

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

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2010

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1 – 2
Financial Statements	
<u>Current Fund</u>	<u>Exhibit</u>
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A – 1
Statement of Revenues – Regulatory Basis	A – 2
Statement of Expenditures – Regulatory Basis	A – 3
<u>Trust Fund</u>	
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B
<u>Capital Fund</u>	
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C
Statement of Fund Balance	C – 1
<u>Sewer Utility Fund</u>	
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D
Comparative Statement of Operations and Changes in Operating Fund Balance-Regulatory Basis	D – 1
Statement of Revenues – Regulatory Basis	D – 2
Statement of Expenditures – Regulatory Basis	D – 3
<u>Grant Fund</u>	
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	E
<u>General Fixed Assets Accounts Group</u>	
Statement of General Fixed Assets “Unaudited”	F

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

<u>Part I (Continued)</u>	<u>Page</u>
Notes to Financial Statements	3 – 20

Supplementary Schedules

<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Cash	A – 4
Schedule of Change and Petty Cash Fund	A – 5
Schedule of Fire Official Reserve	A – 6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A – 7
Schedule of Due From / (To) State of New Jersey per Chapter 20, P.L. 1971	A – 8
Schedule of Property Acquired For Taxes (At Assessed Valuation)	A – 9
Schedule of Tax Title Liens	A – 10
Schedule of Revenue Accounts Receivable	A – 11
Schedule of Deferred Charges	A – 12
Schedule of 2009 Appropriation Reserves	A – 13
Schedule of Reserve for HMDC	A – 14
Schedule of Tax Overpayments	A – 15
Schedule of Prepaid Taxes	A – 16
Schedule of County Taxes Payable	A – 17
Schedule of Local District School Taxes Payable	A – 18
Schedule of Regional High School Taxes Payable	A – 19
Schedule of Tax Title Liens Payable	A – 20
Schedule of Reserve for Revaluation	A – 21
Schedule of Encumbrance Payable	A – 22
Schedule of Police Off Duty Receivable Reserve	A – 23
Schedule of Due From Becton School - Rent	A - 24
Schedule of Due From Library - Rent	A - 25
Schedule of Reserve for State Library Aid	A – 26
Schedule of Reserve for Tax Appeals	A – 27
Schedule of Reserve for DEA Confiscated Funds	A - 28
Schedule of Reserve for First Aid Squad Donation	A - 29
Schedule of Reserve for St. Joe's Park Donation	A – 30

Trust Fund

Schedule of Cash and Cash Equivalents	B – 1
Schedule of Unemployment Trust Reserve	B – 2
Schedule of Due To / (From) State of New Jersey - Dog License Fund	B – 3
Schedule of Due To Current Fund - Dog License Fund	B – 4
Schedule of Reserve for Developers Escrow Fees	B – 5
Schedule of Reserve for Dog Fund Expenditures	B – 6
Schedule of Due To / (From) Current Fund - Other Trust	B – 7
Schedule of Special Reserves - Other Trust	B – 8

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

<u>Part I (Continued)</u>	<u>Exhibit</u>
Schedule of Due To / (From) Current Fund – Unemployment Fund	B – 9
Schedule of Due To / (From) Current Fund – Developers Escrow	B – 10
Schedule of Due To / (From) Sewer Utility Fund – Unemployment Fund	B – 11
 <u>Capital Fund</u>	
Schedule of Cash – Treasurer	C – 2
Schedule of Analysis of Cash	C – 3
Schedule of Due To Current Fund	C – 4
Schedule of Deferred Charges to Future Taxation - Funded	C – 5
Schedule of Deferred Charges to Future Taxation - Unfunded	C – 6
Schedule of Encumbrance Payable	C – 7
Schedule of Capital Improvement Fund	C – 8
Schedule of Improvement Authorizations	C – 9
Schedule of Premium on BAN / Bond Sale	C – 10
Schedule of Reserve for Building and Grounds Improvement	C – 11
Schedule of State Loan Payable	C – 12
Schedule of General Serial Bonds	C – 13
Schedule of Reserve for Payment of Bonds	C – 14
Schedule of Due from Bergen County Improvement Authority	C – 15
Schedule of Bonds and Notes Authorized But Not Issued	C – 16
Schedule of Reserve for Grants	C – 17
Schedule of Grants Receivable	C – 18
Schedule of Reserve for Roadway Improvements	C – 19
Schedule of Reserve for Bergen County Open Space Grant	C – 20
Schedule of Accrued Interest on Bond Sale	C – 21
Schedule of BICA Bonds Payable	C – 22
 <u>Sewer Utility Fund</u>	
Schedule of Cash	D – 4
Schedule of Consumer Accounts Receivable	D – 5
Schedule of Overpayments	D – 6
Schedule of Due From Sewer Utility Operating Fund to Sewer Utility Capital Fund	D – 7
Schedule of Fixed Capital / Fixed Capital Authorized and Uncompleted	D – 8
Schedule of Due to / (From) General Capital Fund	D – 9
Schedule of Improvement Authorizations	D – 10
Schedule of Capital Improvement Fund	D – 11
Schedule of Amortization Reserve / Deferred Amortization Reserve	D – 12
Schedule of 2009 Appropriation Reserves	D – 13
Schedule of Due To Current Fund	D – 14
Schedule of Escrow Trust Reserve	D – 15
Schedule of Bonds and Notes Authorized But Not Issued	D – 16
Schedule of NJ Infrastructure Loan Payable	D – 17
Schedule of Accrued Interest on Bond Payable	D – 18

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

<u>Part I (Continued)</u>	<u>Exhibit</u>
Schedule of Prepaid Sewer Charges	D - 19
Schedule of Sewer Serial Bonds	D - 20
<u>Grant Fund</u>	
Schedule of Cash	E - 1
Schedule of Due to Current Fund	E - 2
Schedule of Grants Receivable	E - 3
Schedule of Appropriated Reserves for State Grants	E - 4
Schedule of Unappropriated Reserves for State Grants	E - 5
 <u>Part II</u>	 <u>Page</u>
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	21 - 22
Schedule of Expenditures of Federal Financial Assistance	G - 1
Schedule of Expenditures of State Financial Assistance	G - 2
Schedule of Expenditures of County / Other Financial Assistance	G - 3
Notes to the Schedules of Expenditures of Federal and State Financial Assistance	23
Supplementary Data	24 - 25
Roster of Officials and Surety Bonds	26
General Comments	27 - 29
Summary Schedule of Prior Year Audit Findings	30 - 31
Audit Comments and Recommendations	32 - 38
Schedule of Findings and Questioned Costs	39 - 42
Appreciation	43

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements assets, liabilities, reserves and fund balance – regulatory basis of various funds of the Borough of East Rutherford (“the Borough”), State of New Jersey, as of December 31, 2010 and December 31, 2009, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenue – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2010. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, 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 of Local Government Services, Department of Community Affairs, State of New Jersey*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which differ from accounting principles generally accepted in the United States of America. The effect on financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with accounting practices on the basis of accounting discussed in the preceding 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 the Borough as of December 31, 2010 and December 31, 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Borough as of December 31, 2010 and December 31, 2009, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2011 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.

Paul C. Garbarini

Paul C. Garbarini, CPA
Registered Municipal Accountant

No. 120

Garbarini & Co.

Garbarini & Co. P.C. CPA's
Registered Municipal Accountants

June 30, 2011

Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS**

A

		At December 31,	
		2010	2009
	Reference		
ASSETS			
Current Assets:			
Cash - Treasurer	A-4	\$ 1,089,685.65	\$ 804,282.38
Cash - Tax Collector	A-4	141,448.23	527,564.35
Cash - Change Funds	A-5	125.00	125.00
		<u>1,231,258.88</u>	<u>1,331,971.73</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	3,233,744.29	839,988.56
Tax Title Liens	A-10	138,238.58	99,034.53
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	112,514.71	81,443.75
Due From Dog Trust Fund	B	3,984.68	3,225.61
Due Sewer Utility Fund	D	37,268.83	32,100.00
Due Sewer Capital Fund	D, A-4	7,508.47	
Due From Capital Fund	C	281,472.22	115,845.58
Due From Grant Fund	E		153,867.73
Police Off Duty Receivable	A-23	43,095.28	
Due From Developers Escrow	B	279.12	299.35
Due From Library	A-25	100,000.00	
Due From Becton Regional High School	A-24	75,000.00	
	Contra	<u>4,670,006.18</u>	<u>1,962,705.11</u>
Deferred Charges:			
Overexpenditure of Appropriations			9,650.77
Overexpenditure of Appropriation Reserves	A-13	9,234.33	265.58
Deficit in Operations	A-1	104,180.36	332,639.94
Special Emergency Authorization - Revaluation		111,000.00	148,000.00
	A-12	<u>224,414.69</u>	<u>490,556.29</u>
TOTAL ASSETS		<u><u>\$ 6,125,679.75</u></u>	<u><u>\$ 3,785,233.13</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS
(CONTINUED)**

A

		At December 31,	At December 31,
		2010	2009
	Reference		
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Encumbrance Payable	A-22	\$ 42,176.59	\$ 112,513.45
Appropriation Reserves	A-3,13	511,438.24	974,016.51
Tax Overpayments	A-15	39,354.86	17,112.63
Outside Tax Title Liens	A-20	36,129.90	
Prepaid Taxes	A-16	127,910.17	316,721.10
County Taxes - Added	A-17	148,451.76	1,832.42
Police Off Duty Reserve	A-23		4,734.56
Revaluation Reserve	A-21	10,848.61	48,618.61
Tax Appeal Reserve	A-27	29,017.60	
Hackensack Meadowlands			
Development Commission Reserve	A-14		3,200.00
Due to State of NJ: Senior Citizens and Veterans	A-8	3,178.60	1,928.61
Fire Official Reserve	A-6		40,226.61
Due to Grant Fund	E	121,861.73	
Due to Unemployment Fund	B	213.08	209.72
Due to Other Trust	B	194,123.55	192,126.26
Due to Payroll Account	A-4	563.08	
Reserve for State Library Aid	A-26	10,560.00	8,078.00
DEA Confiscated Funds	A-28	79,578.76	6,387.50
Donations First Aid Squad	A-29	5,000.00	
Donations St. Joe's Park	A-30	445.00	
		<u>1,360,851.53</u>	<u>1,727,705.98</u>
Reserve for Receivables and Other Assets	Contra	4,670,006.18	1,962,705.11
Fund Balance	A-1	<u>94,822.04</u>	<u>94,822.04</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 6,125,679.75</u></u>	<u><u>\$ 3,785,233.13</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

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

A-1

	Reference	At December 31, 2010	At December 31, 2009
Revenue and Other Income Realized			
Fund Balance Utilized		\$ -	\$ 1,620,000.00
Miscellaneous Revenue Anticipated	A-2	11,309,199.06	10,744,311.74
Receipts from Delinquent Taxes	A-2	806,182.76	411,040.83
Receipts from Current Taxes	A-2	29,247,225.11	26,716,045.43
Non-Budget Revenues	A-2	100,626.91	74,716.86
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	619,350.37	273,095.16
Interfunds Returned / Advanced			
Unexpended Budget Appropriations	A-3	46,601.83	0.01
Canceled HMMC Reserve	A-14	3,200.00	
Statutory Excess in Dog Fund	B-4	3,986.10	3,227.15
Total Income		<u>42,136,372.14</u>	<u>39,842,437.18</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	19,261,588.51	18,270,320.90
County Taxes	A-17	4,474,516.44	4,010,193.26
County Share of Added and Omitted Taxes	A-17	148,451.76	1,832.42
Local District School Tax	A-18	12,653,096.54	12,060,256.06
Local District School Tax Adjustment	A-18	(0.02)	4.40
Regional School Tax	A-19	5,292,382.36	5,135,374.87
Regional School Tax Adjustment	A-19	(0.01)	2.10
Senior Citizens & Veterans Prior Year Adjustment	A-7	9,640.41	7,750.00
Tax Appeals			484,730.84
Appropriation Difference/ Service Charges			28.59
Borough Redeemed Lien			30,811.60
Borough Paid Outside Lien	A-20	5,559.46	
Interfunds Returned / Advanced		395,317.05	173,772.08
Total Expenditures		<u>42,240,552.50</u>	<u>40,175,077.12</u>
Excess/(Deficit) in Revenues		(104,180.36)	(332,639.94)
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-12	<u>104,180.36</u>	<u>332,639.94</u>
Statutory Excess to Fund Balance		0.00	(0.00)
Fund Balance January 1	A	<u>94,822.04</u>	<u>1,714,822.04</u>
		94,822.04	1,714,822.04
Decreased by:			
Utilization as Anticipated Revenues		-	1,620,000.00
Fund Balance December 31	A	<u>\$ 94,822.04</u>	<u>\$ 94,822.04</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Budget	Realized	Excess or (Deficit)
		\$ -	\$ -	\$ -
Fund Balance Anticipated:				
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		25,000.00	26,365.60	1,365.60
Other		70,000.00	50,501.90	(19,498.10)
Fees and Permits - Other		13,000.00	13,817.98	817.98
Fines and Costs - Municipal Court		575,000.00	574,687.36	(312.64)
Interest and Costs on Taxes		75,000.00	112,768.88	37,768.88
Interest on Investments and Deposits		25,000.00	16,747.13	(8,252.87)
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		6,075,000.00	6,592,358.78	517,358.78
Recycling Income		11,000.00	20,674.36	9,674.36
Rental - Library		100,000.00	100,000.00	-
Lease - Becton Regional		75,000.00	75,000.00	-
Consolidated Municipal Property Tax Relief Aid		16,404.00	15,583.80	(820.20)
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,473,585.00	1,472,992.55	(592.45)
Supplemental Energy Receipts Tax				-
Garden State Trust Fund		2,628.00		(2,628.00)
Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.)		36,112.00	36,112.00	-
Uniform Construction Code Fees		225,000.00	231,941.00	6,941.00
Clean Community Grant		13,870.59	13,870.59	-
FEMA Firefighters Grant		388,960.00	388,960.00	-
Police Grant - Safe and Secure Communities Program Grant		60,000.00	60,000.00	-
Body Armor Replacement Fund		1,501.13	1,501.13	-
NJ Meadowland Commission Grant				-
Reserve				
Alcohol Education & Rehabilitation		2,320.48	2,320.48	-
Parking Offense Adjudication Act		3,474.00	3,474.00	-
Speed Aggressive Grant		4,000.00	4,000.00	-
Drunk Driving Enforcement Act		6,438.01	6,438.01	-
Clean Community Grant		2,879.76	2,879.76	-
Chapter 159				-
Alcohol Education & Rehabilitation		1,910.38	1,910.38	-
Safe and Secure Grant - Homeland Buffer Zone		64,361.00	64,361.00	-
Body Armor Replacement Grant		3,732.73	3,732.73	-
Police Click It or Ticket Grant		4,000.00	4,000.00	-
Bergen County Recycling Grant				-
Uniform Fire Safety Act		59,000.00	55,475.86	(3,524.14)
Cable Franchise Fees		86,180.13	86,180.13	-
Hotel Taxes		625,000.00	701,410.45	76,410.45
Payment in Lieu of Taxes - Bergen County Housing Authority		17,000.00	19,312.27	2,312.27
Payment in Lieu of Taxes - Hackensack Meadowlands				
Development Commission		6,708.30	6,708.30	-
Premium on BAN / Bond Sale		160,577.40	160,577.40	-
Reserve for Payments of Bonds and Notes		96,937.00	96,937.00	-
Fire Inspection Reserve		40,000.00	38,580.01	(1,419.99)
Due from Capital Fund		115,845.58	115,845.58	-
Due from Grant Fund		219,265.73		(219,265.73)
Due from Sewer Utility Fund		35,100.00	35,100.00	-
Police DOT Reimbursement		96,072.00	96,072.64	0.64
Total Miscellaneous Revenues	A-1, Next Page	10,912,863.22	11,309,199.06	396,335.84
Receipts from Delinquent Taxes	A-1, Next Page	750,000.00	806,182.76	56,182.76
Amount to be Raised by Taxes for Support of Municipal Budget		8,598,725.29	7,305,313.98	(1,293,411.31)
Including Uncollected Taxes	A-7, Next Page			-
Budget Totals	A-3	\$ 20,261,588.51	\$ 19,420,695.80	\$ (840,892.71)
Non-Budget Revenues	A-1,4, Next Page		100,626.91	
			\$ 19,521,322.71	

