

**BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021 AND 2020

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1 – 3
Financial Statements	
<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>Capital Fund</u>	
Comparative Balance Sheets – Regulatory Basis	C
Statement of Fund Balance	C – 1
<u>Sewer Utility Fund</u>	
Comparative Balance Sheets – Regulatory Basis	D
Comparative Statements of Operations and Changes in Operating Fund Balance -Regulatory Basis	D – 1
Statement of Revenues – Regulatory Basis	D – 2
Statement of Expenditures – Regulatory Basis	D – 3
<u>Grant Fund</u>	
Comparative Balance Sheets – Regulatory Basis	E
<u>General Fixed Assets Accounts Group</u>	
Comparative Statements of General Fixed Assets Group of Accounts – Regulatory Basis	F

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Page</u>
Notes to Financial Statements	4 – 28
Supplementary Schedules	
<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Cash	A – 4
Schedule of Change Fund	A – 5
Schedule of Petty Cash	A – 6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A – 7
Schedule of Due From / (To) State of New Jersey per Chapter 20, P.L. 1971	A – 8
Schedule of Property Acquired for Taxes (At Assessed Valuation)	A – 9
Schedule of Tax Title Liens	A – 10
Schedule of Revenue Accounts Receivable	A – 11
Schedule of Accounts Payable	A – 12
Schedule of 2020 Appropriation Reserves	A – 13
Schedule of Due to State of NJ- Marriage License Fees	A – 14
Schedule of Tax Overpayments	A – 15
Schedule of Prepaid Taxes	A – 16
Schedule of County Taxes Payable	A – 17
Schedule of Local District School Taxes Payable	A – 18
Schedule of Regional High School Taxes Payable	A – 19
Schedule of Encumbrance Payable	A – 20
Schedule of Reserve for Tax Appeals	A – 21
<u>Trust Fund</u>	
Schedule of Cash and Cash Equivalents	B – 1
Schedule of Unemployment Trust Reserve	B – 2
Schedule of Due To / (From) State of New Jersey - Dog License Fund	B – 3
Schedule of Due To Current Fund - Dog License Fund	B – 4
Schedule of Reserve for Developers Escrow Fees	B – 5
Schedule of Reserve for Dog Fund Expenditures	B – 6
Schedule of Due To / (From) Current Fund - Other Trust	B – 7
Schedule of Special Reserves - Other Trust	B – 8
Schedule of Reserve for DEA Confiscated Funds	B – 9
Schedule of Police Off-Duty Receivable/ (Payable)	B – 10

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Exhibit</u>
<u>Capital Fund</u>	
Schedule of Cash – Treasurer	C – 2
Schedule of Analysis of Cash	C – 3
Schedule of Due To / (From) Current Fund	C – 4
Schedule of Deferred Charges to Future Taxation – Funded	C – 5
Schedule of Deferred Charges to Future Taxation – Unfunded	C – 6
Schedule of Encumbrance Payable	C – 7
Schedule of Capital Improvement Fund	C – 8
Schedule of Improvement Authorizations	C – 9
Schedule of Premium on BAN / Bond Sale	C – 10
Schedule of Reserve for Building and Grounds Improvement	C – 11
Schedule of State Loan Payable	C – 12
Schedule of General Serial Bonds	C – 13
Schedule of Reserve for Payment of Bonds	C – 14
Schedule of Bond Anticipation Notes	C – 15
Schedule of Bonds and Notes Authorized But Not Issued	C – 16
Schedule of Reserve for Grants	C – 17
Schedule of Grants Receivable	C – 18
<u>Sewer Utility Fund</u>	
Schedule of Cash	D – 4
Schedule of Consumer Accounts Receivable	D – 5
Schedule of Overpayments	D – 6
Schedule of Due To/ (From) Sewer Utility Operating Fund From/(To) Sewer Utility Capital Fund	D – 7
Schedule of Fixed Capital / Fixed Capital Authorized and Uncompleted	D – 8
Schedule of Sewer Lien	D – 9
Schedule of Improvement Authorizations	D – 10
Schedule of Capital Improvement Fund	D – 11
Schedule of Amortization Reserve / Deferred Amortization Reserve	D – 12
Schedule of 2020 Appropriation Reserves	D – 13
Schedule of Due To/(From) Current Fund	D – 14
Schedule of Escrow Trust Reserve	D – 15
Schedule of Bonds and Notes Authorized But Not Issued	D – 16
Schedule of Accrued Interest on Bonds Payable	D – 17

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Exhibit</u>
Schedule of Sewer Serial Bonds	D - 18
<u>Grant Fund</u>	
Schedule of Cash	E - 1
Schedule of Due To/(From) Current Fund	E - 2
Schedule of Grants Receivable	E - 3
Schedule of Appropriated Reserves for State Grants	E - 4
Schedule of Unappropriated Reserves for State Grants	E - 5
<u>Schedules Related to Accounting and Reporting of Pensions (GASB 68)</u>	
Schedule of Borough's Proportionate Share of Net Pension Liability- PFRS & PERS	G-1
Schedule of Borough's Contributions- PFRS & RERS	G-2
Notes to Required Supplementary Information	G-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	29 - 30
Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	31-33
Schedule of Expenditures of Federal Financial Assistance	H - 1
Schedule of Expenditures of State Financial Assistance	H - 2
Schedule of Expenditures of County / Other Financial Assistance	H - 3
Notes to the Schedules of Expenditures of Federal and State Financial Assistance	34
Supplementary Data	35 - 36
Roster of Officials and Surety Bonds	37
General Comments	38 - 39
Schedule of Findings and Responses	40 - 44
Summary Schedule of Prior Year Audit Comments and Recommendations	45
Audit Comments and Recommendations	46 - 47
Appreciation	48

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of East Rutherford, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of East Rutherford, in the County of Bergen, State of New Jersey (the “Borough”), as of December 31, 2021 and 2020, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis and comparative statement of general fixed assets group of account – regulatory basis for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse and Unmodified Opinions” section of our audit report, 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 each fund of the Borough as of December 31, 2021 and 2020, or the changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each funds and account group of the Borough as of December 31, 2021 and 2020, and each fund’s respective operations and changes in financial position and fund balance – regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division as described in Note 1.

Basis for Adverse and Unmodified Opinions

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. We are required to be independent of the Borough of East Rutherford, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our adverse and unmodified audit opinions.

Matter Giving Rise to the Adverse Opinion

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, 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 effect on financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis 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. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 the schedules of federal and state financial assistance are presented for purpose of additional analysis as required by the Division, and are not a required part of the basic financial statements.

The supplementary schedules and schedules of federal and state financial assistance are the responsibility of management and were derived from and relate 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 financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2022 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 26, 2022
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
	Reference	2021	2020
ASSETS			
Current Assets:			
Cash - Treasurer	A-4	\$ 9,353,011.30	\$ 8,456,911.59
Cash - Petty Change Funds	A-5	200.00	200.00
Cash - Change and Petty Cash Funds	A-6	750.00	750.00
		<u>9,353,961.30</u>	<u>8,457,861.59</u>
Due from State of NJ- Senior Citizens & Veterans Deductions	A-8	<u>2,146.12</u>	<u>2,122.12</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	284,369.05	451,505.54
Tax Title Liens	A-10	440,388.60	460,243.92
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	11,216.82	10,553.54
Due from Dog License Fund	B		400.00
Due from Grant Fund	E		26,829.32
	Contra	<u>1,372,874.47</u>	<u>1,586,432.32</u>
Deferred Charges- Emergency Authorization	A-3	<u>37,500.00</u>	
TOTAL ASSETS		\$ 10,766,481.89	\$ 10,046,416.03

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
	Reference	2021	2020
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Encumbrance Payable	A-20	\$ 103,127.05	\$ 135,799.00
Appropriation Reserves	A-3,13	2,184,462.43	2,471,514.91
Accounts Payable	A-12	1,044.42	7,728.42
Tax Overpayments	A-15	26,235.87	31,351.13
Prepaid Taxes	A-16	327,719.72	529,559.95
County Taxes - Added	A-17	96,214.31	5,978.04
Due to State of New Jersey- Marriage License Fees	A-14	475.00	325.00
Reserve for Tax Appeals	A-21	1,096,494.34	824,908.76
Due to Trust Fund	B		
		<u>3,835,773.14</u>	<u>4,007,165.21</u>
Reserve for Receivables and Other Assets	Contra	1,372,874.47	1,586,432.32
Fund Balance	A-1	<u>5,557,834.28</u>	<u>4,452,818.50</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 10,766,481.89</u>	<u>\$ 10,046,416.03</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

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

A-1

	Reference	At December 31,	
		2021	2020
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,066,500.00	\$ 1,500,000.00
Miscellaneous Revenue Anticipated	A-2	13,242,525.04	13,333,173.94
Receipts from Delinquent Taxes	A-2	535,422.78	650,775.49
Receipts from Current Taxes	A-2	42,958,193.45	40,935,078.96
Non-Budget Revenues	A-2	85,135.43	110,756.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,743,938.98	1,496,948.52
Unexpended Budget Appropriations	A-3	-	3.00
Regional / Local School /County Tax Adjustment	A-19	0.56	0.14
Cancelled Tax Overpayments	A-15	21,135.66	759.16
Statutory Excess Animal License Fund	B	6,190.80	5,693.40
Interfunds Returned		27,229.32	79,460.80
Total Revenue and Other Income Realized		<u>60,686,272.02</u>	<u>58,112,649.53</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	27,241,247.38	26,361,554.09
County Taxes	A-17	6,350,173.52	5,808,987.67
County Share of Added and Omitted Taxes	A-17	96,214.32	5,978.04
Cancelled County Taxes	A-17	-	1.00
Local District School Tax	A-18	17,286,266.00	16,989,080.50
Regional School Tax	A-19	6,577,175.50	6,358,758.00
Regional / Local School /County Tax Adjustment	A-19	0.06	
Senior Citizens & Veterans Prior Year Adjustment	A-7	1,179.46	498.70
Interfund Advanced			26,829.32
Total Expenditures		<u>57,552,256.24</u>	<u>55,551,687.32</u>
Excess in Revenues		3,134,015.78	2,560,962.21
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-3	37,500.00	-
Statutory Excess to Fund Balance		<u>3,171,515.78</u>	<u>2,560,962.21</u>
Fund Balance January 1	A	<u>4,452,818.50</u>	<u>3,391,856.29</u>
		7,624,334.28	5,952,818.50
Decreased by:			
Utilization as Anticipated Revenues		<u>2,066,500.00</u>	<u>1,500,000.00</u>
Fund Balance December 31	A	<u>\$ 5,557,834.28</u>	<u>\$ 4,452,818.50</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 2,066,500.00	\$ 2,066,500.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		27,000.00	27,587.43	587.43
Other		40,000.00	78,192.40	38,192.40
Fees and Permits - Other		18,000.00	24,375.14	6,375.14
Fines and Costs - Municipal Court		175,000.00	188,159.45	13,159.45
Interest and Costs on Taxes		75,000.00	73,292.46	(1,707.54)
Interest on Investments and Deposits		50,000.00	95,575.96	45,575.96
Cable Franchise Fees		106,228.34	106,228.34	-
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		8,600,000.00	8,967,431.50	367,431.50
Payment in Lieu Taxes from Bergen County Housing Authority		35,000.00	39,013.45	4,013.45
Recycling Income		7,500.00	36,952.96	29,452.96
Rental - Library		110,000.00	110,000.00	-
Lease - Becton Regional		110,000.00	110,000.00	-
Hotel Tax		450,000.00	443,712.30	(6,287.70)
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,489,989.00	1,489,989.00	-
American Dream PILOT		500,000.00	500,000.00	-
Uniform Construction Code Fees		200,000.00	179,924.55	(20,075.45)
Interlocal Service Agreement- Building Department		154,588.96	159,172.20	4,583.24
Grants				-
Safe and Secure Communities Program Grant		32,400.00	32,400.00	-
Reserves - Grant				-
Parking Offense Adjudication Act		1,138.00	1,138.00	-
Recycling Tonnage		24,488.82	24,488.82	-
Federal Bullet Proof Vest Fund				-
Drunk Driving Enforcement Fund				-
BCUA Recycling Grant				-
NJ Body Armor Grant		2,955.31	2,955.31	-
FEMA- Covid		20,360.85	20,360.85	-
Bergen County Cares Act		5,071.28	5,071.28	-
Chapter 159:				
NJDEP- Clean Communities Program		18,186.30	18,186.30	-
FEMA- Covid 25%		6,978.57	6,978.57	-
Uniform Fire Safety Act		65,000.00	72,199.08	7,199.08
Settlement Payment-Timex Center		225,000.00	225,000.00	-
Payment in Lieu of Taxes- N.J. Meadowlands Commission		6,708.30	6,708.30	-
Premium on BAN / Bond Sale				-
Reserve for Payments of Bonds and Notes		197,431.39	197,431.39	-
Total Miscellaneous Revenues	A-1, Next Page	12,754,025.12	13,242,525.04	488,499.92
Receipts from Delinquent Taxes	A-1, Next Page	525,000.00	535,422.78	10,422.78
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	A-7, Next Page	12,398,222.26	13,092,146.61	693,924.35
Budget Totals	A-3	\$ 27,743,747.38	28,936,594.43	\$ 1,192,847.05
Non-Budget Revenues	A-1,4, Next Page		85,135.43	
			\$ 29,021,729.86	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

A-2

	Reference	
Allocation of 2021 Current Tax Collection:		
Revenue from Collections	A-1	\$ 42,958,193.45
Allocated to:		
School and County Taxes	A-17,18,19	30,406,046.84
Balance for Support of Municipal Appropriation		<u>12,552,146.61</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>540,000.00</u>
	Previous Pg.	<u>\$ 13,092,146.61</u>
Receipts from Delinquent Taxes:		
Tax Title Liens Collected	A-10	\$ 87,269.10
Delinquent Taxes	A-1	448,153.68
	Previous Pg.	<u>\$ 535,422.78</u>
Miscellaneous Revenues:		
Current Fund	A-4	\$ 13,130,945.91
Due from Grant Fund - Anticipated Revenue	E-2	<u>111,579.13</u>
		<u>\$ 13,242,525.04</u>
	Previous Pg.	
Non-Budget Revenues:		
DMV Fees		\$ 1,168.17
Misc. Refunds		2,543.48
Towing Fees		19,250.00
Bank Adjustments/ RC Fees		28.25
Auction Proceeds		5,433.12
Settlement ER Vs. Adventure Realty		37,500.00
Insurance- JIF Storm Damage Truck		18,351.00
Senior Citizen's & Veteran's 2% Administrative Payments		701.41
County Polling Payment		<u>160.00</u>
		<u>\$ 85,135.43</u>
	Prev. Pg., A-1, 4	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	
OPERATIONS - WITHIN "CAPS"							
<i>GENERAL GOVERNMENT</i>							
Administrative & Executive:							
Municipal Clerk							
Salaries and Wages	\$ 269,000.00	\$ -	\$ 269,000.00	\$ 261,466.32	\$ 7,533.68	\$ -	\$ -
Other Expenses	37,500.00	-	37,500.00	8,206.83	29,293.17		
Other Expenses - Code Publishing	15,000.00	-	15,000.00	4,680.17	10,319.83		
Mayor and Council							
Salaries and Wages	37,000.00	-	37,000.00	36,999.04	0.96		
Salaries and Wages - Assistant to Mayor	50,000.00	-	-	-	-		
Other Expenses	18,500.00	-	18,500.00	2,888.40	15,611.60		
Elections - Other Expenses	14,000.00	-	14,000.00	6,376.29	7,623.71		
Financial Administration							
Salaries and Wages	102,000.00	-	104,500.00	103,628.39	871.61		
Other Expenses							
Annual Audit	44,000.00	-	44,000.00	11,000.00	33,000.00		
Miscellaneous - Other Expenditures	84,500.00	-	84,500.00	65,685.86	18,814.14		
Purchasing							
Salaries and Wages	2,500.00	-	2,500.00	2,499.90	0.10		
Assessment of Taxes							
Salaries and Wages	68,000.00	-	69,000.00	68,749.61	250.39		
Other Expenses	44,400.00	-	44,400.00	44,299.56	100.44		
Ordinance Enforcement - Salaries and Wages	25,000.00	-	25,500.00	25,402.26	97.74		
Redevelopment Agency							
Other Expenses (R.S. 40:550-1)	10,000.00	-	10,000.00	5,883.73	4,116.27		
Collection of Taxes							
Salaries and Wages	85,900.00	-	95,900.00	95,618.59	281.41		
Other Expenses	9,000.00	-	9,000.00	7,812.95	1,187.05		
Management Information Systems							
Other Expenses	68,500.00	-	68,500.00	55,520.68	12,979.32		

