

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

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2011**

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of East Rutherford (“the Borough”), State of New Jersey, as of December 31, 2011 and 2010, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis for the year ended December 31, 2011. These financial statements-regulatory basis (the “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 fourth 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 addition, the fixed assets accounting and reporting system is not being maintained in accordance with N.J.A.C. 5:30-5.6 *Accounting for Governmental Fixed Assets*. We were unable to satisfy ourselves by other means of auditing procedures, which would prevent us from expressing an unqualified opinion on the financial statements.

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, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

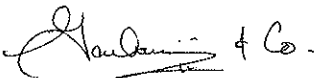
Furthermore, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the fixed assets been available for inspection, the financial statements referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Borough as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues and expenditures – regulatory basis of the various funds for the year ended December 31, 2011 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 September 28, 2012 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audit.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough. The supplementary schedules and schedules of expenditures of federal, state and county financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.



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



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

September 28, 2012  
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**A**

		At December 31,	
		2011	2010
	Reference		
<b>ASSETS</b>			
Current Assets:			
Cash - Treasurer	A-4	\$ 1,148,145.89	\$ 1,089,685.65
Cash - Tax Collector	A-4	302,610.41	141,448.23
Cash - Change Funds	A-5	125.00	125.00
		<u>1,450,881.30</u>	<u>1,231,258.88</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	4,615,507.51	3,233,744.29
Tax Title Liens	A-10	98,691.68	138,238.58
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	101,848.04	112,514.71
Due From Dog Trust Fund	B	3,404.44	3,984.68
Due Sewer Utility Fund	D	35,886.98	37,268.83
Due Sewer Capital Fund	D, A-4		7,508.47
Due From Capital Fund	C	43,418.25	281,472.22
Police Off Duty Receivable	A-23	9,778.88	43,095.28
Due From Developers Escrow	B	63.58	279.12
Due From Library	A-25	100,000.00	100,000.00
Due From Becton Regional High School	A-24	75,000.00	75,000.00
		<u>5,720,499.36</u>	<u>4,670,006.18</u>
	Contra		
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-12	9,958.41	9,234.33
Deficit in Operations	A-12	451,593.48	104,180.36
Special Emergency Authorization - Revaluation	A-12	74,000.00	111,000.00
		<u>535,551.89</u>	<u>224,414.69</u>
	A-12		
<b>TOTAL ASSETS</b>		<u><u>\$ 7,706,932.55</u></u>	<u><u>\$ 6,125,679.75</u></u>

See Accompanying Notes to Financial Statements.



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND

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

A

		At December 31, 2011	At December 31, 2010
	Reference	<u>2011</u>	<u>2010</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities:			
Encumbrance Payable	A-22	\$ 81,907.08	\$ 42,176.59
Appropriation Reserves	A-3,13	800,302.33	511,438.24
Tax Overpayments	A-15	109,905.16	39,354.86
Outside Tax Title Liens	A-20		36,129.90
Prepaid Taxes	A-16	98,817.74	127,910.17
County Taxes - Added	A-17	696.86	148,451.76
Revaluation Reserve	A-21	10,848.61	10,848.61
Tax Appeal Reserve	A-27	129,017.60	29,017.60
Due to State of NJ: Senior Citizens and Veterans	A-8	3,178.60	3,178.60
Due to Grant Fund	E	329,407.70	121,861.73
Due to Unemployment Fund	B	3,160.78	213.08
Due to Other Trust	B	56,699.66	194,123.55
Due to Payroll Account	A-14	974.99	563.08
Reserve for State Library Aid	A-26		10,560.00
DEA Confiscated Funds	A-28	257,678.54	79,578.76
Miscellaneous Reserves	A-6	9,015.50	5,445.00
		<u>1,891,611.15</u>	<u>1,360,851.53</u>
Reserve for Receivables and Other Assets	Contra	5,720,499.36	4,670,006.18
Fund Balance	A-1	<u>94,822.04</u>	<u>94,822.04</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 7,706,932.55</u></u>	<u><u>\$ 6,125,679.75</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND

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

A-1

	Reference	At December 31, 2011	At December 31, 2010
Revenue and Other Income Realized			
Fund Balance Utilized		\$ -	\$ -
Miscellaneous Revenue Anticipated	A-2	11,003,057.07	11,309,199.06
Receipts from Delinquent Taxes	A-2	740,384.78	806,182.76
Receipts from Current Taxes	A-2	30,430,444.23	29,247,225.11
Non-Budget Revenues	A-2	126,253.84	100,626.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	114,161.63	619,350.37
Unexpended Budget Appropriations	A-3	39,754.72	46,601.83
Canceled HMMC Reserve			3,200.00
Canceled Tax Overpayments	A-15	2,369.85	
Statutory Excess in Dog Fund	B-4	3,404.45	3,986.10
Borough Tax Lien Adjustment	A-10	5,190.19	
Outside Tax Lien Adjustment	A-20	19,823.33	
Total Income		<u>42,484,844.09</u>	<u>42,136,372.14</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	19,885,948.44	19,261,588.51
County Taxes	A-17	4,423,021.91	4,474,516.44
County Share of Added and Omitted Taxes	A-17	696.85	148,451.76
Local District School Tax	A-18	13,151,115.00	12,653,096.54
Local District School Tax Adjustment	A-18	0.52	(0.02)
Regional School Tax	A-19	5,453,499.67	5,292,382.36
Regional School Tax Adjustment			(0.01)
Senior Citizens & Veterans Prior Year Adjustment	A-7	2,915.07	9,640.41
Appropriation Difference/ Service Charges	A-4	550.00	-
Borough Paid Outside Lien			5,559.46
Interfunds Returned / Advanced		631.11	395,317.05
Total Expenditures		<u>42,918,378.57</u>	<u>42,240,552.50</u>
Excess/(Deficit) in Revenues		(433,534.48)	(104,180.36)
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-12	<u>433,534.48</u>	<u>104,180.36</u>
Statutory Excess to Fund Balance		0.00	0.00
Fund Balance January 1	A	<u>94,822.04</u>	<u>94,822.04</u>
		94,822.04	94,822.04
Decreased by:			
Utilization as Anticipated Revenues		-	-
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, 2011

**STATEMENT OF REVENUES - REGULATORY BASIS**

A-2

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated:		\$ -	\$ -	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		25,000.00	25,259.68	259.68
Other		48,300.00	54,205.87	5,905.87
Fees and Permits - Other		13,600.00	9,004.13	(4,595.87)
Fines and Costs - Municipal Court		574,000.00	554,806.27	(19,193.73)
Interest and Costs on Taxes		94,336.00	134,673.26	40,337.26
Interest on Investments and Deposits		16,700.00	7,186.69	(9,513.31)
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		6,700,000.00	6,498,641.35	(201,358.65)
Recycling Income		20,600.00	48,647.05	28,047.05
Rental - Library		100,000.00	100,000.00	-
Lease - Becton Regional		75,000.00	75,000.00	-
Consolidated Municipal Property Tax Relief Aid				-
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,489,989.00	1,489,989.00	-
Supplemental Energy Receipts Tax				-
Garden State Trust Fund				-
Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.)		120,220.00	120,219.00	(1.00)
Uniform Construction Code Fees		230,000.00	265,432.00	35,432.00
Recycling Tonnage Grant		29,339.55	29,339.55	-
Police Grant - Safe and Secure Communities Program Grant		60,000.00	60,000.00	-
Reserve				
Parking Offense Adjudication Act				-
Drunk Driving Enforcement Act		8,548.97	8,548.97	-
Chapter 159				-
Alcohol Education & Rehabilitation		2,427.06	2,427.06	-
Safe and Secure Grant - Homeland Buffer Zone		92,474.53	92,474.53	-
Body Armor Replacement Grant		3,908.30	3,908.30	-
Police Over the Limit Grant		4,400.00	4,400.00	-
Recycling Tonnage Grant		55,131.31	55,131.31	-
Clean Community Grant		13,599.03	13,599.03	-
Uniform Fire Safety Act		48,591.56	49,620.35	1,028.79
Cable Franchise Fees		86,100.00	96,086.71	9,986.71
Hotel Taxes		701,000.00	796,009.55	95,009.55
Payment in Lieu of Taxes - Bergen County Housing Authority		20,000.00	20,266.89	266.89
Payment in Lieu of Taxes - Hackensack Meadowlands Development Commission		6,708.00	6,708.30	0.30
Premium on BAN / Bond Sale				-
Reserve for Payments of Bonds and Notes		100,000.00	100,000.00	-
Fire Inspection Reserve		13,900.00		(13,900.00)
Due from Capital Fund		281,472.22	281,472.22	-
Total Miscellaneous Revenues	A-1, Next Page	<u>11,035,345.53</u>	<u>11,003,057.07</u>	<u>(32,288.46)</u>
Receipts from Delinquent Taxes	A-1, Next Page	1,501,000.00	740,384.78	(760,615.22)
Amount to be Raised by Taxes for Support of Municipal Budget		9,184,602.91	8,951,439.08	(233,163.83)
Including Uncollected Taxes	A-7, Next Page			-
Budget Totals	A-3	<u>\$ 21,720,948.44</u>	<u>\$ 20,694,880.93</u>	<u>\$ (1,026,067.51)</u>
Non-Budget Revenues	A-1,4, Next Page		<u>126,253.84</u>	
			<u>\$ 20,821,134.77</u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