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

A-2

	Reference	
Allocation of Current Tax Collection:		
Revenue from Collections	A-1	\$ 29,247,225.11
Allocated to:		
School and County Taxes	A-17,18,19	<u>22,941,911.13</u>
Balance for Support of Municipal Appropriation		6,305,313.98
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,000,000.00</u>
	Previous Pg.	<u><u>\$ 7,305,313.98</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	Prev. Pg.	<u><u>\$ 806,182.76</u></u>
Miscellaneous Revenues:		
Current Fund	A-4	\$10,284,260.39
Collector	A-4	112,470.01
Due from Grant Fund - Reserves	E-2	19,112.25
Due from Grant Fund - Receivables	E-2	538,335.83
Due from Grant Fund - Receivables	E-3	(78,014.83)
Due from Trust Fund - Elevator Inspection Fee	B-8	(38,059.00)
Due from Library Rent	A-25	100,000.00
Due from Becton Rent	A-24	75,000.00
Fire Official Reserve	A-6	38,580.01
Due from Capital Reserve for Premium on BAN Sale	C-4	160,577.40
Due from Capital Reserve for Payment of Bonds	C-4	<u>96,937.00</u>
	Previous Pg.	<u><u>\$ 11,309,199.06</u></u>
Non-Budget Revenues:		
DMV Fees		\$ 10,020.00
Misc. Refunds		9,567.23
Towing Fees		19,635.00
Film Permit		1,000.00
Sale of Fire Truck		26,362.50
County Snow Plowing Reimbursement		4,320.00
Employee 1.5% Health Insurance from 5-9/10		10,732.67
Senior Citizen's & Veteran's 2% Administrative Payments		1,352.20
County Polling Payment		160.00
EMS Allocation		5,000.00
2009 FAIU - Bergen County		1,386.30
Exercise Suppl. Program		9,987.69
Hazmat - Park Plus		<u>1,103.32</u>
	Prev. Pg., A-1, 4	<u><u>\$ 100,626.91</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED				
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>	
OPERATIONS - WITHIN "CAPS"								
GENERAL GOVERNMENT								
Administrative & Executive:								
Municipal Clerk								
Salaries and Wages	\$ 195,000.00	\$ -	\$ 201,300.00	\$ 201,054.22	\$ 245.78	\$ -	\$ -	
Other Expenses	9,000.00		18,000.00	15,560.69	2,439.31			
Other Expenses - Code Publishing	4,500.00		4,500.00	4,500.00	-			
Mayor and Council								
Salaries and Wages	37,000.00		37,000.00	36,999.90	0.10			
Other Expenses	8,000.00		6,500.00	4,560.50	1,939.50			
Elections - Other Expenses	5,000.00		6,000.00	5,790.82	209.18			
Financial Administration								
Salaries and Wages	40,000.00		45,400.00	45,317.67	82.33			
Other Expenses								
Annual Audit	15,000.00		15,000.00	-	15,000.00			
Miscellaneous - Other Expenditures	57,000.00		57,000.00	40,744.46	16,255.54			
Single Audit Act	18,000.00		18,000.00		18,000.00			
Purchasing								
Salaries and Wages	2,500.00		2,800.00	2,777.85	22.15			
Assessment of Taxes								
Salaries and Wages	77,000.00		76,000.00	75,598.07	401.93			
Other Expenses	5,000.00		6,000.00	5,267.16	732.84			
Ordinance Enforcement - Salaries and Wages	10,100.00		10,100.00	10,016.75	83.25			
Redevelopment Agency								
Salaries and Wages	1,700.00		1,700.00	1,699.92	0.08			
Other Expenses (R.S. 40:550-1)	5,000.00		5,000.00	3,937.06	1,062.94			
Collection of Taxes								
Salaries and Wages	75,000.00		77,400.00	77,325.40	74.60			
Other Expenses	7,000.00		8,000.00	7,982.25	17.75			

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<i><u>Budget</u></i>	<i><u>Emergency Appropriations</u></i>	<i><u>Budget After Modification</u></i>	<i><u>Paid or Charged</u></i>	<i><u>Reserved</u></i>	<i><u>Lapsed</u></i>	
OPERATIONS WITHIN "CAPS" (Cont'd)							
Legal Services and Costs							
Salaries and Wages	\$ 65,000.00	\$ -	\$ 65,000.00	\$ 64,999.66	\$ 0.34	\$ -	\$ -
Other Expenses	95,000.00		135,000.00	129,950.27	5,049.73		
					-		
Tax Appeals - Professional Fees	30,000.00		85,000.00	81,625.00	3,375.00		
Engineering Services and Costs							
Salaries and Wages	3,000.00		3,000.00	2,999.97	0.03		
Other Expenses	30,000.00		30,000.00	22,250.16	7,749.84		
Public Building and Grounds							
Other Expenses	70,000.00		76,000.00	75,983.71	16.29		
Contracted Service	112,000.00		112,000.00	111,966.96	33.04		
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board - Other Expenses	8,000.00		10,000.00	9,531.04	468.96		
Zoning Board of Adjustment							
Salaries and Wages	8,000.00		8,410.00	8,404.68	5.32		
Other Expenses	3,500.00		3,500.00	2,981.40	518.60		
Municipal Court							
Salaries and Wages	204,700.00		204,700.00	204,047.25	652.75		
Other Expenses	18,000.00		18,000.00	14,002.83	3,997.17		
Public Defender							
Salaries and Wages	10,000.00		10,000.00	9,744.03	255.97		
					-		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
Unemployment Compensation	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -
Insurance:							
Liability	292,875.00		292,875.00	238,429.81	54,445.19		
Workman's Compensation	346,000.00		346,000.00	260,569.15	85,430.85		
Employee Group Insurance	1,950,000.00		1,682,890.00	1,593,087.55	89,802.45		
Self - Insurance Eye Care	15,000.00		15,000.00	13,180.81	1,819.19		
Rent Control Board							
Salaries and Wages	1,800.00		800.00	-	800.00		
Other expenses	1,000.00		1,000.00	27.50	972.50		
TOTAL GENERAL GOVERNMENT	3,885,675.00	-	3,744,875.00	3,432,914.50	311,960.50	-	-
PUBLIC SAFETY:							
Fire							
Other Expenses							
Clothing Allowance	90,000.00		90,000.00	90,000.00	-		
Other Expenses- Lease/Purchase Equipment	23,062.74		23,062.74	23,062.74	-		
Gear Maintenance	50,000.00		50,000.00	48,987.36	1,012.64		
Fire Alarm System - Other Expenses	5,000.00		5,000.00	4,995.00	5.00		
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	75,000.00		78,500.00	78,448.42	51.58		
Other Salaries - Inspectors	15,000.00		13,000.00	12,372.07	627.93		
Other Expenses	10,000.00		14,000.00	13,738.89	261.11		
Police							
Salaries and Wages	4,314,000.00		4,330,000.00	4,323,717.93	6,282.07		
Clothing Allowance	27,000.00		27,000.00	27,000.00	-		
Overtime	75,000.00		75,000.00	70,839.32	4,160.68		
Sick pay	79,508.49		79,508.49	79,508.49	-		
Other expenses	65,000.00		65,000.00	59,551.84	5,448.16		
911 Service	7,000.00		7,000.00	-	7,000.00		
Police Cars	31,000.00		31,000.00	30,541.66	458.34		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
Special Police							
Salaries and Wages	\$ 60,000.00	\$ -	\$ 107,400.00	\$ 107,050.58	\$ 349.42	\$ -	\$ -
Other Expenses	3,000.00		3,000.00	-	3,000.00		
Traffic Lights - Other Expenses	7,000.00		11,000.00	10,068.76	931.24		
Traffic Control							
Salaries and Wages	310,000.00		306,000.00	302,626.70	3,373.30		
Other Expenses	2,000.00		2,000.00		2,000.00		
First Aid Organization							
Other Expenses	10,000.00		10,000.00	7,717.30	2,282.70		
Emergency Management Services							
Salaries and Wages	7,575.00		10,975.00	10,952.46	22.54		
Other Expenses	2,000.00		2,000.00	1,081.91	918.09		
First Responder							
Salaries and Wages	38,000.00		51,500.00	51,390.37	109.63		
Towing Director							
Salaries and Wages	5,000.00		9,600.00	9,546.40	53.60		
TOTAL PUBLIC SAFETY	5,311,146.23	-	5,401,546.23	5,363,198.20	38,348.03	-	-
STREETS AND ROADS:							
Road Repairs and Maintenance							
Salaries and Wages	905,000.00		880,000.00	855,264.51	24,735.49		
Other Expenses	25,000.00		35,000.00	33,513.60	1,486.40		
Recycling Costs	5,000.00		2,500.00		2,500.00		
Leased Vehicles	63,455.00		63,455.00	63,455.00	-		
TOTAL STREETS AND ROADS	998,455.00	-	980,955.00	952,233.11	28,721.89	-	-
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages	5,000.00		5,000.00	4,116.23	883.77		
Other Expenses	105,000.00		107,000.00	105,979.44	1,020.56		
TOTAL HEALTH AND WELFARE	110,000.00	-	112,000.00	110,095.67	1,904.33	-	-

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<i>Budget</i>	<i>Emergency Appropriations</i>	<i>Budget After Modification</i>	<i>Paid or Charged</i>	<i>Reserved</i>	<i>Lapsed</i>	<i>Overexpenditure</i>
OPERATIONS WITHIN "CAPS" (Cont'd)							
RECREATION AND EDUCATION							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	\$ 40,000.00	\$ -	\$ 38,500.00	\$ 38,000.64	\$ 499.36	\$ -	\$ -
Other Expenses	80,000.00		80,000.00	78,103.68	1,896.32		
Celebration of Public Events, Anniversary or Holiday							
Other Expenses	7,000.00		7,000.00	3,914.25	3,085.75		
Senior Citizens							
Salaries and Wages	25,000.00		25,000.00	24,886.51	113.49		
Other Expenses	4,000.00		5,500.00	5,345.00	155.00		
TOTAL RECREATION AND EDUCATION	156,000.00	-	156,000.00	150,250.08	5,749.92	-	-
SANITATION							
Garbage & Trash Removal							
Salaries and Wages	605,000.00		615,000.00	611,694.99	3,305.01		
Other Expenses	4,000.00		4,000.00	3,055.10	944.90		
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	355,000.00		355,000.00	306,088.94	48,911.06		
TOTAL SANITATION	964,000.00	-	974,000.00	920,839.03	53,160.97	-	-
STATE UNIFORM CONSTRUCTION CODE							
Salaries and Wages							
Construction Code Official	25,000.00		22,500.00	22,111.32	388.68		
Sub-Code Officials							
Plumbing Inspector	23,500.00		24,500.00	24,326.15	173.85		
Fire Inspector	18,800.00		18,300.00	18,156.53	143.47		
Electrical Inspector	16,100.00		16,500.00	16,419.81	80.19		
Other Salaries	95,000.00		86,000.00	84,446.14	1,553.86		
Elevator Sub-Code Official	-		-	-	-		
Building Sub-Code Official	21,000.00		25,000.00	24,959.88	40.12		
Other Expenses	15,000.00		15,000.00	12,024.97	2,975.03		
Rental Expenses	35,000.00		35,000.00	34,620.30	379.70		
TOTAL STATE UNIFORM CONST. CODE	249,400.00	-	242,800.00	237,065.10	5,734.90	-	-

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<u>APPROPRIATIONS</u>			<u>EXPENDED</u>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
<i>UNCLASSIFIED:</i>							
Utilities							
Street Lighting	\$ 250,000.00	\$ -	\$ 302,000.00	\$ 301,647.70	\$ 352.30	\$ -	\$ -
Gasoline	130,000.00		135,000.00	130,088.27	4,911.73		
Fuel Oil	15,000.00		15,000.00	9,156.70	5,843.30		
Electricity	155,000.00		163,000.00	162,524.18	475.82		
Telephone and Telegraph	100,000.00		100,000.00	96,011.95	3,988.05		
Water	22,000.00		23,500.00	22,969.12	530.88		
Fire Hydrant Services	111,000.00		131,000.00	125,855.97	5,144.03		
Purchase of Postage	30,000.00		30,000.00	24,222.32	5,777.68		
Vehicle Maintenance							
Salaries and Wages	85,000.00		82,500.00	81,854.62	645.38		
Other Expenses	145,000.00		145,000.00	128,591.22	16,408.78		
	<u>1,043,000.00</u>	<u>-</u>	<u>1,127,000.00</u>	<u>1,082,922.05</u>	<u>44,077.95</u>	<u>-</u>	<u>-</u>
TOTAL OPERATIONS WITHIN "CAPS"	<u>12,717,676.23</u>	<u>-</u>	<u>12,739,176.23</u>	<u>12,249,517.74</u>	<u>489,658.49</u>	<u>-</u>	<u>-</u>
<i>Contingent</i>	<u>5,000.00</u>		<u>5,000.00</u>	<u>4,006.12</u>	<u>993.88</u>		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>12,722,676.23</u>	<u>-</u>	<u>12,744,176.23</u>	<u>12,253,523.86</u>	<u>490,652.37</u>	<u>-</u>	<u>-</u>
<i>Detail:</i>							
Salaries and Wages	7,574,283.49		7,643,893.49	7,593,675.44	50,218.05	-	(0.00)
Other Expenses (Including Contingent)	5,148,392.74		5,100,282.74	4,659,848.42	440,434.32	-	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<u>APPROPRIATIONS</u>			<u>EXPENDED</u>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
DEFERRED CHARGES:							
Overexpenditure of Appropriations	\$ 9,650.77	\$ -	\$ 9,650.77	\$ 9,650.77	\$ -	\$ -	\$ -
Emergency Authorization	-	-	-	\$ -	-	-	-
Overexpenditure of Appropriation Reserves	265.58	-	265.58	\$ 265.58	-	-	-
Overexpenditure of Improvement Authorization	2,136.31	-	2,136.31	\$ 2,136.31	-	-	-
Prior Yr. Bills: Kipp & Allen- Planning/Zoning Legal Fees							
STATUTORY EXPENDITURES:							
Contributions to:							
Public Employees Retirement System	263,446.00		263,446.00	263,446.00	-	-	-
Social Security System (O.A.S.I.)	360,000.00		327,000.00	323,019.73	3,980.27	-	-
Police and Fireman's Retirement System of N.J.	806,924.00		806,924.00	806,923.68	0.32	-	-
Pension of Widow Charles Swift (R.S. 43:12-28.1)	2,400.00		2,400.00	2,400.00	-	-	-
Early Retirement Incentive Program	96,132.00		96,132.00	96,132.00	-	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"	1,540,954.66	-	1,507,954.66	1,503,974.07	3,980.59	-	-
CASH DEFICIT OF PRECEDING YEAR	338,972.94		338,972.94	332,639.94		6,333.00	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	14,602,603.83	-	14,591,103.83	14,090,137.87	494,632.96	6,333.00	-
OPERATIONS EXCLUDED FROM "CAPS"							
Maintenance of Free Public Library Ch. 82. PL 1985	638,530.28		650,030.28	650,025.00	5.28	-	-
Police and Firemans Retirement System	53,153.00		53,153.00	53,153.00	-	-	-
Tax Appeals Reserve	100,000.00		100,000.00	100,000.00	-	-	-
Health Insurance	236,204.00		236,204.00	236,204.00	-	-	-
Meadowlands Adjustment	16,800.00		16,800.00		16,800.00	-	-
Public Employees Retirement System	25,699.21		25,699.21	25,699.21	-	-	-
Joint Meeting - Borough Contribution	11,000.00		11,000.00	11,000.00	-	-	-
	1,081,386.49	-	1,092,886.49	1,076,081.21	16,805.28	-	-

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS EXCLUDED FROM "CAPS" (Continued)							
PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES							
Clean Community Grant	\$ 13,870.59	\$ -	\$ 13,870.59	\$ 13,870.59	\$ -	\$ -	\$ -
Homeland Security Grant	64,361.00		64,361.00	64,361.00	-		
Reserves - Grant							
Alcohol Education & Rehabilitation	2,320.48		2,320.48	2,320.48	-		
Speed Aggressive Grant	4,000.00		4,000.00	4,000.00	-		
Clean Community Grant	2,879.76		2,879.76	2,879.76	-		
Parking Offense Adjudication Act	3,474.00		3,474.00	3,474.00	-		
Drunk Driving Enforcement Fund	6,438.01		6,438.01	6,438.01	-		
Safe & Secure Communities							
Program Grant							
Police - Salaries & Wages							
State Share	60,000.00		60,000.00	60,000.00	-		
Municipal Share	15,000.00		15,000.00	15,000.00	-		
FEMA Firefighters Grant							
Other Expenses	388,960.00		388,960.00	388,960.00	-		
Grant Match	97,240.00		97,240.00	97,240.00	-		
Chapter 159:							
Police "Click It or Ticket" Grant - Salaries & Wages	4,000.00		4,000.00	4,000.00	-		
NJ Body Armor Grant	3,732.73		3,732.73	3,732.73	-		
Alcohol Education and Rehab Grant	1,910.38		1,910.38	1,910.38	-		
NJ Body Armor Replacement Grant	1,501.13		1,501.13	1,501.13	-		
TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES	<u>669,688.08</u>	<u>-</u>	<u>669,688.08</u>	<u>669,688.08</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	<u>1,751,074.57</u>	<u>-</u>	<u>1,762,574.57</u>	<u>1,745,769.29</u>	<u>16,805.28</u>	<u>-</u>	<u>-</u>
Detail:							
Salaries and Wages	<u>80,910.38</u>	<u>-</u>	<u>80,910.38</u>	<u>80,910.38</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Expenses	<u>1,670,164.19</u>	<u>-</u>	<u>1,681,664.19</u>	<u>1,664,858.91</u>	<u>16,805.28</u>	<u>-</u>	<u>-</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"							
Capital Improvement Fund	75,000.00		75,000.00	75,000.00	-		
Public and Private Programs Offset by Revenue:							
NJ Meadowlands Commission Grant							
Purchase of Hybrid Vehicles					-		
MAP Hybrid Police Vehicles					-		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>75,000.00</u>	<u>-</u>	<u>75,000.00</u>	<u>75,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
MUNICIPAL DEBT-EXCLUDED FROM "CAPS"							
Payment of Bond Principal	\$ 1,550,000.00	\$ -	\$ 1,550,000.00	\$ 1,524,383.67		\$ 25,616.33	\$ -
Payment on Bond Anticipation Notes & Capital Notes					-		
Interest on Bonds	1,168,387.50		1,168,387.50	1,153,735.00		14,652.50	
Interest on Notes					-	-	
EDA Loan Program - Principal Program	50,438.54		50,438.54	50,438.54	-		
Green Trust Loan Program:					-		
Loan Repayments for Principal and Interest	27,084.07		27,084.07	27,084.07	-	-	
Environmental Infrastructure Loan -Principal					-	-	
-Interest					-	-	
Silver Street Loan Repayment					-	-	
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>2,795,910.11</u>	<u>-</u>	<u>2,795,910.11</u>	<u>2,755,641.28</u>	<u>-</u>	<u>40,268.83</u>	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"							
Special Emergency Authorizations - 5 Years	37,000.00		37,000.00	37,000.00	-		
Capital Ordinances Unfunded							
98-13 / 99-15							
99-10							
	<u>37,000.00</u>	<u>-</u>	<u>37,000.00</u>	<u>37,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	<u>4,658,984.68</u>	<u>-</u>	<u>4,670,484.68</u>	<u>4,613,410.57</u>	<u>16,805.28</u>	<u>40,268.83</u>	<u>-</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>19,261,588.51</u>	<u>-</u>	<u>19,261,588.51</u>	<u>18,703,548.44</u>	<u>511,438.24</u>	<u>46,601.83</u>	<u>-</u>
Reserve for Uncollected Taxes	<u>1,000,000.00</u>		<u>1,000,000.00</u>	<u>1,000,000.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$20,261,588.51</u>	<u>\$ -</u>	<u>\$20,261,588.51</u>	<u>\$19,703,548.44</u>	<u>\$ 511,438.24</u>	<u>\$ 46,601.83</u>	<u>\$ -</u>
Reference	A-2			Below	A	A-1	A-12
Reference							
Disbursements	A-4			\$ 18,275,321.97			
Budget Offsets	A-4			(554,334.77)			
Reserve for Uncollected Taxes	A-2			1,000,000.00			
Reserve for Tax Appeals	A-27			100,000.00			
Due From Sewer Utility For Debt Service	D-14			(40,268.83)			
Encumbrance Payable	A-22			42,176.59			
Due to Grant Fund	E-4			498,960.88			
Deferred Charges - General Capital Fund	C-4			2,136.31			
Deferred Charges	A-12			379,556.29			
				<u>\$19,703,548.44</u>			

