

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

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2016 AND 2015**

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

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## 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, 2016 and 2015, 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 year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

### Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – 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.

### Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

As described in Note 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 requirement of the State of New Jersey for municipal government entities. The effects 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.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in 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, 2016 and 2015, 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 above present fairly, in all material respects, the accompanying comparative balance sheet – regulatory basis of the various funds of the Borough as of December 31, 2016 and 2015, and the results of the comparative statements of operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues and expenditures – regulatory basis of the various funds, and general fixed assets group of accounts for the year ended December 31, 2016, in accordance with accounting principles and practices prescribed by the Division as described in Note 1.

## **Other Matters**

### *Required Supplementary Information*

The Borough 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 practice 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.

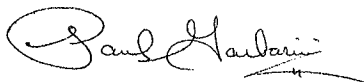
### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental schedules and the schedules of expenditures of federal, state and county/other financial assistance are presented for purposes of additional analysis as required by the Division, and are not a required part of the basic financial statements.

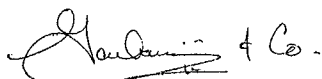
The supplementary schedules and schedules of expenditures of federal, state and county/other financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 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 a report dated April 17, 2017 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

April 17, 2017  
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

|   |           | At December 31,               |                               |
|---|-----------|-------------------------------|-------------------------------|
|   | Reference | 2016                          | 2015                          |
| <b>ASSETS</b>   |           |                               |                               |
| Current Assets:   |           |                               |                               |
| Cash - Treasurer  | A-4       | \$ 2,821,075.89               | \$ 4,433,528.21               |
| Cash - Tax Collector  | A-4       | 159,463.47                    |                               |
| Cash - Change and Petty Cash Funds                          | A-5       | 1,150.00                      | 1,150.00                      |
|   |           | <u>2,981,689.36</u>           | <u>4,434,678.21</u>           |
| Due from State of NJ- Senior Citizens & Veterans Deductions | A-8       | <u>179.24</u>                 | <u>429.24</u>                 |
| Receivables and Other Assets with Full Reserves:            |           |                               |                               |
| Delinquent Property Taxes                                   | A-7       | 197,366.29                    | 345,277.83                    |
| Tax Title Liens   | A-10      | 282,323.78                    | 229,684.04                    |
| Property Acquired for Taxes - Assessed Value                | A-9       | 636,900.00                    | 636,900.00                    |
| Revenue Accounts Receivable                                 | A-11      | 34,768.58                     | 10,008.00                     |
| Police Off Duty Receivable                                  | A-23      |                               |                               |
| Due from Sewer Utility Fund                                 | D         | 322,786.18                    | 299,002.47                    |
|   | Contra    | <u>1,474,144.83</u>           | <u>1,520,872.34</u>           |
| <b>TOTAL ASSETS</b>   |           | <u><u>\$ 4,456,013.43</u></u> | <u><u>\$ 5,955,979.79</u></u> |



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

|   |           | At December 31,               |                               |
|---|-----------|-------------------------------|-------------------------------|
|   | Reference | 2016                          | 2015                          |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b>       |           |                               |                               |
| Liabilities:  |           |                               |                               |
| Encumbrance Payable                                 | A-22      | \$ 45,159.44                  | \$ 27,032.96                  |
| Appropriation Reserves                              | A-3,13    | 1,204,516.76                  | 914,111.30                    |
| Tax Overpayments                                    | A-15      | 203,008.44                    | 9,727.71                      |
| Prepaid Taxes                                       | A-16      | 198,346.21                    | 159,125.65                    |
| County Taxes - Added                                | A-17      | 2,170.63                      | 216,000.61                    |
| Revaluation Reserve                                 | A-21      | 10,848.61                     | 10,848.61                     |
| Police Off Duty Payable                             | A-23      | 83,550.92                     | 31,167.25                     |
| Due to State of New Jersey- Marriage License Fees   | A-14      | 325.00                        | 525.00                        |
| DEA Confiscated Funds                               | A-20      | 535,016.07                    | 382,606.10                    |
| Miscellaneous Reserves                              | A-6       | 14,190.71                     | 14,443.97                     |
|   |           | <u>2,297,132.79</u>           | <u>1,765,589.16</u>           |
| Reserve for Receivables and Other Assets            | Contra    | 1,474,144.83                  | 1,520,872.34                  |
| Fund Balance  | A-1       | <u>684,735.81</u>             | <u>2,669,518.29</u>           |
| <b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b> |           | <u><u>\$ 4,456,013.43</u></u> | <u><u>\$ 5,955,979.79</u></u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

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

A-1

|  | Reference | At December 31,      |                        |
|--|-----------|----------------------|------------------------|
|  |           | 2016                 | 2015                   |
| Revenue and Other Income Realized:                       |           |                      |                        |
| Fund Balance Utilized                                    |           | \$ 2,160,000.00      | \$ 1,246,400.00        |
| Miscellaneous Revenue Anticipated                        | A-2       | 12,262,161.89        | 12,902,621.70          |
| Receipts from Delinquent Taxes                           | A-2       | 307,406.82           | 272,426.30             |
| Receipts from Current Taxes                              | A-2       | 36,302,906.39        | 37,547,165.41          |
| Non-Budget Revenues                                      | A-2       | 38,040.79            | 162,889.43             |
| Other Credits to Income:                                 |           |                      |                        |
| Unexpended Balance of Appropriation Reserves             | A-13      | 291,383.46           | 362,307.45             |
| Unexpended Budget Appropriations                         | A-3       | 322,787.74           | 299,002.47             |
| Regional / Local School /County Tax Adjustment           |           |                      | 0.04                   |
| Interfunds Returned                                      |           | 299,002.47           | 72,543.52              |
| Total Revenue and Other Income Realized                  |           | <u>51,983,689.56</u> | <u>52,865,356.32</u>   |
| Expenditures:  |           |                      |                        |
| Budget and Emergency Appropriations                      | A-3       | 25,079,473.09        | 24,688,241.22          |
| County Taxes   | A-17      | 5,913,626.50         | 5,186,918.99           |
| County Share of Added and Omitted Taxes                  | A-17      | 2,170.63             | 216,000.61             |
| Local District School Tax                                | A-18      | 14,606,018.00        | 14,265,832.50          |
| Local District School Tax Adjustment                     | A-18      | 0.52                 | -                      |
| Regional School Tax                                      | A-19      | 5,662,764.50         | 5,929,297.00           |
| Regional School Tax Adjustment                           | A-19      | 0.12                 | -                      |
| Prior Year Tax Appeals- Overpayments                     | A-15      | 219,330.45           | 1,842.04               |
| Prior Year Tax Appeals- Charged Directly to Fund Balance | A-4       | -                    | 409,212.13             |
| Senior Citizens & Veterans Prior Year Adjustment         | A-7       | 2,302.05             | 3,000.00               |
| Interfund Advanced                                       |           | 322,786.18           | 299,002.47             |
| Canceled Grants Receivable                               | E-3       | -                    | -                      |
| Total Expenditures                                       |           | <u>51,808,472.04</u> | <u>50,999,346.96</u>   |
| Excess in Revenues                                       |           | 175,217.52           | 1,866,009.36           |
| Adjustments to Income Before Fund Balance                |           |                      |                        |
| Expenditures Included Above Which are by Statute         |           |                      |                        |
| Deferred to Budget of Succeeding Year                    |           | -                    | -                      |
| Statutory Excess to Fund Balance                         |           | <u>175,217.52</u>    | <u>1,866,009.36</u>    |
| Fund Balance January 1                                   | A         | <u>2,669,518.29</u>  | <u>2,049,908.93</u>    |
|  |           | 2,844,735.81         | 3,915,918.29           |
| Decreased by:  |           |                      |                        |
| Utilization as Anticipated Revenues                      |           | <u>2,160,000.00</u>  | <u>1,246,400.00</u>    |
| Fund Balance December 31                                 | A         | <u>\$ 684,735.81</u> | <u>\$ 2,669,518.29</u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

|  | Reference        | Budget           | Realized         | Excess or<br>(Deficit) |
|--|------------------|------------------|------------------|------------------------|
| Fund Balance Anticipated   |                  | \$ 2,160,000.00  | \$ 2,160,000.00  | \$ -                   |
| Miscellaneous Revenues:  |                  |                  |                  |                        |
| Licenses:  |                  |                  |                  |                        |
| Alcoholic Beverages  |                  | 26,000.00        | 26,192.92        | 192.92                 |
| Other  |                  | 65,000.00        | 76,428.16        | 11,428.16              |
| Fees and Permits - Other   |                  | 17,000.00        | 27,921.78        | 10,921.78              |
| Fines and Costs - Municipal Court  |                  | 430,000.00       | 411,177.22       | (18,822.78)            |
| Interest and Costs on Taxes  |                  | 57,000.00        | 65,438.70        | 8,438.70               |
| Interest on Investments and Deposits   |                  | 2,000.00         | 3,229.48         | 1,229.48               |
| Cable Franchise Fees   |                  | 128,994.80       | 128,994.80       | -                      |
| Payment in Lieu Taxes from N.J. Sports<br>and Exposition Authority                             |                  | 7,727,000.00     | 7,730,248.22     | 3,248.22               |
| Payment in Lieu Taxes from Bergen County Housing Authority                                     |                  | 26,000.00        | 28,833.67        | 2,833.67               |
| Recycling Income   |                  | 5,000.00         | 6,222.23         | 1,222.23               |
| Rental - Library   |                  | 100,000.00       | 110,000.00       | 10,000.00              |
| Lease - Becton Regional  |                  | 75,000.00        | 75,000.00        | -                      |
| Hotel Tax  |                  | 1,068,000.00     | 872,275.30       | (195,724.70)           |
| Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)   |                  | 1,489,989.00     | 1,489,989.00     | -                      |
| Hackensack Meadowlands Adjustment -<br>- Tax Sharing (N.J.S. 13:17-60 et. seq.)                |                  | 203,887.00       | 105,741.00       | (98,146.00)            |
| Uniform Construction Code Fees   |                  | 175,000.00       | 327,596.25       | 152,596.25             |
| POAA   |                  |                  |                  | -                      |
| Safe and Secure Communities Program Grant  |                  | 60,000.00        | 60,000.00        | -                      |
| Recycling Tonnage Grant  |                  | 33,551.43        | 33,551.43        | -                      |
| Body Worn Camera Grant   |                  | 11,000.00        | 11,000.00        | -                      |
| POAA   |                  | 2,378.00         | 2,378.00         | -                      |
| Drunk Driving Enforcement Fund   |                  | 6,176.24         | 6,176.24         | -                      |
| Chapter 159:   |                  |                  |                  | -                      |
| Clean Communities  |                  | 20,880.25        | 20,880.25        | -                      |
| Police Click it or Ticket Grant  |                  | 5,000.00         | 5,000.00         | -                      |
| "Drive Sober or Get Pulled Over" Grant (Holiday)   |                  | 5,000.00         | 5,000.00         | -                      |
| "Drive Sober or Get Pulled Over" Grant (Labor Day)   |                  | 5,000.00         | 5,000.00         | -                      |
| Alcohol Education & Rehabilitation   |                  | 2,538.12         | 2,538.12         | -                      |
| Body Armor Grant   |                  | 4,108.94         | 4,108.94         | -                      |
| EMMA   |                  | 5,000.00         | 5,000.00         | -                      |
| Federal Bullet Proof Vest Partnership Grant  |                  | 9,277.75         | 9,277.75         | -                      |
| Drunk Driving Enforcement Fund   |                  | 5,119.70         | 5,119.70         | -                      |
| Uniform Fire Safety Act  |                  | 65,982.57        | 55,467.43        | (10,515.14)            |
| Settlement Payment-Timex Center  |                  | 250,000.00       | 250,000.00       | -                      |
| Payment in Lieu of Taxes- N.J. Meadowlands Commission  |                  | 3,700.00         | 6,708.30         | 3,008.30               |
| Premium on BAN / Bond Sale   |                  | 10,607.00        | 10,607.00        | -                      |
| Reserve for Payments of Bonds and Notes  |                  | 279,060.00       | 279,060.00       | -                      |
| Settlement Payment-Timex Center  |                  |                  |                  | -                      |
| Total Miscellaneous Revenues   | A-1, Next Page   | 12,380,250.80    | 12,262,161.89    | (118,088.91)           |
| Receipts from Delinquent Taxes   | A-1, Next Page   | 285,000.00       | 307,406.82       | 22,406.82              |
| Amount to be Raised by Taxes for<br>Support of Municipal Budget<br>Including Uncollected Taxes | A-7, Next Page   | 10,729,222.29    | 10,593,326.76    | (135,895.53)           |
| Budget Totals  | A-3              | \$ 25,554,473.09 | 25,322,895.47    | \$ (231,577.62)        |
| Non-Budget Revenues  | A-1,4, Next Page |                  | 38,040.79        |                        |
|  |                  |                  | \$ 25,360,936.26 |                        |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

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

A-2

|   | Reference         |                                |
|---|-------------------|--------------------------------|
| Allocation of Current Tax Collection:                   |                   |                                |
| Revenue from Collections                                | A-1               | \$ 36,302,906.39               |
| Allocated to:   |                   |                                |
| School and County Taxes                                 | A-17,18,19        | 26,184,579.63                  |
| Balance for Support of Municipal Appropriation          |                   | <u>10,118,326.76</u>           |
| Add: Appropriation "Reserve for Uncollected Taxes"      | A-3               | <u>475,000.00</u>              |
|   | Previous Pg.      | <u><u>\$ 10,593,326.76</u></u> |
| Receipts from Delinquent Taxes:                         |                   |                                |
| Tax Title Liens Collected                               | A-10              | 15,173.33                      |
| Delinquent Taxes  | A-1               | 292,233.49                     |
|   | Previous Pg.      | <u><u>\$ 307,406.82</u></u>    |
| Miscellaneous Revenues:                                 |                   |                                |
| Current Fund  | A-4               | \$ 12,018,351.09               |
| Collector   | A-4               | 68,780.37                      |
| Due from Grant Fund - Anticipated Revenue               | E-2               | 175,030.43                     |
|   | Previous Pg.      | <u><u>\$ 12,262,161.89</u></u> |
| Non-Budget Revenues:                                    |                   |                                |
| DMV Fees  |                   | \$ 2,150.00                    |
| Misc. Refunds   |                   | 3,052.37                       |
| Towing Fees   |                   | 19,705.00                      |
| Police Department Trade-in                              |                   | 4,191.00                       |
| Forfeited Bail  |                   | 755.00                         |
| Senior Citizen's & Veteran's 2% Administrative Payments |                   | 948.96                         |
| County Polling Payment                                  |                   | 80.00                          |
| Auction Proceeds  |                   | <u>7,158.46</u>                |
|   | Prev. Pg., A-1, 4 | <u><u>\$ 38,040.79</u></u>     |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                          |                           | EXPENDED        |           |                        |
|--|----------------|--------------------------|---------------------------|-----------------|-----------|------------------------|
|  | Budget         | Emergency Appropriations | Budget After Modification | Paid or Charged | Reserved  | Lapsed Overexpenditure |
| <b>OPERATIONS - WITHIN "CAPS"</b>          |                |                          |                           |                 |           |                        |
| <i>GENERAL GOVERNMENT</i>                  |                |                          |                           |                 |           |                        |
| Administrative & Executive:                |                |                          |                           |                 |           |                        |
| Municipal Clerk                            |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | \$ 229,000.00  |                          | \$ 253,500.00             | \$ 253,188.75   | \$ 311.25 | \$ -                   |
| Other Expenses                             | 21,000.00      |                          | 21,000.00                 | 18,103.21       | 2,896.79  |                        |
| Other Expenses - Code Publishing           | 11,000.00      |                          | 11,000.00                 | 3,456.70        | 7,543.30  |                        |
| Mayor and Council                          |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 37,000.00      |                          | 37,000.00                 | 36,998.78       | 1.22      |                        |
| Other Expenses                             | 8,000.00       |                          | 13,500.00                 | 12,157.94       | 1,342.06  |                        |
| Elections - Other Expenses                 | 14,000.00      |                          | 14,000.00                 | 6,238.32        | 7,761.68  |                        |
| Financial Administration                   |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 92,000.00      |                          | 92,000.00                 | 90,535.69       | 1,464.31  |                        |
| Other Expenses                             |                |                          |                           |                 |           |                        |
| Annual Audit                               | 44,000.00      |                          | 44,000.00                 | -               | 44,000.00 |                        |
| Miscellaneous - Other Expenditures         | 48,750.00      |                          | 48,750.00                 | 42,349.27       | 6,400.73  |                        |
| Purchasing                                 |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 2,500.00       |                          | 2,500.00                  | 2,499.90        | 0.10      |                        |
| Assessment of Taxes                        |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 69,000.00      |                          | 69,000.00                 | 67,653.82       | 1,346.18  |                        |
| Other Expenses                             | 9,250.00       |                          | 9,250.00                  | 3,010.18        | 6,239.82  |                        |
| Ordinance Enforcement - Salaries and Wages | 9,500.00       |                          | 8,400.00                  | 7,689.16        | 710.84    |                        |
| Redevelopment Agency                       |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 1,700.00       |                          | 1,700.00                  | 1,636.96        | 63.04     |                        |
| Other Expenses (R.S. 40:550-1)             | 16,400.00      |                          | 16,400.00                 | 590.97          | 15,809.03 |                        |
| Collection of Taxes                        |                |                          |                           |                 |           |                        |
| Salaries and Wages                         | 91,000.00      |                          | 91,000.00                 | 90,155.14       | 844.86    |                        |
| Other Expenses                             | 11,000.00      |                          | 11,000.00                 | 8,615.03        | 2,384.97  |                        |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                          |                           | EXPENDED        |              |        |                 |
|--|----------------|--------------------------|---------------------------|-----------------|--------------|--------|-----------------|
|  | Budget         | Emergency Appropriations | Budget After Modification | Paid or Charged | Reserved     | Lapsed | Overexpenditure |
| OPERATIONS WITHIN "CAPS" (Cont'd)        |                |                          |                           |                 |              |        |                 |
| Legal Services and Costs                 |                |                          |                           |                 |              |        |                 |
| Other Expenses                           | \$ 325,000.00  | \$ -                     | \$ 415,000.00             | \$ 403,182.13   | \$ 11,817.87 | \$ -   | \$ -            |
|  |                |                          |                           |                 | -            |        |                 |
| Tax Appeals                              |                |                          |                           |                 |              |        |                 |
| Professional Fees                        | 115,800.00     |                          | 140,700.00                | 136,350.00      | 4,350.00     |        |                 |
| Engineering Services and Costs           |                |                          |                           |                 |              |        |                 |
| Other Expenses                           | 55,000.00      |                          | 55,000.00                 | 42,261.21       | 12,738.79    |        |                 |
| Public Building and Grounds              |                |                          |                           |                 |              |        |                 |
| Other Expenses                           | 98,000.00      |                          | 106,000.00                | 104,066.91      | 1,933.09     |        |                 |
| Contracted Service                       | 292,000.00     |                          | 292,000.00                | 269,889.38      | 22,110.62    |        |                 |
| Municipal Land Use Law (N.J.S. 40:55D-1) |                |                          |                           |                 |              |        |                 |
| Planning Board - Salaries & Wages        | 7,500.00       |                          | 7,500.00                  | 7,499.96        | 0.04         |        |                 |
| Planning Board - Other Expenses          | 35,000.00      |                          | 40,000.00                 | 39,091.86       | 908.14       |        |                 |
| Zoning Board of Adjustment               |                |                          |                           |                 |              |        |                 |
| Salaries and Wages                       | 7,500.00       |                          | 7,500.00                  | 7,499.96        | 0.04         |        |                 |
| Other Expenses                           | 12,000.00      |                          | 12,000.00                 | 7,656.68        | 4,343.32     |        |                 |
| Municipal Court                          |                |                          |                           |                 |              |        |                 |
| Salaries and Wages                       | 229,600.00     |                          | 229,600.00                | 227,400.25      | 2,199.75     |        |                 |
| Other Expenses                           | 41,440.00      |                          | 41,440.00                 | 38,422.61       | 3,017.39     |        |                 |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS      |                          |                           | EXPENDED            |                   |          |                 |
|--|---------------------|--------------------------|---------------------------|---------------------|-------------------|----------|-----------------|
|  | Budget              | Emergency Appropriations | Budget After Modification | Paid or Charged     | Reserved          | Lapsed   | Overexpenditure |
| <b>OPERATIONS WITHIN "CAPS" (Cont'd)</b> |                     |                          |                           |                     |                   |          |                 |
| Unemployment Compensation                | \$ 40,000.00        | \$ -                     | \$ 40,000.00              |                     | \$ 40,000.00      | \$ -     | \$ -            |
| Insurance:                               |                     |                          |                           |                     |                   |          |                 |
| Liability                                | 365,000.00          |                          | 365,000.00                | 257,676.51          | 107,323.49        |          |                 |
| Workman's Compensation                   | 359,000.00          |                          | 359,000.00                | 254,070.20          | 104,929.80        |          |                 |
| Employee Group Insurance                 | 2,409,680.00        |                          | 2,409,680.00              | 2,309,496.07        | 100,183.93        |          |                 |
| Self - Insurance Eye Care                | 15,000.00           |                          | 15,000.00                 | 13,359.52           | 1,640.48          |          |                 |
| Rent Control Board                       |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 1,700.00            |                          | 1,700.00                  | 1,699.88            | 0.12              |          |                 |
| Other expenses                           | 500.00              |                          | 500.00                    | -                   | 500.00            |          |                 |
| <b>TOTAL GENERAL GOVERNMENT</b>          | <b>5,124,820.00</b> | <b>-</b>                 | <b>5,281,620.00</b>       | <b>4,764,502.95</b> | <b>517,117.05</b> | <b>-</b> | <b>-</b>        |
| <b>PUBLIC SAFETY:</b>                    |                     |                          |                           |                     |                   |          |                 |
| Fire                                     |                     |                          |                           |                     |                   |          |                 |
| Other Expenses                           |                     |                          |                           |                     |                   |          |                 |
| Clothing Allowance                       | 103,000.00          |                          | 103,000.00                | 92,193.05           | 10,806.95         |          |                 |
| Other Expenses- Lease/Purchase Equipment | 23,000.00           |                          | 21,450.00                 | 21,419.82           | 30.18             |          |                 |
| Gear Maintenance                         | 72,250.00           |                          | 72,250.00                 | 62,291.85           | 9,958.15          |          |                 |
| Fire Prevention and Life Safety          |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       |                     |                          |                           |                     |                   |          |                 |
| Fire Official                            | 96,000.00           |                          | 96,000.00                 | 92,486.40           | 3,513.60          |          |                 |
| Other Salaries - Inspectors              | 15,000.00           |                          | 15,000.00                 | 14,040.00           | 960.00            |          |                 |
| Other Expenses                           | 9,300.00            |                          | 13,300.00                 | 12,734.95           | 565.05            |          |                 |
| Police                                   |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 5,435,000.00        |                          | 5,377,500.00              | 5,299,050.68        | 78,449.32         |          |                 |
| Overtime                                 | 175,000.00          |                          | 252,500.00                | 249,271.55          | 3,228.45          |          |                 |
| Sick pay                                 | 115,000.00          |                          | 115,000.00                | 114,730.78          | 269.22            |          |                 |
| Other expenses                           | 113,300.00          |                          | 113,300.00                | 77,011.55           | 36,288.45         |          |                 |
| 911 Service                              | 6,000.00            |                          | 4,625.00                  | 4,600.50            | 24.50             |          |                 |
| Police Cars                              | 20,750.00           |                          | 20,750.00                 | 20,747.23           | 2.77              |          |                 |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS      |                          |                           | EXPENDED            |                   |          |                 |
|--|---------------------|--------------------------|---------------------------|---------------------|-------------------|----------|-----------------|
|  | Budget              | Emergency Appropriations | Budget After Modification | Paid or Charged     | Reserved          | Lapsed   | Overexpenditure |
| <b>OPERATIONS WITHIN "CAPS" (Cont'd)</b> |                     |                          |                           |                     |                   |          |                 |
| Special Police                           |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | \$ 75,000.00        | \$ -                     | \$ 82,500.00              | \$ 82,110.22        | \$ 389.78         | \$ -     | \$ -            |
| Other Expenses                           | 500.00              |                          | 7,500.00                  | 6,523.61            | 976.39            |          |                 |
| Traffic Lights - Other Expenses          | 21,000.00           |                          | 21,000.00                 | 7,026.16            | 13,973.84         |          |                 |
| Traffic Control                          |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 282,000.00          |                          | 282,000.00                | 280,515.00          | 1,485.00          |          |                 |
| Other Expenses                           | 500.00              |                          | 500.00                    |                     | 500.00            |          |                 |
| First Aid Organization                   |                     |                          |                           |                     |                   |          |                 |
| Other Expenses                           | 13,750.00           |                          | 13,750.00                 | 11,412.92           | 2,337.08          |          |                 |
| Emergency Management Services            |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 8,500.00            |                          | 8,500.00                  | 8,494.30            | 5.70              |          |                 |
| Other Expenses                           | 11,500.00           |                          | 11,500.00                 | 3,854.50            | 7,645.50          |          |                 |
| First Responder                          |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 72,000.00           |                          | 28,500.00                 | 28,078.44           | 421.56            |          |                 |
| Towing Director                          |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 9,000.00            |                          | 10,100.00                 | 10,088.48           | 11.52             |          |                 |
| <b>TOTAL PUBLIC SAFETY</b>               | <u>6,677,350.00</u> | <u>-</u>                 | <u>6,670,525.00</u>       | <u>6,498,681.99</u> | <u>171,843.01</u> | <u>-</u> | <u>-</u>        |
| <b>STREETS AND ROADS:</b>                |                     |                          |                           |                     |                   |          |                 |
| Road Repairs and Maintenance             |                     |                          |                           |                     |                   |          |                 |
| Salaries and Wages                       | 900,000.00          |                          | 890,000.00                | 756,690.91          | 133,309.09        |          |                 |
| Other Expenses                           | 53,000.00           |                          | 69,000.00                 | 67,592.54           | 1,407.46          |          |                 |
| Recycling Costs                          | 20,000.00           |                          | 28,000.00                 | 26,762.60           | 1,237.40          |          |                 |
| Leased Vehicles                          | 38,100.00           |                          | 38,100.00                 | 38,083.21           | 16.79             |          |                 |
| <b>TOTAL STREETS AND ROADS</b>           | <u>1,011,100.00</u> | <u>-</u>                 | <u>1,025,100.00</u>       | <u>889,129.26</u>   | <u>135,970.74</u> | <u>-</u> | <u>-</u>        |
| <b>HEALTH AND WELFARE:</b>               |                     |                          |                           |                     |                   |          |                 |
| Board of Health                          |                     |                          |                           |                     |                   |          |                 |
| Other Expenses                           | 93,900.00           |                          | 93,900.00                 | 80,462.35           | 13,437.65         |          |                 |
| <b>TOTAL HEALTH AND WELFARE</b>          | <u>93,900.00</u>    | <u>-</u>                 | <u>93,900.00</u>          | <u>80,462.35</u>    | <u>13,437.65</u>  | <u>-</u> | <u>-</u>        |