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)						
Legal Services and Costs						
Other Expenses	\$ 425,000.00	\$ -	\$ 425,000.00	\$ 300,322.48	\$ 124,677.52	\$ -
Tax Appeals						
Professional Fees	79,600.00	-	79,600.00	35,165.00	44,435.00	
Engineering Services and Costs						
Other Expenses	120,000.00	-	140,000.00	122,214.66	17,785.34	
Public Building and Grounds						
Other Expenses	170,000.00	-	210,000.00	190,910.40	19,089.60	
Contracted Service	342,400.00	-	342,400.00	317,985.53	24,414.47	
Municipal Land Use Law (N.J.S. 40:55D-1)						
Planning Board - Salaries & Wages	8,600.00	-	9,100.00	8,877.89	222.11	
Planning Board - Other Expenses	23,000.00	-	23,000.00	21,493.18	1,506.82	
Zoning Board of Adjustment						
Salaries and Wages	8,600.00	-	9,600.00	9,180.09	419.91	
Other Expenses	23,000.00	-	23,500.00	23,071.39	428.61	
Municipal Court						
Salaries and Wages	220,700.00	-	220,700.00	212,624.42	8,075.58	
Other Expenses	63,000.00	-	63,000.00	42,351.40	20,648.60	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)						
Unemployment Compensation	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -	\$ -
Insurance:						
Liability	393,900.00	-	393,900.00	273,061.95	120,838.05	
Workman's Compensation	391,000.00	-	391,000.00	287,542.25	103,457.75	
Employee Group Insurance	2,383,000.00	-	2,208,000.00	1,830,593.94	467,406.06	
Health Benefit Waiver	15,000.00	-	15,000.00	9,999.86	5,000.14	
Self - Insurance Eye Care	23,000.00	-	23,000.00	19,476.05	3,523.95	
Rent Control Board						
Salaries and Wages	1,700.00	-	1,700.00	1,699.88	0.12	
TOTAL GENERAL GOVERNMENT	5,736,300.00	-	5,677,300.00	4,573,288.95	1,104,011.05	-
PUBLIC SAFETY:						
Fire						
Other Expenses						
Clothing Allowance	125,000.00	-	116,000.00	115,974.01	25.99	
Gear Maintenance	106,000.00	-	115,000.00	94,864.38	20,135.62	
Lease Vehicle / Equipment	50,000.00	-	50,000.00	38,952.16	11,047.84	
Fire Prevention and Life Safety						
Salaries and Wages						
Fire Official	119,100.00	-	119,100.00	113,090.92	6,009.08	
Other Salaries - Inspectors	26,500.00	-	28,500.00	26,597.25	1,902.75	
Other Expenses	16,700.00	-	16,700.00	7,618.22	9,081.78	
Police						
Salaries and Wages	6,031,400.00	-	5,981,400.00	5,967,865.00	13,535.00	
Overtime	200,000.00	-	260,000.00	221,359.84	38,640.16	
Sick pay	120,000.00	-	120,000.00	119,864.74	135.26	
Other expenses	165,100.00	-	165,100.00	164,064.27	1,035.73	
Police Cars Leasing Expense/Purchase	76,000.00	-	76,000.00	47,622.29	28,377.71	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED				
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed		
OPERATIONS WITHIN "CAPS" (Cont'd)								
Special Police:								
Salaries and Wages	\$ 256,800.00	\$ -	\$ 229,300.00	\$ 125,401.30	\$ 103,898.50	\$ -	\$ -	
Other Expenses	1,300.00	-	1,300.00	204.99	1,095.01			
Traffic Lights - Other Expenses	21,000.00	-	21,000.00	10,843.82	10,156.18			
Traffic Control:								
Salaries and Wages	352,000.00	-	357,000.00	352,641.25	4,358.75			
Other Expenses	500.00	-	500.00	-	500.00			
First Aid Organization:								
Other Expenses	30,000.00	-	30,000.00	29,947.50	52.41			
Emergency Management Services:								
Salaries and Wages	9,500.00	-	9,500.00	6,568.97	2,931.03			
Other Expenses	8,000.00	-	8,000.00	1,578.00	6,422.00			
First Responder:								
Salaries and Wages	59,400.00	-	59,400.00	53,958.69	5,441.31			
Towing Director:								
Salaries and Wages	12,000.00	-	12,000.00	11,049.96	950.04			
TOTAL PUBLIC SAFETY	7,786,300.00	-	7,775,800.00	7,510,067.85	265,732.15	-	-	
STREETS AND ROADS:								
Road Repairs and Maintenance:								
Salaries and Wages	1,024,000.00	-	963,500.00	883,336.15	80,163.85			
Other Expenses	70,000.00	-	105,000.00	94,143.75	10,856.25			
Recycling Costs	76,000.00	-	41,000.00	17,089.93	23,910.07			
Leased Vehicles	202,000.00	-	202,000.00	51,883.44	150,116.56			
TOTAL STREETS AND ROADS	1,372,000.00	-	1,311,500.00	1,046,453.27	265,046.73	-	-	
HEALTH AND WELFARE:								
Board of Health:								
Other Expenses	89,000.00	-	89,000.00	71,288.03	17,711.97			
TOTAL HEALTH AND WELFARE	89,000.00	-	89,000.00	71,288.03	17,711.97	-	-	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)						
<i>RECREATION AND EDUCATION</i>						
Board of Recreation Commission (R.S.4061-1 et. seq.)						
Salaries and Wages	\$ 87,000.00	\$ -	\$ 87,000.00	\$ 36,302.17	\$ 50,697.83	\$ -
Other Expenses	100,000.00	-	100,000.00	47,214.96	52,785.04	-
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	23,000.00	-	23,000.00	21,783.92	1,216.08	-
Senior Citizens						
Salaries and Wages	54,100.00	-	54,100.00	47,391.01	6,708.99	-
Other Expenses	10,000.00	-	10,000.00	4,660.00	5,340.00	-
TOTAL RECREATION AND EDUCATION	274,100.00	-	274,100.00	157,352.06	116,747.94	-
<i>SANITATION</i>						
Garbage & Trash Removal						
Salaries and Wages	683,000.00	-	683,000.00	609,073.19	73,926.81	-
Dumping Fees - Bergen County						
Sanitary Landfill - Contractual	460,000.00	-	460,000.00	447,244.92	12,755.08	-
TOTAL SANITATION	1,143,000.00	-	1,143,000.00	1,056,318.11	86,681.89	-
<i>STATE UNIFORM CONSTRUCTION CODE</i>						
Salaries and Wages						
Construction Code Official	39,780.00	-	39,780.00	39,780.00	-	-
Sub-Code Officials						
Plumbing Inspector	5,200.00	-	5,200.00	5,200.00	-	-
Fire Inspector	17,000.00	-	17,000.00	16,981.90	18.10	-
Electrical Inspector	16,000.00	-	16,000.00	15,842.06	157.94	-
Other Salaries	94,320.00	-	94,320.00	79,854.98	14,465.02	-
Building Sub-Code Official	21,000.00	-	21,000.00	20,622.94	377.06	-
Other Expenses	22,000.00	-	22,000.00	8,585.08	13,414.92	-
TOTAL STATE UNIFORM CONST. CODE	215,300.00	-	215,300.00	186,866.96	28,433.04	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)						
<i>UNCLASSIFIED:</i>						
Utilities						
Street Lighting	\$ 320,000.00	\$ -	\$ 320,000.00	\$ 279,349.93	\$ 40,650.07	\$ -
Gasoline	120,000.00	-	120,000.00	123,925.37	31,074.63	-
Electricity	270,000.00	-	270,000.00	148,692.33	121,307.67	-
Telephone	185,000.00	-	185,000.00	206,128.63	8,871.37	-
Water	50,000.00	-	50,000.00	33,988.42	16,011.58	-
Fire Hydrant Services	133,000.00	-	133,000.00	125,992.79	7,007.21	-
Purchase of Postage	30,000.00	-	30,000.00	26,264.79	3,735.21	-
Vehicle Maintenance						
Salaries and Wages	85,200.00	-	85,200.00	83,961.28	1,238.72	-
Other Expenses	250,000.00	-	250,000.00	272,758.81	17,241.19	-
	1,443,200.00	-	1,443,200.00	1,301,062.35	247,137.65	-
TOTAL OPERATIONS WITHIN "CAPS"	18,059,200.00	-	18,059,200.00	15,902,697.58	2,151,502.42	-
Contingent	2,000.00	-	2,000.00	10.83	1,989.17	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	18,061,200.00	-	18,056,200.00	15,902,708.41	2,153,491.59	-
<i>Detail:</i>						
Salaries and Wages	10,142,300.00		10,086,800.00	9,663,490.19	423,309.81	-
Other Expenses (Including Contingent)	7,918,900.00		7,969,400.00	6,239,218.22	1,730,181.78	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)						
DEFERRED CHARGES:						
STATUTORY EXPENDITURES:						
Contributions to:						
Public Employees Retirement System	\$ 465,217.32	\$ -	\$ 465,217.32	\$ 448,410.72	\$ 16,806.60	\$ -
Social Security System (O.A.S.I.)	384,000.00	-	389,000.00	386,509.58	2,490.42	-
Police and Firemen Retirement System of N.J.	1,765,158.00	-	1,765,158.00	1,765,158.00	-	-
Defined Contribution Retirement Program Contributions	3,000.00	-	3,000.00	3,000.00	-	-
Early Retirement Incentive Program	140,372.00	-	140,372.00	140,372.00	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. - MUNICIPAL WITHIN "CAPS"	2,757,747.32	-	2,762,747.32	2,743,450.30	19,297.02	-
CASH DEFICIT OF PRECEDING YEAR	-	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	20,818,947.32	-	20,818,947.32	18,646,158.71	2,172,788.61	-
OPERATIONS EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library Ch. 82, PL 1985	871,302.16	-	871,302.16	859,628.34	11,673.82	-
Tax Appeals Reserve	400,000.00	-	400,000.00	400,000.00	-	-
Interlocal Service Agreements- Building Department	154,588.96	-	154,588.96	154,588.96	-	-
	1,425,891.12	-	1,425,891.12	1,414,217.30	11,673.82	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS EXCLUDED FROM "CAPS" (Continued)							
PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES							
Police Safe & Secure Grant	\$ 32,400.00	\$ -	\$ 32,400.00	\$ 32,400.00	\$ -	\$ -	\$ -
Police Safe & Secure Grant -Municipal Share	8,100.00	-	8,100.00	8,100.00	-	-	-
Reserves - Grant							
Parking Offense Adjudication Act	1,138.00	-	1,138.00	1,138.00	-	-	-
Recycling Tonnage	24,488.82	-	24,488.82	24,488.82	-	-	-
NJ Body Armor Grant	2,955.31	-	2,955.31	2,955.31	-	-	-
Bergen County Cares Act	5,071.28	-	5,071.28	5,071.28	-	-	-
FEMA COVID Grant	20,360.85	-	20,360.85	20,360.85	-	-	-
Chapter 159:							
Clean Communities Program	18,186.30	-	18,186.30	18,186.30	-	-	-
FEMA COVID Grant 25% Final Pmt.	6,978.57	-	6,978.57	6,978.57	-	-	-
TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES	119,679.13	-	119,679.13	119,679.13	-	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	1,545,570.25	-	1,545,570.25	1,533,896.43	11,673.82	-	-
Detail:							
Salaries and Wages	40,500.00	-	40,500.00	40,500.00	-	-	-
Other Expenses	1,505,070.25	-	1,505,070.25	1,493,396.43	11,673.82	-	-
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"							
Down Payments on Improvements	-	37,500.00	37,500.00	37,500.00	-	-	-
Capital Improvement Fund	223,500.00	-	223,500.00	223,500.00	-	-	-
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	223,500.00	37,500.00	261,000.00	261,000.00	-	-	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2021 APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
MUNICIPAL DEBT-EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 3,244,837.40	\$ -	\$ 3,244,837.40	\$ 3,244,837.40	\$ -	\$ -
Interest on Bonds	1,120,186.45	-	1,120,186.45	1,120,186.45	-	-
Interest on Notes	106,215.00	-	106,215.00	106,215.00	-	-
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	59,983.35	-	59,983.35	59,983.35	-	-
Bergen County Improvement Authority- Adm. Fee	1,725.00	-	1,725.00	1,725.00	-	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,532,947.20		4,532,947.20	4,532,947.20		
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 Years	-	-	-	-	-	-
Funding of Ordinance 18-05	82,782.61	-	82,782.61	82,782.61	-	-
	82,782.61	-	82,782.61	82,782.61	-	-
Judgements (N.J.S.A. 40A:4-45.3cc)	-	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	6,384,800.06	37,500.00	6,422,300.06	6,410,626.24	11,673.82	
SUBTOTAL GENERAL APPROPRIATIONS	27,203,747.38	37,500.00	27,241,247.38	25,056,784.95	2,184,462.43	
Reserve for Uncollected Taxes	540,000.00	-	540,000.00	540,000.00	-	
TOTAL GENERAL APPROPRIATIONS	\$ 27,743,747.38	\$ 37,500.00	\$ 27,781,247.38	\$ 25,596,784.95	\$ 2,184,462.43	\$ -
Reference	A-2	A-1		Below	A	A-1
Reference:						
Disbursements	A-4			\$ 25,219,587.85		
Budget Offsets	A-4			(785,609.08)		
Reserve for Uncollected Taxes	A-2			540,000.00		
Encumbrance Payable	A-20			103,127.05		
Due to Grant Fund	E-4			119,679.13		
Tax Appeal Reserve	A-21			400,000.00		
				\$ 25,596,784.95		

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

		At December 31,	
	Reference	2021	2020
ASSETS			
Other Trust Fund			
Cash	B-1	\$ 2,478,851.19	\$ 2,454,986.24
Police Off Duty Receivable	B-10	76,592.00	
Due from Current Fund		-	-
		<u>2,555,443.19</u>	<u>2,454,986.24</u>
Developer's Escrow Fund			
Cash	B-1	458,483.24	432,061.27
		<u>458,483.24</u>	<u>432,061.27</u>
Dog License Fund			
Cash	B-1	10,220.60	12,631.60
		<u>10,220.60</u>	<u>12,631.60</u>
Unemployment Fund			
Cash	B-1	169,093.78	135,813.92
		<u>169,093.78</u>	<u>135,813.92</u>
TOTAL ASSETS		<u>\$ 3,193,240.81</u>	<u>\$ 3,035,493.03</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Other Trust			
Special Reserves	B-8	\$ 1,735,274.33	\$ 1,954,172.94
Reserve for DEA Confiscated Funds	B-9	820,168.86	325,381.58
Police Off-Duty Payable	B-10		175,431.72
		<u>2,555,443.19</u>	<u>2,454,986.24</u>
Developers Escrow			
Reserve for Escrow Fees	B-5	458,483.24	432,061.27
		<u>458,483.24</u>	<u>432,061.27</u>
Dog License Fund			
Due to State of NJ	B-3	-	-
Due to Current Fund	A, B-4	-	400.00
Reserve for Dog Fund Expenditures	B-6	10,220.60	12,231.60
		<u>10,220.60</u>	<u>12,631.60</u>
Unemployment Fund			
Fund Reserve	B-2	169,093.78	135,813.92
		<u>169,093.78</u>	<u>135,813.92</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 3,193,240.81</u>	<u>\$ 3,035,493.03</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

	Reference	At December 31,	
		2021	2020
ASSETS			
Cash - Treasurer	C-2,3	\$ 2,726,853.90	\$ 2,198,231.89
Grants Receivable	C-18	463,400.61	633,650.61
Deferred Charges to Future Taxation:			
Funded	C-5	21,707,540.72	24,690,028.16
Unfunded	C-6	12,564,575.00	6,025,857.61
TOTAL ASSETS		\$ 37,462,370.23	\$ 33,547,768.27
LIABILITIES, RESERVE AND FUND BALANCE			
General Serial Bonds	C-13	\$ 21,216,341.05	\$ 24,149,411.62
Bond Anticipation Note Payable	C-16	9,144,075.00	3,540,500.00
State Loan Payable	C-12	491,199.67	540,616.54
Encumbrance Payable	C-7	720,970.00	116,263.81
Improvement Authorizations:			
Funded	C-9	879,196.90	815,083.14
Unfunded	C-9	3,678,689.44	2,866,140.87
Reserve for Payment of Bonds and Notes	C-14	695,933.93	723,115.32
Reserve for Grants- Receivable	C-17	463,400.61	633,650.61
Premium on BAN/ Bond Sale	C-10	105,935.44	8,858.17
Capital Improvement Fund	C-8	39,907.63	127,407.63
Fund Balance	C-1	26,720.56	26,720.56
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		\$ 37,462,370.23	\$ 33,547,768.27

There were bonds and notes authorized but not issued on December 31, 2021 and 2020
in the amount of \$3,420,500 and \$2,485,357.61 respectively. (Exhibit C-16).

STATEMENT OF FUND BALANCE

C-1

	Reference	
Balance December 31, 2020	C	\$ 26,720.56
Increased by:		
Canceled Improvement Authorizations	C-9	26,720.56
Decreased by:		
Fund Improvement Authorizations	C-6,16	
Balance December 31, 2021	C	\$ 26,720.56

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		At December 31,	
	Reference	2021	2020
ASSETS			
Operating Fund:			
Cash	D-4	\$ 1,970,921.13	\$ 1,989,813.96
Escrow Trust Cash	D-4, D-15	-	-
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	117,005.37	163,924.20
Sewer Lien Receivable	D-9, Contra	2,058.75	2,058.75
Total Operating Fund		<u>2,089,985.25</u>	<u>2,155,796.91</u>
Capital Fund:			
Cash	D-4	839,402.16	839,402.16
Fixed Capital	D-8	4,503,548.62	4,503,548.62
Fixed Capital Authorized and Uncompleted	D-8	1,100,000.00	1,100,000.00
Due from Utility Operating Fund	D-7	-	-
Total Capital Fund		<u>6,442,950.78</u>	<u>6,442,950.78</u>
TOTAL ASSETS		<u>\$ 8,532,936.03</u>	<u>\$ 8,598,747.69</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,13	\$ 54,299.55	\$ 42,697.40
Encumbrance Payable	D-3,13	1,112.39	-
Accrued Interest	D-17	21,230.51	22,957.78
Due to Utility Capital Fund	D-7	-	-
Sewer Charge Overpayment	D-6	20,587.80	21,162.70
Reserve for Escrow Deposit	D-15	-	-
Reserve for Receivables	Contra	119,064.12	165,982.95
Fund Balance	D-1	<u>1,873,690.88</u>	<u>1,902,996.08</u>
Total Operating Fund		<u>2,089,985.25</u>	<u>2,155,796.91</u>
Capital Fund:			
Serial Bond Payable	D-18	983,659.11	1,075,588.37
Improvement Authorizations			
Funded	D-10	582,673.61	582,673.61
Unfunded	D-10	-	-
Capital Improvement Fund	D-11	256,935.55	256,935.55
Reserve for Deferred Amortization	D-12	1,445,401.13	1,353,471.87
Amortization Reserve	D-12	<u>5,174,281.38</u>	<u>3,174,281.38</u>
Total Capital Fund		<u>6,442,950.78</u>	<u>6,442,950.78</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 8,532,936.03</u>	<u>\$ 8,598,747.69</u>

There were bonds and notes authorized but not issued as of December 31, 2021 and December 31, 2020 in the amount of \$207 and \$207 respectively. (Schedule D-16)

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES
IN OPERATING FUND BALANCE - REGULATORY BASIS**

D-1

	Reference	At December 31,	
		2021	2020
Revenue and Other Income Realized			
Utility Operating Surplus	D-2	\$ 479,363.65	\$ 330,555.71
User Charges and Fees	D-2,4	1,821,920.95	1,549,949.46
Delinquent User Charges	D-2	190,922.88	160,820.79
Giants Training Facility Agreement	D-2,4	51,199.55	48,725.90
Meadowlands Stadium Agreement	D-2,4	135,392.43	139,835.19
Miscellaneous Revenues	D-2,4	62,451.56	68,347.98
	D-2	<u>2,741,251.02</u>	<u>2,298,235.03</u>
Other Credits to Income:			
Prior Year Voided Checks	D-4	-	33.50
Cancelled Escrow Trust Reserves	D-4	-	1,514.69
Appropriations Lapsed	D-3	1,727.27	1,399.26
Appropriation Reserves Lapsed	D-13	26,443.81	55,693.44
		<u>2,769,422.10</u>	<u>2,356,875.92</u>
Less: Budget Appropriations	D-3	<u>2,319,363.65</u>	<u>2,166,555.71</u>
Excess/(Deficit) in Revenues		450,058.45	190,320.21
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit in Operations	D		
Fund Balance - Operating - January 1	D	<u>1,902,996.08</u>	<u>2,043,231.58</u>
Less: Fund Balance Utilized	D-2	<u>479,363.65</u>	<u>330,555.71</u>
Fund Balance - Operating - December 31	D	<u>\$ 1,873,690.88</u>	<u>\$ 1,902,996.08</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 479,363.65	\$ 479,363.65	\$ -
User Charges and Fees	D-1, Below	1,500,000.00	1,821,920.95	321,920.95
Delinquent User Charges	D-4,5	125,000.00	190,922.88	65,922.88
Giants Training Facility Agreement	D-1,4,5	45,000.00	51,199.55	6,199.55
Meadowlands Stadium Agreement	D-1,4,5	138,000.00	135,392.43	(2,607.57)
Miscellaneous Income & Hook-up Fees	D-1,4	32,000.00	62,451.56	30,451.56
		<u>\$ 2,319,363.65</u>	<u>\$ 2,741,251.02</u>	<u>\$ 421,887.37</u>
		D-3	D-1, Below	
User Charges & Fees	D-4,5		\$ 2,225,348.98	
Interest Income, Rebates & Hook-up Fees	D-4		16,153.82	
Sewer Interest	D-4		20,384.57	
Surplus Anticipated	D-1		<u>479,363.65</u>	
	Above		<u>\$ 2,741,251.02</u>	

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

	2021 Appropriations		Expended			(Overexpenditure)
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed	
Operating						
Salaries and Wages	\$ 178,000.00	\$ 176,833.73	\$ 163,536.91	\$ 13,296.82	\$ -	\$ -
Other Expenses	1,937,666.27	1,937,666.27	1,898,966.88	38,699.39	-	-
Health Benefits	43,000.00	43,000.00	43,000.00	-	-	-
Total Operating Expenditures	2,158,666.27	2,157,500.00	2,105,503.79	51,996.21	-	-
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Statutory Expenditures:						
Contributions to:						
Social Security System	14,000.00	14,000.00	11,696.66	2,303.34	-	-
Unemployment Compensation Insurance	-	-	-	-	-	-
Total Deferred Charges & Statutory Expenditures	14,000.00	14,000.00	11,696.66	2,303.34	-	-
Debt Service						
Bond Principal	95,162.60	95,162.60	95,162.60	-	-	-
Bond Interest	51,534.78	52,701.05	50,973.78	-	1,727.27	-
	146,697.38	147,863.65	146,136.38	-	1,727.27	-
Total Sewer Utility Appropriations	\$ 2,319,363.65	\$ 2,319,363.65	\$ 2,263,336.83	\$ 54,299.55	\$ 1,727.27	\$ -
Reference	D-1,2	D-1,2	Below	D	D-1	D

Disbursed	D-4	\$ 2,263,951.71
Accrued Interest	D-17	(1,727.27)
Encumbrance Payable	D	1,112.39
Above		<u>\$ 2,263,336.83</u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

E

	Reference	At December 31,	
		2021	2020
ASSETS			
Cash	E-1	\$ 588,632.07	\$ 163,868.43
Grants Receivable	E-3	8,100.00	15,000.00
TOTAL ASSETS		<u>\$ 596,732.07</u>	<u>\$ 178,868.43</u>
LIABILITIES AND RESERVES			
Appropriated Reserve	E-4	\$ 88,691.93	\$ 145,218.75
Due from Current Fund	E-2	-	26,829.32
Unappropriated Reserve	E-5	508,040.14	6,820.36
TOTAL LIABILITIES AND RESERVES		<u>\$ 596,732.07</u>	<u>\$ 178,868.43</u>

BOROUGH OF EAST RUTHERFORD
GENERAL FIXED ASSETS FUND
DECEMBER 31, 2021 AND 2020

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

F

	At December 31,	
	2021	2020
GENERAL FIXED ASSETS		
* Land (as per assessed valuation)	\$ 45,492,100.00	\$ 45,282,800.00
* Buildings (as per assessed valuation)	17,131,700.00	15,203,600.00
Machinery and Equipment	<u>14,357,384.00</u>	<u>13,888,968.00</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 76,981,184.00</u>	<u>\$ 74,375,368.00</u>
 LIABILITIES AND RESERVES		
Investments in General Fixed Assets	<u>\$ 76,981,184.00</u>	<u>\$ 74,375,368.00</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 76,981,184.00</u>	<u>\$ 74,375,368.00</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

The Borough 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 NJS 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:

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.