A-2

	Reference	
Allocation of Current Tax Collection:		
Revenue from Collections	A-1	\$ 30,430,444.23
Allocated to:		
School and County Taxes	A-17,18,19	<u>23,314,005.15</u>
Balance for Support of Municipal Appropriation		7,116,439.08
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,835,000.00</u>
	Previous Pg.	<u>\$ 8,951,439.08</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	Prev. Pg.	<u>\$ 740,384.78</u>
Miscellaneous Revenues:		
Current Fund	A-4	\$ 10,367,982.85
Collector	A-4	134,813.47
Due from Grant Fund - Reserves	E-2	8,548.97
Due from Grant Fund - Receivables	E-2	261,279.78
Due from Trust Fund - Elevator Inspection Fee	B-8	(44,568.00)
Due from Library Rent	A-25	100,000.00
Due from Becton Rent	A-24	75,000.00
Due from Capital Reserve for Payment of Bonds	C-4	<u>100,000.00</u>
	Previous Pg.	<u>\$ 11,003,057.07</u>
Non-Budget Revenues:		
DMV Fees		\$ 5,889.50
Misc. Refunds		1,676.84
Towing Fees		22,155.00
Film Permit		
Sale of Firearms		2,000.00
Senior Citizen's & Veteran's 2% Administrative Payments		1,406.70
County Polling Payment		160.00
Auction Proceeds		51,549.60
FEMA Reimbursements		39,434.05
Parking Machine Deposit		529.15
JIF Safety Award		1,000.00
Homestead Mail Reimbursement		453.00
	Prev. Pg., A-1, 4	<u>\$ 126,253.84</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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	\$ 200,000.00		\$ 215,000.00	\$ 214,929.27	\$ 70.73	\$ -	\$ -
Other Expenses	9,000.00		10,000.00	9,465.07	534.93		
Other Expenses - Code Publishing					-		
Mayor and Council							
Salaries and Wages	37,000.00		37,000.00	36,998.78	1.22		
Other Expenses	8,000.00		8,000.00	7,110.67	889.33		
Elections - Other Expenses	5,000.00		5,000.00	4,406.45	593.55		
Financial Administration							
Salaries and Wages	55,000.00		47,800.00	47,800.00	-		
Other Expenses							
Annual Audit	16,000.00		16,000.00	12,500.00	3,500.00		
Miscellaneous - Other Expenditures	57,000.00		57,000.00	46,302.28	10,697.72		
Single Audit Act	19,000.00		19,000.00	10,059.30	8,940.70		
Purchasing							
Salaries and Wages	2,500.00		2,500.00	2,499.90	0.10		
Assessment of Taxes							
Salaries and Wages	66,000.00		66,000.00	62,693.73	3,306.27		
Other Expenses	5,000.00		5,000.00	4,529.73	470.27		
Ordinance Enforcement - Salaries and Wages	9,700.00		9,700.00	9,236.76	463.24		
Redevelopment Agency							
Salaries and Wages	1,700.00		1,700.00	1,645.49	54.51		
Other Expenses (R.S. 40:550-1)	5,000.00		7,000.00	6,375.00	625.00		
Collection of Taxes							
Salaries and Wages	75,000.00		82,000.00	80,873.47	1,126.53		
Other Expenses	7,000.00		8,000.00	7,965.99	34.01		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	<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)						
Legal Services and Costs						
Salaries and Wages	\$ 65,000.00		\$ 65,000.00	\$ 65,000.00	\$ -	\$ -
Other Expenses	95,000.00		197,500.00	196,125.91	1,374.09	
Ordinance Recodification	4,500.00		6,500.00	5,743.69	756.31	
Tax Appeals - Professional Fees					-	
Engineering Services and Costs						
Salaries and Wages	3,000.00		3,000.00	2,999.88	0.12	
Other Expenses	30,000.00		30,000.00	29,374.24	625.76	
Public Building and Grounds						
Other Expenses	70,000.00		78,000.00	69,513.47	8,486.53	
Contracted Service	112,000.00		112,000.00	55,448.56	56,551.44	
Municipal Land Use Law (N.J.S. 40:55D-1)						
Planning Board - Other Expenses	8,000.00		8,000.00	7,541.00	459.00	
Zoning Board of Adjustment						
Salaries and Wages	14,000.00		14,000.00	9,794.40	4,205.60	
Other Expenses	3,500.00		4,000.00	3,779.24	220.76	
Municipal Court						
Salaries and Wages	215,000.00		215,000.00	211,895.22	3,104.78	
Other Expenses	18,000.00		18,000.00	16,774.95	1,225.05	
Public Defender						
Salaries and Wages	11,000.00		11,000.00	9,743.76	1,256.24	

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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 Overexpenditure</i>
OPERATIONS WITHIN "CAPS" (Cont'd)						
Unemployment Compensation	\$ 50,000.00		\$ 50,000.00	\$ 50,000.00	\$ -	\$ -
Insurance:						
Liability	296,000.00		296,000.00	172,308.57	123,691.43	
Workman's Compensation	355,000.00		355,000.00	177,254.12	177,745.88	
Employee Group Insurance	2,000,451.00		1,676,451.00	1,615,923.14	60,527.86	
Self - Insurance Eye Care	15,000.00		15,000.00	12,605.42	2,394.58	
Rent Control Board						
Salaries and Wages	1,800.00		-	-	-	
Other expenses	1,000.00		-	-	-	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,946,151.00</b>	<b>-</b>	<b>3,751,151.00</b>	<b>3,277,217.46</b>	<b>473,933.54</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>						
Fire						
Other Expenses						
Clothing Allowance	90,000.00		97,010.00	97,010.00	-	
Other Expenses- Lease/Purchase Equipment	24,000.00		24,000.00	23,062.74	937.26	
Gear Maintenance	50,000.00		50,000.00	46,447.39	3,552.61	
Fire Alarm System - Other Expenses	5,000.00		7,200.00	7,110.60	89.40	
Fire Prevention and Life Safety						
Salaries and Wages						
Fire Official	77,000.00		83,500.00	82,967.86	532.14	
Other Salaries - Inspectors	15,000.00		13,000.00	12,512.50	487.50	
Other Expenses	10,000.00		17,500.00	17,027.66	472.34	
Police						
Salaries and Wages	4,684,000.00		4,664,000.00	4,654,668.22	9,331.78	
Clothing Allowance						
Overtime	69,000.00		77,000.00	77,000.00	-	
Sick pay	91,000.00		91,000.00	90,766.23	233.77	
Other expenses	57,000.00		57,000.00	55,362.91	1,637.09	
911 Service	7,000.00		5,000.00	4,534.00	466.00	
Police Cars	31,000.00		4,500.00	3,900.00	600.00	

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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" (Cont'd)							
Special Police							
Salaries and Wages	\$ 60,000.00		\$ 75,000.00	\$ 73,325.75	\$ 1,674.25	\$ -	\$ -
Other Expenses	3,000.00		500.00	286.00	214.00		
Traffic Lights - Other Expenses	7,000.00		14,200.00	13,969.50	230.50		
Traffic Control							
Salaries and Wages	310,000.00		250,000.00	244,280.00	5,720.00		
Other Expenses	2,000.00		-		-		
First Aid Organization							
Other Expenses	10,000.00		10,000.00	9,032.98	967.02		
Emergency Management Services							
Salaries and Wages	7,575.00		18,575.00	16,530.28	2,044.72		
Other Expenses	2,000.00		2,000.00	(153.78)	2,153.78		
First Responder							
Salaries and Wages	58,500.00		58,500.00	58,135.70	364.30		
Towing Director							
Salaries and Wages	9,400.00		9,400.00	8,946.08	453.92		
<b>TOTAL PUBLIC SAFETY</b>	<b>5,679,475.00</b>	<b>-</b>	<b>5,628,885.00</b>	<b>5,596,722.62</b>	<b>32,162.38</b>	<b>-</b>	<b>-</b>
<b>STREETS AND ROADS:</b>							
Road Repairs and Maintenance							
Salaries and Wages	930,000.00		920,000.00	908,587.67	11,412.33		
Other Expenses	25,000.00		42,990.00	39,174.01	3,815.99		
Recycling Costs	5,000.00		-		-		
Leased Vehicles	64,000.00		64,000.00	63,455.00	545.00		
<b>TOTAL STREETS AND ROADS</b>	<b>1,024,000.00</b>	<b>-</b>	<b>1,026,990.00</b>	<b>1,011,216.68</b>	<b>15,773.32</b>	<b>-</b>	<b>-</b>
<b>HEALTH AND WELFARE:</b>							
Board of Health							
Salaries and Wages	5,000.00		3,200.00	3,200.00	-		
Other Expenses	105,000.00		113,200.00	112,592.92	607.08		
<b>TOTAL HEALTH AND WELFARE</b>	<b>110,000.00</b>	<b>-</b>	<b>116,400.00</b>	<b>115,792.92</b>	<b>607.08</b>	<b>-</b>	<b>-</b>

See Accompanying Notes to Financial Statements



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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 Overexpenditure</i>
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>						
<b>RECREATION AND EDUCATION</b>						
Board of Recreation Commission (R.S.4061-1 et. seq.)						
Salaries and Wages	\$ 40,000.00		\$ 40,000.00	\$ 39,864.52	\$ 135.48	\$ -
Other Expenses	80,000.00		80,000.00	72,188.67	7,811.33	-
Celebration of Public Events, Anniversary or Holiday	7,000.00		2,000.00	1,103.82	896.18	-
Other Expenses					-	
Senior Citizens						
Salaries and Wages	25,000.00		26,500.00	26,405.00	95.00	
Other Expenses	4,000.00		4,300.00	4,076.30	223.70	
<b>TOTAL RECREATION AND EDUCATION</b>	<b>156,000.00</b>	<b>-</b>	<b>152,800.00</b>	<b>143,638.31</b>	<b>9,161.69</b>	<b>-</b>
<b>SANITATION</b>						
Garbage & Trash Removal						
Salaries and Wages	634,000.00		684,000.00	681,230.57	2,769.43	
Other Expenses	4,000.00		1,000.00	973.61	26.39	
Dumping Fees - Bergen County						
Sanitary Landfill - Contractual	335,000.00		385,000.00	351,348.22	33,651.78	
<b>TOTAL SANITATION</b>	<b>973,000.00</b>	<b>-</b>	<b>1,070,000.00</b>	<b>1,033,552.40</b>	<b>36,447.60</b>	<b>-</b>
<b>STATE UNIFORM CONSTRUCTION CODE</b>						
Salaries and Wages						
Construction Code Official	27,000.00		17,800.00	17,144.17	655.83	
Sub-Code Officials						
Plumbing Inspector	20,000.00		22,000.00	21,893.04	106.96	
Fire Inspector	16,000.00		16,000.00	14,981.98	1,018.02	
Electrical Inspector	14,000.00		12,500.00	12,366.38	133.62	
Building Inspector			2,000.00	2,000.00	-	
Other Salaries	75,000.00		70,500.00	70,500.00	-	
Elevator Sub-Code Official					-	
Building Sub-Code Official	18,000.00		24,500.00	24,317.94	182.06	
Other Expenses	15,000.00		15,000.00	12,416.79	2,583.21	
Rental Expenses	35,000.00		35,000.00	34,834.80	165.20	
<b>TOTAL STATE UNIFORM CONST. CODE</b>	<b>220,000.00</b>	<b>-</b>	<b>215,300.00</b>	<b>210,455.10</b>	<b>4,844.90</b>	<b>-</b>