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS    |                          |                           | EXPENDED          |                   |          |                 |
|--|-------------------|--------------------------|---------------------------|-------------------|-------------------|----------|-----------------|
|  | Budget            | Emergency Appropriations | Budget After Modification | Paid or Charged   | Reserved          | Lapsed   | Overexpenditure |
| <b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>             |                   |                          |                           |                   |                   |          |                 |
| <b>RECREATION AND EDUCATION</b>                      |                   |                          |                           |                   |                   |          |                 |
| Board of Recreation Commission (R.S.4061-1 et. seq.) |                   |                          |                           |                   |                   |          |                 |
| Salaries and Wages                                   | \$ 46,000.00      | \$ -                     | \$ 46,000.00              | \$ 42,998.22      | \$ 3,001.78       | \$ -     | \$ -            |
| Other Expenses                                       | 90,000.00         |                          | 90,000.00                 | 88,880.47         | 1,119.53          |          |                 |
| Celebration of Public Events, Anniversary or Holiday |                   |                          |                           |                   |                   |          |                 |
| Other Expenses                                       | 6,300.00          |                          | 6,300.00                  | 937.87            | 5,362.13          |          |                 |
| Senior Citizens                                      |                   |                          |                           |                   |                   |          |                 |
| Salaries and Wages                                   | 47,500.00         |                          | 48,000.00                 | 47,937.58         | 62.42             |          |                 |
| Other Expenses                                       | 6,500.00          |                          | 7,500.00                  | 7,387.00          | 113.00            |          |                 |
| <b>TOTAL RECREATION AND EDUCATION</b>                | <u>196,300.00</u> | <u>-</u>                 | <u>197,800.00</u>         | <u>188,141.14</u> | <u>9,658.86</u>   | <u>-</u> | <u>-</u>        |
| <b>SANITATION</b>                                    |                   |                          |                           |                   |                   |          |                 |
| Garbage & Trash Removal                              |                   |                          |                           |                   |                   |          |                 |
| Salaries and Wages                                   | 600,000.00        |                          | 592,000.00                | 508,169.63        | 83,830.37         |          |                 |
| Dumping Fees - Bergen County                         |                   |                          |                           |                   |                   |          |                 |
| Sanitary Landfill - Contractual                      | 300,000.00        |                          | 300,000.00                | 282,616.50        | 17,383.50         |          |                 |
| <b>TOTAL SANITATION</b>                              | <u>900,000.00</u> | <u>-</u>                 | <u>892,000.00</u>         | <u>790,786.13</u> | <u>101,213.87</u> | <u>-</u> | <u>-</u>        |
| <b>STATE UNIFORM CONSTRUCTION CODE</b>               |                   |                          |                           |                   |                   |          |                 |
| Salaries and Wages                                   |                   |                          |                           |                   |                   |          |                 |
| Construction Code Official                           | 32,040.00         |                          | 32,040.00                 | 31,761.86         | 278.14            |          |                 |
| Sub-Code Officials                                   |                   |                          |                           |                   |                   |          |                 |
| Plumbing Inspector                                   | 19,000.00         |                          | 19,000.00                 | 18,741.06         | 258.94            |          |                 |
| 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                                       | 67,960.00         |                          | 67,960.00                 | 63,674.54         | 4,285.46          |          |                 |
| Building Sub-Code Official                           | 21,000.00         |                          | 21,000.00                 | 20,622.94         | 377.06            |          |                 |
| Other Expenses                                       | 13,000.00         |                          | 13,000.00                 | 11,360.26         | 1,639.74          |          |                 |
| Rental Expenses                                      | 5,000.00          |                          | 2,925.00                  | 2,902.90          | 22.10             |          |                 |
| <b>TOTAL STATE UNIFORM CONST. CODE</b>               | <u>191,000.00</u> | <u>-</u>                 | <u>188,925.00</u>         | <u>181,887.52</u> | <u>7,037.48</u>   | <u>-</u> | <u>-</u>        |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS       |                          |                           | EXPENDED             |                     |          |                 |
|--|----------------------|--------------------------|---------------------------|----------------------|---------------------|----------|-----------------|
|  | Budget               | Emergency Appropriations | Budget After Modification | Paid or Charged      | Reserved            | Lapsed   | Overexpenditure |
| <b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>                   |                      |                          |                           |                      |                     |          |                 |
| <i>UNCLASSIFIED:</i>                                       |                      |                          |                           |                      |                     |          |                 |
| Utilities  |                      |                          |                           |                      |                     |          |                 |
| Street Lighting  | \$ 320,000.00        | \$ -                     | \$ 310,000.00             | \$ 256,003.83        | \$ 53,996.17        | \$ -     | \$ -            |
| Gasoline   | 225,000.00           |                          | 139,600.00                | 82,283.64            | 57,316.36           |          |                 |
| Fuel Oil   |                      |                          |                           |                      | -                   |          |                 |
| Electricity  | 275,000.00           |                          | 245,000.00                | 178,529.80           | 66,470.20           |          |                 |
| Telephone  | 142,000.00           |                          | 142,000.00                | 138,379.34           | 3,620.66            |          |                 |
| Water  | 47,800.00            |                          | 49,800.00                 | 46,454.05            | 3,345.95            |          |                 |
| Fire Hydrant Services                                      | 132,000.00           |                          | 130,000.00                | 129,611.92           | 388.08              |          |                 |
| Purchase of Postage  | 30,000.00            |                          | 30,000.00                 | 27,612.35            | 2,387.65            |          |                 |
| Vehicle Maintenance  |                      |                          |                           |                      |                     |          |                 |
| Salaries and Wages   | 96,200.00            |                          | 96,200.00                 | 94,010.08            | 2,189.92            |          |                 |
| Other Expenses   | 255,000.00           |                          | 255,000.00                | 221,192.14           | 33,807.86           |          |                 |
|  | <u>1,523,000.00</u>  | <u>-</u>                 | <u>1,397,600.00</u>       | <u>1,174,077.15</u>  | <u>223,522.85</u>   | <u>-</u> | <u>-</u>        |
| <b>TOTAL OPERATIONS WITHIN "CAPS"</b>                      | <u>15,717,470.00</u> | <u>-</u>                 | <u>15,747,470.00</u>      | <u>14,567,668.49</u> | <u>1,179,801.51</u> | <u>-</u> | <u>-</u>        |
| Contingent   | <u>2,000.00</u>      |                          | <u>2,000.00</u>           | <u>150.00</u>        | <u>1,850.00</u>     |          |                 |
| <b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b> | <u>15,719,470.00</u> | <u>-</u>                 | <u>15,749,470.00</u>      | <u>14,567,818.49</u> | <u>1,181,651.51</u> | <u>-</u> | <u>-</u>        |
| <i>Detail:</i>   |                      |                          |                           |                      |                     |          |                 |
| Salaries and Wages   | 8,923,200.00         |                          | 8,914,200.00              | 8,590,754.88         | 323,445.12          | -        | -               |
| Other Expenses (Including Contingent)                      | 6,796,270.00         |                          | 6,835,270.00              | 5,977,063.61         | 858,206.39          | -        | -               |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS |                          |                           | EXPENDED        |              |                        |
|--|----------------|--------------------------|---------------------------|-----------------|--------------|------------------------|
|  | Budget         | Emergency Appropriations | Budget After Modification | Paid or Charged | Reserved     | Lapsed Overexpenditure |
| <b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>                                 |                |                          |                           |                 |              |                        |
| <b>DEFERRED CHARGES:</b>   |                |                          |                           |                 |              |                        |
| Deficit in Sewer Utility Fund  | \$ 350,000.00  |                          | \$ 350,000.00             | \$ 27,213.82    |              | \$ 322,786.18          |
| <b>STATUTORY EXPENDITURES:</b>   |                |                          |                           |                 |              |                        |
| Contributions to:  |                |                          |                           |                 |              |                        |
| Public Employees Retirement System                                       | 375,545.51     |                          | 375,545.51                | 375,545.51      | -            |                        |
| Social Security System (O.A.S.I.)  | 360,000.00     |                          | 330,000.00                | 307,470.69      | 22,529.31    |                        |
| Police and Firemen Retirement System of N.J.                             | 1,331,485.00   |                          | 1,331,485.00              | 1,331,485.00    | -            |                        |
| Defined Contribution Retirement Program Contributions                    | 300.00         |                          | 300.00                    | 300.00          | -            |                        |
| Early Retirement Incentive Program                                       | 123,612.00     |                          | 123,612.00                | 123,612.00      | -            |                        |
| <b>TOTAL DEFERRED CHARGES AND STATUTORY</b>                              |                |                          |                           |                 |              |                        |
| <b>EXPEND. -MUNICIPAL WITHIN "CAPS"</b>                                  | 2,540,942.51   | -                        | 2,510,942.51              | 2,165,627.02    | 22,529.31    | 322,786.18 -           |
| <b>CASH DEFICIT OF PRECEDING YEAR</b>                                    | -              |                          | -                         | -               |              |                        |
| <b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b> | 18,260,412.51  | -                        | 18,260,412.51             | 16,733,445.51   | 1,204,180.82 | 322,786.18 -           |
| <b>OPERATIONS EXCLUDED FROM "CAPS"</b>                                   |                |                          |                           |                 |              |                        |
| Maintenance of Free Public Library Ch. 82, PL 1985                       | 658,797.26     |                          | 658,797.26                | 658,461.32      | 335.94       |                        |
| Net Group Insurance for Employees  | 10,820.00      |                          | 10,820.00                 | 10,820.00       | -            |                        |
| Tax Appeals Reserve  | 500,000.00     |                          | 500,000.00                | 500,000.00      | -            |                        |
|  |                |                          |                           |                 | -            |                        |
|  | 1,169,617.26   | -                        | 1,169,617.26              | 1,169,281.32    | 335.94       | - -                    |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|  | APPROPRIATIONS      |                          |                           | EXPENDED            |               |          |                 |
|--|---------------------|--------------------------|---------------------------|---------------------|---------------|----------|-----------------|
|  | Budget              | Emergency Appropriations | Budget After Modification | Paid or Charged     | Reserved      | Lapsed   | Overexpenditure |
| <b>OPERATIONS EXCLUDED FROM "CAPS" (Continued)</b>         |                     |                          |                           |                     |               |          |                 |
| <i><b>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b></i> |                     |                          |                           |                     |               |          |                 |
| Police Safe & Secure Grant                                 | \$ 60,000.00        | \$ -                     | \$ 60,000.00              | \$ 60,000.00        | \$ -          | \$ -     | \$ -            |
| Police Safe & Secure Grant -Municipal Share                | 15,000.00           |                          | 15,000.00                 | 15,000.00           | -             |          |                 |
| Reserves - Grant   |                     |                          |                           |                     |               |          |                 |
| Drunk Driving Enforcement Fund                             | 6,176.24            |                          | 6,176.24                  | 6,176.24            | -             |          |                 |
| Parking Offense Adjudication Act                           | 2,378.00            |                          | 2,378.00                  | 2,378.00            | -             |          |                 |
| Recycling Tonnage  | 33,551.43           |                          | 33,551.43                 | 33,551.43           | -             |          |                 |
| Body Worn Camera Grant                                     | 11,000.00           |                          | 11,000.00                 | 11,000.00           | -             |          |                 |
| Chapter 159:   |                     |                          |                           |                     | -             |          |                 |
| Clean Communities Grant                                    | 20,880.25           |                          | 20,880.25                 | 20,880.25           |               |          |                 |
| Police "Click it or ticket Grant"                          | 5,000.00            |                          | 5,000.00                  | 5,000.00            |               |          |                 |
| "Drive Sober or Get Pulled Over" Grant (Holiday)           | 5,000.00            |                          | 5,000.00                  | 5,000.00            | -             |          |                 |
| "Drive Sober or Get Pulled Over" Grant (Labor Day)         | 5,000.00            |                          | 5,000.00                  | 5,000.00            |               |          |                 |
| Body Armor Grant   | 4,108.94            |                          | 4,108.94                  | 4,108.94            | -             |          |                 |
| Alcohol Education and Rehab Grant                          | 2,538.12            |                          | 2,538.12                  | 2,538.12            | -             |          |                 |
| Emma Grant   | 5,000.00            |                          | 5,000.00                  | 5,000.00            |               |          |                 |
| Federal Bullet Proof Vest Partnership Grant                | 9,277.75            |                          | 9,277.75                  | 9,277.75            |               |          |                 |
| Drunk Driving Enforcement Fund                             | 5,119.70            |                          | 5,119.70                  | 5,119.70            |               |          |                 |
| <b>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>  | <b>190,030.43</b>   | <b>-</b>                 | <b>190,030.43</b>         | <b>190,030.43</b>   | <b>-</b>      | <b>-</b> | <b>-</b>        |
| <b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>             | <b>1,359,647.69</b> | <b>-</b>                 | <b>1,359,647.69</b>       | <b>1,359,311.75</b> | <b>335.94</b> | <b>-</b> | <b>-</b>        |
| <i><b>Detail:</b></i>                                      |                     |                          |                           |                     |               |          |                 |
| Salaries and Wages   | 75,000.00           | -                        | 75,000.00                 | 75,000.00           | -             | -        | -               |
| Other Expenses   | 1,284,647.69        | -                        | 1,284,647.69              | 1,284,311.75        | 335.94        | -        | -               |
| <i><b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b></i>    |                     |                          |                           |                     |               |          |                 |
| Capital Improvement Fund                                   | 300,000.00          |                          | 300,000.00                | 300,000.00          | -             |          |                 |
| <b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>   | <b>300,000.00</b>   | <b>-</b>                 | <b>300,000.00</b>         | <b>300,000.00</b>   | <b>-</b>      | <b>-</b> | <b>-</b>        |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

|   | APPROPRIATIONS          |                          |                           | EXPENDED                |                        |                      |                 |
|---|-------------------------|--------------------------|---------------------------|-------------------------|------------------------|----------------------|-----------------|
|   | Budget                  | Emergency Appropriations | Budget After Modification | Paid or Charged         | Reserved               | Lapsed               | Overexpenditure |
| <b>MUNICIPAL DEBT-EXCLUDED FROM "CAPS"</b>  |                         |                          |                           |                         |                        |                      |                 |
| Payment of Bond Principal   | \$ 2,397,129.10         | \$ -                     | \$ 2,397,129.10           | \$ 2,397,129.10         | \$ -                   | \$ -                 | \$ -            |
| Payment on Bond Anticipation Notes & Capital Notes                                | 613,000.00              |                          | 613,000.00                | 613,000.00              | -                      |                      |                 |
| Interest on Bonds   | 973,445.59              |                          | 973,445.59                | 973,444.03              |                        | 1.56                 |                 |
| Interest on Notes   | 67,815.00               |                          | 67,815.00                 | 67,815.00               |                        | -                    |                 |
| Green Trust Loan Program:   |                         |                          |                           |                         | -                      |                      |                 |
| Loan Repayments for Principal and Interest  | 48,848.20               |                          | 48,848.20                 | 48,848.20               | -                      | -                    |                 |
| Bergen County Improvement Authority -Principal                                    | 360,000.00              |                          | 360,000.00                | 360,000.00              | -                      | -                    |                 |
| Bergen County Improvement Authority -Interest                                     | 699,175.00              |                          | 699,175.00                | 699,175.00              | -                      | -                    |                 |
| <b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>                        | <b>5,159,412.89</b>     | <b>-</b>                 | <b>5,159,412.89</b>       | <b>5,159,411.33</b>     | <b>-</b>               | <b>1.56</b>          |                 |
| <b>DEFERRED CHARGES -</b>   |                         |                          |                           |                         |                        |                      |                 |
| <b>MUNICIPAL EXCLUDED FROM "CAPS"</b>   |                         |                          |                           |                         |                        |                      |                 |
| Emergency Authorizations  | -                       | -                        | -                         | -                       | -                      | -                    | -               |
| Special Emergency Authorizations - 5 Years  | -                       | -                        | -                         | -                       | -                      | -                    | -               |
|   | -                       | -                        | -                         | -                       | -                      | -                    | -               |
| Judgements (NJSA 40A:4-45.3cc)  |                         |                          |                           |                         |                        |                      |                 |
| <b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b> | <b>6,819,060.58</b>     | <b>-</b>                 | <b>6,819,060.58</b>       | <b>6,818,723.08</b>     | <b>335.94</b>          | <b>1.56</b>          | <b>-</b>        |
| <b>SUBTOTAL GENERAL APPROPRIATIONS</b>  | <b>25,079,473.09</b>    | <b>-</b>                 | <b>25,079,473.09</b>      | <b>23,552,168.59</b>    | <b>1,204,516.76</b>    | <b>322,787.74</b>    | <b>-</b>        |
| <i>Reserve for Uncollected Taxes</i>  | 475,000.00              |                          | 475,000.00                | 475,000.00              |                        |                      |                 |
| <b>TOTAL GENERAL APPROPRIATIONS</b>   | <b>\$ 25,554,473.09</b> | <b>\$ -</b>              | <b>\$ 25,554,473.09</b>   | <b>\$ 24,027,168.59</b> | <b>\$ 1,204,516.76</b> | <b>\$ 322,787.74</b> | <b>\$ -</b>     |
| Reference   | A-2                     |                          |                           | Below                   | A                      | A-1                  |                 |
| Reference   |                         |                          |                           |                         |                        |                      |                 |
| Disbursements   | A-4                     |                          |                           | \$ 23,420,375.39        |                        |                      |                 |
| Budget Offsets  | A-4                     |                          |                           | (603,396.67)            |                        |                      |                 |
| Reserve for Uncollected Taxes   | A-2                     |                          |                           | 475,000.00              |                        |                      |                 |
| Encumbrance Payable   | A-22                    |                          |                           | 45,159.44               |                        |                      |                 |
| Due to Grant Fund   | E-4                     |                          |                           | 190,030.43              |                        |                      |                 |
| Tax Appeal Reserve  | A-24                    |                          |                           | 500,000.00              |                        |                      |                 |
|   |                         |                          |                           | <u>\$ 24,027,168.59</u> |                        |                      |                 |

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

|  | Reference | At December 31,      |                      |
|--|-----------|----------------------|----------------------|
|  |           | 2016                 | 2015                 |
| <b>ASSETS</b>                                      |           |                      |                      |
| Other Trust Fund                                   |           |                      |                      |
| Cash   | B-1       | \$ 568,082.33        | \$ 554,016.82        |
|  |           | <u>568,082.33</u>    | <u>554,016.82</u>    |
| Developer's Escrow Fund                            |           |                      |                      |
| Cash   | B-1       | 290,282.25           | 239,060.07           |
|  |           | <u>290,282.25</u>    | <u>239,060.07</u>    |
| Dog License Fund                                   |           |                      |                      |
| Cash   | B-1       | 10,029.03            | 5,524.05             |
|  |           | <u>10,029.03</u>     | <u>5,524.05</u>      |
| Unemployment Fund                                  |           |                      |                      |
| Cash   | B-1       | 15,241.92            | 23,366.57            |
|  |           | <u>15,241.92</u>     | <u>23,366.57</u>     |
| <b>TOTAL ASSETS</b>                                |           | <u>\$ 883,635.53</u> | <u>\$ 821,967.51</u> |
| <b>LIABILITIES, RESERVE AND FUND BALANCE</b>       |           |                      |                      |
| Other Trust  |           |                      |                      |
| Special Reserves                                   | B-8       | \$ 568,082.33        | \$ 554,016.82        |
|  |           | <u>568,082.33</u>    | <u>554,016.82</u>    |
| Developers Escrow                                  |           |                      |                      |
| Reserve for Escrow Fees                            | B-5       | 290,282.25           | 239,060.07           |
|  |           | <u>290,282.25</u>    | <u>239,060.07</u>    |
| Dog License Fund                                   |           |                      |                      |
| Due to State of NJ                                 | B-3       | 1.20                 | 7.80                 |
| Reserve for Dog Fund Expenditures                  | B-6       | 10,027.83            | 5,516.25             |
|  |           | <u>10,029.03</u>     | <u>5,524.05</u>      |
| Unemployment Fund                                  |           |                      |                      |
| Fund Reserve                                       | B-2       | 15,241.92            | 23,366.57            |
|  |           | <u>15,241.92</u>     | <u>23,366.57</u>     |
| <b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b> |           | <u>\$ 883,635.53</u> | <u>\$ 821,967.51</u> |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

C

|  | Reference | At December 31,         |                         |
|--|-----------|-------------------------|-------------------------|
|  |           | 2016                    | 2015                    |
| <b>ASSETS</b>                                      |           |                         |                         |
| Cash - Treasurer                                   | C-2,3     | \$ 4,376,625.43         | \$ 2,565,516.61         |
| Grants Receivable                                  | C-19      | 1,242,914.86            | 1,188,414.86            |
| Deferred Charges to Future Taxation:               |           |                         |                         |
| Funded   | C-5       | 37,348,761.56           | 40,143,258.85           |
| Unfunded   | C-6       | 9,459,052.35            | 5,889,052.35            |
| Due from Bergen County Improvement Authority       | C-15      | 3,441.06                | 11,099.48               |
| <b>TOTAL ASSETS</b>                                |           | <u>\$ 52,430,795.26</u> | <u>\$ 49,797,342.15</u> |
| <b>LIABILITIES, RESERVE AND FUND BALANCE</b>       |           |                         |                         |
| General Serial Bonds                               | C-13      | \$ 21,462,834.26        | \$ 23,859,963.36        |
| Bond Anticipation Note Payable                     | C-16      | 8,982,500.00            | 4,321,000.00            |
| State Loan Payable                                 | C-12      | 545,927.30              | 583,295.49              |
| Bergen County Improvement Authority Bond Payable   | C-21      | 15,340,000.00           | 15,700,000.00           |
| Encumbrance Payable                                | C-7       | 114,168.50              | -                       |
| Improvement Authorizations:                        |           |                         |                         |
| Funded   | C-9       | 227,339.21              | 355,497.56              |
| Unfunded   | C-9       | 3,569,417.53            | 2,700,946.46            |
| Reserve for Payment of Bonds and Notes             | C-14      | 711,816.40              | 953,376.40              |
| Reserve for Building & Grounds Improvements        | C-11      | 493.09                  | 493.09                  |
| Reserve for Roadway Improvements                   | C-20      | 112,500.00              | 112,500.00              |
| Reserve for Grants- Receivable                     | C-18      | 1,242,914.86            | 1,188,414.86            |
| Premium on BAN/ Bond Sale                          | C-10      | 21,636.18               | 10,607.00               |
| Capital Improvement Fund                           | C-8       | 88,391.63               | 391.63                  |
| Fund Balance                                       | C-1       | 10,856.30               | 10,856.30               |
| <b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b> |           | <u>\$ 52,430,795.26</u> | <u>\$ 49,797,342.15</u> |

There were bonds and notes authorized but not issued on December 31, 2016 and 2015  
in the amount of \$476,552.35 and \$1,568,052.35 respectively. (Exhibit C-17).

