  |                      |                 |               |                               |                     |             |             |                          |
| 2012                        | Improvement of Baldwin Ave. between the Boulevard and Route 46  | \$ 4,951.61          | \$ -            | \$ -          | \$ -                          | \$ -                | \$ -        | \$ -        | \$ 4,951.61              |
| 2048                        | Acquisition of Furniture Furnishings and Fittings for use throughout the new Public Safety Building and O.E.M.      | 4,035.34             |                 |               | 4,035.34                      |                     |             |             | -                        |
| 2054                        | Resurfacing of Oak Grove Ave. from Jefferson to Williams Ave.   | (51,180.61)          |                 |               |                               |                     |             |             | (51,180.61)              |
| 2055                        | 2004 Road Improvement Program   | 12,952.53            |                 |               | 1,466.27                      |                     |             |             | 11,486.26                |
| 2059                        | Acquisition of a Tree Stump Grinding Machine and a Tree Trimming Vehicle  | 21,804.88            |                 |               |                               |                     |             |             | 21,804.88                |
| 2085                        | Acquisition of Laptop Computers for the Free Public Library   | 1,655.12             |                 |               |                               |                     |             |             | 1,655.12                 |
| 2087                        | Acquisition of a Front End Loader for the DPW   | 1,687.66             |                 |               |                               |                     |             |             | 1,687.66                 |
| 2088                        | Acquisition of a Rolloff Truck for the DPW  | 4,760.49             |                 |               |                               |                     |             |             | 4,760.49                 |
| 2089                        | Acquisition of 2 Four Wheel Drive Vehicles for Fire Dept. & Fire Prevention   | -                    |                 |               | -                             |                     |             |             | -                        |
| 2133/2145                   | Barrier Free Improvements to Woodland Park  | 4,023.05             |                 |               | 4,023.05                      |                     |             |             | -                        |
| 2134                        | 2006 Computer Upgrades  | 2,341.02             |                 |               | 1,073.84                      |                     |             |             | 1,267.18                 |
| 2135                        | Acquisition of Gear and Equipment for the Fire Dept.  | 397.70               |                 |               |                               |                     |             |             | 397.70                   |
| 2136                        | Construction of a Parking lot and Pocket Park   | 37,465.39            |                 |               | 2,660.00                      |                     |             |             | 34,805.39                |
| 2146                        | Improvement to Gary Depken Field  | 54,963.79            |                 |               | 9,250.17                      |                     |             |             | 45,713.62                |
| 2147                        | Improvement of Ravine Ave., Construction of Parks and installation of Playground Equipment adjacent to Depken Field | 73,948.45            | -               | -             | 4,392.55                      | -                   | -           | -           | 69,555.90                |
| 2159                        | Acquisition of Gear and Equipment for the Fire Dept.  | 1,394.76             |                 |               |                               |                     |             |             | 1,394.76                 |
| 2182                        | Acquisition of a new Senior Citizen bus   | -                    |                 |               | -                             |                     |             |             | -                        |
| 2183/2270                   | Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow   | 1,194.86             |                 | -             | -                             |                     |             |             | 1,194.86                 |
| 2184                        | 2008 Road Improvement Program   | 1,523.53             |                 |               | 1,523.53                      |                     |             |             | -                        |
| 2185/2209                   | Boulevard Streetscape Improvement   | 39,189.00            |                 |               | 11,744.00                     |                     |             |             | 27,445.00                |
|                             | Sub total   | <u>\$ 217,108.57</u> | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ -</u>                   | <u>\$ 40,168.75</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 176,939.82</u>     |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF ANALYSIS OF CASH

C-3

|                             | Balance<br>Dec. 31, 2012   | Receipts             |                            |                        | Disbursements                 |                        | Transfers              |                      | Balance<br>Dec. 31, 2013 |                      |
|-----------------------------|--|----------------------|----------------------------|------------------------|-------------------------------|------------------------|------------------------|----------------------|--------------------------|----------------------|
|                             |  | Budget               | Sale of<br>Notes and Bonds | Miscellaneous          | Improvement<br>Authorizations | Misc.                  | To                     | From                 |                          |                      |
| Improvement Authorizations: |  |                      |                            |                        |                               |                        |                        |                      |                          |                      |
| Ord. #                      | Improvement Description  |                      |                            |                        |                               |                        |                        |                      |                          |                      |
| 2188                        | Acquisition of a new Alcohol Breath Testing System                                   | \$ 617.75            | \$ -                       | \$ -                   | \$ -                          | \$ -                   | \$ -                   | \$ -                 | \$ 617.75                |                      |
| 2189                        | Renovation of the Dept. of Public Works  | 1,195.44             |                            |                        |                               |                        |                        |                      | 1,195.44                 |                      |
| 2208                        | Acquisition of a new ambulance   | 1,719.78             |                            |                        |                               |                        |                        |                      | 1,719.78                 |                      |
| 2210                        | Resurfacing of Jefferson Ave.  | 105,792.53           |                            |                        |                               |                        |                        |                      | 105,792.53               |                      |
| 2211                        | Improvement of Miers Park and Woodland Park  | 12,395.27            |                            |                        | 9,303.95                      |                        |                        |                      | 3,091.32                 |                      |
| 2219                        | 2009 Road Resurfacing Program  | 61,048.03            |                            |                        |                               |                        |                        |                      | 61,048.03                |                      |
| 2221                        | Pedestrian Safety Infrastructure Improvements  | 5,330.59             |                            |                        |                               |                        |                        |                      | 5,330.59                 |                      |
| 2222                        | Pedestrian Safety Encouragement Improvements   | 1,918.95             |                            |                        |                               |                        |                        |                      | 1,918.95                 |                      |
| 2232                        | Repair and replacement of certain fencing, sidewalks and Landscaping at Depken Field | (28,018.79)          |                            |                        |                               | 1,450.60               |                        |                      | (29,469.39)              |                      |
| 2233                        | Rehabilitation and Environmental Remediation at DPW                                  | 40,436.82            |                            |                        |                               | 3,113.63               |                        |                      | 37,323.19                |                      |
| 2234                        | Curb and Sidewalk Reconstruction along portions of Terrace Ave. and the Boulevard    | (31,069.01)          |                            |                        |                               |                        |                        |                      | (31,069.01)              |                      |
| 2238                        | Continuation of Boulevard Streetscape Improvements                                   | (15,058.31)          |                            |                        |                               | 37,177.21              |                        |                      | (52,235.52)              |                      |
| 2246                        | Curb and Sidewalk Reconstruction along portions of Passaic Ave. and the Boulevard    | 6,849.74             |                            |                        |                               |                        |                        |                      | 6,849.74                 |                      |
| 2252                        | Boulevard Streetscape Improvement - Phase IV   | (105,494.94)         |                            |                        |                               | 37,367.18              |                        |                      | (142,862.12)             |                      |
| 2253                        | Resurfacing of Burton Avenue and Collins Avenue between Williams Ave and Rt. 46      | 77,422.81            |                            |                        |                               | 6,088.81               |                        |                      | 71,334.00                |                      |
| 2254                        | 2010 Road Resurfacing Program  | 47,336.96            |                            |                        |                               | 5,785.62               |                        |                      | 41,551.34                |                      |
| 2255/2294                   | Construction of a New Pavilion in Woodland Park                                      | (1,193.58)           | 63,000.00                  | 69,500.00              | 177,661.67                    |                        | 5,000.00               |                      | (41,355.25)              |                      |
| 2257                        | New 911 System for the Police Department   | 4,471.45             |                            |                        |                               |                        |                        |                      | 4,471.45                 |                      |
| 2262                        | Construction of a Certain Damaged Portions of the Sanitary Sewer System              | 5,133.83             |                            |                        |                               | 5,133.83               |                        |                      | 0.00                     |                      |
| 2263                        | Improvements to Firemen's Memorial Park  | (1,693.27)           |                            | 1,693.27               |                               |                        |                        |                      | (0.00)                   |                      |
| 2271                        | Refurbishment of the Hook and Ladder Truck   | 14,715.87            |                            |                        |                               |                        |                        |                      | 14,715.87                |                      |
| 2282                        | 2011/2012 Road Resurfacing Program   | 373.87               | 402,500.00                 |                        | 335,575.62                    |                        |                        |                      | 67,298.25                |                      |
| 2285                        | Reconstruction of Coolidge Avenue  | 22,443.47            | 400,000.00                 |                        | 273,920.41                    |                        |                        |                      | 148,523.06               |                      |
| 2286                        | Acquisition of in Car Video System for the Police Dept.                              | (55,437.25)          | 70,000.00                  |                        | 3,400.00                      |                        |                        |                      | 11,162.75                |                      |
| 2288                        | Repair and/or Construction of Sanitary Sewer System                                  | (57,377.65)          | 95,000.00                  |                        | 37,622.35                     |                        |                        |                      | -                        |                      |
| 2289                        | Boulevard Streetscape Improvement Phase V  | (1,044.00)           | 71,000.00                  |                        | 19,191.02                     |                        | 146,500.00             |                      | 197,264.98               |                      |
| 2290                        | Acquisition of Gear and Equipment for the Fire Dept.                                 | 4,000.00             |                            |                        | 40,675.69                     |                        |                        |                      | (36,675.69)              |                      |
| 2292                        | Acquisition of Radio Equipment for PD, FD & PWD                                      | 3,000.00             | 52,000.00                  |                        | 49,450.63                     |                        |                        |                      | 5,549.37                 |                      |
| 2303                        | Repairs and Improvements to Veteran's Memorial Park                                  |                      |                            |                        | 7,564.24                      |                        | 2,000.00               |                      | (5,564.24)               |                      |
| 2304/2320                   | Construction of Barrier Free Curb Ramps  |                      |                            |                        | 10,689.38                     |                        | 4,600.00               |                      | (6,089.38)               |                      |
| 2307                        | Boulevard Streetscape Improvement Phase VI   |                      |                            |                        | 4,034.23                      |                        | 57,172.68              |                      | 53,138.45                |                      |
| 2308                        | Repairs and Reconstr. Of Sanitary Sewer System                                       |                      |                            |                        | 13,511.84                     |                        | 5,000.00               |                      | (8,511.84)               |                      |
| 2312                        | Acquisition of New Street Sweeper  |                      |                            |                        | 102.75                        |                        | 10,000.00              |                      | 9,897.25                 |                      |
| 2313                        | Aqu. Of 4WD Vehicle for Police Department  |                      |                            |                        | 32,984.60                     |                        | 2,000.00               |                      | (30,984.60)              |                      |
| 2314                        | 2013 Road Resurfacing Program  |                      |                            |                        | 10,756.00                     |                        | 15,000.00              |                      | 4,244.00                 |                      |
| 2316                        | Bond Refunding   |                      |                            |                        |                               |                        |                        |                      | -                        |                      |
|                             |  | <u>119,816.36</u>    | <u>-</u>                   | <u>1,153,500.00</u>    | <u>71,193.27</u>              | <u>1,122,561.26</u>    | <u>-</u>               | <u>247,272.68</u>    | <u>-</u>                 | <u>469,221.05</u>    |
|                             |  | <u>\$ 423,062.70</u> | <u>\$ 75,000.00</u>        | <u>\$ 3,850,000.00</u> | <u>\$ 91,617.85</u>           | <u>\$ 1,188,310.67</u> | <u>\$ 2,711,918.58</u> | <u>\$ 247,273.48</u> | <u>\$ 247,273.48</u>     | <u>\$ 539,451.30</u> |
| Reference                   |  | C                    | C-2                        | C-2                    | C-2                           | C-8                    | C-2                    |                      |                          | C.C-2                |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF DUE FROM STATE OF N.J.