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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 Overexpenditure</i>
OPERATIONS WITHIN "CAPS" (Cont'd)						
<i>UNCLASSIFIED:</i>						
Utilities						
Street Lighting	\$ 300,000.00		\$ 350,000.00	\$ 321,790.22	\$ 28,209.78	\$ -
Gasoline	160,000.00		188,500.00	180,586.68	7,913.32	-
Fuel Oil	15,000.00		15,000.00	8,645.69	6,354.31	-
Electricity	165,000.00		178,300.00	167,257.26	11,042.74	-
Telephone and Telegraph	100,000.00		100,000.00	94,563.03	5,436.97	-
Water	22,000.00		22,800.00	22,404.73	395.27	-
Fire Hydrant Services	116,000.00		116,000.00	91,662.84	24,337.16	-
Purchase of Postage	30,000.00		30,000.00	25,167.22	4,832.78	-
Vehicle Maintenance						
Salaries and Wages	85,000.00		87,500.00	86,697.90	802.10	-
Other Expenses	145,000.00		145,000.00	139,941.60	5,058.40	-
	<u>1,138,000.00</u>	<u>-</u>	<u>1,233,100.00</u>	<u>1,138,717.17</u>	<u>94,382.83</u>	<u>-</u>
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b><u>13,246,626.00</u></b>	<b><u>-</u></b>	<b><u>13,194,626.00</u></b>	<b><u>12,527,312.66</u></b>	<b><u>667,313.34</u></b>	<b><u>-</u></b>
<i>Contingent</i>	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>2,555.20</u>	<u>2,444.80</u>	<u>-</u>
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b><u>13,251,626.00</u></b>	<b><u>-</u></b>	<b><u>13,199,626.00</u></b>	<b><u>12,529,867.86</u></b>	<b><u>669,758.14</u></b>	<b><u>-</u></b>
<i>Detail:</i>						
<i>Salaries and Wages</i>	8,027,175.00		8,034,175.00	7,982,432.45	51,742.55	(0.00)
<i>Other Expenses (Including Contingent)</i>	5,224,451.00		5,165,451.00	4,547,435.41	618,015.59	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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 Overexpenditure</i>
OPERATIONS WITHIN "CAPS" (Cont'd)						
<b>DEFERRED CHARGES:</b>						
Overexpenditure of Appropriations				\$ -	\$ -	\$ -
Emergency Authorization						
Overexpenditure of Appropriation Reserves	9,234.33		9,234.33	9,234.33	-	
Overexpenditure of Improvement Authorization						
Deficit in Sewer Utility Fund	293,505.35		293,505.35	293,505.35	-	
<b>STATUTORY EXPENDITURES:</b>						
Contributions to:						
Public Employees Retirement System	342,114.00		342,114.00	342,114.00	-	
Social Security System (O.A.S.I.)	365,000.00		332,000.00	328,832.54	3,167.46	
Police and Firemen Retirement System of N.J.	942,338.00		942,338.00	942,338.00	-	
Pension of Widow Charles Swift (R.S. 43:12-28.1)	2,400.00		2,400.00	2,399.80	0.20	
Early Retirement Incentive Program	99,978.00		99,978.00	99,978.00	-	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. - MUNICIPAL WITHIN "CAPS"</b>	<b>2,054,569.68</b>	<b>-</b>	<b>2,021,569.68</b>	<b>2,018,402.02</b>	<b>3,167.66</b>	<b>-</b>
<b>CASH DEFICIT OF PRECEDING YEAR</b>	<b>86,121.36</b>		<b>86,121.36</b>	<b>86,121.36</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>15,392,317.04</b>	<b>-</b>	<b>15,307,317.04</b>	<b>14,634,391.24</b>	<b>672,925.80</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Maintenance of Free Public Library Ch. 82, PL 1985	660,773.41		660,773.41	553,647.88	107,125.53	
Police and Firemen Retirement System					-	
Tax Appeals Reserve	100,000.00		100,000.00	100,000.00	-	
Tax Appeals - Prof'l Services	30,000.00		115,000.00	114,862.50	137.50	
Health Insurance	243,725.00		243,725.00	243,725.00	-	
Meadowlands Adjustment	16,800.00		16,800.00		16,800.00	
Public Employees Retirement System					-	
Joint Meeting - Borough Contribution	11,000.00		11,000.00	10,000.00	1,000.00	
Prior Years Bills	27,313.50		27,313.50	25,000.00	2,313.50	
	<b>1,089,611.91</b>	<b>-</b>	<b>1,174,611.91</b>	<b>1,047,235.38</b>	<b>127,376.53</b>	<b>-</b>

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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)							
<b>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>							
Clean Community Grant					\$ -	\$ -	\$ -
Recycling Tonnage Grant	29,339.55		29,339.55	29,339.55	-		
Homeland Security Grant					-		
Reserves - Grant							
Alcohol Education & Rehabilitation					-		
Speed Aggressive Grant					-		
Clean Community Grant					-		
Parking Offense Adjudication Act					-		
Drunk Driving Enforcement Fund	8,548.97		8,548.97	8,548.97	-		
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					-		
Grant Match					-		
Chapter 159:							
Police Over the Limit Grant	4,400.00		4,400.00	4,400.00	-		
NJ Body Armor Grant	3,908.30		3,908.30	3,908.30	-		
Homeland Buffer Zone Grant	92,474.53		92,474.53	92,474.53	-		
Recycling Tonnage Grant	55,131.31		55,131.31	55,131.31	-		
Clean Communities	13,599.03		13,599.03	13,599.03	-		
Alcohol Education and Rehab Grant	2,427.06		2,427.06	2,427.06	-		
NJ Body Armor Replacement Grant					-		
<b>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>	<u>284,828.75</u>	<u>-</u>	<u>284,828.75</u>	<u>284,828.75</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<u>1,374,440.66</u>	<u>-</u>	<u>1,459,440.66</u>	<u>1,332,064.13</u>	<u>127,376.53</u>	<u>-</u>	<u>-</u>
<b>Detail:</b>							
<b>Salaries and Wages</b>	81,827.06	-	81,827.06	81,827.06	-	-	-
<b>Other Expenses</b>	1,292,613.60	-	1,377,613.60	1,250,237.07	127,376.53	-	-
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>							
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					-		
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<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, 2011

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>
<b>MUNICIPAL DEBT-EXCLUDED FROM "CAPS"</b>							
Payment of Bond Principal	\$ 1,800,000.00		\$ 1,800,000.00	\$ 1,774,383.67		\$ 25,616.33	\$ -
Payment on Bond Anticipation Notes & Capital Notes					-		
Interest on Bonds	1,123,449.80		1,123,449.80	1,109,311.41		14,138.39	
Interest on Notes					-	-	
EDA Loan Program - Principal Program					-		
Green Trust Loan Program:					-		
Loan Repayments for Principal and Interest	41,292.94		41,292.94	41,292.94	-	-	
Environmental Infrastructure Loan -Principal	42,448.00		42,448.00	42,448.00	-	-	
-Interest					-	-	
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<u>3,007,190.74</u>	<u>-</u>	<u>3,007,190.74</u>	<u>2,967,436.02</u>	<u>-</u>	<u>39,754.72</u>	
<b>DEFERRED CHARGES -</b>							
<b>MUNICIPAL EXCLUDED FROM "CAPS"</b>							
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>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>	<u>4,493,631.40</u>	<u>-</u>	<u>4,578,631.40</u>	<u>4,411,500.15</u>	<u>127,376.53</u>	<u>39,754.72</u>	<u>-</u>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<u>19,885,948.44</u>	<u>-</u>	<u>19,885,948.44</u>	<u>19,045,891.39</u>	<u>800,302.33</u>	<u>39,754.72</u>	<u>-</u>
<i>Reserve for Uncollected Taxes</i>	<u>1,835,000.00</u>		<u>1,835,000.00</u>	<u>1,835,000.00</u>			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 21,720,948.44</u>	<u>\$ -</u>	<u>\$ 21,720,948.44</u>	<u>\$ 20,880,891.39</u>	<u>\$ 800,302.33</u>	<u>\$ 39,754.72</u>	<u>\$ -</u>
Reference	A-2			Below	A	A-1	
Reference							
Disbursements	A-4			\$ 19,174,964.53			
Budget Offsets	A-4			(465,553.12)			
Reserve for Uncollected Taxes	A-2			1,835,000.00			
Reserve for Tax Appeals	A-27			100,000.00			
Due From Sewer Utility For Debt Service	D-14			(39,754.72)			
Encumbrance Payable	A-22			81,907.08			
Due to Grant Fund	E-4			61,971.93			
Deferred Charges	A-12			132,355.69			
				<u>\$ 20,880,891.39</u>			

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
TRUST FUND

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

		At December 31,	
	Reference	2011	2010
ASSETS			
Other Trust Fund			
Cash	B-1	\$ 249,620.35	\$ 207,401.65
Due from Current Fund	A, B-7	56,699.66	194,123.55
		<u>306,320.01</u>	<u>401,525.20</u>
Developer's Escrow Fund			
Cash	B-1	368,332.10	368,623.14
		<u>368,332.10</u>	<u>368,623.14</u>
Dog License Fund			
Cash	B-1	14,791.84	15,071.48
Due from State of New Jersey	B-3	3.00	
		<u>14,794.84</u>	<u>15,071.48</u>
Unemployment Fund			
Cash	B-1	215,999.90	162,647.60
Due From Current Fund	A, B-9	3,160.78	213.08
Due From Sewer Utility Fund	D, B-11		3,100.00
		<u>219,160.68</u>	<u>165,960.68</u>
TOTAL ASSETS		<u>\$ 908,607.63</u>	<u>\$ 951,180.50</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Other Trust			
Special Reserves	B-8	\$ 306,320.01	\$ 401,525.20
		<u>306,320.01</u>	<u>401,525.20</u>
Developers Escrow			
Due to Current Fund	A,B-10	63.58	279.12
Reserve for Escrow Fees	B-5	368,268.52	368,344.02
		<u>368,332.10</u>	<u>368,623.14</u>
Dog License Fund			
Due to Current Fund	A,B-4	3,404.44	3,984.68
Reserve for Dog Fund Expenditures	B-6	11,390.40	11,086.80
		<u>14,794.84</u>	<u>15,071.48</u>
Unemployment Fund			
Fund Reserve	B-2	219,160.68	165,960.68
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 908,607.63</u>	<u>\$ 951,180.50</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

C

		At December 31,	
	Reference	2011	2010
<b>ASSETS</b>			
Cash - Treasurer	C-2,3	\$ 3,040,886.11	\$ 3,789,259.06
Grants Receivable	C-18	1,861,862.50	1,672,574.50
Deferred Charges - Overexpenditure of Impr. Authorization	C-9	7,091.08	
Deferred Charges to Future Taxation:			
Funded	C-5	44,640,390.76	46,389,250.98
Unfunded	C-6	5,651,217.35	2,394,101.85
Due from Bergen County Improvement Authority	C-15	13,813,060.75	14,894,241.00
<b>TOTAL ASSETS</b>		<u>\$ 69,014,508.55</u>	<u>\$ 69,139,427.39</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 27,201,232.66	\$ 28,975,616.33
Bond Anticipation Note Payable	C-16	1,500,000.00	
State Loan Payable	C-12	439,158.10	413,634.65
Bergen County Improvement Authority Bond Payable	C-21	17,000,000.00	17,000,000.00
Encumbrance Payable	C-7	40,632.89	28,997.00
Improvement Authorizations:			
Funded	C-9	15,663,890.06	17,379,448.10
Unfunded	C-9	2,859,715.59	1,032,686.98
Due to Current Fund	A,C-4	43,418.25	281,472.22
Reserve for Payment of Bonds and Notes	C-14	1,974,794.00	1,941,181.50
Reserve for Building & Grounds Improvements	C-11	2,051.22	2,051.22
Reserve for Roadway Improvements	C-20	187,500.00	187,500.00
Reserve for Grants- Receivable	C-18	1,861,862.50	1,672,574.50
Premium on BAN/ Bond Sale	C-10	4,740.00	
Accrued Interest on Bond Sale	C-22	12,228.35	12,228.35
Capital Improvement Fund	C-8	171,391.63	160,143.24
Fund Balance	C-1	51,893.30	51,893.30
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 69,014,508.55</u>	<u>\$ 69,139,427.39</u>

There were bonds and notes authorized but not issued on December 31, 2011  
in the amount of \$4,151,217.35 (Exhibit C-17).