**STATEMENT OF FUND BALANCE**

C-1

|                           | Reference |                     |
|---------------------------|-----------|---------------------|
| Balance December 31, 2015 | C         | <u>\$ 10,856.30</u> |
| Balance December 31, 2016 | C         | <u>\$ 10,856.30</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**D**

|  |             | At December 31,               |                               |
|--|-------------|-------------------------------|-------------------------------|
|  | Reference   | 2016                          | 2015                          |
| <b>ASSETS</b>                                      |             |                               |                               |
| Operating Fund:                                    |             |                               |                               |
| Cash   | D-4         | \$ 493,814.93                 | \$ 554,308.70                 |
| Escrow Trust Cash                                  | D-4, D-15   | 1,514.69                      | 1,514.69                      |
| Receivable with Full Reserves:                     |             |                               |                               |
| Consumer Accounts Receivable                       | D-5, Contra | 68,592.20                     | 371,824.29                    |
| Sewer Lien Receivable                              | D-9, Contra | 2,058.75                      | 2,058.75                      |
| Due from Current Fund                              | D-14        |                               |                               |
| Deferred Charges:                                  |             |                               |                               |
| Overexpenditure of Appropriations                  | D-3         | 70,045.48                     | 257,097.50                    |
| Overexpenditure of Appropriation Reserves          | D-13        | 17,669.06                     |                               |
| Deficit in Operation                               | D-1         |                               |                               |
| Total Operating Fund                               |             | <u>653,695.11</u>             | <u>1,186,803.93</u>           |
| Capital Fund:                                      |             |                               |                               |
| Cash   | D-4         | 1,024,030.55                  |                               |
| Fixed Capital                                      | D-8         | 4,503,548.62                  | 4,115,742.84                  |
| Fixed Capital Authorized and Uncompleted           | D-8         | 1,100,000.00                  | 1,500,000.00                  |
| Due from Utility Operating Fund                    | D-7         | -                             | 261,546.27                    |
| Total Capital Fund                                 |             | <u>6,627,579.17</u>           | <u>5,877,289.11</u>           |
| <b>TOTAL ASSETS</b>                                |             | <u><u>\$ 7,281,274.28</u></u> | <u><u>\$ 7,064,093.04</u></u> |
| <b>LIABILITIES, RESERVE AND FUND BALANCE</b>       |             |                               |                               |
| Operating Fund:                                    |             |                               |                               |
| Liabilities:                                       |             |                               |                               |
| Appropriation Reserves                             | D-3,13      | \$ 165.00                     | \$ 162.42                     |
| Encumbrance Payable                                | D-3,13      |                               | 337.50                        |
| Accrued Interest                                   | D-18        | 13,877.50                     | 2,618.52                      |
| Due to Utility Capital Fund                        | D-7         | -                             | 261,546.27                    |
| Sewer Charge Overpayment                           | D-6         | 29,173.46                     | 32,211.69                     |
| Due to Current Fund                                | D-14        | 322,786.18                    | 299,002.47                    |
| Reserve for Escrow Deposit                         | D-15        | 1,514.69                      | 1,514.69                      |
| Reserve for Receivables                            | Contra      | 70,650.95                     | 373,883.04                    |
| Fund Balance                                       | D-1         | 215,527.33                    | 215,527.33                    |
| Total Operating Fund                               |             | <u>653,695.11</u>             | <u>1,186,803.93</u>           |
| Capital Fund:                                      |             |                               |                               |
| Serial Bond Payable                                | D-18        | 307,165.74                    | 350,036.64                    |
| Bond Anticipation Notes                            | D-19        | 950,000.00                    |                               |
| Improvement Authorizations                         |             |                               |                               |
| Funded   | D-10        | -                             | 112,194.22                    |
| Unfunded   | D-10        | 862,302.00                    | 837,623.50                    |
| Capital Improvement Fund                           | D-11        | 256,935.55                    | 261,935.55                    |
| Reserve for Deferred Amortization                  | D-12        | 1,076,894.50                  | 1,029,023.60                  |
| Amortization Reserve                               | D-12        | 3,174,281.38                  | 3,286,475.60                  |
| Total Capital Fund                                 |             | <u>6,627,579.17</u>           | <u>5,877,289.11</u>           |
| <b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b> |             | <u><u>\$ 7,281,274.28</u></u> | <u><u>\$ 7,064,093.04</u></u> |

There were bonds and notes authorized but not issued as of December 31, 2016 and December 31, 2015 in the amount of \$95,207 and \$950,207 respectively. (Schedule D-16)



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

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

**D-1**

|  | Reference | At December 31,      |                      |
|--|-----------|----------------------|----------------------|
|  |           | 2016                 | 2015                 |
| Revenue and Other Income Realized                |           |                      |                      |
| User Charges and Fees                            | D-2,4     | 1,676,311.73         | 1,509,374.27         |
| Delinquent User Charges                          | D-2       | 462,129.76           | 464,821.62           |
| Giants Training Facility Agreement               | D-2,4     | 32,279.18            | 82,401.21            |
| Meadowlands Stadium Agreement                    | D-2,4     | 148,118.23           | 149,546.18           |
| Miscellaneous Revenues                           | D-2,4     | 15,753.06            | 40,228.58            |
| Utility Capital Surplus                          | D-2       | 112,194.22           |                      |
| Deficit General Budget                           | D-2,4     | 27,213.82            | 137,037.53           |
|  | D-2       | <u>2,474,000.00</u>  | <u>2,383,409.39</u>  |
| Other Credits to Income:                         |           |                      |                      |
| Prior Year Voided Checks                         | D-4       |                      | 19.98                |
| Appropriations Lapsed                            | D-3       | -                    | 1,691.54             |
| Prior Year Appropriation Reserve lapsed          | D-13      | -                    | 15,579.09            |
|  |           | <u>2,474,000.00</u>  | <u>2,400,700.00</u>  |
| Less: Budget Appropriations                      | D-3       | <u>2,474,000.00</u>  | <u>2,400,700.00</u>  |
| Excess/(Deficit) in Revenues                     |           | -                    | -                    |
| 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>215,527.33</u>    | <u>215,527.33</u>    |
| Less: Fund Balance Utilized                      | D-2       |                      |                      |
| Fund Balance - Operating - December 31           | D         | <u>\$ 215,527.33</u> | <u>\$ 215,527.33</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

**STATEMENT OF REVENUES - REGULATORY BASIS**

**D-2**

|                                    | Reference    | Anticipated<br>Budget  | Realized               | Excess or<br>(Deficit) |
|------------------------------------|--------------|------------------------|------------------------|------------------------|
| Surplus Anticipated                | D-1          | \$ -                   |                        | \$ -                   |
| User Charges and Fees              | D-1,Below    | 1,500,000.00           | 1,676,311.73           | 176,311.73             |
| Delinquent User Charges            | D-1,Below    | 300,000.00             | 462,129.76             | 162,129.76             |
| Giants Training Facility Agreement | D-1,4,5      | 23,000.00              | 32,279.18              | 9,279.18               |
| Meadowlands Stadium Agreement      | D-1,4,5      | 149,000.00             | 148,118.23             | (881.77)               |
| Miscellaneous Income               | D-1,4        | 40,000.00              | 15,753.06              | (24,246.94)            |
| Utility Capital Surplus            | D-7          | 112,000.00             | 112,194.22             | 194.22                 |
| Deficit General Budget             | D-1,4, Below | 350,000.00             | 27,213.82              | (322,786.18)           |
|                                    |              | <u>\$ 2,474,000.00</u> | <u>\$ 2,474,000.00</u> | <u>\$ -</u>            |
|                                    |              | D-3                    | D-1                    |                        |
|                                    |              |                        |                        |                        |
| User Charges & Fees                | D-4,5        |                        | \$ 1,673,273.50        |                        |
| Overpayments Applied               | D-6          |                        | <u>3,038.23</u>        |                        |
|                                    | Below        |                        | <u>\$ 1,676,311.73</u> |                        |
|                                    |              |                        |                        |                        |
| Delinquent User Charges Collected  | D-4,5        |                        | \$ 395,057.84          |                        |
| Delinquent Interest Collected      | D-4,5        |                        | <u>67,071.92</u>       |                        |
|                                    | Above        |                        | <u>\$ 462,129.76</u>   |                        |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

|   | Appropriations  |                           | Expended        |           |        | (Overexpenditure) |
|---|-----------------|---------------------------|-----------------|-----------|--------|-------------------|
|   | Budget          | Budget After Modification | Paid or Charged | Reserved  | Lapsed |                   |
| Operating                                       |                 |                           |                 |           |        |                   |
| Salaries and Wages                              | \$ 165,000.00   | \$ 162,100.00             | \$ 162,006.81   | \$ 93.19  | \$ -   | \$ -              |
| Other Expenses                                  | 1,935,675.63    | 1,943,875.63              | 2,002,662.13    | -         | -      | (58,786.50)       |
| Health Benefits                                 | 43,000.00       | 43,000.00                 | 43,000.00       | -         | -      | -                 |
| Total Operating Expenditures                    | 2,143,675.63    | 2,148,975.63              | 2,207,668.94    | 93.19     | -      | (58,786.50)       |
| Capital Improvement Fund                        | -               | -                         | -               | -         | -      | -                 |
| Deferred Charges & Statutory Expenditures       |                 |                           |                 |           |        |                   |
| Deferred Charges:                               |                 |                           |                 |           |        |                   |
| Deficit in Operations                           |                 |                           |                 |           |        |                   |
| Appropriation Overexpenditure                   | 257,097.50      | 257,097.50                | 257,097.50      |           |        |                   |
| Statutory Expenditures:                         |                 |                           |                 |           |        |                   |
| Contributions to:                               |                 |                           |                 |           |        |                   |
| Social Security System                          | 14,000.00       | 11,900.00                 | 11,828.19       | 71.81     | -      | -                 |
| Unemployment Compensation Insurance             | 3,200.00        | -                         | -               | -         | -      | -                 |
| Total Deferred Charges & Statutory Expenditures | 274,297.50      | 268,997.50                | 268,925.69      | 71.81     | -      | -                 |
| Debt Service                                    |                 |                           |                 |           |        |                   |
| Bond Principal                                  | 42,870.90       | 42,870.90                 | 42,870.90       |           | -      |                   |
| Bond Interest                                   | 13,155.97       | 13,155.97                 | 24,414.95       |           |        | (11,258.98)       |
|   | 56,026.87       | 56,026.87                 | 67,285.85       | -         | -      | (11,258.98)       |
| Total Sewer Utility Appropriations              | \$ 2,474,000.00 | \$ 2,474,000.00           | \$ 2,543,880.48 | \$ 165.00 | \$ -   | \$ (70,045.48)    |
| Reference                                       | D-1,2           | D-1,2                     | Below           | D         | D-1    | D                 |

|  |      |                 |
|--|------|-----------------|
| Disbursed  | D-4  | \$ 2,275,524.00 |
| Accrued Interest                                     | D-18 | 11,258.98       |
| Deferred Charge - Overexpenditures of Appropriations | D    | 257,097.50      |
|  |      | <hr/>           |
| Above  |      | \$ 2,543,880.48 |
|  |      | <hr/>           |

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2016 AND 2015

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**E**

|                                       | Reference | At December 31,      |                      |
|---------------------------------------|-----------|----------------------|----------------------|
|                                       |           | 2016                 | 2015                 |
| <b>ASSETS</b>                         |           |                      |                      |
| Cash                                  | E-1       | \$ 2,246.19          | \$ 15,466.39         |
| Grants Receivable                     | E-3       | 146,000.00           | 90,000.00            |
| <b>TOTAL ASSETS</b>                   |           | <u>\$ 148,246.19</u> | <u>\$ 105,466.39</u> |
| <b>LIABILITIES AND RESERVES</b>       |           |                      |                      |
| Appropriated Reserve                  | E-4       | \$ 145,754.19        | \$ 96,912.15         |
| Unappropriated Reserve                | E-5       | 2,492.00             | 8,554.24             |
| <b>TOTAL LIABILITIES AND RESERVES</b> |           | <u>\$ 148,246.19</u> | <u>\$ 105,466.39</u> |

BOROUGH OF EAST RUTHERFORD  
GENERAL FIXED ASSETS FUND  
DECEMBER 31, 2016 AND 2015

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

F

|                                       | At December 31,         |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | 2016                    | 2015                    |
| <b>GENERAL FIXED ASSETS</b>           |                         |                         |
| Land (as per assessed valuation)      | \$ 36,342,500.00        | \$ 35,431,200.00        |
| Buildings (as per assessed valuation) | 12,863,600.00           | 13,765,700.00           |
| Machinery and Equipment               | 12,595,083.00           | 12,265,426.00           |
| <b>TOTAL GENERAL FIXED ASSETS</b>     | <u>\$ 61,801,183.00</u> | <u>\$ 61,462,326.00</u> |
| <br><b>LIABILITIES AND RESERVES</b>   |                         |                         |
| Investments in General Fixed Assets   | <u>\$ 61,801,183.00</u> | <u>\$ 61,462,326.00</u> |
| <b>TOTAL LIABILITIES AND RESERVES</b> | <u>\$ 61,801,183.00</u> | <u>\$ 61,462,326.00</u> |

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**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, 2016 AND 2015

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

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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.

See Independent Auditor's Report.



BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, \$0 of the Borough's bank balance of \$12,337,364.05 and \$9,202,021.26 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, 2016 and 2015, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**4. Municipal Debt**

Summary of Long-Term Debt

Long-term debt as of December 31, 2016 consisted of bonds, loans, compensated absences and capital leases.

|                               | Balance<br>Dec. 31, 2015 | Additions   | Reductions             | Balance<br>Dec. 31, 2016 | Due in<br>One Year     |
|-------------------------------|--------------------------|-------------|------------------------|--------------------------|------------------------|
| Bonds Payable - General       | \$ 23,859,963.36         |             | \$ 2,397,129.10        | \$ 21,462,834.26         | \$ 2,372,077.80        |
| Bonds Payable - Sewer Utility | 350,036.64               |             | 42,870.90              | 307,165.74               | 42,922.20              |
| Bergen County Imp. Auth.      |                          |             |                        |                          |                        |
| Bond Payable - General        | 15,700,000.00            |             | 360,000.00             | 15,340,000.00            | 370,000.00             |
| Loan Payable - General        | 583,295.49               |             | 37,368.19              | 545,927.30               | 38,119.30              |
| Compensated Absences          | 995,792.37               |             | 1,607.22               | 994,185.15               | 83,074.71              |
|                               | <u>\$ 41,489,087.86</u>  | <u>\$ -</u> | <u>\$ 2,838,975.41</u> | <u>\$ 38,650,112.45</u>  | <u>\$ 2,906,194.01</u> |

Long-term debt as of December 31, 2015 consisted of bonds, loans, compensated absences and capital leases.

|                               | Balance<br>Dec. 31, 2014 | Additions            | Reductions             | Balance<br>Dec. 31, 2015 | Due in<br>One Year     |
|-------------------------------|--------------------------|----------------------|------------------------|--------------------------|------------------------|
| Bonds Payable - General       | \$ 26,049,719.57         |                      | \$ 2,189,756.21        | \$ 23,859,963.36         | \$ 2,397,129.10        |
| Bonds Payable - Sewer Utility | 385,280.43               |                      | 35,243.79              | 350,036.64               | 42,870.90              |
| Bergen County Imp. Auth.      |                          |                      |                        |                          |                        |
| Bond Payable - General        | 16,045,000.00            |                      | 345,000.00             | 15,700,000.00            | 360,000.00             |
| Loan Payable - General        | 359,537.69               | 250,000.00           | 26,242.20              | 583,295.49               | 37,368.19              |
| Loan Payable - Sewer Utility  | 109,067.81               |                      | 109,067.81             | -                        |                        |
| Compensated Absences          | 1,026,567.42             |                      | 30,775.05              | 995,792.37               |                        |
|                               | <u>\$ 43,975,172.92</u>  | <u>\$ 250,000.00</u> | <u>\$ 2,736,085.06</u> | <u>\$ 41,489,087.86</u>  | <u>\$ 2,837,368.19</u> |

As of December 31, 2016 and December 31, 2015, 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.

The regulatory basis of accounting in New Jersey does not recognize accumulated absences as long-term debt. Accumulated absence liabilities are more fully described in Note 15.

The Bergen County Improvement Authority issued \$17,000,000, County of Bergen Guaranteed Revenue Bonds, Series 2010. The bonds were issued to make a loan to the Borough for the purpose of financing the cost of a new police headquarters and municipal court building to be used by the Borough. The bonds were dated June 1, 2010 and interest is payable on June 1 and December 1 of each year commencing on December 1, 2010 and the bond principal is payable each year commencing June 1, 2013 to 2039. The following is a schedule of principal payments:

|           |                         |
|-----------|-------------------------|
| 2017      | 370,000.00              |
| 2018      | 390,000.00              |
| 2019      | 405,000.00              |
| 2020      | 425,000.00              |
| 2021      | 445,000.00              |
| 2022-2039 | <u>13,305,000.00</u>    |
|           | <u>\$ 15,340,000.00</u> |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**4. Municipal Debt**

Summary of Long-Term Debt (Continued):

The Borough's long-term debt consisted of the following at December 31, 2016

| <i>General Obligation Bonds</i>   | December 31, 2016       | December 31, 2015       |
|---|-------------------------|-------------------------|
| <b>\$12,505,000</b> - 2009 Bonds, due in annual installments of \$1,059,745.76-11/01/17-18;<br>\$1,156,086.29-11/01/19-21;\$1,233,158.71-11/01/22 interest rate variable from 2.00% to 4.00%  | \$ 6,820,908.78         | \$ 7,880,654.54         |
| <b>\$5,112,000</b> - 2014 Bonds, due in annual installments of \$257,332.04-02/01/17-02/01/19,<br>\$267,229.42-02/01/20, \$272,178.11-02/01/21, \$282,075.50-02/01/22, \$291,972.89-02/01/23,<br>\$301,870.27-02/01/24,\$311,767.66-02/01/25, \$326,613.74-02/01/26, \$336,511.12-02/01/27,<br>\$351,357.20- 02/01/28, \$361,254.59-02/01/29, \$376,100.67-02/01/30, \$385,998.19-02/01/31,<br>interest rate variable from 2.00% to 5.00% | 4,636,925.48            | 4,889,308.82            |
| <b>\$11,175,000</b> - 2014 Bonds, due in annual installments of \$1,055,000-06/15/17, \$1,035,000-<br>06/15/18, \$1,130,000-06/15/19, \$1,125,000-06/15/20, \$1,130,000-06/15/21, \$1,135,000-06/15/22,<br>\$1,145,000-06/15/23,\$1,150,000-06/15/24, \$1,100,000-06/15/25, interest rate variable from 1.50%<br>to 5.00%   | 10,005,000.00           | 11,090,000.00           |
| Subtotal  | <u>21,462,834.26</u>    | <u>23,859,963.36</u>    |
| <i>Bergen County Improvement Authority Bond Payable</i>   |                         |                         |
| <b>\$17,000,000</b> - Bergen County Improvement Authority County Guaranteed<br>Bonds, Series 2010; due in annual installments; interest rate variable<br>from 2.00% to 5.00%  | 15,340,000.00           | 15,700,000.00           |
| Subtotal  | <u>15,340,000.00</u>    | <u>15,700,000.00</u>    |
| <i>State Loan Payable</i>   |                         |                         |
| <b>\$100,000</b> - due in annual installments, at a 2.00% interest rate   | 73,250.58               | 77,933.52               |
| <b>\$435,553</b> - due in semi-annual installments, at a 2.00% interest rate  | 233,275.25              | 255,361.97              |
| <b>\$250,000</b> - due in semi-annual installments, at a 2.00% interest rate  | 239,401.47              | 250,000.00              |
| Subtotal  | <u>545,927.30</u>       | <u>583,295.49</u>       |
| <b><u>Sewer Utility Capital:</u></b>  |                         |                         |
| <i>Bond Payable</i>   |                         |                         |
| <b>\$475,000</b> - 2009 Bonds, due in annual installments of \$40,254.24-11/01/17-18; \$43,913.71-<br>11/01/19-21;\$46,841.29-11/01/22 interest rate variable from 2.00% to 4.00%   | \$ 259,091.22           | \$ 299,345.46           |
| <b>\$53,000</b> - 2014 Bonds, due in annual installments of \$2,667.96 - 2/01/17-19;\$2,770.58-2/01/20;<br>\$2,821.89-2/01/21; \$2,924.50-2/01/22; \$3,027.11-2/01/23; \$3,129.73-2/01/24; \$3,232.34-2/01/25;<br>\$3,386.26-2/01/26; \$3,488.88-2/01/27;\$3,642.80-2/01/28; \$3,745.41-2/01/29; \$3,899.33 -2/01/30;<br>\$4,001.81-2/01/31- interest rate variable from 2.00% to 5.00%   | 48,074.52               | 50,691.18               |
| Total   | <u>307,165.74</u>       | <u>350,036.64</u>       |
| Total   | <u>\$ 37,655,927.30</u> | <u>\$ 40,493,295.49</u> |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
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4. **Municipal Debt**

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.

|   | 2016                    | 2015                    | 2014                    |
|---|-------------------------|-------------------------|-------------------------|
| Issued:   |                         |                         |                         |
| General:  |                         |                         |                         |
| Bonds, Notes and Loans                                      | \$ 46,331,261.56        | \$ 44,464,258.85        | \$ 44,372,257.26        |
| Sewer Utility:  |                         |                         |                         |
| Bonds, Notes and Loans                                      | 1,257,165.74            | 350,036.64              | 494,348.24              |
| Debt Issued   | <u>47,588,427.30</u>    | <u>44,814,295.49</u>    | <u>44,866,605.50</u>    |
| Authorized but not Issued:                                  |                         |                         |                         |
| General:  |                         |                         |                         |
| Bonds and Notes   | 476,552.35              | 1,568,052.34            | 3,521,552.35            |
| Sewer Utility:  |                         |                         |                         |
| Bonds and Notes   | 95,207.00               | 950,207.00              | 207.00                  |
|   | <u>571,759.35</u>       | <u>2,518,259.34</u>     | <u>3,521,759.35</u>     |
| Less Deductions   | <u>1,539,372.74</u>     | <u>2,100,243.64</u>     | <u>2,044,000.00</u>     |
| Net Bonds and Notes Issued and<br>Authorized but not Issued | <u>\$ 46,620,813.91</u> | <u>\$ 45,232,311.19</u> | <u>\$ 46,344,364.85</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 2.243% as of December 31, 2016 and 2.242% as of December 31, 2015.

| 2016               | Gross Debt<br>Issued and<br>Authorized | Deductions             | Net Debt                |
|--------------------|--|------------------------|-------------------------|
| School Debt        | \$ 4,361,000.00                        | \$ 4,361,000.00        | \$ -                    |
| General Debt       | 46,807,813.91                          | 187,000.00             | 46,620,813.91           |
| Sewer Utility Debt | 1,352,372.42                           | 1,352,372.42           | -                       |
|                    | <u>\$ 52,521,186.33</u>                | <u>\$ 5,900,372.42</u> | <u>\$ 46,620,813.91</u> |

Net Debt of \$46,620,813.91 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,078,053,332 = 2.243%.

| 2015               | Gross Debt<br>Issued and<br>Authorized | Deductions             | Net Debt                |
|--------------------|--|------------------------|-------------------------|
| School Debt        | \$ 4,936,000.00                        | \$ 4,936,000.00        | \$ -                    |
| General Debt       | 46,032,311.19                          | 800,000.00             | 45,232,311.19           |
| Sewer Utility Debt | 1,300,243.64                           | 1,300,243.64           | -                       |
|                    | <u>\$ 52,268,554.83</u>                | <u>\$ 7,036,243.64</u> | <u>\$ 45,232,311.19</u> |

Net Debt of \$ 45,232,311.19 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,017,492,145.67= 2.242%.

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BOROUGH OF EAST RUTHERFORD  
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4. **Municipal Debt**

Summary of Long-Term Debt (Continued):

| <u>Calculation of "Self-Liquidating Purpose", Sewer Utility</u>            | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| Cash Receipts from Fees, Rents or Other Charges                            | \$ 2,474,000.00            | \$ 2,400,700.00            |
| Deductions:  |                            |                            |
| Operating and Maintenance Cost   | 2,143,675.63               | 1,884,735.02               |
| Deferred Charges & Statutory Expenditures                                  | 274,297.50                 | 354,433.49                 |
| Debt Service   | 56,026.87                  | 161,531.49                 |
|  | <u>2,474,000.00</u>        | <u>2,400,700.00</u>        |
| Excess (Deficit) in Revenue  | -                          | -                          |
| Smaller of deficit in revenue or utility debt service<br>capitalized at 5% |                            |                            |
| Gross Sewer System Debt  | 1,352,372.42               | 1,300,243.64               |
| Less Above:  |                            |                            |
| Total Deduction  | <u><u>1,352,372.42</u></u> | <u><u>1,300,243.64</u></u> |

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

|   |                         |                         |
|---|-------------------------|-------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 72,731,866.62        | \$ 70,612,225.10        |
| Net Debt  | <u>46,620,813.91</u>    | <u>45,232,311.19</u>    |
| Remaining Borrowing Power                       | <u>\$ 26,111,052.71</u> | <u>\$ 25,379,913.91</u> |

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, 2016 the Borough had a total of \$8,982,500 in outstanding General Capital bond anticipation notes and \$950,000 in outstanding Sewer Utility Capital bond anticipation notes, for a total of \$9,932,500. Reference to schedule C-16 and D-19 will show the annual interest rates for each note.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2016:

|                                 | <u>Beginning<br/>Balance</u> | <u>Additions</u>       | <u>Reductions</u>      | <u>Ending<br/>Balance</u> |
|---------------------------------|------------------------------|------------------------|------------------------|---------------------------|
| Janney Montgomery Scott         | \$ 300,000.00                |                        | \$ 300,000.00          | \$ -                      |
| Oppenheimer & Co., Inc.         | 500,000.00                   | 187,000.00             | 500,000.00             | 187,000.00                |
| KeyBanc Capital Markets, Inc.   | 3,521,000.00                 | 4,613,500.00           | 3,521,000.00           | 4,613,500.00              |
| Capital One Public Funding, LLC |                              | 5,132,000.00           |                        | 5,132,000.00              |
|                                 | <u>\$ 4,321,000.00</u>       | <u>\$ 9,932,500.00</u> | <u>\$ 4,321,000.00</u> | <u>\$ 9,932,500.00</u>    |

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**5. Capital Leases Payable**

On January 22, 2014, the Borough entered into a lease agreement with Ford Credit Company for a 2014 Ford F450 Truck for five years with annual payments of \$14,045.50, to be used by the DPW Department. The fair market value of the vehicle was \$62,648.00.

On January 22, 2014, the Borough entered into a lease agreement with Ford Credit Company for a 2014 Ford Explorer for five years with annual payments of \$7,374.32, to be used by the Police Department. The fair market value of the vehicle was \$32,241.00

On November 6, 2014, the Borough entered into a lease agreement with Ford Credit Company for a 2014 Dodge Charger for five years with annual payments of \$20,747.23, to be used by the Police Department. The fair market value of the vehicle was \$58,360.00.

Total payments for the leases amounted to \$ 42,167.05 and \$42,167.05 in 2016 and 2015, 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               |
|------|---------------------|--------------------|---------------------|
| 2017 | 19,199.04           | 2,220.78           | 21,419.82           |
| 2018 | 20,278.72           | 1,141.09           | 21,419.81           |
|      | <u>\$ 39,477.76</u> | <u>\$ 3,361.87</u> | <u>\$ 42,839.63</u> |

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

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2016 and 2015, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

|   | <u>2016</u> | Balance<br>Dec. 31, 2016 | 2017 Budget<br>Appropriations | Subsequent<br>Budgets |
|---|-------------|--------------------------|-------------------------------|-----------------------|
| <u>Sewer Utility Fund</u>                 |             |                          |                               |                       |
| Overexpenditure of Appropriations         |             | 70,045.48                | 70,045.48                     | -                     |
| Overexpenditure of Appropriation Reserves |             | 17,669.06                | 17,669.06                     |                       |
| Total                                     |             | <u>87,714.54</u>         | <u>87,714.54</u>              | <u>-</u>              |
|   | <u>2015</u> | Balance<br>Dec. 31, 2015 | 2016 Budget<br>Appropriations | Subsequent<br>Budgets |
| <u>Sewer Utility Fund</u>                 |             |                          |                               |                       |
| Overexpenditure of Appropriation Reserves |             | 257,097.50               | 257,097.50                    | -                     |
| Total                                     |             | <u>257,097.50</u>        | <u>257,097.50</u>             | <u>-</u>              |

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**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<br>Balance December 31, |                 | Regional High School Tax<br>Balance December 31, |                 |
|-------------------------|---|-----------------|--|-----------------|
|                         | 2016  | 2015            | 2016   | 2015            |
| Balance of Tax          | \$ 7,405,607.00                                   | \$ 7,200,411.00 | \$ 2,678,321.50                                  | \$ 2,984,443.00 |
| Deferred                | 7,405,607.00                                      | 7,200,411.00    | 2,678,321.50                                     | 2,984,443.00    |
| 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 June 14, 2016 for 2015 taxes and June 16, 2015 for 2014

**9. Taxes Collected in Advance**

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

|               | Balance<br>Dec. 31, 2016 | Balance<br>Dec. 31, 2015 |
|---------------|--------------------------|--------------------------|
| Prepaid Taxes | \$ 198,346.21            | \$ 159,125.65            |

**10. Interfund Receivables and Payables**

Interfund Receivables and Payables at December 31, 2016 were as follows:

| Fund Type                               | December 31, 2016 |               | December 31, 2015 |               |
|---|-------------------|---------------|-------------------|---------------|
|   | Receivables       | Payables      | Receivables       | Payables      |
| Current Fund                            | \$ 322,786.18     | \$ -          | \$ 299,002.47     | \$ -          |
| Sewer Utility Fund                      |                   | 322,786.18    |                   | 560,548.74    |
| Sewer Capital Fund                      |                   |               | 261,546.27        |               |
| Total Interfund Receivables and Payable | \$ 322,786.18     | \$ 322,786.18 | \$ 560,548.74     | \$ 560,548.74 |

**11. Contingencies**

***Litigation***

The Borough is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

The Borough is defendant in various tax appeal proceedings. These appeals, if successful, would be funded by either budget appropriation or the authorization of tax appeal refunding bonds. On March 22, 2017, the Borough entered into a settlement agreement with the Federal Reserve resulting in tax refunds and or tax credits due for the years 2014 through 2017, as referenced in Note 19, Subsequent Events.