Sewer Utility Fund - receipt and disbursement of funds for sewer utility operations.

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

All governmental funds, proprietary funds and expendable trust funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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 Revenue Sharing funds and other Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with offsetting 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 offsetting 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 Borough's financial statements. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Utility Rents - Utility charges are based on prior year's actual water consumption. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the statement of financial position of the Borough's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual and to be reduced by an allowance for doubtful accounts.

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 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
Sewer Capital Fund

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless 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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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 as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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 self-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 statements 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(a).

Incurred but Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place, but 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.

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.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

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 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 ensure 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.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

C. Measurement Focus and Basis of Accounting (Continued)

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

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 when such property was acquired and fully reserved.

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented 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, 2021 and 2020, \$0 of the Borough's bank balance of \$22,226,546.99 and \$17,170,990.45 was exposed to custodial credit risk, respectively.

3. **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, 2021 and 2020, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. Municipal Debt

Bond Anticipation Notes:

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

On December 31, 2021, the Borough had bond anticipation notes outstanding for the General Capital Fund. Reference to schedule C-16 and D-19 will show the annual interest rates for each note if applicable.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Piper Sandler - @ 1%	\$ -	\$ 3,249,000	\$ -	\$ 3,249,000
BNY Mellon Capital Markets @ 2%	3,540,500	5,895,075	3,540,500	5,895,075
	<u>\$ 3,540,500</u>	<u>\$ 9,144,075</u>	<u>\$ 3,540,500</u>	<u>\$ 9,144,075</u>

Summary of Long-Term Debt

On October 20, 2021, the Borough issued BCIA Guaranteed Pooled Revenue Bonds, Series 2021, in the amount of \$2,790,000, for the purpose of refunding a portion of the 2014 BCIA bonds in the amount of \$2,475,000.

Long-term debt as of December 31, 2021 consisted of bonds, loans, compensated absences and capital leases.

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2021</u>	<u>Due in One Year</u>
Bonds Payable - General	\$ 24,149,411.62	\$ 2,761,370.00	\$ 5,694,440.57	\$ 21,216,341.05	\$ 3,420,558.08
Bonds Payable - Sewer Utility	1,075,588.37	28,630.17	120,559.43	983,659.11	101,363.42
Loan Payable - General	540,616.54		49,416.87	491,199.67	50,410.14
Capital Leases	120,038.16	177,138.75	97,516.16	199,660.75	93,644.61
Compensated Absences (i)	988,923.26	21,547.59		1,010,470.85	
	<u>\$ 26,874,577.95</u>	<u>\$ 2,988,686.51</u>	<u>\$ 5,961,933.03</u>	<u>\$ 23,901,331.43</u>	<u>\$ 3,665,976.25</u>

(i) The regulatory basis of accounting in New Jersey does not recognize accumulated absences as a long-term debt.

Long-term debt as of December 31, 2020 consisted of bonds, loans, compensated absences and capital leases.

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>	<u>Due in One Year</u>
Bonds Payable - General	\$ 27,366,752.33	\$ -	\$ 3,217,340.71	\$ 24,149,411.62	\$ 3,244,837.40
Bonds Payable - Sewer Utility	1,168,247.66		92,659.29	1,075,588.37	95,162.60
Loan Payable - General	589,059.70		48,443.16	540,616.54	49,416.87
Capital Leases	140,886.02	36,742.00	57,589.86	120,038.16	58,464.00
Compensated Absences (i)	795,650.67	193,272.59		988,923.26	
	<u>\$ 30,060,596.38</u>	<u>\$ 230,014.59</u>	<u>\$ 3,416,033.02</u>	<u>\$ 26,874,577.95</u>	<u>\$ 3,447,880.87</u>

(i) The regulatory basis of accounting in New Jersey does not recognize accumulated absences as a long-term debt.

As of December 31, 2021 and December 31, 2020, all outstanding bonds are included in the general capital fund and sewer utility fund. Interest and principal reductions were included in the current and sewer utility operating budget of the Borough.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. **Municipal Debt (Continued)**

Summary of Long-Term Debt (Continued):

The Borough's long-term debt consisted of the following at December 31, 2021

General Obligation Bonds

\$12,505,000 - 2009 Bonds, due in annual installments of \$1,233,158.71-11/01/22 interest rate for 2019-2022 is 4.00%

December 31, 2021	December 31, 2020
\$ 1,233,158.39	\$ 2,389,244.68

\$5,112,000 - 2014 Bonds, due in annual installments of \$282,075.50-02/01/22, \$291,972.89-02/01/23, \$301,870.27-02/01/24, interest rate 5.00% (Bond was refunded 10/20/21)

875,918.66	3,597,699.94
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\$11,175,000 - 2014 Bonds, due in annual installments of \$1,135,000-06/15/22, \$1,145,000-06/15/23, \$1,150,000-06/15/24, \$1,100,000-06/15/25, interest rate 2019-2025 variable from 4.00% to 5.00%

4,530,000.00	5,660,000.00
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\$6,735,000 - 2017 Tax Appeal Refunding Bonds, due in annual installments of \$340,000-12/01/22-12/01/25, \$335,000-12/01/2026-12/01/2027, \$1,675,000-12/01/32-12/01/37, interest rate variable from 4.00% to 5.00%

5,380,000.00	5,720,000.00
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\$7,480,000 - 2018 BCIA County Guaranteed Governmental Revenue Bonds, due in annual installments of \$364,121-06/15/22, \$381,669-06/15/23, \$399,217-06/15/24, \$421,152-06/15/25, \$443,087-06/15/26, \$465,022-06/15/27, \$486,957-06/15/28, \$508,892-06/15/29, \$535,214-06/15/30, \$561,536-06/15/31, \$592,245-06/15/32, \$622,954-06/15/33, \$653,828-06/15/34
interest rate variable from 4.00% to 5.00%

6,435,894.00	6,782,467.00
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\$2,761,370 - 2021 BCIA County Guaranteed Governmental Revenue Bonds, Series 2021 Taxable Advanced Refunding, due in annual installments of \$69,281.68-02/15/22, \$54,435.61-02/15/23, \$54,435.61-02/15/24, \$361,254.50-02/15/25, \$355,203.19-02/15/26, \$366,203.19-02/15/27, \$371,151.88-02/15/28, \$366,203.19-02/15/29, \$376,100.57-02/15/30, \$376,100.57-02/15/31 interest rate variable from .433% to 2.071%.

2,761,370.00	
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Subtotal	\$ 21,216,341.05	24,149,411.62
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State Loan Payable

\$179,070.15- due on annual installments, at a 2% interest rate

143,686.40	151,825.53
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\$100,000- due in annual installments, at a 2.00% interest rate

48,385.52	53,558.41
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\$435,553- due in semi-annual installments, at a 2.00% interest rate

116,001.32	140,398.80
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\$250,000- due in semi-annual installments, at a 2.00% interest rate

183,126.43	194,833.80
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Subtotal	491,199.67	540,616.54
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Sewer Utility Capital:

Bond Payable

\$475,000 - 2009 Bonds, due in annual installments of \$46,841.60-11/01/22 interest rate 4.00%

\$ 46,841.60	\$ 90,755.31
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\$53,000 - 2014 Bonds, due in annual installments of \$2,924.50-2/01/22; \$3,027.11-2/01/23; \$3,129.73-2/01/24; interest rate 5.00%

9,081.34	37,300.06
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\$1,045,000 - 2018 BCIA County Guaranteed Governmental Revenue Bonds, due in annual installments of \$48,427-06/15/21, \$50,879-06/15/22, \$53,331-06/15/23, \$55,783-06/15/24, \$58,848-06/15/25, \$61,913-06/15/26, \$64,978-06/15/27, \$68,043-06/15/28, \$71,108-06/15/29, \$74,786-06/15/30, \$78,464-06/15/31, \$82,755-06/15/32, \$87,046-06/15/33, \$91,172-06/15/34

899,106.00	947,533.00
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\$28,630.17 - 2021 BCIA County Guaranteed Governmental Revenue Bonds, Series 2021 Taxable Advanced Refunding, due in annual installments of \$718.32-02/15/22, \$564.39-02/15/23, \$564.39-02/15/24, \$3,745.50-02/15/25, \$3,796.81-02/15/26, \$3,796.81-02/15/27, \$3,848.12-02/15/28, \$3,796.81-02/15/29, \$3,899.43-02/15/30, \$3,899.43-02/15/31 interest rate variable from .433% to 2.071%.

28,630.17	
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Total	983,659.11	1,075,588.37
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Total	\$ 22,691,199.83	\$ 25,765,616.53
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See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. Municipal Debt (Continued)

Summary of Long-Term Debt (Continued):

Summary of Statutory Municipal Debt

Statutory municipal debt consisted of outstanding bonds, notes and loans as well as bonds and notes authorized but not issued.

	2021	2020	2019
Issued:			
General:			
Bonds, Notes and Loans	\$ 30,851,615.72	\$ 28,230,528.16	\$ 31,496,312.03
Sewer Utility:			
Bonds, Notes and Loans	983,659.11	1,075,588.37	1,168,247.66
Debt Issued	<u>31,835,274.83</u>	<u>29,306,116.53</u>	<u>32,664,559.69</u>
Authorized but not Issued:			
General:			
Bonds and Notes	3,420,500.00	2,485,357.61	324,928.61
Sewer Utility:			
Bonds and Notes	207.00	207.00	207.00
	<u>3,420,707.00</u>	<u>2,485,564.61</u>	<u>325,135.61</u>
Less Deductions	<u>6,363,866.11</u>	<u>6,795,795.37</u>	<u>7,228,454.66</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 28,892,115.72</u>	<u>\$ 24,995,885.77</u>	<u>\$ 25,761,240.64</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 1.132% as of December 31, 2021 and 1.037% as of December 31, 2020.

2021	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 29,668,486.00	\$ 29,668,486.00	\$ -
General Debt	34,272,115.72	5,380,000.00	28,892,115.72
Sewer Utility Debt	983,866.11	983,866.11	-
	<u>\$ 64,924,467.83</u>	<u>\$ 36,032,352.11</u>	<u>\$ 28,892,115.72</u>

Net Debt of \$28,892,115.72 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,553,231,556 = 1.132%.

2020	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 1,876,000.00	\$ 1,876,000.00	\$ -
General Debt	30,715,885.77	5,720,000.00	24,995,885.77
Sewer Utility Debt	1,075,795.37	1,075,795.37	-
	<u>\$ 33,667,681.14</u>	<u>\$ 8,671,795.37</u>	<u>\$ 24,995,885.77</u>

Net Debt of \$24,995,885.77 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,411,239,028 = 1.037%.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. Municipal Debt (Continued)

Summary of Long-Term Debt (Continued):

Calculation of "Self-Liquidating Purpose" - Sewer Utility

	2021	2020
Surplus Anticipated	\$ 479,363.65	\$ 330,555.71
Cash Receipts from Fees, Rents or Other Charges	2,261,887.37	1,967,679.32
Deductions:		
Operating and Maintenance Cost	2,157,500.00	2,003,000.00
Deferred Charges & Statutory Expenditures	14,000.00	14,000.00
Debt Service	147,863.65	149,555.71
	<u>2,319,363.65</u>	<u>2,166,555.71</u>
Excess (Deficit) in Revenue	421,887.37	131,679.32
Smaller of deficit in revenue or utility debt service capitalized at 5%	-	-
Gross Sewer System Debt	983,866.11	1,075,795.37
Less Above:		
Total Deduction	<u>(983,866.11)</u>	<u>(1,075,795.37)</u>

Borrowing Power Under N.J.S.A. 40A:2- As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 89,363,104.46	\$ 84,393,365.98
Net Debt	<u>28,892,115.72</u>	<u>24,995,885.77</u>
Remaining Borrowing Power	<u>\$ 60,470,988.74</u>	<u>\$ 59,397,480.21</u>

Overlapping Debt

County of Bergen (1) – Borough's share (1.415%)	\$ 20,919,653
Bergen County Utilities Authority (2)	<u>6,808,979</u>
Total Overlapping Debt	\$27,728,632

(1) The County of Bergen has \$1,478,420,679 in gross long-term and temporary debt. The Borough's net share is obtained by dividing the Borough's equalized valuation \$2,733,167,871 by the County's equalized valuation \$193,163,813,808.

(2) Overlapping debt was computed based upon municipal billing to the Authority for 2020.

5. Capital Leases Payable

On July 8, 2021, the Borough entered into a lease agreement with Municipal Capital Finance for (3) 2021 Chevy Tahoes for 5 years with annual payments of \$38,952.16 to be used by the Police Department. The fair market value of the vehicles are \$177,138.75.

On January 20, 2020, the Borough entered into a lease agreement with KS State Bank, for a 2020 Ford Police Inceptor for 3 years with annual payments of \$12,967.00, to be used by the Police Department. The fair market value of the vehicle is \$36,742.

Total payments for the leases amounted to \$ 97,516.16 and \$92,502.75 in 2021 and 2020, respectively. These lease-purchase agreements include a \$1.00 buyout at the end of the lease periods; the assets will become Borough property.

	Principal	Interest	Total
2022	\$ 93,644.61	\$ 10,157.99	\$ 103,802.60
2023	33,667.56	5,294.60	38,962.16
2024	35,244.21	3,607.95	38,852.16
2025	37,104.37	1,847.79	38,952.16
	<u>\$ 199,660.75</u>	<u>\$ 20,908.33</u>	<u>\$ 220,569.08</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

6. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2021, deferred charges of \$37,500 were shown on the statement of financial position of Current Fund. There were no deferred charges reported on the Sewer Utility Fund.

7. Local District School Taxes

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute.

	Local School District Tax Balance December 31,		Regional High School Tax Balance December 31,	
	2021	2020	2021	2020
Balance of Tax	\$ 8,572,307.50	\$ 8,572,307.50	\$ 3,265,871.00	\$ 3,311,304.50
Deferred	8,572,307.50	8,572,307.50	3,265,871.00	3,311,304.50
Taxes Payable/(Prepaid)	\$ -	\$ -	\$ -	\$ -

8. Property Tax Calendar

The Borough's property taxes are due the 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 sales were held on October 28, 2021 and December 22, 2021 for 2019 taxes and October 17, 2020 for 2018 taxes.

9. Taxes Collected in Advance

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

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
Prepaid Taxes	\$ 327,719.72	\$ 529,559.95

10. Interfund Receivables and Payables

Interfund Receivables and Payables at December 31, 2021 and 2020 were as follows:

Fund Type	December 31, 2021		December 31, 2020	
	Receivables	Payables	Receivables	Payables
Current Fund	\$ -	\$ -	\$ 27,229.32	\$ -
Trust Funds				400.00
Grant Fund				26,829.32
Total Interfund Receivables and Payable	\$ -	\$ -	\$ 27,229.32	\$ 27,229.32

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans

Description of Plans

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). Those systems are sponsored and administered by the State of New Jersey and are considered cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625 or can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Summary of Significant Accounting Policies - PERS and PFRS

GASB 68, Accounting and Financial Reporting for Pensions, is effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regards to GASB 68 is for disclosure purposes only.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

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

At June 30, 2020 and June 30, 2019, the Borough has disclosed a liability of \$6,741,596 and \$ 7,359,417 respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020 and 2019. At June 30, 2020, the Borough's proportion was .0413408% which was an increase of .0004971% from its proportion measured as of June 30, 2019 of .0408437%.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Public Employees' Retirement System (PERS)

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

For the year ended December 31, 2021, the Borough recognized pension expense of \$ 448,410.72, as measured on June 30, 2020. At June 30, 2020 and 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2020		June 30, 2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience.	\$ 122,753	\$ 23,841	\$ 132,092	\$ 32,511
Changes of assumptions	218,705	2,822,770	734,865	2,554,430
Net difference between projected and actual earnings on pension plan investments	230,433			116,171
Changes in proportion and differences between Borough and proportionate share of contributions	216,699	281,101	264,698	610,079
Borough contributions subsequent to the measurement date				
Total	<u>\$ 788,590</u>	<u>\$ 3,127,712</u>	<u>\$ 1,131,655</u>	<u>\$ 3,313,191</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2021	\$ (845,947)
2022	(771,246)
2023	(440,748)
2024	(178,231)
2025	(38,548)
Total	<u>\$ (2,274,720)</u>

Changes in Proportion-The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

	6/30/2020	6/30/2019
Collective deferred outflows of resources	\$ 1,383,360,202	\$ 1,838,191,132
Collective deferred inflows of resources	6,885,726,332	6,333,756,090
Collective net pension liability (Non-State-Local Group)	16,435,616,426	18,143,832,135
Borough's portion of net pension liability	6,741,596	7,359,417
Borough's proportion %	0.0413407542%	0.0408437113%

Actuarial assumptions. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% – 6.00% based on years of service
Thereafter	3.00% – 7.00% based on years of service
Investment Rate of Return:	7.00%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Public Employees' Retirement System (PERS)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the PUB-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-US Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 6.28% and as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Public Employees' Retirement System (PERS)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2020 and 2019, calculated using the discount rate of 7.00% and 6.28% respectively, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 8,486,545	\$ 6,741,596	\$ 5,260,959
	June 30, 2019		
	<u>1% Decrease</u> <u>(5.28%)</u>	<u>Rate</u> <u>(6.28%)</u>	<u>1% Increase</u> <u>(7.28%)</u>
Borough's proportionate share of the net pension liability	\$ 9,296,140	\$ 7,359,417	\$ 5,727,454

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PERS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Police and Firemen's Retirement System (PFRS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

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

At June 30, 2020, and June 30, 2019, the Borough has disclosed a liability of \$20,416,008 and \$18,553,991, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2020 and 2019. At June 30, 2020, the District's proportion was .1580025 %, which was an increase of .0063906 % from its proportion measured as of June 30, 2019 of .1516119%.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Police and Firemen's Retirement System (PFRS)

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

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2020 and June 30, 2019 was \$3,168,471 and \$2,929,710, respectively.