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
TRUST FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS

B

		At December 31,	
	Reference	2010	2009
ASSETS			
Other Trust Fund			
Cash	B-1	\$ 207,401.65	\$ 182,391.27
Due from Current Fund	A, B-7	194,123.55	192,126.26
		<u>401,525.20</u>	<u>374,517.53</u>
Developer's Escrow Fund			
Cash	B-1	368,623.14	382,988.62
Due from Engineer - Overpayments	B-1		463.75
		<u>368,623.14</u>	<u>383,452.37</u>
Dog License Fund			
Cash	B-1	15,071.48	12,419.91
Unemployment Fund			
Cash	B-1	162,647.60	106,650.96
Due From Current Fund	A, B-9	213.08	209.72
Due From Sewer Utility Fund	D, B-11	3,100.00	6,000.00
		<u>165,960.68</u>	<u>112,860.68</u>
TOTAL ASSETS		<u>\$ 951,180.50</u>	<u>\$ 883,250.49</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Other Trust			
Special Reserves	B-8	\$ 401,525.20	\$ 374,517.53
		<u>401,525.20</u>	<u>374,517.53</u>
Developers Escrow			
Due to Current Fund	A,B-10	279.12	299.35
Reserve for Escrow Fees	B-5	368,344.02	383,153.02
		<u>368,623.14</u>	<u>383,452.37</u>
Dog License Fund			
Due to Current Fund	A,B-4	3,984.68	3,225.61
Due to State of New Jersey	B-3		7.40
Reserve for Dog Fund Expenditures	B-6	11,086.80	9,186.90
		<u>15,071.48</u>	<u>12,419.91</u>
Unemployment Fund			
Fund Reserve	B-2	165,960.68	112,860.68
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 951,180.50</u>	<u>\$ 883,250.49</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS**

C

		At December 31,	
	Reference	2010	2009
ASSETS			
Cash - Treasurer	C-2,3	\$ 3,789,259.06	\$ 7,098,953.11
Grants Receivable	C-18	1,672,574.50	934,962.00
Deferred Charges - Overexpenditure of Impr. Authorization			2,136.31
Deferred Charges to Future Taxation:			
Funded	C-5	46,389,250.98	30,983,324.24
Unfunded	C-6	2,394,101.85	898,101.85
Due from Bergen County Improvement Authority	C-15	14,894,241.00	
TOTAL ASSETS		\$ 69,139,427.39	\$ 39,917,477.51
LIABILITIES, RESERVE AND FUND BALANCE			
General Serial Bonds	C-13	\$ 28,975,616.33	\$ 30,500,000.00
State Loan Payable	C-12	413,634.65	483,324.24
Bergen County Improvement Authority Bond Payable	C-22	17,000,000.00	
Encumbrance Payable	C-7	28,997.00	18,250.51
Improvement Authorizations:			
Funded	C-9	17,379,448.10	4,138,294.50
Unfunded	C-9	1,032,686.98	293,488.23
Due to Current Fund	A,C-4	281,472.22	115,845.58
Due to Sewer Capital Fund	D		533,187.94
Reserve for Payment of Bonds and Notes	C-14	1,941,181.50	1,900,731.00
Reserve for Building & Grounds Improvements	C-11	2,051.22	2,051.22
Reserve for Roadway Improvements	C-19	187,500.00	187,500.00
Reserve for Open Space Grant	C-20		500,000.00
Reserve for Grants- Receivable	C-17	1,672,574.50	934,962.00
Premium on BAN/ Bond Sale	C-10		160,577.40
Accrued Interest on Bond Sale	C-21	12,228.35	12,228.35
Capital Improvement Fund	C-8	160,143.24	85,143.24
Fund Balance	C-1	51,893.30	51,893.30
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		\$ 69,139,427.39	\$ 39,917,477.51

There were bonds and notes authorized but not issued on December 31, 2010
in the amount of \$2,394,101.85 (Exhibit C-16).

STATEMENT OF FUND BALANCE

C-1

	Reference	
Balance December 31, 2009	C	\$ 51,893.30
Balance December 31, 2010	C	<u>\$ 51,893.30</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS**

D

		At December 31:	
	Reference	2010	2009
ASSETS			
Operating Fund:			
Cash	D-4	\$ 932,107.47	\$ 301,283.42
Escrow Trust Cash	D-4, D-15	131.54	2,656.65
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	375,830.89	420,696.75
Due from Utility Capital Fund	D-7	-	223,711.42
Deferred Charges:			
Overexpenditure of Appropriations	D-3	252,578.32	
Overexpenditure of Appropriation Reserves		2,008.26	2,008.26
Total Operating Fund		<u>1,562,656.48</u>	<u>950,356.50</u>
Capital Fund:			
Fixed Capital	D-8	4,115,742.84	4,115,742.84
Fixed Capital Authorized and Uncompleted	D-8	500,000.00	500,000.00
Due from Utility Operating Fund	D-7	559,476.52	
Due from General Capital Fund	C, D-9	-	533,187.94
Total Capital Fund		<u>5,175,219.36</u>	<u>5,148,930.78</u>
TOTAL ASSETS		<u>\$ 6,737,875.84</u>	<u>\$ 6,099,287.28</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, 13	\$ -	\$ 37,149.62
Accrued Interest	D-18	2,355.81	3,930.50
Prepaid Sewer Charges	D-19	4,618.08	8,054.97
Due to Unemployment Fund	B	3,100.00	6,000.00
Due to Utility Capital Fund	D-7	559,476.52	
Due to Current Fund	A, D-14	37,268.83	32,100.00
Sewer Charge Overpayment	D-6	15,668.92	2,223.38
		<u>622,488.16</u>	<u>89,458.47</u>
Reserve for Escrow Deposit	D-15	131.54	2,656.65
Reserve for Receivables	Contra	375,830.89	420,696.75
Fund Balance	D-1	564,205.89	437,544.63
Total Operating Fund		<u>1,562,656.48</u>	<u>950,356.50</u>
Capital Fund:			
Serial Bond Payable	D-20	449,383.67	475,000.00
NJ Infrastructure Loan Payable	D-17	513,268.81	605,685.86
Improvement Authorizations			
Funded	D-10	189,598.13	197,106.60
Unfunded	D-10	25,000.00	25,000.00
Due to Current Fund	A, D-10	7,508.47	
Due to Utility Operating Fund	D-7		223,711.42
Capital Improvement Fund	D-11	390,576.92	140,576.92
Reserve for Deferred Amortization	D-12	313,407.76	195,374.38
Amortization Reserve	D-12	3,286,475.60	3,286,475.60
Total Capital Fund		<u>5,175,219.36</u>	<u>5,148,930.78</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 6,737,875.84</u>	<u>\$ 6,099,287.28</u>

There were bonds and notes authorized but not issued
on December 31, 2010 in the amount of \$53,207.00 (Schedule D-16)

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

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

D-1

		At December 31:	
	Reference	2010	2009
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2	\$ -	\$ 75,313.00
User Charges and Fees	D-2	1,244,067.08	1,358,806.11
Delinquent User Charges	D-2,4	390,267.91	415,574.59
Xanadu Agreement	D-2,4	353,000.00	353,000.00
Miscellaneous Revenues	D-2	43,412.58	81,574.32
Connection Fee	D-2	500,000.00	
	D-2	<u>2,530,747.57</u>	<u>2,284,268.02</u>
Other Credits to Income:			
Appropriations Lapsed	D-3	31,197.37	1,758.27
Prior Year Appropriation Reserve lapsed	D-13	27,971.37	9,147.99
		<u>2,589,916.31</u>	<u>2,295,174.28</u>
Less: Budget Appropriations	D-3	2,463,255.05	2,222,593.75
		<u>2,463,255.05</u>	<u>2,222,593.75</u>
Excess/(Deficit) in Revenues		126,661.26	72,580.53
Fund Balance - Operating - January 1	D	<u>437,544.63</u>	<u>440,277.10</u>
Less: Fund Balance Utilized	D-2	<u>-</u>	<u>75,313.00</u>
Fund Balance - Operating - December 31	D	<u>\$ 564,205.89</u>	<u>\$ 437,544.63</u>

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ -	\$ -	\$ -
User Charges and Fees	1,350,000.00	1,244,067.08	(105,932.92)
Delinquent User Charges	190,000.00	390,267.91	200,267.91
Xanadu Agreement	353,000.00	353,000.00	-
Miscellaneous Revenues	70,255.05	43,412.58	(26,842.47)
Connection Fee	500,000.00	500,000.00	-
	<u>\$ 2,463,255.05</u>	<u>\$ 2,530,747.57</u>	<u>\$ 67,492.52</u>
Reference	D-3	D-1, Below	

User Charges and Fees-Cash Receipts	D-5	\$ 1,244,067.08
Delinquent User Charges- Cash Receipts	D-4	390,267.91
Xanadu Agreement	D-4	353,000.00
Miscellaneous Revenues - Cash Receipts	D-4	43,412.58
Connection Fee	D-4	500,000.00
		<u>500,000.00</u>
Above		<u>\$ 2,530,747.57</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed	(Overexpenditure)
Operating						
Salaries and Wages	\$ 253,800.00	\$ 253,800.00	\$ 256,699.02	\$ -	\$ -	\$ (2,899.02)
Other Expenses	1,750,000.00	1,750,000.00	1,999,451.74	-	-	(249,451.74)
Health Benefits	41,823.00	41,823.00	41,823.00	-	-	-
Total Operating Expenditures	2,045,623.00	2,045,623.00	2,297,973.76	-	-	(252,350.76)
Capital Improvement Fund	250,000.00	250,000.00	250,000.00	-	-	-
Deferred Charges & Statutory Expenditures						
Statutory Expenditures:						
Contributions to:						
Social Security System	13,500.00	13,500.00	13,727.56	-	-	(227.56)
Unemployment Compensation Insurance	3,100.00	3,100.00	3,100.00	-	-	-
Total Deferred Charges & Statutory Expenditures	16,600.00	16,600.00	16,827.56	-	-	(227.56)
Debt Service						
Principal	120,417.05	120,417.05	106,259.37		14,157.68	
Interest Expense	30,615.00	30,615.00	13,575.31	-	17,039.69	
	151,032.05	151,032.05	119,834.68	-	31,197.37	-
Total Sewer Utility Appropriations	\$ 2,463,255.05	\$ 2,463,255.05	\$ 2,684,636.00	\$ -	\$ 31,197.37	\$ (252,578.32)
Reference	D-1,2	D-1,2	Below		D-1	D

Disbursed	D-4	\$ 2,392,841.86
Accrued Interest	D-18	(1,574.69)
Due to Current Fund	D-14	40,268.83
Due to Sewer Capital Fund	D-11	250,000.00
Due to Unemployment Fund	B-11	3,100.00
Above		<u>\$ 2,684,636.00</u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
- REGULATORY BASIS**

E

		At December 31,	
	Reference	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	E-1	\$ 108,095.30	\$ 97,217.96
Grants Receivable	E-3	489,075.64	284,937.84
Due from Current Fund	A, E-2	<u>121,861.73</u>	
TOTAL ASSETS		<u><u>\$ 719,032.67</u></u>	<u><u>\$ 382,155.80</u></u>
LIABILITIES AND RESERVES			
Due to Current Fund	A, E-2	-	153,867.73
Appropriated Reserve	E-4	707,386.70	209,175.82
Unappropriated Reserve	E-5	<u>11,645.97</u>	<u>19,112.25</u>
TOTAL LIABILITIES AND RESERVES		<u><u>\$ 719,032.67</u></u>	<u><u>\$ 382,155.80</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
GENERAL FIXED ASSETS FUND
AT DECEMBER 31, 2010

STATEMENT OF GENERAL FIXED ASSETS - "UNAUDITED"

F

	<u>2010</u>
GENERAL FIXED ASSETS	
Land (as per assessed valuation) *	\$ 33,867,600.00
Buildings (as per assessed valuation) *	12,758,400.00
Machinery and Equipment *	<u>12,246,342.94</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$ 58,872,342.94</u></u>
 LIABILITIES AND RESERVES	
Investments in General Fixed Assets	<u>\$ 58,872,342.94</u>
TOTAL LIABILITIES AND RESERVES	<u><u>\$ 58,872,342.94</u></u>

* - As of the audit date, a fixed asset listing was not available for inspection. (See Findings)

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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 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 of East Rutherford (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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The accounting policies of the Borough of East Rutherford conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Local Government Services 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
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of East Rutherford. 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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services 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 of Local Government Services (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.

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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 Statement of financial position.

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments, with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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 codifies fixed asset accounting, the Technical Accounting Directive No. 86-2 (the "TAD") took affect in 1986. This TAD required local units to create and maintain a fixed asset accounting system for their physical assets. The requirement has now been codified as N.J.A.C. 5:30-5.6. The codification updates the definition of a fixed asset to refer to the 1997 edition of the U.S. Office of Management and Budget Circular A-87, Cost Principals for State, Local and Indian Governments. The regulation continues the requirement of the local units to:

1. Place a value of all fixed assets put into service
2. Have a subsidiary ledger of detailed records of fixed assets
3. Provide property management standards to control fixed assets
4. Provide a statement of fixed assets in the annual audit.

GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule F of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2010 and December 31, 2009, no depreciation has been provided for in the financial statements.

Fixed Assets purchased after December 31, 1989 are stated at cost.

Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Assessed Valuations
Machinery and Equipment	Estimated Market Value

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of TAD.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

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.

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

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, 2010, \$0 of the Borough's bank balance of \$7,934,505.73 was exposed to custodial credit risk.

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, 2010, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

4. Municipal Debt

Summary of Long-Term Debt

Long-term debt as of December 31, 2010 consisted of bonds, loans, compensated absences and capital leases.