**STATEMENT OF FUND BALANCE**

C-1

	Reference	
Balance December 31, 2010	C	\$ 51,893.30
Balance December 31, 2011	C	<u>\$ 51,893.30</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**D**

		At December 31:	
	Reference	2011	2010
<b>ASSETS</b>			
Operating Fund:			
Cash	D-4	\$ 940,421.27	\$ 932,107.47
Escrow Trust Cash	D-4, D-15	10,131.54	131.54
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	251,320.16	375,830.89
Due from Utility Capital Fund	D-7	-	-
Deferred Charges:			
Overexpenditure of Appropriations	D-3		252,578.32
Overexpenditure of Appropriation Reserves	D-3, 13	3,167.38	2,008.26
Deficit in Operation	D-1	39,101.55	
Total Operating Fund		<u>1,244,141.90</u>	<u>1,562,656.48</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	534,181.69	559,476.52
Total Capital Fund		<u>5,149,924.53</u>	<u>5,175,219.36</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 6,394,066.43</b></u>	<u><b>\$ 6,737,875.84</b></u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, 13	\$ 138,850.45	\$ -
Accrued Interest	D-18	2,270.42	2,355.81
Prepaid Sewer Charges	D-19	6,921.07	4,618.08
Due to Unemployment Fund	B		3,100.00
Due to Utility Capital Fund	D-7	534,181.69	559,476.52
Due to Current Fund	A, D-14	35,886.98	37,268.83
Sewer Lien	D-9		
Sewer Charge Overpayment	D-6	12,973.70	15,668.92
		<u>731,084.31</u>	<u>622,488.16</u>
Reserve for Escrow Deposit	D-15	10,131.54	131.54
Reserve for Receivables	Contra	251,320.16	375,830.89
Fund Balance	D-1	251,605.89	564,205.89
Total Operating Fund		<u>1,244,141.90</u>	<u>1,562,656.48</u>
Capital Fund:			
Serial Bond Payable	D-20	423,767.34	449,383.67
NJ Infrastructure Loan Payable	D-17	413,683.90	513,268.81
Improvement Authorizations			
Funded	D-10	214,598.13	189,598.13
Unfunded	D-10		25,000.00
Due to Current Fund	A		7,508.47
Capital Improvement Fund	D-11	372,790.56	390,576.92
Reserve for Deferred Amortization	D-12	438,609.00	313,407.76
Amortization Reserve	D-12	3,286,475.60	3,286,475.60
Total Capital Fund		<u>5,149,924.53</u>	<u>5,175,219.36</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u><b>\$ 6,394,066.43</b></u>	<u><b>\$ 6,737,875.84</b></u>

There were bonds and notes authorized but not issued  
on December 31, 2011 in the amount of \$53,207.00 (Schedule D-16)

See Accompanying Notes to Financial Statements



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND

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

D-1

At December 31:			
	Reference	2011	2010
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2	\$ 312,600.00	\$ -
User Charges and Fees	D-2	1,526,408.86	1,244,067.08
Delinquent User Charges	D-2,4	257,679.39	390,267.91
Sewer Lien	D-2	3,329.04	
Xanadu/American Dream Agreement	D-2	-	353,000.00
Meadowlands Stadium Agreement	D-2	250,000.00	
Miscellaneous Revenues	D-2	49,163.98	43,412.58
Connection Fee			500,000.00
Deficit	D-2	293,505.35	
	D-2	<u>2,692,686.62</u>	<u>2,530,747.57</u>
Other Credits to Income:			
Appropriations Lapsed	D-3	317.18	31,197.37
Prior Year Appropriation Reserve lapsed			27,971.37
		<u>2,693,003.80</u>	<u>2,589,916.31</u>
Less: Budget Appropriations	D-3	2,732,105.35	2,463,255.05
		<u>2,732,105.35</u>	<u>2,463,255.05</u>
Excess/(Deficit) in Revenues		(39,101.55)	126,661.26
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit in Operations	D	39,101.55	
Fund Balance - Operating - January 1	D	<u>564,205.89</u>	<u>437,544.63</u>
Less: Fund Balance Utilized	D-2	<u>312,600.00</u>	<u>-</u>
Fund Balance - Operating - December 31	D	<u>\$ 251,605.89</u>	<u>\$ 564,205.89</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1	\$ 312,600.00	\$ 312,600.00	\$ -
User Charges and Fees	D-1,5	1,240,000.00	1,526,408.86	286,408.86
Delinquent User Charges	D-1,4	340,000.00	257,679.39	(82,320.61)
Sewer Lien	D-1,9		3,329.04	3,329.04
Xanadu/American Dream Agreement	D-1	353,000.00		(353,000.00)
Meadowlands Stadium Agreement	D-1,4	150,000.00	250,000.00	100,000.00
Miscellaneous Revenues	D-1,4, 14	43,000.00	49,163.98	6,163.98
Deficit	D-1,4	293,505.35	293,505.35	-
		<u>\$ 2,732,105.35</u>	<u>\$ 2,692,686.62</u>	<u>\$ (39,418.73)</u>
		D-3	D-1	

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

	Appropriations		Expended		Lapsed	(Overexpenditure)
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating						
Salaries and Wages	\$ 265,000.00	\$ 265,000.00	\$ 174,131.78	\$ 90,868.22	\$ -	\$ -
Other Expenses	2,000,000.00	2,000,000.00	1,952,554.52	47,445.48	-	-
Health Benefits	41,823.00	41,823.00	41,823.00	-	-	-
Total Operating Expenditures	<u>2,306,823.00</u>	<u>2,306,823.00</u>	<u>2,168,509.30</u>	<u>138,313.70</u>	<u>-</u>	<u>-</u>
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Deferred Charges:						
Appropriation Overexpenditure	252,578.32	252,578.32	252,578.32			
Appropriation Reserve Overexpenditure	2,008.26	2,008.26	2,008.26			
Statutory Expenditures:						
Contributions to:						
Social Security System	14,000.00	14,000.00	13,463.25	536.75	-	-
Unemployment Compensation Insurance	3,200.00	3,200.00	3,200.00	-	-	-
Total Deferred Charges & Statutory Expenditures	<u>271,786.58</u>	<u>271,786.58</u>	<u>271,249.83</u>	<u>536.75</u>	<u>-</u>	<u>-</u>
Debt Service						
Bond Principal	25,616.33	25,616.33	25,616.33			
Bond Interest	14,059.53	14,059.53	14,053.00		6.53	
NJ Infrastructure Loan:						
Principal	99,584.91	99,584.91	99,584.91		-	
Interest Expense	14,235.00	14,235.00	13,924.35	-	310.65	
	<u>153,495.77</u>	<u>153,495.77</u>	<u>153,178.59</u>	<u>-</u>	<u>317.18</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 2,732,105.35</u>	<u>\$ 2,732,105.35</u>	<u>\$ 2,592,937.72</u>	<u>\$ 138,850.45</u>	<u>\$ 317.18</u>	<u>\$ -</u>
Reference	D-1,2	D-1,2	Below	D	D-1	D

Disbursed	D-4	\$ 2,316,468.17
Accrued Interest	D-18	(85.39)
Due to Current Fund	D-14	39,754.72
Deferred Charge - Overexpenditures of Appropriation	D	252,578.32
Deferred Charge - Overexpenditures of Appropriation Reserves	D	2,008.26
Due to Sewer Capital Fund	D-11	(17,786.36)
Above		<u>\$ 2,592,937.72</u>

BOROUGH OF EAST RUTHERFORD  
GRANT FUND

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**E**

		At December 31,	
	Reference	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
Cash	E-1	\$ 112,280.77	\$ 108,095.30
Grants Receivable	E-3	118,338.37	489,075.64
Due from Current Fund	A, E-2	329,407.70	121,861.73
		<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>		<u><u>\$ 560,026.84</u></u>	<u><u>\$ 719,032.67</u></u>
 <b>LIABILITIES AND RESERVES</b>			
Appropriated Reserve	E-4	543,763.84	707,386.70
Unappropriated Reserve	E-5	16,263.00	11,645.97
		<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$ 560,026.84</u></u>	<u><u>\$ 719,032.67</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
GENERAL FIXED ASSETS FUND  
AT DECEMBER 31, 2011

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

F

	<u>2011</u>	<u>2010</u>
<b>GENERAL FIXED ASSETS</b>		
Land (as per assessed valuation) *	\$ 33,867,600.00	\$ 33,867,600.00
Buildings (as per assessed valuation) *	12,758,400.00	12,758,400.00
Machinery and Equipment *	<u>12,246,342.94</u>	<u>12,246,342.94</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 58,872,342.94</u>	<u>\$ 58,872,342.94</u>
 <b>LIABILITIES AND RESERVES</b>		
Investments in General Fixed Assets	<u>\$ 58,872,342.94</u>	<u>\$ 58,872,342.94</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<u>\$ 58,872,342.94</u>	<u>\$ 58,872,342.94</u>

\* Machinery and equipment: subsidiary ledger of detailed records of fixed assets and property management standards to control fixed assets were not available for inspection as required by (N.J.A.C. 5:30-5.6) accounting for governmental fixed assets.

See Notes to Financial Statements, basis of accounting, general fixed assets.

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

**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, 2011 AND 2010  
(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, 2011 AND 2010  
(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, 2011 AND 2010  
(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, 2011 AND 2010  
(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, 2011 AND 2010  
(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 accounting for governmental fixed assets** continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensures that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

*C. Basis of Accounting (Continued)*

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

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

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

*D. Basic Financial Statements*

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(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, 2011, \$0 of the Borough's bank balance of \$7,884,072.09 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, 2011 and 2010, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**4. Municipal Debt**

Summary of Long-Term Debt

Long-term debt as of December 31, 2011 consisted of bonds, loans, compensated absences and capital leases.