For the year ended December 31, 2021, the Borough recognized pension expense of \$ 1,765,158, as measured on June 30, 2020. At June 30, 2020 and 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2020		June 30, 2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 205,828	\$ 73,271	\$ 156,620	\$ 117,469
Changes of assumptions	51,377	5,473,410	635,761	5,996,480
Net difference projected and actual earnings on pension plan investments	1,197,086			251,401
Changes in proportion and differences between Borough's and proportionate share of contributions	960,585	849,877	200,372	1,212,001
Borough contributions subsequent to the measurement date				
Total	<u>\$ 2,414,876</u>	<u>\$ 6,396,558</u>	<u>\$ 992,753</u>	<u>\$ 7,577,351</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2021	\$ (1,909,777)
2022	(1,288,868)
2023	(524,707)
2024	(198,216)
2025	(170,821)
Total	<u>\$ (4,092,389)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for the years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

	6/30/2020	6/30/2019
Collective deferred outflows of resources	\$ 920,422,625	\$ 356,818,785
Collective deferred inflows of resources	3,510,501,347	4,032,630,773
Collective net pension liability (Non-State-Local Group)	14,926,648,722	14,170,193,618
Borough's portion of net pension liability	20,416,008	18,553,991
Borough's portion of net pension liability	0.1580025109%	0.1516119132%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Police and Firemen's Retirement System (PFRS)

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

Actuarial assumptions. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25% – 15.25% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, postretirement mortality rates were based on the PUB-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub 2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-US Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Police and Firemen's Retirement System (PFRS)

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

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2020 and 2019, calculated using the discount rate of 7.00% and 6.85%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00)</u>
Borough's proportionate share of the net pension liability	\$ 27,149,088	\$ 20,416,008	\$ 14,823,670

	June 30, 2019		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(5.85%)</u>	<u>(6.85%)</u>	<u>(7.85)</u>
Borough's proportionate share of the net pension liability	\$ 25,078,235	\$ 18,553,991	\$ 13,152,930

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PFRS Vesting and Benefit Provisions - The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Retirement Plans (Continued):

Police and Firemen's Retirement System (PFRS)

Funding Policy

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2021	\$ 448,410.72	\$ 1,765,158.00
2020	381,525.40	1,531,448.00
2019	508,748.61	1,471,413.00
2018	377,232.22	1,433,702.00

12. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial.

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contributions for eligible members' life insurance and disability coverage under DCRP.

13. Employee Deferred Compensation Plan

The Borough maintains a Deferred Compensation Plan (the "Plan") in accordance with IRC Section 457 and State of NJ Deferred Revenue Regulation. Employees of the Borough are eligible to participate in the Plan. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the Plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is reported in our Review of the Employee Deferred Compensation financial statements for December 31, 2021 and 2020.

Reporting Requirements

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

14. Post-Employment Benefits

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

State Health Benefit Program Fund- Local Government Retired (the Plan) (including Prescription Drug Program Fund) - N.J.S.A. 43 :3c-24 established a separate trust fund for certain non-State participating employers to provide funding for State Health Benefit Program coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. For additional information about the Plan, please refer to the State Division of Pensions and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

14. Post-Employment Benefits (Continued):

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. GAAP, principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

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

As of June 30, 2020, the most recent measurement date available, the State had \$17,946,612,946 unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$5,462,303,132 for state non-employer active and retired members, \$12,484,309,814 for local participating employer active and retired members.

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

14. Post-Employment Benefits (Continued):

Funded Status and Funding Progress (Continued):

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

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Plan Membership and Contributing Employers

<u>Local Government Retired</u>	<u>June 30, 2019</u>
Active Plan Members	62,547
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>30,614</u>
Total Plan Members	93,161
Contributing Employers	579

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021 and 2020, were \$200,596.20 and \$261,630.03, respectively, which equaled the required contributions for each year. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of East Rutherford on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund –Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

14. Post-Employment Benefits (Continued):

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued):

At December 31, 2020, the Borough reported a liability of \$13,434,117, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at December 31, 2020 to the total OPEB liability for the State Health Benefit Program Fund- Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020, the Borough's proportionate share was .074856 percent, which was an increase of .006002 percent from its proportionate share measured as of June 30, 2019 of .068854 percent.

For the year ended December 31, 2020 the Plan has determined the Borough's OPEB expense/adjustment of \$17,810 based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$200,596.20 at December 31, 2021, measured at June 30, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following resources:

	June 30, 2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 353,844	\$ 2,501,683
Changes of assumptions	2,009,321	2,987,540
Net difference projected and actual earnings on OPEB plan investments	8,531	
Changes in proportion and differences between Borough's and proportionate share of contributions	1,727,553	2,182,200
Borough contributions subsequent to the measurement date		
Total	<u>\$ 4,099,249</u>	<u>\$ 7,671,423</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	Year Ended June 30:
2021	\$ (722,151)
2022	(722,806)
2023	(723,864)
2024	(724,831)
2025	(494,243)
Thereafter	270,368
Total	<u>\$ (3,117,526)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining useful life of all plan members, which is 7.87, 8.05, 8.14 and 8.04 years for the 2020, 2019, 2018, and 2017 amounts, respectively.

**BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

16. Other Post Retirement Benefits

Plan Description

The Borough provides a post-employment healthcare plan for its eligible retirees and their dependents. The plan is a single employer defined benefit healthcare plan administered by the Borough through Municipal Reinsurance Health Insurance Fund ("Fund"). In accordance with Borough employment, contracts and or personnel policies, the Borough provides post-employment health coverage to its eligible retired employees and their dependents at the time of retirement at the same cost to the retirees as there would be if any, if they remained an employee. Coverage for a retiree's spouse and/ or dependents ends upon death of the retiree.

Funding Status and Funding Progress

The Borough funds its post-retirement medical benefits on a pay-as-you-go basis. For the 2021, 2020, and 2019 year the Borough paid \$ 676,296, \$ 672,901, and \$747,193, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

As of December 31, 2021, the most recent actuarial valuation date, there was no plan assets to offset the OPEB liability. The actuarial accrued OPEB liability for benefits was \$45,356,765 based upon a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021. The covered payroll (annual payroll of active employees covered by the plan) was \$3,120,000. The liability is broken down as follows:

Total OPEB Liability Active	\$	19,828,428
Total OPEB Liability Retired		25,528,337
Total OPEB Liability		45,356,765
Plan Fiduciary Net Position		-
Net OPEB Liability	\$	45,356,765
Net Position/ OPEB Liability		0.00%

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other post-employment benefit (OPEB) cost (expense) is actuarially determined in accordance with the parameters of GASB Statement 75. The following table shows the components of the Borough's annual OPEB cost for the year 2021, 2020, 2019, and 2018, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

	2021	2020	2019	2018
Annual Required Contribution- Service Costs	\$ 519,826	\$ 519,826	\$ 586,107	\$ 586,107
Interest on Net OPEB Obligation- Over Measurement Period	973,181	1,161,178	1,527,910	1,468,478
Changes in Assumptions	(1,183,478)	2,490,892	3,689,465	
Annual OPEB Cost (Expense)	309,529	4,171,896	5,803,482	2,054,585
Contributions Made	(675,372)	(616,356)	(632,784)	(577,308)
Increase in Net OPEB Obligation	(365,843)	3,555,540	5,170,698	1,477,277
Net OPEB Obligation- Beginning of Year	45,722,608	42,167,069	36,996,371	35,519,094
GASB 75 Adjustment *				
Net OPEB Obligation- End of Year	\$ 45,356,765	\$ 45,722,609	\$ 42,167,069	\$ 36,996,371

See independent auditor's report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

14. Post-Employment Benefits (Continued):

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2020 calculated using the discount rate of 2.21%, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Borough's proportionate share of the net OPEB liability	\$ 15,881,964	\$ 13,434,117	\$ 12,028,52

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Health Cost Trend Rates		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
Borough's proportionate share of the net OPEB liability	\$ 11,116,746	\$ 13,434,117	\$ 16,468,74

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

14. Post-Employment Benefits (Continued):

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2020 (measured at June 30, 2020), the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$10,792,419. For the year ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is (\$537,249). At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the Borough was .197580 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

15. Risk Management

The purpose of the South Bergen Municipal Joint Insurance Fund is to administer employee life, health, 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. The fund continues to provide broader coverage than the conventional insurance market at a lower premium. According to the Borough's insurance manager, Professional Insurance Associates, Inc., the fund actuary has reported that all funds of which the Borough is a member are financially sound. The Borough has contracted with the State of New Jersey sponsored health coverage for its employees.

16. Compensated Absences

The Borough's policy to compensate police officers for unused sick time amounted to \$124,668.64 in 2021 and was paid in 2021, and \$119,864.74 in 2020 paid in 2020, respectively. Other Borough employees are permitted to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the total cost of accumulated absence is \$ 1,010,470.85 for 2021 and \$988,923.26 for 2020.

17. Contingent Liabilities

Litigation

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

17. Contingent Liabilities (Continued):

Pending Tax Appeals

Various tax appeal cases were pending in the tax court at December 31, 2021 and 2020. Amounts claimed have not been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. Funding of any ultimate liability would be provided for in succeeding years' budget, fund balance or property tax refunding bond ordinances.

Federal and State Awards

The Municipality participates in several federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

Health Insurance Waiver

The Borough offers health insurance waivers in an amount of the lesser of \$5,000 or the actual net insurance cost to employees that can show that coverage is provided by a spouse or other means. In 2021 the Borough had two employees that received the health insurance waiver incentive and were paid \$5,000 each.

18. Investment Valuation

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

19. GASB 77: Tax Abatements

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality. The Borough has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need of improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Borough's tax abatement agreements for the year ended December 31, 2021.

<u>2021</u>					
Project Name	Type of Project	PILOT Billing	Assessed Value	Taxes if Billed In Full	Tax Abatement
Bergen County Senior Housing	Aff. Housing	\$ 39,000.00	\$ 21,412,600.00	\$ 384,784.42	\$ 345,784.42
NJ Sports & Exposition Authority	Comm./Indust.	8,960,000.00	1,037,396,800.00	18,642,020.50	9,682,020.50
NJ Meadowlands Comm/HMDC	Other	6,708.30	935,300.00	16,807.34	10,099.04
American Dream	Comm./Indust.	500,000.00	3,183,933,100.00	57,215,277.81	56,715,277.81
		<u>\$ 9,505,708.30</u>		<u>\$ 76,258,890.07</u>	<u>\$ 66,753,181.77</u>

<u>2020</u>					
Project Name	Type of Project	PILOT Billing	Assessed Value	Taxes if Billed In Full	Tax Abatement
Bergen County Senior Housing	Aff. Housing	\$ 35,000.00	\$ 14,813,400.00	\$ 265,011.73	\$ 230,011.73
NJ Sports & Exposition Authority	Comm./Indust.	8,600,000.00	1,953,000,500.00	34,939,178.95	26,339,178.95
NJ Meadowlands Comm/HMDC	Other	6,708.30	1,067,300.00	19,094.00	12,385.70
American Dream	Comm./Indust.	500,000.00	3,409,671,300.00	60,999,019.56	60,499,019.56
		<u>\$ 9,141,708.30</u>		<u>\$ 96,222,304.23</u>	<u>\$ 87,080,595.93</u>

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

20. Federal Arbitrage Regulations

Municipalities are subject to Section 148 of the Internal Revenue Service (IRS) as it pertains to the "arbitrage rebate" on all tax-exempt obligations. Under 1986 TRA, the IRS required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. Excess earnings may be required to be rebated to the IRS. Bond Counsel should be engaged to calculate the estimated arbitrage earnings due to the IRS, if any.

21. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the Borough had to adjust its operations in 2020 and 2021 to continue to provide services to taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2021. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some additional costs incurred related to public health. On March 11, 2021 President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer, or broadband infrastructure. The amount of federal aid available to the Borough of East Rutherford is \$1,013,924, which will be available until December 31, 2024. The first installment of half the amount was received during 2021 and the remainder will be received during 2022. Additionally, the Borough prepared and balanced the 2022 budget and considered the potential impact the Pandemic could have on Borough operations. Management believes that the fund balance available as of December 31, 2021, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough's financial needs for one year from the date of issuance of this report.

22. Subsequent Events

The Borough has evaluated subsequent events through July 26, 2022, which is the date the financial statements were available to be issued.

The Borough adopted its 2022 budget on May 17, 2022.

During 2022 the Borough adopted the following Bond Ordinances:

Ordinance # 2022-03 providing for the acquisition of, and payment of the purchase price for, certain real property commonly known as The Richard Outwater House (Block 94 Lot 3) in the amount of \$1,350,000, including a grant from Bergen County Open Space in the amount of \$600,000 and authorizing the issuance of \$712,500 bonds or notes and \$37,500 down payment from capital improvement fund.

Ordinance # 2022-07 providing for the acquisition of various capital improvements for the fire department and appropriating \$2,821,000, authorizing the issuance of \$2,679,950 bonds or notes and \$141,050 down payment from capital improvement fund.

Ordinance # 2022-10 providing for various 2022 capital improvements and appropriating \$2,670,000, authorizing the issuance of \$2,536,500 bonds or notes and \$133,500 down payment from capital improvement fund.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CASH

A-4

	Reference	<u>Current Fund</u>
Balance December 31, 2020	A	<u>\$ 8,456,911.59</u>
Increased by:		
Miscellaneous Revenue	A-2	13,130,945.91
Non-Budget Revenues	A-2	85,135.43
Taxes Receivable	A-7	42,840,513.18
Tax Title Liens Receivable-Municipal	A-10	87,269.10
Senior Citizens and Veterans	A-8	35,070.54
Tax Overpayments	A-15	142,599.67
Due to State Marriage License Fees	A-14	2,150.00
Prepaid Taxes	A-16	327,719.72
Due from Grant Fund- Grant Receivable	E-2	130,470.40
Due to Grant Fund	E-2	64,464.87
Petty Cash	A-6	750.00
Budget Offsets	A-3	785,609.08
Transfer / Due to Other Trust Fund	B-7	4,866,883.10
Due to Dog License Fund	B-4	7,342.00
		<u>62,506,923.00</u>
		70,963,834.59
Decreased by:		
2021 Budget Appropriations	A-3	25,219,587.85
2020 Appropriation Reserves	A-13	863,374.93
Accounts Payable	A-12	6,684.00
Petty Cash	A-6	750.00
Tax Overpayments	A-15	254,993.69
Local District School Tax	A-18	17,286,265.44
Regional School Tax	A-19	6,577,175.56
County Taxes	A-17	6,356,151.57
Due from Grant Fund - Expenditures	E-2	176,205.95
Transfer to Other Trust Fund	B-7	4,866,883.10
Transfer to Dog License Fund	B-4	751.20
Due to State of NJ Marriage License	A-14	2,000.00
Tax Appeals Disbursements	A-21	-
		<u>61,610,823.29</u>
Balance December 31, 2021	A	<u>\$ 9,353,011.30</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CHANGE FUND

A-5

	Balance December 31, 2020	Increased	Decreased	Balance December 31, 2021
Collector - Change Fund	\$ 100.00	\$ -	\$ -	\$ 100.00
Borough Clerk - Change Fund	100.00		-	100.00
	<u>\$ 200.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200.00</u>
	A	A-4	A-4	A

SCHEDULE OF PETTY CASH

A-6

	Balance December 31, 2020	Cash Receipts	Cash Disbursements/ Transfer to Trust Fund	Balance December 31, 2021
Petty Cash	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
	<u>\$ 750.00</u>	<u>\$ 750.00</u>	<u>\$ 750.00</u>	<u>\$ 750.00</u>
Reference	A	A-4	A-4	A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2020	2021 Levy	Collections		Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	Added (Canceled)	Balance Dec. 31, 2021
			2020	2021				
2019	\$ 52.36	\$ -	\$ -	\$ 52.36	\$ -	\$ -	\$ -	\$ -
2020	451,453.18			448,101.32	1,179.46		(4,518.95)	12.37
2021		43,292,464.51	529,559.95	42,428,633.50		48,811.91	(1,102.47)	284,356.68
	<u>\$ 451,505.54</u>	<u>\$ 43,292,464.51</u>	<u>\$ 529,559.95</u>	<u>\$ 42,876,787.18</u>	<u>\$ 1,179.46</u>	<u>\$ 48,811.91</u>	<u>\$ (5,621.42)</u>	<u>\$ 284,369.05</u>
Reference	A	Below	A-16	Below	A-1,8	A-10		A
Reference								
Cash Receipts			A-4	\$ 42,840,513.18				
Tax Overpayments Applied			A-15					
State of NJ - Realized								
Seniors and Veterans Deductions			A-8	36,274.00				
			Above	<u>\$ 42,876,787.18</u>				
Analysis of 2021 Property Tax Levy								
Tax Yield:								
General Purpose Tax		\$ 42,675,739.40						
Added 6% Penalty		12,484.34						
Senior Citizen's & Veteran's Deduction		35,500.00						
Added Taxes (54:4-63.1 et. seq.)		568,740.77						
		<u>\$ 43,292,464.51</u>		Above				
Tax Levy:								
Local & Regional District School								
Tax (Abstract)		\$ 23,959,659.00		A-18,19				
County Taxes		6,350,173.52		A-17				
Due County for Added Taxes		96,214.32		A-17				
Local Tax for Municipal Purposes		12,398,222.26		A-2				
Add: Additional Taxes Levied		488,195.41						
Total Tax Levy		<u>\$ 43,292,464.51</u>		Above				

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF DUE FROM / (TO) STATE OF NEW JERSEY PER CHAPTER 20, P.L. 1971

A-8

	Reference		
Balance December 31, 2020	A	\$	2,122.12
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	6,750.00
Veterans Deductions Per Tax Billing			28,750.00
Senior Citizens/Veteran Deductions Allowed by Tax Collector			<u>2,024.00</u>
			37,524.00
			<u>39,646.12</u>
Decreased by:			
Cash Receipts - State of New Jersey	A-4		35,070.54
Senior Citizens Deductions Disallowed by Tax Collector			1,250.00
Senior Citizens Deductions Disallowed by Tax Collector 2020 Taxes	A-1,7		<u>1,179.46</u>
			37,500.00
Balance December 31, 2021	A	\$	<u><u>2,146.12</u></u>
<i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$	6,750.00
Veterans			28,750.00
Senior Citizens/Veteran Deductions Disallowed by Tax Collector			(1,250.00)
Senior Citizens/Veteran Deductions Allowed by Tax Collector			<u>2,024.00</u>
Amount Realized	A-7	\$	<u><u>36,274.00</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-9