|                           | Reference | C-4           |
|---------------------------|-----------|---------------|
| Balance December 31, 2012 | C         | \$ 664,577.43 |
| Increased by:             |           |               |
| Grants Awarded in 2013    | C-8       | 145,000.00    |
|                           |           | 809,577.43    |
| Decreased by:             |           |               |
| Due From Current Fund     | C-2a      | 198,672.68    |
| Balance December 31, 2013 | C, Below  | \$ 610,904.75 |

ANALYSIS OF BALANCE DECEMBER 31, 2013

|   |               |
|---|---------------|
| Burton Avenue - Ordinance No. 1628                              | \$ 2,170.00   |
| Burton Avenue - Ordinance No. 1803                              | 2,408.06      |
| Boulevard Streetscape - Ordinance No. 2185, 2209,2238,2252,2307 | 352,361.19    |
| Safe Routes to Schools - Ordinance No. 2221                     | 150,000.00    |
| Safe Routes to Schools - Ordinance No. 2222                     | 11,965.50     |
| Curb Replacement Program - Ordinance No. 2234 & 2246            | 92,000.00     |
|   | \$ 610,904.75 |

SCHEDULE OF DUE FROM COUNTY OF BERGEN  
COMMUNITY DEVELOPMENT BLOCK GRANT/OPEN SPACE GRANT

|                           | Reference | C-5           |
|---------------------------|-----------|---------------|
| Balance December 31, 2012 | C         | \$ 151,335.42 |
| Increased by:             |           |               |
| Grants Awarded in 2013    | C-8       | 209,580.00    |
|                           |           | 360,915.42    |
| Decreased by:             |           |               |
| Canceled                  | C-1       | \$ 0.80       |
| Cash Received             | C-2,3     | 71,193.27     |
|                           |           | 71,194.07     |
| Balance December 31, 2013 | C, Below  | \$ 289,721.35 |

ANALYSIS OF BALANCE DECEMBER 31, 2013

**Community Development Grants:**

|   |             |
|---|-------------|
| Barrier Free Curb Ramps - Ordinance No. 1868      | \$ 5,141.35 |
| Barrier Free Curb Ramps - Ordinance No. 2304/2320 | 177,580.00  |

**Open Space Grants:**

|   |               |
|---|---------------|
| Improvements to Depken Field - Ordinance No. 2232                     | 75,000.00     |
| Repairs and Improvements to Veterans Memorial Park Ordinance No. 2303 | 32,000.00     |
| Above   | \$ 289,721.35 |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

| Ord.<br>#             | Improvement Description  | Balance<br>Dec. 31, 2012 | 2013<br>Authorizations | Deferred<br>Charges<br>Paid Off | Analysis of Balance - Dec. 31, 2013 |                          |   | Unexpended<br>Improvement<br>Authorizations |              |
|-----------------------|--|--------------------------|------------------------|---------------------------------|-------------------------------------|--------------------------|---|---|--------------|
|                       |  |                          |                        |                                 | Cancelled                           | Balance<br>Dec. 31, 2013 | Financed by<br>Bond Anticipation<br>Notes |   | Expenditures |
| GENERAL IMPROVEMENTS: |  |                          |                        |                                 |                                     |                          |   |   |              |
| 1719                  | Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.   | \$ 42,500.00             | \$ -                   | \$ -                            | \$ -                                | \$ 42,500.00             | \$ -                                      | \$ 25,577.19                                | \$ 16,922.81 |
| 1720                  | Reconstruction and Improvement of Storm Water Drainage Line West of the Boulevard between Franklin & LaSalle                       | 153,918.48               |                        |                                 |                                     | 153,918.48               |   |   | 153,918.48   |
| 1907                  | Resurfacing of Wood St., Cleveland Ave. from Terrace Ave. to the Boulevard and Kipp Ave. from the Boulevard to Woodside Ave.       | -                        |                        |                                 |                                     | -                        |   |   |              |
| 1908                  | Resurfacing of Ottawa Ave. from Burton Ave. to Rt 17   | 56,750.00                |                        | 7,500.00                        |                                     | 49,250.00                | 49,250.00                                 | 31,887.35                                   | 17,362.65    |
| 1915/1940             | Purchase of Comm Equip, Improvement to Parks, Improvement of Pistol Range and Acq. of a 4 wheel drive vehicle for the Police Dept. | 500.00                   |                        |                                 |                                     | 500.00                   |   |   | 500.00       |
| 1941                  | Resurfacing of Kipp Ave. from the Boulevard to Terrace Ave.  | 35,000.00                |                        | 5,000.00                        |                                     | 30,000.00                | 30,000.00                                 | 30,000.00                                   |              |
| 1942                  | Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove and Paterson Ave. from Terrace Ave. to Burton Ave.                     | 38,000.00                |                        | 5,000.00                        |                                     | 33,000.00                | 33,000.00                                 | 31,860.59                                   | 1,139.41     |
| 1943                  | Reconstruction of Summit Street and Plant Road   | -                        |                        | -                               |                                     | -                        |   |   |              |
| 1944/1968/1985        | Construction of new Muni Bldg and new Public Safety Bldg   | 900.00                   |                        |                                 |                                     | 900.00                   |   |   | 900.00       |
| 1947                  | Acq. of a Litter Vacuum  | -                        |                        | -                               |                                     | -                        |   |   |              |
| 1989                  | Acq. of a Garbage Truck and Dump Truck   | 125,500.00               |                        | 21,500.00                       |                                     | 104,000.00               | 104,000.00                                | 104,000.00                                  |              |
| 1990                  | Acq. of Fire Gear and Equipment  | 21,875.00                |                        | 2,500.00                        |                                     | 19,375.00                | 19,375.00                                 | 19,375.00                                   |              |
| 1991                  | Reconstruction of Sanitary Sewers  | 29,500.00                |                        | 6,000.00                        |                                     | 23,500.00                | 23,500.00                                 | 23,500.00                                   |              |
| 1993                  | Acq of mobile computers for Police Dept & Traffic Signal upgrades  | 15,000.00                |                        | 15,000.00                       |                                     | -                        | -   | -   |              |
| 1994                  | Resurfacing of Various Streets   | 22,000.00                |                        | 22,000.00                       |                                     | -                        | -   | -   |              |
| 2007                  | Acq of furniture & shelving for NJ Public Library  | 33,000.00                |                        | 33,000.00                       |                                     | -                        | -   | -   |              |
| 2030                  | Acq of New Public Safety Comm and Dispatch System and an 80' Comm Tower  | 104,200.00               |                        | 52,100.00                       |                                     | 52,100.00                | 52,100.00                                 | 52,100.00                                   |              |
| 2054                  | Resurfacing of Oak Grove Ave from Jefferson Ave to Williams Ave.   | 80,000.00                |                        | -                               |                                     | 80,000.00                | -   | 51,180.61                                   | 28,819.39    |
| 2055                  | Resurfacing of Streets as part of 2004 Road Program  | 90,000.00                |                        | 30,000.00                       |                                     | 60,000.00                | 60,000.00                                 | 48,513.74                                   | 11,486.26    |
| 2057                  | Completion of construction of new Municipal Bldg and Public Safety Bldg.   | 185,000.00               |                        | 60,000.00                       |                                     | 125,000.00               | 125,000.00                                | 125,000.00                                  |              |
| 2058                  | Acq of Gear & Equipment for Fire Dept.   | 28,000.00                |                        | 4,000.00                        |                                     | 24,000.00                | 24,000.00                                 | 24,000.00                                   |              |
| 2059                  | Acq of a Tree Stump Grinder and Tree Trimming Veh.   | 95,000.00                |                        | 31,500.00                       |                                     | 63,500.00                | 63,500.00                                 | 41,695.12                                   | 21,804.88    |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