	Balance Dec. 31, 2010	Additions	Reductions	Balance Dec. 31, 2011	Due in One Year
Bonds Payable - General	\$ 28,975,616.33	\$ -	\$1,774,383.67	\$ 27,201,232.66	\$ 1,870,724.19
Bonds Payable - Sewer Utility	449,383.67		25,616.33	423,767.34	29,275.81
Loan Payable - General	413,634.65	100,000.00	74,476.55	439,158.10	28,677.05
Loan Payable - Sewer Utility	513,268.81		99,584.91	413,683.90	97,614.13
Compensated Absences	1,418,397.15		355,149.36	1,063,247.79	
Capital Leases Payable	129,085.99	13,878.97	103,209.98	39,754.98	39,754.98
	<u>\$ 31,899,386.60</u>	<u>\$ 113,878.97</u>	<u>\$2,432,420.80</u>	<u>\$ 29,580,844.77</u>	<u>\$ 2,066,046.16</u>

As of December 31, 2011, 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. The following is a schedule of principal payments:

2012	\$ 310,000.00
2013	315,000.00
2014	330,000.00
2015	345,000.00
2016	360,000.00
2017-2039	15,340,000.00
	<u>\$ 17,000,000.00</u>

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**4. Municipal Debt (Continued):**

The Borough's long-term debt consisted of the following at December 31, 2011:

**General Obligation Bonds**

**\$20,145,000** - 2005 Bonds, due in annual installments of \$1,100,000-1/15/12-18;  
\$1,200,000-1/15/19-24; \$1,145,000-1/15/2025, interest rate variable from 4.00%  
to 5.00% \$ 16,045,000.00

**\$12,505,000** - 2009 Bonds, due in annual installments of \$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%  
Subtotal 11,156,232.66  
\$ 27,201,232.66

**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% \$ 17,000,000.00

**State Loan Payable**

**\$128,500**-due in semi-annual instalments, at an interest rate of 2.00% \$ 3,955.71  
**\$100,000**-due in annual instalments, at a 2.00% interest rate 95,760.59  
**\$435,553**-due in semi-annual instalments, at an interest rate of 2.00% 339,441.80  
Subtotal 439,158.10

**Sewer Utility Capital:  
Bond Payable**

**\$475,000** - 2009 Bonds, due in annual installments of \$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% 423,767.34  
Subtotal 423,767.34

**NJ Infrastructure Loan Payable**

**\$445,000**-due in semi-annual instalments, at an interest rate of 4.00% 220,000.00  
**\$451,793**-due in semi- annual instalments, at a 0.00% interest rate 193,683.90  
Subtotal 413,683.90

Total \$ 45,477,842.00

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(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 2011	Year 2010	Year 2009
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,140,390.76	\$ 46,389,250.98	\$ 30,983,324.24
Sewer Utility:			
Bonds, Notes and Loans	<u>837,451.24</u>	<u>962,652.48</u>	<u>1,080,685.86</u>
Debt Issued	<u>46,977,842.00</u>	<u>47,351,903.46</u>	<u>32,064,010.10</u>
Authorized but not Issued:			
General:			
Bonds and Notes	4,151,217.35	2,394,101.85	898,101.85
Sewer Utility:			
Bonds and Notes	<u>53,207.00</u>	<u>53,207.00</u>	<u>53,207.00</u>
	<u>4,204,424.35</u>	<u>2,447,308.85</u>	<u>951,308.85</u>
Less Deductions	<u>1,500,000.00</u>	<u>1,015,859.48</u>	<u>1,133,892.86</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 49,682,266.35</u>	<u>\$ 48,783,352.83</u>	<u>\$ 31,881,426.09</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 2.537%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 4,580,000.00	\$ 4,580,000.00	\$ -
General Debt	50,291,608.11	1,500,000.00	48,791,608.11
Sewer Utility Debt	<u>890,658.24</u>		<u>890,658.24</u>
	<u>\$ 55,762,266.35</u>	<u>\$ 6,080,000.00</u>	<u>\$ 49,682,266.35</u>



BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**4. Municipal Debt (Continued):**

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

Net Debt of \$ 49,682,266.35 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$1,958,071,640 = 2.537%.

<u>Calculation of "Self-Liquidating Purpose", Sewer Utility</u>	
Cash Receipts from Fees, Rents or Other Charges	\$ 2,693,003.80
Deductions:	
Operating and Maintenance Cost	\$ 2,306,823.00
Deferred Charges & Statutory Expenditures	271,786.58
Debt Service	153,495.77
	<u>2,732,105.35</u>
Excess/(Deficit) in Revenue	<u>\$ (39,101.55)</u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 68,532,507.40
Net Debt	<u>49,682,266.35</u>
Remaining Borrowing Power	<u>\$ 18,850,241.05</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 01/20/2006 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 01/20/2006 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 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.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**5. Capital Leases Payable (Continued):**

The total payments for the leases amounted to \$103,209.98 and \$120,667.87 in 2011 and 2010, 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:

2012	\$ 39,754.98
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**6. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

	Balance Dec. 31, 2011	2012 Budget Appropriations*	Subsequent Budgets
<u>Current Fund</u>			
Overexpenditure of Appropriation Reserves	\$9,958.41	\$9,958.41	
Deficit in Operations	451,593.48	427,025.48	24,568.00
Special Emergency - Revaluation	74,000.00	37,000.00	37,000.00
	<hr/>	<hr/>	<hr/>
Total	\$535,551.89	\$473,983.89	\$61,568.00
	<hr/>	<hr/>	<hr/>
<u>Capital Fund</u>			
Overexpenditure of Improvement Authorization	\$7,091.08	\$7,091.08	
	<hr/>	<hr/>	<hr/>
<u>Sewer Utility Fund</u>			
Deficit in Operations	\$39,101.55	\$42,969.29	
Overexpenditure of Appropriation Reserves	3,167.38	3,167.38	
	<hr/>	<hr/>	<hr/>
Total	\$42,268.93	\$46,136.67	\$0.00
	<hr/>	<hr/>	<hr/>

\* As of introduced budget dated 6/26/2012. The 2012 budget has not been adopted as of 9/28/2012.

**7. Local District School Taxes**

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

	Local School District Tax Balance December 31,		Regional High School Tax Balance December 31,	
	2011	2010	2011	2010
Balance of Tax	\$6,638,825.46	\$6,512,289.46	\$2,806,317.72	\$2,647,182.00
Deferred	6,638,825.46	6,512,289.46	2,806,317.72	2,647,182.00
	<hr/>	<hr/>	<hr/>	<hr/>
Taxes Payable/(Prepaid)	\$0.00	\$0.00	\$0.00	\$0.00
	<hr/>	<hr/>	<hr/>	<hr/>

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**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 30, 2011 and for 2010 taxes.

**9. Taxes Collected in Advance**

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

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Prepaid Taxes	\$98,817.74	\$127,910.17

**10. Interfund Receivables and Payables**

Interfund Receivables and Payables at December 31, 2011 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$82,773.25	\$389,268.14
Trust Funds	59,860.44	3,468.02
Capital Fund		43,418.25
Sewer Utility Fund	534,181.69	570,068.67
Grant Fund	329,407.70	
Total Interfund Receivables and Payable	<u>\$1,006,223.08</u>	<u>\$1,006,223.08</u>

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(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, 2011, 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, 2011 AND 2010  
(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. Under the provisions of Chapter 78, P.L. 2011, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2011. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2011. 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:

<u>Year Ended December 31,</u>	<u>PERS Amount</u>	<u>PFRS Amount</u>
2011	\$ 342,114.00	\$ 1,042,316.00
2010	289,145.21	956,208.68
2009	254,537.00	779,637.00

**13. Defined Contribution Retirement Program**

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

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contribution for eligible members' life insurance and disability coverage under DCRP. The Borough has not made any contributions to DCRP for 2011 and 2010.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**14. 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.

**15. 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](http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf)

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
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(Continued)

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

**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, 2011 and 2010 were \$245,114.90 and \$222,494.78, respectively, which equaled the required contribution for each year. There were approximately 14 retired participants eligible at December 31, 2011 and 15 retirees eligible at December 31, 2010.

**16. Compensated Absences**

The Borough's policy to compensate police officers for unused sick time amounted to \$103,478.01 in 2011 and was paid in 2012.

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 \$ 1,063,247.79.

**17. Risk Management**

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

**18. Insurance**

The Borough 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.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)

**19. Subsequent Events**

The Borough of East Rutherford has not adopted its 2012 budget as of September 28, 2012.

**Debt Authorized**

On February 21, 2012 the Borough adopted a Tax Appeal Refunding Ordinance authorizing the issuance of \$1,522,000 in Bonds or Bond Anticipation Notes to fund tax appeals. The Bond Anticipation Note has been issued on May 22, 2012.

**Bond Anticipation Notes**

On March 22, 2012 the Borough issued Bond Anticipation Notes in the amount of \$1,200,000 for a tax appeal refunding note. The Borough awarded the sale of said notes at an interest rate of 1.25%. These notes dated March 22, 2012 will mature on March 22, 2013.

On March 22, 2012 the Borough issued Bond Anticipation Notes in the amount of \$2,040,665 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes at an interest rate of 1.25%. These notes dated March 22, 2012 will mature on March 22, 2013.

On May 22, 2012 the Borough issued Bond Anticipation Notes in the amount of \$1,512,000 for a tax appeal refunding note. The Borough awarded the sale of said notes at an interest rate of 1.50%. These notes dated May 22, 2012 will mature on May 22, 2013.



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH

A-4

	Reference	Current Fund	Tax Collector
Balance December 31, 2010	A	<u>\$ 1,089,685.65</u>	<u>\$ 141,448.23</u>
Increased by:			
Miscellaneous Revenue	A-2	10,367,982.85	134,813.47
Non-Budget Revenues	A-2	126,253.84	
Taxes Receivable	A-7		30,815,045.62
Tax Title Lien	A-10		154,623.22
Senior Citizens and Veterans	A-8	70,334.93	
Collector	Contra	31,623,076.39	
Tax Overpayments	A-15		80,008.27
Tax Title Liens - Outside Lien holder	A-20		497,062.51
Police Off Duty Receivable/ Reserve	A-23	847,608.19	
Prepaid Taxes	A-16		98,817.74
Due from Grant Fund- Grant Receivable	E-2	567,656.05	
Due from Grant Fund- Unappropriated Grants Received	E-2	9,000.00	
Due from Capital Fund	C-4	100,000.00	
Due from Sewer Utility Fund	D-14	37,268.83	3,867.74
Due from Sewer Capital Fund	D-7	7,508.47	
Due from Library Rent	A-25	100,000.00	
Due from Becton School - Rent	A-24	75,000.00	
Due from Payroll Account	A-14	411.91	
DEA Confiscated Funds	A-28	190,339.77	
Miscellaneous Reserves	A-6	19,598.21	
Budget Offsets	A-3	465,553.12	
Transfer from Other Trust Fund	B-7	20,800.00	
Transfer from Unemployment Trust Fund	B-9	3,200.00	
Transfer from Developer's Escrow Fund	B-10	279.12	
Transfer from Dog License Fund	B-4	3,984.68	
		<u>44,635,856.36</u>	<u>31,784,238.57</u>
		<u>45,725,542.01</u>	<u>31,925,686.80</u>
Decreased by:			
2011 Budget Appropriations	A-3	19,174,964.53	
2010 Appropriation Reserves	A-13	449,411.61	
Appropriation Difference/ Service Charges	A-1	550.00	
Tax Overpayments	A-15	7,088.12	
Local District School Tax	A-18	13,151,115.52	
Regional School Tax	A-19	5,453,499.67	
County Taxes	A-17	4,571,473.66	
Outside Liens	A-20	680,878.89	
General Capital Fund	C-4	43,759.76	
Due to Grant Fund	E-4	161,233.79	
Transfer to Other Trust Fund	B-7	30,088.00	
Transfer to Unemployment Trust Fund	B-9	213.08	
Transfer to Current Fund	Contra		31,623,076.39
DEA Confiscated Funds	A-28	12,239.99	
Miscellaneous Reserves	A-6	16,027.71	
Reserve for State Library Aid	A-26	10,560.00	
Police Off Duty Receivable/ Reserve	A-23	814,291.79	
		<u>44,577,396.12</u>	<u>31,623,076.39</u>
Balance December 31, 2011	A	<u>\$ 1,148,145.89</u>	<u>\$ 302,610.41</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CHANGE AND PETTY CASH FUND