	Reference	
Balance December 31, 2020	A	<u>\$ 636,900.00</u>
Balance December 31, 2021	A, Below	<u>\$ 636,900.00</u>
<i>Analysis of Balance</i>		Assessed
Block	Lot	Valuation
70	10	\$ 38,000.00
107.03	1	134,400.00
108.01	3	250,000.00
108.04	3	62,000.00
109.02	3	152,500.00
		<u>\$ 636,900.00</u>
Above		<u>\$ 636,900.00</u>

SCHEDULE OF TAX TITLE LIENS

A-10

	Reference	
Balance December 31, 2020	A	\$ 460,243.92
Increased by:		
Interest & Costs		\$ 18,601.87
Transferred to Lien	A-7	<u>48,811.91</u>
		527,657.70
Decreased by:		
Adjustment of PY Interest/Costs		
Payments of Liens	A-2,4	<u>87,269.10</u>
		87,269.10
Balance December 31, 2021	A, Below	<u>\$ 440,388.60</u>
<i>Analysis of Balance</i>		
Block	Lot	
70	26	\$ 263.57
79	26.01	5,315.01
102.C	3	2,275.96
102	6	52,104.44
105.01	11	124,275.60
105.02	7	116,345.38
106.01	17	5,298.09
106.01	18	5,868.09
106.01	20	5,797.61
106.01	21	5,337.56
107.03	11	10,051.82
108.04	2	107,455.47
		<u>\$ 440,388.60</u>
Above		<u>\$ 440,388.60</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

	Balance Dec. 31, 2020	Accrued in 2021	Collected	Balance Dec. 31, 2021
Construction Code:				
Official Fees	\$ 10,553.54	\$ 11,216.82	\$ 10,553.54	\$ 11,216.82
				-
	<u>\$ 10,553.54</u>	<u>\$ 11,216.82</u>	<u>\$ 10,553.54</u>	<u>\$ 11,216.82</u>
Reference	A			A

SCHEDULE OF ACCOUNTS PAYABLE

A-12

	Balance Dec. 31, 2020	Amount Charged 2021 Budget	Disbursed	Balance Dec. 31, 2021
Accounts Payable	\$ 7,728.42	\$ -	\$ 6,684.00	\$ 1,044.42
	<u>\$ 7,728.42</u>	<u>\$ -</u>	<u>\$ 6,684.00</u>	<u>\$ 1,044.42</u>
Reference	A	A-13	A-4	A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF 2020 APPROPRIATION RESERVES

A-13

	Balance December 31, 2020	Encumbrances December 31, 2020	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over- expenditures
GENERAL GOVERNMENT							
Administrative & Executive:							
Municipal Clerk:							
Salaries and Wages	\$ 8,584.45	\$ -	\$ -	\$ 8,584.45	\$ -	\$ 8,584.45	\$ -
Other Expenses	7,812.95	505.70	-	8,318.65	565.60	7,753.05	-
Other Expenses-Code Publishing	6,276.70	-	-	6,276.70	-	6,276.70	-
Mayor and Council:							
Salaries and Wages	0.95	-	-	0.95	-	0.95	-
Other Expenses	12,356.80	-	-	12,356.80	-	12,356.80	-
Elections:							
Other Expenses	8,631.81	-	-	8,631.81	963.35	7,668.46	-
Financial Administration:							
Salaries and Wages	4,400.02	-	-	4,400.02	-	4,400.02	-
Other Expenses:							
Annual Audit	15,000.00	-	-	15,000.00	15,000.00	-	-
Miscellaneous - Other Expenditures	33,373.82	-	-	33,373.82	4,500.00	28,873.82	-
Purchasing:							
Salaries and Wages	0.10	-	-	0.10	-	0.10	-
Assessment of Taxes:							
Salaries and Wages	1,987.31	-	-	1,987.31	-	1,987.31	-
Other Expenses	23,506.49	-	-	23,506.49	10,500.00	13,006.49	-
Ordinance Enforcement:							
Salaries and Wages	6,147.44	-	-	6,147.44	-	6,147.44	-
Redevelopment Agency (R.S. 40:550-1):							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses (R.S. 40:550-1)	417.00	7,238.00	-	7,655.00	7,485.93	169.07	-
Collection of Taxes:							
Salaries and Wages	3,733.92	-	-	3,733.92	-	3,733.92	-
Other Expenses	2,385.93	145.50	-	2,531.43	195.50	2,335.93	-
Management Information Systems:							
Other Expenses	21,729.70	33.50	-	21,763.20	497.50	21,265.70	-
Legal Services and Costs:							
Other Expenses	150,208.14	75.00	-	150,283.14	8,344.21	141,938.93	-
Tax Appeals - Professional Fees	56,425.00	-	-	56,425.00	1,650.00	54,775.00	-
Engineering Services and Costs:							
Other Expenses	36,305.18	-	-	36,305.18	13,198.75	23,106.43	-
Public Buildings and Grounds:							
Other Expenses	34,525.28	18,627.68	-	53,152.96	12,776.08	40,376.88	-
Contracted Service	16,214.25	9,991.31	-	26,205.56	9,908.80	16,296.76	-
FEMA COVID Expenses Moved to Grant Fund	-	-	-	-	(32,410.70)	32,410.70	-
Municipal Land Use Law (NJSA 40:55D-1):							
Planning Board - Salaries & Wages	19.22	-	-	19.22	-	19.22	-
Planning Board - Other Expenses	3,248.38	567.96	-	3,816.34	1,930.96	1,885.38	-
Zoning Board of Adjustment:							
Salaries and Wages	19.22	-	-	19.22	-	19.22	-
Other Expenses	1,522.03	-	-	1,522.03	-	1,522.03	-
Municipal Court:							
Salaries and Wages	14,074.98	-	-	14,074.98	-	14,074.98	-
Other Expenses	22,974.82	838.99	-	23,813.81	1,272.19	22,541.62	-
Master Plan:							
Other Expenses	-	-	-	-	-	-	-
Unemployment Compensation Insurance:							
Liability	208,136.87	-	-	208,136.87	184,514.00	23,622.87	-
Workman's Compensation	111,094.50	-	-	111,094.50	98,358.75	12,735.75	-
Employee Group Insurance	302,745.70	-	-	302,745.70	34,889.12	267,856.58	-
Health Benefit Waiver	5,000.14	-	-	5,000.14	-	5,000.14	-
Self-Insurance Eye Care	10,084.24	-	-	10,084.24	849.57	9,234.67	-
Rent Control Board:							
Salaries and Wages	10.12	-	-	10.12	-	10.12	-
PUBLIC SAFETY							
Fire:							
Other Expenses:							
Clothing Allowance	8,558.00	-	-	8,558.00	-	8,558.00	-
Other Expense-Less/Purchase Equipment	-	-	-	-	-	-	-
Clear Maintenance	13,176.91	23,379.97	-	38,556.88	35,157.74	3,399.14	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF 2020 APPROPRIATION RESERVES

A-13

	Balance December 31, 2020	Encumbrances December 31, 2020	Transfers	Modified by Transfers	Paid or Charged	Lapses	Over- expenditures
GENERAL GOVERNMENT (Continued)							
Fire Prevention and Life Safety:							
Salaries & Wages:							
Fire Official	\$ 1,824.11	\$ -	\$ -	\$ 1,824.11	\$ -	\$ 1,824.11	\$ -
Other Salaries	3,890.94	-	-	3,890.94	-	3,890.94	-
Other Expenses	818.19	6,414.47	-	7,232.66	6,174.18	1,058.48	-
Police:							
Salaries and Wages	305,127.86	-	(10,000.00)	295,127.86	(100,000.00)	195,127.86	-
Overtime	39,374.11	-	-	39,374.11	-	39,374.11	-
Sick Pay	874.45	-	-	874.45	-	874.45	-
Other Expenses	8,517.57	9,230.61	(0,000.00)	27,748.18	23,270.97	4,477.21	-
Police Cars	(9,301.56)	8,814.00	-	28,115.56	18,661.63	9,453.93	-
Special Police:							
Salaries and Wages	109,727.53	(1,789.43)	-	107,938.10	-	107,938.10	-
Other Expenses	1,300.00	-	-	1,300.00	-	1,300.00	-
Traffic Lights:							
Other Expenses	15,384.33	-	-	15,384.33	2,101.06	13,283.27	-
Traffic Control:							
Salaries and Wages	12,982.00	-	-	12,982.00	-	12,982.00	-
Other Expenses	500.00	-	-	500.00	-	500.00	-
First Aid Organization:							
Other Expenses	446.15	879.50	-	1,325.65	1,290.50	29.15	-
Emergency Management Services:							
Salaries and Wages	1,569.03	-	-	1,569.03	-	1,569.03	-
Other Expenses	1,089.00	1,895.00	-	5,984.00	2,121.80	3,862.20	-
First Responder:							
Salaries and Wages	233.45	(1,789.41)	-	2,022.86	-	2,022.86	-
Towing Director:							
Salaries and Wages	83.68	-	-	83.68	-	83.68	-
STREETS AND ROADS							
Road Repair and Maintenance:							
Salaries and Wages	110,806.30	-	-	110,806.30	75,000.00	35,806.30	-
Other Expenses	3,054.15	13,861.84	-	16,915.99	16,546.13	169.84	-
Recycling Costs	45,479.56	4,132.50	-	49,612.06	4,873.13	44,738.93	-
Lease Vehicles	116.56	-	-	116.56	-	116.56	-
HEALTH AND WELFARE							
Board of Health:							
Other Expenses	14,386.56	5,049.50	-	19,386.06	6,144.50	13,251.56	-
SANITATION							
Garbage and Trash Removal:							
Salaries and Wages	61,413.61	-	-	61,413.61	-	61,413.61	-
Dumping Fees - Bergen County:							
Sanitary Landfill - Commercial	20,767.13	21,915.39	-	42,682.52	34,169.51	8,513.01	-
RECREATION AND EDUCATION							
Board of Recreation Commission (R.S. 4061-1 et. seq.):							
Salaries and Wages	21,009.34	-	-	21,009.34	-	21,009.34	-
Other Expenses	65,605.18	-	-	65,605.18	-	65,605.18	-
Senior Citizens:							
Salaries and Wages	13,570.98	-	-	13,570.98	-	13,570.98	-
Other Expenses	9,100.00	-	-	9,100.00	-	9,100.00	-
Celebration of Public Events, Anniversary or Holiday:							
Other Expenses	2,500.00	-	-	2,500.00	-	2,500.00	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF 2020 APPROPRIATION RESERVES

A-13

	Balance December 31, 2020	Encumbrances December 31, 2020	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over- expenditures
GENERAL GOVERNMENT (Continued)							
STATE UNIFORM CONSTRUCTION CODE							
Sub-Code Official - Salaries and Wages							
Construction Code Official	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plumbing Inspector							
Fire Inspector	18.10			18.10		18.10	
Electrical Inspector	157.94			157.94		157.94	
Other Salaries	3,502.55			3,502.55		3,502.55	
Building Sub-Code Official	377.06			377.06		377.06	
Other Expense	11,996.39	852.18		12,848.57	741.81	12,106.76	
Rental Expense							
UNCLASSIFIED							
Utilities:							
Street Lighting	49,241.06			49,241.06	28,466.04	20,775.02	
Gasoline	70,721.85			70,721.85	14,863.20	55,858.65	
Electricity	114,747.58			114,747.58	46,389.44	68,358.14	
Telephone and Telegraph	1,957.25			1,957.25	464.81	1,492.44	
Water	8,242.26			8,242.26	2,012.95	6,229.31	
Fire Hydrant Services	10,610.73			10,610.73		10,610.73	
Purchase of Postage	27,370.12	595.00		27,965.12	197.11	27,768.01	
Vehicle Maintenance:							
Salaries & Wages	834.90			834.90		834.90	
Other Expenses	28,422.23	4,755.40		33,177.63	16,051.98	17,125.65	
Contingent	2,000.00			2,000.00		2,000.00	
STATUTORY EXPENDITURES:							
Public Employees Retirement System	16,806.60			16,806.60		16,806.60	
Social Security System (O.A.S.I.)	26,325.80			26,325.80		26,325.80	
Maintenance of Free Public Library Ch. 82, P.L. 1985	53,680.81			53,680.81	53,680.81		
TOTAL GENERAL APPROPRIATIONS	\$ 2,471,514.91	\$ 155,799.00	\$ -	\$ 2,607,313.91	\$ 863,374.93	\$ 1,743,938.98	\$ -
Reference	A	A-20			A-4	A-1	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF DUE TO STATE OF NEW JERSEY-MARRIAGE LICENSE FEES

A-14

	Reference		
Balance December 31, 2020	A	\$	325.00
Increased by:			
Due to State of NJ-Marriage license fees collected	A-4		2,150.00
			<u>2,475.00</u>
Decreased by:			
Disbursements to State of NJ	A-4		2,000.00
			<u>2,000.00</u>
Balance December 31, 2021	A	\$	<u>475.00</u>

SCHEDULE OF TAX OVERPAYMENTS

A-15

	Reference		
Balance December 31, 2020	A	\$	31,351.13
Increased by:			
Overpayments	A-4	\$	142,599.67
Tax Appeals	A-21		<u>128,414.42</u>
			271,014.09
			<u>302,365.22</u>
Decreased by:			
Cancelled	A-1		21,135.66
Overpayments and Tax Appeals Refunded	A-4		<u>254,993.69</u>
			276,129.35
Balance December 31, 2021	A	\$	<u>26,235.87</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF PREPAID TAXES

A-16

	Reference		
Balance December 31, 2020	A	\$	529,559.95
Increased by:			
Applied from Overpayment	A-15		
Collection of Taxes - 2022	A-1	\$ 327,719.72	327,719.72
			<u>857,279.67</u>
Decreased by			
Applied to 2021 Taxes	A-7		<u>529,559.95</u>
Balance December 31, 2021	A	\$	<u>327,719.72</u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	Reference		
Balance December 31, 2020	A	\$	5,978.04
Increased by:			
2021 Levy	A-1,2,7	\$ 6,098,179.73	
County Open Space	A-1,2,7	251,993.79	
Added Taxes	A-1,2,7	96,214.32	
Cancelled County Taxes	A-1		
			<u>6,446,387.84</u>
			6,452,365.88
Decreased by			
Payments	A-4	<u>6,356,151.57</u>	
			<u>6,356,151.57</u>
Balance December 31, 2021	A	\$	<u>96,214.31</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

	Reference		
Balance December 31, 2020			
School Tax Deferred		\$	8,572,307.50
Increased by:			
Adjustment	A-1		
Levy-School Year July 1, 2021 - June 30, 2022	A-2,7	\$ 17,427,917.00	
			<u>17,427,917.00</u>
			26,000,224.50
Decreased by:			
Adjustments	A-1	0.56	
Payments	A-4	17,286,265.44	
			<u>17,286,266.00</u>
Balance December 31, 2021		\$	<u>8,713,958.50</u>
Due from School			
School Tax Deferred		\$	8,713,958.50
		\$	-
2021 Liability for Local District Tax		\$	-
Taxes Paid			17,286,265.44
Adjustment			<u>0.56</u>
Amount Charged to 2021 Operations	A-1	\$	<u>17,286,266.00</u>

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

	Reference		
Balance December 31, 2020			
School Tax Deferred		\$	3,311,304.50
School tax Payable			
Increased by:			
Adjustment	A-1	\$ 0.06	
Levy-School Year July 1, 2021 - June 30, 2022	A-2,7	6,531,742.00	
			<u>6,531,742.06</u>
			9,843,046.56
Decreased by:			
Adjustment	A-1		
Payments	A-4	6,577,175.56	
			<u>6,577,175.56</u>
Balance December 31, 2021		\$	<u>3,265,871.00</u>
			Below
Regional High School Tax Payable	A		
Regional High School Tax Deferred			<u>3,265,871.00</u>
		\$	<u>3,265,871.00</u>
2021 Liability for Regional School Tax			
Tax Paid		\$	6,577,175.56
Adjustment			(0.06)
Regional School Tax Payable 12/31/20			
Regional School Tax Payable 12/31/21	A		<u>-</u>
Amount Charged to 2021 Operations	A-1	\$	<u>6,577,175.50</u>

Note: School Tax is levied for a school fiscal year.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF ENCUMBRANCE PAYABLE

A-20

	Reference		
Balance December 31, 2020	A	\$	135,799.00
Increased by:			
Budget Appropriations Payable	A-3		103,127.05
			<u>238,926.05</u>
Decreased by:			
Encumbrances Transferred to Appropriation Reserve Schedule	A-13		135,799.00
			<u>135,799.00</u>
Balance December 31, 2021	A	\$	<u>103,127.05</u>

SCHEDULE OF RESERVE FOR TAX APPEALS

A-21

	Reference		
Balance December 31, 2020	A	\$	824,908.76
Increased by:			
Budget Appropriations	A-3		400,000.00
			<u>1,224,908.76</u>
Decreased by:			
Overpayments	A-15	\$	128,414.42
Tax Refunds	A-4		<u>128,414.42</u>
			<u>128,414.42</u>
Balance December 31, 2021	A	\$	<u>1,096,494.34</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2020	B	\$ 2,454,986.24	\$ 432,061.27	\$ 12,631.60	\$ 135,813.92
Increased by Receipts:					
Municipal Dog License Fee	B-6	-	-	4,179.80	-
State Dog License Fee	B-3	-	-	751.20	-
Escrow Deposits	B-5	-	212,859.72	-	-
Special Reserves	B-8	5,281,354.68	-	-	-
Due from Current Fund	B-7	-	-	-	-
Transfer from Payroll Agency	B-2	-	-	-	1,151.28
Budget Requirement	B-2	-	-	-	60,000.00
		<u>5,281,354.68</u>	<u>212,859.72</u>	<u>4,931.00</u>	<u>61,151.28</u>
		<u>7,736,340.92</u>	<u>644,920.99</u>	<u>17,562.60</u>	<u>196,965.20</u>
Decreased by Disbursements:					
Transfer to Current Fund	B-4,7	347,862.92	-	7,342.00	-
Dog License Fund Expenditures	B-6	-	-	-	-
State Dog License Fees	B-3	-	-	-	-
State of NJ Unemployment Fund	B-2	-	-	-	27,871.42
Escrow Disbursements	B-5	-	186,437.75	-	-
Special Reserves	B-8	4,909,626.81	-	-	-
		<u>5,257,489.73</u>	<u>186,437.75</u>	<u>7,342.00</u>	<u>27,871.42</u>
Balance December 31, 2021	B	\$ 2,478,851.19	\$ 458,483.24	\$ 10,220.60	\$ 169,093.78

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF UNEMPLOYMENT TRUST RESERVE

B-2

	Reference		
Balance December 31, 2020	B	\$	135,813.92
Increased by:			
2021 Budget Transfer	B-1	\$	60,000.00
Transfer from Payroll Agency	B-1		<u>1,151.28</u>
			61,151.28
			<u>196,965.20</u>
Decreased by:			
Payments to State of NJ	B-1		<u>27,871.42</u>
Balance December 31, 2021	B	\$	<u>169,093.78</u>

SCHEDULE OF DUE TO / (FROM) STATE OF NEW JERSEY - DOG LICENSE FUND

B-3

	Reference		
Balance December 31, 2020	B	\$	-
Increased by:			
2021 Fees Collected	B-1		<u>751.20</u>
			751.20
Decreased by:			
Payments	B-4		<u>751.20</u>
Balance December 31, 2021	B	\$	<u>-</u>

SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND

B-4

	Reference		
Balance December 31, 2020	B	\$	400.00
Increased by:			
Expended from Current Fund- Due to State	A-4, B-3	\$	751.20
Statutory Excess	B-6		<u>6,190.80</u>
			6,942.00
			<u>7,342.00</u>
Decreased by:			
Due to Current Fund	A-4, B-1		<u>7,342.00</u>
Balance December 31, 2021	B	\$	<u>-</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES

B-5

Balance December 31, 2020	Reference B	\$ 432,061.27
Increased by:		
Escrow Deposits	B-1	<u>212,859.72</u>
		644,920.99
Decreased by:		
Escrow Disbursements	B-1	<u>186,437.75</u>
Balance December 31, 2021	B	<u>\$ 458,483.24</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-6

Balance December 31, 2020	Reference B	\$ 12,231.60
Increased by:		
Dog /Cat License Fees Collected	B-1	<u>4,179.80</u>
Decreased by:		
Statutory Excess Expenditures	B-6, B-4 B-1	<u>\$ 6,190.80</u>
		6,190.80
Balance December 31, 2021	B	<u>\$ 10,220.60</u>
2020 Fees Collected		\$ 4,212.40
2019 Fees Collected		<u>6,008.20</u>
		<u>\$ 10,220.60</u>

SCHEDULE OF DUE TO / (FROM) CURRENT FUND - OTHER TRUST

B-7

Balance December 31, 2020	Reference B	\$ -
Increased by:		
Transfer to Current Fund	B-1	\$ 347,862.92
Fees Received in Current Fund	B-8	2,030,155.53
DEA Received in Current Fund	B-9	1,190,500.67
Police Overtime Received in Current Fund	B-10	<u>1,298,363.98</u>
		4,866,883.10
Decreased by:		
Transfer from Current Fund	A-4	<u>4,866,883.10</u>
Expenditures from Current Fund -Reserves	B-1	
Expenditures from Current Fund- DEA	B-8	2,620,782.01
Expenditures from Current Fund - Police O/T	B-9	695,713.39
	B-10	<u>1,550,387.70</u>
	A-4	4,866,883.10
Balance December 31, 2021	B	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2020	Transfers/ Receipts	Disbursements	Balance Dec. 31, 2021
Accumulated Absences	\$ 300,000.00	\$ 100,000.00	\$ -	\$ 400,000.00
Tax Title Lien Premiums	783,700.00	384,500.00	707,600.00	460,600.00
Redemption of Third Party Liens	0.00	1,796,976.65	1,784,131.50	12,845.15
Neighborhood Crime Watch	863.67			863.67
Uniform Fire Safety Act Penalty	60,033.42	1,804.00		61,837.42
Elevator Fees	34,240.92	24,890.00	38,324.00	20,806.92
COAH	583,161.54	3,115.80		586,277.34
Insurance	-			-
Payroll and Payroll Agency	141,383.10	4,893,738.88	4,909,626.81	125,495.17
Snow Removal	31,541.68	102,555.88	82,726.51	51,371.05
Substance Abuse Prevention	14,289.27		5,500.00	8,789.27
Donations for First Aid Squad	1,250.00			1,250.00
Fire Department Training	3,709.34	3,929.00	2,500.00	5,138.34
	<u>\$ 1,954,172.94</u>	<u>\$ 7,311,510.21</u>	<u>\$ 7,530,408.82</u>	<u>\$ 1,735,274.33</u>
	B	Below	Below	B
Reference				
Trust Fund Receipts/Disbursements	B-1	\$ 5,281,354.68	\$ 4,909,626.81	
Expenditures Paid from Current Fund	B-7		2,620,782.01	
Collected in Current Fund	B-7	<u>2,030,155.53</u>		
	Above	<u>\$ 7,311,510.21</u>	<u>\$ 7,530,408.82</u>	

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS

B-9

	Reference	
Balance December 31, 2020	B	\$ 325,381.58
Increased by:		
Receipts	B-7	1,190,500.67
		<u>1,515,882.25</u>
Decreased by:		
Disbursements	B-7	695,713.39
		<u>695,713.39</u>
Balance December 31, 2021	B	<u>\$ 820,168.86</u>

SCHEDULE OF POLICE OFF-DUTY PAYABLE (RECEIVABLE)

B-10

	Reference	
Balance December 31, 2020	B	\$ 175,431.72
Increased by:		
Receipts	B-7	1,298,363.98
		<u>1,473,795.70</u>
Decreased by:		
Transfer of Police Off Duty to Trust	B-7	1,550,387.70
		<u>1,550,387.70</u>
Balance December 31, 2021	B	<u>\$ (76,592.00)</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CASH - TREASURER

C-2

Balance December 31, 2020	Reference C		\$ 2,198,231.89
Increased by Receipts:			
Capital Improvement Fund	C-8	\$ 261,000.00	
BAN Received	C-15	9,144,075.00	
Premium on BAN Sale	C-10	97,077.27	
Budget Appropriation- Funding Capital Ord	C-16	82,782.61	
Grants Receivable	C-18	170,250.00	
Interfund	C-4	106,215.00	
	C-3		<u>9,861,399.88</u>
			12,059,631.77
Decreased by Disbursements:			
Reserve For Payment of BANS- Transfer to Current Fund	C-14	197,431.39	
Improvement Authorizations	C-9	5,372,367.67	
Encumbrance Payable	C-7	116,263.81	
BANs Paid	C-15	3,540,500.00	
Interfund	C-4	106,215.00	
	C-3		<u>9,332,777.87</u>
Balance December 31, 2021	C		<u>\$ 2,726,853.90</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance Dec. 31, 2020	Receipts	Disbursements	Transfers (From)/To	Balance Dec. 31, 2021
Bond Anticipation Notes	\$ -	\$ 9,144,075.00	\$ 3,540,500.00	\$ (5,603,575.00)	\$ -
Reserve for Payment of Bonds	723,115.32		197,431.39	170,250.00	695,933.93
Capital Improvement Fund	127,407.63	261,000.00		(348,500.00)	39,907.63
Premium on BAN/ Bond Sale	8,858.17	97,077.27			105,935.44
Fund Balance	26,720.56				26,720.56
Encumbrances Payable	116,263.81		116,263.81	720,970.00	720,970.00
Grant Receivable	(633,650.61)	170,250.00			(463,400.61)
Reserve for Grants Receivable	633,650.61			(170,250.00)	463,400.61
Due to Sewer Capital	-				-
Due to Current Fund	-	106,215.00	106,215.00		-
	-				-
Improvement Authorizations:					
15-11/18-04 Carlton Ave Improvements	682,509.06		23,308.50		659,200.56
18-05 Various Capital Improvements	101,546.63	82,782.61	118,020.35		66,308.89
19-06 Various Capital Improvements	-				-
19-07 Various Information Technology Improvements	30,850.40		4,590.00		26,260.40
19-10 Improvements to Borough Senior Center	(48,000.00)				(48,000.00)
19-14/17 Various Improvements to Riggin Field	954.88				954.88
19-16 Various Capital Improvements	566,576.66		325,720.44	(22,064.00)	218,792.22
20-04 Acquisition of Firearms Police Department	177.05				177.05
20-06 Various 2020 Capital Improvements	(138,748.28)		1,779,623.58	2,341,924.00	423,552.14
21-04 Road Resurfacing				100,000.00	100,000.00
21-05 Various Improvements			287,717.06	13,745.00	(273,972.06)
21-08 Acquisition of Property- 10 Morton Street			2,857,000.00	2,875,000.00	18,000.00
21-09 Acquisition of Property- Lois Lane				545,000.00	545,000.00
21-15 McKenzie Field Improvements			(23,612.26)	(622,500.00)	(598,887.74)
	<u>\$ 2,198,231.89</u>	<u>\$ 9,861,399.88</u>	<u>\$ 9,332,777.87</u>	<u>\$ -</u>	<u>\$ 2,726,853.90</u>
Reference	C	C-2	C-2		C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

C-4

Balance December 31, 2020	Reference C	\$	-
Increased by:			
Cash Receipts - BAN Interest Reimbursement	C-2	<u>\$ 106,215.00</u>	<u>106,215.00</u>
Decreased by:			<u>106,215.00</u>
Cash Disbursements- BAN Interest	C-2	<u>106,215.00</u>	<u>106,215.00</u>
Balance December 31, 2021	C	<u>\$</u>	<u>-</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-5

Balance December 31, 2020	Reference C	\$	24,690,028.16
Increased by:			
Serial Bond Issue	C-13	<u>\$ 2,761,370.00</u>	<u>2,761,370.00</u>
Decreased by:			<u>27,451,398.16</u>
2021 Budget Appr. to Pay Bonds/Refunding	C-13	5,694,440.57	
State Loan Payable	C-12	<u>49,416.87</u>	<u>5,743,857.44</u>
Balance December 31, 2021	C	<u>\$</u>	<u>21,707,540.72</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ord. #	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Down Payment	Funded	Balance Dec. 31, 2021	Analysis of Balance Dec. 31, 2021	
							Expenditures	Unexpended Improvement Authorizations
18-05	Various Capital Improvements	\$ 82,782.61	\$ -	\$ -	\$ 82,782.61	\$ -	\$ -	\$ -
19-10	Improvements to Borough Senior Center	48,000.00				48,000.00	48,000.00	
19-14/17	Various Improvements to Riggin Field	1,422,000.00				1,422,000.00	1,421,045.12	954.88
19-16	Various Capital Improvements	2,118,500.00				2,118,500.00	1,899,707.78	218,792.22
20-06	Various 2020 Capital Improvements	2,354,575.00				2,354,575.00	1,931,022.86	423,552.14
21-04	Road Resurfacing		2,000,000.00	100,000.00		1,900,000.00	0.00	1,900,000.00
21-05	Various Improvements		800,000.00	40,000.00		760,000.00	273,972.06	486,027.94
21-08	Acquisition of Property- 10 Morton Street		2,875,000.00	143,750.00		2,731,250.00	2,713,250.00	18,000.00
21-09	Acquisition of Property- Lois Lane		545,000.00	27,250.00		517,750.00	0.00	517,750.00
21-15	McKenzie Field Improvements		750,000.00	37,500.00		712,500.00	598,887.74	113,612.26
		<u>\$ 6,025,857.61</u>	<u>\$ 6,970,000.00</u>	<u>\$ 348,500.00</u>	<u>\$ 82,782.61</u>	<u>\$ 12,564,575.00</u>	<u>\$ 8,885,885.56</u>	<u>\$ 3,678,689.44</u>
	Reference	C	C-16	C-16	Below	C		C-9
	Funded - Budget Appropriation			C-16	\$ 82,782.61			
					<u>\$ 82,782.61</u>			
					Above			

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF ENCUMBRANCE PAYABLE

C-7

Balance December 31, 2020	Reference C	\$ 116,263.81
Increased by:		
Improvement Authorizations Expenditures	C-9	720,970.00
		<u>837,233.81</u>
Decreased by:		
Prior Year Encumbrances Disbursed	C-2	116,263.81
		<u>116,263.81</u>
Balance December 31, 2021	C	<u>\$ 720,970.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

Balance December 31, 2020	Reference C	\$ 127,407.63
Increased by:		
Budget Appropriations -CIF	C-2	261,000.00
		<u>388,407.63</u>
Decreased by:		
Down payment on Improvements	C-16	348,500.00
		<u>348,500.00</u>
Balance December 31, 2021	C	<u>\$ 39,907.63</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2020		2021 Authorizations	Cancel/ Expended	Balance December 31, 2021	
		Funded	Unfunded			Funded	Unfunded
15-11/18-04	Carlton Ave Improvements	\$ 682,509.06	\$ -	\$ -	\$ 23,308.50	\$ 659,200.56	\$ -
18-05	Various Capital Improvements	101,546.63	82,782.61		118,020.35	66,308.89	
19-07	Various Information Technology Improvements	30,850.40			4,590.00	26,260.40	
19-10	Improvements to Borough Senior Center	-				-	
19-14/17	Various Improvements to Riggin Field	-	954.88			-	954.88
19-16	Various Capital Improvements	-	566,576.66		347,784.44		218,792.22
20-04	Acquisition of Firearms Police Department	177.05				177.05	
20-06	Various 2020 Capital Improvements	-	2,215,826.72		1,792,274.58	-	423,552.14
21-04	Road Resurfacing			2,000,000.00		100,000.00	1,900,000.00
21-05	Various Improvements			800,000.00	313,972.06		486,027.94
21-08	Acquisition of Property- 10 Morton Street			2,875,000.00	2,857,000.00		18,000.00
21-09	Acquisition of Property- Lois Lane			545,000.00		27,250.00	517,750.00
21-15	McKenzie Field Improvements			750,000.00	636,387.74		113,612.26
		<u>\$ 815,083.14</u>	<u>\$ 2,866,140.87</u>	<u>\$ 6,970,000.00</u>	<u>\$ 6,093,337.67</u>	<u>\$ 879,196.90</u>	<u>\$ 3,678,689.44</u>
Reference		C	C	C-16	Below	C	C,C-6
				Reference			
	Improvement Authorization Disbursements			C-2	\$ 5,372,367.67		
	Encumbrance Payable			C-7	720,970.00		
	Canceled			C-1			
				Above	<u>\$ 6,093,337.67</u>		

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF PREMIUM ON BAN/BOND SALE

C-10

Balance December 31, 2020	Reference C	\$ 8,858.17
Increased by:		
Bond Issue/ BAN	C-2	97,077.27
		<u>105,935.44</u>
Decreased by:		
		<u>0.00</u>
Balance December 31, 2021	C	<u>\$ 105,935.44</u>

SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT

C-11

Balance December 31, 2020	Reference C	\$ -
Decreased by:		
Expenditures	C-2	<u> </u>
Balance December 31, 2021	C	<u>\$ -</u>

SCHEDULE OF STATE LOAN PAYABLE

C-12

Balance December 31, 2020	Reference C	\$ 540,616.54
Increased by:		
State Loan Payable	C-14	<u>540,616.54</u>
Decreased by:		
Paid by Budget Appropriation	C-5	<u>49,416.87</u>
Balance December 31, 2021	C	<u>\$ 491,199.67</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF GENERAL SERIAL BONDS

C-13

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding: December 31, 2021		Interest Rate	Balance Dec. 31, 2020	General Serial Bonds Issued	Decreased	Balance Dec. 31, 2021
			Date	Amount					
General Improvement Bonds	1/01/09	\$ 12,505,000.00	11/01/2022	1,233,158.39	4.00%	\$ 2,389,244.68	\$ -	\$ 1,156,086.29	\$ 1,233,158.39
General Improvement Bonds '14 (Refunded Bonds 10/20/21)	9/30/2014	5,112,000.00	2/1/2022	282,075.50	5.00%	3,597,699.94	*	2,721,781.28	875,918.66
			2/1/2023	291,972.89	5.00%				
			2/1/2024	301,870.27	5.00%				
General Improvement Bonds '14 (Refunded Bonds 2009)	3/08/14	11,175,000.00	6/15/2022	1,135,000.00	5.00%	5,660,000.00		1,130,000.00	4,530,000.00
			6/15/2023	1,145,000.00	5.00%				
			6/15/2024	1,150,000.00	5.00%				
			6/15/2025	1,100,000.00	5.00%				
Tax Appeal Refunding Bonds	12/28/2017	6,735,000.00	12/1/22-12/1/25	340,000.00	3.00%	5,720,000.00		340,000.00	5,380,000.00
			12/1/2026-12/01/2027	335,000.00	3.00%				
			12/01/2028-12/1/2032	1,675,000.00	4.00%				
			12/01/2033-12/1/2037	1,675,000.00	3.25%				
BCIA County Guaranteed Governmental Revenue Bonds- Series 2018	10/11/2018	7,480,000.00	6/15/2022	364,121.00	5.00%	6,782,467.00		346,573.00	6,435,894.00
			6/15/2023	381,669.00	5.00%				
			6/15/2024	399,217.00	5.00%				
			6/15/2025	421,152.00	5.00%				
			6/15/2026	443,087.00	5.00%				
			6/15/2027	465,022.00	5.00%				
			6/15/2028	486,957.00	5.00%				
			6/15/2029	508,892.00	5.00%				
			6/15/2030	535,214.00	5.00%				
			6/15/2031	561,536.00	5.00%				
			6/15/2032	592,245.00	5.00%				
			6/15/2033	622,954.00	5.00%				
			6/15/2034	653,828.00	5.00%				
BCIA Guaranteed Governmental Pooled Loan Revenue Bonds, Series 2021 Taxable Advanced Refunding	10/20/21	2,761,370	2/15/2022	66,203.19	0.433%	*	2,761,370.00		2,761,370.00
			2/15/2023	51,100.57	0.511%				
			2/15/2024	51,100.57	0.832%				
			2/15/2025	365,000.00	1.209%				
			2/15/2026	370,000.00	1.459%				
			2/15/2027	319,121.00	1.666%				
			2/15/2028	321,669.00	1.816%				
			2/15/2029	314,217.00	1.961%				
			2/15/2030	321,152.00	2.071%				
			2/15/2031	318,087.00	2.161%				

Reference

\$ 24,149,411.62	\$ 2,761,370.00	\$ 5,694,440.57	\$ 21,216,341.05
C	C-5	C-5	C

* Refunded

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

C-14

Balance December 31, 2020	Reference C	\$	723,115.32
Increased by:			
NJDOT Grant Received- Applied to Reserve Pmt Bans	C-17	\$	170,250.00
	C-2		<u>170,250.00</u>
Decreased by:			<u>893,365.32</u>
Anticipated in Current budget	C-2		<u>197,431.39</u>
Balance December 31, 2021	C, Below	\$	<u>695,933.93</u>
Analysis of Balance:			
Ord # 10-07 Carlton Ave - Green Acres Grant/Loan		\$	160,471.88
Ord #11-15 Green Acres Loan			218,908.40
Ord # 16-09 Streets & Roads- NJ DOT Grant			146,303.65
Ord # 19-16 NJ DOT Grant			<u>170,250.00</u>
	Above	\$	<u>695,933.93</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF BOND ANTICIPATION NOTES

C-15

Ordinance #	Description	Original Amount Issue	Original Date of Issue	Date of Maturity	Rate of Interest	Balance Dec. 31, 2020	Issuance	Paid	Balance Dec. 31, 2021
2019-14/17	Various Improvements to Riggin Field	\$ 1,422,000.00	10/09/19	4/7/2022	2.000%	\$ 1,422,000.00	\$ 1,422,000.00	\$ 1,422,000.00	\$ 1,422,000.00
2019-16	Various Capital Improvements	2,118,500.00	10/09/19	4/7/2022	2.000%	2,118,500.00	2,118,500.00	2,118,500.00	2,118,500.00
2020-06	Various 2020 Capital Improvements	2,354,575.00	04/07/21	4/7/2022	2.000%		2,354,575.00		2,354,575.00
2021-08	Acquisition of Property- 10 Morton St	2,731,250.00	10/14/2021	4/7/2022	1.000%		2,731,250.00		2,731,250.00
2021-09	Acquisition of Property- Lois Lane	517,750.00	10/14/21	4/7/2022	1.000%		517,750.00		517,750.00

<u>\$ 3,540,500.00</u>	<u>\$ 9,144,075.00</u>	<u>\$ 3,540,500.00</u>	<u>\$ 9,144,075.00</u>
C	C-2	C-2	C

Analysis of New Issue:

Rollover
New BAN Issued

C-16

Receipts

Disbursements

\$ 3,540,500.00	\$ 3,540,500.00
5,603,575.00	
<u>\$ 9,144,075.00</u>	<u>\$ 3,540,500.00</u>
C-2	Above