| Ord.<br>#             | Improvement Description   | Analysis of Balance - Dec. 31, 2013 |                        |                                   |                      | Balance<br>Dec. 31, 2013 | Financed by<br>Bond Anticipation<br>Notes | Expenditures           | Unexpended<br>Improvement<br>Authorizations |
|-----------------------|---|-------------------------------------|------------------------|-----------------------------------|----------------------|--------------------------|---|------------------------|---|
|                       |   | Balance<br>Dec. 31, 2012            | 2013<br>Authorizations | Deferred<br>Charges<br>Paid Off   | Cancelled            |                          |   |                        |   |
| GENERAL IMPROVEMENTS: |   |                                     |                        |                                   |                      |                          |   |                        |   |
| 2087                  | Acq of a new Front End Loader   | \$ 63,750.00                        | \$ -                   | \$ 16,250.00                      | \$ -                 | \$ 47,500.00             | \$ 47,500.00                              | \$ 45,812.34           | \$ 1,687.66                                 |
| 2088                  | Acq of a new Rolloff Truck  | 58,600.00                           |                        | 14,650.00                         |                      | 43,950.00                | 43,950.00                                 | 39,189.51              | 4,760.49                                    |
| 2089                  | Acq of 2 new 4 Wheel Drive vehicles for Fire Dept.<br>and Fire Prevention Dept.       | 53,000.00                           |                        | 9,000.00                          |                      | 44,000.00                | 44,000.00                                 | 44,000.00              |   |
| 2134                  | 2006 Computer upgrades  | 33,950.00                           |                        | 6,000.00                          |                      | 27,950.00                | 27,950.00                                 | 26,682.82              | 1,267.18                                    |
| 2135                  | Acq of Gear & Equipment for Fire Dept.  | 30,000.00                           |                        | 6,000.00                          |                      | 24,000.00                | 24,000.00                                 | 23,602.30              | 397.70                                      |
| 2136                  | Construction of a Parking Lot & Pocket Park   | 187,250.00                          |                        | 46,750.00                         |                      | 140,500.00               | 140,500.00                                | 105,694.61             | 34,805.39                                   |
| 2157                  | 2007 Road Improvement Program   | 146,875.00                          |                        | 29,375.00                         |                      | 117,500.00               | 117,500.00                                | 117,500.00             |   |
| 2159                  | Acq of Gear & Equipment for Fire Dept.  | 120,000.00                          |                        | 20,000.00                         |                      | 100,000.00               | 100,000.00                                | 98,605.24              | 1,394.76                                    |
| 2183/2270             | Acq of a Garbage Truck & Dump Truck with Salt<br>Spreader and Plow                    | 298,750.00                          |                        | 33,250.00                         |                      | 265,500.00               | 265,500.00                                | 264,305.14             | 1,194.86                                    |
| 2184                  | 2008 Road Improvement Program   | 150,000.00                          |                        | 27,500.00                         |                      | 122,500.00               | 122,500.00                                | 122,500.00             |   |
| 2185                  | Boulevard Streetscape Improvement   | 80,000.00                           |                        | 8,000.00                          |                      | 72,000.00                | 72,000.00                                 | -                      | 72,000.00                                   |
| 2189                  | Renovations to DPW Bldg.  | 50,000.00                           |                        | 6,000.00                          |                      | 44,000.00                | 44,000.00                                 | 42,804.56              | 1,195.44                                    |
| 2208                  | Acq of a New Ambulance  | 80,000.00                           |                        | 10,000.00                         |                      | 70,000.00                | 70,000.00                                 | 68,280.22              | 1,719.78                                    |
| 2210                  | Resurfacing of Jefferson Ave.   | 137,500.00                          |                        | 17,000.00                         |                      | 120,500.00               | 120,500.00                                | 14,707.47              | 105,792.53                                  |
| 2211                  | Improvement of Miers Park & Woodland Park   | 110,000.00                          |                        | 12,000.00                         |                      | 98,000.00                | 98,000.00                                 | 94,908.68              | 3,091.32                                    |
| 2219                  | 2009 Road Resurfacing Program   | 237,500.00                          |                        | 30,000.00                         |                      | 207,500.00               | 207,500.00                                | 146,451.97             | 61,048.03                                   |
| 2233                  | Rehabilitation & Environmental Remediation at DPW                                     | 85,000.00                           |                        | 9,000.00                          |                      | 76,000.00                | 76,000.00                                 | 38,676.81              | 37,323.19                                   |
| 2238                  | Continuation of Boulevard Streetscape Improvement                                     | 25,000.00                           |                        |                                   |                      | 25,000.00                |   | 338.96                 | 24,661.04                                   |
| 2252                  | Boulevard Streetscape Improvement - Phase IV  | 20,000.00                           |                        |                                   |                      | 20,000.00                |   | -                      | 20,000.00                                   |
| 2253                  | Resurfacing of Burton Avenue and Collins Avenue between<br>Williams Ave. and Route 46 | 119,000.00                          |                        | 12,500.00                         |                      | 106,500.00               | 106,500.00                                | 35,166.00              | 71,334.00                                   |
| 2254                  | 2011 Road Resurfacing Program   | 285,000.00                          |                        | 30,625.00                         |                      | 254,375.00               | 254,375.00                                | 212,823.66             | 41,551.34                                   |
| 2255/2294             | Construction of a New Pavilion in Woodland Park                                       | 63,000.00                           | 45,000.00              |                                   |                      | 108,000.00               | 63,000.00                                 | 104,355.25             | 3,644.75                                    |
| 2262                  | Construction of a Certain Damaged Portions of the Sanitary<br>Sewer System            | 70,000.00                           |                        | 7,000.00                          |                      | 63,000.00                | 63,000.00                                 | 63,000.00              | -   |
| 2271                  | Refurbishment of the Hook and Ladder Truck  | 75,000.00                           |                        | 7,500.00                          |                      | 67,500.00                | 67,500.00                                 | 52,784.13              | 14,715.87                                   |
| 2282                  | 2011/2012 Road Resurfacing Program  | 402,500.00                          | -                      |                                   |                      | 402,500.00               | 402,500.00                                | 335,201.75             | 67,298.25                                   |
| 2285                  | Reconstruction of Coolidge Avenue   | 400,000.00                          | -                      |                                   |                      | 400,000.00               | 400,000.00                                | 251,476.94             | 148,523.06                                  |
| 2286                  | Acquisition of in Car Video System for the Police Dept.                               | 70,000.00                           | -                      |                                   |                      | 70,000.00                | 70,000.00                                 | 58,837.25              | 11,162.75                                   |
| 2288                  | Repair and/or Construction of Sanitary Sewer System                                   | 95,000.00                           | -                      |                                   |                      | 95,000.00                | 95,000.00                                 | 95,000.00              |   |
| 2289                  | Boulevard Streetscape Improvement Phase V   | 25,000.00                           | -                      |                                   |                      | 25,000.00                |   | -                      | 25,000.00                                   |
| 2290                  | Acquisition of Gear and Equipment for the Fire Dept.                                  | 71,000.00                           | -                      |                                   |                      | 71,000.00                | 71,000.00                                 | 36,675.69              | 34,324.31                                   |
| 2292                  | Acquisition of Radio Equipment for PD, FD & PWD                                       | 52,000.00                           | -                      |                                   |                      | 52,000.00                | 52,000.00                                 | 46,450.63              | 5,549.37                                    |
| 2303                  | Repairs and Improvements to Veteran's Memorial Park                                   |                                     | 31,000.00              |                                   |                      | 31,000.00                |   | -                      | 31,000.00                                   |
| 2304/2320             | Construction of Barrier Free Curb Ramps   |                                     | 20,000.00              |                                   |                      | 20,000.00                |   | -                      | 20,000.00                                   |
| 2307                  | Boulevard Streetscape Improvement Phase VI  |                                     | 20,000.00              |                                   |                      | 20,000.00                |   | -                      | 20,000.00                                   |
| 2308                  | Repairs and Reconstr. Of Sanitary Sewer System  |                                     | 95,000.00              |                                   |                      | 95,000.00                |   | 8,511.84               | 86,488.16                                   |
| 2312                  | Acquisition of New Street Sweeper   |                                     | 180,000.00             |                                   |                      | 180,000.00               |   | -                      | 180,000.00                                  |
| 2313                  | Aqu. Of 4WD Vehicle for Police Department   |                                     | 38,000.00              |                                   |                      | 38,000.00                |   | 30,984.60              | 7,015.40                                    |
| 2314                  | 2013 Road Resurfacing Program   |                                     | 285,000.00             |                                   |                      | 285,000.00               |   | -                      | 285,000.00                                  |
| 2316                  | Bond Refunding  |                                     | 166,000.00             |                                   |                      | 166,000.00               |   | -                      | 166,000.00                                  |
|                       |   | <u>\$ 4,851,318.48</u>              | <u>\$ 880,000.00</u>   | <u>\$ 653,500.00</u>              | <u>\$ -</u>          | <u>\$ 5,077,818.48</u>   | <u>\$ 3,850,000.00</u>                    | <u>\$ 3,234,017.97</u> | <u>\$ 1,843,800.51</u>                      |
|                       |   | C                                   | C-8,11                 | below                             |                      | C                        | C-10                                      |                        | C-8   |
|                       |   |                                     |                        | Notes paid by Current Fund Budget | \$ 653,500.00        |                          |   |                        | Reference<br>C-10, A-3                      |
|                       |   |                                     |                        |                                   | <u>\$ 653,500.00</u> |                          |   |                        | Above                                       |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-7

|  | Reference |                            |
|--|-----------|----------------------------|
| Balance December 31, 2012                          | C         | \$ 20,110.17               |
| Increased by:                                      |           |                            |
| 2012 Budget Reserves                               | A-13      | \$ 15,000.00               |
| 2013 Budget Appropriation                          | A-3       | <u>60,000.00</u>           |
|  | C-2       | <u>75,000.00</u>           |
|  |           | <u>95,110.17</u>           |
| Decreased by:                                      |           |                            |
| Appropriated to Finance Improvement Authorizations | C-8       | <u>48,600.00</u>           |
| Balance December 31, 2013                          | C         | <u><u>\$ 46,510.17</u></u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

| Ord.<br>#.            | Improvement Description  | Ordinance<br>Date | Amount        | Balance December 31, 2012 |            | 2013<br>Authorizations | Paid or<br>Charged | Canceled &<br>Adjustments * | Balance December 31, 2013 |            |
|-----------------------|--|-------------------|---------------|---------------------------|------------|------------------------|--------------------|-----------------------------|---------------------------|------------|
|                       |  |                   |               | Funded                    | Unfunded   |                        |                    |                             | Funded                    | Unfunded   |
| GENERAL IMPROVEMENTS: |  |                   |               |                           |            |                        |                    |                             |                           |            |
| 1600                  | Provide for the Rehabilitation of Underground Fuel Storage Tanks   | 8-13-91           | \$ 210,000.00 | \$ 78.09                  | \$ -       | \$ -                   | \$ -               | \$ -                        | \$ 78.09                  | \$ -       |
| 1620/1789             | Reconstruction of the Woodside Avenue Sewer Pump Station   | 9-8-92            | 109,200.00    | \$ 3,400.46               | -          |                        | 3,400.46           |                             | -                         | -          |
| 1628                  | Resurfacing of a Portion of Burton Ave. from Williams Ave. to route 46   | 12-29-92          | 15,000.00     | 155.00                    | -          |                        |                    |                             | 155.00                    | -          |
| 1653                  | Reconstruction or Replacement of Curbs   | 9-23-93           | 157,750.00    | 9,217.89                  | -          |                        | 9,217.89           |                             | -                         | -          |
| 1716                  | Acq of 34 Semi-Automatic Pistols for Police Dept.  | 7-11-95           | 13,000.00     | 830.98                    | -          |                        |                    |                             | 830.98                    | -          |
| 1719                  | Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.   | 9-12-95           | 195,000.00    | -                         | 16,922.81  |                        |                    |                             | -                         | 16,922.81  |
| 1720                  | Reconstruction & Improvement of the Storm Water Drainage Line west of the Boulevard-Franklin to LaSalle                            | 9-12-95           | 165,000.00    | -                         | 153,918.48 |                        |                    |                             |                           | 153,918.48 |
| 1772                  | Acq of Pagers & Relocation of Radio Fail Safe System for Fire Dept.  | 12-10-96          | 25,000.00     | 127.96                    | -          |                        |                    |                             | 127.96                    | -          |
| 1848                  | Resurfacing of a Portion of Hamilton Ave. from the Boulevard to Terrace Ave.   | 4-13-99           | 60,000.00     | 429.65                    | -          |                        |                    |                             | 429.65                    | -          |
| 1858                  | Acq & Installation of Computer hardware & software as part of the Year 2000 Upgrades   | 5-25-99           | 50,000.00     | 1,998.16                  | -          |                        | 1,998.16           |                             | -                         | -          |
| 1868                  | Barrier Free Curb Ramps  | 7-27-99           | 37,000.00     | 1,140.03                  | -          |                        |                    |                             | 1,140.03                  | -          |
| 1899                  | Purchase of Comm Equipment for Fire & Police Dept.   | 5-23-00           | 60,000.00     | 7.09                      | -          |                        |                    |                             | 7.09                      | -          |
| 1895                  | Purchase of a High Pressure Breathing air system   | 6-13-00           | 27,000.00     | 2,434.07                  | -          |                        |                    |                             | 2,434.07                  | -          |
| 1908                  | Resurfacing of Ottawa Ave from Burton Ave to Rt 17   | 8-8-00            | 215,000.00    | -                         | 17,362.65  |                        |                    |                             |                           | 17,362.65  |
| 1915/1940             | Purchase of Comm Equipment, Improvement of Parks, Improve of Police Pistol Range & Acq of a 4-wheel Drive Vehicle for Police Dept. | 11-30-00          | 255,000.00    | -                         | -          |                        |                    |                             | -                         | -          |
|                       |  | 7-10-01           | 190,000.00    | 224.34                    | 500.00     |                        |                    |                             | 224.34                    | 500.00     |
| 1936                  | Refurbishment of Hook & Ladder   | 6-12-01           | 100,000.00    | 1,343.27                  | -          |                        |                    |                             | 1,343.27                  | -          |
| 1942                  | Resurfacing of LaSalle Ave from the Boulevard to Oak Grove   | 8-14-01           | 45,500.00     | -                         | 1,139.41   |                        |                    |                             |                           | 1,139.41   |
| 1944/1968             | Construction of a new Municipal Bldg & a new Public Safety Bldg.   | 8-14-01, 7-9-02   |               |                           |            |                        |                    |                             |                           |            |
| 1985/2038             |  | 11-26-02, 4-27-04 | 11,311,645.63 | 30,580.77                 | 900.00     |                        | 10,964.15          |                             | 19,616.62                 | 900.00     |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