A-5

	Balance Dec. 31, 2010	Balance Dec. 31, 2011
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 MISCELLANEOUS RESERVES

A-6

	Balance December 31, 2010	Cash Receipts	Cash Disbursements	Balance December 31, 2011
Donations for First Aid Squad	\$ 5,000.00		\$ 2,594.88	\$ 2,405.12
Donations for St. Joe's Park	445.00	305.00		750.00
Meadowlands Hospital's Donation for Police Equip.		4,700.00	4,517.00	183.00
Fire Department Training		14,593.21	8,915.83	5,677.38
	<u>5,445.00</u>	<u>19,598.21</u>	<u>16,027.71</u>	<u>9,015.50</u>
	A	A-4	A-4	A

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2010	2011 Levy	Collections 2010	2011	Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	Added/ Tax Appeals	(Canceled)	Balance Dec. 31, 2011
2009/2010	\$ 3,233,744.29	\$ -	\$ -	\$ 585,761.56	\$ 2,915.07	\$ 57,281.18		\$ (64,640.80)	\$ 2,528,975.82
2011		32,631,987.57	127,910.17	30,302,534.06		34,198.63		(80,813.02)	2,086,531.69
	<u>\$ 3,233,744.29</u>	<u>\$ 32,631,987.57</u>	<u>\$ 127,910.17</u>	<u>\$ 30,888,295.62</u>	<u>\$ 2,915.07</u>	<u>\$ 91,479.81</u>	<u>\$ -</u>	<u>\$ (145,453.82)</u>	<u>\$ 4,615,507.51</u>
Reference	A	Below	A-16	Below	A-1,8	A-10			A
Reference									
Cash Receipts			A-4	\$ 30,815,045.62					
State of NJ - Realized									
Seniors and Veterans Deductions			A-8	<u>73,250.00</u>					
Analysis of 2011 Property Tax Levy			Above	<u>\$ 30,888,295.62</u>	\$ -				
Tax Yield:									
General Purpose Tax		\$ 32,553,635.62							
Senior Citizen's & Veteran's Deduction		73,250.00							
Added Taxes (54:4-63.1 et. seq.)		<u>5,101.95</u>							
		<u>\$ 32,631,987.57</u>	Above						
Tax Levy:									
Local & Regional District School									
Tax (Abstract)		\$ 18,890,286.39	A-18,19						
County Taxes		4,423,021.91	A-17						
Due County for Added Taxes		696.85	A-17						
Local Tax for Municipal Purposes		8,951,439.08	A-2						
Add: Additional Taxes Levied		<u>366,543.34</u>							
Total Tax Levy		<u>\$ 32,631,987.57</u>	Above						

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

A-8

	Reference		
Balance December 31, 2010	A	\$	3,178.60
Increased by:			
Cash Receipts - State of New Jersey	A-4	\$	70,334.93
Senior Citizens Deductions Disallowed by Tax Collector 2010 Taxes	A-1,7	2,915.07	73,250.00
			<u>76,428.60</u>
Decreased by:			
Senior Citizens Deductions Per Tax Billing		\$	22,250.00
Veterans Deductions Per Tax Billing			50,750.00
Senior Citizens/Veteran Deductions Allowed by Tax Collector		250.00	73,250.00
			<u>73,250.00</u>
 Balance December 31, 2011	 A	 \$	 <u><u>3,178.60</u></u>
 <i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$	22,250.00
Veterans			50,750.00
Senior Citizens/Veteran Deductions Allowed by Tax Collector		250.00	73,250.00
Amount Realized	A-7	<u>\$</u>	<u><u>73,250.00</u></u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

A-9

	Reference	
Balance December 31, 2010	A	<u>\$ 636,900.00</u>
Balance December 31, 2011	A, Below	<u>\$ 636,900.00</u>
<i>Analysis of Balance</i>		Assessed
Block	Lot	Valuation
70	10	\$ 38,000.00
107.03	1	134,400.00
108.01	3	250,000.00
108.04	3	62,000.00
109.02	3	152,500.00
		<u>636,900.00</u>
	Above	<u>\$ 636,900.00</u>

**SCHEDULE OF TAX TITLE LIENS**

A-10

	Reference	
Balance December 31, 2010	A	\$ 138,238.58
Increased by:		
Interest and Costs on 2011 Tax Sale		\$ 28,786.70
Transferred to Lien	A-7	<u>91,479.81</u>
		<u>120,266.51</u>
		258,505.09
Decreased by:		
Lien Adjustment	A-1	5,190.19
Payments	A-4	<u>154,623.22</u>
		<u>159,813.41</u>
Balance December 31, 2011	A,Below	<u>\$ 98,691.68</u>
<i>Analysis of Balance</i>		
Block	Lot	
6.01	8	COA08
8	3	\$ 35.00
19	15	10,819.85
23.02	10	325.50
46	31	1,338.99
66	20	1,032.60
70	26	(483.87)
102C	3	263.57
102	6	2,275.96
105.01	11	28,123.91
105.02	7	27,900.11
		27,060.06
		<u>98,691.68</u>
	Above	<u>\$ 98,691.68</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

A-11

	Balance Dec. 31, 2010	Accrued in 2011	Collected	Balance Dec. 31, 2011
Municipal Court	\$ 55,203.13	\$ 551,755.83	\$ 554,806.27	\$ 52,152.69
Construction Code				
Official Fees	40,000.00	295,000.00	310,000.00	25,000.00
Vital Statistics	408.05	3,104.95	3,366.00	147.00
Borough Clerk	4,208.53	39,386.05	39,942.23	3,652.35
Board of Health	12,695.00	44,749.00	36,548.00	20,896.00
	<u>\$ 112,514.71</u>	<u>\$ 933,995.83</u>	<u>\$ 944,662.50</u>	<u>\$ 101,848.04</u>
Reference	A			A

**SCHEDULE OF DEFERRED CHARGES**

A-12

	Balance Dec. 31, 2010	Amount in 2011 Budget	Increased by Current Year Deferred Charges	Balance Dec. 31, 2011
Overexpenditure of Appropriation Reserve	\$ 9,234.33	\$ 9,234.33	\$ 9,958.41	\$ 9,958.41
Special Emergency - Revaluation	111,000.00	37,000.00		74,000.00
Deficit in Operations	104,180.36	86,121.36	433,534.48	451,593.48
	<u>\$ 224,414.69</u>	<u>\$ 132,355.69</u>	<u>\$ 443,492.89</u>	<u>\$ 535,551.89</u>
Reference	A	A-3		A

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF 2010 APPROPRIATION RESERVES

A-13

	Balance December 31, 2010	Encumbrances December 31, 2010	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
<b>GENERAL GOVERNMENT</b>							
Administrative & Executive							
Municipal Clerk							
Salaries and Wages	\$ 245.78			\$ 245.78	\$ -	\$ 245.78	\$ -
Other Expenses	2,439.31	419.66		2,858.97	1,444.59	1,414.38	-
Contracted Services				-		-	-
Mayor and Council							
Salaries and Wages	0.10			0.10		0.10	-
Other Expenses	1,939.50		(500.00)	1,439.50	927.44	512.06	-
Elections							
Other Expenses	209.18			209.18		209.18	-
Financial Administration							
Salaries and Wages	82.33			82.33		82.33	-
Other Expenses							-
Annual Audit	15,000.00			15,000.00	12,500.00	2,500.00	-
Miscellaneous - Other Expenditures	16,255.54			16,255.54	13,252.00	3,003.54	-
Single Audit Act	18,000.00			18,000.00	15,398.75	2,601.25	-
Purchasing							
Salaries and Wages	22.15			22.15		22.15	-
Assessment of Taxes							
Salaries and Wages	401.93			401.93		401.93	-
Other Expenses	732.84			732.84		732.84	-
Ordinance Enforcement							
Salaries and Wages	83.25			83.25		83.25	-
Redevelopment Agency (R.S. 40:550-1)							
Salaries and Wages	0.08			0.08		0.08	-
Other Expenses (R.S. 40:550-1)	1,062.94			1,062.94		1,062.94	-
Collection of Taxes							
Salaries and Wages	74.60			74.60		74.60	-
Other Expenses	17.75	254.99		272.74	254.99	17.75	-
Legal Services and Costs							
Salaries and Wages	0.34			0.34		0.34	-
Other Expenses	5,049.73		17,100.00	22,149.73	22,032.67	117.06	-
Ordinance Recodification	-			-		-	-
Tax Appeals - Professional Fees	3,375.00			3,375.00		3,375.00	-
Engineering Services and Costs							
Salaries and Wages	0.03			0.03		0.03	-
Other Expenses	7,749.84		(5,100.00)	2,649.84	1,640.00	1,009.84	-
Public Buildings and Grounds							
Other Expenses	16.29	1,655.17	8,100.00	9,771.46	7,473.08	2,298.38	-
Contracted Service	33.04			33.04	2,330.00	-	(2,296.96)
Municipal Land Use Law (NJSA 40:55D-1)							
Planning Board - Other Expenses	468.96			468.96		468.96	-
Zoning Board of Adjustment							
Salaries and Wages	5.32			5.32		5.32	-
Other Expenses	518.60			518.60	165.00	353.60	-
Redevelopment / Grant Services							
Contractual Services							-
Municipal Court							
Salaries and Wages	652.75			652.75		652.75	-
Other Expenses	3,997.17	300.00		4,297.17	706.17	3,591.00	-
Public Defender							
Salaries and Wages	255.97			255.97		255.97	-
Insurance							
Liability	54,445.19	195.00	12,550.00	67,190.19	67,143.77	46.42	-
Workman's Compensation	85,430.85			85,430.85	85,430.85	-	-
Employee Group Insurance	89,802.45		(32,900.00)	56,902.45	56,029.18	873.27	-
Self-Insurance Eye Care	1,819.19	600.00		2,419.19	1,821.41	597.78	-
Rent Control Board							
Salaries and Wages	800.00			800.00		800.00	-
Other Expenses	972.50			972.50		972.50	-
<b>PUBLIC SAFETY</b>							
Fire							
Other Expenses							
Gear Maintenance	1,012.64	5,634.05		6,646.69	2,397.74	4,248.95	-
Other Expenses - Lease/Purchase Equip.							-
Clothing Allowance							-
Leased Vehicles							-

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF 2010 APPROPRIATION RESERVES**