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-16

Ord. #	Improvement Description	Balance Dec. 31, 2020	2021 Authorization	Down Payment Capital Imp. Fund	BAN/ Cancel/ Applied	Balance Dec. 31, 2021
18-05	Various Capital Improvements	\$ 82,782.61	\$ -	\$ -	\$ 82,782.61	\$ -
19-10	Improvements to Borough Senior Center	48,000.00				48,000.00
20-06	Various 2020 Capital Improvements	2,354,575.00			2,354,575.00	0.00
21-04	Road Resurfacing		2,000,000.00	100,000.00		1,900,000.00
21-05	Various Improvements		800,000.00	40,000.00		760,000.00
21-08	Acquisition of Property- 10 Morton Street		2,875,000.00	143,750.00	2,731,250.00	0.00
21-09	Acquisition of Property- Lois Lane		545,000.00	27,250.00	517,750.00	0.00
21-15	McKenzie Field Improvements		750,000.00	37,500.00		712,500.00
		<u>\$ 2,485,357.61</u>	<u>\$ 6,970,000.00</u>	<u>\$ 348,500.00</u>	<u>\$ 5,686,357.61</u>	<u>\$ 3,420,500.00</u>
Reference		C	C-6	C-6,8	Below	C
			Bond Anticipation Notes Issued	C-15	5,603,575.00	
			Funded in Budget	C-2,6	82,782.61	
				Above	<u>\$ 5,686,357.61</u>	

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF RESERVE FOR GRANTS

C-17

Balance December 31, 2020	Reference C	\$	633,650.61
Increased by:			
NJDOT Grants Awarded	C-18		
Decreased by:			
NJDOT Grant Received- Applied to Reserve Pmt Bans	C-14,18	\$	170,250.00
			<u>633,650.61</u>
			<u>170,250.00</u>
Balance December 31, 2021	C, Below	\$	<u>463,400.61</u>
Analysis of Balance			
Bergen County Open Space Grant - Ord #09-06		\$	63,912.50
Bergen County Open Space Grant - Ord #10-07			39,081.36
NJDOT- Various Streets 2017			41,406.75
NJDOT- Various Streets 2015 (Ord 16-09)			37,250.00
NJDOT- Various Streets 2019 (Ord 19-16)			54,750.00
NJDOT- Various Streets 2020 (Ord 20-06)			227,000.00
	Above	\$	<u>463,400.61</u>

SCHEDULE OF GRANTS RECEIVABLE

C-18

Balance December 31, 2020	Reference C	\$	633,650.61
Increased by:			
NJDOT Grants Awarded	C-17		
Decreased by:			
NJDOT Grants Received	C-2,17	\$	170,250.00
			<u>633,650.61</u>
			<u>170,250.00</u>
Balance December 31, 2021	C, Below	\$	<u>463,400.61</u>
Analysis of Balance			
Bergen County Open Space Grant - Ord #09-06		\$	63,912.50
Bergen County Open Space Grant - Ord #10-07			39,081.36
NJDOT- Various Streets 2017			41,406.75
NJDOT- Various Streets 2015 (Ord 16-09)			37,250.00
NJDOT- Various Streets 2019 (Ord 19-16)			54,750.00
NJDOT- Various Streets 2020 (Ord 20-06)			227,000.00
	Above	\$	<u>463,400.61</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CASH

D-4

	Reference	Operating	Capital	Escrow Trust
Balance December 31, 2020	D	\$ 1,989,813.96	\$ 839,402.16	\$ -
Increased by Receipts:				
User Charges and Fees	D-1,2,5	1,821,346.05		
Giants Training Facility Agreement	D-1,2,5	51,199.55		
Meadowlands Stadium Agreement	D-1,2,5	135,392.43		
Delinquent User Charges	D-1,2,5	190,922.88		
Misc. Charges included in Billing	D-1,2,5	25,913.17		
Interest Income, Rebates & Hook-up Fees	D-2	16,153.82		
Sewer Interest Charges	D-2	20,384.57		
Prior Year Void Checks	D-1	-		
Tax Overpayments	D-6	-		
Transfer from Utility Capital	D-7	-		
Transfer from Escrow Trust	D-1,15	-		
		<u>2,261,312.47</u>	<u>-</u>	<u>-</u>
		<u>4,251,126.43</u>	<u>839,402.16</u>	<u>-</u>
Decreased by Disbursements:				
Appropriations	D-3	2,263,951.71		
Appropriation Reserves	D-13	16,253.59		
Due to Current Fund	D-14	-		
Capital Expenditures	D-10	-		
Transfer to Sewer Utility Fund	D-15	-		
Due from Utility Capital Fund- Capital Expenditures	D-7	-		
		<u>2,280,205.30</u>	<u>-</u>	<u>-</u>
Balance December 31, 2021	D	\$ 1,970,921.13	\$ 839,402.16	\$ -

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-5

	Reference		
Balance December 31, 2020	D	\$	163,924.20
Increased by:			
Utility Charges and Fees Levied			2,178,430.15
			<u>2,342,354.35</u>
Decreased by:			
Collections			
Current Year Charges and Fees	D-2,4	\$	1,821,346.05
Applied Overpayments	D-2,4,6		574.90
Delinquent Charges and Fees	D-2,4		190,922.88
Giants Training Facility Agreement	D-2,4		51,199.55
Meadowlands Stadium Agreement	D-2,4		135,392.43
Misc. Charges included in Billing	D-2,4		<u>25,913.17</u>
			<u>2,225,348.98</u>
Balance December 31, 2021	D	\$	<u><u>117,005.37</u></u>

SCHEDULE OF OVERPAYMENTS

D-6

	Reference		
Balance December 31, 2020	D	\$	21,162.70
Increased by:			
Cash Receipts	D-4		<u>21,162.70</u>
Decreased by:			
Applied to Sewer Payments	D-5		<u>574.90</u>
Balance December 31, 2021	D	\$	<u><u>20,587.80</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

**SCHEDULE OF DUE TO / (FROM) SEWER UTILITY OPERATING FUND
FROM / (TO) SEWER UTILITY CAPITAL FUND**

D-7

	Reference	
Balance December 31, 2020	D	\$ -
Increased by:		
Cash Receipts	D-4	<u> </u>
Decreased by:		
Capital Ordinance Expenditures	D-4,10	<u> </u>
Balance December 31, 2021	D	<u><u>\$ -</u></u>

SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

	Reference	
Balance December 31, 2020	D	\$ 5,603,548.62
Increased by:		
Improvement Authorizations Completed	Contra	
New Improvement Authorizations	D-10	<u>-</u>
		\$ 5,603,548.62
Decreased by:		
Improvement Authorizations Completed	Contra	
Improvement Authorizations Canceled	D-10	<u>-</u>
Balance December 31, 2021	Below	<u><u>\$ 5,603,548.62</u></u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,503,548.62
Fixed Capital Authorized and Uncompleted	D	<u>1,100,000.00</u>
	Above	<u><u>\$ 5,603,548.62</u></u>

SCHEDULE OF SEWER LIEN

D-9

	Reference	
Balance December 31, 2020	D	<u>\$ 2,058.75</u>
Balance December 31, 2021	D	<u><u>\$ 2,058.75</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2020		2021 Authorizations	Canceled/ Expended	Balance December 31, 2021	
		Funded	Unfunded			Funded	Unfunded
15-22	Sewer System Upgrades	\$ 565,392.61	\$ -	\$ -	\$ -	\$ 565,392.61	\$ -
16-12	Truck/Equipment Upgrades	17,281.00				17,281.00	
		<u>\$ 582,673.61</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,673.61</u>	<u>\$ -</u>
		D	D	D-8,16	D-4	D	D

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	Reference	
Balance December 31, 2020	D	\$ 256,935.55
Decreased by:		
Improvement Authorization Down Payment		
Balance December 31, 2021	D	<u>\$ 256,935.55</u>

SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE

D-12

	Reference	
Balance December 31, 2020	D	\$ 4,527,753.25
Increased by:		
Principal Payments on Bonds	D-18	\$ 95,162.60
		<u>95,162.60</u>
		4,622,915.85
Decreased by:		
Refunding Bond Adjustment	D-18	<u>3,233.34</u>
Balance December 31, 2021	Below	<u>\$ 4,619,682.51</u>
Analysis of Balance:		
Amortization Reserve	D	\$ 3,174,281.38
Deferred Reserve for Amortization	D	<u>1,445,401.13</u>
	Above	<u>\$ 4,619,682.51</u>

SCHEDULE OF APPROPRIATION RESERVES

D-13

	Balance Dec. 31, 2020	Modified by Transfers	Paid or Charged	Balance Lapsed	(Overexpended)
Operating					
Salaries and Wages	\$ 11,635.83	\$ 11,635.83	\$ -	\$ 11,635.83	\$ -
Other Expenses	28,926.41	28,926.41	16,253.59	12,672.82	
Statutory Expenditures:					
Social Security System	2,135.16	2,135.16		2,135.16	
	<u>\$ 42,697.40</u>	<u>\$ 42,697.40</u>	<u>\$ 16,253.59</u>	<u>\$ 26,443.81</u>	<u>\$ -</u>
Reference	Below	Below	D-4	D-1	D
Appropriation Reserves	D \$ 42,697.40				
Encumbrance Payable	D 0.00				
	<u>\$ 42,697.40</u>				
	Above				

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF DUE TO CURRENT FUND

	Reference	D-14
Balance December 31, 2020	D	\$ -
Increased by:		
Cash Receipts	D-4	<u>\$ -</u>
Decreased by:		
Transfer to Current Fund	D-4	<u> </u>
Balance December 31, 2021	D	<u>\$ -</u>

SCHEDULE OF ESCROW TRUST RESERVE

	Reference	D-15
Balance December 31, 2020	D	\$ -
Decreased by:		
Transfer to Sewer Utility Fund	D-4	<u> </u>
Balance December 31, 2021	D	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-16

Ord. #	Improvement Description	Balance Dec. 31, 2020	Authorized Not Issued Improvement Authorizations	Down payments and Bond Ant. Notes	Balance Dec. 31, 2021
05-06	Renovation of Sewer Systems	\$ 207.00	\$ -	\$ -	\$ 207.00
		<u>\$ 207.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207.00</u>
	Reference	D	Below	Below	D

SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE

D-17

Balance December 31, 2020	Reference D	\$ 22,957.78
Increased by:		
Accrued Interest on Bond Payable & BANS	D-3	<u>(1,727.27)</u>
Balance December 31, 2021	D	<u>\$ 21,230.51</u>

BOROUGH OF EAST RUTHERFORD
SEWER CAPITAL FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF SEWER SERIAL BONDS

D-18

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Bonds Refunded	2021 Taxable Advanced Refunding	2021 Principal Paid	Balance Dec. 31, 2021
			Date	Amount						
General Improvement Bonds	11/01/09	\$475,000.00	11/01/2022	46,841.29	4.00%	\$ 90,755.31	\$ -	\$ -	\$ 43,913.71	\$ 46,841.60
BCIA Guaranteed Governmental Pooled Loan Revenue Bonds, Series 2014B (Refunded Bonds in 10/20/21)	04/30/14	53,000	2/1/2022	2,924.50	5.00%	37,300.06	25,396.83		2,821.89	\$ 9,081.34 *
			2/1/2023	3,027.11	5.00%					
			2/1/2024	3,129.73	5.00%					
BCIA Guaranteed Governmental Pooled Loan Revenue Bonds, Series 2021 Taxable Advanced Refunding (Sewer bond % is .010261649)	10/20/21	28,630	2/15/2022	718.32	0.433%	-		28,630.17		\$ 28,630.17
			2/15/2023	564.39	0.513%					
			2/15/2024	564.39	0.832%					
			2/15/2025	3,745.50	1.209%					
			2/15/2026	3,796.81	1.459%					
			2/15/2027	3,796.81	1.666%					
			2/15/2028	3,848.12	1.816%					
			2/15/2029	3,796.81	1.961%					
			2/15/2030	3,899.43	2.071%					
			2/15/2031	3,899.43	2.161%					
Loan	10/11/18	1,045,000	6/15/2022	50,879.00	5.00%	947,533.00	-		48,427.00	\$ 899,106.00
			6/15/2023	53,331.00	5.00%					
			6/15/2024	55,783.00	5.00%					
			6/15/2025	58,848.00	5.00%					
			6/15/2026	61,913.00	5.00%					
			6/15/2027	64,978.00	5.00%					
			6/15/2028	68,043.00	5.00%					
			6/15/2029	71,108.00	5.00%					
			6/15/2030	74,786.00	5.00%					
			6/15/2031	78,464.00	5.00%					
			6/15/2032	82,755.00	5.00%					
			6/15/2033	87,046.00	5.00%					
			6/15/2034	91,172.00	5.00%					
						\$ 1,075,588.37	\$ 25,396.83	\$ 28,630.17	\$ 95,162.60	\$ 983,659.11
Reference						D		D-12	D	

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF CASH

E-1

Balance December 31, 2020	Reference E		\$	163,868.43
Increased by Receipts:				
Grants Received - Due to Library	Contra	\$	574.88	
Grants Received- Grant Fund	E-3		78,668.88	
Unappropriated Grant Revenue	E-5		508,040.14	587,283.90
				<u>751,152.33</u>
Decreased by:				
Transfer to Library- Current Yr Grant	E-3		5,699.03	
Transfer to Library- Prior Grant	E-4		611.08	
Transfer to Library- FEMA Grant	Contra		574.88	
Transfer To Current Fund	E-2		155,635.27	162,520.26
				<u>162,520.26</u>
Balance December 31, 2021	E		\$	<u>588,632.07</u>

SCHEDULE OF DUE TO / (FROM) CURRENT FUND

E-2

Balance December 31, 2020	Reference E		\$	26,829.32
Increased by:				
Current Fund Disbursements	A-4, E-4	\$	176,205.95	
Grants Receivable - Budgeted	E-3, A-2		105,369.85	
Unappropriated Grants Appropriated	E-5, A-2		6,820.36	288,396.16
				<u>315,225.48</u>
Decreased by:				
Transfer To Current Fund	A-4, E-1		155,635.27	
Grant Receivables- Received Current Fund	A-4, E-3		39,300.00	
Budget Appropriation	E-4		120,290.21	315,225.48
				<u>315,225.48</u>
Balance December 31, 2021	E		\$	<u>-</u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF GRANTS RECEIVABLE

E-3

Grant	Balance Dec.31, 2020	Increased by 2021 Budget	Cash Received	Transfer to Library	Balance Dec.31, 2021
Safe and Secure Community Program - 6635	\$ 15,000.00	\$ 32,400.00	\$ 39,300.00	\$ -	\$ 8,100.00
Recycling Tonnage Grant	-	24,488.82	24,488.82		-
FEMA COVID Grant	-	27,339.42	27,339.42		-
Clean Communities Grant	-	18,186.30	18,186.30		-
Body Armor Replacement Fund	-	2,955.31	2,955.31		-
Bergen County Cares Act - Due to Library			5,699.03	5,699.03	-
	<u>\$ 15,000.00</u>	<u>\$ 105,369.85</u>	<u>\$ 117,968.88</u>	<u>\$ 5,699.03</u>	<u>\$ 8,100.00</u>
Reference	E	E-2	Below	E-1	E
Grants Received - Current Fund		E-2	39,300.00		
Grants Received - Grant Fund		E-1	<u>78,668.88</u>		
		Above	<u>\$ 117,968.88</u>		

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2021 AND 2020

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

Grant	Balance Dec. 31, 2020	Transferred From 2020 Budget Appropriations	Cancel/ Expended	Balance Dec. 31, 2021
Comcast Technology Grant	\$ -	\$ -	\$ -	\$ -
Clean Communities	36,029.01	18,186.30	36,029.01	18,186.30
Drunk Driving Enforcement Fund	13,462.97		3,289.74	10,173.23
Parking Offense Adjudication Act	31,893.15	1,138.00	142.88	32,888.27
Body Armor Replacement Fund	251.30			251.30
Recycling Tonnage Grant	42,534.82	24,488.82	42,534.82	24,488.82
Safe and Secure Communities Program	-	32,400.00	32,400.00	-
Safe and Secure Communities Program-Match	-	8,100.00	8,100.00	-
Federal Bullet Proof Vest Fund	8,979.38		8,979.38	-
FEMA- COVID Grant	-	27,339.42	27,339.42	-
NJ Body Armor Grant	9,068.12	2,955.31	9,319.42	2,704.01
Bergen County Recycling Grant	3,000.00		3,000.00	-
Bergen County Cares Act	-	5,071.28	5,071.28	-
Bergen County Cares Act-Due to Library		611.08	611.08	
	<u>\$ 145,218.75</u>	<u>\$ 120,290.21</u>	<u>\$ 176,817.03</u>	<u>\$ 88,691.93</u>
Reference	E	E-2, A-3	Below	E
	Expended	E-2	176,205.95	
	Transfer to Library	E-1	611.08	
		Above	<u>\$ 176,817.03</u>	

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

Grant	Balance Dec. 31, 2020	Transfer to 2021 Budget	Grant Fund Receipt	Balance Dec. 31, 2021
Parking Offense Adjudication Act	\$ 1,138.00	\$ 1,138.00	\$ 1,078.00	\$ 1,078.00
Bergen County Cares Act	5,682.36	5,682.36		-
ARP- American Rescue Plan			506,962.14	506,962.14
	<u>\$ 6,820.36</u>	<u>\$ 6,820.36</u>	<u>\$ 508,040.14</u>	<u>\$ 508,040.14</u>
Reference	E	A-2, E-2	E-1	E

**BOROUGH OF EAST RUTHERFORD
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit G-1

**SCHEDULE OF BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Borough's proportionate share of the net pension liability (asset) **	Not Available	0.15800%	0.15161%	0.15051%	0.16030%	0.16250%	0.16380%	0.16203%	0.15329%
Borough's proportionate share of the net pension liability (asset) associated with the Borough		\$ 20,416,008	\$ 18,553,991	\$ 20,365,875	\$ 24,747,525	\$ 31,042,021	\$ 27,284,094	\$ 20,381,358	\$ 20,379,037
Total	-	20,416,008	18,553,991	20,365,875	24,747,525	31,042,021	27,284,094	20,381,358	20,379,037
Borough's covered employee payroll	Not Available	5,596,793	5,311,595	4,987,931	5,096,698	5,240,977	5,272,622	5,357,102	\$ 4,893,785
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		365%	349%	408%	486%	592%	517%	380%	416%
Plan fiduciary net position as a percentage of the total pension liability (Local)		63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%

Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Borough's proportionate of the net pension liability (asset)	Not Available	0.04134%	0.04084%	0.04045%	0.04042%	0.04519%	0.04183%	0.04417%	0.05048%
Borough's proportionate share of the net pension liability (asset)		\$ 6,741,596	\$ 7,359,417	\$ 7,965,199	\$ 9,408,674	\$ 13,384,598	\$ 9,390,367	\$ 8,269,875	\$ 9,647,516
Borough's covered employee payroll	Not Available	2,968,844	2,970,772	2,931,309	2,789,545	2,873,087	2,982,221	2,805,059	2,812,367
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll		227%	248%	272%	337%	466%	315%	295%	343%
Plan fiduciary net position as a percentage of the total pension liability (Local)		58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