| Ord.<br>#             | Improvement Description   | Ordinance        |               | Balance December 31, 2012 |            | 2013<br>Authorizations | Paid or<br>Charged | Canceled &<br>Adjustments * | Balance December 31, 2013 |            |
|-----------------------|---|------------------|---------------|---------------------------|------------|------------------------|--------------------|-----------------------------|---------------------------|------------|
|                       |   | Date             | Amount        | Funded                    | Unfunded   |                        |                    |                             | Funded                    | Unfunded   |
| GENERAL IMPROVEMENTS: |   |                  |               |                           |            |                        |                    |                             |                           |            |
| 1948                  | Acq of a New Ambulance  | 11-13-01         | \$ 150,000.00 | \$ 566.49                 | \$ -       | \$ -                   | \$ -               | \$ -                        | \$ 566.49                 | \$ -       |
| 1976                  | Acq of Real Property located at 302 Boulevard   | 9-10-02          | 450,000.00    | 815.29                    | -          | -                      | -                  | -                           | 815.29                    | -          |
| 2007                  | Acq of Furniture, Furnishings, Shelving & other Fittings for the new Free Public Library                        | 4-8-03           | 245,000.00    | -                         | 1,651.59   | -                      | -                  | -                           | 1,651.59                  | -          |
| 2012                  | Improvement of Baldwin Ave. between the Boulevard and Route 46  | 8-12-03          | 55,000.00     | 4,951.61                  | -          | -                      | -                  | -                           | 4,951.61                  | -          |
| 2048                  | Acq of Furniture, Furnishings & Fittings for use throughout the Public Safety Bldg and OEM                      | 5-25-04          | 380,000.00    | 4,035.34                  | -          | -                      | 4,035.34           | -                           | -                         | -          |
| 2054                  | Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.  | 7-27-04          | 325,000.00    | -                         | 28,819.39  | -                      | -                  | -                           | -                         | 28,819.39  |
| 2055                  | Resurfacing of Streets as part of the 2004 Road Program   | 7-27-04          | 250,000.00    | -                         | 12,952.53  | -                      | 1,466.27           | -                           | -                         | 11,486.26  |
| 2059                  | Acq of a Tree Stump Grinder & a Tree Trimming Vehicle   | 10-12-04         | 250,000.00    | -                         | 21,804.88  | -                      | -                  | -                           | -                         | 21,804.88  |
| 2085                  | Acq of Laptop Computers for Free Public Library   | 4-26-05          | 16,000.00     | 1,655.12                  | -          | -                      | -                  | -                           | 1,655.12                  | -          |
| 2087                  | Acq of a Front End Loader for the DPW   | 5-10-05          | 125,000.00    | -                         | 1,687.66   | -                      | -                  | -                           | -                         | 1,687.66   |
| 2088                  | Acq of a Rolloff Truck for the DPW  | 5-10-05          | 125,000.00    | -                         | 4,760.49   | -                      | -                  | -                           | -                         | 4,760.49   |
| 2133/2145             | Barrier Free Improve to Woodland Park   | 5-9-06, 12-12-06 | 215,000.00    | 4,023.05                  | -          | -                      | 4,023.05           | -                           | -                         | -          |
| 2134                  | 2006 Computer upgrades  | 6-13-06          | 75,000.00     | -                         | 2,341.02   | -                      | 1,073.84           | -                           | -                         | 1,267.18   |
| 2135                  | Acq of Gear & Equipment for Fire Dept.  | 8-8-06           | 50,000.00     | -                         | 397.70     | -                      | -                  | -                           | -                         | 397.70     |
| 2136                  | Construction of a Parking Lot & Pocket Park - Central Ave.  | 8-8-06           | 420,000.00    | -                         | 37,465.39  | -                      | 2,660.00           | -                           | -                         | 34,805.39  |
| 2146                  | Improvement to Gary Depken Field  | 12-12-06         | 1,625,000.00  | 54,963.79                 | -          | -                      | 9,250.17           | -                           | 45,713.62                 | -          |
| 2147                  | Improvement of Ravive Ave. Construction of Parks and Installation of Playground Equip. adjacent to Depken Field | 12-12-06         | 335,000.00    | 73,948.45                 | -          | -                      | 4,392.55           | -                           | 69,555.90                 | -          |
| 2159                  | Acq of Gear & Equipment for Fire Dept.  | 7-10-07          | 190,000.00    | -                         | 1,394.76   | -                      | -                  | -                           | -                         | 1,394.76   |
| 2183/2270             | Acq of a Garbage Truck & Dump Truck with Salt Spreader and Plow   | 6-10-08          | 225,000.00    | -                         | 1,194.86   | -                      | -                  | -                           | -                         | 1,194.86   |
| 2184                  | 2008 Road Improvement Program   | 6-10-08          | 250,000.00    | -                         | 1,523.53   | -                      | 1,523.53           | -                           | -                         | -          |
| 2185/2209             | Boulevard Streetscape Improvement   | 6-10-08          | 200,000.00    | 22,754.82                 | 74,071.49  | -                      | 11,744.00          | -                           | 13,082.31                 | 72,000.00  |
| 2188                  | Acq of a new Alcohol Breath Testing system  | 9-9-08           | 15,000.00     | 617.75                    | -          | -                      | -                  | -                           | 617.75                    | -          |
| 2189                  | Renovations of the Dept. of Public Works  | 9-9-08           | 55,000.00     | -                         | 1,195.44   | -                      | -                  | -                           | -                         | 1,195.44   |
| 2208                  | Acq of a new Ambulance  | 5-12-09          | 175,000.00    | -                         | 1,719.78   | -                      | -                  | -                           | -                         | 1,719.78   |
| 2210                  | Resurfacing of Jefferson Ave.   | 5-12-09          | 237,500.00    | -                         | 105,792.53 | -                      | -                  | -                           | -                         | 105,792.53 |
| 2211                  | Improvement of Miers Park & Woodland Park   | 5-12-09          | 250,000.00    | -                         | 12,395.27  | -                      | 9,303.95           | -                           | -                         | 3,091.32   |

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

| Ord.<br>#.            | Improvement Description  | Ordinance<br>Date | Balance December 31, 2012 |            | 2013<br>Authorizations | Paid or<br>Charged | Canceled &<br>Adjustments # | Balance December 31, 2013 |              |
|-----------------------|--|-------------------|---------------------------|------------|------------------------|--------------------|-----------------------------|---------------------------|--------------|
|                       |  |                   | Amount                    | Funded     |                        |                    |                             | Unfunded                  | Funded       |
| GENERAL IMPROVEMENTS: |  |                   |                           |            |                        |                    |                             |                           |              |
| 2219                  | 2009 Road Resurfacing Program  | 12-15-09          | \$ 250,000.00             | \$ -       | \$ 61,048.03           | \$ -               | \$ -                        | \$ -                      | \$ 61,048.03 |
| 2221                  | Pedestrian Safety Infrastructure Improvements  | 12-15-09          | 175,000.00                | 155,330.59 | -                      | -                  | -                           | 155,330.59                | -            |
| 2222                  | Pedestrian Safety Encouragement Improvements   | 12-15-09          | 25,000.00                 | 13,884.45  | -                      | -                  | -                           | 13,884.45                 | -            |
| 2232                  | Repair & Replacement of Certain Fencing, Sidewalks<br>and Landscaping at Depken Field                    | 4-13-10           | 75,000.00                 | 46,981.21  | -                      | 1,450.60           | -                           | 45,530.61                 | -            |
| 2233                  | Rehabilitation & Environmental Remediation at DPW  | 4-13-10           | 100,000.00                | -          | 40,436.82              | 3,113.63           | -                           | -                         | 37,323.19    |
| 2234                  | Curb & Sidewalk Reconstruction along portions of<br>Terrace Ave. and the Boulevard - County Road Program | 4-13-10           | 100,000.00                | 15,930.99  | -                      | -                  | -                           | 15,930.99                 | -            |
| 2238                  | Continuation of Boulevard Streetscape Improvement  | 5-11-10           | 175,000.00                | 36,838.25  | 25,000.00              | -                  | 37,177.21                   | -                         | 24,661.04    |
| 2246                  | Curb & Sidewalk Reconstruction along portions of<br>Passaic Ave and the Boulevard                        | 9-28-10           | 55,000.00                 | 51,849.74  | -                      | -                  | -                           | 51,849.74                 | -            |
| 2252                  | Boulevard Streetscape Improvement - Phase IV   | 3-8-11            | 175,000.00                | 44,505.06  | 20,000.00              | -                  | 37,367.18                   | 7,137.88                  | 20,000.00    |
| 2253                  | Resurfacing of Burton Avenue and Collins Avenue between<br>Williams Ave. and Route 46                    | 3-8-11            | 215,000.00                | -          | 77,422.81              | 6,088.81           | -                           | -                         | 71,334.00    |
| 2254                  | 2010 Road Resurfacing Program  | 3-8-11            | 300,000.00                | -          | 47,336.96              | 5,785.62           | -                           | -                         | 41,551.34    |
| 2255/2294             | Construction of a New Pavilion in Woodland Park  | 3-8-11            | 140,000.00                | 68,306.42  | 63,000.00              | 50,000.00          | 177,661.67                  | -                         | 3,644.75     |
| 2257                  | New 911 System for the Police Department   | 3-22-11           | 150,000.00                | 4,471.45   | -                      | -                  | -                           | 4,471.45                  | -            |
| 2262                  | Construction of a Certain Damaged Portions of the Sanitary<br>Sewer System                               | 7-12-11           | 75,000.00                 | -          | 5,133.83               | -                  | 5,133.83                    | -                         | -            |
| 2271                  | Refurbishment of the Hook and Ladder Truck   | 10-25-11          | 80,000.00                 | -          | 14,715.87              | -                  | -                           | -                         | 14,715.87    |
| 2282                  | 2011/2012 Road Resurfacing Program   | 6-12-12           | 425,000.00                | 373.87     | 402,500.00             | 335,575.62         | -                           | -                         | 67,298.25    |
| 2285                  | Reconstruction of Coolidge Avenue  | 7-24-12           | 425,000.00                | 22,443.47  | 400,000.00             | 273,920.41         | -                           | -                         | 148,523.06   |
| 2286                  | Acquisition of In Car Video System for Police Dept.  | 7-24-12           | 75,000.00                 | -          | 14,562.75              | 3,400.00           | -                           | -                         | 11,162.75    |
| 2288                  | Repair & Reconstruction of Sanitary Sewer System   | 8-14-12           | 100,000.00                | -          | 37,622.35              | 37,622.35          | -                           | -                         | -            |
| 2289                  | Boulevard Streetscape Improvement Phase V  | 9-11-12           | 175,000.00                | 145,456.00 | 25,000.00              | -                  | -                           | 126,264.98                | 25,000.00    |
| 2290                  | Acquisition of gear and equipment for Fire Dept.   | 11-27-12          | 75,000.00                 | 4,000.00   | 71,000.00              | 40,675.69          | -                           | -                         | 34,324.31    |
| 2292                  | Acquisition of radio equipment for the PD, FD & DPW  | 12-27-12          | 55,000.00                 | 3,000.00   | 52,000.00              | 49,450.63          | -                           | -                         | 5,549.37     |
| 2303                  | Repairs and Improvements to Veteran's Memorial Park  | 05-25-13          | 65,000.00                 | -          | -                      | 7,564.24           | -                           | 26,435.76                 | 31,000.00    |
| 2304/2320             | Construction of Barrier Free Curb Ramps  | 05-28-13,12-10-13 | 202,180.00                | -          | -                      | 202,180.00         | 10,689.38                   | 171,490.62                | 20,000.00    |
| 2307                  | Boulevard Streetscape Improvement Phase VI   | 06-11-13          | 170,000.00                | -          | -                      | 170,000.00         | 4,034.23                    | 145,965.77                | 20,000.00    |
| 2308                  | Repairs and Reconstr. Of Sanitary Sewer System   | 07-09-13          | 100,000.00                | -          | -                      | 100,000.00         | 13,511.84                   | -                         | 86,488.16    |
| 2312                  | Acquisition of New Street Sweeper  | 09-10-13          | 190,000.00                | -          | -                      | 190,000.00         | 102.75                      | 9,897.25                  | 180,000.00   |
| 2313                  | Aqu. Of 4WD Vehicle for Police Department  | 09-10-13          | 40,000.00                 | -          | -                      | 40,000.00          | 32,984.60                   | -                         | 7,015.40     |
| 2314                  | 2013 Road Resurfacing Program  | 09-10-13          | 300,000.00                | -          | -                      | 300,000.00         | 10,756.00                   | 4,244.00                  | 285,000.00   |
| 2316                  | Bond Refunding   | 12-10-13          | 166,000.00                | -          | -                      | 166,000.00         | -                           | -                         | 166,000.00   |