***Claims and Judgments***

The Borough participated in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2016, significant amounts of grant expenditures 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.

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BOROUGH OF EAST RUTHERFORD  
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**12. 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 [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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, 2016. 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 December 31, 2016, the Borough has disclosed a liability of \$9,390,367 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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, 2015 and 2014. At June 30, 2015, the Borough's proportion was .04183 %, which was an decrease of .00234 % from its proportion measured as of June 30, 2014.

See Independent Auditor's Report.



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**12. Retirement Plans (continued):**

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

For the year ended December 31, 2016, the Borough recognized pension expense of \$ 375,545.51. At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|  | June 30, 2015       |                     | June 30, 2014      |                     |
|--|---------------------|---------------------|--------------------|---------------------|
|  | <u>Deferred</u>     | <u>Deferred</u>     | <u>Deferred</u>    | <u>Deferred</u>     |
|  | <u>Outflows of</u>  | <u>Inflow of</u>    | <u>Outflows of</u> | <u>Inflow of</u>    |
|  | <u>Resources</u>    | <u>Resources</u>    | <u>Resources</u>   | <u>Resources</u>    |
| Difference between expected and actual experience  | \$ 224,021          | \$ -                | \$ -               | \$ -                |
| Changes of assumptions   | 1,008,450           |                     | 260,049            |                     |
| Net difference between projected and actual earnings on pension plan investments               |                     | 150,979             |                    | 492,840             |
| Changes in proportion and differences between Borough and proportionate share of contributions |                     | 1,202,737           |                    | 1,018,486           |
| Borough contributions subsequent to the measurement date                                       |                     |                     |                    |                     |
| Total  | <u>\$ 1,232,471</u> | <u>\$ 1,353,716</u> | <u>\$ 260,049</u>  | <u>\$ 1,511,326</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: |
|------------|---------------------|
| 2016       | \$ (55,276)         |
| 2017       | (55,276)            |
| 2018       | (55,276)            |
| 2019       | (55,276)            |
| 2020       | (55,276)            |
| Thereafter | 155,136             |
| Total      | <u>\$ (121,245)</u> |

|  | 6/30/2015        | 6/30/2014      |
|--|------------------|----------------|
| Collective deferred outflows of resources                | \$ 2,946,265,815 | \$ 952,194,675 |
| Collective deferred inflows of resources                 | 360,920,604      | 1,479,224,662  |
| Collective net pension liability (Non-State-Local Group) | 22,447,996,119   | 18,722,735,003 |
| Borough's portion of net pension liability               | 9,390,367        | 8,269,875      |
| Borough's proportion %                                   | 0.0418316501%    | 0.0441702293%  |

*Actuarial assumptions.* The total pension liability for the June 30, 2015 measurement date was determined by actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The actuarial valuation used the following actuarial assumptions.

|                            |                            |
|----------------------------|----------------------------|
| Inflation:                 | 3.04%                      |
| Salary Increases:          |                            |
| 2012-2021                  | 2.15% – 4.40% based on age |
| Thereafter                 | 3.15% – 5.40% based on age |
| Investment Rate of Return: | 7.90%                      |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
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**12. 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):*

*Actuarial assumptions (Continued):*

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

*Discount rate.* The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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**12. 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 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, 2015 and 2014, calculated using the discount rate of 4.90% and 5.39% 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, 2015      |                |                    |
|--|--------------------|----------------|--------------------|
|  | <u>1% Decrease</u> | <u>Rate</u>    | <u>1% Increase</u> |
|  | <u>(3.90%)</u>     | <u>(4.90%)</u> | <u>(5.90%)</u>     |
| Borough's proportionate share of the net pension liability | \$ 11,329,065      | \$ 9,390,367   | \$ 7,767,674       |
| <hr/>  |                    |                |                    |
|  | June 30, 2014      |                |                    |
|  | <u>1% Decrease</u> | <u>Rate</u>    | <u>1% Increase</u> |
|  | <u>(4.39%)</u>     | <u>(5.39%)</u> | <u>(6.39%)</u>     |
| Borough's proportionate share of the net pension liability | \$ 10,074,196      | \$ 8,269,875   | \$ 6,755,907       |

*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.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

*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 December 31, 2016, the Borough has disclosed a liability of \$27,284,094 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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, 2015 and 2014. At June 30, 2015, the District's proportion was .16380 %, which was an increase of .00177 % from its proportion measured as of June 30, 2014.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**12. 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, 2015 and June 30, 2014 was \$2,392,724 and \$2,194,730, respectively.

For the year ended December 31, 2016, the Borough recognized pension expense of \$ 1,331,485. At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|  | June 30, 2015   |   | June 30, 2014   |   |
|--|---|---|---|---|
|  | <u>Deferred</u><br><u>Outflows of</u><br><u>Resources</u> | <u>Deferred</u><br><u>Inflow of</u><br><u>Resources</u> | <u>Deferred</u><br><u>Outflows of</u><br><u>Resources</u> | <u>Deferred</u><br><u>Inflow of</u><br><u>Resources</u> |
| Difference between expected and actual experience  |   | \$ 235,334  |   | \$ -  |
| Changes of assumptions   | 5,037,322   |   | 765,185   |   |
| Net difference projected and actual earnings on pension plan investments                         |   | 474,856   |   | 2,079,849   |
| Changes in proportion and differences between Borough's and proportionate share of contributions | 979,636   |   | 972,703   |   |
| Borough contributions subsequent to the measurement date   |   |   |   |   |
| Total  | <u>\$ 6,016,958</u>                                       | <u>\$ 710,190</u>                                       | <u>\$ 1,737,888</u>                                       | <u>\$ 2,079,849</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: |
|------------|---------------------|
| 2016       | \$ 837,669          |
| 2017       | 837,669             |
| 2018       | 837,669             |
| 2019       | 837,669             |
| 2020       | 837,669             |
| Thereafter | 1,118,424           |
| Total      | <u>\$ 5,306,768</u> |

|  | 6/30/2015        | 6/30/2014      |
|--|------------------|----------------|
| Collective deferred outflows of resources                | \$ 3,075,206,294 | \$ 472,261,128 |
| Collective deferred inflows of resources                 | 433,559,708      | 1,283,652,103  |
| Collective net pension liability (Non-State-Local Group) | 18,117,234,618   | 13,933,627,178 |
| Borough's portion of net pension liability               | 27,284,094       | 20,381,358     |
| Borough's portion of net pension liability               | 0.1638043449%    | 0.1620259236%  |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**12. 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, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The actuarial valuation used the following assumptions:

|                            |                             |
|----------------------------|-----------------------------|
| Inflation:                 | 3.04%                       |
| Salary Increases:          |                             |
| 2012-2021                  | 2.60-9.48% based on age     |
| Thereafter                 | 3.60% – 10.48% based on age |
| Investment Rate of Return: | 7.90%                       |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year Based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2015 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**12. 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 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made on the average of the last five years of actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability

*Sensitivity of the 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, 2015 and 2014, calculated using the discount rate of 5.79% and 6.32%, 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 (5.32%) or 1-percentage-point higher (7.32%) than the current rate:

| June 30, 2015  | <u>1% Decrease</u><br><u>(4.79%)</u> | <u>Rate</u><br><u>(5.79%)</u> | <u>1% Increase</u><br><u>(6.79%)</u> |
|--|--------------------------------------|-------------------------------|--------------------------------------|
| Borough's proportionate share of the net pension liability | \$ 35,969,098                        | \$ 27,284,094                 | \$ 20,202,249                        |
| <hr/>  |                                      |                               |                                      |
| June 30, 2014  | <u>1% Decrease</u><br><u>(5.32%)</u> | <u>Rate</u><br><u>(6.32%)</u> | <u>1% Increase</u><br><u>(7.32)</u>  |
| Borough's proportionate share of the net pension liability | \$ 26,892,244                        | \$ 20,381,358                 | \$ 15,002,881                        |

*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.nj.gov/treasury/pensions/financial-rprts-home.shtml>

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**12. 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<br>December 31, | PERS<br>Amount | PFRS<br>Amount  |
|----------------------------|----------------|-----------------|
| 2016                       | \$ 375,545.51  | \$ 1,331,485.00 |
| 2015                       | 364,132.61     | 1,244,471.00    |
| 2014                       | 384,503.98     | 1,118,398.00    |
| 2013                       | 328,907.57     | 1,158,395.00    |

**13. 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 contribution for eligible members' life insurance and disability coverage under DCRP.

**14. Deferred Compensation Plan**

The Borough maintains a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457.

Any employee of the Borough is eligible to participate in the plan. Participation in the plan is entirely voluntary on the part of each employee. 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 not a part of the financial statements of the Borough.

**15. Post-Employment Benefits**

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**15. Post-Employment Benefits (Continued):**

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On November 20, 2001, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 97. Any PBA employee who retires after twenty (20) years or more of service within the Borough or any non-PBA employee who retires after twenty-five (25) years or more of service or any employee who retires under disability shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits. The health insurance coverage ends when the retiree reaches the age of 65.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough contributions for retirees to SHBP for the years ended December 31, 2016 and 2015 were \$409,563.75 and \$283,667.76, respectively, which equaled the required contribution for each year. There were approximately 19 and 16 retired participants eligible at December 31, 2016 and 2015, respectively.

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

**Basis of Accounting:** The financial statements of the health benefits program are prepared on the accrual basis of accounting. Employer contributions are recognized when payable in accordance with terms of the health benefit program.

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

**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 2016 the Borough had one employee that were received the health insurance waiver incentive.

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

**16. Compensated Absences**

The Borough's policy to compensate police officers for unused sick time amounted to \$83,074.71 in 2016 and was paid in 2017, and \$114,730.78 in 2015 paid in 2016, respectively.

The Borough has permitted other employees 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 \$994,185.15 for 2016 and \$995,792.37 for 2015.



BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**17. 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.

**18. Insurance**

The Borough is a member of the South Bergen Municipal Joint Insurance Fund. The coverage includes general liability, automotive liability, law enforcement professional liability, and employee benefits liability. The employee benefit program includes prescription drug card plan, dental benefits, long-term disability benefit, and group life insurance benefit. There has been no reduction in insurance coverage from prior years and settlements did not exceed insurance coverage for the past three 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.

**19. Subsequent Events**

The Borough has approved its 2017 budget on April 18, 2017 and is expected to adopt on May 16, 2017.

**Federal Reserve Bank of New York v. Borough of East Rutherford: Case No. 2:14-CV-01998-WJM-MF**

On or about April 3rd, 2014, the Borough was served with a complaint filed in the United States District Court for the District of New Jersey by the Federal Reserve Bank of New York ("Federal Reserve") alleging, inter alia, that the United States District Court has jurisdiction (original jurisdiction) to hear and decide Federal Reserve's complaint that the Borough's assessments for properties (2) owned by the Federal Reserve, located in East Rutherford, were in excess of true value and contrary to the NJ and US Constitutions, in that the assessments were not made in accordance with uniform rules, nor according to the same standard of value at which other properties are assessed. The properties were assessed in 2014, as follows: for Block 93, Lot 4, the property was assessed at \$313,740,000 and for Block 95, Lot 2, the property was assessed at \$7,429,300. Therefore, Federal Reserve alleges that the assessments are arbitrary, unequal, unreasonable and discriminatory in comparison to other assessments in the Borough. Federal Reserve was seeking to reduce the 2014 assessments and "all future assessments" to reflect the true value of the properties and such other relief as the Court determined appropriate. In view of the magnitude of the assessment, an award/judgment substantially reducing the assessments would have a significant financial impact upon the Borough. The Borough responded by filing a Notice of Motion to Dismiss Federal Reserve's complaint, contending that the Federal Court lacks or should decline to exercise jurisdiction based on principles of comity, abstention, and the Tax Injunction Act (28 U.S.C. §1341). The Court denied the Borough's motion on August 26, 2014. Thereafter, the Borough filed its answer and separate defenses to Federal Reserve's complaint on October 17, 2014. The case then proceeded to the discovery phase, pursuant to case management/discovery order(s) entered in the matter.

During the course of preparing the case for trial in March, 2017, the Federal Reserve and Borough engaged in several settlement discussions and exchanged offers and counter-offers to resolve the pending appeals. On or about March 22, 2017, the parties settled the litigation by entering into a consent decree and order of settlement which was reduced to a judgment entered by the Honorable William J. Martini (U.S.D.J.). Thus, an answer to Federal Reserve's 2017 amended complaint was not necessary.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**19. Subsequent Events (Continued):**

**Federal Reserve Bank of New York v. Borough of East Rutherford: Case No. 2:14-CV-01998-WJM-MF (Continued):**

Essentially, the combined assessments of Federal Reserve's properties for 2014-2017 were established in 2010, when the Borough completed a Borough-wide revaluation increasing the combined assessments from \$94,000,000 in 2009, as follows:

|              |                       |
|--------------|-----------------------|
| Land         | \$ 36,040,000.00      |
| Improvements | <u>285,129,300.00</u> |
| Total        | \$321,169,300.00      |

As a result of the settlement, the total 2014-2017 combined assessments were reduced, as follows:

|             |                            |
|-------------|----------------------------|
| <u>Year</u> | <u>Combined Assessment</u> |
| 2014        | \$252,000,000.00           |
| 2015        | \$253,000,000.00           |
| 2016        | \$253,000,000.00           |
| 2017        | \$204,113,000.00           |

In addition, the parties agreed that in view of the Borough's anticipated revaluation in the 2018 tax year, the total combined 2018, 2019, and 2020 real property tax assessment on the properties shall be established based on a total fair market value of \$227,500,000.00 for the properties, but in no circumstance at a total assessment in excess of \$227,500,000.00 or an assessment below \$204,113,000.00 for said years; the total assessment shall remain at \$227,500,000.00 until the next revaluation or reassessment. Interest on the tax refunds shall be waived provided that tax refund is paid on or before September 30, 2018, failing which interest shall accrue at the statutory rate of 5% per annum from the date the taxes were paid until the date the refund is tendered.

Tax savings for the 2018 tax year shall be taken in the form of tax credits pursuant to N.J.S.A. 54:4-69.2 to the Federal Reserve, which credits shall be applied on or before November 1, 2018. The Borough anticipates bonding the actual tax refunds Federal Reserve is entitled to receive, which will require the New Jersey Local Finance Board approval. The Borough's assessor, appraisers, and counsel recommended the settlement based on several factors, including the risk of the Court entering judgment(s) in accordance with the Federal Reserve appraisals/opinions of value (averaging \$135,726,666 for the 2014-2016 tax years).

The Borough has evaluated subsequent events through April 17, 2018, which is the date the financial statements were available to be issued.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CASH**

A-4

|  | Reference   | Current Fund           | Tax Collector        |
|--|-------------|------------------------|----------------------|
| Balance December 31, 2015                  | A           | <u>\$ 4,433,528.21</u> | <u>\$ -</u>          |
| Increased by:                              |             |                        |                      |
| Miscellaneous Revenue                      | A-2         | 12,018,351.09          | 68,780.37            |
| Non-Budget Revenues                        | A-2         | 38,040.79              |                      |
| Taxes Receivable                           | A-7         | 162,532.60             | 36,223,981.63        |
| Tax Title Liens Receivable-Municipal       | A-10        |                        | 15,173.33            |
| Senior Citizens and Veterans               | A-8         | 47,447.95              |                      |
| Tax Overpayments                           | A-15        |                        | 273,451.90           |
| Collector                                  | Contra      | 37,056,804.43          |                      |
| Tax Title Liens - Outside Lien holder      | B-7         |                        | 295,034.46           |
| Due to State Marriage License Fees         | A-14        | 1,775.00               |                      |
| Police Off Duty Receivable/ Reserve        | A-23        | 735,958.03             |                      |
| Prepaid Taxes                              | A-16        |                        | 198,346.21           |
| Due from Grant Fund- Grant Receivable      | E-2         | 110,476.19             |                      |
| Due from Grant Fund- Grants Unappropriated | E-2         | 15,712.20              |                      |
| Due From Sewer Utility                     | D-14        | 299,002.47             |                      |
| DEA Confiscated Funds                      | A-20        | 218,950.79             |                      |
| Miscellaneous Reserves                     | A-6         | 5,417.00               |                      |
| Budget Offsets                             | A-3         | 603,396.67             |                      |
| Transfer / Due to Other Trust Fund         | Contra, B-7 | 411,188.99             | 141,500.00           |
| Due to Dog License Fund                    | Contra      | 6,421.00               |                      |
|  |             | <u>51,731,475.20</u>   | <u>37,216,267.90</u> |
|  |             | <u>56,165,003.41</u>   | <u>37,216,267.90</u> |
| Decreased by:                              |             |                        |                      |
| 2016 Budget Appropriations                 | A-3         | 23,420,375.39          |                      |
| 2015 Appropriation Reserves                | A-13        | 649,760.80             |                      |
| Tax Overpayments                           | A-15        | 799,501.62             |                      |
| Local District School Tax                  | A-18        | 14,606,018.52          |                      |
| Regional School Tax                        | A-19        | 5,662,764.62           |                      |
| County Taxes                               | A-17        | 6,129,627.11           |                      |
| Due to Grant Fund - Expenditures           | E-2         | 141,188.39             |                      |
| Due to Grant Fund                          | E-2         |                        |                      |
| Due from Dog License Fund                  | Contra      | 6,421.00               |                      |
| Transfer to Other Trust Fund               | B-7         | 847,723.45             |                      |
| Due from Capital Fund                      | Contra, C-4 |                        |                      |
| Transfer to Current Fund                   | Contra      |                        | 37,056,804.43        |
| Due to State of NJ Marriage License        | A-14        | 1,975.00               |                      |
| Due from Sewer Utility Fund                | D-14        | 322,786.18             |                      |
| DEA Confiscated Funds                      | A-20        | 66,540.82              |                      |
| Miscellaneous Reserves                     | A-6         | 5,670.26               |                      |
| Tax Appeals - Charged to Fund Balance      | A-1         |                        |                      |
| Tax Appeals- Reserve                       | A-24        |                        |                      |
| Police Off Duty Receivable/ Reserve        | A-23        | 683,574.36             |                      |
|  |             | <u>53,343,927.52</u>   | <u>37,056,804.43</u> |
| Balance December 31, 2016                  | A           | <u>\$ 2,821,075.89</u> | <u>\$ 159,463.47</u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CHANGE FUND**

A-5

|                             | Balance<br>December 31, 2015 | Increased   | Decreased   | Balance<br>December 31, 2016 |
|-----------------------------|------------------------------|-------------|-------------|------------------------------|
| Petty Cash                  | \$ 950.00                    |             |             | \$ 950.00                    |
| Collector - Change Fund     | 100.00                       | \$ -        | \$ -        | 100.00                       |
| Borough Clerk - Change Fund | 100.00                       | -           | -           | 100.00                       |
|                             | <u>\$ 1,150.00</u>           | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,150.00</u>           |
|                             | A                            |             |             | A                            |

**SCHEDULE OF MISCELLANEOUS RESERVES**

A-6

|   | Balance<br>December 31, 2015 | Cash Receipts      | Cash Disbursements | Balance<br>December 31, 2016 |
|---|------------------------------|--------------------|--------------------|------------------------------|
| Donations for First Aid Squad                     | \$ 2,535.36                  |                    |                    | \$ 2,535.36                  |
| Donations for St. Joe's Park                      | 785.00                       |                    |                    | 785.00                       |
| Donations for Police Equipment                    |                              | 1,000.00           | 548.99             | 451.01                       |
| Meadowlands Hospital's Donation for Police Equip. | 183.00                       |                    |                    | 183.00                       |
| Fire Department Training                          | 10,940.61                    | 4,417.00           | 5,121.27           | 10,236.34                    |
|   | <u>\$ 14,443.97</u>          | <u>\$ 5,417.00</u> | <u>\$ 5,670.26</u> | <u>\$ 14,190.71</u>          |
| Reference   | A                            | A-4                | A-4                | A                            |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

| Year                                   | Balance              | 2016 Levy               | Collections          |                         | Prior Year<br>Seniors Citizen<br>Vets. Allowed/<br>Disallowed/<br>(Net) | Transfer to<br>Lien | (Canceled)             | Balance              |
|--|----------------------|-------------------------|----------------------|-------------------------|---|---------------------|------------------------|----------------------|
|  | Dec. 31, 2015        |                         | 2015                 | 2016                    |   |                     |                        | Dec. 31, 2016        |
| 2010-13                                | \$ 5,248.92          | \$ -                    | \$ -                 | \$ 1,795.98             | \$ -  | \$ -                | \$ (3,452.94)          | \$ -                 |
| 2014                                   | 77,735.19            |                         |                      | 76,780.74               |   |                     | (954.45)               | (0.00)               |
| 2015                                   | 262,293.72           |                         |                      | 213,656.77              | 2,302.05  | 4,993.00            | (45,946.00)            | (0.00)               |
| 2016                                   |                      | 36,841,971.75           | 159,125.65           | 36,143,780.74           |   | 58,914.06           | (282,785.01)           | 197,366.29           |
|  | <u>\$ 345,277.83</u> | <u>\$ 36,841,971.75</u> | <u>\$ 159,125.65</u> | <u>\$ 36,436,014.23</u> | <u>\$ 2,302.05</u>  | <u>\$ 63,907.06</u> | <u>\$ (333,138.40)</u> | <u>\$ 197,366.29</u> |
| Reference                              | A                    | Below                   | A-16                 | Below                   | A-1,8   | A-10                |                        | A                    |
| Reference                              |                      |                         |                      |                         |   |                     |                        |                      |
| Cash Receipts                          |                      |                         | A-4                  | \$ 36,223,981.63        |   |                     |                        |                      |
| Cash Receipts- Homestead Rebate        |                      |                         | A-4                  | 162,532.60              |   |                     |                        |                      |
| State of NJ - Realized                 |                      |                         |                      |                         |   |                     |                        |                      |
| Seniors and Veterans Deductions        |                      |                         | A-8                  | 49,500.00               |   |                     |                        |                      |
|  |                      |                         | Above                | <u>\$ 36,436,014.23</u> |   |                     |                        |                      |
| Analysis of 2016 Property Tax Levy     |                      |                         |                      |                         |   |                     |                        |                      |
| Tax Yield:                             |                      |                         |                      |                         |   |                     |                        |                      |
| General Purpose Tax                    |                      | \$ 36,773,786.98        |                      |                         |   |                     |                        |                      |
| Added 6% Penalty                       |                      | 5,196.64                |                      |                         |   |                     |                        |                      |
| Senior Citizen's & Veteran's Deduction |                      | 49,500.00               |                      |                         |   |                     |                        |                      |
| Added Taxes (54:4-63.1 et. seq.)       |                      | 13,488.13               |                      |                         |   |                     |                        |                      |
|  |                      | <u>\$ 36,841,971.75</u> | Above                |                         |   |                     |                        |                      |
| Tax Levy:                              |                      |                         |                      |                         |   |                     |                        |                      |
| Local & Regional District School       |                      |                         |                      |                         |   |                     |                        |                      |
| Tax (Abstract)                         |                      | \$ 20,167,857.00        | A-18,19              |                         |   |                     |                        |                      |
| County Taxes                           |                      | 5,913,626.50            | A-17                 |                         |   |                     |                        |                      |
| Due County for Added Taxes             |                      | 2,170.63                | A-17                 |                         |   |                     |                        |                      |
| Local Tax for Municipal Purposes       |                      | 10,729,222.29           | A-2                  |                         |   |                     |                        |                      |
| Add: Additional Taxes Levied           |                      | 29,095.33               |                      |                         |   |                     |                        |                      |
| Total Tax Levy                         |                      | <u>\$ 36,841,971.75</u> | Above                |                         |   |                     |                        |                      |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

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

A-8

|  | Reference |                             |                            |
|--|-----------|-----------------------------|----------------------------|
| Balance December 31, 2015                                      | A         |                             | \$ 429.24                  |
| Increased by:  |           |                             |                            |
| Senior Citizens Deductions Per Tax Billing                     |           | 13,000.00                   |                            |
| Veterans Deductions Per Tax Billing                            |           | 36,500.00                   |                            |
| Senior Citizens/Veteran Deductions Allowed by Tax Collector    |           | <u>                    </u> |                            |
|  |           |                             | <u>49,500.00</u>           |
|  |           |                             | 49,929.24                  |
| Decreased by:  |           |                             |                            |
| Cash Receipts - State of New Jersey                            | A-4       | 47,447.95                   |                            |
| Senior Citizens Deductions Disallowed by                       |           |                             |                            |
| Tax Collector 2015 Taxes                                       | A-1,7     | <u>2,302.05</u>             |                            |
|  |           |                             | <u>49,750.00</u>           |
| Balance December 31, 2016                                      | A         |                             | <u><u>\$ 179.24</u></u>    |
| <i>Calculation of Amount Realized from State Reimbursement</i> |           |                             |                            |
| Deductions per tax billings:                                   |           |                             |                            |
| Senior Citizens  |           | \$ 13,000.00                |                            |
| Veterans   |           | 36,500.00                   |                            |
| Senior Citizens/Veteran Deductions Allowed by Tax Collector    |           | <u>                    </u> |                            |
| Amount Realized  | A-7       |                             | <u><u>\$ 49,500.00</u></u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