	Balance Dec. 31, 2009	Additions	Reductions	Balance Dec. 31, 2010	Due in One Year
Bonds Payable - General	\$ 30,500,000.00	\$ -	\$1,524,383.67	\$28,975,616.33	\$ 1,774,383.67
Bonds Payable - Sewer Utility	475,000.00		25,616.33	449,383.67	25,616.33
Loan Payable - General	483,324.24		69,689.59	413,634.65	70,237.14
Loan Payable - Sewer Utility	605,685.86		92,417.05	513,268.81	99,584.91
Compensated Absences	1,101,518.29	316,878.86		1,418,397.15	
Capital Leases Payable	184,324.98	65,428.88	120,667.87	129,085.99	
	<u>\$ 33,349,853.37</u>	<u>\$ 382,307.74</u>	<u>\$1,832,774.51</u>	<u>\$31,899,386.60</u>	<u>\$ 1,969,822.05</u>

As of December 31, 2010, all outstanding bonds are included in the general capital fund and sewer utility fund. Interest and principal reductions are 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 of East Rutherford 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, 2012 to 2039.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

4. Municipal Debt (Continued):

The Borough's long-term debt consisted of the following at December 31, 2010:

General Obligation Bonds

\$20,145,000 - 2005 Bonds, due in annual installments of \$1,100,000-1/15/11-18; \$1,200,000-1/15/19-24; \$1,145,000-1/15/2025, interest rate variable from 4.00% to 5.00%	\$ 17,145,000.00
\$12,505,000 - 2009 Bonds, due in annual installments of \$674,383.67-11/01/11; \$770,724.19-11/01/12-13; \$867,064.71-11/01/14-15; \$1,059,745.76-11/01/16-18; \$1,156,086.29-11/01/19-21;\$1,233,158.71-11/01/22 interest rate variable from 2.00% to 4.00%	11,830,616.33
Subtotal	<u>\$ 28,975,616.33</u>

Bergen County Improvement Authority Bond Payable

\$17,000,000 - Bergen County Improvement Authority County Guaranteed Bonds, Series 2010; due in annual installments; interest rate variable from 2.00% to 5.00%	<u>\$ 17,000,000.00</u>
---	-------------------------

State Loan Payable

\$128,500-due in semi-annual instalments, at an interest rate of 2.00%	\$ 11,750.03
\$424,480-due in annual instalments, at a 0.00% interest rate	42,448.00
\$435,553-due in semi-annual instalments, at an interest rate of 2.00%	359,436.62
Subtotal	<u>413,634.65</u>

Sewer Utility Capital:

Bond Payable

\$475,000 - 2009 Bonds, due in annual installments of \$25,616.33-11/01/11; \$29,275.81- 11/01/12-13; \$32,935.29-11/01/14-15; \$40,254.24-11/01/16-18; \$43,913.71-11/01/19- 21;\$46,841.29-11/01/22 interest rate variable from 2.00% to 4.00%	449,383.67
Subtotal	<u>449,383.67</u>

NJ Infrastructure Loan Payable

\$445,000-due in semi-annual instalments, at an interest rate of 4.00%	270,000.00
\$451,793-due in semi- annual instalments, at a 0.00% interest rate	243,268.81
Subtotal	<u>513,268.81</u>

Total	<u>\$ 47,351,903.46</u>
-------	-------------------------

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

4. Municipal 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.

	Year 2010	Year 2009	Year 2008
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,389,250.98	\$ 30,983,324.24	\$ 29,152,477.06
Sewer Utility:			
Bonds, Notes and Loans	<u>962,652.48</u>	<u>1,080,685.86</u>	<u>699,876.61</u>
Debt Issued	<u>47,351,903.46</u>	<u>32,064,010.10</u>	<u>29,852,353.67</u>
Authorized but not Issued:			
General:			
Bonds and Notes	2,394,101.85	898,101.85	1,126,413.02
Sewer Utility:			
Bonds and Notes	<u>53,207.00</u>	<u>53,207.00</u>	<u>528,207.00</u>
	<u>2,447,308.85</u>	<u>951,308.85</u>	<u>1,654,620.02</u>
Less Deductions	<u>1,015,859.48</u>	<u>1,133,892.86</u>	<u>1,228,083.00</u>
Net Bonds and Notes Issued and			
Authorized but not Issued	<u>\$ 48,783,352.83</u>	<u>\$ 31,881,426.09</u>	<u>\$ 30,278,890.69</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 2.495%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 5,019,000.00	\$ 5,019,000.00	\$ -
General Debt	48,783,352.83		48,783,352.83
Sewer Utility Debt	<u>1,015,859.48</u>	<u>1,015,859.48</u>	<u>-</u>
	<u>\$ 54,818,212.31</u>	<u>\$ 6,034,859.48</u>	<u>\$ 48,783,352.83</u>

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

4. Municipal Debt (Continued):

Summary of Statutory Debt Condition - Annual Debt Statement (Continued)

Net Debt of \$ 48,783,352.83 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$1,955,384,331 = 2.495%.

<u>Calculation of "Self-Liquidating Purpose", Sewer Utility</u>		
Cash Receipts from Fees, Rents or Other Charges		\$ 2,589,916.31
Deductions:		
Operating and Maintenance Cost	\$ 2,312,223.00	
Debt Service	<u>151,032.05</u>	
		<u>2,463,255.05</u>
Excess in Revenue		<u><u>\$ 126,661.26</u></u>

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 68,438,451.59
Net Debt	<u>48,783,352.83</u>
Remaining Borrowing Power	<u><u>\$ 19,655,098.76</u></u>

5. Capital Leases Payable

In 2005, the Borough entered into a six year lease agreement with Harco Leasing Company, Inc. for (one) 2005 International 7500 Truck to be used by the DPW Department. The first payment due on 01/20/06 was \$35,960.03 with \$37,815.56 due for the next five consecutive annual payments. The fair market value of the vehicle was \$198,960.03.

In 2005, the Borough entered into a six year lease agreement with Harco Leasing Company, Inc. for (one) 2005 International Truck to be used by the DPW Department. The first payment due on 01/20/06 was \$24,342.01 with \$25,639.44 due for the next five consecutive annual payments. The fair market value of the vehicle was \$134,342.01.

On December 19, 2007, the Borough entered into a lease agreement with Ford Motor Credit Company for two 2008 Ford Crown Victorias for 3 years with \$17,431.68 annual payment, to be used by the Police Department. The fair market value of the vehicle was \$49,124.08.

On May 22, 2008, the Borough entered into a lease agreement with Ford Motor Credit Company for one 2008 Ford Crown Victorias for 3 years with annual payments of \$7,631.22, to be used by the Police Department. The fair market value of the vehicle was \$22,893.66.

On September 8, 2008 the Borough entered into a lease agreement with Ford Motor Credit Company for one Dodge Charger for 3 years with annual payments of \$9,826.67, to be used by the Police Department. The fair market value of the vehicle was \$27,767.35.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

5. Capital Leases Payable (Continued)

On April 29, 2009, the Borough entered into a lease agreement with Ford Motor Credit Company for one 2009 Ford Escape for 4 years with annual payments of \$7,508.47, to be used by the DPW Department. The fair market value of the vehicle was \$26,911.00.

On January 26, 2011, the Borough entered into a lease agreement with Ford Motor Credit Company for one 2011 Ford Crown Victoria for 3 years with annual payments of \$9,183.77, to be used by the Police Department. The fair market value of the vehicle was \$25,904.00.

In 2009, the Borough leased various computers and technology equipment for fire department with Old National Leasing. The annual payment is \$23,062.74.

The total payments for the leases amounted to \$120,667.87 and \$140,181.30 in 2010 and 2009, respectively. These lease-purchase agreements include a \$1.00 buy out at the end of the lease periods, the assets will then become Borough property.

The following is a schedule of future lease payments under capital leases:

2011	\$	103,209.98
2012		16,692.24
2013		9,183.77

6. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

<u>Current Fund</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Appropriations</u>	<u>Subsequent Budgets</u>
Overexpenditure of Appropriation Reserves	\$9,234.33	\$9,234.33	
Deficit in Operations	104,180.36	104,180.36	
Special Emergency - Revaluation	111,000.00	37,000.00	74,000.00
Total	<u>\$224,414.69</u>	<u>\$150,414.69</u>	<u>\$74,000.00</u>
<u>Sewer Utility Fund</u>			
Overexpenditure of Appropriation	\$252,578.32	\$252,578.32	
Overexpenditure of Appropriation Reserves	2,008.26	2,008.26	
Total	<u>\$252,578.32</u>	<u>\$252,578.32</u>	<u>\$0.00</u>

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

7. Local District School Taxes

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

	<u>Local School District Tax</u> <u>Balance December 31,</u>		<u>Regional High School Tax</u> <u>Balance December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Balance of Tax	\$6,512,289.46	\$6,140,807.00	\$2,647,182.00	\$2,645,200.43
Deferred	<u>6,512,289.46</u>	<u>6,140,807.00</u>	<u>2,647,182.00</u>	<u>2,645,200.43</u>
Taxes Payable/(Prepaid)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

8. Property Tax Calendar

The Borough of East Rutherford 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 May 25, 2010 and for 2009 taxes.

9. Taxes Collected in Advance

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Prepaid Taxes	\$127,910.17	\$316,721.10

10. Interfund Receivables and Payables

Interfund Receivables and Payables at December 31, 2010 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$330,513.32	\$316,198.36
Trust Funds	197,436.63	4,263.80
Capital Fund		281,472.22
Sewer Utility Fund	559,476.52	607,353.82
Grant Fund	<u>121,861.73</u>	
Total Interfund Receivables and Payable	<u>\$1,209,288.20</u>	<u>\$1,209,288.20</u>

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

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.

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, 2010, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

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 a 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.

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

12. Retirement Plans (Continued)

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.

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. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2010	\$ 289,145.21	\$ 956,208.68
2009	254,537.00	779,637.00

13. Deferred Compensation Plan

The Borough of East Rutherford 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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

14. Post Employment Benefits

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. 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 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/gasb-43-sept2008.pdf

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 of East Rutherford on a monthly basis.

The Borough of East Rutherford contributions to SHBP for the years ended December 31, 2010 and 2009 were \$222,494.78 and \$177,482.55, respectively, which equaled the required contribution for each year. There were approximately 15 retired participants eligible at December 31, 2010 and 13 retirees eligible at December 31, 2009.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)

15. Compensated Absences

The Borough's policy to compensate police officers for unused sick time amounted to \$90,766.23 in 2010 and was paid in 2011.

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 current cost of such unpaid compensation would approximate \$ 1,418,397.15.

16. 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.

17. Insurance

The Borough of East Rutherford 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.

SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CASH

A-4

	Reference	Current Fund	Tax Collector
Balance December 31, 2009	A	<u>\$ 804,282.38</u>	<u>\$ 527,564.35</u>
Increased by:			
Miscellaneous Revenue	A-2	10,284,260.39	112,470.01
Non-Budget Revenues	A-2	100,626.91	
Taxes Receivable	A-7		29,588,699.92
County Taxes Refunded	A-17	47,675.53	
Tax Title Lien	A-10		71,986.85
Senior Citizens and Veterans	A-8	67,609.58	
Collector	Contra	30,478,094.91	
State Library Aid	A-26	2,482.00	
Tax Overpayments	A-15		99,378.24
Tax Title Liens - Outside Lien holder	A-20		192,335.09
Police Off Duty Receivable/ Reserve	A-23	691,604.77	
Prepaid Taxes	A-16		127,910.17
Due from Grant Fund- Grant Receivable	E-3	256,183.20	
Due from Sewer Utility Fund	Contra		296,192.33
Due from Payroll Account	A	563.08	
DEA Confiscated Funds	A-28	73,191.26	
Donations First Aid Squad	A-29	5,000.00	
Donations St. Joes Park	A-30	445.00	
Budget Offsets	A-3	554,334.77	
Transfer from Other Trust Fund	B-7	16,300.00	
Transfer from Dog License Fund	B-4	3,225.61	
		<u>42,581,597.01</u>	<u>30,488,972.61</u>
		<u>43,385,879.39</u>	<u>31,016,536.96</u>
Decreased by:			
2010 Budget Appropriations	A-3	18,275,321.97	
2009 Appropriation Reserves	A-13	476,413.92	
Tax Overpayments	A-15	47,316.92	100,801.49
Local District School Tax	A-18	12,653,096.52	
Regional School Tax	A-19	5,292,382.35	
County Taxes	A-17	4,524,024.39	
Outside Liens	A-20	194,764.65	
Due from Sewer Utility Fund	Contra		296,192.33
Due from Sewer Capital Fund	A	7,508.47	
General Capital Fund - Interfund	C-4	27,149.34	
Transfer to Other Trust Fund	B-7	19,364.00	
Transfer to Current Fund	Contra		30,478,094.91
Fire Inspection Reserve	A-6	1,646.60	
Revaluation Reserve	A-21	37,770.00	
Police Off Duty Receivable/ Reserve	A-23	739,434.61	
		<u>42,296,193.74</u>	<u>30,875,088.73</u>
Balance December 31, 2010	A	<u>\$ 1,089,685.65</u>	<u>\$ 141,448.23</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CHANGE AND PETTY CASH FUND

A-5

	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Collector - Change Fund	\$ 100.00	\$ 100.00
Borough Clerk	25.00	25.00
	<u>\$ 125.00</u>	<u>\$ 125.00</u>
Reference	A	A

SCHEDULE OF FIRE OFFICIAL RESERVE

A-6

	Reference		
Balance December 31, 2009	A		\$ 40,226.61
Decreased by:			
Anticipated Revenue	A-2	\$ 38,580.01	
Expenditures	A-4	<u>1,646.60</u>	<u>40,226.61</u>
Balance December 31, 2010	A		<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2009	2010 Levy	Collections 2009	2010	Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	Added/ Tax Appeals	(Canceled)	Balance Dec. 31, 2010
2008/2009	839,988.56	\$ -	\$ -	\$ 734,195.91	\$ 9,640.41	\$ 63,380.73	\$ (51,302.33)	\$ (750.00)	\$ -
2010		32,619,811.95	316,721.10	28,930,504.01		38,171.45		(100,671.10)	3,233,744.29
	<u>\$ 839,988.56</u>	<u>\$ 32,619,811.95</u>	<u>\$ 316,721.10</u>	<u>\$ 29,664,699.92</u>	<u>\$ 9,640.41</u>	<u>\$ 101,552.18</u>	<u>\$ (51,302.33)</u>	<u>\$ (101,421.10)</u>	<u>\$ 3,233,744.29</u>
Reference	A	Below	A-16	Below	A-1,8	A-10			A
Reference									
Cash Receipts			A-4	\$ 29,588,699.92					
State of NJ - Realized									
Seniors and Veterans Deductions			A-8	<u>76,000.00</u>					
Analysis of 2010 Property Tax Levy			Above	<u>\$ 29,664,699.92</u>					
Tax Yield:									
General Purpose Tax		\$ 31,517,755.13							
Senior Citizen's & Veteran's Deduction		75,500.00							
Added Taxes (54:4-63.1 et. seq.)		<u>1,026,556.82</u>							
		<u>\$ 32,619,811.95</u>	Above						
Tax Levy:									
Local & Regional District School									
Tax (Abstract)		\$ 18,318,942.93	A-18,19						
County Taxes		4,474,516.44	A-17						
Due County for Added Taxes		148,451.76	A-17						
Local Tax for Municipal Purposes		8,598,725.29	A-2						
Add: Additional Taxes Levied		<u>1,079,175.53</u>							
Total Tax Levy		<u>\$ 32,619,811.95</u>	Above						

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF DUE TO STATE OF NEW JERSEY PER CHAPTER 20, P.L. 1971

A-8

	Reference		
Balance December 31, 2009	A		\$ 1,928.61
Increased by:			
Cash Receipts - State of New Jersey	A-4	\$ 67,609.58	
Senior Citizens Deductions Disallowed by Tax Collector 2009 Taxes	A-1,7	<u>9,640.41</u>	<u>77,249.99</u>
			79,178.60
Decreased by:			
Senior Citizens Deductions Per Tax Billing		\$ 23,000.00	
Veterans Deductions Per Tax Billing		52,500.00	
Senior Citizens/Veteran Deductions Allowed by Tax Collector		<u>500.00</u>	<u>76,000.00</u>
Balance December 31, 2010	A		<u>\$ 3,178.60</u>
<i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$ 23,000.00	
Veterans		52,500.00	
Senior Citizens/Veteran Deductions Allowed by Tax Collector		<u>500.00</u>	
Amount Realized	A-7		<u>\$ 76,000.00</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-9

	Reference	
Balance December 31, 2009	A	<u>\$ 636,900.00</u>
Balance December 31, 2010	A, Below	<u>\$ 636,900.00</u>
<i>Analysis of Balance</i>		
Block	Lot	Assessed 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
	Above	<u>\$ 636,900.00</u>

SCHEDULE OF TAX TITLE LIENS

A-10

	Reference	
Balance December 31, 2009	A	\$ 99,034.53
Increased by:		
Interest and Costs on 2010 Tax Sale		\$ 9,638.72
Transferred to Lien	A-7	<u>101,552.18</u>
		111,190.90
		<u>210,225.43</u>
Decreased by:		
Payments	A-4	<u>71,986.85</u>
Balance December 31, 2010	A,Below	<u>\$ 138,238.58</u>
<i>Analysis of Balance</i>		
Block	Lot	
6.01	8	COA08
8	3	\$ 35.00
23.02	10	10,819.85
46	31	1,338.99
70	26	1,032.60
92	10	263.57
92	11	26,903.77
102C	3	29,467.28
102	6	2,275.96
105.01	11	26,064.20
105.02	7	20,224.32
		19,813.04
	Above	<u>\$ 138,238.58</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

	Balance Dec. 31, 2009	Accrued in 2010	Collected	Balance Dec. 31, 2010
Municipal Court	\$ 59,373.57	\$ 570,516.92	\$ 574,687.36	\$ 55,203.13
Construction Code				
Official Fees	20,000.00	270,000.00	250,000.00	40,000.00
Vital Statistics	141.07	3,216.83	2,949.85	408.05
Borough Clerk	1,929.11	45,819.85	43,540.43	4,208.53
Board of Health	-	39,486.00	26,791.00	12,695.00
	<u>\$ 81,443.75</u>	<u>\$ 929,039.60</u>	<u>\$ 897,968.64</u>	<u>\$ 112,514.71</u>
Reference	A			A

SCHEDULE OF DEFERRED CHARGES

A-12

	Balance Dec. 31, 2009	Amount in 2010 Budget	Increased by Current Year Deferred Charges	Balance Dec. 31, 2010
Overexpenditure of Appropriation Reserve	\$ 265.58	\$ 265.58	\$ 9,234.33	\$ 9,234.33
Overexpenditure of Appropriation	9,650.77	9,650.77		-
Special Emergency - Revaluation	148,000.00	37,000.00		111,000.00
Deficit in Operations	332,639.94	332,639.94	104,180.36	104,180.36
	<u>\$ 490,556.29</u>	<u>\$ 379,556.29</u>	<u>\$ 113,414.69</u>	<u>\$ 224,414.69</u>
Reference	A	A-3		A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF 2009 APPROPRIATION RESERVES