|  |                      |                        |                        |                        |             |                      |                        |
|--|----------------------|------------------------|------------------------|------------------------|-------------|----------------------|------------------------|
|  | <u>\$ 833,670.97</u> | <u>\$ 1,858,691.08</u> | <u>\$ 1,283,180.00</u> | <u>\$ 1,188,310.67</u> | <u>\$ -</u> | <u>\$ 943,430.87</u> | <u>\$ 1,843,800.51</u> |
|--|----------------------|------------------------|------------------------|------------------------|-------------|----------------------|------------------------|

Reference

C

C

Below

C-2, C-3

C

C, C-6

Reference

|                                    |       |                        |
|------------------------------------|-------|------------------------|
| Capital Improvement Fund           | C-7   | \$ 48,600.00           |
| Deferred Charges Unfunded          | C-6   | 880,000.00             |
| Due from State of NJ - DOT         | C-4   | 145,000.00             |
| Due from Community Dev./ County OS | C-5   | 209,580.00             |
|                                    | Above | <u>\$ 1,283,180.00</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 GENERAL CAPITAL FUND  
 DECEMBER 31, 2013

SCHEDULE OF GENERAL SERIAL BONDS

C-9

| <u>PURPOSE</u>        | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Maturities of Bonds</u>       |                              | <u>Interest Rate</u> | <u>Balance Dec. 31, 2012</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2013</u> |
|-----------------------|----------------------|---------------------------------|----------------------------------|------------------------------|----------------------|------------------------------|------------------|------------------|------------------------------|
|                       |                      |                                 | <u>Outstanding Dec. 31, 2013</u> | <u>Dec. 31, 2013</u>         |                      |                              |                  |                  |                              |
| General Bonds of 2003 | 9-15-03              |                                 | 9-15-2014                        | \$ 375,000.00                | 3.625%               | \$ 4,109,000.00              | \$ -             | \$ 375,000.00    | \$ 3,734,000.00              |
|                       |                      |                                 | 9-15-2015                        | 375,000.00                   | 3.700%               |                              |                  |                  |                              |
|                       |                      |                                 | 9-15-2016/2018                   | 375,000.00                   | 3.750%               |                              |                  |                  |                              |
|                       |                      |                                 | 9-15-2019/2022                   | 375,000.00                   | 4.000%               |                              |                  |                  |                              |
|                       |                      |                                 | 9-15-2023                        | 359,000.00                   | 4.000%               |                              |                  |                  |                              |
|                       |                      |                                 |                                  |                              | \$ 4,109,000.00      | \$ -                         | \$ 375,000.00    | \$ 3,734,000.00  |                              |
|                       |                      |                                 |                                  | Reference                    | C                    |                              |                  | C                |                              |
|                       |                      |                                 |                                  | Paid by Budget Appropriation |                      | A-3                          | \$ 375,000.00    |                  |                              |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

SCHEDULE OF BOND ANTICIPATION NOTES

C-10

| Ord. No.  | Description   | Original Amount Issued | Date of Issue of Original Note | Date of Issue | Date of Maturity | Interest Rate | Balance December 31, 2012   | Increased              | Decreased              | Balance December 31, 2013 |
|-----------|---|------------------------|--------------------------------|---------------|------------------|---------------|-----------------------------|------------------------|------------------------|---------------------------|
| 1993      | Acquisition of Mobile Computers for Police Vehicles and Upgrade of Traffic Signals                                  | 71,250.00              | 01/17/03                       | 03/28/13      | 03/28/14         | 0.528%        | \$ 15,000.00                | \$ -                   | \$ 15,000.00           | \$ -                      |
| 1994      | Resurfacing of various streets - 2002 Road Program  | 190,000.00             | 04/11/03                       | 03/28/13      | 03/28/14         | 0.528%        | 22,000.00                   |                        | 22,000.00              | -                         |
| 2007      | Acquisition of Furniture, Furnishings, & Fittings for use throughout the new Public Library                         | 230,000.00             | 10/31/03                       | 03/28/13      | 03/28/14         | 0.528%        | 33,000.00                   |                        | 33,000.00              | -                         |
| 2030      | Acquisition of a new Public Safety Comm and Dispatch System and an '80 communications Tower                         | 300,000.00             | 10/29/04                       | 03/28/13      | 03/28/14         | 0.528%        | 104,200.00                  | 52,100.00              | 104,200.00             | 52,100.00                 |
| 2055      | Resurfacing of Various Streets as part of 2004 Road Prog.   | 225,000.00             | 04/08/05                       | 03/28/13      | 03/28/14         | 0.528%        | 90,000.00                   | 60,000.00              | 90,000.00              | 60,000.00                 |
| 2057      | Completion of Construction of new Municipal Bldg and Public Safety Bldg.  | 375,000.00             | 04/08/05                       | 03/28/13      | 03/28/14         | 0.528%        | 185,000.00                  | 125,000.00             | 185,000.00             | 125,000.00                |
| 2059      | Acquisition of a Tree Stump Grinder & Tree Trimming veh.  | 237,500.00             | 10/28/05                       | 03/28/13      | 03/28/14         | 0.528%        | 95,000.00                   | 63,500.00              | 95,000.00              | 63,500.00                 |
| 2087      | Acquisition of a Front End Loader for the DPW   | 117,500.00             | 04/07/06                       | 03/28/13      | 03/28/14         | 0.528%        | 63,750.00                   | 47,500.00              | 63,750.00              | 47,500.00                 |
| 2088      | Acquisition of a new Rolloff Truck for the DPW  | 117,500.00             | 04/07/06                       | 03/28/13      | 03/28/14         | 0.528%        | 58,600.00                   | 43,950.00              | 58,600.00              | 43,950.00                 |
| 2136      | Construction of a Parking Lot and Pocket Park   | 346,000.00             | 10/27/06                       | 03/28/13      | 03/28/14         | 0.528%        | 187,250.00                  | 140,500.00             | 187,250.00             | 140,500.00                |
| 2135      | Acquisition of Turnout Gear and Equipment for the Fire Dept.  | 47,500.00              | 10/25/07                       | 03/28/13      | 03/28/14         | 0.528%        | 30,000.00                   | 24,000.00              | 30,000.00              | 24,000.00                 |
| 2157      | 2007 Road Program   | 235,000.00             | 10/25/07                       | 03/28/13      | 03/28/14         | 0.528%        | 146,875.00                  | 117,500.00             | 146,875.00             | 117,500.00                |
| 1989      | Acquisition of a new Garbage Truck  | 190,000.00             | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 125,500.00                  | 104,000.00             | 125,500.00             | 104,000.00                |
| 1991      | Rehabilitation of Sanitary Sewers   | 47,500.00              | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 29,500.00                   | 23,500.00              | 29,500.00              | 23,500.00                 |
| 2058      | Acquisition of Turnout Gear and Equipment for Fire Dept.  | 40,000.00              | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 28,000.00                   | 24,000.00              | 28,000.00              | 24,000.00                 |
| 2089      | Acquisition of 2 new 4Wheel Drive Vehicles for Fire Dept. and Fire Prevention Dept.                                 | 80,000.00              | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 53,000.00                   | 44,000.00              | 53,000.00              | 44,000.00                 |
| 2134      | Computer Upgrades   | 51,950.00              | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 33,950.00                   | 27,950.00              | 33,950.00              | 27,950.00                 |
| 2159      | Acquisition of Gear and Equip. for the Fire Dept.   | 180,000.00             | 04/04/08                       | 03/28/13      | 03/28/14         | 0.528%        | 120,000.00                  | 100,000.00             | 120,000.00             | 100,000.00                |
| 2184      | 2008 Road Resurfacing Program   | 237,500.00             | 10/25/08                       | 03/28/13      | 03/28/14         | 0.528%        | 150,000.00                  | 122,500.00             | 150,000.00             | 122,500.00                |
| 1908      | Resurfacing of Ottawa Ave. from Burton Ave. to Rt 17  | 64,250.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 56,750.00                   | 49,250.00              | 56,750.00              | 49,250.00                 |
| 1941      | Resurfacing of Kipp Ave. from the Boulevard to Terrace Ave.   | 40,000.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 35,000.00                   | 30,000.00              | 35,000.00              | 30,000.00                 |
| 1942      | Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave. and Paterson Ave. from Terrace Ave. to Burton Ave. | 43,000.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 38,000.00                   | 33,000.00              | 38,000.00              | 33,000.00                 |
| 1990      | Acquisition of Gear and Equip. for the Fire Dept.   | 23,750.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 21,875.00                   | 19,375.00              | 21,875.00              | 19,375.00                 |
| 2189      | Renovations to DPW Building   | 50,000.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 50,000.00                   | 44,000.00              | 50,000.00              | 44,000.00                 |
| 2208      | Acquisition of an Ambulance   | 80,000.00              | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 80,000.00                   | 70,000.00              | 80,000.00              | 70,000.00                 |
| 2210      | Resurfacing of Jefferson Ave. from Burton Ave to Woodside Ave.  | 137,500.00             | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 137,500.00                  | 120,500.00             | 137,500.00             | 120,500.00                |
| 2211      | Improvement to Miers Park   | 110,000.00             | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 110,000.00                  | 98,000.00              | 110,000.00             | 98,000.00                 |
| 2219      | 2009 Road Resurfacing Program   | 237,500.00             | 04/03/10                       | 03/28/13      | 03/28/14         | 0.528%        | 237,500.00                  | 207,500.00             | 237,500.00             | 207,500.00                |
| 2183      | Acquisition of a Garbage Truck & Dump Truck w/ Salter   | 213,750.00             | 04/01/11                       | 03/28/13      | 03/28/14         | 0.528%        | 298,750.00                  | 265,500.00             | 298,750.00             | 265,500.00                |
| 2185/2209 | Boulevard Streetscape Phase I & II  | 80,000.00              | 04/01/11                       | 03/28/13      | 03/28/14         | 0.528%        | 80,000.00                   | 72,000.00              | 80,000.00              | 72,000.00                 |
| 2233      | Environmental Remediation at Department of Public Works   | 85,000.00              | 04/01/11                       | 03/28/13      | 03/28/14         | 0.528%        | 85,000.00                   | 76,000.00              | 85,000.00              | 76,000.00                 |
| 2253      | Resurfacing of Burton Avenue and Collins Avenue   | 119,000.00             | 3/30/12                        | 03/28/13      | 03/28/14         | 0.528%        | 119,000.00                  | 106,500.00             | 119,000.00             | 106,500.00                |
| 2254      | 2010 Road Resurfacing Program   | 285,000.00             | 3/30/12                        | 03/28/13      | 03/28/14         | 0.528%        | 285,000.00                  | 254,375.00             | 285,000.00             | 254,375.00                |
| 2262      | Reconstruction of Damaged Sanitary Sewer System   | 70,000.00              | 3/30/12                        | 03/28/13      | 03/28/14         | 0.528%        | 70,000.00                   | 63,000.00              | 70,000.00              | 63,000.00                 |
| 2271      | Refurbishment of the Hook & Ladder Truck for Fire Dept.   | 75,000.00              | 3/30/12                        | 03/28/13      | 03/28/14         | 0.528%        | 75,000.00                   | 67,500.00              | 75,000.00              | 67,500.00                 |
| 2255/2294 | Construction of a New Pavilion in Woodland Park   | 63,000.00              | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 63,000.00                   | 63,000.00              | 63,000.00              | 63,000.00                 |
| 2282      | 2011/2012 Road Resurfacing Program  | 402,500.00             | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 402,500.00                  | 402,500.00             | 402,500.00             | 402,500.00                |
| 2285      | Reconstruction of Coolidge Avenue   | 400,000.00             | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 400,000.00                  | 400,000.00             | 400,000.00             | 400,000.00                |
| 2286      | Acquisition of in Car Video System for the Police Dept.   | 70,000.00              | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 70,000.00                   | 70,000.00              | 70,000.00              | 70,000.00                 |
| 2288      | Repair and/or Construction of Sanitary Sewer System   | 95,000.00              | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 95,000.00                   | 95,000.00              | 95,000.00              | 95,000.00                 |
| 2290      | Acquisition of Gear and Equipment for the Fire Dept.  | 71,000.00              | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 71,000.00                   | 71,000.00              | 71,000.00              | 71,000.00                 |
| 2292      | Acquisition of Radio Equipment for PD, FD & PWD   | 52,000.00              | 03/28/13                       | 03/28/13      | 03/28/14         | 0.528%        | 52,000.00                   | 52,000.00              | 52,000.00              | 52,000.00                 |
|           |   | <u>\$ 6,186,450.00</u> |                                |               |                  |               | <u>\$ 3,350,000.00</u>      | <u>\$ 3,850,000.00</u> | <u>\$ 3,350,000.00</u> | <u>\$ 3,850,000.00</u>    |
|           |   |                        |                                |               |                  | Reference     | C                           | C-2,11, Below          | Below                  | C, C-6                    |
|           |   |                        |                                |               |                  |               | Bond Anticipation Note Paid | \$ 2,696,500.00        | \$ 2,696,500.00        | C-2                       |
|           |   |                        |                                |               |                  |               | New Bond Anticipation Note  | 1,153,500.00           |                        | C-11                      |
|           |   |                        |                                |               |                  |               | Paid by Budget              |                        | 653,500.00             | C-6                       |
|           |   |                        |                                |               |                  |               |                             | <u>\$ 3,850,000.00</u> | <u>\$ 3,350,000.00</u> | Above                     |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GENERAL CAPITAL FUND  
DECEMBER 31, 2013