A-9

|                            | Reference |                      |
|----------------------------|-----------|----------------------|
| Balance December 31, 2015  | A         | \$ 636,900.00        |
| Balance December 31, 2016  | 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, 2015  | A         | \$ 229,684.04        |
| Increased by:              |           |                      |
| Interest & Costs           |           | 3,906.01             |
| Transferred to Lien        | A-7       | <u>63,907.06</u>     |
|                            |           | 297,497.11           |
| Decreased by:              |           |                      |
| Payments of Liens          | A-2,4     | <u>15,173.33</u>     |
| Balance December 31, 2016  | A, Below  | <u>\$ 282,323.78</u> |
| <i>Analysis of Balance</i> |           |                      |
| Block                      | Lot       |                      |
| 6.01                       | 8 COA08   | \$ 35.00             |
| 8                          | 3         | 10,819.85            |
| 19                         | 15        | 325.50               |
| 23.02                      | 10        | 1,338.99             |
| 46                         | 31        | 1,032.60             |
| 70                         | 26        | 263.57               |
| 79                         | 26.01     | 1,836.48             |
| 91                         | 1.02      | 24,826.70            |
| 102.C                      | 3         | 2,275.96             |
| 102                        | 6         | 40,085.03            |
| 105.01                     | 11        | 73,152.37            |
| 105.02                     | 7         | 69,822.97            |
| 108.04                     | 2         | 56,229.09            |
|                            |           | <u>279.67</u>        |
|                            | Above     | <u>\$ 282,323.78</u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

A-11

|                    | Balance<br>Dec. 31, 2015 | Accrued<br>in 2016   | Collected            | Balance<br>Dec. 31, 2016 |
|--------------------|--------------------------|----------------------|----------------------|--------------------------|
| Construction Code: |                          |                      |                      |                          |
| Official Fees      | \$ 10,008.00             | \$ 435,937.80        | \$ 411,177.22        | \$ 34,768.58             |
| Vital Statistics   |                          |                      |                      | -                        |
| Borough Clerk      |                          |                      |                      | -                        |
| Board of Health    |                          |                      |                      | -                        |
|                    | <u>\$ 10,008.00</u>      | <u>\$ 435,937.80</u> | <u>\$ 411,177.22</u> | <u>\$ 34,768.58</u>      |
| Reference          | A                        |                      |                      | A                        |

**SCHEDULE OF DEFERRED CHARGES**

A-12

|  | Balance<br>Dec. 31, 2015 | Amount in<br>2016<br>Budget | Increased by<br>Current Year<br>Deferred Charges | Balance<br>Dec. 31, 2016 |
|--|--------------------------|-----------------------------|--|--------------------------|
| Over-expenditure of Appropriation Reserves |                          |                             |  | \$ -                     |
|  | <u>\$ -</u>              | <u>\$ -</u>                 | <u>\$ -</u>                                      | <u>\$ -</u>              |
| Reference                                  | A                        | A-3                         | A-1  | A                        |



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF 2015 APPROPRIATION RESERVES

A-13

|   | Balance<br>December 31,<br>2015 | Encumbrances<br>December 31,<br>2015 | Transfers  | Modified<br>by<br>Transfers | Paid<br>or<br>Charged | Lapsed      | Over -<br>expenditures |
|---|---------------------------------|--------------------------------------|------------|-----------------------------|-----------------------|-------------|------------------------|
| <b>GENERAL GOVERNMENT</b>               |                                 |                                      |            |                             |                       |             |                        |
| Administrative & Executive:             |                                 |                                      |            |                             |                       |             |                        |
| Municipal Clerk:                        |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | \$ 1,957.93                     |                                      |            | \$ 1,957.93                 |                       | \$ 1,957.93 | \$ -                   |
| Other Expenses                          | 7,114.37                        | 730.00                               |            | 7,844.37                    | 3,091.25              | 4,753.12    | -                      |
| Other Expenses-Code Publishing          | 965.89                          |                                      |            | 965.89                      |                       | 965.89      | -                      |
| Mayor and Council:                      |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 1.22                            |                                      |            | 1.22                        |                       | 1.22        | -                      |
| Other Expenses                          | 3,089.09                        |                                      | (2,000.00) | 1,089.09                    |                       | 1,089.09    | -                      |
| Elections:                              |                                 |                                      |            |                             |                       |             |                        |
| Other Expenses                          | 8,652.48                        |                                      |            | 8,652.48                    |                       | 8,652.48    | -                      |
| Financial Administration:               |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 72.00                           |                                      |            | 72.00                       |                       | 72.00       | -                      |
| Other Expenses:                         |                                 |                                      |            |                             |                       |             |                        |
| Annual Audit                            | 43,250.00                       |                                      |            | 43,250.00                   | 43,250.00             | -           | -                      |
| Miscellaneous - Other Expenditures      | 14,122.77                       |                                      |            | 14,122.77                   |                       | 14,122.77   | -                      |
| Purchasing:                             |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 0.10                            |                                      |            | 0.10                        |                       | 0.10        | -                      |
| Assessment of Taxes:                    |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 876.25                          |                                      |            | 876.25                      |                       | 876.25      | -                      |
| Other Expenses                          | 778.51                          |                                      |            | 778.51                      |                       | 778.51      | -                      |
| Ordinance Enforcement:                  |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 363.24                          |                                      |            | 363.24                      |                       | 363.24      | -                      |
| Redevelopment Agency (R.S. 40:550-1):   |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 63.04                           |                                      |            | 63.04                       |                       | 63.04       | -                      |
| Other Expenses (R.S. 40:550-1)          | 5,497.96                        |                                      | 4,500.00   | 9,997.96                    | 9,910.86              | 87.10       | -                      |
| Collection of Taxes:                    |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 987.39                          |                                      |            | 987.39                      |                       | 987.39      | -                      |
| Other Expenses                          | 4,333.60                        | 21.00                                | (2,000.00) | 2,354.60                    | 21.00                 | 2,333.60    | -                      |
| Legal Services and Costs:               |                                 |                                      |            |                             |                       |             |                        |
| Other Expenses                          | 467.58                          |                                      | 26,000.00  | 26,467.58                   | 26,123.22             | 344.36      | -                      |
| Ordinance Recodification                |                                 |                                      |            | -                           |                       | -           | -                      |
| Tax Appeals - Professional Fees         | 4,200.00                        | 3,150.00                             |            | 7,350.00                    | 6,700.00              | 650.00      | -                      |
| Engineering Services and Costs:         |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 19.30                           |                                      |            | 19.30                       |                       | 19.30       | -                      |
| Other Expenses                          | 18,443.26                       |                                      |            | 18,443.26                   | 9,493.86              | 8,949.40    | -                      |
| Public Buildings and Grounds:           |                                 |                                      |            |                             |                       |             |                        |
| Other Expenses                          | 2,271.11                        | 2,991.16                             | 7,500.00   | 12,762.27                   | 12,628.34             | 133.93      | -                      |
| Contracted Service                      | 26,066.79                       |                                      |            | 26,066.79                   | 12,635.25             | 13,431.54   | -                      |
| Municipal Land Use Law (NJSA 40:55D-1): |                                 |                                      |            |                             |                       |             |                        |
| Planning Board - Salaries & Wages       | 0.04                            |                                      |            | 0.04                        |                       | 0.04        | -                      |
| Planning Board - Other Expenses         | 910.87                          |                                      | 1,000.00   | 1,910.87                    | 1,847.25              | 63.62       | -                      |
| Zoning Board of Adjustment:             |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 0.04                            |                                      |            | 0.04                        |                       | 0.04        | -                      |
| Other Expenses                          | 1,270.63                        |                                      |            | 1,270.63                    | 375.00                | 895.63      | -                      |
| Municipal Court:                        |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 8,835.40                        |                                      |            | 8,835.40                    |                       | 8,835.40    | -                      |
| Other Expenses                          | 8,219.14                        |                                      |            | 8,219.14                    | 685.00                | 7,534.14    | -                      |
| Public Defender:                        |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 211.95                          |                                      |            | 211.95                      |                       | 211.95      | -                      |
| Insurance:                              |                                 |                                      |            |                             |                       |             |                        |
| Liability                               | 93,783.18                       |                                      | (2,500.00) | 91,283.18                   | 80,392.05             | 10,891.13   | -                      |
| Workman's Compensation                  | 91,237.59                       |                                      |            | 91,237.59                   | 87,442.89             | 3,794.70    | -                      |
| Employee Group Insurance                | 1,021.00                        |                                      | 57,500.00  | 58,521.00                   | 58,322.28             | 198.72      | -                      |
| Self-Insurance Eye Care                 | 3,946.26                        | 70.00                                |            | 4,016.26                    | 599.00                | 3,417.26    | -                      |
| Rent Control Board:                     |                                 |                                      |            |                             |                       |             |                        |
| Salaries and Wages                      | 73.10                           |                                      |            | 73.10                       |                       | 73.10       | -                      |
| Other Expenses                          | 500.00                          |                                      |            | 500.00                      |                       | 500.00      | -                      |
| <b>PUBLIC SAFETY</b>                    |                                 |                                      |            |                             |                       |             |                        |
| Fire:                                   |                                 |                                      |            |                             |                       |             |                        |
| Other Expenses:                         |                                 |                                      |            |                             |                       |             |                        |
| Clothing Allowance                      | 5,877.41                        |                                      | (5,000.00) | 877.41                      | 800.00                | 77.41       | -                      |
| Other Expense-Lease/Purchase Equipment  | 54.50                           |                                      |            | 54.50                       |                       | 54.50       | -                      |
| Gear Maintenance                        | 7,626.78                        | 4,111.66                             |            | 11,738.44                   | 8,576.73              | 3,161.71    | -                      |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF 2015 APPROPRIATION RESERVES

A-13

|   | Balance<br>December 31,<br>2015 | Encumbrances<br>December 31,<br>2015 | Transfers     | Modified<br>by<br>Transfers | Paid<br>or<br>Charged | Lapsed    | Over -<br>expenditures |
|---|---------------------------------|--------------------------------------|---------------|-----------------------------|-----------------------|-----------|------------------------|
| <b>GENERAL GOVERNMENT (Continued)</b>                 |                                 |                                      |               |                             |                       |           |                        |
| Fire Alarm System:                                    |                                 |                                      |               |                             |                       |           |                        |
| Other Expenses  | \$ 4,901.35                     |                                      | \$ (4,500.00) | \$ 401.35                   | \$ 17.50              | \$ 383.85 | \$ -                   |
| Fire Prevention and Life Safety:                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries & Wages:                                     |                                 |                                      |               |                             |                       |           |                        |
| Fire Official   | 266.36                          |                                      |               | 266.36                      |                       | 266.36    | -                      |
| Other Salaries  | 6,372.50                        |                                      |               | 6,372.50                    |                       | 6,372.50  | -                      |
| Other Expenses  | 4,428.87                        |                                      |               | 4,428.87                    |                       | 4,428.87  | -                      |
| Police:   |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages:                                   | 106,122.06                      |                                      |               | 106,122.06                  | 103,871.01            | 2,251.05  | -                      |
| Clothing Allowance                                    | -                               |                                      |               | -                           |                       | -         | -                      |
| Overtime  | 2,163.29                        |                                      |               | 2,163.29                    |                       | 2,163.29  | -                      |
| Sick Pay  | 0.69                            |                                      |               | 0.69                        |                       | 0.69      | -                      |
| Other Expenses  | 6,115.10                        | 5,833.43                             |               | 11,948.53                   | 11,946.45             | 2.08      | -                      |
| 911 Service   | 24.50                           |                                      |               | 24.50                       |                       | 24.50     | -                      |
| Police Cars   | 3.45                            |                                      |               | 3.45                        |                       | 3.45      | -                      |
| Special Police:                                       |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 475.49                          |                                      |               | 475.49                      |                       | 475.49    | -                      |
| Other Expenses  | 338.00                          |                                      |               | 338.00                      | 109.99                | 228.01    | -                      |
| Traffic Lights:                                       |                                 |                                      |               |                             |                       |           |                        |
| Other Expenses  | 12,471.30                       |                                      | (5,500.00)    | 6,971.30                    | 787.06                | 6,184.24  | -                      |
| Traffic Control:                                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 2,972.75                        |                                      |               | 2,972.75                    |                       | 2,972.75  | -                      |
| Other Expenses  | 500.00                          |                                      |               | 500.00                      |                       | 500.00    | -                      |
| First Aid Organization:                               |                                 |                                      |               |                             |                       |           |                        |
| Other Expenses  | 4,223.25                        | 5,264.00                             |               | 9,487.25                    | 5,264.00              | 4,223.25  | -                      |
| Emergency Management Services:                        |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 1,075.33                        |                                      |               | 1,075.33                    |                       | 1,075.33  | -                      |
| Other Expenses  | 8,105.00                        |                                      |               | 8,105.00                    | 1,579.60              | 6,525.40  | -                      |
| First Responder:                                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 2,062.99                        |                                      |               | 2,062.99                    |                       | 2,062.99  | -                      |
| Towing Director:                                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 253.92                          |                                      |               | 253.92                      |                       | 253.92    | -                      |
| <b>STREETS AND ROADS</b>                              |                                 |                                      |               |                             |                       |           |                        |
| Road Repair and Maintenance:                          |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 114,394.80                      |                                      | (34,000.00)   | 80,394.80                   | 25,000.00             | 55,394.80 | -                      |
| Other Expenses  | 4,529.28                        | 1,966.95                             |               | 6,496.23                    | 6,307.45              | 188.78    | -                      |
| Recycling Costs                                       | 1,090.94                        |                                      | 2,500.00      | 3,590.94                    | 3,453.10              | 137.84    | -                      |
| Lease Vehicles  | 16.79                           |                                      |               | 16.79                       |                       | 16.79     | -                      |
| <b>HEALTH AND WELFARE</b>                             |                                 |                                      |               |                             |                       |           |                        |
| Board of Health:                                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 438.60                          |                                      |               | 438.60                      |                       | 438.60    | -                      |
| Other Expenses  | 7,773.49                        |                                      |               | 7,773.49                    | 206.00                | 7,567.49  | -                      |
| <b>SANITATION</b>                                     |                                 |                                      |               |                             |                       |           |                        |
| Garbage and Trash Removal:                            |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 90,156.44                       |                                      | (34,000.00)   | 56,156.44                   | 15,000.00             | 41,156.44 | -                      |
| Dumping Fees - Bergen County:                         |                                 |                                      |               |                             |                       |           |                        |
| Sanitary Landfill - Contractual                       | 22,383.13                       | 530.00                               | 7,500.00      | 30,413.13                   | 29,843.30             | 569.83    | -                      |
| <b>RECREATION AND EDUCATION</b>                       |                                 |                                      |               |                             |                       |           |                        |
| Board of Recreation Commission (R.S.4061-1 et. seq.): |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 258.24                          |                                      |               | 258.24                      |                       | 258.24    | -                      |
| Other Expenses  | 6,555.03                        | 209.00                               |               | 6,764.03                    | 814.00                | 5,950.03  | -                      |
| Senior Citizens:                                      |                                 |                                      |               |                             |                       |           |                        |
| Salaries and Wages                                    | 1,667.41                        |                                      |               | 1,667.41                    |                       | 1,667.41  | -                      |
| Other Expenses  | 258.00                          |                                      |               | 258.00                      | 177.00                | 81.00     | -                      |
| Celebration of Public Events, Anniversary or Holiday: |                                 |                                      |               |                             |                       |           |                        |
| Other Expenses  | 4,091.00                        |                                      |               | 4,091.00                    |                       | 4,091.00  | -                      |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF 2015 APPROPRIATION RESERVES

A-13

|  | Balance<br>December 31,<br>2015 | Encumbrances<br>December 31,<br>2015 | Transfers   | Modified<br>by<br>Transfers | Paid<br>or<br>Charged | Lapsed               | Over -<br>expenditures |
|--|---------------------------------|--------------------------------------|-------------|-----------------------------|-----------------------|----------------------|------------------------|
| <b>GENERAL GOVERNMENT (Continued)</b>              |                                 |                                      |             |                             |                       |                      |                        |
| <b>STATE UNIFORM CONSTRUCTION CODE</b>             |                                 |                                      |             |                             |                       |                      |                        |
| Sub-Code Official - Salaries and Wages:            |                                 |                                      |             |                             |                       |                      |                        |
| Construction Code Official                         | \$ 278.14                       |                                      |             | \$ 278.14                   |                       | \$ 278.14            | \$ -                   |
| Plumbing Inspector                                 | 258.94                          |                                      |             | 258.94                      |                       | 258.94               | -                      |
| Fire Inspector                                     | 18.10                           |                                      |             | 18.10                       |                       | 18.10                | -                      |
| Electrical Inspector                               | 157.94                          |                                      |             | 157.94                      |                       | 157.94               | -                      |
| Other Salaries                                     | 3,473.13                        |                                      |             | 3,473.13                    |                       | 3,473.13             | -                      |
| Building Sub-Code Official                         | 377.06                          |                                      |             | 377.06                      |                       | 377.06               | -                      |
| Other Expense                                      | 3,006.01                        |                                      |             | 3,006.01                    | 1,389.41              | 1,616.60             | -                      |
| Rental Expense                                     | 165.20                          |                                      |             | 165.20                      |                       | 165.20               | -                      |
| <b>UNCLASSIFIED</b>                                |                                 |                                      |             |                             |                       |                      |                        |
| Utilities:   |                                 |                                      |             |                             |                       |                      |                        |
| Street Lighting                                    | 22,261.83                       |                                      | 10,000.00   | 32,261.83                   | 23,414.42             | 8,847.41             | -                      |
| Gasoline   | 22,858.10                       |                                      | (12,500.00) | 10,358.10                   | 6,955.88              | 3,402.22             | -                      |
| Fuel Oil   |                                 |                                      |             | -                           |                       | -                    | -                      |
| Electricity  | 34,897.69                       |                                      | (9,500.00)  | 25,397.69                   | 17,699.36             | 7,698.33             | -                      |
| Telephone and Telegraph                            | 2,280.28                        |                                      | 1,000.00    | 3,280.28                    | 3,185.91              | 94.37                | -                      |
| Water  | 2,780.82                        |                                      |             | 2,780.82                    | 1,269.81              | 1,511.01             | -                      |
| Fire Hydrant Services                              | 24.83                           |                                      |             | 24.83                       |                       | 24.83                | -                      |
| Purchase of Postage                                | 6,371.57                        |                                      | (6,000.00)  | 371.57                      | 84.51                 | 287.06               | -                      |
| Vehicle Maintenance:                               |                                 |                                      |             |                             |                       |                      |                        |
| Salaries & Wages                                   | 9.96                            |                                      |             | 9.96                        |                       | 9.96                 | -                      |
| Other Expenses                                     | 5,397.11                        | 2,155.76                             |             | 7,552.87                    | 5,898.10              | 1,654.77             | -                      |
| Contingent   | 78.53                           |                                      |             | 78.53                       |                       | 78.53                | -                      |
| <b>STATUTORY EXPENDITURES:</b>                     |                                 |                                      |             |                             |                       |                      |                        |
| PERS   |                                 |                                      |             | -                           |                       | -                    | -                      |
| Social Security System (O.A.S.I)                   | 3,168.08                        |                                      |             | 3,168.08                    |                       | 3,168.08             | -                      |
| PFRS   |                                 |                                      |             | -                           |                       | -                    | -                      |
| Pension of Widow Charles Swift (R.S.43:12-28.1)    | 3.90                            |                                      |             | 3.90                        |                       | 3.90                 | -                      |
| Maintenance of Free Public Library Ch.82, PL. 1985 | 22,592.96                       |                                      |             | 22,592.96                   | 22,592.96             | -                    | -                      |
| Joint Meeting                                      |                                 |                                      |             |                             |                       |                      |                        |
|  |                                 |                                      |             |                             |                       |                      |                        |
| <b>TOTAL GENERAL APPROPRIATIONS</b>                | <b>\$ 914,111.30</b>            | <b>\$ 27,032.96</b>                  | <b>\$ -</b> | <b>\$ 941,144.26</b>        | <b>\$ 649,760.80</b>  | <b>\$ 291,383.46</b> | <b>\$ -</b>            |
| Reference  | A                               | A-22                                 |             |                             | A-4                   | A-1                  |                        |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

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

A-14

|  | Reference |                             |
|--|-----------|-----------------------------|
| Balance December 31, 2015                          | A         | \$ 525.00                   |
| Increased by:                                      |           |                             |
| Due to State of NJ-Marriage license fees collected | A-4       | <u>1,775.00</u><br>2,300.00 |
| Decreased by:                                      |           |                             |
| Disbursements to State of NJ                       | A-4       | <u>1,975.00</u>             |
| Balance December 31, 2016                          | A         | <u><u>\$ 325.00</u></u>     |

**SCHEDULE OF TAX OVERPAYMENTS**

A-15

|  | Reference |   |
|--|-----------|---|
| Balance December 31, 2015                  | A         | \$ 9,727.71                                     |
| Increased by:                              |           |   |
| Cash Receipts                              | A-4       | \$ 273,451.90                                   |
| Judgements - Charged to Tax Appeal Reserve | A-24      | 500,000.00                                      |
| Judgments- Charged to Operations           | A-1       | <u>219,330.45</u><br>992,782.35<br>1,002,510.06 |
| Decreased by:                              |           |   |
| Overpayments and Tax Appeals Refunded      | A-4       | <u>799,501.62</u><br>799,501.62                 |
| Balance December 31, 2016                  | A         | <u><u>\$ 203,008.44</u></u>                     |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF PREPAID TAXES**

A-16

|                            | Reference |    |                   |
|----------------------------|-----------|----|-------------------|
| Balance December 31, 2015  | A         | \$ | 159,125.65        |
| Increased by:              |           |    |                   |
| Collection of Taxes - 2017 | A-4       |    | 198,346.21        |
|                            |           |    | <u>357,471.86</u> |
| Decreased by               |           |    |                   |
| Applied to 2016 Taxes      | A-7       |    | 159,125.65        |
|                            |           |    | <u>159,125.65</u> |
| Balance December 31, 2016  | A         | \$ | <u>198,346.21</u> |

**SCHEDULE OF COUNTY TAXES PAYABLE**

A-17

|                           | Reference |    |                     |
|---------------------------|-----------|----|---------------------|
| Balance December 31, 2015 | A         | \$ | 216,000.61          |
| Increased by:             |           |    |                     |
| 2016 Levy                 | A-1,2,7   | \$ | 5,852,392.18        |
| County Open Space         | A-1,2,7   |    | 61,234.32           |
| Added Taxes               | A-1,2,7   |    | 2,170.63            |
|                           |           |    | <u>5,915,797.13</u> |
|                           |           |    | 6,131,797.74        |
| Decreased by:             |           |    |                     |
| Payments                  | A-4       |    | 6,129,627.11        |
|                           |           |    | <u>6,129,627.11</u> |
| Balance December 31, 2016 | A         | \$ | <u>2,170.63</u>     |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

A-18

|   | Reference |                      |                      |
|---|-----------|----------------------|----------------------|
| Balance December 31, 2015                     |           |                      |                      |
| School Tax Deferred                           |           | \$                   | 7,200,411.00         |
| Increased by:                                 |           |                      |                      |
| Adjustment                                    | A-1       | \$                   | 0.52                 |
| Levy-School Year July 1, 2016 - June 30, 2017 | A-7       | <u>14,811,214.00</u> | <u>14,811,214.52</u> |
|   |           |                      | 22,011,625.52        |
| Decreased by:                                 |           |                      |                      |
| Adjustment                                    | A-1       |                      |                      |
| Payments                                      | A-4       | <u>14,606,018.52</u> | <u>14,606,018.52</u> |
| Balance December 31, 2016                     |           | \$                   | <u>7,405,607.00</u>  |
| Due from School                               |           |                      |                      |
| School Tax Deferred                           |           | \$                   | <u>7,405,607.00</u>  |
| 2016 Liability for Local District Tax         |           | \$                   | -                    |
| Taxes Paid                                    |           |                      | 14,606,018.52        |
| Adjustment                                    |           |                      | <u>(0.52)</u>        |
| Amount Charged to 2016 Operations             | A-1,2     | \$                   | <u>14,606,018.00</u> |

**SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE**

A-19

|   | Reference |                     |                     |
|---|-----------|---------------------|---------------------|
| Balance December 31, 2015                     |           |                     |                     |
| School Tax Deferred                           |           | \$                  | 2,984,443.00        |
| School tax Payable                            |           |                     | -                   |
| Increased by:                                 |           |                     |                     |
| Adjustment                                    | A-1       | \$                  | 0.12                |
| Levy-School Year July 1, 2016 - June 30, 2017 | A-7       | <u>5,356,643.00</u> | <u>5,356,643.12</u> |
|   |           |                     | 8,341,086.12        |
| Decreased by:                                 |           |                     |                     |
| Payments                                      | A-4       |                     | <u>5,662,764.62</u> |
| Balance December 31, 2016                     |           | \$                  | <u>2,678,321.50</u> |
|   |           |                     | Below               |
| Regional High School Tax Payable              |           | \$                  | -                   |
| Regional High School Tax Deferred             |           |                     | <u>2,678,321.50</u> |
|   |           | \$                  | <u>2,678,321.50</u> |
| 2016 Liability for Regional School Tax        |           |                     |                     |
| Tax Paid                                      |           | \$                  | 5,662,764.62        |
| Adjustment                                    |           |                     | <u>(0.12)</u>       |
| Regional School Tax Payable- Prior Year       | A         |                     | -                   |
| Amount Charged to 2016 Operations             | A-1,2     | \$                  | <u>5,662,764.50</u> |

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

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS**

A-20

|                           | Reference |                      |
|---------------------------|-----------|----------------------|
| Balance December 31, 2015 | A         | \$ 382,606.10        |
| Increased by:             |           |                      |
| Cash Received             | A-4       | 218,950.79           |
|                           |           | <u>601,556.89</u>    |
| Decreased by:             |           |                      |
| Cash Disbursements        | A-4       | 66,540.82            |
|                           |           | <u>66,540.82</u>     |
| Balance December 31, 2016 | A         | <u>\$ 535,016.07</u> |

**SCHEDULE OF RESERVE FOR REVALUATION**

A-21

|                           | Reference |                     |
|---------------------------|-----------|---------------------|
| Balance December 31, 2015 | A         | \$ 10,848.61        |
|                           |           | <u>10,848.61</u>    |
| Balance December 31, 2016 | A         | <u>\$ 10,848.61</u> |

**SCHEDULE OF ENCUMBRANCE PAYABLE**

A-22

|   | Reference |                     |
|---|-----------|---------------------|
| Balance December 31, 2015                                     | A         | \$ 27,032.96        |
| Increased by:   |           |                     |
| Budget Appropriations Payable                                 | A-3       | 45,159.44           |
|   |           | <u>72,192.40</u>    |
| Decreased by:   |           |                     |
| Encumbrances Transferred to<br>Appropriation Reserve Schedule | A-13      | 27,032.96           |
|   |           | <u>27,032.96</u>    |
| Balance December 31, 2016                                     | A         | <u>\$ 45,159.44</u> |

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF POLICE OFF DUTY RECEIVABLE/ (PAYABLE)**