A-13

	Balance December 31, 2010	Encumbrances December 31, 2010	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
<b>GENERAL GOVERNMENT (Continued)</b>							
Fire Alarm System							
Other Expenses	5.00	105.00		110.00	105.00	5.00	-
Fire Prevention and Life Safety							
Salaries & Wages							
Fire Official	51.58			51.58		51.58	-
Other Salaries	627.93			627.93		627.93	-
Other Expenses	261.11	78.18		339.29	78.18	261.11	-
Police							
Salaries and Wages	6,282.07			6,282.07		6,282.07	-
Clothing Allowance							
Overtime	4,160.68			4,160.68		4,160.68	-
Sick Pay							
Other Expenses	5,448.16	5,684.81		11,132.97	12,773.32	-	(1,640.35)
911 Service	7,000.00			7,000.00		7,000.00	-
Police Cars	458.34			458.34		458.34	-
Special Police							
Salaries and Wages	349.42			349.42		349.42	-
Other Expenses	3,000.00			3,000.00		3,000.00	-
Traffic Lights							
Other Expenses	931.24			931.24		931.24	-
Traffic Control							
Salaries and Wages	3,373.30			3,373.30		3,373.30	-
Other Expenses	2,000.00			2,000.00		2,000.00	-
First Aid Organization							
Other Expenses	2,282.70	502.32		2,785.02	502.32	2,282.70	-
Emergency Management Services							
Salaries and Wages	22.54			22.54		22.54	-
Other Expenses	918.09		800.00	1,718.09	1,675.82	42.27	-
First Responder							
Salaries and Wages	109.63			109.63		109.63	-
Towing Director							
Salaries and Wages	53.60			53.60		53.60	-
<b>STREETS AND ROADS</b>							
Road Repair and Maintenance							
Salaries and Wages	24,735.49		(24,500.00)	235.49		235.49	-
Other Expenses	1,486.40	781.41		2,267.81	8,288.91	-	(6,021.10)
Recycling Costs	2,500.00		(2,500.00)	-		-	-
Lease Vehicles							
<b>HEALTH AND WELFARE</b>							
Board of Health							
Salaries and Wages	883.77			883.77		883.77	-
Other Expenses	1,020.56			1,020.56	895.00	125.56	-
Hepatitis "B" Shot	-			-		-	-
<b>SANITATION</b>							
Garbage and Trash Removal							
Salaries and Wages	3,305.01		(3,300.00)	5.01		5.01	-
Other Expenses	944.90	155.87		1,100.77	425.87	674.90	-
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	48,911.06		16,900.00	65,811.06	65,747.06	64.00	-
<b>RECREATION AND EDUCATION</b>							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	499.36			499.36		499.36	-
Other Expenses	1,896.32	713.53		2,609.85	925.00	1,684.85	-
Senior Citizens							
Salaries and Wages	113.49			113.49		113.49	-
Other Expenses	155.00			155.00		155.00	-
Celebration of Public Events, Anniversary or Holiday							
Other Expenses	3,085.75			3,085.75	147.50	2,938.25	-
<b>GENERAL GOVERNMENT (Continued)</b>							
<b>STATE UNIFORM CONSTRUCTION CODE</b>							
Sub-Code Official - Salaries and Wages							
Construction Code Official	388.68			388.68		388.68	-
Plumbing Inspector	173.85			173.85		173.85	-



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF 2010 APPROPRIATION RESERVES**

A-13

	Balance December 31, 2010	Encumbrances December 31, 2010	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
Fire Inspector	143.47			143.47		143.47	-
Electrical Inspector	80.19			80.19		80.19	-
Other Salaries	1,553.86			1,553.86		1,553.86	-
Elevator Sub-Code Official	-			-		-	-
Building Sub-Code Official	40.12			40.12		40.12	-
Other Expenses	2,975.03			2,975.03	66.49	2,908.54	-
Rental Expense	379.70			379.70		379.70	-
<b>UNCLASSIFIED</b>							
Utilities							-
Street Lighting	352.30		6,000.00	6,352.30	6,090.30	262.00	-
Gasoline	4,911.73		4,750.00	9,661.73	9,611.54	50.19	-
Fuel Oil	5,843.30	2,374.06	(5,500.00)	2,717.36	2,374.06	343.30	-
Electricity	475.82	6,776.70	11,500.00	18,752.52	11,811.16	6,941.36	-
Telephone and Telegraph	3,988.05	573.55		4,561.60	3,592.10	969.50	-
Water	530.88			530.88		530.88	-
Fire Hydrant Services	5,144.03	10,029.53		15,173.56	10,029.53	5,144.03	-
Purchase of Postage	5,777.68	687.60	(5,500.00)	965.28	687.60	277.68	-
Vehicle Maintenance							-
Salaries & Wages	645.38			645.38		645.38	-
Other Expenses	16,408.78	4,658.16	2,100.00	23,166.94	22,640.21	526.73	-
Contingent	993.88			993.88		993.88	-
<b>STATUTORY EXPENDITURES:</b>							
PERS							-
Social Security System (O.A.S.I.)	3,980.27			3,980.27		3,980.27	-
PFRS	0.32			0.32		0.32	-
Maintenance of Free Public Library Ch.82, PL 1985 Adjustment	5.28			5.28		5.28	-
Tax Appeals Reserve							-
Meadowlands Adjustment	16,800.00			16,800.00		16,800.00	-
Homeland Buffer Zone Grant		(3.00)		(3.00)	(3.00)	-	-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 511,438.24</b>	<b>\$ 42,176.59</b>	<b>\$ -</b>	<b>\$ 553,614.83</b>	<b>\$ 449,411.61</b>	<b>\$ 114,161.63</b>	<b>\$ (9,958.41)</b>
Reference	A	A-22			A-4	A-1	A, A-12

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF DUE TO PAYROLL ACCOUNT**

**A-14**

	Reference	
Balance December 31, 2010	A	\$ 563.08
Decreased by:		
Cash Receipts	A-4	<u>411.91</u>
Balance December 31, 2011	A	<u><u>\$ 974.99</u></u>

**SCHEDULE OF TAX OVERPAYMENTS**

**A-15**

	Reference	
Balance December 31, 2010	A	\$ 39,354.86
Increased by:		
Overpayments Received - 2011	A-4	80,008.27
		<u>119,363.13</u>
Decreased by:		
Overpayments Canceled	A-1	2,369.85
Overpayments and Tax Appeals Refunded	A-4	<u>7,088.12</u>
		<u>9,457.97</u>
Balance December 31, 2011	A	<u><u>\$ 109,905.16</u></u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF PREPAID TAXES**

A-16

	Reference	
Balance December 31, 2010	A	\$ 127,910.17
Increased by:		
Collection of Taxes - 2011	A-4	98,817.74
		<u>226,727.91</u>
Decreased by:		
Applied to 2011 Taxes	A-7	127,910.17
		<u>127,910.17</u>
Balance December 31, 2011	A	<u>\$ 98,817.74</u>

**SCHEDULE OF COUNTY TAXES PAYABLE**

A-17

	Reference	
Balance December 31, 2010	A	\$ 148,451.76
Increased by:		
2011 Levy	A-1,2,7	\$ 4,362,785.05
County Open Space	A-1,2,7	60,236.86
Added Taxes	A-1,2,7	696.85
		<u>4,423,718.76</u>
		4,572,170.52
Decreased by:		
Payments	A-4	4,571,473.66
		<u>4,571,473.66</u>
Balance December 31, 2011	A	<u>\$ 696.86</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

A-18

	Reference		
Balance December 31, 2010			
School Tax Deferred		\$	6,512,289.46
Increased by:			
Adjustment	A-1	\$	0.52
Levy-School Year July 1, 2011 - June 30, 2012	A-2,7	<u>13,277,651.00</u>	<u>13,277,651.52</u>
			19,789,940.98
Decreased by:			
Payments	A-4		<u>13,151,115.52</u>
Balance December 31, 2011		\$	<u>6,638,825.46</u>
Due from School			
School Tax Deferred		\$	<u>6,638,825.46</u>
2011 Liability for Local District Tax		\$	-
Taxes Paid		\$	13,151,115.52
Adjustment			<u>(0.52)</u>
Amount Charged to 2011 Operations	A-1	\$	<u>13,151,115.00</u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE**

A-19

	Reference		
Balance December 31, 2010			
School Tax Deferred		\$	2,647,182.00
School tax Payable			
Increased by:			
Levy-School Year July 1, 2011 - June 30, 2012	A-2,7	<u>5,612,635.39</u>	<u>8,259,817.39</u>
Decreased by:			
Payments	A-4		<u>5,453,499.67</u>
Balance December 31, 2011		\$	<u>2,806,317.72</u>
			Below
Regional High School Tax Payable		\$	-
Regional High School Tax Deferred			<u>2,806,317.72</u>
		\$	<u>2,806,317.72</u>
2011 Liability for Regional School Tax			
Tax Paid		\$	5,453,499.67
Adjustment			
Regional School Tax Payable			<u>                    </u>
Amount Charged to 2011 Operations	A-1	\$	<u>5,453,499.67</u>

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

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF TAX TITLE LIENS PAYABLE**

A-20

	Reference		
Balance December 31, 2010	A	\$	36,129.90
Increased by:			
Receipts Due to Outside Lien holders			
- Tax Collector	A-4	\$	497,062.51
- Premium	B-7		172,700.00
			<u>669,762.51</u>
			705,892.41
Decreased by:			
Adjustment for Tax Title Liens	A-1		5,190.19
Adjustment for Outside Tax Title Liens	A-1		19,823.33
Disbursements to Outside Lien holder	A-4		680,878.89
			<u>705,892.41</u>
Balance December 31, 2011	A	<u>\$</u>	<u>-</u>

**SCHEDULE OF RESERVE FOR REVALUATION**

A-21

	Reference		
Balance December 31, 2010	A	\$	10,848.61
			<u>10,848.61</u>
Balance December 31, 2011	A	<u>\$</u>	<u>10,848.61</u>

**SCHEDULE OF ENCUMBRANCE PAYABLE**

A-22

	Reference		
Balance December 31, 2010	A	\$	42,176.59
Increased by:			
Budget Appropriations Payable	A-3		81,907.08
			<u>124,083.67</u>
Decreased by:			
Encumbrances Transferred to Appropriation Reserve Schedule	A-13		42,176.59
			<u>42,176.59</u>
Balance December 31, 2011	A	<u>\$</u>	<u>81,907.08</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

A-23

	Reference	
Balance December 31, 2010	A	\$ 43,095.28
Increased by:		
Cash Disbursements	A-4	814,291.79
		<u>857,387.07</u>
Decreased by:		
Cash Receipts	A-4	847,608.19
		<u>847,608.19</u>
Balance December 31, 2011	A	<u>\$ 9,778.88</u>

**SCHEDULE OF DUE FROM BECTON SCHOOL - RENT**

A-24

	Reference	
Balance December 31, 2010	A	\$ 75,000.00
Increased by:		
Anticipated Revenue	A-2	75,000.00
		<u>150,000.00</u>
Decreased by:		
Cash Receipts	A-4	75,000.00
		<u>75,000.00</u>
Balance December 31, 2011	A	<u>\$ 75,000.00</u>