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

C-11

| Ord. No.              | Improvement Description   | Balance<br>December 31, 2012 | Authorized<br>2013   | Bond<br>Anticipation<br>Notes<br>Issued | Cancelled   | Funded by<br>Bond Sale | Balance<br>December 31, 2013 |
|-----------------------|---|------------------------------|----------------------|---|-------------|------------------------|------------------------------|
| General Improvements: |   |                              |                      |   |             |                        |                              |
| 1719                  | Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.  | \$ 42,500.00                 | \$ -                 | \$ -                                    | \$ -        | \$ -                   | \$ 42,500.00                 |
| 1720                  | Reconstruction & improvement of the Storm Water Drainage Line west of the Boulevard Between Franklin and LaSalle                                    | 153,918.48                   |                      |   |             |                        | 153,918.48                   |
| 1915/1940             | Purchase of Communication Equip., Improvement of parks, Improvement of pistol range and acquisition of a 4-wheel drive vehicle for the Police Dept. | 500.00                       |                      |   |             |                        | 500.00                       |
| 1944/1968/1985        | Construction of a new Municipal Building and a new Public Safety Building   | 900.00                       |                      |   |             |                        | 900.00                       |
| 2054                  | Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.  | 80,000.00                    |                      |   |             |                        | 80,000.00                    |
| 2238                  | Continuation of Boulevard Streetscape Improvement   | 25,000.00                    |                      |   |             |                        | 25,000.00                    |
| 2252                  | Boulevard Streetscape Improvement - Phase IV  | 20,000.00                    |                      |   |             |                        | 20,000.00                    |
| 2255/2294             | Construction of a New Pavilion in Woodland Park   | 63,000.00                    | 45,000.00            | 63,000.00                               |             |                        | 45,000.00                    |
| 2282                  | 2011/2012 Road Resurfacing Program  | 402,500.00                   |                      | 402,500.00                              |             |                        | -                            |
| 2285                  | Reconstruction of Coolidge Avenue   | 400,000.00                   |                      | 400,000.00                              |             |                        | -                            |
| 2286                  | Acquisition of in Car Video System for the Police Dept.   | 70,000.00                    |                      | 70,000.00                               |             |                        | -                            |
| 2288                  | Repair and/or Construction of Sanitary Sewer System   | 95,000.00                    |                      | 95,000.00                               |             |                        | -                            |
| 2289                  | Boulevard Streetscape Improvement Phase V   | 25,000.00                    |                      |   |             |                        | 25,000.00                    |
| 2290                  | Acquisition of Gear and Equipment for the Fire Dept.  | 71,000.00                    |                      | 71,000.00                               |             |                        | -                            |
| 2292                  | Acquisition of Radio Equipment for PD, FD & PWD   | 52,000.00                    |                      | 52,000.00                               |             |                        | -                            |
| 2303                  | Repairs and Improvements to Veteran's Memorial Park   |                              | 31,000.00            |   |             |                        | 31,000.00                    |
| 2304/2320             | Construction of Barrier Free Curb Ramps   |                              | 20,000.00            |   |             |                        | 20,000.00                    |
| 2307                  | Boulevard Streetscape Improvement Phase VI  |                              | 20,000.00            |   |             |                        | 20,000.00                    |
| 2308                  | Repairs and Reconstr. Of Sanitary Sewer System  |                              | 95,000.00            |   |             |                        | 95,000.00                    |
| 2312                  | Acquisition of New Street Sweeper   |                              | 180,000.00           |   |             |                        | 180,000.00                   |
| 2313                  | Aqu. Of 4WD Vehicle for Police Department   |                              | 38,000.00            |   |             |                        | 38,000.00                    |
| 2314                  | 2013 Road Resurfacing Program   |                              | 285,000.00           |   |             |                        | 285,000.00                   |
| 2316                  | Bond Refunding  |                              | 166,000.00           |   |             |                        | 166,000.00                   |
|                       |   | <u>\$ 1,501,318.48</u>       | <u>\$ 880,000.00</u> | <u>\$ 1,153,500.00</u>                  | <u>\$ -</u> | <u>\$ -</u>            | <u>\$ 1,227,818.48</u>       |
|                       | Reference   | C                            | C-6                  | C-10                                    |             |                        | C                            |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 CAPITAL FUND  
 DECEMBER 31, 2013

**SCHEDULE OF RESERVE TO/FOR GARRISON AVENUE REPAIR - FEMA FUNDS**

C-12

|                           | Reference |             |
|---------------------------|-----------|-------------|
| Balance December 31, 2012 | C         | \$ 7,800.86 |
|                           |           | <hr/>       |
| Balance December 31, 2013 | C         | \$ 7,800.86 |
|                           |           | <hr/> <hr/> |

**SCHEDULE OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES**

C-13

|                                  | Reference |              |
|----------------------------------|-----------|--------------|
| Balance December 31, 2012        | C         | \$ 13,166.00 |
| Increased by:                    |           |              |
| Premium on Note Sale             | C-2,8     | 18,172.00    |
|                                  |           | <hr/>        |
|                                  |           | 31,338.00    |
| Decreased by:                    |           |              |
| Anticipated Current Fund Revenue | C-2       | 13,166.00    |
|                                  |           | <hr/>        |
| Balance December 31, 2013        | C         | \$ 18,172.00 |
|                                  |           | <hr/> <hr/>  |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
 GRANT FUND  
 DECEMBER 31, 2013

**SCHEDULE OF CASH-COLLECTOR-TREASURER**

D-1

|                                    | <u>Reference</u> |                  |                      |
|------------------------------------|------------------|------------------|----------------------|
| Balance December 31, 2012          | D                |                  | \$ 90,152.01         |
| Increased by Receipts:             |                  |                  |                      |
| State Grant Funds - Appropriated   | D-2              | \$ 14,251.00     |                      |
| State Grant Funds - Unappropriated | D-4              | <u>54,912.12</u> |                      |
|                                    |                  |                  | <u>69,163.12</u>     |
|                                    |                  |                  | 159,315.13           |
| Decreased by Disbursements:        |                  |                  |                      |
| State Grant Funds                  | D-3              | <u>56,823.99</u> |                      |
|                                    |                  |                  | <u>56,823.99</u>     |
| Balance December 31, 2013          | D                |                  | <u>\$ 102,491.14</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

D-2

| <u>Grant</u>   | <u>Balance<br/>Dec. 31, 2012</u> | <u>2013 Budget<br/>Revenue<br/>Realized</u> | <u>Cash<br/>Received</u> | <u>Applied From<br/>Unappropriated</u> | <u>Balance<br/>Dec. 31, 2013</u> |
|--|----------------------------------|---|--------------------------|--|----------------------------------|
| Clean Communities Act                                      | \$ -                             | \$ 16,442.82                                | \$ -                     | \$ 16,442.82                           | \$ -                             |
| Recycling Tonnage Grant                                    | -                                | 17,917.68                                   |                          | 17,917.68                              | -                                |
| Body Armor Fund  | -                                | 3,039.41                                    |                          | 3,039.41                               | -                                |
| Drunk Driving Enforcement Fund                             |                                  | 5,490.61                                    |                          | 5,490.61                               |                                  |
| Governor's Council on Alcoholism and<br>Drug Abuse         | -<br>11,506.10                   | 9,876.00                                    | 11,376.00                |  | 10,006.10                        |
| Alcohol Education and Rehabilitation Fund                  | 0.00                             | 1,187.19                                    |                          | 1,187.19                               | -                                |
| Bergen County Municipal Alliance Special Project           | 2,250.00                         |   |                          |  | 2,250.00                         |
| Governor's Council on Alcoholism and<br>Drug Abuse - Match | 0.00<br>-                        | 2,875.00                                    | 2,875.00                 |  | -                                |
|  | <u>\$ 13,756.10</u>              | <u>\$ 56,828.71</u>                         | <u>\$ 14,251.00</u>      | <u>\$ 44,077.71</u>                    | <u>\$ 12,256.10</u>              |
| Reference  | D                                | A-2,D-3                                     | D-1                      | D-3,4                                  | D                                |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2013