A-23

|                           | Reference |                              |
|---------------------------|-----------|------------------------------|
| Balance December 31, 2015 | A         | \$ (31,167.25)               |
| Increased by:             |           |                              |
| Cash Disbursements        | A-4       | 683,574.36                   |
|                           |           | <u>652,407.11</u>            |
| Decreased by:             |           |                              |
| Cash Receipts             | A-4       | 735,958.03                   |
|                           |           | <u>735,958.03</u>            |
| Balance December 31, 2016 | A         | <u><u>\$ (83,550.92)</u></u> |

**SCHEDULE OF RESERVE FOR TAX APPEALS**

A-24

|                           | Reference |                    |
|---------------------------|-----------|--------------------|
| Balance December 31, 2015 | A         | \$ -               |
| Increased by:             |           |                    |
| Budget Appropriations     | A-3       | 500,000.00         |
|                           |           | <u>500,000.00</u>  |
| Decreased by:             |           |                    |
| Tax Refunds               | A-15      | 500,000.00         |
|                           |           | <u>500,000.00</u>  |
| Balance December 31, 2016 | A         | <u><u>\$ -</u></u> |



BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CASH AND CASH EQUIVALENTS**

**B-1**

|                               | Reference | Other<br>Trust       | Developers<br>Escrow | Dog License         | Unemployment<br>Compensation |
|-------------------------------|-----------|----------------------|----------------------|---------------------|------------------------------|
| Balance December 31, 2015     | B         | <u>\$ 554,016.82</u> | <u>\$ 239,060.07</u> | <u>\$ 5,524.05</u>  | <u>\$ 23,366.57</u>          |
| Increased by Receipts:        |           |                      |                      |                     |                              |
| Municipal Dog License Fee     | B-6       | -                    | -                    | 5,368.00            | -                            |
| State Dog License Fee         | B-3       | -                    | -                    | 1,053.00            | -                            |
| Escrow Deposits               | B-5       | -                    | 316,104.11           | -                   | -                            |
| Special Reserves              | B-8       | 4,904,000.17         | -                    | -                   | -                            |
| Interfunds                    | Contra    | -                    | -                    | -                   | -                            |
| Due to Current Fund           | B-7       | 334,958.03           | -                    | -                   | -                            |
| Transfer from Payroll Agency  | B-2       | -                    | -                    | -                   | 10,472.77                    |
| Budget Requirement            | B-2       | -                    | -                    | -                   | 27,933.23                    |
|                               |           | <u>5,238,958.20</u>  | <u>316,104.11</u>    | <u>6,421.00</u>     | <u>38,406.00</u>             |
|                               |           | <u>5,792,975.02</u>  | <u>555,164.18</u>    | <u>11,945.05</u>    | <u>61,772.57</u>             |
| Decreased by Disbursements:   |           |                      |                      |                     |                              |
| Interfunds                    | Contra    | -                    | -                    | -                   | -                            |
| Transfer to Current Fund      | B-4,7     | 330,000.00           | -                    | -                   | -                            |
| Dog License Fund Expenditures | B-6       | -                    | -                    | 856.42              | -                            |
| State Dog License Fees        | B-3       | -                    | -                    | 1,059.60            | -                            |
| State of NJ Unemployment Fund | B-2       | -                    | -                    | -                   | 46,530.65                    |
| Escrow Disbursements          | B-5       | -                    | 264,881.93           | -                   | -                            |
| Special Reserves              | B-8       | 4,894,892.69         | -                    | -                   | -                            |
|                               |           | <u>5,224,892.69</u>  | <u>264,881.93</u>    | <u>1,916.02</u>     | <u>46,530.65</u>             |
| Balance December 31, 2016     | B         | <u>\$ 568,082.33</u> | <u>\$ 290,282.25</u> | <u>\$ 10,029.03</u> | <u>\$ 15,241.92</u>          |

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF UNEMPLOYMENT TRUST RESERVE**

**B-2**

|                              | Reference |    |                         |
|------------------------------|-----------|----|-------------------------|
| Balance December 31, 2015    | B         | \$ | 23,366.57               |
| Increased by:                |           |    |                         |
| Refund of Overpayment        | B-1       | \$ | 27,933.23               |
| Transfer from Payroll Agency | B-1       |    | <u>10,472.77</u>        |
|                              |           |    | <u>38,406.00</u>        |
|                              |           |    | 61,772.57               |
| Decreased by:                |           |    |                         |
| Payments to State of NJ      | B-1       |    | <u>46,530.65</u>        |
| Balance December 31, 2016    | B         | \$ | <u><u>15,241.92</u></u> |

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

**B-3**

|                           | Reference |    |                    |
|---------------------------|-----------|----|--------------------|
| Balance December 31, 2015 | B         | \$ | 7.80               |
| Increased by:             |           |    |                    |
| 2016 Fees Collected       | B-1       |    | <u>1,053.00</u>    |
|                           |           |    | 1,060.80           |
| Decreased by:             |           |    |                    |
| Payments                  | B-1       |    | <u>1,059.60</u>    |
| Balance December 31, 2016 | B         | \$ | <u><u>1.20</u></u> |

**SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND**

**B-4**

|                           | Reference |    |                 |
|---------------------------|-----------|----|-----------------|
| Balance December 31, 2015 | B         | \$ | -               |
| Balance December 31, 2016 | B         | \$ | <u><u>-</u></u> |

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES**

B-5

|                           | Reference |                             |
|---------------------------|-----------|-----------------------------|
| Balance December 31, 2015 | B         | \$ 239,060.07               |
| Increased by:             |           |                             |
| Escrow Deposits           | B-1       | 316,104.11                  |
|                           |           | <u>555,164.18</u>           |
| Decreased by:             |           |                             |
| Escrow Disbursements      | B-1       | 264,881.93                  |
|                           |           | <u>264,881.93</u>           |
| Balance December 31, 2016 | B         | <u><u>\$ 290,282.25</u></u> |

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

B-6

|                            | Reference |                            |
|----------------------------|-----------|----------------------------|
| Balance December 31, 2015  | B         | \$ 5,516.25                |
| Increased by:              |           |                            |
| Dog License Fees Collected | B-1       | 5,368.00                   |
|                            |           | <u>5,368.00</u>            |
| Decreased by:              |           |                            |
| Expenditures               | B-1       | 856.42                     |
|                            |           | <u>856.42</u>              |
| Balance December 31, 2016  | B         | <u><u>\$ 10,027.83</u></u> |
| 2014 Fees Collected        |           | \$ 5,390.20                |
| 2015 Fees Collected        |           | <u>5,517.60</u>            |
|                            |           | <u><u>\$ 10,907.80</u></u> |

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

B-7

|                                | Reference |                    |
|--------------------------------|-----------|--------------------|
| Balance December 31, 2015      | B         | \$ -               |
| Increased by:                  |           |                    |
| Transfer from Current Fund     | B-1       | \$ 334,958.03      |
| Expenditures from Current Fund | B-8       | 512,765.42         |
|                                |           | <u>847,723.45</u>  |
|                                | A-4       | <u>847,723.45</u>  |
| Decreased by:                  |           |                    |
| Fees Received in Current Fund  | B-8       | 517,723.45         |
| Transfers to Current Fund      | B-1       | 330,000.00         |
|                                | A-4       | <u>847,723.45</u>  |
| Balance December 31, 2016      | B         | <u><u>\$ -</u></u> |

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF SPECIAL RESERVES - OTHER TRUST**

**B-8**

|                                     | Balance<br>Dec. 31, 2015 | Receipts               | Disbursements          | Balance<br>Dec. 31, 2016 |
|-------------------------------------|--------------------------|------------------------|------------------------|--------------------------|
| Refundable Deposits                 | \$ 100.00                |                        |                        | \$ 100.00                |
| Tax Title Lien Premiums             | 165,300.00               | 141,500.00             | 137,900.00             | 168,900.00               |
| Redemption of Third Party Liens     | 255.35                   | 295,034.46             | 295,289.81             | -                        |
| Fees                                | 485.00                   |                        |                        | 485.00                   |
| Escrow Reserve                      | 8.68                     |                        |                        | 8.68                     |
| Graffiti Reward                     | 500.00                   |                        |                        | 500.00                   |
| Fire Official                       | -                        |                        |                        | -                        |
| Neighborhood Crime Watch            | 1,232.80                 | 130.87                 | 500.00                 | 863.67                   |
| Uniform Fire Safety Act Penalty     | 33,337.62                | 9,417.00               |                        | 42,754.62                |
| Elevator Fees                       | 93,128.92                | 10,752.00              | 22,153.00              | 81,727.92                |
| COAH                                | 141,720.30               | 354.69                 |                        | 142,074.99               |
| Insurance                           | -                        | 700,908.20             | 700,908.20             | -                        |
| Payroll and Payroll Agency          | 82,139.80                | 4,202,457.57           | 4,193,984.49           | 90,612.88                |
| Snow Removal                        | 16,508.74                | 49,360.00              | 39,319.95              | 26,548.79                |
| Substance Abuse Prevention          | 19,299.61                | 11,808.83              | 17,602.66              | 13,505.78                |
|                                     | <u>\$ 554,016.82</u>     | <u>\$ 5,421,723.62</u> | <u>\$ 5,407,658.11</u> | <u>\$ 568,082.33</u>     |
| Reference                           | B                        | Below                  | Below                  | B                        |
| Trust Fund Receipts/Disbursements   | B-1                      | \$ 4,904,000.17        | \$ 4,894,892.69        |                          |
| Expenditures Paid from Current Fund | B-7                      |                        | 512,765.42             |                          |
| Collected in Current Fund           | B-7                      | <u>517,723.45</u>      |                        |                          |
|                                     | Above                    | <u>\$ 5,421,723.62</u> | <u>\$ 5,407,658.11</u> |                          |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF CASH - TREASURER

C-2

|   |                |              |                        |
|---|----------------|--------------|------------------------|
| Balance December 31, 2015                             | Reference<br>C |              | \$ 2,565,516.61        |
| Increased by Receipts:                                |                |              |                        |
| Capital Improvement Fund                              | C-8            | 300,000.00   |                        |
| BAN Received  | C-16           | 8,982,500.00 |                        |
| BAN Pay Downs   | C-16           | 613,000.00   |                        |
| Premium on BAN Sale                                   | C-10           | 21,636.18    |                        |
| Due to Sewer Utility Fund-BANS                        | Contra         | 950,000.00   |                        |
| Grants Received                                       | C-14,18        | 37,500.00    |                        |
|   | C-3            |              | <u>10,904,636.18</u>   |
|   |                |              | 13,470,152.79          |
| Decreased by Disbursements:                           |                |              |                        |
| BAN Payments  | C-16           | 4,321,000.00 |                        |
| Transfer to Current Fund- Interfund                   |                |              |                        |
| Reserve For Payment of BANS- Transfer to Current Fund | C-14           | 279,060.00   |                        |
| Improvement Authorizations                            | C-9            | 3,532,860.36 |                        |
| Premium on- BAN /Bond Sale- Transfer to Current Fund  | C-10           | 10,607.00    |                        |
| Transfer to Sewer Capital                             | Contra         | 950,000.00   |                        |
|   | C-3            |              | <u>9,093,527.36</u>    |
| Balance December 31, 2016                             | C              |              | <u>\$ 4,376,625.43</u> |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF ANALYSIS OF CASH

C-3

|   | Balance<br>Dec. 31, 2015 | Receipts                | Disbursements          | Transfers<br>(From)/To | Balance<br>Dec. 31, 2016 |
|---|--------------------------|-------------------------|------------------------|------------------------|--------------------------|
| Bond Anticipation Notes                       | \$ 4,321,000.00          | \$ 8,982,500.00         | \$ 4,321,000.00        |                        | \$ 8,982,500.00          |
| Reserve for Payment of Bonds                  | 953,376.40               | 37,500.00               | 279,060.00             |                        | 711,816.40               |
| Capital Improvement Fund                      | 391.63                   | 300,000.00              |                        | (212,000.00)           | 88,391.63                |
| Premium on BAN/ Bond Sale                     | 10,607.00                | 21,636.18               | 10,607.00              |                        | 21,636.18                |
| Fund Balance                                  | 10,856.30                |                         |                        |                        | 10,856.30                |
| Reserve for Building & Grounds Improvements   | 493.09                   |                         |                        |                        | 493.09                   |
| Reserve for Roadway Improvements              | 112,500.00               |                         |                        |                        | 112,500.00               |
| Encumbrances Payable                          | (0.00)                   |                         |                        | 114,168.50             | 114,168.50               |
| Due to Sewer Capital                          | -                        | 950,000.00              | 950,000.00             |                        | -                        |
| Improvement Authorizations:                   |                          |                         |                        |                        |                          |
| 05-01 Acquisition of Property                 | (101.85)                 |                         |                        |                        | (101.85)                 |
| 11-02 Tax Refunding                           | (300,000.00)             | 300,000.00              |                        |                        | -                        |
| 11-15/13.09 Various Capital Improvements      | 25,148.05                |                         | 9,162.50               |                        | 15,985.55                |
| 13-11 Various Capital Improvements            | 59,980.92                |                         | 31,648.32              |                        | 28,332.60                |
| 13-19 Tax Refunding Bond                      | (500,000.00)             | 313,000.00              |                        |                        | (187,000.00)             |
| 14-4 Renovation of Old Police Bldg & Mun Bldg | (457,000.00)             |                         |                        |                        | (457,000.00)             |
| 14-20 Various Improvements                    | (1,878,176.54)           |                         | 712,437.92             | (35,669.15)            | (2,626,283.61)           |
| 15-04 Road Improvements                       | 129,050.00               |                         | 24,470.00              |                        | 104,580.00               |
| 15-10 Buildings & Park Improvements           | 55,219.11                |                         | 55,669.61              |                        | (450.50)                 |
| 15-11 Carlton Ave Improvements                | 75,000.00                |                         |                        |                        | 75,000.00                |
| 15-21 Purchase of 116 Uhland Street           | (52,827.50)              |                         | 45,002.57              |                        | (97,830.07)              |
| 16-09/16-20 Road Resurfacing                  |                          |                         | 1,689,425.22           | 154,000.00             | (1,535,425.22)           |
| 16-10 Various Improvements                    |                          |                         | 965,044.22             | (20,499.35)            | (985,543.57)             |
|   | <u>\$ 2,565,516.61</u>   | <u>\$ 10,904,636.18</u> | <u>\$ 9,093,527.36</u> | <u>\$ -</u>            | <u>\$ 4,376,625.43</u>   |
| Reference                                     | C                        | C-2                     | C-2                    |                        | C                        |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

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

|                           | Reference |    | C-4  |
|---------------------------|-----------|----|------|
| Balance December 31, 2015 | C         | \$ | -    |
| Increased by:             |           |    |      |
|                           |           |    | 0.00 |
| Decreased by:             |           |    | 0.00 |
|                           |           |    | 0.00 |
| Balance December 31, 2016 | C         | \$ | -    |

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

|   | Reference |    | C-5           |
|---|-----------|----|---------------|
| Balance December 31, 2015                   | C         | \$ | 40,143,258.85 |
| Decreased by:                               |           |    |               |
| 2016 Budget Appr. to Pay Bonds              | C-13      | \$ | 2,397,129.10  |
| 2016 Budget Appropriation to Pay BCIA Bonds | C-21      |    | 360,000.00    |
| State Loan Payable                          | C-12      |    | 37,368.19     |
|   |           |    | 2,794,497.29  |
| Balance December 31, 2016                   | C         | \$ | 37,348,761.56 |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

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

C-6

| Ord. #      | Improvement Description                  | Balance<br>Dec. 31, 2015 | 2016<br>Authorizations | Down<br>Payment      | Bond<br>Anticipation Note<br>Pay-Down | Balance<br>Dec. 31, 2016 | Analysis of Balance Dec. 31, 2016 |   |
|-------------|--|--------------------------|------------------------|----------------------|---------------------------------------|--------------------------|-----------------------------------|---|
|             |  |                          |                        |                      |                                       |                          | Expenditures                      | Unexpended<br>Improvement<br>Authorizations |
| 05-01       | Acquisition of Land                      | \$ 101.85                |                        |                      |                                       | \$ 101.85                | \$ 101.85                         |   |
| 11-02       | Tax Refunding Bond                       | 300,000.00               |                        |                      | 300,000.00                            | -                        | 300,000.00                        |   |
| 13-19       | Tax Refunding Bond                       | 500,000.00               |                        |                      | 313,000.00                            | 187,000.00               | 500,000.00                        |   |
| 14-4        | Renovation of Old Police Bldg & Mun Bldg | 457,000.00               |                        |                      |                                       | 457,000.00               | 457,000.00                        |   |
| 14-20       | Various Improvements                     | 3,064,000.00             |                        |                      |                                       | 3,064,000.00             | 2,626,283.61                      | 437,716.39                                  |
| 15-10       | Buildings & Park Improvements            | 450.50                   |                        |                      |                                       | 450.50                   | 450.50                            |   |
| 15-11       | Carlton Ave Improvements                 | 1,425,000.00             |                        |                      |                                       | 1,425,000.00             | 0.00                              | 1,425,000.00                                |
| 15-21       | Purchase of 116 Uhland Street            | 142,500.00               |                        |                      |                                       | 142,500.00               | 97,830.07                         | 44,669.93                                   |
| 16-09/16-20 | Road Resurfacing                         |                          | 3,215,000.00           | 154,000.00           |                                       | 3,061,000.00             | 1,535,425.22                      | 1,525,574.78                                |
| 16-10       | Various Improvements                     |                          | 1,180,000.00           | 58,000.00            |                                       | 1,122,000.00             | 985,543.57                        | 136,456.43                                  |
|             |  | <u>\$ 5,889,052.35</u>   | <u>\$ 4,395,000.00</u> | <u>\$ 212,000.00</u> | <u>\$ 613,000.00</u>                  | <u>\$ 9,459,052.35</u>   | <u>\$ 6,502,634.82</u>            | <u>\$ 3,569,417.53</u>                      |
| Reference   |  | C                        | C-17                   | C-17                 | C-16                                  | C                        |                                   | C-9   |



BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF ENCUMBRANCE PAYABLE**

C-7

|   | Reference |                             |
|---|-----------|-----------------------------|
| Balance December 31, 2015               | C         | \$ -                        |
| Increased by:                           |           |                             |
| Improvement Authorizations Expenditures | C-9       | 114,168.50                  |
|   |           | <u>114,168.50</u>           |
| Decreased by:                           |           |                             |
| Prior Year Encumbrances Disbursed       | C-2       | <u>                    </u> |
| Balance December 31, 2016               | C         | <u><u>\$ 114,168.50</u></u> |

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

C-8

|                              | Reference |                            |
|------------------------------|-----------|----------------------------|
| Balance December 31, 2015    | C         | \$ 391.63                  |
| Increased by:                |           |                            |
| Budget Appropriations -CIF   | C-2       | 300,000.00                 |
|                              |           | <u>300,391.63</u>          |
| Decreased by:                |           |                            |
| Down payment on Improvements | C-17      | <u>212,000.00</u>          |
| Balance December 31, 2016    | C         | <u><u>\$ 88,391.63</u></u> |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

C-9

| Ord. #      | Improvement Description                      | Balance<br>December 31, 2015 |                        | 2016<br>Authorizations                  | Cancel/<br>Expended    | Balance<br>December 31, 2016 |                        |
|-------------|--|------------------------------|------------------------|---|------------------------|------------------------------|------------------------|
|             |  | Funded                       | Unfunded               |   |                        | Funded                       | Unfunded               |
| 10-05       | Construction of a New Public Safety Building | 11,099.48                    |                        |   | 7,658.42               | 3,441.06                     |                        |
| 11-15/13-09 | Various Capital Improvements                 | 25,148.05                    |                        |   | 9,162.50               | 15,985.55                    |                        |
| 13-11       | Various Capital Improvements                 | 59,980.92                    |                        |   | 31,648.32              | 28,332.60                    |                        |
| 14-20       | Various Improvements                         |                              | 1,185,823.46           |   | 748,107.07             |                              | 437,716.39             |
| 15-04       | Road Improvements                            | 129,050.00                   |                        |   | 24,470.00              | 104,580.00                   |                        |
| 15-10       | Buildings & Park Improvements                | 55,219.11                    | 450.50                 |   | 55,669.61              | -                            | -                      |
| 15-11       | Carlton Ave Improvements                     | 75,000.00                    | 1,425,000.00           |   |                        | 75,000.00                    | 1,425,000.00           |
| 15-21       | Purchase of 116 Uhland Street                |                              | 89,672.50              |   | 45,002.57              |                              | 44,669.93              |
| 16-09/16-20 | Road Resurfacing                             |                              |                        | 3,215,000.00                            | 1,689,425.22           |                              | 1,525,574.78           |
| 16-10       | Various Improvements                         |                              |                        | 1,180,000.00                            | 1,043,543.57           |                              | 136,456.43             |
|             |  |                              |                        |   |                        |                              | -                      |
|             |  | <u>\$ 355,497.56</u>         | <u>\$ 2,700,946.46</u> | <u>\$ 4,395,000.00</u>                  | <u>\$ 3,654,687.28</u> | <u>\$ 227,339.21</u>         | <u>\$ 3,569,417.53</u> |
| Reference   |  | C                            | C                      | C-17                                    | Below                  | C                            | C,C-6                  |
|             |  |                              |                        | Improvement Authorization Disbursements | Reference              |                              |                        |
|             |  |                              |                        | Encumbrance Payable                     | C-2                    | \$ 3,532,860.36              |                        |
|             |  |                              |                        | BCIA Reimbursements                     | C-7                    | 114,168.50                   |                        |
|             |  |                              |                        |   | C-15                   | 7,658.42                     |                        |
|             |  |                              |                        |   | Above                  | <u>\$ 3,654,687.28</u>       |                        |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF PREMIUM ON BAN/BOND SALE**

**C-10**

|                                      | Reference |                     |
|--------------------------------------|-----------|---------------------|
| Balance December 31, 2015            | C         | \$ 10,607.00        |
| Increased by:                        |           |                     |
| BAN Issue                            | C-2       | 21,636.18           |
|                                      |           | <u>32,243.18</u>    |
| Decreased by:                        |           |                     |
| Tran.to Current- Anticipated Revenue | C-2       | 10,607.00           |
|                                      |           | <u>10,607.00</u>    |
| Balance December 31, 2016            | C         | <u>\$ 21,636.18</u> |

**SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT**

**C-11**

|                           | Reference |                             |
|---------------------------|-----------|-----------------------------|
| Balance December 31, 2015 | C         | \$ 493.09                   |
| Decreased by:             |           |                             |
| Cash Disbursements        | C-2       | <u>                    </u> |
| Balance December 31, 2016 | C         | <u>\$ 493.09</u>            |

**SCHEDULE OF STATE LOAN PAYABLE**

**C-12**

|                              | Reference |                      |
|------------------------------|-----------|----------------------|
| Balance December 31, 2015    | C         | \$ 583,295.49        |
| Decreased by:                |           |                      |
| Paid by Budget Appropriation | C-5       | 37,368.19            |
|                              |           | <u>37,368.19</u>     |
| Balance December 31, 2016    | C         | <u>\$ 545,927.30</u> |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF GENERAL SERIAL BONDS

C-13

| Purpose  | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding |              | Interest Rate | Balance Dec. 31, 2015 | General Serial Bonds Issued | Decreased       | Balance Dec. 31, 2016 |
|--|---------------|--------------------------|---------------------------------|--------------|---------------|-----------------------|-----------------------------|-----------------|-----------------------|
|  |               |                          | December 31, 2016               |              |               |                       |                             |                 |                       |
|  |               |                          | Date                            | Amount       |               |                       |                             |                 |                       |
| General Improvement Bonds                              | 11/01/09      | \$ 12,505,000.00         | 11/01/2017                      | 1,059,745.76 | 3.00%         | \$ 7,880,654.54       |                             | \$ 1,059,745.76 | \$ 6,820,908.78       |
|  |               |                          | 11/01/2018                      | 1,059,745.76 | 3.50%         |                       |                             |                 |                       |
|  |               |                          | 11/01/2019-21                   | 1,156,086.29 | 4.00%         |                       |                             |                 |                       |
|  |               |                          | 11/01/2022                      | 1,233,158.39 | 4.00%         |                       |                             |                 |                       |
| General Improvement Bonds '14                          | 4/30/2014     | 5,112,000.00             | 2/1/2017                        | 257,332.04   | 2.00%         | 4,889,308.82          |                             | 252,383.34      | 4,636,925.48          |
|  |               |                          | 2/1/2018                        | 257,332.04   | 2.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2019                        | 257,332.04   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2020                        | 267,229.42   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2021                        | 272,178.11   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2022                        | 282,075.50   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2023                        | 291,972.89   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2024                        | 301,870.27   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2025                        | 311,767.66   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2026                        | 326,613.74   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2027                        | 336,511.12   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2028                        | 351,357.20   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2029                        | 361,254.59   | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2030                        | 376,100.67   | 4.00%         |                       |                             |                 |                       |
|  |               |                          | 2/1/2031                        | 385,998.19   | 3.25%         |                       |                             |                 |                       |
| General Improvement Bonds '14<br>(Refunded Bonds 2009) | 3/04/14       | 11,175,000.00            | 6/15/2017                       | 1,055,000.00 | 3.00%         | \$ 11,090,000.00      |                             | 1,085,000.00    | 10,005,000.00         |
|  |               |                          | 6/15/2018                       | 1,035,000.00 | 4.00%         |                       |                             |                 |                       |
|  |               |                          | 6/15/2019                       | 1,130,000.00 | 4.00%         |                       |                             |                 |                       |
|  |               |                          | 6/15/2020                       | 1,125,000.00 | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 6/15/2021                       | 1,130,000.00 | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 6/15/2022                       | 1,135,000.00 | 5.00%         |                       |                             |                 |                       |
|  |               |                          | 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%         |                       |                             |                 |                       |
|  |               |                          |                                 |              |               | \$ 23,859,963.36      | \$ -                        | \$ 2,397,129.10 | \$ 21,462,834.26      |
| Reference  |               |                          |                                 |              |               | C                     | C-5                         | C               |                       |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS**

**C-14**

|   |                |                      |
|---|----------------|----------------------|
| Balance December 31, 2015   | Reference<br>C | \$ 953,376.40        |
| Increased by:   |                |                      |
| Receipt from NJ Dept of Transportation- Ord. #11-15                         | C-2            | 37,500.00            |
|   |                | <u>990,876.40</u>    |
| Decreased by:   |                |                      |
| Anticipated in Current Budget   | C-2            | 279,060.00           |
|   |                | <u>279,060.00</u>    |
| Balance December 31, 2016   | C, Below       | <u>\$ 711,816.40</u> |
| <b>Analysis of Balance:</b>   |                |                      |
| Ord #11-15 Boiling Springs Road Program.- Community Development Block Grant |                | \$ 75,659.00         |
| Ord #11-15 Streets and Roads  |                | 123,775.56           |
| Ord #11-15 Riggins Field- Bergen County Open Space Grant                    |                | 105,000.00           |
| Ord #10-07 Carlton Ave- Bergen County Open Space Grant                      |                | 29,356.64            |
| Ord #11-15 Green Acres Loan   |                | 250,000.00           |
| Ord #11-15 Bergen County Open Space- St Joseph Park                         |                | 53,423.00            |
| Ord #13-11 FEMA - Generator   |                | <u>74,602.20</u>     |
|   | Above          | <u>\$ 711,816.40</u> |