A-13

	Balance December 31, 2009	Encumbrances December 31, 2010	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
GENERAL GOVERNMENT						
Administrative & Executive						
Municipal Clerk						
Salaries and Wages	\$ 7,086.14		\$ 7,086.14	\$ -	\$ 7,086.14	\$ -
Other Expenses	458.30	254.19	712.49	1,262.49	-	(550.00)
Contracted Services	98.33		98.33		98.33	
Mayor and Council						
Salaries and Wages			-		-	
Other Expenses	745.44	395.00	1,140.44	395.00	745.44	
Elections						
Other Expenses	95.32		95.32		95.32	
Financial Administration						
Salaries and Wages	162.55		162.55		162.55	
Other Expenses						
Annual Audit	4,557.51		4,557.51		4,557.51	
Miscellaneous - Other Expenditures	42,123.04		42,123.04	32,170.00	9,953.04	
Single Audit Act	6,745.05		6,745.05	14,750.00		(8,004.95)
Purchasing						
Salaries and Wages	99.94		99.94		99.94	
Assessment of Taxes						
Salaries and Wages	819.56		819.56		819.56	
Other Expenses	6,526.25	115.00	6,641.25		6,641.25	
Ordinance Enforcement						
Salaries and Wages	626.84		626.84		626.84	
Redevelopment Agency (R.S. 40:550-1)						
Salaries and Wages	34.74		34.74		34.74	
Other Expenses (R.S. 40:550-1)	10,189.61		10,189.61		10,189.61	
Collection of Taxes						
Salaries and Wages	-		-		-	
Other Expenses	28.20		28.20		28.20	
Legal Services and Costs						
Salaries and Wages	2,219.70		2,219.70		2,219.70	
Other Expenses	26,061.69	599.40	26,661.09	6,600.10	20,060.99	
Ordinance Recodification	-		-		-	
Tax Appeals - Professional Fees	2,549.68		2,549.68		2,549.68	
Engineering Services and Costs						
Salaries and Wages	0.12		0.12		0.12	
Other Expenses	12,813.79		12,813.79	2,407.50	10,406.29	
Public Buildings and Grounds						
Other Expenses	8,271.87	3,551.80	11,823.67	5,956.56	5,867.11	
Contracted Service	727.29		727.29	1,260.00		(532.71)
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board - Other Expenses	2,054.10		2,054.10		2,054.10	
Zoning Board of Adjustment						
Salaries and Wages	171.66		171.66		171.66	
Other Expenses	3,606.90		3,606.90	1,006.50	2,600.40	
Redevelopment / Grant Services						
Contractual Services	750.00		750.00		750.00	
Municipal Court						
Salaries and Wages	3,062.54		3,062.54		3,062.54	
Other Expenses		114.91	114.91	261.58		(146.67)
Public Defender						
Salaries and Wages	255.98		255.98		255.98	
Insurance						
Liability	64,393.45	12.13	64,405.58	64,405.58	-	
Workmans Compensation	78,666.00		78,666.00	78,666.00	-	
Employee Group Insurance	33,791.04	13,060.57	46,851.61	24,469.87	22,381.74	
Self-Insurance Eye Care	5,491.38	323.94	5,815.32	856.90	4,958.42	
Rent Control Board						
Salaries and Wages	1,800.00		1,800.00	200.00	1,600.00	
Other Expenses	949.00		949.00		949.00	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF 2009 APPROPRIATION RESERVES

A-13

	Balance December 31, 2009	Encumbrances December 31, 2010	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
PUBLIC SAFETY						
Fire						
Other Expenses			-		-	
Gear Maintenance	24,710.53	22,822.16	47,532.69	27,381.02	20,151.67	
Other Expenses - Lease/Purchase Equip.	44.26		44.26		44.26	
Clothing Allowance	1,188.00		1,188.00	200.00	988.00	
Leased Vehicles	-		-		-	
GENERAL GOVERNMENT (Continued)						
Fire Alarm System						
Other Expenses	25.00		25.00		25.00	
Fire Prevention and Life Safety						
Salaries & Wages						
Fire Official	9,853.02		9,853.02		9,853.02	
Other Salaries			-		-	
Other Expenses	8,271.78		8,271.78		8,271.78	
Police						
Salaries and Wages	66.76		66.76		66.76	
Clothing Allowance	500.00		500.00		500.00	
Overtime	1,795.44		1,795.44		1,795.44	
Sick Pay	47.64		47.64		47.64	
Other Expenses	2,774.71	1,046.41	3,821.12	1,025.31	2,795.81	
911 Service	463.00		463.00		463.00	
Police Cars	94.91		94.91		94.91	
Special Police						
Salaries and Wages	12,250.66		12,250.66		12,250.66	
Other Expenses	3,000.00		3,000.00		3,000.00	
Traffic Lights						
Other Expenses	168.97		168.97		168.97	
Traffic Control						
Salaries and Wages	22,860.70		22,860.70		22,860.70	
Other Expenses	128.12		128.12		128.12	
First Aid Organization						
Other Expenses	4,268.28	3,212.43	7,480.71	2,388.50	5,092.21	
Emergency Management Services						
Salaries and Wages	78.50		78.50		78.50	
Other Expenses	1,942.65		1,942.65	29.99	1,912.66	
First Responder						
Salaries and Wages	201.54		201.54		201.54	
Towing Director						
Salaries and Wages	273.76		273.76		273.76	
STREETS AND ROADS						
Road Repair and Maintenance						
Salaries and Wages	121,767.72		121,767.72		121,767.72	
Other Expenses	29,237.74	10,380.30	39,618.04	19,286.65	20,331.39	
Recycling Costs	347.54		347.54		347.54	
Lease Vehicles	1,545.00		1,545.00		1,545.00	
HEALTH AND WELFARE						
Board of Health						
Salaries and Wages	730.64		730.64		730.64	
Other Expenses	857.70	825.00	1,682.70	832.00	850.70	
Hepatitis "B" Shot	-		-		-	
SANITATION						
Garbage and Trash Removal						
Salaries and Wages	42,043.15		42,043.15		42,043.15	
Other Expenses	2,000.00		2,000.00	1,265.00	735.00	
Dumping Fees - Bergen County						
Sanitary Landfill - Contractual	36,825.97	3,295.00	40,120.97	34,507.86	5,613.11	
RECREATION AND EDUCATION						
Board of Recreation Commission (R.S.4061-1 et. seq.)						
Salaries and Wages	2,774.20		2,774.20		2,774.20	
Other Expenses	11,280.27	2,685.50	13,965.77	1,829.45	12,136.32	
Senior Citizens						
Salaries and Wages	5,261.94		5,261.94		5,261.94	
Other Expenses	5,707.90	96.30	5,804.20	96.30	5,707.90	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	2,987.05		2,987.05	2,462.50	524.55	

SCHEDULE OF 2009 APPROPRIATION RESERVES

GENERAL GOVERNMENT (Continued)

Sub-Code Official - Salaries and Wages

Reference	A	A-22	A-4	A-1	A, A-12
-----------	---	------	-----	-----	---------

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR HMDC

A-14

	Reference	
Balance December 31, 2009	A	\$ 3,200.00
Decreased by:		
Cancellation	A-1	<u>3,200.00</u>
Balance December 31, 2010	A	<u><u>\$ -</u></u>

SCHEDULE OF TAX OVERPAYMENTS

A-15

	Reference		
Balance December 31, 2009	A		\$ 17,112.63
Increased by:			
Overpayments Received - 2010 Taxes	A-4	\$ 99,378.24	
Tax Appeals Charged to Reserve for Tax Appeals	A-27	<u>70,982.40</u>	
			<u>170,360.64</u>
			187,473.27
Decreased by:			
Overpayments Applied	A-4	100,801.49	
Overpayments and Tax Appeals Refunded	A-4	<u>47,316.92</u>	<u>148,118.41</u>
Balance December 31, 2010	A		<u><u>\$ 39,354.86</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF PREPAID TAXES

A-16

	Reference	
Balance December 31, 2009	A	\$ 316,721.10
Increased by:		
Collection of Taxes - 2010	A-4	127,910.17
		<u>444,631.27</u>
Decreased by:		
Applied to 2010 Taxes	A-7	316,721.10
		<u>316,721.10</u>
Balance December 31, 2010	A	<u>\$ 127,910.17</u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	Reference	
Balance December 31, 2009	A	\$ 1,832.42
Increased by:		
2010 Levy	A-1,2,7	\$ 4,415,791.97
County Open Space	A-1,2,7	58,724.47
Added Taxes	A-1,2,7	148,451.76
		<u>4,622,968.20</u>
		4,624,800.62
Decreased by:		
Payments	A-4	4,524,024.39
County Open Space Refund	A-4	(47,675.53)
		<u>4,476,348.86</u>
Balance December 31, 2010	A	<u>\$ 148,451.76</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

	Reference		
Balance December 31, 2009			
School Tax Deferred		\$	6,140,807.00
Increased by:			
Adjustment	A-1	\$	(0.02)
Levy-School Year July 1, 2010 - June 30, 2011	A-2,7	13,024,579.00	13,024,578.98
			<u>19,165,385.98</u>
Decreased by:			
Payments	A-4		<u>12,653,096.52</u>
Balance December 31, 2010		\$	<u>6,512,289.46</u>
Due from School			
School Tax Deferred		\$	<u>6,512,289.46</u>
2010 Liability for Local District Tax		\$	-
Taxes Paid		\$	12,653,096.52
Adjustment			<u>0.02</u>
Amount Charged to 2010 Operations	A-1	\$	<u>12,653,096.54</u>

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

	Reference		
Balance December 31, 2009			
School Tax Deferred		\$	2,645,200.43
School tax Payable			
Increased by:			
Adjustment	A-1	\$	(0.01)
Levy-School Year July 1, 2010 - June 30, 2011	A-2,7	5,294,363.93	5,294,363.92
			<u>7,939,564.35</u>
Decreased by:			
Payments	A-4		<u>5,292,382.35</u>
Balance December 31, 2010		\$	<u>2,647,182.00</u>
			Below
Regional High School Tax Payable		\$	-
Regional High School Tax Deferred			<u>2,647,182.00</u>
		\$	<u>2,647,182.00</u>
2010 Liability for Regional School Tax			
Tax Paid		\$	5,292,382.35
Adjustment			<u>0.01</u>
Regional School Tax Payable			
Amount Charged to 2010 Operations	A-1	\$	<u>5,292,382.36</u>

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF TAX TITLE LIENS PAYABLE

A-20

	Reference		
Balance December 31, 2009	A	\$	-
Increased by:			
Receipts Due to Outside Lien holders			
- Tax Collector	A-4	\$	192,335.09
- Borough Paid Lien	A-1		5,559.46
- Premium	B-7		33,000.00
			<u>230,894.55</u>
			230,894.55
Disbursements to Outside Lien holder	A-4		<u>194,764.65</u>
Balance December 31, 2010	A	\$	<u><u>36,129.90</u></u>

SCHEDULE OF RESERVE FOR REVALUATION

A-21

	Reference		
Balance December 31, 2009	A	\$	48,618.61
Decreased by:			
Disbursements	A-4		<u>37,770.00</u>
Balance December 31, 2010	A	\$	<u><u>10,848.61</u></u>

SCHEDULE OF ENCUMBRANCE PAYABLE

A-22

	Reference		
Balance December 31, 2009	A	\$	112,513.45
Increased by:			
Budget Appropriations Payable	A-3		<u>42,176.59</u>
			154,690.04
Decreased by:			
Encumbrances Transferred to Appropriation Reserve Schedule	A-13		<u>112,513.45</u>
Balance December 31, 2010	A	\$	<u><u>42,176.59</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF POLICE OFF DUTY RECEIVABLE/ (PAYABLE)

A-23

	Reference	
Balance December 31, 2009	A	\$ (4,734.56)
Increased by:		
Cash Disbursements	A-4	739,434.61
		<u>734,700.05</u>
Decreased by:		
Cash Receipts	A-4	691,604.77
		<u>691,604.77</u>
Balance December 31, 2010	A	<u>\$ 43,095.28</u>

SCHEDULE OF DUE FROM BECTON SCHOOL - RENT

A-24

	Reference	
Balance December 31, 2009	A	\$ -
Increased by:		
Anticipated Revenue	A-2	75,000.00
		<u>75,000.00</u>
Balance December 31, 2010	A	<u>\$ 75,000.00</u>

SCHEDULE OF DUE FROM LIBRARY - RENT

A-25

	Reference	
Balance December 31, 2009	A	\$ -
Increased by:		
Anticipated Revenue	A-2	100,000.00
		<u>100,000.00</u>
Balance December 31, 2010	A	<u>\$ 100,000.00</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR LIBRARY STATE AID

A-26

	Reference	
Balance December 31, 2009	A	\$ 8,078.00
Increased by:		
Cash Receipts	A-4	<u>2,482.00</u>
Balance December 31, 2010	A	<u><u>\$ 10,560.00</u></u>

SCHEDULE OF RESERVE FOR TAX APPEALS

A-27

	Reference	
Balance December 31, 2009	A	\$ -
Increased by:		
Budget Appropriations	A-3	<u>100,000.00</u>
		100,000.00
Decreased by:		
Tax Appeals - Refund	A-4	<u>70,982.40</u>
Balance December 31, 2010	A	<u><u>\$ 29,017.60</u></u>

SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS

A-28

	Reference	
Balance December 31, 2009	A	\$ 6,387.50
Increased by:		
Cash Received	A-4	<u>73,191.26</u>
Balance December 31, 2010	A	<u><u>\$ 79,578.76</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR FIRST AID SQUAD DONATIONS

A-29

	Reference	
Balance December 31, 2009	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>5,000.00</u>
Balance December 31, 2010	A	<u><u>\$ 5,000.00</u></u>

SCHEDULE OF RESERVE FOR ST. JOE'S PARK DONATIONS

A-30

	Reference	
Balance December 31, 2009	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>445.00</u>
Balance December 31, 2010	A	<u><u>\$ 445.00</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2009	B	<u>\$ 182,391.27</u>	<u>\$ 382,988.62</u>	<u>\$ 12,419.91</u>	<u>\$ 106,650.96</u>
Increased by Receipts:					
Interest Income	B-4,7,9,10	64.30	690.80	32.88	197.14
Municipal Dog License Fee	B-6			5,882.80	
State Dog License Fee	B-3			1,225.20	
Escrow Deposits	B-5		40,921.00		
Special Reserves	B-8	533,360.85			
Prior Year Adjustment	B-8	19,120.00			
Due from Engineer	B		463.75		
Due from Sewer Utility Fund	B-11				6,000.00
Budget Requirement	B-2				50,000.00
		<u>552,545.15</u>	<u>42,075.55</u>	<u>7,140.88</u>	<u>56,197.14</u>
		<u>734,936.42</u>	<u>425,064.17</u>	<u>19,560.79</u>	<u>162,848.10</u>
Decreased by Disbursements:					
Transfer to Current Fund - Interest	B-4,7,9,10	66.59	711.03	34.30	200.50
Transfer to Current Fund - Interfund	B-4			3,225.61	
State Dog License Fees	B-3			1,229.40	
Escrow Disbursements	B-5		55,730.00		
Special Reserves	B-8	527,468.18			
		<u>527,534.77</u>	<u>56,441.03</u>	<u>4,489.31</u>	<u>200.50</u>
Balance December 31, 2010	B	<u><u>\$ 207,401.65</u></u>	<u><u>\$ 368,623.14</u></u>	<u><u>\$ 15,071.48</u></u>	<u><u>\$ 162,647.60</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF UNEMPLOYMENT TRUST RESERVE

B-2

	Reference		
Balance December 31, 2009	B		\$ 112,860.68
Increased by:			
Budget Requirement - Current Fund Transfer	B-1	\$ 50,000.00	
Budget Requirement - Sewer Utility Fund	B-11	<u>3,100.00</u>	<u>53,100.00</u>
Balance December 31, 2010	B		<u><u>\$ 165,960.68</u></u>

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

B-3

	Reference		
Balance December 31, 2009	B		\$ 7.40
Increased by:			
2010 Fees Collected	B-1		<u>1,225.20</u>
			1,232.60
Decreased by:			
Canceled	B-6	\$ 3.20	
Payments	B-1	<u>1,229.40</u>	<u>1,232.60</u>
Balance December 31, 2010	B		<u><u>\$ -</u></u>

SCHEDULE OF DUE TO CURRENT - DOG LICENSE FUND

B-4

	Reference		
Balance December 31, 2009	B		\$ 3,225.61
Increased by:			
Interest Income	B-1	\$ 32.88	
Statutory Excess	A-1,B-6	<u>3,986.10</u>	<u>4,018.98</u>
			7,244.59
Decreased by:			
Transfer to Current Fund - Interest	B-1	34.30	
Transfer to Current Fund - Interfund	A-4,B-1	<u>3,225.61</u>	<u>3,259.91</u>
Balance December 31, 2010	B		<u><u>\$ 3,984.68</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES

B-5

	Reference	
Balance December 31, 2009	B	\$ 383,153.02
Increased by:		
Escrow Deposits	B-1	40,921.00
		<u>424,074.02</u>
Decreased by:		
Escrow Disbursements	B-1	55,730.00
		<u>55,730.00</u>
Balance December 31, 2010	B	<u><u>\$ 368,344.02</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-6

	Reference	
Balance December 31, 2009	B	\$ 9,186.90
Increased by:		
Due to State of NJ - Canceled	B-3	\$ 3.20
Dog License Fees Collected	B-1	5,882.80
		<u>5,886.00</u>
		15,072.90
Decreased by:		
Statutory Excess - Due to Current Fund	B-4	3,986.10
		<u>3,986.10</u>
Balance December 31, 2010	B, Below	<u><u>\$ 11,086.80</u></u>
2009 Fees Collected		\$ 5,507.60
2008 Fees Collected		5,579.20
	Above	<u><u>\$ 11,086.80</u></u>