D-3

**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

| <u>Grant</u>                                    | <u>Balance</u><br><u>Dec. 31, 2012</u> | <u>Budget</u>       | <u>40A:4-87</u>             | <u>Expended</u>     | <u>Balance</u><br><u>Dec. 31, 2013</u> |
|---|--|---------------------|-----------------------------|---------------------|--|
| Clean Communities Act Street Cleaning           | \$ 16,343.00                           | \$ 16,442.82        | \$                          | \$ 23,535.44        | \$ 9,250.38                            |
| Division of Criminal Justice Body Armor Fund    | 4,949.15                               | 3,039.41            |                             | 7,988.56            | -                                      |
| Recycling Tonnage Grant                         | 13,875.73                              | 17,917.68           |                             | 13,596.05           | 18,197.36                              |
| Drunk Driving Enforcement Fund Police           | 8,860.40                               | 5,490.61            |                             |                     | 14,351.01                              |
| Alcohol Education and Rehabilitation Fund       | 1,266.88                               | 1,187.19            |                             | 223.68              | 2,230.39                               |
| Governor's Council on Alcoholism and Drug Abuse | 8,335.59                               | 9,876.00            |                             | 9,480.26            | 8,731.33                               |
| <u>Matching Funds for Grants</u>                |  |                     |                             |                     |  |
| Cops More                                       | 324.50                                 |                     |                             |                     | 324.50                                 |
|   | -                                      |                     |                             |                     | -                                      |
| Governor's Council on Alcoholism and Drug Abuse | <u>5,875.15</u>                        | <u>2,875.00</u>     | <u>                    </u> | <u>2,000.00</u>     | <u>6,750.15</u>                        |
|   | <u>\$ 59,830.40</u>                    | <u>\$ 56,828.71</u> | <u>\$ -</u>                 | <u>\$ 56,823.99</u> | <u>\$ 59,835.12</u>                    |
| Reference                                       | D                                      | D-2                 |                             | D-1                 | D                                      |
| <u>TRANSFERRED TO STATE GRANT FUND</u>          |  |                     |                             |                     |  |
| Grant Funds - Current Receipts                  |  | \$ 12,751.00        |                             |                     |  |
| Grant Funds - from Unappropriated               |  | <u>44,077.71</u>    | D-2                         |                     |  |
|   |  | <u>\$ 56,828.71</u> | Above, D-2                  |                     |  |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
GRANT FUND  
DECEMBER 31, 2013

D-4

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

| <u>Grant</u>                         | Balance              | Cash                | Transferred to 2013 |                 | Balance              |
|--------------------------------------|----------------------|---------------------|---------------------|-----------------|----------------------|
|                                      | <u>Dec. 31, 2012</u> | <u>in 2013</u>      | <u>Budget</u>       | <u>40A:4-87</u> | <u>Dec. 31, 2013</u> |
| Alcohol Education and Rehabilitation | \$ 1,187.19          | \$ 1,372.14         | \$ 1,187.19         | \$ -            | \$ 1,372.14          |
| Clean Communities Grant Funds        | 16,442.82            | 19,363.43           | 16,442.82           |                 | 19,363.43            |
| Tonnage Grant                        | 17,917.68            | 17,937.68           | 17,917.68           |                 | 17,937.68            |
| Drunk Driving Enforcement Fund       | 5,490.61             | 12,428.08           | 5,490.61            |                 | 12,428.08            |
| Body Armor Fund                      | 3,039.41             | 3,810.79            | 3,039.41            |                 | 3,810.79             |
|                                      | <u>\$ 44,077.71</u>  | <u>\$ 54,912.12</u> | <u>\$ 44,077.71</u> | <u>\$ -</u>     | <u>\$ 54,912.12</u>  |
| Reference                            | D                    | D-1                 | D-2                 |                 | D                    |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, NJ  
PUBLIC ASSISTANCE TRUST FUND  
DECEMBER 31, 2013

**SCHEDULE OF CASH - COLLECTOR - TREASURER**

E-1

|  | <u>Reference</u> |                            |                            |
|--|------------------|----------------------------|----------------------------|
| Balance December 31, 2012  | E                |                            | \$ 15,886.64               |
| Increased by Receipts:   |                  |                            |                            |
| Food Pantry Donations  | E-2              | <u>\$ 4,611.69</u>         |                            |
|  |                  |                            | <u>4,611.69</u>            |
|  |                  |                            | 20,498.33                  |
| Decreased by Disbursements:  |                  |                            |                            |
| Public Assistance Expenditures   | E-3              | <u>2,500.00</u>            |                            |
|  |                  |                            | <u>2,500.00</u>            |
| Balance, December 31, 2013   | E                |                            | <u><u>\$ 17,998.33</u></u> |
|  |                  |                            |                            |
| Balance on Deposit per statement of<br>Valley National Bank A/C # 0001016865 |                  | \$ 18,002.28               |                            |
| Reconciling Items  |                  | <u>(3.95)</u>              |                            |
| Balance December 31, 2013  |                  | <u><u>\$ 17,998.33</u></u> |                            |

See independent auditor's report and the notes to the financial statements.

**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**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hasbrouck Heights, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of Americas, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Hasbrouck Heights (the "Borough"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated July 14, 2014.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention to 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 the deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

We noted certain matters that we reported to management of the Borough in the schedule of audit comments and recommendations as item numbers 13-01 through 13-03.

## Management's Response to Findings

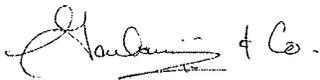
Management's responses to the findings identified in our audit are described in the accompanying schedule of audit findings and recommendations. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of this Report

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



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

July 14, 2014  
Carlstadt, New Jersey

**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2013**

**Schedule I-1**

| Federal Grantor/<br>Pass-Through Grantor Program   | Federal<br>CFDA# | Pass - Through<br>Entity ID #          | Grant Award | Grant Period      | Cash<br>Received     | Program<br>Expenditures | Receivable<br>Unreimbursed |
|--|------------------|--|-------------|-------------------|----------------------|-------------------------|----------------------------|
| Department of Housing and Urban Development<br>Office of Community Planning and Development: | 14.218           |  |             |                   |                      |                         |                            |
| Barrier Free Curb (Ord. 1868)  |                  | Bergen County                          | \$ -        | Prior Period      | \$ -                 | \$ -                    | \$ 5,141.35                |
| Barrier Free Curb (Ord. 2304/2320)   |                  | Bergen County                          | 177,580.00  | Prior Period      |                      |                         | 177,580.00                 |
| Transportation State Aid Highway:  | 20.205           | NJ Dept of Transportation              |             |                   |                      |                         |                            |
| Resurfacing of Burton Ave (Ord 1803)   |                  |  |             | Prior Years       |                      |                         | 4,578.06                   |
| Safe Routes to School Program (Ord # 2221,2222 )   |                  | 078 6300 480 FDT 13                    | 173,000.00  | Prior Years       |                      |                         | 161,965.50                 |
| Boulevard Streetscape Improvement (Ord 2209)   |                  | 078 6320 480 AKN/AK3 12                | 150,000.00  | 01/01/09-12/31/09 |                      | 5,040.56                | 57,637.31                  |
| Boulevard Streetscape Improvement (Ord 2238)   |                  | 078 6320 480 AKN/AK3 12                | 140,000.00  | 01/01/10-12/31/12 |                      | 37,177.21               | 51,896.56                  |
| Curb Replacement Program (Ord 2234 & 2246)   |                  |  | 135,000.00  | 01/01/10-12/31/12 |                      |                         | 92,000.00                  |
| Boulevard Streetscape Improvement (Ord 2252)   |                  | 078 6320 480 AKN/AK3 12                | 150,000.00  | 01/01/11-12/31/12 |                      | 37,367.18               | 150,000.00                 |
| Boulevard Streetscape Improvement (Ord 2289)   |                  |  | 146,500.00  | 01/01/12-12/31/12 | 146,500.00           | 19,191.02               |                            |
| Boulevard Streetscape Improvement (Ord 2307)   |                  |  | 145,000.00  | 01/01/13-12/31/13 | 52,172.68            | 4,034.23                | 92,827.32                  |
| Department of Homeland Security:   | 97.036           | New Jersey Dept of Law & Public Safety |             |                   |                      |                         |                            |
| FEMA- Hurricane Sandy  |                  | 066 1200 100 A77 13                    | 334,855.83  | 01/01/12-12/31/12 | 198,683.64           |                         | 110,151.40                 |
| <b>Total Federal Financial Assistance</b>  |                  |  |             |                   | <u>\$ 397,356.32</u> | <u>\$ 102,810.20</u>    | <u>\$ 903,777.50</u>       |

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2013**

Schedule I-2

| State Grant Program                          | Pass - Through<br>Entity ID # | State<br>Account Number | Grant Award  | Grant Period      | Cash<br>Received    | Program<br>Expenditures | Receivable  |
|--|-------------------------------|-------------------------|--------------|-------------------|---------------------|-------------------------|-------------|
| Environmental Solid Waste Administration:    |                               |                         |              |                   |                     |                         |             |
| Clean Communities Grant                      | N/A                           | 042-4900-765-004        | \$ 19,363.43 | 01/01/13-12/31/13 | \$ 19,363.43        | \$ 23,535.44            | \$ -        |
| Recycling Tonnage Grant                      | N/A                           | 042-4900-752-001        | 17,937.68    | 01/01/13-12/31/13 | 17,937.68           | 13,596.05               |             |
| Law and Public Division of Criminal Justice: |                               |                         |              |                   |                     |                         |             |
| Body Armor Replacement Fund                  | N/A                           | 066-1020-018-001        | 3,810.79     | 01/01/13-12/31/13 | 3,810.79            | 7,988.56                |             |
| Division of Motor Vehicles:                  |                               |                         |              |                   |                     |                         |             |
| Drunk Driving Enforcement Fund               | N/A                           | 6400-100-078-6400       | 12,428.08    | 01/01/13-12/31/13 | 12,428.08           | -                       |             |
| Municipal Court:                             |                               |                         |              |                   |                     |                         |             |
| Alcohol Education & Rehabilitation           | N/A                           | 098-9735-760-001        | 1,372.14     | 01/01/13-12/31/13 | 1,372.14            | 223.68                  |             |
| Division of State Library:                   |                               |                         |              |                   |                     |                         |             |
| Per Capita Aid                               | N/A                           | 074-2541-100-006        | 4,984.00     | 01/01/13-12/31/13 | 4,984.00            | 5,119.56                |             |
| New Jersey Department of Community Affairs   |                               |                         |              |                   |                     |                         |             |
| Legislative Grants:                          |                               |                         |              |                   |                     |                         |             |
| Bureau of Housing Inspection                 | N/A                           | 022-810-100-023         | 4,138.00     | 01/01/13-12/31/13 | 1,235.00            | 1,235.00                |             |
| Total State Financial Assistance:            |                               |                         |              |                   | <u>\$ 61,131.12</u> | <u>\$ 51,698.29</u>     | <u>\$ -</u> |