**SCHEDULE OF DUE FROM BERGEN COUNTY IMPROVEMENT AUTHORITY**

**C-15**

|  |                |                    |
|--|----------------|--------------------|
| Balance December 31, 2015              | Reference<br>C | \$ 11,099.48       |
| Decreased by:                          |                |                    |
| Improvement Authorization Expenditures | C-9            | 7,658.42           |
|  |                | <u>7,658.42</u>    |
| Balance December 31, 2016              | C              | <u>\$ 3,441.06</u> |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF BOND ANTICIPATION NOTES**

C-16

| Ordinance # | Description                       | Original<br>Amount<br>Issue | Original<br>Date<br>of Issue | Date of<br>Maturity | Rate of<br>Interest | Balance<br>Dec. 31, 2015  | Issuance               | Paid                   | Balance<br>Dec. 31, 2016 |
|-------------|-----------------------------------|-----------------------------|------------------------------|---------------------|---------------------|---------------------------|------------------------|------------------------|--------------------------|
| 11-02       | Tax Refunding Bond                | \$1,500,000.00              | 03/23/2011                   | 3/18/2016           |                     | \$ 300,000.00             |                        | \$ 300,000.00          | \$ -                     |
| 13-19       | Tax Refunding Bond                | 814,000.00                  | 01/15/2014                   | 1/13/2017           | 3.500%              | 500,000.00                | 187,000.00             | 500,000.00             | 187,000.00               |
| 14-04       | Renovation of Old Police Building | 457,000.00                  | 03/18/15                     | 3/16/2017           | 1.500%              | 457,000.00                | 457,000.00             | 457,000.00             | 457,000.00               |
| 14-20       | Various Capital Improvements      | 2,818,327.50                | 03/18/15                     | 3/16/2017           | 1.500%              | 2,818,327.50              | 2,818,327.50           | 2,818,327.50           | 2,818,327.50             |
| 15-21       | Purchase of 116 Uhland Street     | 245,672.50                  | 3/18/2015                    | 3/16/2017           | 1.500%              | 245,672.50                | 245,672.50             | 245,672.50             | 245,672.50               |
| 15-21       | Purchase of 116 Uhland Street     | 142,500.00                  | 3/18/2016                    | 3/16/2017           | 1.500%              |                           | 142,500.00             |                        | 142,500.00               |
| 15-11       | Carlton Avenue Improvements       | 1,425,000.00                | 07/20/2016                   | 3/16/2017           | 1.270%              |                           | 1,425,000.00           |                        | 1,425,000.00             |
| 16-09       | Road Resurfacing                  | 2,585,000.00                | 07/20/2016                   | 3/16/2017           | 1.270%              |                           | 2,585,000.00           |                        | 2,585,000.00             |
| 16-10       | Various Capital Improvements      | 1,122,000.00                | 07/20/2016                   | 3/16/2017           | 1.270%              |                           | 1,122,000.00           |                        | 1,122,000.00             |
|             |                                   |                             |                              |                     |                     | <u>\$ 4,321,000.00</u>    | <u>\$ 8,982,500.00</u> | <u>\$ 4,321,000.00</u> | <u>\$ 8,982,500.00</u>   |
|             |                                   |                             |                              |                     |                     | C                         | C-2,Below              | C-2, Below             | C                        |
|             |                                   |                             |                              |                     |                     | \$ -                      |                        |                        |                          |
|             |                                   |                             |                              |                     |                     | Rollovers                 | C-2                    | 3,708,000.00           | 3,708,000.00             |
|             |                                   |                             |                              |                     |                     | New Issues                | C-17                   | 5,274,500.00           |                          |
|             |                                   |                             |                              |                     |                     | Paid Budget Appropriation | C-2,6                  | 613,000.00             |                          |
|             |                                   |                             |                              |                     |                     | Above                     | <u>\$ 8,982,500.00</u> | <u>\$ 4,321,000.00</u> |                          |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

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

C-17

| Ord. #      | Improvement Description       | Balance<br>Dec. 31, 2015 | 2016<br>Authorization  | Down Payment<br>Capital<br>Imp. Fund | Bond Ant. Notes<br>Issued | Balance<br>Dec. 31, 2016 |
|-------------|-------------------------------|--------------------------|------------------------|--------------------------------------|---------------------------|--------------------------|
| 05-01       | Acquisition of Land           | \$ 101.85                | \$ -                   | \$ -                                 | \$ -                      | \$ 101.85                |
| 15-10       | Buildings & Park Improvements | 450.50                   |                        |                                      |                           | 450.50                   |
| 15-11       | Carlton Ave Improvements      | 1,425,000.00             |                        |                                      | 1,425,000.00              | 0.00                     |
| 15-21       | Purchase of 116 Uhland Street | 142,500.00               |                        |                                      | 142,500.00                | 0.00                     |
| 16-09/16-20 | Road Resurfacing              |                          | 3,215,000.00           | 154,000.00                           | 2,585,000.00              | 476,000.00               |
| 16-10       | Various Improvements          |                          | 1,180,000.00           | 58,000.00                            | 1,122,000.00              | 0.00                     |
|             |                               | <u>\$ 1,568,052.35</u>   | <u>\$ 4,395,000.00</u> | <u>\$ 212,000.00</u>                 | <u>\$ 5,274,500.00</u>    | <u>\$ 476,552.35</u>     |
| Reference   |                               | C                        | C-6                    | C-6,8                                | C-16                      | C                        |

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF RESERVE FOR GRANTS**

C-18

|  |                |                        |
|--|----------------|------------------------|
| Balance December 31, 2015                                  | Reference<br>C | \$ 1,188,414.86        |
| Increased by:  |                |                        |
| Bergen County Community Development- Van Winkle Road Impr. | C-19           | 92,000.00              |
|  |                | <u>1,280,414.86</u>    |
| Decreased by:  |                |                        |
| Receipt from NJ Dept of Transportation- Ord. #11-15        | C-14,19        | 37,500.00              |
|  |                | <u>37,500.00</u>       |
| Balance December 31, 2016                                  | C, Below       | <u>\$ 1,242,914.86</u> |
| <b>Analysis of Balance</b>                                 |                |                        |
| NJ DEP Green Acres Program - Carlton Ave. (Ord. #10-07)    |                | \$ 800,000.00          |
| Bergen County Open Space Grant - Ord #09-06                |                | 63,912.50              |
| Bergen County Open Space Grant - Ord #10-07                |                | 39,081.36              |
| Bergen County Open Space - Borough Hall Park               |                | 33,921.00              |
| Bergen County Community Development- Van Winkle Road Impr. |                | 65,000.00              |
| Bergen County Community Development- Van Winkle Road Impr. |                | 92,000.00              |
| NJDOT- Various Streets 2015                                |                | <u>149,000.00</u>      |
|  | Above          | <u>\$ 1,242,914.86</u> |

**SCHEDULE OF GRANTS RECEIVABLE**

C-19

|  |                |                        |
|--|----------------|------------------------|
| Balance December 31, 2015                                  | Reference<br>C | \$ 1,188,414.86        |
| Increased by:  |                |                        |
| Bergen County Community Development- Van Winkle Road Impr. | C-18           | 92,000.00              |
|  |                | <u>1,280,414.86</u>    |
| Decreased by:  |                |                        |
| Receipt from NJ Dept of Transportation- Ord. #11-15        | C-2,18         | 37,500.00              |
|  |                | <u>37,500.00</u>       |
| Balance December 31, 2016                                  | C, Below       | <u>\$ 1,242,914.86</u> |
| <b>Analysis of Balance</b>                                 |                |                        |
| NJ DEP Green Acres Program - Carlton Ave. - Ord. #10-07    |                | \$ 800,000.00          |
| Bergen County Open Space Grant - Ord #09-06                |                | 63,912.50              |
| Bergen County Open Space Grant - Ord #10-07                |                | 39,081.36              |
| Bergen County Open Space - Borough Hall Park               |                | 33,921.00              |
| Bergen County Community Development- Van Winkle Road Impr. |                | 65,000.00              |
| Bergen County Community Development- Van Winkle Road Impr. |                | 92,000.00              |
| NJDOT- Various Streets 2015                                |                | <u>149,000.00</u>      |
|  | Above          | <u>\$ 1,242,914.86</u> |



BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS**

**C-20**

|                           |           |                      |
|---------------------------|-----------|----------------------|
|                           | Reference |                      |
| Balance December 31, 2015 | C         | \$ 112,500.00        |
| Balance December 31, 2016 | C         | <u>\$ 112,500.00</u> |

**SCHEDULE OF RESERVE FOR BCIA BONDS PAYABLE**

**C-21**

|                           |           |                         |
|---------------------------|-----------|-------------------------|
|                           | Reference |                         |
| Balance December 31, 2015 | C         | \$ 15,700,000.00        |
| Decreased by:             |           |                         |
| Payments                  | C-5       | <u>360,000.00</u>       |
| Balance December 31, 2016 | C         | <u>\$ 15,340,000.00</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

SCHEDULE OF CASH

D-4

|   | Reference | Operating            | Capital                | Escrow Trust       |
|---|-----------|----------------------|------------------------|--------------------|
| Balance December 31, 2015                           | D         | \$ 554,308.70        | \$ -                   | \$ 1,514.69        |
| Increased by Receipts:                              |           |                      |                        |                    |
| User Charges and Fees                               | D-1,2,5   | 1,673,273.50         |                        |                    |
| Giants Training Facility Agreement                  | D-1,2,5   | 32,279.18            |                        |                    |
| Meadowlands Stadium Agreement                       | D-1,2,5   | 148,118.23           |                        |                    |
| Delinquent User Charges                             | D-1,2,5   | 395,057.84           |                        |                    |
| Delinquent Interest Collected                       | D-1,2,5   | 67,071.92            |                        |                    |
| Miscellaneous Income                                | D-1,2     | 15,753.06            |                        |                    |
| Anticipated Deficit                                 | D-1,2     | 27,213.82            |                        |                    |
| Due from Current Fund                               | D-14      | 322,786.18           |                        |                    |
| Transfer from Utility Operating                     | D-7       |                      | 74,030.55              |                    |
| Bond Anticipation Notes                             | D-19      |                      | 950,000.00             |                    |
| Escrow Deposits                                     | D-15      |                      |                        |                    |
|   |           | <u>2,681,553.73</u>  | <u>1,024,030.55</u>    | <u>-</u>           |
|   |           | <u>3,235,862.43</u>  | <u>1,024,030.55</u>    | <u>1,514.69</u>    |
| Decreased by Disbursements:                         |           |                      |                        |                    |
| Appropriations                                      | D-3       | 2,275,524.00         |                        |                    |
| Appropriation Reserves                              | D-13      | 18,168.98            |                        |                    |
| Escrow Disbursements                                | D-15      |                      |                        |                    |
| Due to Current Fund                                 | D-14      | 299,002.47           |                        |                    |
| Transfer to Utility Capital Fund                    | D-7       | 74,030.55            |                        |                    |
| Due from Utility Capital Fund- Capital Expenditures | D-7       | 75,321.50            |                        |                    |
|   |           | <u>2,742,047.50</u>  | <u>-</u>               | <u>-</u>           |
| Balance December 31, 2016                           | D         | <u>\$ 493,814.93</u> | <u>\$ 1,024,030.55</u> | <u>\$ 1,514.69</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

**D-5**

|  |                |                   |                     |
|--|----------------|-------------------|---------------------|
| Balance December 31, 2015                      | Reference<br>D |                   | \$ 371,824.29       |
| Increased by:                                  |                |                   |                     |
| Utility Charges and Fees Levied                |                |                   | <u>2,015,606.81</u> |
|  |                |                   | 2,387,431.10        |
| Decreased by:                                  |                |                   |                     |
| Collections                                    |                |                   |                     |
| Current Year Charges and Fees                  | D-2,4          | 1,673,273.50      |                     |
| Current Year Charges and Fees-Overpmts Applied | D-2,4,6        | 3,038.23          |                     |
| Delinquent Charges and Fees                    | D-2,4          | 395,057.84        |                     |
| Delinquent Interest Collected                  | D-2,4          | 67,071.92         |                     |
| Giants Training Facility Agreement             | D-2,4          | 32,279.18         |                     |
| Meadowlands Stadium Agreement                  | D-2,4          | <u>148,118.23</u> |                     |
|  |                |                   | <u>2,318,838.90</u> |
| Balance December 31, 2016                      | D              |                   | <u>\$ 68,592.20</u> |

**SCHEDULE OF OVERPAYMENTS**

**D-6**

|                           |                |  |                     |
|---------------------------|----------------|--|---------------------|
| Balance December 31, 2015 | Reference<br>D |  | \$ 32,211.69        |
| Increased by:             |                |  |                     |
| Cash Receipts             | D-4            |  | <u>32,211.69</u>    |
| Decreased by:             |                |  |                     |
| Applied to Sewer Payments | D-5            |  | <u>3,038.23</u>     |
| Balance December 31, 2016 | D              |  | <u>\$ 29,173.46</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

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

D-7

|  |                |                  |                   |
|--|----------------|------------------|-------------------|
| Balance December 31, 2015                  | Reference<br>D |                  | \$ 261,546.27     |
| Decreased by:                              |                |                  |                   |
| Capital Ordinance Expenditures             | D-4,10         | 75,321.50        |                   |
| Capital Ordinance Canceled- Budget Revenue |                |                  |                   |
| Utility Capital Surplus                    | D-2,10         | 112,194.22       |                   |
| Cash Receipts                              | D-4            | <u>74,030.55</u> |                   |
|  |                |                  | <u>261,546.27</u> |
| Balance December 31, 2016                  | D              |                  | <u>\$ -</u>       |

**SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

D-8

|  |                |                   |                        |
|--|----------------|-------------------|------------------------|
| Balance December 31, 2015                | Reference<br>D |                   | \$ 5,615,742.84        |
| Increased by:                            |                |                   |                        |
| Improvement Authorizations Completed     | Contra         | 500,000.00        |                        |
| New Improvement Authorizations           | D-10           | <u>100,000.00</u> |                        |
|  |                |                   | <u>\$ 600,000.00</u>   |
| Decreased by:                            |                |                   |                        |
| Improvement Authorizations Completed     | Contra         | 500,000.00        |                        |
| Improvement Authorizations Canceled      | D-10           | <u>112,194.22</u> |                        |
|  |                |                   | <u>612,194.22</u>      |
| Balance December 31, 2016                | Below          |                   | <u>\$ 5,603,548.62</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>\$ 5,603,548.62</u> |

**SCHEDULE OF SEWER LIEN**

D-9

|                           |                |                    |
|---------------------------|----------------|--------------------|
| Balance December 31, 2015 | Reference<br>D | \$ 2,058.75        |
| Balance December 31, 2016 | D              | <u>\$ 2,058.75</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

**D-10**

| Ord.<br># | Improvement Description          | Balance<br>December 31, 2015 |                      | 2016<br>Authorizations | Canceled/<br>Expended | Balance<br>December 31, 2016 |                      |
|-----------|----------------------------------|------------------------------|----------------------|------------------------|-----------------------|------------------------------|----------------------|
|           |                                  | Funded                       | Unfunded             |                        |                       | Funded                       | Unfunded             |
| 08-12     | Sewer Lines & Pump Imp.          | \$ 112,194.22                |                      |                        | \$ 112,194.22         | \$ -                         |                      |
| 15-22     | Sewer System Upgrades            |                              | 837,623.50           |                        | 36,542.50             |                              | 801,081.00           |
| 16-12     | Truck/Equipment Upgrades         |                              | -                    | 100,000.00             | 38,779.00             |                              | 61,221.00            |
|           |                                  | <u>\$ 112,194.22</u>         | <u>\$ 837,623.50</u> | <u>\$ 100,000.00</u>   | <u>\$ 187,515.72</u>  | <u>\$ -</u>                  | <u>\$ 862,302.00</u> |
|           |                                  | D                            | D                    | D-8,16                 | Below                 | D                            | D                    |
|           | Expended                         |                              |                      | D-7                    | \$ 75,321.50          |                              |                      |
|           | Canceled to Surplus- Ant. Budget |                              |                      | D-7,8,12               | <u>112,194.22</u>     |                              |                      |
|           |                                  |                              |                      | Above                  | <u>\$ 187,515.72</u>  |                              |                      |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**D-11**

|  | Reference |                      |
|--|-----------|----------------------|
| Balance December 31, 2015              | D         | \$ 261,935.55        |
| Decreased by:                          |           |                      |
| Improvement Authorization Down Payment | D-12,16   | <u>5,000.00</u>      |
| Balance December 31, 2016              | D         | <u>\$ 256,935.55</u> |

**SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE**

**D-12**

|  | Reference |                        |
|--|-----------|------------------------|
| Balance December 31, 2015              | D         | \$ 4,315,499.20        |
| Increased by:                          |           |                        |
| Capital Improvement Fund-New Ordinance | D-11      | \$ 5,000.00            |
| Principal Payments on Bonds            | D-18      | <u>42,870.90</u>       |
|  |           | 47,870.90              |
|  |           | <u>4,363,370.10</u>    |
| Decreased by:                          |           |                        |
| Canceled Ordinance                     | C-10      | <u>112,194.22</u>      |
| Balance December 31, 2016              | Below     | <u>\$ 4,251,175.88</u> |
| Analysis of Balance:                   |           |                        |
| Amortization Reserve                   | D         | \$ 3,174,281.38        |
| Deferred Reserve for Amortization      | D         | <u>1,076,894.50</u>    |
|  | Above     | <u>\$ 4,251,175.88</u> |

**SCHEDULE OF 2015 APPROPRIATION RESERVES**

**D-13**

|                         | Balance<br>Dec. 31, 2015 | Modified<br>by Transfers | Paid or<br>Charged  | Balance<br>Lapsed | (Overexpended)        |
|-------------------------|--------------------------|--------------------------|---------------------|-------------------|-----------------------|
| Operating               |                          |                          |                     |                   |                       |
| Salaries and Wages      | \$ 3.96                  |                          | \$ -                |                   | \$ -                  |
| Other Expenses          | 337.50                   | 499.92                   | 18,168.98           |                   | (17,669.06)           |
| Statutory Expenditures: |                          |                          |                     |                   |                       |
| Social Security System  | <u>158.46</u>            |                          |                     |                   |                       |
|                         | <u>\$ 499.92</u>         | <u>\$ 499.92</u>         | <u>\$ 18,168.98</u> | <u>\$ -</u>       | <u>\$ (17,669.06)</u> |
| Reference               | Below                    | Below                    | D-4                 | D-1               | D                     |
| Appropriation Reserves  | D \$ 162.42              |                          |                     |                   |                       |
| Encumbrance Payable     | D <u>337.50</u>          |                          |                     |                   |                       |
|                         | <u>\$ 499.92</u>         |                          |                     |                   |                       |
|                         | Above                    |                          |                     |                   |                       |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF DUE TO CURRENT FUND**

**D-14**

|                           |                |                      |
|---------------------------|----------------|----------------------|
| Balance December 31, 2015 | Reference<br>D | \$ 299,002.47        |
| Increased by:             |                |                      |
| Cash Receipts             | D-4            | 322,786.18           |
|                           |                | <u>\$ 621,788.65</u> |
| Decreased by:             |                |                      |
| Transfer to Current Fund  | D-4            | 299,002.47           |
| Balance December 31, 2016 | D              | <u>\$ 322,786.18</u> |

**SCHEDULE OF ESCROW TRUST RESERVE**

**D-15**

|                           |                |                    |
|---------------------------|----------------|--------------------|
| Balance December 31, 2015 | Reference<br>D | \$ 1,514.69        |
| Balance December 31, 2016 | D              | <u>\$ 1,514.69</u> |

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

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

**D-16**

| Ord. # | Improvement Description            | Balance<br>Dec. 31, 2015 | Authorized Not Issued<br>Improvement<br>Authorizations | Down payments<br>and<br>Bond Ant. Notes | Balance<br>Dec. 31, 2016 |
|--------|------------------------------------|--------------------------|--|---|--------------------------|
| 05-06  | Renovation of Sewer Systems        | \$ 207.00                |  |   | \$ 207.00                |
| 15-22  | Sewer System Upgrades              | 950,000.00               |  | 950,000.00                              | -                        |
| 16-12  | Truck/Equipment Upgrades           |                          | 100,000.00   | 5,000.00                                | 95,000.00                |
|        |                                    | <u>\$ 950,207.00</u>     | <u>\$ 100,000.00</u>                                   | <u>\$ 955,000.00</u>                    | <u>\$ 95,207.00</u>      |
|        | Reference                          | D                        | Below  | Below                                   | D                        |
|        | Improvement Authorizations         | D-10                     | \$ 100,000.00  |   |                          |
|        | Bond Anticipation Notes            | D-19                     |  | \$ 950,000.00                           |                          |
|        | Funded by Capital Improvement Fund | D-11                     |  | 5,000.00                                |                          |
|        |                                    | Above                    | <u>\$ 100,000.00</u>                                   | <u>\$ 955,000.00</u>                    |                          |

**SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE**

**D-17**

|   |                |                     |
|---|----------------|---------------------|
| Balance December 31, 2015               | Reference<br>D | \$ 2,618.52         |
| Increased by:                           |                |                     |
| Accrued Interest on Bond Payable & BANS | D-3            | <u>11,258.98</u>    |
| Balance December 31, 2016               | D              | <u>\$ 13,877.50</u> |



BOROUGH OF EAST RUTHERFORD  
SEWER CAPITAL FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF SEWER SERIAL BONDS**

**D-18**

| Purpose                   | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding |           | Interest Rate | Balance Dec. 31, 2015 | Bonds Issued | Decreased    | Balance Dec. 31, 2016 |
|---------------------------|---------------|--------------------------|---------------------------------|-----------|---------------|-----------------------|--------------|--------------|-----------------------|
|                           |               |                          | December 31, 2016               |           |               |                       |              |              |                       |
|                           |               |                          | Date                            | Amount    |               |                       |              |              |                       |
| General Improvement Bonds | 11/01/09      | \$ 475,000.00            | 11/01/2017                      | 40,254.24 | 3.00%         | \$ 299,345.46         | \$ -         | \$ 40,254.24 | \$ 259,091.22         |
|                           |               |                          | 11/01/2018                      | 40,254.24 | 3.50%         |                       |              |              |                       |
|                           |               |                          | 11/01/2019-21                   | 43,913.71 | 4.00%         |                       |              |              |                       |
|                           |               |                          | 11/01/2022                      | 46,841.29 | 4.00%         |                       |              |              |                       |
| General Improvement Bonds | 4/30/2014     | 53,000.00                | 2/1/2017                        | 2,667.96  | 2.00%         | 50,691.18             |              | 2,616.66     | \$ 48,074.52          |
|                           |               |                          | 2/1/2018                        | 2,667.96  | 2.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2019                        | 2,667.96  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2020                        | 2,770.58  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2021                        | 2,821.89  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2022                        | 2,924.50  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2023                        | 3,027.11  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2024                        | 3,129.73  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2025                        | 3,232.34  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2026                        | 3,386.26  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2027                        | 3,488.88  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2028                        | 3,642.80  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2029                        | 3,745.41  | 5.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2030                        | 3,899.33  | 4.00%         |                       |              |              |                       |
|                           |               |                          | 2/1/2031                        | 4,001.81  | 3.25%         |                       |              |              |                       |
|                           |               |                          |                                 |           |               |                       |              |              |                       |
| Reference                 |               |                          |                                 |           |               | D                     |              | D-12         | D                     |

**SCHEDULE OF SEWER BOND ANTICIPATION NOTES**

**D-19**

| Ordinance # | Description           | Original Amount Issue | Original Date of Issue | Date of Maturity | Rate of Interest | Balance<br>Dec. 31, 2015 | Issuance             | Paid        | Balance<br>Dec. 31, 2016 |
|-------------|-----------------------|-----------------------|------------------------|------------------|------------------|--------------------------|----------------------|-------------|--------------------------|
|             |                       |                       |                        |                  |                  |                          |                      |             |                          |
| 15-22       | Sewer System Upgrades | \$ 950,000.00         | 03/16/2016             | 03/16/2017       | 1.500%           |                          | \$ 950,000.00        |             | \$ 950,000.00            |
|             |                       |                       |                        |                  |                  | <u>\$ -</u>              | <u>\$ 950,000.00</u> | <u>\$ -</u> | <u>\$ 950,000.00</u>     |
| Reference   |                       |                       |                        |                  |                  | D                        | D-4                  |             | D                        |

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF CASH**

**E-1**

|                              |                |                    |
|------------------------------|----------------|--------------------|
| Balance December 31, 2015    | Reference<br>E | \$ 15,466.39       |
| Increased by Receipts:       |                |                    |
| Unappropriated Grant Revenue | E-5            | 2,492.00           |
|                              |                | <u>17,958.39</u>   |
| Decreased by:                |                |                    |
| Transfer To Current Fund     | E-2            | 15,712.20          |
|                              |                | <u>15,712.20</u>   |
| Balance December 31, 2016    | E              | <u>\$ 2,246.19</u> |

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

**E-2**

|                                    |                |                   |
|------------------------------------|----------------|-------------------|
| Balance December 31, 2015          | Reference<br>E | \$ -              |
| Increased by:                      |                |                   |
| Current Fund Disbursements         | A-4, E-4       | 141,188.39        |
| Grants Receivable - Budgeted       | E-3            | 166,476.19        |
| Unappropriated Grants Appropriated | E-5, A-2       | 8,554.24          |
|                                    |                | <u>316,218.82</u> |
|                                    |                | 316,218.82        |
| Decreased by:                      |                |                   |
| Transfer To Current Fund           | A-4, E-1       | 15,712.20         |
| Grant Receivables                  | A-4, E-3       | 110,476.19        |
| Budget Appropriation               | E-4            | 190,030.43        |
|                                    |                | <u>316,218.82</u> |
|                                    |                | 316,218.82        |
| Balance December 31, 2016          | E              | <u>\$ -</u>       |