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

B-7

	Reference	
Balance December 31, 2009	B	\$ (192,126.26)
Increased by:		
Interest Income	B-1	\$ 64.30
Elevator Fees - Paid from Current Fund	A-4, B-8	19,364.00
TTL Premium	A-20, B-8	33,000.00
		<u>52,428.30</u>
		(139,697.96)
Decreased by:		
Elevator Fees - Received in Current Fund	A-2	38,059.00
Tax Title Liens - Received in Current Fund	A-4, B-8	16,300.00
Transfers to Current Fund - Interest	B-1	66.59
		<u>54,425.59</u>
Balance December 31, 2010	B	<u><u>\$ (194,123.55)</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2009	Receipts	Disbursements	Due to Current Fund	Adjustment	Balance Dec. 31, 2010
Police Computers: Prosecutors Office	\$4,995.00	\$ -	\$ -	\$ -	\$ -	\$4,995.00
HMDC Recycling Grant	1,000.00					1,000.00
Refundable Deposits	100.00					100.00
Tax Title Liens Premium	205,800.00			(16,700.00)		189,100.00
Fees	502.00					502.00
Escrow Reserve	8.68					8.68
Street Openings	1,600.00					1,600.00
Riggin Field Bricks	63.00					63.00
Graffiti Reward	500.00					500.00
Fire Official	13,989.35					13,989.35
Neighborhood Crime Watch	402.46	1,426.34	533.27		30.25	1,325.78
Elevator Fees	2,486.00			18,695.00		21,181.00
COAH	140,204.18	363.52				140,567.70
Insurance	2,866.86	517,273.13	517,273.13			2,866.86
Substance Abuse Prevention		14,297.86	9,661.78		19,089.75	23,725.83
	<u>\$374,517.53</u>	<u>\$533,360.85</u>	<u>\$527,468.18</u>	<u>\$1,995.00</u>	<u>\$19,120.00</u>	<u>\$401,525.20</u>
Reference	B	B-1	B-1	Below	B-1	B

Elevator Fees - Paid from Current Fund	B-7	(\$19,364.00)
Tax Title Lien Premium	B-7	(33,000.00)
Elevator Fees - Collected in Current Fund	A-2	38,059.00
TTL Premium - Collected in Current Fund	B-7	16,300.00
	Above	<u>\$1,995.00</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF DUE FROM CURRENT FUND - UNEMPLOYMENT FUND

B-9

	Reference	
Balance December 31, 2009	B	\$ 209.72
Increased by:		
Interest Transferred to Current Fund	B-1	200.50
		<u>410.22</u>
Decreased by:		
Interest Earned in Unemployment Trust	B-1	197.14
		<u>197.14</u>
Balance December 31, 2010	B	<u><u>\$ 213.08</u></u>

SCHEDULE OF DUE FROM CURRENT FUND - DEVELOPERS ESCROW

B-10

	Reference	
Balance December 31, 2009	B	\$ 299.35
Increased by:		
Interest Income	B-1	690.80
		<u>990.15</u>
Decreased by:		
Interest Income Transferred to Current Fund	B-1	711.03
		<u>711.03</u>
Balance December 31, 2010	B	<u><u>\$ 279.12</u></u>

SCHEDULE OF DUE TO / (FROM) SEWER UTILITY FUND - UNEMPLOYMENT FUND

B-11

	Reference	
Balance December 31, 2009	B	(\$6,000.00)
Increased by:		
Budget Requirement	B-2, D-3	3,100.00
Decreased by:		
Transferred from Sewer Utility Fund	B-1, D-4	6,000.00
		<u>6,000.00</u>
Balance December 31, 2010	B	<u><u>(\$3,100.00)</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CASH - TREASURER

C-2

	Reference		
Balance December 31, 2009	C		\$ 7,098,953.11
Increased by Receipts:			
Interest Income	C-4	\$ 7,538.51	
Capital Improvement Fund	C-8	75,000.00	
Grants Received	C-14, 18	137,387.50	
	C-3		<u>219,926.01</u>
			7,318,879.12
Decreased by Disbursements:			
Transfer to Current Fund- Interest	C-4	8,593.72	
Transfer to Current Fund - Interfund	C-4	115,845.58	
Due to Sewer Capital Fund	D-9	533,187.94	
Improvement Authorizations	C-9	2,853,742.31	
Prior Year Encumbrances Payable	C-7	18,250.51	
	C-3		<u>3,529,620.06</u>
Balance December 31, 2010	C		<u>\$ 3,789,259.06</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	Transfers (From)/To	Balance <u>Dec. 31, 2010</u>
Bond Anticipation Notes	\$ -				\$ -
Bond Payable	-				-
Due to Current Fund	115,845.58	7,538.51	124,439.30	282,527.43	281,472.22
Reserve for Payment of Bonds	1,900,731.00	137,387.50		(96,937.00)	1,941,181.50
Capital Improvement Fund	85,143.24	75,000.00			160,143.24
Premium on BAN/ Bond Sale	160,577.40			(160,577.40)	-
Accrued Interest on Bond Sale	12,228.35				12,228.35
Fund Balance	51,893.30				51,893.30
Reserve for Building & Grounds Improvements	2,051.22				2,051.22
Reserve for Roadway Improvements	187,500.00				187,500.00
Reserve for Bergen County Open Space Grant	500,000.00			(500,000.00)	-
Due From Sewer Capital	533,187.94		533,187.94		-
Overexpenditure of Improvement Authorization	(2,136.31)			2,136.31	-
Encumbrances Payable	18,250.51			10,746.49	28,997.00
Improvement Authorizations					
96-27 Road Improvement	-				-
98-13/99-15 Senior Center Bldg. & St. Joseph Park	661.17				661.17
98-19 Digital Recording System	2,054.85		2,054.85		-
99-06 Underground Storage Tanks	214,058.05				214,058.05
99-10 Sidewalk Improvements	92.37				92.37
00-09/03-24 Civic Center Construction	2,414.35				2,414.35
02-03 Communications Equipment	6,885.00				6,885.00
02-04 Senior Citizen Bus	1,102.04				1,102.04
02-06 Acquisition of Property	3,703.91				3,703.91
02-17 Acquisition of Property	58,551.50				58,551.50
03-04 Acquisition of Property - Silver Streak	1,215.00				1,215.00
03-10 Improvement to Park & R.R. Avenue - Streetscape Project	11,900.00				11,900.00
03-12/03-25/05-09 Recreation Facilities	5,190.73		1,062.50		4,128.23
04-11 Acquisition of Property	505,526.20		49,742.52	4,438.11	460,221.79
04-13 Vehicles & Equipment	-				-
05-01 Acquisition of Property	(101.85)				(101.85)
05-08 Purch. of Ambulance & Street Sweepers	-				-
06-06/08-11 Veterans Park Improvements	(604,511.77)				(604,511.77)
06-18 Various Capital Improvements	-		2,672.40	2,672.40	-
06-19 Road Improvements	239,929.04		75,515.09	(25,100.34)	139,313.61
06-20 Improvements to Park & Railroad	-				-
07-07 Various Capital Improvements	533,307.65		378,790.22	(6,404.00)	148,113.43
07-14 Purchase of Property	399,746.63		21,480.00		378,266.63
09-06 Various Improvements	2,151,956.01		1,083,873.99	(13,502.00)	1,054,580.02
10-07 Acquisition of Land on Carlton Ave.			1,256,801.25	500,000.00	(756,801.25)
	<u>\$ 7,098,953.11</u>	<u>\$ 219,926.01</u>	<u>\$ 3,529,620.06</u>	<u>\$ -</u>	<u>\$ 3,789,259.06</u>
	C,C-2	C-2	C-2		C,C-2

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF DUE TO CURRENT FUND

C-4

	Reference		
Balance December 31, 2009	C		\$ 115,845.58
Increased by:			
Interest Income	C-2	\$ 7,538.51	
Expenditures Paid in Current Fund	A-4, C-9	27,149.34	
Anticipated in Current Fund Budget:			
Reserve Payment on BAN	A-2, C-14	96,937.00	
Premium on Bond Sale	A-2, C-10	160,577.40	
			<u>292,202.25</u>
Decreased by:			408,047.83
Transfer to Current Fund- Interest	C-2	8,593.72	
Transfer to Current Fund - Interfund	C-2	115,845.58	
Budgeted Deferred Charge	A-3	2,136.31	
			<u>126,575.61</u>
Balance December 31, 2010	C		<u>\$ 281,472.22</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-5

	Reference		
Balance December 31, 2009	C		\$30,983,324.24
Increased by:			
Bond Payable: Bergen County Improvement			
Authority County Guaranteed Bonds, Series 2010	C-15	17,000,000.00	
			<u>47,983,324.24</u>
Decreased by:			
2010 Budget Appropriation to Pay Bonds	C-13	\$1,524,383.67	
State Loan Payable	C-12	69,689.59	
			<u>1,594,073.26</u>
Balance December 31, 2010	C		<u>\$46,389,250.98</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

		<u>Analysis of Balance Dec. 31, 2010</u>						
Ord. #	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Bond Issued	Reserve for Open Space Fund	Balance Dec. 31, 2010	Expenditures	Unexpended Improvement Authorizations
05-01	Acquisition of Land	\$ 101.85				\$ 101.85	\$ 101.85	\$ -
06-06 / 08-11	Veterans Park Improvements	650,000.00				650,000.00	604,511.77	45,488.23
09-06	Various Improvements	248,000.00				248,000.00		248,000.00
10-07	Acquisition of Land Located on Carlton Ave.		1,996,000.00		500,000.00	1,496,000.00	756,801.25	739,198.75
		<u>\$ 898,101.85</u>	<u>\$ 1,996,000.00</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>	<u>\$ 2,394,101.85</u>	<u>\$ 1,361,414.87</u>	<u>\$ 1,032,686.98</u>
Reference		C	C-16		C-16	C		C-9

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF ENCUMBRANCE PAYABLE

C-7

	Reference	
Balance December 31, 2009	C	\$ 18,250.51
Increased by:		
Improvement Authorizations Expenditures	C-9	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">28,997.00</div> <hr style="width: 100px;"/> </div>
		47,247.51
Decreased by:		
Prior Year Encumbrances Disbursed	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">18,250.51</div> <hr style="width: 100px;"/> </div>
Balance December 31, 2010	C	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 28,997.00</div> <hr style="width: 100px; border-top: 3px double black;"/> </div>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	Reference	
Balance December 31, 2009	C	\$ 85,143.24
Increased by:		
Budget Appropriations -CIF	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">75,000.00</div> <hr style="width: 100px;"/> </div>
Balance December 31, 2010	C	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 160,143.24</div> <hr style="width: 100px; border-top: 3px double black;"/> </div>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2009		2010 Authorizations	Expended	Overexpenditures	Balance December 31, 2010	
		<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
98-13/99-15	Acquisition of Building; Improvement -to St. Joseph's Park Phase II & -Acq. of Computers & Equipment	\$ 661.17	\$ -	\$ -			\$ 661.17	\$ -
98-19	Digital Recording System	2,054.85			2,054.85		-	
99-06	Underground Storage Tanks	214,058.05					214,058.05	
99-10	Sidewalk Improvements	92.37					92.37	
00-09/03-24	Civic Center Construction	2,414.35					2,414.35	
02-03	Communications Equipment	6,885.00					6,885.00	
02-04	Senior Citizens Bus	1,102.04					1,102.04	
02-06	Acquisition of Property	3,703.91					3,703.91	
02-17	Acquisition of Property	58,551.50					58,551.50	
03-04	Acquisition of Property - Silver Streak	1,215.00					1,215.00	
03-10	Improvements to Park & R.R. Ave. Streetscape Project	11,900.00					11,900.00	
03-12/03-25/05-09	Recreation Facilities	5,190.73			1,062.50		4,128.23	
04-11	Acquisition of Property	505,526.20			45,304.41		460,221.79	
06-06 / 08-11	Veterans Park Improvements		45,488.23				-	45,488.23
06-18	Various Capital Improvements							
06-19	Road Improvements	239,929.04			100,615.43		139,313.61	
07-07	Various Capital Improvements	533,307.65			385,194.22		148,113.43	
07-14	Purchase of Property	399,746.63			21,480.00		378,266.63	
09-06	Various Improvements	2,151,956.01	248,000.00		1,097,375.99		1,054,580.02	248,000.00
10-05	Construction of a New Public Safety Building			17,000,000.00	2,105,759.00		14,894,241.00	
10-07	Acquisition of Land Located on Carlton Ave.			1,996,000.00	1,256,801.25			739,198.75
		<u>\$ 4,138,294.50</u>	<u>\$ 293,488.23</u>	<u>\$ 18,996,000.00</u>	<u>\$ 5,015,647.65</u>	<u>\$ -</u>	<u>\$ 17,379,448.10</u>	<u>\$ 1,032,686.98</u>
Reference		C	C	C-16	Below		C	C,C-6

Reference	
Improvement Authorization Disbursements	C-2 \$2,853,742.31
BCIA Reimbursements	C-15 2,105,759.00
Due to Current Fund	C-4 27,149.34
Encumbrance Payable	C-7 28,997.00
	<u>Above \$5,015,647.65</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF PREMIUM ON BAN/BOND SALE

C-10

	Reference	
Balance December 31, 2009	C	\$ 160,577.40
Decreased by:		
Anticipated as Current Fund Revenue	C-4	<u>160,577.40</u>
Balance December 31, 2010	C	<u><u>\$ -</u></u>

SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT

C-11

	Reference	
Balance December 31, 2009	C	\$ 2,051.22
Balance December 31, 2010	C	<u><u>\$ 2,051.22</u></u>

SCHEDULE OF STATE LOAN PAYABLE

C-12

	Reference	
Balance December 31, 2009	C	\$ 483,324.24
Decreased by:		
Paid by Budget Appropriation	C-5	<u>69,689.59</u>
Balance December 31, 2010	C	<u><u>\$ 413,634.65</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

C-13

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>General Serial</u>		<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2009</u>	<u>Bonds Issued</u>	<u>Decreased</u>	<u>Dec. 31, 2010</u>
General Improvement Bonds	01/15/98	\$2,315,000.00				\$ 250,000.00	\$	\$ 250,000.00	\$ -
General Improvement Bonds	12/20/05	20,145,000.00	01/15/2011-18	1,100,000.00	4.25%				
			01/15/2019-24	1,200,000.00	4.25%				
			01/15/2025	1,145,000.00	5.00%	17,745,000.00		600,000.00	17,145,000.00
General Improvement Bonds	11/01/09	12,505,000.00	11/01/2011	674,383.67	2.00%				
			11/01/2012-13	770,724.19	2.00%				
			11/01/2014	867,064.71	2.125%				
			11/01/2015	867,064.71	2.375%				
			11/01/2016-17	1,059,745.76	3.00%				
			11/01/2018	1,059,745.76	3.50%				
			11/01/2019-21	1,156,086.29	4.00%				
			11/01/2022	1,233,158.71	4.00%	12,505,000.00		674,383.67	11,830,616.33
						<u>\$ 30,500,000.00</u>	<u>\$ -</u>	<u>\$ 1,524,383.67</u>	<u>\$ 28,975,616.33</u>
					Reference	C		C-5	C
		Paid by Budget Appropriation			A-3			<u>\$ 1,524,383.67</u>	

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

C-14

	Reference	
Balance December 31, 2009	C	\$1,900,731.00
Increased by:		
Reserve for Grants Receivable	C-17	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">137,387.50</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		2,038,118.50
Decreased by:		
Anticipated in Current Budget	C-4	96,937.00
Balance December 31, 2010	C, Below	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$1,941,181.50</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

Analysis of Balance:

Ord # 03-04 Veteran's Park Extension - NJ DEP Green Acres Program	\$775,164.00
Ord# 03-10 Park and Railroad Avenue- NJ Dept. of Transportation	396,400.00
Ord# 03-10 Park and Railroad Avenue- Community Development Block Grant	201,993.00
Ord# 03-10 Park and Railroad Avenue - State Aid - Highway Projects	185,000.00
Ord#03-24/00-09 Civic Center Construction- Community Development Block Grant	107,806.00
Ord # 05-08 Purchase of Ambulance and Street Sweepers - NJ Meadowlands Comm.	55,000.00
Ord # 06-19 Road Improvements	62,500.00
Ord # 07-07 Park Improvements - Bergen County Open Space	119,931.00
Ord #09-06 Various Improvements	37,387.50
	<div style="border-top: 1px solid black; width: 100%;"></div>
Above	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$1,941,181.50</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

SCHEDULE OF DUE FROM BERGEN COUNTY IMPROVEMENT AUTHORITY

C-15

	Reference	
Balance December 31, 2009	C	\$ -
Increased by:		
Bond Issuance: BCIA County Guaranteed Bonds, Series 2010	C-5, 22	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">17,000,000.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		17,000,000.00
Decreased by:		
Improvement Authorization Expenditures	C-9	2,105,759.00
Balance December 31, 2010	C, Below	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 14,894,241.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-16

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorization</u>	<u>Down Payment Capital Imp. Fund</u>	<u>Reserve for Open Space Fund</u>	<u>Budgeted Deferred Charge</u>	<u>Due from BCIA</u>	<u>Balance Dec. 31, 2010</u>
05-01	Acquisition of Land	\$ 101.85						\$ 101.85
06-06/08-11	Veterans Park Improvements	650,000.00						650,000.00
09-06	Various Improvements	248,000.00						248,000.00
10-05	Construction of a New Public Safety Building		17,000,000.00				17,000,000.00	0.00
10-07	Acquisition of Land on Carlton Ave.		1,996,000.00		500,000.00			1,496,000.00
		<u>\$ 898,101.85</u>	<u>\$ 18,996,000.00</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ 17,000,000.00</u>	<u>\$ 2,394,101.85</u>
Reference			C-9		C-6, 20			C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR GRANTS

C-17

	Reference	
Balance December 31, 2009	C	\$ 934,962.00
Increased by:		
Grants Receivable	C-18	875,000.00
		<u>1,809,962.00</u>
Decreased by:		
Reserve for Payments of Bonds and Notes	C-14	137,387.50
		<u>137,387.50</u>
Balance December 31, 2010	C, Below	<u>\$ 1,672,574.50</u>