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF HASBROUCK HEIGHTS**  
**SCHEDULE OF EXPENDITURES OF COUNTY FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2013**

Schedule I-3

| County Grant Program                                | Pass - Through<br>Entity ID # | County<br>Account Number | Grant Award  | Grant Period      | Cash<br>Received            | Program<br>Expenditures     | Receivable           |
|---|-------------------------------|--------------------------|--------------|-------------------|-----------------------------|-----------------------------|----------------------|
| <b>Bergen County Open Space Trust:</b>              | N/A                           | Unavailable              |              |                   |                             |                             |                      |
| Improvement to Depken Field<br>(Ord.# 2232)         |                               |                          | \$ 75,000.00 | 01/01/10-12/31/12 | \$ -                        | \$ 1,450.60                 | \$ 75,000.00         |
| Improvement to Firemen's Monument (Ord # 2263)      |                               |                          | 18,000.00    | 01/01/11-12/31/11 | 1,693.27                    |                             |                      |
| Improvement to Woodland Park Pavilion (Ord # 2255)  |                               |                          | 69,500.00    | 01/01/11-12/31/11 | 69,500.00                   | 60,806.42                   |                      |
| Improvements to Veterans Memorial Park (ord # 2303) |                               |                          | 32,000.00    | 01/01/13-12/31/13 | -                           | -                           | 32,000.00            |
| <b>Bergen County:</b>                               |                               |                          |              |                   |                             |                             |                      |
| Municipal Alliance Grant                            | N/A                           | Unavailable              | 9,876.00     | 01/01/12-12/31/13 | 11,376.00                   | 9,480.26                    | 10,006.10            |
| Special Project Municipal Alliance                  | N/A                           | Unavailable              | 2,250.00     | 01/01/09-12/31/09 | <u>                    </u> | <u>                    </u> | <u>2,250.00</u>      |
| <b>Total County Financial Assistance</b>            |                               |                          |              |                   | <u>\$ 82,569.27</u>         | <u>\$ 71,737.28</u>         | <u>\$ 119,256.10</u> |

See independent auditor's report and the notes to the financial statements.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 NOTES TO THE SCHEDULES OF EXPENDITURES  
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 DECEMBER 31, 2013

**1. General**

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

**2. Basis of Accounting**

The accompanying schedules are presented using the modified accrual 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 generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1C of the Borough's financial statements.

**3. Relationship of Financial Statements**

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

|              | <u>Federal</u> | <u>State</u> | <u>County</u> | <u>Total</u>  |
|--------------|----------------|--------------|---------------|---------------|
| Capital Fund | \$ 102,810.20  | \$ -         | \$ 62,257.02  | \$ 165,067.22 |
| Grant Fund   |                | 45,343.73    | 9,480.26      | 54,823.99     |
| Current Fund |                | 6,354.56     |               | 6,354.56      |
|              | \$ 102,810.20  | \$ 51,698.29 | \$ 71,737.28  | \$ 226,245.77 |

**4. Relationship to Federal and State Financial Reports**

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

**5. State Loans Outstanding**

The Borough has no state loans outstanding as of December 31, 2013.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
 OFFICIALS IN OFFICE AND SURETY BONDS  
 DECEMBER 31, 2013

| <u>Name</u>                        | <u>Title</u>                        | <u>Amount of Bond</u> |
|------------------------------------|-------------------------------------|-----------------------|
| Rose Heck                          | Mayor                               |                       |
| Sonya Buckman                      | Councilwoman                        |                       |
| Justin A. DiPisa                   | Councilman                          |                       |
| David Gonzalez                     | Councilman                          |                       |
| Pamela J. Link                     | Councilwoman                        |                       |
| Russell A. Lipari                  | Councilman                          |                       |
| Christian Semenez                  | Councilman                          | (1)                   |
| Michael Kronyak                    | Borough Administrator               |                       |
|                                    | CFO/ Treasurer/ Purchasing Agent    |                       |
| Conchita T. Parker                 | Tax Collector /Tax Search Officer   | (1)                   |
| Louise Balsamo as of 08/01/13      | Assistant to Collector              |                       |
| Rose Marie Sees                    | Borough Clerk                       |                       |
| George Reggo                       | Assessor                            |                       |
| Kenneth G. B. Job                  | Engineer                            |                       |
| Joseph Jones                       | Judge                               | (1)                   |
| Thomas Mason/ Mark Musella (Alt)   | Public Defender                     |                       |
| Rosario Presti/ Thomas Flinn (Alt) | Prosecutors                         |                       |
| Susan Paul                         | Clerk of the Court/Violations Clerk | (1)                   |
| Cindy Palmieri                     | Deputy Violations Clerk             | (1)                   |
| Michael Colaneri, Jr.              | Chief of Police                     |                       |
| Nick Melfi                         | Construction Official               |                       |
| Laura French                       | Secretary Board of Health Registrar |                       |
| Arthur Jackson                     | Fire Official- Uniform Fire Code    |                       |
| Mimi Hui                           | Library Director                    |                       |
| Ralph W. Chandless, Jr.            | Borough Attorney                    |                       |
| William Spindler                   | Superintendent of Public Works      |                       |

(1) New Jersey Intergovernmental Insurance Fund Blanket Bond. Limit is \$1,000,000 per occurrence.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL COMMENTS  
DECEMBER 31, 2013

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS40A:11-4 states “Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 “a contract year the total sum of \$17,500...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000.”], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law.”

NJS40A:11-9 states “The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit.”

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney’s opinion should be sought before a commitment is made.

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.

Our examination of expenditures did reveal one individual payment, contracts or agreements in excess of \$36,000 “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.

Expenditure of \$5,400 or more and less than \$36,000 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, “a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. (d.) Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.”

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
GENERAL COMMENTS  
DECEMBER 31, 2013  
(Continued)

Collection of Interest of Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**WHEREAS**, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

**WHEREAS**, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency prior to the end of the calendar year;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Borough Council of the Borough of Hasbrouck Heights, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in areas beyond December 31, and additional penalty of 6% shall be charged against the delinquency. Real estate taxes for 2013 will be advertised for sale after April 1, 2014.
2. Effective January 1, 2013 there will be a ten-day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS – 2012  
DECEMBER 31, 2013

**\*Recommendation 12-01:**

That Capital Ordinances greater than 5 years old with cash deficits should be funded. It is recommended that the balances currently outstanding as grant receivables be reviewed and cleared of record.

**Status:**

Corrective action has not been taken.

**\*Recommendation 12-02:**

That the Borough require contractors requesting private use of Borough police officers/ car expenses to make advance deposits on each contract to cover these costs. That the deficit of be investigated and either collected or funded.

**Status:**

Corrective action has not been taken.

**Recommendation 12-03:**

That the detail from the daily recreation receipts or batch reports from the software be included with the daily deposits.

**Status:**

Corrective action has been taken.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2013

**\*Finding: #13-01**

That capital ordinances (over 5 years old with cash deficits) need to be funded:

|            |  |
|------------|--|
| Ord# 1719  | \$25,577.19 Reconstruction of Lawrence Ave. from Boulevard to Terrace  |
| Ord # 2054 | \$51,180.61 Resurfacing of Oak Grove from Jefferson Ave to Williams Ave  |
| Ord # 2007 | \$13,348.41 Acquisition of Furniture, Furnishings, Shelving, and Other Fittings<br>For New Free Public Library |

That ordinances (with grants receivable) need to be cancelled and funded:

|            |   |
|------------|---|
| Ord # 1628 | \$2,170.00 Resurfacing of Burton Ave. from Williams Ave. to Rt.46 |
| Ord # 1803 | \$2,408.06 Resurfacing of Burton Ave. from Williams to Passaic    |
| Ord # 1868 | \$5,141.35 Barrier Free Curb Cuts                                 |

**Recommendation:**

Capital Ordinances greater than 5 years old with cash deficits should be funded. It is recommended that the balances currently outstanding as grant receivables be reviewed and cleared of record.

**Borough's Proposed Corrective Action Plan:**

The Borough Administrator will cancel and or fund these ordinances in the 2015 budget. The Borough Administrator will review the balances currently outstanding as grant receivables and cancel any balances required.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2013

**Finding # 13-02**

Local Finance Notice # 2000-14 recommends that private persons or entities requesting the services of police officers be required to submit payment, based on estimates of the work to be done, in advance of services rendered. The purpose of this recommendation is to prevent municipalities from expending funds for wages for which there is no budget appropriations. Although the Borough requires each contractor requesting the private use of Borough police officers to pay a deposit on each contract, the deposits are not always sufficient to timely cover all related police payroll/ car expenses. This has resulted in a net deficit in police salary/ car charges. The Borough should require contractors to deposit funds based on estimates of the work to be performed and avoid deficits in off duty police reserve and police car charges. These funds should be accounted for on an escrow basis, similar to the accounting of the "Developer's Escrow Fund." This deficit is a result of current and prior year receivables that may be uncollectible.

**Recommendation:**

That the Borough require contractors requesting private use of Borough police officers/ car expenses to make advance deposits on each contract to cover these costs. That the deficit be investigated and either collected or funded.

**Borough's Proposed Corrective Action Plan:**

The Borough Administrator has raised a portion of this deficit through appropriation reserves in 2014.

BOROUGH OF HASBROUCK HEIGHTS, N.J.  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2013

**Municipal Court**

**Finding # 13-03**

- a) The Police Department is not turning over bail monies receipted to the Municipal Court in a timely manner. The police department receipt books used for acceptance of bail were reviewed during our audit and we found that 14 out of 15 pre-numbered receipts tested were turned over to the Municipal Court untimely, ranging from 1 to 7 business days late. If calendar days were accounted for, the number of days the cash receipts were held would be greater.
- b) The Police Department bail receipt book was missing three (3) pre-numbered receipts #05415, 05416, and 05417. All three copies of the receipts were removed from the ticket book and were not available for audit.
- c) The Police Department pre-numbered bail receipt books were not being used in numerical sequence.
- d) There were two (2) instances noted where bail monies collected by the Police Department for out-of-town bail were in the form of a check made payable directly to the other town. These payments were mailed directly to the other courts and were not processed through the Hasbrouck Heights Municipal Court ATS/ACS system as "out-of-town bail" as they should be.

**Recommendation:**

- a) That bail monies collected by the Police Department should be turned over timely to the Municipal Court (daily or the next business day).
- b) That Police Department pre-numbered bail receipt books should be used in numerical sequence and should not be skipped, should be complete and all receipts should be available for audit.
- c) That the Court Administrator implement a sign-out log for the Police Department receipt books to ensure they are used in order.
- d) That all "out-of-town" traffic and criminal bail should be receipted and disbursed through the ATS/ACS automated system.

That bail paid by check for an "out-of-town summons/warrant" should be made payable to Hasbrouck Heights Municipal Court.

**Borough's Proposed Corrective Action Plan:**

The Court Administrator will review findings and take corrective action.

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year.

\*\*\*\*\*

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.

July 14, 2014