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF GRANTS RECEIVABLE**

**E-3**

| Grant                                     | Balance<br>Dec.31, 2015 | Increased<br>by 2016 Budget | Cash<br>Received     | Balance<br>Dec.31, 2016 |
|---|-------------------------|-----------------------------|----------------------|-------------------------|
| Safe and Secure Community Program         | \$ 15,000.00            | \$ 60,000.00                | \$ 15,000.00         | \$ 60,000.00            |
| OEM NJ Hazard Mitigation Grant            | 75,000.00               |                             |                      | 75,000.00               |
| Drunk Driving Enforcement Fund            |                         | 5,119.70                    | 5,119.70             | 0.00                    |
| Drive Sober Grant                         |                         | 5,000.00                    | 5,000.00             | 0.00                    |
| Federal Bullet Proof Vest Program         |                         | 9,277.75                    | 9,277.75             | 0.00                    |
| Clean Communities Grant                   |                         | 20,880.25                   | 20,880.25            | 0.00                    |
| Recycling Tonnage Grant                   |                         | 33,551.43                   | 33,551.43            | 0.00                    |
| Body Worn Camera Grant                    |                         | 11,000.00                   |                      | 11,000.00               |
| Alcohol Ed & Rehab Enforcement Fund       |                         | 2,538.12                    | 2,538.12             | 0.00                    |
| Drive Sober or Get Pulled Over- Labor Day |                         | 5,000.00                    | 5,000.00             | 0.00                    |
| NJ Body Armor Grant                       |                         | 4,108.94                    | 4,108.94             | 0.00                    |
| Click it o Ticket Grant                   |                         | 5,000.00                    | 5,000.00             | 0.00                    |
| Emergency Management Assistance Grant     |                         | 5,000.00                    | 5,000.00             | 0.00                    |
|   | <u>\$ 90,000.00</u>     | <u>\$ 166,476.19</u>        | <u>\$ 110,476.19</u> | <u>\$ 146,000.00</u>    |
| Reference                                 | E                       | E-2                         | E-2                  | E                       |

### SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

| Grant  | Balance<br>Dec. 31, 2015 | Transferred<br>From 2016<br>Budget<br>Appropriations | Cancel/<br>Expended  | Balance<br>Dec. 31, 2016 |
|--|--------------------------|--|----------------------|--------------------------|
| Comcast Technology Grant                         | \$ 27,840.00             |  | \$ 3,071.26          | \$ 24,768.74             |
| Clean Communities                                | -                        | 20,880.25  |                      | 20,880.25                |
| Drunk Driving Enforcement Fund                   | 17,914.56                | 11,295.94  | 3,146.19             | 26,064.31                |
| Parking Offense Adjudication Act                 | 21,859.15                | 2,378.00   | 1,094.00             | 23,143.15                |
| Body Armor Replacement Fund                      | 3,783.57                 |  | 3,783.57             | 0.00                     |
| Recycling Tonnage Grant                          | 21,139.87                | 33,551.43  | 26,014.85            | 28,676.45                |
| Body Worn Camera Grant                           | -                        | 11,000.00  |                      | 11,000.00                |
| Safe and Secure Communities Program              | -                        | 60,000.00  | 60,000.00            | -                        |
| Safe and Secure Communities Program-Match        | -                        | 15,000.00  | 15,000.00            | -                        |
| Federal Bullet Proof Vest Fund                   |                          | 9,277.75   | 9,277.75             | -                        |
| Drive Sober Grant                                | -                        | 5,000.00   | 5,000.00             | -                        |
| NJ Body Armor Grant                              | -                        | 4,108.94   | 2,262.65             | 1,846.29                 |
| Click it or Ticket                               | -                        | 5,000.00   | 5,000.00             | -                        |
| Emergency Management Agency- Asst Grant          | 4,375.00                 | 5,000.00   |                      | 9,375.00                 |
| Alcohol Education & Rehabilitation               | -                        | 2,538.12   | 2,538.12             | -                        |
| Driver Sober or Get Pulled Over- Labor Day Grant | -                        | 5,000.00   | 5,000.00             | -                        |
|  |                          |  |                      | -                        |
|  | <u>\$ 96,912.15</u>      | <u>\$ 190,030.43</u>                                 | <u>\$ 141,188.39</u> | <u>\$ 145,754.19</u>     |
| Reference  | E                        | E-2, A-3   | E-2                  | E                        |

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2016 AND 2015

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS**

|                                  |                          |                            |                       | E-5                      |
|----------------------------------|--------------------------|----------------------------|-----------------------|--------------------------|
| Grant                            | Balance<br>Dec. 31, 2015 | Transfer to 2016<br>Budget | Grant Fund<br>Receipt | Balance<br>Dec. 31, 2016 |
| Drunk Driving Enforcement Fund   | \$ 6,176.24              | \$ 6,176.24                |                       | \$ -                     |
| Parking Offense Adjudication Act | 2,378.00                 | 2,378.00                   | 2,492.00              | 2,492.00                 |
|                                  | -                        |                            |                       | -                        |
|                                  | <u>\$ 31,902.87</u>      | <u>\$ 8,554.24</u>         | <u>\$ 2,492.00</u>    | <u>\$ 2,492.00</u>       |
| Reference                        | E                        | A-2, E-2                   | E-1                   | E                        |

**BOROUGH OF EAST RUTHERFOD**  
**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, |                   |                   |      |      |      |      |      |      |      |
|--|----------------------------|-------------------|-------------------|------|------|------|------|------|------|------|
|  | 2015                       | 2014              | 2013              | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Borough's proportionate share of the net pension liability (asset) **  | 0.16380%                   | 0.16203%          | 0.15329%          |      |      |      |      |      |      |      |
| Borough's proportionate share of the net pension liability (asset) associated with the Borough                     | \$ 27,284,094              | \$ 20,381,358     | \$ 20,379,037     |      |      |      |      |      |      |      |
| Total  | <u>27,284,094</u>          | <u>20,381,358</u> | <u>20,379,037</u> |      |      |      |      |      |      |      |
| Borough's covered employee payroll   | 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 | 517%                       | 380%              | 416%              |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (Local)                                 | 56.31%                     | 62.41%            | 58.70%            |      |      |      |      |      |      |      |

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

|   | Fiscal Year Ended June 30, |              |              |      |      |      |      |      |      |      |
|---|----------------------------|--------------|--------------|------|------|------|------|------|------|------|
|   | 2015                       | 2014         | 2013         | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Borough's proportionate of the net pension liability (asset)  | 0.04183%                   | 0.04417%     | 0.05048%     |      |      |      |      |      |      |      |
| Borough's proportionate share of the net pension liability (asset)  | \$ 9,390,367               | \$ 8,269,875 | \$ 9,647,516 |      |      |      |      |      |      |      |
| Borough's covered employee payroll  | 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 | 315%                       | 295%         | 343%         |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (Local)                              | 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, |              |              |      |      |      |      |      |      |      |
|--|----------------------------|--------------|--------------|------|------|------|------|------|------|------|
|  | 2015                       | 2014         | 2013         | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Contractually required contribution*                                   | \$ 1,331,485               | \$ 1,244,471 | \$ 1,118,398 |      |      |      |      |      |      |      |
| Contributions in relation to the contractually required contributions* | (1,331,485)                | (1,244,471)  | (1,118,398)  |      |      |      |      |      |      |      |
| Contributions deficiency (excess)                                      | -                          | -            | -            |      |      |      |      |      |      |      |
| Borough's covered employee payroll                                     | 5,272,622                  | 5,357,102    | \$ 4,893,785 |      |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll              | 25.25%                     | 23.23%       | 22.85%       |      |      |      |      |      |      |      |

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

|  | Fiscal Year Ended June 30, |            |            |      |      |      |      |      |      |      |
|--|----------------------------|------------|------------|------|------|------|------|------|------|------|
|  | 2015                       | 2014       | 2013       | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Contractually required contribution*                                   | \$ 359,640                 | \$ 364,133 | \$ 384,504 |      |      |      |      |      |      |      |
| Contributions in relation to the contractually required contributions* | (359,640)                  | (364,133)  | (384,504)  |      |      |      |      |      |      |      |
| Contributions deficiency (excess)                                      | -                          | -          | -          |      |      |      |      |      |      |      |
| Borough's covered employee payroll                                     | 2,982,221                  | 2,805,059  | 2,812,367  |      |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll              | 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.

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Pension Schedules  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

**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.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.



**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, 2016, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated April 17, 2017. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items # 16-001 that we consider to be significant deficiency.

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division, which are described in the accompanying schedule of audit findings and responses as item #16-001.

**Borough's Response to Findings**

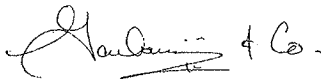
The Borough's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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. CPA's  
Registered Municipal Accountants

April 17, 2017  
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule H-1

|  | CFDA # | Pass-Through<br>Entity ID # | Grant<br>Award | Grant<br>Period | Cash<br>Received    | Program<br>Expenditures | Canceled    | Grant<br>Receivable  |
|--|--------|-----------------------------|----------------|-----------------|---------------------|-------------------------|-------------|----------------------|
| <b>FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM</b> |        |                             |                |                 |                     |                         |             |                      |
| Division of Highway Traffic:                                 |        |                             |                |                 |                     |                         |             |                      |
| National Priority Safety Programs                            |        |                             |                |                 |                     |                         |             |                      |
| Police Click-it or Ticket Grant                              | 20.616 | NJ-066-1160-100-155         | \$ 5,000.00    | 2016            | \$ 5,000.00         | \$ 5,000.00             | \$ -        | \$ -                 |
| Alcohol Impaired Driving Countermeasures Incentive Grant     |        |                             |                |                 |                     |                         |             |                      |
| Drive Sober or Get Pulled Over Year End Crackdown Grant      | 20.616 | NJ-066-1160-100-157         | 5,000.00       | 2016            | 5,000.00            | 5,000.00                |             |                      |
| Drive Sober or Get Pulled Over Labor Day Crackdown Grant     | 20.616 | NJ-066-1160-100-157         | 5,000.00       | 2016            | 5,000.00            | 5,000.00                |             |                      |
| Department of Law & Public Safety                            |        |                             |                |                 |                     |                         |             |                      |
| Body Worn Camera Grant                                       | 16.835 | 2016-BC-BX-K049             | 11,000.00      | 2016            |                     |                         |             | 11,000.00            |
| Transportation State Aid Highway Projects                    |        |                             |                |                 |                     |                         |             |                      |
| Highway Planning & Construction                              |        |                             |                |                 |                     |                         |             |                      |
| Ord # 2011-15  | 20.205 | NJ- 078-6320-480            | 150,000.00     | PY              | 37,500.00           |                         |             |                      |
| Roadway Improvements-2015                                    | 20.205 | NJ- 078-6320-480            | 149,000.00     | 2015-2016       |                     |                         |             | 149,000.00           |
| Roadway Improvements-2013                                    | 20.205 | NJ-078-6320-480             | 112,500.00     | 2013-2015       |                     | 112,500.00              |             |                      |
| US Dept. of Housing and Urban Development                    |        |                             |                |                 |                     |                         |             |                      |
| Community Development Block Grants:                          |        |                             |                |                 |                     |                         |             |                      |
| Van Winkle Road Improvements                                 | 14.219 | 21-213-746-155-44-83        | 65,000.00      |                 |                     |                         |             | 65,000.00            |
| Van Winkle Road Improvements                                 | 14.219 | 21-213-746-155-44-83        | 92,000.00      |                 |                     |                         |             | 92,000.00            |
| OEM NJ Hazard Mitigation Grant                               | 97.039 | State of NJ                 | 75,000.00      | 2014            | -                   |                         |             | 75,000.00            |
| Office of Homeland Security                                  |        |                             |                |                 |                     |                         |             |                      |
| Emergency Management Performance Grant                       | 97.042 |                             | 5,000.00       | 2015            |                     |                         |             |                      |
| Emergency Management Performance Grant                       | 97.042 |                             | 5,000.00       | 2016            | 5,000.00            |                         |             |                      |
| <b>Total Federal Financial Assistance</b>                    |        |                             |                |                 | <u>\$ 57,500.00</u> | <u>\$ 127,500.00</u>    | <u>\$ -</u> | <u>\$ 392,000.00</u> |

\* Major Programs

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule H-2

|   | Grant<br>Award | Grant Award<br>Numbers or<br>Project Number | Grant<br>Period | Cash<br>Received    | Program<br>Expenditures | Grant<br>Receivable  |
|---|----------------|---|-----------------|---------------------|-------------------------|----------------------|
| <b>STATE GRANT PROGRAM</b>  |                |   |                 |                     |                         |                      |
| Green Acres Program   |                |   |                 |                     |                         |                      |
| Improvement to Veteran's Park   |                |   |                 |                     |                         |                      |
| Loan (Ord. 10-7)  | \$ 800,000.00  |   |                 | \$ -                | \$ -                    | \$ 800,000.00        |
| <i><b>Solid Waste Administration</b></i>                                  |                |   |                 |                     |                         |                      |
| Clean Communities   | 20,880.25      | 042-4900-765-004                            | 2016            | 20,880.25           | 0.00                    |                      |
| State Recycling Grants  | 33,551.43      | 042-4900-752-001                            | 2015-2016       | 33,551.43           | 26,014.85               |                      |
| <i><b>Municipal Courts</b></i>  |                |   |                 |                     |                         |                      |
| Alcohol Education, Rehabilitation and Enforcement                         | 2,538.12       | 098-9735-760-001                            | 2016            | 2,538.12            | 2,538.12                |                      |
| <i><b>Dept. of Law and Public Safety Division of Criminal Justice</b></i> |                |   |                 |                     |                         |                      |
| Safe and Secure Communities Program                                       | 60,000.00      | 066-1020-100-232                            | 2016            | 15,000.00           | 60,000.00               | 60,000.00            |
| Body Armor Replacement Fund   | 7,892.51       | 066-1020-718-001                            | 2015-2016       | 4,108.94            | 6,046.22                |                      |
| <i><b>NJ Division of Highway Traffic Safety</b></i>                       |                |   |                 |                     |                         |                      |
| Drunk Driving Enforcement Fund  | 7,269.44       | 6400-100-078-6400                           | PY              |                     | 3,146.19                |                      |
| Drunk Driving Enforcement Fund  | 8,451.00       | 6400-100-078-6400                           | 2014            |                     |                         |                      |
| Drunk Driving Enforcement Fund  | 6,176.24       | 6400-100-078-6400                           | 2015            |                     |                         |                      |
| Drunk Driving Enforcement Fund  | 5,119.70       | 6400-100-078-6400                           | 2016            | 5,119.70            |                         |                      |
| <i><b>Department of Community Affairs</b></i>                             |                |   |                 |                     |                         |                      |
| Parking Offense Adjudication Act  | 2,378.00       |   | PY              |                     | 1,094.00                |                      |
| Parking Offense Adjudication Act  | 2,492.00       |   | 2016            | 2,492.00            |                         |                      |
| <b>Total State Financial Assistance</b>                                   |                |   |                 | <u>\$ 83,690.44</u> | <u>\$ 98,839.38</u>     | <u>\$ 860,000.00</u> |

\* Expended in Prior Years

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule H-3

|  | Grant Award<br>Numbers or<br>Project Number | Grant<br>Award | Grant<br>Period   | Cash<br>Received | Program<br>Expenditures | Canceled    | Grant<br>Receivable |
|--|---|----------------|-------------------|------------------|-------------------------|-------------|---------------------|
| <b>COUNTY GRANT PROGRAM</b>              |   |                |                   |                  |                         |             |                     |
| Bergen County Open Space:                | N/A   |                |                   |                  |                         |             |                     |
| New Park (Ord #09-06)                    |   | \$ 75,000.00   | 1/1/09 - 12/31/16 | \$ -             | \$ -                    | \$ -        | \$ 63,912.50        |
| Carlton Avenue (Ord #10-07)              |   | 75,000.00      | 1/1/10 - 12/31/16 |                  |                         |             | 39,081.36           |
| Borough Hall Improvements                |   | 33,921.00      | 1/1/15 - 12/31/16 |                  |                         |             | 33,921.00           |
| Other Grant Programs:                    | N/A   |                |                   |                  |                         |             |                     |
| Comcast Technology Grant                 |   | 32,500.00      | 1/1/14 - 12/31/16 |                  | 3,071.26                |             |                     |
| <b>Total County Financial Assistance</b> |   |                |                   | <u>\$ -</u>      | <u>\$3,071.26</u>       | <u>\$ -</u> | <u>\$136,914.86</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, 2016

**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 (GAAP) applicable to local government units. This basis of accounting is described in Note 1C of the Borough's financial statements.

**3. Relationship of Financial Statements**

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

|                      | Federal              | State               | County/Other       | Total                |
|----------------------|----------------------|---------------------|--------------------|----------------------|
| Grant / Current Fund | \$ 15,000.00         | \$ 98,839.38        | \$ 3,071.26        | \$ 116,910.64        |
| Capital Fund         | 112,500.00           |                     |                    | 112,500.00           |
|                      | <u>\$ 127,500.00</u> | <u>\$ 98,839.38</u> | <u>\$ 3,071.26</u> | <u>\$ 229,410.64</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, 2016, 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                | \$ 73,250.58  |
| Green Trust Program | #0212-02-046                | \$ 233,275.25 |
| Green Trust Program | #0212-01-023                | \$ 239,401.47 |

See Independent Auditor's Report

## SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD  
SUPPLEMENTARY DATA

**Comparative Schedule of Tax Rate and Assessed Valuations**

|          | 2016            | 2015            | 2014            | 2013            | 2012            |
|----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 1.945</u> | <u>\$ 1.967</u> | <u>\$ 1.904</u> | <u>\$ 1.845</u> | <u>\$ 1.735</u> |

**Apportionment of Tax Rate**

|                      |       |       |       |       |       |
|----------------------|-------|-------|-------|-------|-------|
| Municipal            | 0.566 | 0.584 | 0.590 | 0.565 | 0.535 |
| County               | 0.313 | 0.281 | 0.234 | 0.279 | 0.237 |
| Local School         | 0.783 | 0.779 | 0.762 | 0.704 | 0.675 |
| Regional High School | 0.283 | 0.323 | 0.318 | 0.297 | 0.288 |

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

|      |                         |
|------|-------------------------|
| 2016 | <u>\$ 1,893,227,849</u> |
| 2015 | <u>\$ 1,849,548,746</u> |
| 2014 | <u>\$ 1,897,754,949</u> |
| 2013 | <u>\$ 1,973,272,359</u> |
| 2012 | <u>\$ 1,993,078,993</u> |

**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.

| Year | Tax Levy         | Cash Collection  | Percentage of Collection |
|------|------------------|------------------|--------------------------|
| 2016 | \$ 36,841,971.75 | \$ 36,302,906.39 | 98.54%                   |
| 2015 | 37,941,448.09    | 37,819,591.71    | 99.68%                   |
| 2014 | 35,397,899.35    | 34,981,173.03    | 98.82%                   |
| 2013 | 36,441,604.85    | 33,629,349.62    | 92.28%                   |
| 2012 | 34,610,569.81    | 31,793,436.55    | 91.86%                   |

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



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<br/>Liens</u> | <u>Amount of Delinquent<br/>Taxes</u> | <u>Total</u>  | <u>Percentage of Tax<br/>Levy</u> |
|-------------------------|--------------------------------------|---------------------------------------|---------------|-----------------------------------|
| 2016                    | \$ 282,323.78                        | \$ 197,366.29                         | \$ 479,690.07 | 1.30%                             |
| 2015                    | 229,684.04                           | 345,277.83                            | 574,961.87    | 1.52%                             |
| 2014                    | 166,643.42                           | 381,749.24                            | 548,392.66    | 1.55%                             |
| 2013                    | 138,851.88                           | 628,007.83                            | 766,859.71    | 2.10%                             |
| 2012                    | 113,628.04                           | 6,864,068.94 *                        | 6,977,696.98  | 20.16%                            |

\* Converted to PILOT

**Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation at December 31, 2016 is \$636,900. This represents the properties assessed valuation from 1995-2016.

**Comparative Schedule of Fund Balances**

|              | <u>Year</u> | <u>Balance<br/>December 31</u> | <u>Utilized In Budget of<br/>Succeeding Year</u> |
|--------------|-------------|--------------------------------|--|
| Current Fund | 2016        | \$ 684,735.81                  | \$ 680,000.00                                    |
|              | 2015        | 2,669,518.29                   | 2,160,000.00                                     |
|              | 2014        | 2,050,233.66                   | 1,246,400.00                                     |
|              | 2013        | 1,483,322.22                   | 500,000.00                                       |
|              | 2012        | 290,052.99                     | -  |

BOROUGH OF EAST RUTHERFORD  
ROSTER OF OFFICIALS AND SURETY BONDS  
AT DECEMBER 31, 2016

| <u>Name</u>       | <u>Title</u>  | <u>Amount of Bond</u> |
|-------------------|---|-----------------------|
| James Cassella    | Mayor   |                       |
| Michael Homaychak | President of Council  |                       |
| Joel Brizzi       | Councilman  |                       |
| Jeffrey Lahullier | Councilman  |                       |
| George Perry      | Councilman  |                       |
| Edward Ravettine  | Councilman  |                       |
| Saverio Stallone  | Councilman  |                       |
| Danielle Lorenc   | Municipal Clerk<br>Assessment Search Officer<br>Dog Licensing Official<br>Registrar of Vital Statistics |                       |
| Linda Ramsaier    | Tax Collector   | \$ 1,000,000.00       |
| Kathleen Winston  | Assistant Tax Collector   |                       |
| Anthony Bianchi   | Finance Director  |                       |
| Laurence Minda    | Chief of Police   |                       |
| Keith Matino      | Building Inspector  |                       |
| Dennis McGuire    | Assessor  |                       |
| Frank Recanati    | Construction Code Official<br>Plumbing Sub-Code Official  |                       |
| George O. Savino  | Municipal Judge   |                       |
| Daryl Murray      | Court Administrator   |                       |
| Nancy Farina      | Violations Clerk  |                       |
| Margaret Stuiso   | Deputy Court Administrator  |                       |

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 \$40,000."], 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 \$40,000 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Expenditure of \$6,000 or more and less than \$40,000 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. 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."

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, 2016 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 2015 will be advertised for sale after April 1, 2016.
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, 2016 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

WHEREAS, the statutory maximum interests 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, 2016, 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.

Borough of East Rutherford  
Schedule of Findings and Responses  
For the Year Ended December 31, 2016

Part 1- 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<br>not considered to be material weaknesses? | <u>X</u>                             | <u>Yes</u> | <u>No</u> |
| C) Noncompliance material to financial statements?  | <u>Yes</u>                           | <u>X</u>   | <u>No</u> |

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

Borough of East Rutherford  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2016

**Part 2 - 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*.

**\*Finding 2016-001**

Our audit revealed expenditures in excess of available appropriations and appropriation reserves in the Sewer Utility Operating Fund.

**Criteria or Specific Requirement**

On August 2, 1990, Chapter 131 of the Laws of 1989 was enacted into law, making the disbursing of monies or the incurring of obligations by public officials in excess of appropriations or an amount limited by law a gross violation of state statute, as per N.J.S.A. 40A:4-57.

**Condition-**

2016 expenditures in the Sewer Utility Operating Fund exceeded available appropriations and appropriation reserves.

**Context**

Expenditures exceeded available appropriations by \$ 70,045.48 and appropriation reserves by \$17,669.06.

**Effect**

Funds were expended in excess of available appropriations and appropriation reserves resulting in a deferred charges which is required to be raised in the subsequent year's budget.

**Cause**

Proper procedures, specifically review of available balances and adoption of an emergency appropriation, were not followed to ensure that approved appropriations were made available prior to incurring 2016 expenditures.

**Recommendation**

Budget emergency be adopted prior to the over-expenditure of available appropriations.

**Management's Response**

Management has reviewed this finding and has indicated that corrective action has been developed and implemented to address this finding.

**\* Repeated from prior year's audit.**

Borough of East Rutherford  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2016

***Part 3- Schedule of Federal and State Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

Not Applicable

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

This section identifies the status of prior year findings related to the financial statements and federal and state awards required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, the Uniform Guidance and NJ OMB Circular 15-08.

**Status of Prior Year Findings**

**Finding 2015-001**

Budget emergency be adopted prior to the over-expenditure of available appropriations.

**Status:**

Corrective action has not been taken.

Borough of East Rutherford  
Summary Schedule of Prior Year Audit Comments/Recommendations  
Year Ended December 31, 2016

**Internal Controls:**

**\*15-02 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.

**\*15-03 Recommendation:**

That the Borough complies with the developers' escrow accounting directive, requiring reporting to developers.

**Status:**

Corrective action has *not* been taken.

**\*15-04 Recommendation:**

That all eligible employees be enrolled into the pension system. Seasonal employees that work in all four quarters should be included in the pension system.

**Status:**

Corrective action has *not* been taken.

**\*15-05 Recommendation:**

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

**Status:**

Corrective action has been taken.

**\*15-06 Recommendation:**

That all professionals be removed from the Borough's pension system.

**Status:**

Corrective action has been taken.

**\*15-07 Recommendation:**

That the Borough provide the new hire and terminated employee report for audit.

**Status:**

Corrective action has been taken.



Borough of East Rutherford

Summary Schedule of Prior Year Audit Comments/Recommendations (Continued)

Year Ended December 31, 2016

**\*15-08 Recommendation:**

That the Borough reconcile employer quarterly tax returns (Federal form 941 and State of New Jersey Form 927) to the year-end form W-3 Wage and Tax Statement.

**Status:**

Corrective action has been taken.

Borough of East Rutherford  
Audit Comments and Recommendations  
For the Year Ended December 31, 2016

**\*Finding 16-02**

The Construction Code department did not comply with N.J.S.A. 40A:5-15. All monies collected 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.

**\*Finding 16-03**

Developers with expenditures over \$1,000 were not sent monthly activity reports and developers with expenditures less than \$1,000 were not issued quarterly activity reports in accordance with The Division of Local Government Services Local Finance Notice #98-7, which provided amendments to the "Developers Escrow Directive".

**Recommendation:**

That the Borough complies with the developers' escrow accounting directive, requiring reporting to developers.

**\*Finding 16-04**

During the testing of pension reports, there were multiple employees not enrolled in the pension system in accordance with State of New Jersey Division of Pensions. There were also 4 employees which had pension withholdings, but were not being reported on the pension reports.

**Recommendation:**

That all eligible employees be enrolled into the pension system. Seasonal employees that work in all four quarters should be included in the pension system. Employees that have pension withholdings should be promptly enrolled in the pension system. Employees who were denied eligibility should have their withholdings returned.

\* Repeated from prior year's audit.

### **Appreciation**

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

\*\*\*\*\*

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