Analysis of Balance

NJ DEP Green Acres Program		
Veteran's Park Improvements		\$ 550,000.00
NJ DEP Green Acres Program - Carlton Ave. (Ord. #10-07)		800,000.00
State of NJ Department of Transportation- Ord # 06-19		37,500.00
Community Development Block Grant - Ord #09-06		146,162.00
Bergen County Open Space Grant - Ord #09-06		63,912.50
Bergen County Open Space Grant - Ord #10-07		75,000.00
	Above	<u>\$ 1,672,574.50</u>

SCHEDULE OF GRANTS RECEIVABLE

C-18

	Reference	
Balance December 31, 2009	C	\$ 934,962.00
Increased by:		
NJ DEP Green Acres Program - Carlton Ave.	\$	800,000.00
Bergen County Open Space Grant - Ord #10-07		75,000.00
	C-17	<u>875,000.00</u>
		<u>1,809,962.00</u>
Decreased by:		
Receipt of Green Acres - Veterans Park	\$	100,000.00
Receipt of Bergen County Open Space Grant		11,087.50
Receipt of NJ Meadowlands Commission		26,300.00
	C-2	<u>137,387.50</u>
Balance December 31, 2010	C, Below	<u>\$ 1,672,574.50</u>

Analysis of Balance

NJ DEP Green Acres Program		
Veteran's Park Improvements		\$ 550,000.00
NJ DEP Green Acres Program - Carlton Ave. - Ord. #10-07		800,000.00
State of NJ Department of Transportation- Ord # 06-19		37,500.00
Community Development Block Grant - Ord #09-06		146,162.00
Bergen County Open Space Grant - Ord #09-06		63,912.50
Bergen County Open Space Grant - Ord #10-07		75,000.00
	Above	<u>\$ 1,672,574.50</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS

C-19

	Reference	
Balance December 31, 2009	C	\$ 187,500.00
Balance December 31, 2010	C	\$ 187,500.00

SCHEDULE OF RESERVE FOR BERGEN COUNTY OPEN SPACE GRANT

C-20

	Reference	
Balance December 31, 2009	C	\$ 500,000.00
Decreased by:		
Appropriation for Bond Ordinance #10-07	C-16	500,000.00
Balance December 31, 2010	C	\$ -

SCHEDULE OF ACCRUED INTEREST ON BOND SALE

C-21

	Reference	
Balance December 31, 2009	C	\$ 12,228.35
Balance December 31, 2010	C	\$ 12,228.35

SCHEDULE OF BICA BONDS PAYABLE

C-22

	Reference	
Balance December 31, 2009	C	\$ -
Increased by:		
Bond Payable - BCIA County Guaranteed Bonds, Series 2010	C-15	17,000,000.00
Balance December 31, 2010	C	\$ 17,000,000.00

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CASH

D-4

	Reference	Operating	Escrow Trust
Balance December 31, 2009	D	<u>\$ 301,283.42</u>	<u>\$ 2,656.65</u>
Increased by Receipts:			
User Charges and Fees	D-5	1,233,788.73	
Delinquent User Charges	D-1,2,5	390,267.91	
Xanadu Agreement	D-1,2,5	353,000.00	
Connection Fee	D-2	500,000.00	
Miscellaneous Income	D-1,2	43,412.58	
Overpayments		15,668.92	
Transfers from General Capital Fund	CONTRA	300,000.00	
Escrow Deposits	D-15		17.34
Prepaid Sewer Charges	D-19	4,618.08	
Due to Sewer Utility Capital Fund	D-7	533,187.94	
		<u>3,373,944.16</u>	<u>17.34</u>
		<u>3,675,227.58</u>	<u>2,673.99</u>
Decreased by Disbursements:			
Appropriations	D-3	2,392,841.86	
Appropriation Reserves	D-13	9,178.25	
General Capital Fund - Transfer	CONTRA	300,000.00	
Due to Current Fund	D-14	35,100.00	
Due to Unemployment Fund	B-11	6,000.00	
Escrow Disbursements	D-15		2,542.45
		<u>\$ 2,743,120.11</u>	<u>\$ 2,542.45</u>
Balance December 31, 2010	D	<u><u>\$ 932,107.47</u></u>	<u><u>\$ 131.54</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-5

	Reference		
Balance December 31, 2009	D		\$ 420,696.75
Increased by:			
Utility Charges and Fees Levied			<u>1,942,469.13</u>
			2,363,165.88
Decreased by:			
Collections			
Current Year Charges and Fees	D-2, Below	\$ 1,244,067.08	
Xanadu Agreement	D-4	353,000.00	
Delinquent Charges and Fees	D-4	<u>390,267.91</u>	<u>1,987,334.99</u>
Balance December 31, 2010	D		<u><u>\$ 375,830.89</u></u>
Current Year Charges and Fees - Collected in 2010	D-4	\$ 1,233,788.73	
Current Year Charges and Fees - Collected in 2009	D-19	8,054.97	
Overpayments Applied	D-6	<u>2,223.38</u>	
	D-2, Above	<u><u>\$ 1,244,067.08</u></u>	

SCHEDULE OF OVERPAYMENTS

D-6

	Reference		
Balance December 31, 2009	D		\$ 2,223.38
Increased by:			
Receipts	D-4		<u>15,668.92</u>
			17,892.30
Decreased by:			
Applied to Sewer Payments	D-5		<u>2,223.38</u>
Balance December 31, 2010	D		<u><u>\$ 15,668.92</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

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

D-7

	Reference		
Balance December 31, 2009	D		\$ 223,711.42
Decreased by:			
Budget Appropriation - Capital Improvement Fund	D-11	\$ 250,000.00	
Transfer from General Capital Fund	D-4, 9	<u>533,187.94</u>	<u>783,187.94</u>
Balance December 31, 2010	D		<u><u>\$ (559,476.52)</u></u>

SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

Balance December 31, 2009	D	<u>\$ 4,615,742.84</u>
Balance December 31, 2010	Below	<u><u>4,615,742.84</u></u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,115,742.84
Fixed Capital Authorized and Uncompleted	D	<u>500,000.00</u>
	Above	<u><u>\$ 4,615,742.84</u></u>

SCHEDULE OF DUE TO / (FROM) GENERAL CAPITAL FUND

D-9

	Reference	
Balance December 31, 2009	D	\$ (533,187.94)
Increased by:		
Transfer from General Capital Fund	D-7	<u>533,187.94</u>
Balance December 31, 2010	D	<u><u>\$ -</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2009		2010 Authorizations	Expended	Balance December 31, 2010	
		<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
08-12	Sewer Lines & Pump Imp.	\$ 197,106.60	\$ 25,000.00	\$ -	\$ 7,508.47	\$ 189,598.13	\$ 25,000.00
		<u>\$ 197,106.60</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ 7,508.47</u>	<u>\$ 189,598.13</u>	<u>\$ 25,000.00</u>
		D	D		Below	D	D
Due to Current Fund					<u>\$ 7,508.47</u>		
					D, Above		

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	Reference	
Balance December 31, 2009	D	\$ 140,576.92
Increased by:		
Budget Appropriation	D-3, 7	<u>250,000.00</u>
Balance December 31, 2010	D	<u>\$ 390,576.92</u>

SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE

D-12

	Reference		
Balance December 31, 2009	D		\$ 3,481,849.98
Increased by:			
Principal Payments on Bonds	D-20	\$ 25,616.33	
Principal Payments on Loans	D-17	<u>92,417.05</u>	<u>118,033.38</u>
Balance December 31, 2010	Below		<u>\$ 3,599,883.36</u>
Analysis of Balance:			
Amortization Reserve	D		\$ 3,286,475.60
Deferred Reserve for Amortization	D		<u>313,407.76</u>
	Above		<u>\$ 3,599,883.36</u>

SCHEDULE OF 2009 APPROPRIATION RESERVES

D-13

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>	<u>(Overexpended)</u>
Operating				
Salaries and Wages	\$ 12,436.68	\$ 3,000.00	\$ 9,436.68	\$ -
Other Expenses	18,931.02	6,178.25	12,752.77	
Statutory Expenditures:				
Social Security System	5,781.92		5,781.92	
	<u>\$ 37,149.62</u>	<u>\$ 9,178.25</u>	<u>\$ 27,971.37</u>	<u>\$ -</u>
	D	D-4	D-1	

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

D-14

	Reference	
Balance December 31, 2009	D	\$ 32,100.00
Increased by:		
Budget Appropriation -Debt Service	A-3, D-3	40,268.83
		<u>72,368.83</u>
Decreased by:		
Transferred to Current Fund	D-4	35,100.00
		<u>35,100.00</u>
Balance December 31, 2010	D	<u><u>\$ 37,268.83</u></u>

SCHEDULE OF ESCROW TRUST RESERVE

D-15

	Reference	
Balance December 31, 2009	D	\$ 2,656.65
Increased by:		
Escrow Deposit	D-4	17.34
		<u>17.34</u>
Decreased by:		
Disbursements	D-4	2,542.45
		<u>2,542.45</u>
Balance December 31, 2010	D	<u><u>\$ 131.54</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-16

<u>Ord. #</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2009</u>	Bond <u>Issued</u>	Balance <u>Dec. 31, 2010</u>
05-02	Renovation of Sewer Systems	\$ 53,207.00		\$ 53,207.00
		<u>\$ 53,207.00</u>	<u>\$ -</u>	<u>\$ 53,207.00</u>
				D

SCHEDULE OF NJ INFRASTRUCTURE LOAN PAYABLE

D-17

<u>Ord. #</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2009</u>	Principal <u>Payments</u>	Balance <u>Dec. 31, 2010</u>
05-02	Renovation of Sewer Systems	\$ 605,685.86	\$ 92,417.05	\$ 513,268.81
		<u>\$ 605,685.86</u>	<u>\$ 92,417.05</u>	<u>\$ 513,268.81</u>
		D	D-12	D

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE

D-18

	<u>Ref.</u>	
Balance December 31, 2009	D	\$ 3,930.50
Increased by:		
Accrued Interest on Bond Payable	D-3	<u>(1,574.69)</u>
Balance December 31, 2010	D	<u><u>\$ 2,355.81</u></u>

SCHEDULE OF PREPAID SEWER CHARGES

D-19

Balance December 31, 2009	D	\$ 8,054.97
Increased by:		
Prepaid Sewer Charges	D-4	<u>4,618.08</u>
		12,673.05
Decreased by:		
Applied to 2010 Sewer Payments	D-5	<u>8,054.97</u>
Balance December 31, 2010	D	<u><u>\$ 4,618.08</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

D-20

SCHEDULE OF SEWER SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2009	Bonds Issued	Decreased	Balance Dec. 31, 2010
			December 31, 2010						
			Date	Amount					
General Improvement Bonds	11/01/09	\$475,000.00	11/01/2011	\$25,616.33	2.00%	\$ 475,000.00		\$ 25,616.33	449,383.67
			11/01/2012-13	29,275.81	2.00%				
			11/01/2014	32,935.29	2.125%				
			11/01/2015	32,935.29	2.375%				
			11/01/2016-17	40,254.24	3.00%				
			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%				
						\$475,000.00	\$0.00	\$25,616.33	\$449,383.67
Reference						D		D-12	D

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR DECEMBER 31, 2010

SCHEDULE OF CASH

E-1

	Reference		
Balance December 31, 2009	E		\$ 97,217.96
Increased by Receipts:			
Unappropriated Grant Revenue	E-5	\$ 11,645.97	
Interest Income	E-2	<u>179.42</u>	<u>11,825.39</u>
			109,043.35
Decreased by:			
Appropriated Reserve Expenditures	E-4	750.00	
Transfer To Current Fund - Interest	E-2	<u>198.05</u>	<u>948.05</u>
Balance December 31, 2010	E		<u><u>\$ 108,095.30</u></u>

SCHEDULE OF DUE TO / (FROM) CURRENT FUND

E-2

	Reference		
Balance December 31, 2009	E		\$ 153,867.73
Increased by:			
Interest Earned	E-1	\$ 179.42	
Current Fund Disbursements	E-4	170,727.20	
Grants Receivable - Budgeted	E-3	538,335.83	
Unappropriated Grants Appropriated	E-5,A-2	<u>19,112.25</u>	<u>728,354.70</u>
			882,222.43
Decreased by:			
Transfer To Current Fund - Interest	E-1	198.05	
Grants Receivable	E-3	334,198.03	
Budget Appropriation	E-4	<u>669,688.08</u>	<u>1,004,084.16</u>
Balance December 31, 2010	E		<u><u>\$ (121,861.73)</u></u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF GRANTS RECEIVABLE

E-3

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased by 2010 Budget</u>	<u>Cancellation</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2010</u>
Alcohol Education and Rehabilitation	\$ -	\$ 1,910.38		\$ 1,910.38	\$ -
NJ DOT Bicycle Connector Grant	0.00				0.00
NJ DCA Livable Communities - Paterson	0.00				0.00
Click it or Ticket Grant	0.00	4,000.00		4,000.00	0.00
NJ Meadowlands Commission Storm Water Grant	0.00				0.00
Body Armor Replacement Fund	3,300.84	5,233.86		5,233.86	3,300.84
Safe and Secure Community Program	57,837.00	60,000.00		102,837.00	15,000.00
FEMA Firefighters Grant	0.00	388,960.00		8,000.00	380,960.00
Clean Communities Program	0.00	13,870.59		13,870.59	0.00
Recycling Tonnage Grant	0.00				0.00
NJ Over the Limit Grant	0.00				0.00
NJMC-Police Vehicles	100,000.00			100,000.00	0.00
Safe & Secure Homeland Buffer Zone	123,800.00	64,361.00		98,346.20	89,814.80
	<u>\$284,937.84</u>	<u>\$538,335.83</u>	<u>\$0.00</u>	<u>\$334,198.03</u>	<u>\$489,075.64</u>
Reference	E	E-2		Below	E
Grants Receivable - Prior Years			A-4	\$ 256,183.20	
Grants Receivable - Current Year			A-2	78,014.83	

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

	Balance Dec. 31, 2009	Transferred From 2010 Budget Appropriations	Expended	Cancellation	Balance Dec. 31, 2010
Comcast Technology Grant	\$ 3,561.86				\$ 3,561.86
Clean Communities	2,258.42	16,750.35	16,750.35		2,258.42
Safe and Secure Communities	-	75,000.00	75,000.00		-
Alcohol Education and Rehabilitation	481.81	4,230.86	4,230.86		481.81
Drunk Driving Enforcement Fund	24,285.42	6,438.01	413.94		30,309.49
Parking Offense Adjudication Act	15,297.97	3,474.00	3,800.00		14,971.97
Body Armor Replacement Fund	813.71	5,233.86			6,047.57
BCUA Grant	9,190.63				9,190.63
FEMA Grant	-	486,200.00	4,272.55		481,927.45
NJ Speed Aggressive Grant	-	4,000.00	4,000.00		-
Click It or Ticket Grant	-	4,000.00	4,000.00		-
Safe & Secure Grant-Homeland Buffer Zone	64,361.00	64,361.00	59,009.50		69,712.50
Storm Water Grant	2,117.00				2,117.00
NJ Meadowlands Commission Park Improvements	86,808.00				86,808.00
	<u>\$ 209,175.82</u>	<u>\$ 669,688.08</u>	<u>\$ 171,477.20</u>	<u>\$ -</u>	<u>\$ 707,386.70</u>
Reference	E	E-2, Below	Below		E
Current Budget Expended	E-2		\$ 170,727.20		
Grant Fund Expenditures	E-1		750.00		
	Above		<u>\$ 171,477.20</u>		
Budget Appropriations	Above	\$ 669,688.08			
Less: Current Budget Expended	Above	170,727.20			
Grants Balance Due From Current	A-3	<u>\$ 498,960.88</u>			

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Transfer to 2010</u> <u>Budget</u>	<u>Grant Fund</u> <u>Receipt</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Drunk Driving Enforcement Fund	\$ 6,438.01	\$ 6,438.01	\$ 8,548.97		\$ 8,548.97
Parking Offense Adjudication Act	3,474.00	3,474.00	3,097.00		3,097.00
Alcohol Ed. & Rehabilitation	2,320.48	2,320.48			-
Clean Communities Grant	2,879.76	2,879.76			-
Speed Aggressive Grant	4,000.00	4,000.00			-
	<u>\$ 19,112.25</u>	<u>\$ 19,112.25</u>	<u>\$ 11,645.97</u>	<u>\$ -</u>	<u>\$ 11,645.97</u>
<u>Reference</u>	<u>E</u>	<u>E-2</u>	<u>E-1</u>		<u>E</u>

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

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

We have audited the financial statements of the Borough of East Rutherford ("Borough"), State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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. 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 audit requirements as prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Comments and Recommendations item #10-1 through item #10-11 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which are described in the accompanying schedule of Audit Comments and Recommendations as item #10-12 through #10-13.

We noted certain matters that we reported to management of the Borough, in a separate letter dated June 30, 2011. The Borough's responses to findings identified in our audit are described in the accompanying schedule of audit comments and recommendations. We did not audit the Borough's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Borough's management, council members, others within the organization, the DLGS, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Garbarini

Paul C. Garbarini, CPA
Registered Municipal Accountant
No. 120

Garbarini & Co.