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

**BOROUGH OF EAST RUTHERFORD
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit G-2

**SCHEDULE OF BOROUGH CONTRIBUTIONS
Police and Firemen's Retirement System (PFRS)**

		Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution*	Not Available	\$ 1,765,158	\$ 1,531,448	\$ 1,471,413	\$ 1,418,702	\$ 1,324,944	\$ 1,331,485	\$ 1,244,471	\$ 1,118,398
Contributions in relation to the contractually required contributions*		(1,765,158)	(1,531,448)	(1,471,413)	(1,418,702)	(1,324,944)	(1,331,485)	(1,244,471)	(1,118,398)
Contributions deficiency (excess)		-	-	-	-	-	-	-	-
Borough's covered employee payroll	Not Available	5,596,793	5,311,595	4,987,931	5,096,698	5,240,977	5,272,622	5,357,102	\$ 4,893,785
Contributions as a percentage of covered-employee payroll		31.54%	28.83%	29.50%	27.84%	25.28%	25.25%	23.23%	22.85%

Public Employees' Retirement System (PERS)

		Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution*	Not Available	\$ 452,247	\$ 397,289	\$ 402,387	\$ 374,430	\$ 401,480	\$ 359,640	\$ 364,133	\$ 384,504
Contributions in relation to the contractually required contributions*		(452,247)	(397,289)	(402,387)	(374,430)	(401,480)	(359,640)	(364,133)	(384,504)
Contributions deficiency (excess)		-	-	-	-	-	-	-	-
Borough's covered employee payroll	Not Available	2,968,844	2,970,772	2,931,309	2,789,545	2,873,087	2,982,221	2,805,059	2,812,367
Contributions as a percentage of covered-employee payroll		15.23%	13.37%	13.73%	13.42%	13.97%	12.06%	12.98%	13.67%

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BOROUGH OF EAST RUTHERFORD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit G-3

Police & Firemen's Retirement System

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service, and disability benefits after 4 years of service

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, postretirement mortality rates were based on the PUB-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub 2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of East Rutherford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of East Rutherford, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2021, 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 26, 2022. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

Borough's Response to Findings

The Borough's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division 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 26, 2022
Carlstadt, New Jersey

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

The Honorable Mayor and Members
of the Borough Council
Borough of East Rutherford, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Borough of East Rutherford's, State of New Jersey (the "Borough"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the N.J. *State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2021. The Borough's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. *OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and State Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and State Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal award is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response, if any, to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. Circular 15-08. Accordingly, this report 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 26, 2022
Carlstadt, New Jersey

Schedule H-1

- Major Programs

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule H-2

STATE GRANT PROGRAM	Grant Award	Grant Award Numbers or Project Number	Grant Period	Cash Received	Program Expenditures	Cancelled	Grant Receivable
<i>Solid Waste Administration</i>							
Clean Communities	18,186.30	042-4900-765-004	2021	\$ 18,186.30	\$ 36,029.01	\$ -	\$ -
				18,186.30	36,029.01	-	-
State Recycling Grants	24,488.82	042-4900-752-001	2021	24,488.82	42,534.82	-	-
				24,488.82	42,534.82	-	-
Alcohol Education and Rehabilitation		098-9735-760-001					
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>							
Safe and Secure Communities Program	60,000.00	066-1020-100-232	2020	15,000.00			
Safe and Secure Communities Program	32,400.00	066-1020-100-232	2021	24,300.00	32,400.00		8,100.00
				39,300.00	32,400.00	-	8,100.00
Body Armor Replacement Fund	4,958.94	066-1020-718-001	Prior Year		9,068.12		
Body Armor Replacement Fund	4,109.18	066-1020-718-001	2021	2,955.31	251.30		
				2,955.31	9,319.42	-	-
<i>NJ Division of Highway Traffic Safety</i>							
Drunk Driving Enforcement Fund							
Drunk Driving Enforcement Fund							
Drunk Driving Enforcement Fund	5,119.70	6400-100-078-6400	2016		2,256.66		
Drunk Driving Enforcement Fund	4,063.20	6400-100-078-6400	2018		1,033.08		
Drunk Driving Enforcement Fund	7,143.11	6400-100-078-6400	2019				
				-	3,289.74	-	-
<i>Department of Community Affairs</i>							
Parking Offense Adjudication Act	21,383.15		PY		142.88		
Parking Offense Adjudication Act	2,492.00		2016				
Parking Offense Adjudication Act	2,682.00		2017				
Parking Offense Adjudication Act	2,418.00		2018				
Parking Offense Adjudication Act	2,918.00		2019				
Parking Offense Adjudication Act	1,138.00		2020				
Parking Offense Adjudication Act	1,078.00		2021	1,078.00	142.88	-	-
				1,078.00	142.88	-	-
Total State Financial Assistance				\$ 86,008.43	\$ 123,715.87	\$ -	\$ 8,100.00
* Expended in Prior Years							

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule H-3

COUNTY GRANT PROGRAM

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
Other Grant Programs:	N/A						
Bergen County Recycling Grant	N/A	3,000.00		\$ -	\$ 3,000.00	\$ -	\$ -
				<u>0.00</u>	<u>3,000.00</u>	<u>0.00</u>	<u>0.00</u>
Bergen County Open Space							
Ord # 2009-06		63,912.50					63,912.50
Ord # 2010-7 Carlton Ave		75,000.00					39,081.36
				<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>102,993.86</u>
Total County Financial Assistance				<u>\$0.00</u>	<u>\$3,000.00</u>	<u>\$0.00</u>	<u>\$102,993.86</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2021

1. General

The accompanying schedules present the activity of all federal and state financial assistance programs of the Borough of East Rutherford (the "Borough"). 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 (the "Division"), which differ in certain respects from generally accepted accounting principles in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 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:

	Federal	State	County/Other	Total
Grant / Current Fund	\$ 42,001.16	\$ 123,715.87	\$ 3,000.00	\$ 168,717.03
Trust Fund	695,713.39			695,713.39
Capital Fund	452,000.00			452,000.00
	<u>\$ 1,189,714.55</u>	<u>\$ 123,715.87</u>	<u>\$ 3,000.00</u>	<u>\$ 1,316,430.42</u>

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's state loans outstanding at December 31, 2021, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Green Trust Program	#0212-03-055	\$ 48,385.52
Green Trust Program	#0212-02-046	\$ 116,001.32
Green Trust Program	#0212-01-023	\$ 183,126.43
Green Trust Program	#0212-08-014	\$ 143,686.40

See Independent Auditor's Report

SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate and Assessed Valuations

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>1.797</u>	<u>1.819</u>	<u>1.832</u>	<u>1.778</u>	<u>2.074</u>

Apportionment of Tax Rate

Municipal/Library	0.521	0.518	0.550	0.530	0.608
County/Open Space	0.267	0.256	0.252	0.191	0.329
Local School	0.734	0.754	0.756	0.789	0.843
Regional High School	0.275	0.291	0.274	0.268	0.294

Net Valuation Taxable as listed in the Bergen County Board of Taxation Levy Duplicate

2021	<u>\$ 2,372,276,800</u>				
2020	<u>\$ 2,361,376,820</u>				
2019		<u>\$ 2,226,720,362</u>			
2018			<u>\$ 2,095,011,962</u>	*	
2017				<u>\$ 1,871,939,135</u>	
* Revaluation (2018)					

Comparison of Current Tax Collections

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 Collection</u>	<u>Percentage of Collection</u>
2021	\$ 43,292,464.51	\$ 42,958,193.45	99.23%
2020	41,453,135.96	40,935,078.96	98.75%
2019	40,816,964.96	40,256,877.82	98.63%
2018	37,328,306.67	37,021,378.72	99.18%
2017	38,865,589.64	38,494,464.11	99.05%

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2021	\$ 440,388.60	\$ 284,369.05	\$ 724,757.65	1.67%
2020	460,243.92	451,505.54	911,749.46	2.20%
2019	417,951.01	443,892.29	861,843.30	2.11%
2018	342,463.15	259,335.19	601,798.34	1.61%
2017	301,836.59	213,724.52	515,561.11	1.33%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation at December 31, 2021 is \$636,900. This represents the properties assessed valuation from 1995-2021.

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2021	\$ 5,557,834.28	\$ 2,827,000.00
	2020	4,452,818.50	2,066,500.00
	2019	3,391,856.29	1,500,000.00
	2018	3,109,175.05	1,500,000.00
	2017	2,096,540.62	800,000.00

BOROUGH OF EAST RUTHERFORD
ROSTER OF OFFICIALS AND SURETY BONDS
AT DECEMBER 31, 2021

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jeffrey J. Lahullier	Mayor	
Daniel Alvarez	President of Council	
Nancy Banca	Councilwoman	
George Cronk	Councilman	
Michael Lorusso	Councilman	
Edward C. Ravettine	Councilman	
Saverio Stallone	Councilman	
Danielle Lorenc	Municipal Clerk Assessment Search Officer Dog Licensing Official Registrar of Vital Statistics	
William Curran	Tax Collector	\$1,000,000.00
Tammy Gil	Assistant Tax Collector	
Anthony Bianchi	Finance Director	
Dennis Rivelli	Chief of Police	
Keith Matino	Building Inspector	
James Anzevino	Assessor	
Frank Recanati	Construction Code Official Plumbing Sub-Code Official	
George O. Savino	Municipal Judge	
Margaret Stuiso	Court Administrator	
Nancy Farina	Deputy	
Barbara Oszczepalski	Violations Clerk	

Note 1: Individual bonds were written by the Commerce Banc Insurance Services and were in force for the period under audit. All Municipal Court Employees and the Municipal Judge are covered by a \$1,000,000.00 blanket court bond with the South Bergen County Municipal Joint Insurance Fund. All other listed officials are covered by the Faithful Performance and Employee Dishonesty Bond issued by the South Bergen County Municipal Joint Insurance Fund in the amount of \$1,000,000.00.

See Independent Auditor's Report and Accompanying Notes to Financial Statements

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S.A. 40A: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 \$44,000."], 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."

N.J.S. 40A: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 \$44,000 (@July 1, 2020) 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 individual payments, contracts or agreements in excess of \$44,000 (@ July 1, 2020) "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Expenditure of \$6,600 or more and less than \$44,000 (@ July 1, 2020) 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. 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 East Rutherford
General Comments (Continued)
For the Year Ended December 31, 2021

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, 2021 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 East Rutherford, 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 delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency. Delinquent real estate taxes for 2021 will be advertised for sale after April 1, 2022.
2. There is 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.

Collection of Interest on Delinquent Utility Rents

The Governing Body on January 1, 2021 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

WHEREAS, the statutory maximum interest permitted to be charged for unpaid fees is one and one-half (1 1/2 %) percent per month;

WHEREAS, the East Rutherford Public Works & Utilities Commission has had a policy of charging one and one-half (1 1/2%) percent per month interest on any unpaid balances; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council that effective January 1, 2021, all past due balances to the East Rutherford Public Works & Utilities Commission shall accrue interest at the rate of one and one-half (1 1/2 %) percent per month.

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

Borough of East Rutherford
Schedule of Findings and Responses
For the Year Ended December 31, 2021

Section I- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued	<u>Unmodified (Regulatory Basis)</u>		
B) Internal Control over Financial Reporting			
1) Material weakness identified	<u>Yes</u>	<u>X</u>	<u>No</u>
2) Were reportable conditions identified that were not considered to be material weaknesses?	<u>Yes</u>	<u>X</u>	<u>No</u>
C) Noncompliance material to financial statements?	<u>Yes</u>	<u>X</u>	<u>No</u>

Federal Awards Section

Internal Control over major programs:

1) Material weakness identified	<u>Yes</u>	<u>X</u>	<u>No</u>
2) Significant deficiencies identified?	<u>Yes</u>	<u>X</u>	<u>No</u>

Type of auditor's report issued on compliance for major programs: Unqualified

1) Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200 section .516(a) of?	<u>X</u>	<u>Yes</u>	<u>No</u>
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Identification of major programs:

	<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
(Type B)	<u>16.001</u>	<u>Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis</u>
(Type B)	<u>20.205</u>	<u>Transportation State Aid Highway Projects-Highway Planning and Construction</u>

Dollar threshold used to determine type A and type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u> <u>X</u> <u>No</u>

State Awards Section

NOT APPLICABLE

Borough of East Rutherford
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Section II - Schedule of Financial Statement Findings

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

“None”

Section III – Schedule of Federal and State Award Findings and Questioned Cost

FEDERAL AWARDS

2021-001 Equipment and Real Property Management

Grantor: U.S. Department of Treasury/U.S. Department of Justice
Award Name: Equitable Sharing Program
Award Year: 01/01/21 – 12/31/21
CFDA Numbers: 21.016 / 16.922

Criteria

OMB Uniform Guidance §200.313, states that equipment acquired with Federal funds and Federally owned equipment shall be maintained accurately and shall include a description of the equipment, manufacturer's serial number, model number, other identification number, source of the equipment (including the award number), whether title vests in the recipient or the Federal Government, acquisition date and cost, location and condition of the equipment and the date the information was reported and unit acquisition cost. Further, a physical inventory of all Federal equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the differences. The recipient shall, in connection with the inventory, verify the existence, current utilization and continued need for the equipment.

Condition

During our equipment inventory testing procedures, we selected 8 items from the equipment inventory listing and traced them to the physical asset and reviewed the vendor activity report along with the purchase orders and traced them to the equipment inventory listing (10 selections in total across the Borough). Through our testing, we identified two selections that were not inventoried in accordance with applicable requirements.

Cause

The Borough utilizes the services of Acclaim Inventory, LLC to perform equipment inventory listing and identification processing. During equipment identification through the use of Borough ledgers and purchase orders, it is assumed that the personnel of Acclaim Inventory, LLC did not identify these two items as assets.

Effect

The required inventory was not fully performed in year 2021 as required, therefore, Federally funded equipment could be inaccurately captured on the inventory records and not discovered and corrected.

Questioned Costs

None noted.

Recommendation

The Borough should complete a full inventory observation for all Federally funded equipment that was not inventoried timely. Additionally, the Borough should implement a formal training program for managers of Federal equipment to ensure appropriate personnel have an understanding of OMB Uniform Guidance requirements specific to equipment inventory. We recommend that management continue to develop a program and reasonable timelines to allow the federal equipment observation to be performed by the required due dates.

Management's View and Corrective Action Plan

Management's views and corrective action plan is included under separate cover and filed with the State of New Jersey.

Section III – Schedule of Federal and State Award Findings and Questioned Cost (Continued)

2021-002 Procurement, Suspension and Debarment

Grantor: U.S. Department of Treasury/U.S. Department of Justice
Award Name: Equitable Sharing Program
Award Year: 01/01/21 – 12/31/21
CFDA Numbers: 21.016 / 16.922

Criteria

OMB Uniform Guidance §200.319 states that all procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and §200.320, which states that the non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

Condition

During our procurement testing procedures, we selected 24 items from the vendor history activity report and traced them to procurement and bidding procedures. Through our testing, we identified two purchases made using Federal funds to purchase vehicles, that were not publicly advertised or made through a non-competitive procurement process. Both of the items exceeded the public bidding threshold but did not follow formal procurements procedures.

Cause

Due to the global pandemic, the availability of vehicles has become limited. The Borough police department needed specific vehicles for their operations and made the purchases without using formal procurement procedures to avoid the risk of losing the opportunity to purchase the vehicles.

Effect

The procurement procedures were not followed as required, therefore, Federally funded purchases bypassed procurement regulations.

Questioned Costs

None noted.

Recommendation

The Borough should follow procurement policy and publicly advertise for sealed bids on contracts or purchases over \$44,000, documenting the significant history of the procurement in the contract file.

Management's View and Corrective Action Plan

Management's views and corrective action plan is included under separate cover and filed with the State of New Jersey.

STATE AWARDS

None Reported

Borough of East Rutherford
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Section IV: Summary Schedule of Prior – Year Audit Findings and Questioned Costs as Prepared by Management

[This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, *USOMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (section .511 (a)(b)) and NJOMB's Circular Letter 15-08].

None Reported

Borough of East Rutherford
Summary Schedule of Prior Year Audit Comments/Recommendations
Year Ended December 31, 2021

Internal Controls:

***20-01 Recommendation:**

That all monies collected must be deposited or transmitted to the treasurer within 48 hours of receipt.

Status: Corrective action has *not* been taken.

***20-02 Recommendation:**

That expenditures be monitored for compliance with the Local Public Contracts Law.

Status: Corrective action has *not* been taken.

20-03 Recommendation:

That the tax payments be posted more carefully to ensure proper recording and accuracy of the tax accounts and that all tax appeal refunds be timely posted to the tax accounts in order to prevent any double credits resulting from a refund and an overpayment applied to subsequent taxes. Detailed tax reports and refund reports should be reviewed periodically for any possible errors so that they can be detected and corrected timely within the same calendar year.

Status: Corrective action has been taken.

***20-04 Recommendation:**

That the Borough update the construction code fee ordinance and the Borough's website to agree with the building department's permit software and that more care be exercised when calculating the permit fees to ensure the fees charged are correct.

Status: Corrective action has *not* been taken.

***20-05 Recommendation:**

That controls be implemented and monitored to ensure that all required forms are included in employee files.

Status: Corrective action has *not* been taken.

Payroll

***20-06 Recommendation:**

That controls be implemented and monitored to ensure that employee health benefit contributions are accurate.

Status: Corrective action has been taken.

20-07 Recommendation:

That controls be implemented and monitored for the Borough to reconcile its 941's (Employers Quarterly Federal Tax Return) to its Form W-3 (Annual Transmittal of Wage and Tax Statements).

Status: Corrective action has been taken.

Municipal Court

***20-08 Recommendation:**

That all monies collected must be deposited within 48 hours of receipt.

Status: Corrective action has *not* been taken.

Borough of East Rutherford
Audit Comments and Recommendations
For the Year Ended December 31, 2021

Current Fund

***Comment 21-03**

Deposits into the Current and Construction Code bank accounts did not comply with N.J.S.A. 40A:5-15, and were not deposited or transmitted to the treasurer within 48 hours of receipt.

Recommendation:

That all monies collected must be deposited or transmitted to the treasurer within 48 hours of receipt.

***Comment 21-04**

Purchases from four vendors exceeded the bidding threshold in aggregate and were not advertised for bids in accordance with the Local Public Contracts Law.

Recommendation:

That expenditures be monitored for compliance with the Local Public Contracts Law.

Construction Code

***Comment 21-05**

The construction code fee ordinance and the Borough's website did not include all of the fees charged as per the building department's permit software, and it included stale state training fee rates to be charged by permit. Although the state DCA fees were charged correctly in the permit software, it was noted that the fee ordinance and the website listed outdated fee rates. Also, permit fees were miscalculated in error, resulting in an undercharge and an overcharge of the permit fee.

Recommendation:

That the Borough update the construction code fee ordinance and the borough's website to agree with the building department's permit software and that more care be exercised when calculating the permit fees to ensure the fees charged are correct.

Payroll

***Comment 21-06**

During the examination of employee files, it was noted that numerous employee files did not include required IRS Forms I-9 and/or W-4.

Recommendation:

That controls be implemented and monitored to ensure that all required forms are included in employee files.

Borough of East Rutherford
Audit Comments and Recommendations
For the Year Ended December 31, 2021

Municipal Court

***Comment 21-07**

Bail and general account receipts were not always deposited in the bank within 48 hours.

Recommendation:

That all monies collected must be deposited within 48 hours of receipt.

Deferred Compensation Review

Comment 21-08:

The review of the Deferred Compensation Plan could not be performed due to the investment company statements being unavailable for inspection. The payroll clerk is reviewing the statements to ascertain that employee contributions are credited to their respective accounts.

Recommendation:

That the Borough maintains all supporting documents and statements for the Deferred Compensation Plan and reviews the statements for accuracy on a quarterly basis.

Appreciation

We would like 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.