Garbarini & Co. P.C. CPA's
Registered Municipal Accountants

June 30, 2011
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule G-1

	CFDA #	Pass-Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM								
Non-Major Programs								
			\$ -		\$ -	\$ -	\$ -	\$ -
Law and Public Div. Highway Traffic:								
Police Traffic Service								
NJ Speed Aggressive Grant	20.600	NJ-066-1160-100-036	4,000.00	0701/09-06/30/10	4,000.00	4,000.00		
Transportation State Aid Highway Projects								
Highway Planning & Construction								
Ord # 2006-19	20.205	NJ- 078-620-097-340-56	100,000.00	01/01/06-12/31/07				37,500.00
Construction of State Highway FAC - Rt.17	20.205	NJ- 078-620-097-806-84	22,385.98		22,385.98	22,385.98		
Construction of State Highway FAC - Rt.120	20.205	NJ- 078-620-097-806-88	111,164.07		111,164.07	111,164.07		
Community Development - Paterson Ave. (Ord.#2009-6)			146,162.00					146,162.00
Law and Public Safety:								
Click -it- or Ticket Grant	20.602	NJ-066-1160-100-113	4,000.00	01/01/10-12/31/10		4,000.00		
Emergency Management Performance Grant	97.042		5,000.00	01/01/10-12/31/10	5,000.00	5,000.00		
Exercise Supp Program	97.042		9,987.69	FY08	9,987.69	9,987.69		
Safe & Secure Grant - Homeland Buffer Zone	97.078	NJ-066-1005-800-1238	123,800.00	FY07	98,346.20	59,009.50		25,453.80
Safe & Secure Grant - Homeland Buffer Zone	97.078		64,361.00	FY10				64,361.00
Department of Homeland Security:								
FEMA Firefighters Grant	97.044		388,960.00	08/14/09-08/13/10	8,000.00			380,960.00
Major Programs								
None								
Total Federal Financial Assistance					<u>\$258,883.94</u>	<u>\$215,547.24</u>	<u>\$0.00</u>	<u>\$654,436.80</u>

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule G-2

STATE GRANT PROGRAM	Grant Award	Grant Award Numbers or Project Number	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
<i>Department of Environmental Protection:</i>				\$ -	\$ -	\$ -	\$ -
Green Acres Program							
Improvement to Veteran's Park							
Loan (Ord. 06-6)	650,000.00		01/01/06-12/31/06	100,000.00			550,000.00
Loan (Ord. 10-7)	800,000.00						800,000.00
<i>Solid Waste Administration</i>							
Clean Communities	13,870.59	4900-765-042-4900-004-V42Y-6020	01/01/10-12/31/10	13,870.59	16,750.35		
<i>Municipal Courts</i>							
Alcohol Education, Rehabilitation and Enforcement	4,230.86	098-9735-760-001-09	01/01/10-12/31/10	1,910.38	4,230.86		
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>							
Safe and Secure Communities Program	57,837.00	066-1020-100-232-07	01/01/09-12/31/09	57,837.00			
Safe and Secure Communities Program	60,000.00	066-1020-100-232-07	01/01/10-12/31/10	45,000.00	60,000.00		15,000.00
Body Armor Replacement Fund	5,233.86	066-1020-718-001-08	01/01/10-12/31/10	5,233.86	0.00		3,300.84
<i>NJ Division of Highway Traffic Safety</i>							
Drunk Driving Enforcement Fund	6,438.01	0400-100-078-6400	01/01/10-12/31/10	8,548.97			
Drunk Driving Enforcement Fund	3,300.84	0400-100-078-6400	01/01/09-12/31/09		413.94		
<i>Department of Community Affairs</i>							
Parking Offense Adjudication Act	3,474.00		01/01/10-12/31/10	3,097.00	3,800.00		
Total State Financial Assistance				<u>\$ 235,497.80</u>	<u>\$ 85,195.15</u>	<u>\$ -</u>	<u>\$ 1,368,300.84</u>

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule G-3

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
COUNTY GRANT PROGRAM							
Bergen County Open Space:							
Fireman's Park (Ord #07-07)		59,876.00	01/01/07-12/31/07	\$ -	\$ -	\$ -	\$ 29,938.00
New Park (Ord #09-06)		75,000.00		11,087.50	11,087.50		63,912.50
Carlton Avenue (Ord #10-07)		500,000.00			500,000.00		
Carlton Avenue (Ord #10-07)		75,000.00			75,000.00		75,000.00
Other Grant Programs							
Comcast Technology Grant			01/01/08-12/31/08				
New Jersey Meadowlands Commission Grant							
Park Improvements		100,000.00	01/01/07-12/31/07				
Police Vehicles		120,000.00	01/01/09-12/31/09	100,000.00			
Parking Lot (Ord #2009-6)		26,300.00		26,300.00	26,300.00		
Total County Financial Assistance				<u>\$137,387.50</u>	<u>\$612,387.50</u>	<u>\$0.00</u>	<u>\$168,850.50</u>

BOROUGH OF EAST RUTHERFORD
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

1. General

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

2. Basis of Accounting

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

3. Relationship of Financial Statements

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

	<u>Federal</u>	<u>State</u>	<u>County/Other</u>	<u>Total</u>
Grant / Current Fund	\$215,547.24	\$85,195.15		\$300,742.39
Capital Fund			612,387.50	612,387.50
	<u>\$215,547.24</u>	<u>\$85,195.15</u>	<u>\$612,387.50</u>	<u>\$913,129.89</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, 2010, 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 Acres Program	# 0212-84-032	\$ 11,750.03
New Jersey Economic Development Authority	UST029-00\P10558	\$ 42,448.00
Green Trust Program	#0212-02-046	\$ 359,436.62
New Jersey Environmental Infrastructure Trust Loan	S340-296-02	\$ 513,268.81

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate and Assessed Valuations

	<u>2010</u>	*	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$1.552</u>		<u>\$3.084</u>	<u>\$2.841</u>	<u>\$2.580</u>	<u>\$2.689</u>

Apportionment of Tax Rate

Municipal	0.424	0.688	0.661	0.563	0.605
County	0.222	0.446	0.381	0.316	0.318
Local School	0.644	1.363	1.266	1.227	1.247
Regional High School	0.262	0.587	0.533	0.474	0.519

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

2010	<u>\$2,023,458,239</u>	*
2009	<u>\$900,936,732</u>	
2008	<u>\$934,917,058</u>	
2007	<u>\$929,872,429</u>	
2006	<u>\$882,114,829</u>	

*Revaluation

**BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA**

Comparison of Current Tax Collections

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2010	\$32,619,811.95	\$29,247,225.11	89.66 %
2009	27,798,552.44	26,716,045.43	96.11 %
2008	26,585,369.48	25,928,029.14	97.53 %
2007	24,196,739.15	23,380,007.65	96.62 %
2006	24,539,438.25	24,161,025.70	98.46 %

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2010	\$138,238.58	\$3,233,744.29	\$3,371,982.87	12.13 %
2009	99,034.53	839,988.56	939,023.09	3.38 %
2008	29,830.40	438,051.99	467,882.39	1.76 %
2007	22,362.03	696,686.28	719,048.31	2.97 %
2006	20,504.43	433,690.52	454,194.95	1.85 %

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation at December 31, 2010 is \$636,900. This represents the properties assessed valuation from 1995-2010.

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2010	\$ 94,822.04	\$ - *
	2009	94,822.04	-
	2008	1,714,822.04	1,620,000.00
	2007	2,318,753.85	1,970,000.00
	2006	3,708,705.54	1,970,000.00

*-Budget not adopted as of audit date

BOROUGH OF EAST RUTHERFORD
ROSTER OF OFFICIALS AND SURETY BONDS
AT DECEMBER 31, 2010

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James Cassella	Mayor	
Edward Ravettine	President of Council	
Joel Brizzi	Councilman	
Thomas Banca	Councilman	
Jeffrey Lahullier	Councilman	
George Perry	Councilman	
Saverio Stallone	Councilman	
Danielle Lorenc	Municipal Clerk Assessment Search Officer Dog Licensing Official 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	
Denis McGuire	Assessor	
Frank Recanati	Construction Code Official 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.

Borough of East Rutherford
General Comments
For the Year Ended December 31, 2010

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 \$26,000...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000.00."], 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 \$36,000.00 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.

Except for a few instances reported in the audit findings section, our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "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 \$5,400 or more and less than \$36,000 Per N.J.S.A. 40A:11-6.1

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

Borough of East Rutherford
General Comments (Continued)
For the Year Ended December 31, 2010

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, 2010 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 2009 will be advertised for sale after April 1, 2010.
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, 2010 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

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

WHEREAS, the Commission is desirous of increasing the amount of interest to be charged on unpaid balances to the statutory maximum permitted; and

Borough of East Rutherford
General Comments (Continued)
For the Year Ended December 31, 2010

Collection of Interest of Delinquent Taxes and Assessments (Continued)

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

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council that effective January 1, 2010, all past due balances to the Commission shall accrue interest at the rate of one and one-half (1 1/2 %) percent per month.

Borough of East Rutherford
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2010

Internal Controls:

09-1. RECOMMENDATION:

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

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-2. RECOMMENDATION:

That a policy be instituted so that developers receive activity reports on a monthly or quarterly basis. Developers with expenditures of \$1,000 or more per month should receive monthly activity report, and all others should receive quarterly reports in order to comply with the amendments to the developers escrow accounting directive.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-3. RECOMMENDATION:

That a complete fixed asset inventory be completed and updated periodically. All fixed assets should be tagged and the corresponding tag number should be reflected on the fixed asset list.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-4. 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 was not taken. See current year audit findings and recommendations.

09-5. RECOMMENDATION:

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

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

Borough of East Rutherford
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2010

Internal Controls (continued):

09-6. RECOMMENDATION:

That over-expenditures in appropriations and appropriation reserves should be avoided.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-7. RECOMMENDATION:

That cash receipts in the bank be reconciled with cash receipts in the utility computer system.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-8. RECOMMENDATION:

That utility billings be proven to utility software billing system. Posting for corrections and adjustments must be dated in the current audit year.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-9. RECOMMENDATION:

That bank reconciliations be completed in a timely manner, on a monthly basis, for the Payroll account and Payroll Agency account.

STATUS:

Corrective action was not taken. See current year audit findings and recommendations.

09-10. RECOMMENDATION:

That employee who works part-time be hired with proper authorizations and paid through Borough's payroll system with approved time sheets.

STATUS:

Corrective action was taken.

Borough of East Rutherford
Audit Comments and Recommendations
For the Year Ended December 31, 2010

INTERNAL CONTROL:

***Finding 10-1**

Certain departments 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 by the police records, construction code official, and fire official.

Criteria:

N.J.S.A. 40A:5-15 states that all monies collected should be deposited or transmitted to the treasurer within 48 hours of receipt.

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Each department will deposit all monies collected within 48 hours of receipt.

***Finding 10-2**

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.

Criteria:

The Division of Local Government Services Local Finance Notice #04-04 issued July 20, 1999, which provided amendments to the "Developers Escrow Directive".

Recommendation:

A policy should be instituted so that developers receive activity reports on a monthly or quarterly basis. Developers with expenditures of \$1,000 or more per month should receive monthly activity reports, and all others should receive quarterly reports in order to comply with the amendments to the developers escrow accounting directive.

Borough's Proposed Corrective Action Plan:

The Borough will comply with the developers' escrow accounting directive and monitor disbursement activity reports.

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

INTERNAL CONTROL (CONTINUED):

***Finding 10-3**

That all fixed assets have not been issued a pre-numbered permanent tag and a detailed fixed asset inventory is not maintained.

Criteria:

N.J.A.C. 5:30-5.6 Codifies Fixed Asset Accounting – Technical Accounting Directive #86-2 (TAD).

Recommendation:

A complete fixed asset inventory should be completed and updated periodically. All fixed assets should be tagged and the corresponding tag number should be reflected on the fixed asset list.

Borough's Proposed Corrective Action Plan:

The Borough will consult with an outside firm in order to complete a fixed asset accounting inventory.

***Finding 10-4**

During the testing of pension reports, there were several employees not enrolled in the pension system.

Criteria:

State of New Jersey Division of Pension, PERS and PFRS salary or hours requirements for enrollment by membership tier.

Recommendation:

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

Borough's Proposed Corrective Action Plan:

The payroll clerk will update employees' personal file in the payroll computer system and enroll all eligible employees into the pension system.

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

Finding 10-5

Construction permit files were not kept in the proper locations and were not available for inspection.

Criteria:

Internal control procedures were not in place to keep construction permit files in order.

Recommendation:

That construction permit files be available for inspection.

Borough's Proposed Corrective Action Plan:

All construction permit files must be filed immediately to proper locations after each use.

Finding 10-6

There were disbursements made from construction code official and fire official's bank accounts without any vouchers.

Criteria:

N.J.S.A. 40A:5-16 payment of moneys of local unit

Recommendation:

That all disbursements be made by vouchers with all proper approvals and backup documentations. Related budget line items should be charged.

Borough's Proposed Corrective Action Plan:

All construction code official and fire official's disbursements be made in the current fund with vouchers.

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

SEWER UTILITY FUND:

*** Finding 10-7**

Sewer utility cash receipts in the bank did not agree with cash receipts recorded in the utility computer system.

Criteria:

Internal control procedures were not in place to facilitate the reconciliation of payments to the compute system.

Recommendation:

Cash receipts in the bank must be reconciled with cash receipts in the utility computer system.

Borough's Proposed Corrective Action Plan:

Cash receipts will be proven to the utility computer system.

Finding 10-8

The sewer utility levy was not proven to the utility billing software system. Utility billing adjustments were posted on a prior year date. These postings resulted in a restatement of the prior year ending utility receivable. The detail of these postings were not available for inspection, therefore the billings could not be proven.

The sewer billing was not calculated correctly based on the billable rate.

Criteria:

Internal control procedures were not in place to facilitate the reconciliation of billings.

Recommendation:

Utility billings must be proven to utility software billing system. Posting for corrections and adjustments must be dated in the current audit year. Bills should be checked for accuracy before they are sent out.

Borough's Proposed Corrective Action Plan:

Adjustments will be posted in the current year. Billings will be proven and checked for accuracy to the software billing system.

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

PAYROLL:

***Finding 10-9**

Monthly bank reconciliations were not being performed for the Payroll account and Payroll Agency account.

Criteria:

Division of Local Government, Requirements of Audit and Accounting (Revision of 1987) – Internal Control Requirement.

Recommendation:

That bank reconciliations be completed in a timely manner, on a monthly basis, for the Payroll account and Payroll Agency account.

Borough's Proposed Corrective Action Plan:

Monthly bank reconciliation will be performed for the Payroll account and Payroll Agency account in a timely manner.

Finding 10-10

Our testing of salary ordinance indicated that one employee was paid \$5,221.16 more than the annual salary stated in the Ordinance #2010-19.

Criteria:

Division of Local Government, Requirements of Audit and Accounting (Revision of 1987) – Internal Control Requirement.

Recommendation:

That all employees be compensated in accordance with the salary ordinance or employee contract.

Borough's Proposed Corrective Action Plan:

Employees' payroll records will be monitored and internal control procedures will be implemented to ensure that wages are in compliance with the salary ordinance.

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

MUNICIPAL COURT/POLICE DEPARTMENT:

Finding 10-11

Police department pre-numbered bail receipt book dating prior to April 10, 2010 was not available for inspection. Two pre-numbered receipts from our testing sample were missing from receipt book.

Criteria:

ATS/ACS Financial Procedures Manual Registered Municipal Accountant's Edition (December 1998).

Recommendation:

That police department receipt books used for acceptance of bail be reviewed to ensure that the money is properly transferred to the municipal court and entered into ATS/ACS.

Borough's Proposed Corrective Action Plan:

Police department bail receipt books will be reviewed.

LOCAL PUBLIC CONTRACT LAW:

*** Finding 10-12**

Our examination of expenditures indicated instances where three vendors exceeded the bidding threshold and were not advertised for bids:

- Diesel Fuel
- Bus Turnaround Road Work
- Dumping

Criteria:

Contracts and agreements required to be advertised as per N.J.S.A. 40A:11-4.

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Expenditures will be monitored to avoid violations of the Local Public Contracts Law.

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2010

OTHER:

*** Finding 10-13**

There were over-expenditures of budget appropriation reserves in the amount of \$9,234.33 in the Current Fund and over-expenditures of budget appropriation and budget appropriation reserves in the amount of \$252,578.32 and \$2,008.26 in the Sewer Utility Fund.

Criteria:

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.

Recommendation:

Over-expenditures in appropriations and appropriation reserves should be avoided.

Borough's Proposed Corrective Action Plan:

Expenditures will be monitored in order to prevent over-expenditures.

Borough of East Rutherford
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section – No Major Federal Programs
Not Applicable

D) Dollar threshold used to determine Type A Program	<u>\$300,000</u>		
E) Auditee qualified as low-risk auditee?	<u>Yes</u>	<u>No</u>	
F) Type of auditor's report on compliance for major programs	<u>No Major Program</u>		
G) Internal Control over major programs			
1) Material weakness identified?	<u>Yes</u>	<u>No</u>	
2) Were reportable conditions identified that were not considered to be material weaknesses?	<u>Yes</u>	<u>No</u>	
H) Any audit findings disclosed that are required to be Reported in accordance with OMB Circular A-133 [section 510(e)]?	<u>Yes</u>	<u>No</u>	
I) Identification of major programs	<u>N/A</u>		

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

Summary of Auditor's Results (Continued)

State Awards Section - No Major State Program
Not Applicable

J) Dollar threshold used to determine Type A Program	<u>\$300,000</u>	
K) Audited qualified as low-risk auditee?	<u>Yes</u>	<u>No</u>
L) Type of auditor's report on compliance for major Programs	<u>No Major Program</u>	
M) Internal Control over Compliance		
1) Material weakness identified?	<u>Yes</u>	<u>No</u>
2) Were reportable conditions identified that were not considered to be material weaknesses?	<u>Yes</u>	<u>No</u>
N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended?	<u>Yes</u>	<u>No</u>
O) Identification of major programs	N/A	

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

Section 2 – Schedule of Financial Statement Findings

(This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.)

None

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

Section 3 – Schedule of Federal and State Awards Findings and Questioned Costs

(This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04, as amended.)

N/A

Status of Prior Year Findings

(This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 [section .315 (a)(b)] and New Jersey OMB Circular 04-04, as amended.)

N/A

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.