**SCHEDULE OF DUE FROM LIBRARY - RENT**

A-25

	Reference	
Balance December 31, 2010	A	\$ 100,000.00
Increased by:		
Anticipated Revenue	A-2	100,000.00
		<u>200,000.00</u>
Decreased by:		
Cash Receipts	A-4	100,000.00
		<u>100,000.00</u>
Balance December 31, 2011	A	<u>\$ 100,000.00</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF RESERVE FOR LIBRARY STATE AID**

A-26

	Reference	
Balance December 31, 2010	A	\$ 10,560.00
Decreased by:		
Cash Disbursements	A-4	<u>10,560.00</u>
Balance December 31, 2011	A	<u>\$ -</u>

**SCHEDULE OF RESERVE FOR TAX APPEALS**

A-27

	Reference	
Balance December 31, 2010	A	\$ 29,017.60
Increased by:		
Budget Appropriations	A-3	<u>100,000.00</u>
Balance December 31, 2011	A	<u>\$ 129,017.60</u>

**SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS**

A-28

	Reference	
Balance December 31, 2010	A	\$ 79,578.76
Increased by:		
Cash Received	A-4	<u>190,339.77</u>
		269,918.53
Decreased by:		
Cash Disbursements	A-4	<u>12,239.99</u>
Balance December 31, 2011	A	<u>\$ 257,678.54</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2010	B	<u>\$ 207,401.65</u>	<u>\$ 368,623.14</u>	<u>\$ 15,071.48</u>	<u>\$ 162,647.60</u>
Increased by Receipts:					
Interest Income	B-4,7,9,10	41.57	674.10	21.04	305.96
Municipal Dog License Fee	B-6			6,318.40	
State Dog License Fee	B-3			1,320.60	
Escrow Deposits	B-5		25,366.50		
Special Reserves	B-8	578,798.09			
Transfer from Current Fund - Interfund	B-9				213.08
Due from Sewer Utility Fund	B-11				3,100.00
Budget Requirement	B-2				50,000.00
		<u>578,839.66</u>	<u>26,040.60</u>	<u>7,660.04</u>	<u>53,619.04</u>
		<u>786,241.31</u>	<u>394,663.74</u>	<u>22,731.52</u>	<u>216,266.64</u>
Decreased by Disbursements:					
Transfer to Current Fund - Interest	B-4,7,9,10	37.68	610.52	21.05	266.74
Transfer to Current Fund - Interfund	B-4		279.12	3,984.68	
Dog License Fund Expenditures	B-6			2,610.35	
State Dog License Fees	B-3			1,323.60	
Escrow Disbursements	B-5		25,442.00		
Special Reserves	B-8	536,583.28			
		<u>536,620.96</u>	<u>26,331.64</u>	<u>7,939.68</u>	<u>266.74</u>
Balance December 31, 2011	B	<u><u>\$ 249,620.35</u></u>	<u><u>\$ 368,332.10</u></u>	<u><u>\$ 14,791.84</u></u>	<u><u>\$ 215,999.90</u></u>



BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF UNEMPLOYMENT TRUST RESERVE**

**B-2**

	Reference		
Balance December 31, 2010	B		\$ 165,960.68
Increased by:			
Budget Requirement - Current Fund Transfer	B-1	\$ 50,000.00	
Budget Requirement - Sewer Utility Fund	B-11	<u>3,200.00</u>	<u>53,200.00</u>
Balance December 31, 2011	B		<u><u>\$ 219,160.68</u></u>

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

**B-3**

	Reference		
Balance December 31, 2010	B		\$ -
Increased by:			
2011 Fees Collected	B-1		<u>1,320.60</u>
			1,320.60
Decreased by:			
Payments	B-1		<u>1,323.60</u>
Balance December 31, 2011	B		<u><u>\$ (3.00)</u></u>

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

**B-4**

	Reference		
Balance December 31, 2010	B		\$ 3,984.68
Increased by:			
Interest Income	B-1	\$ 21.04	
Statutory Excess	A-1,B-6	<u>3,404.45</u>	<u>3,425.49</u>
			7,410.17
Decreased by:			
Transfer to Current Fund - Interest	B-1	21.05	
Transfer to Current Fund - Interfund	A-4,B-1	<u>3,984.68</u>	<u>4,005.73</u>
Balance December 31, 2011	B		<u><u>\$ 3,404.44</u></u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES**

B-5

	Reference	
Balance December 31, 2010	B	\$ 368,344.02
Increased by:		
Escrow Deposits	B-1	25,366.50
		<u>393,710.52</u>
Decreased by:		
Escrow Disbursements	B-1	25,442.00
		<u>25,442.00</u>
Balance December 31, 2011	B	<u>\$ 368,268.52</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

B-6

	Reference	
Balance December 31, 2010	B	\$ 11,086.80
Increased by:		
Dog License Fees Collected	B-1	6,318.40
		<u>17,405.20</u>
Decreased by:		
Expenditures	B-1	\$ 2,610.35
Statutory Excess - Due to Current Fund	B-4	3,404.45
		<u>6,014.80</u>
Balance December 31, 2011	B, Below	<u>\$ 11,390.40</u>
2010 Fees Collected		\$ 5,882.80
2009 Fees Collected		5,507.60
	Above	<u>\$ 11,390.40</u>

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

B-7

	Reference	
Balance December 31, 2010	B	\$ (194,123.55)
Increased by:		
Interest Income	B-1	\$ 41.57
Elevator Fees - Paid from Current Fund	A-4, B-8	30,088.00
TTL Premium	A-20, B-8	172,700.00
		<u>202,829.57</u>
		8,706.02
Decreased by:		
Elevator Fees - Received in Current Fund	A-2	44,568.00
Tax Title Liens - Received in Current Fund	A-4, B-8	20,800.00
Transfers to Current Fund - Interest	B-1	37.68
		<u>65,405.68</u>
Balance December 31, 2011	B	<u>\$ (56,699.66)</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2010	Receipts	Disbursements	Due to Current Fund	Adjustment	Balance Dec. 31, 2011
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	189,100.00			(151,900.00)		37,200.00
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	24,901.92	11,386.85			27,504.42
Neighborhood Crime Watch	1,325.78	2,201.94	1,256.67			2,271.05
Elevator Fees	21,181.00			14,480.00		35,661.00
COAH	140,567.70	152.50				140,720.20
Insurance	2,866.86	538,684.66	510,319.44			31,232.08
Substance Abuse Prevention	23,725.83	12,857.07	13,620.32			22,962.58
	<u>\$401,525.20</u>	<u>\$578,798.09</u>	<u>\$536,583.28</u>	<u>(\$137,420.00)</u>	<u>\$0.00</u>	<u>\$306,320.01</u>
Reference	B	B-1	B-1	Below	B-1	B

Elevator Fees - Paid from Current Fund	B-7	(\$30,088.00)
Tax Title Lien Premium	B-7	(172,700.00)
Elevator Fees - Collected in Current Fund	A-2	44,568.00
TTL Premium - Collected in Current Fund	B-7	20,800.00
	Above	<u>(\$137,420.00)</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**B-9**

	Reference		
Balance December 31, 2010	B	\$	213.08
Increased by:			
Transfer to Current Fund in Error	A-4, B-11	\$	3,200.00
Interest Transferred to Current Fund	B-1	<u>266.74</u>	<u>3,466.74</u>
			3,679.82
Decreased by:			
Transfer from Current Fund	A-4, B-1	213.08	
Interest Earned in Unemployment Trust	B-1	<u>305.96</u>	<u>519.04</u>
Balance December 31, 2011	B	<u>\$</u>	<u>3,160.78</u>

**SCHEDULE OF DUE TO / (FROM) CURRENT FUND - DEVELOPERS ESCROW**

**B-10**

	Reference		
Balance December 31, 2010	B	\$	279.12
Increased by:			
Interest Income	B-1		<u>674.10</u>
			953.22
Decreased by:			
Transfer to Current Fund	A-4, B-1	279.12	
Interest Income Transferred to Current Fund	B-1	<u>610.52</u>	<u>889.64</u>
Balance December 31, 2011	B	<u>\$</u>	<u>63.58</u>

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

**B-11**

	Reference		
Balance December 31, 2010	B		(\$3,100.00)
Increased by:			
Transferred to Current Fund in Error	B-9	\$3,200.00	
Transferred from Sewer Utility Fund	B-1, D-4	<u>3,100.00</u>	<u>6,300.00</u>
			3,200.00
Decreased by:			
Budget Requirement	B-2		<u>3,200.00</u>
Balance December 31, 2011	B		<u>\$0.00</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF CASH - TREASURER**

C-2

	Reference		
Balance December 31, 2010	C		\$ 3,789,259.06
Increased by Receipts:			
Interest Income	C-4	\$ 1,203.29	
Capital Improvement Fund	C-8	75,000.00	
BAN Received	C-16	1,500,000.00	
Premium on BAN Sale	C-10	4,740.00	
Grants Received	C-14	171,000.00	
Grants Receivable	C-19	146,162.00	
	C-3		<hr/> 1,898,105.29
			<hr/> 5,687,364.35
Decreased by Disbursements:			
Transfer to Current Fund- Interest	C-4	1,544.80	
Transfer to Current Fund - Interfund	C-4	281,472.22	
Due to Sewer Capital Fund	D-9		
Improvement Authorizations	C-9	2,334,464.22	
Prior Year Encumbrances Payable	C-7	28,997.00	
	C-3		<hr/> 2,646,478.24
Balance December 31, 2011	C		<hr/> \$ 3,040,886.11

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	Transfers <u>(From)/To</u>	Balance <u>Dec. 31, 2011</u>
Bond Anticipation Notes	\$ -	\$ 1,500,000.00			\$ 1,500,000.00
Bond Payable	-				-
Due to Current Fund	281,472.22	1,203.29	283,017.02	43,759.76	43,418.25
Reserve for Payment of Bonds	1,941,181.50	171,000.00		(137,387.50)	1,974,794.00
Capital Improvement Fund	160,143.24	75,000.00		(63,751.61)	171,391.63
Premium on BAN/ Bond Sale	-	4,740.00			4,740.00
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	-				-
Due From Sewer Capital	-				-
Overexpenditure of Improvement Authorization	-			(7,091.08)	(7,091.08)
Encumbrances Payable	28,997.00			11,635.89	40,632.89
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	-				-
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	4,128.23				4,128.23
04-11 Acquisition of Property	460,221.79		78,376.53	(11,401.25)	370,444.01
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)		855.25	70,768.36	(534,598.66)
06-18 Various Capital Improvements	-		789.29	789.29	-
06-19 Road Improvements	139,313.61		88,835.01	15,000.00	65,478.60
06-20 Improvements to Park & Railroad	-				-
07-07 Various Capital Improvements	148,113.43		130,394.17	(9,128.76)	8,590.50
07-14 Purchase of Property	378,266.63				378,266.63
09-06 Various Improvements	1,054,580.02	146,162.00	557,936.18	50,889.50	693,695.34
10-07 Acquisition of Land on Carlton Ave.	(756,801.25)				(756,801.25)
11-02 Tax Refunding			1,506,274.79	6,274.79	(1,500,000.00)
11-15 Various Capital Improvements				310,226.00	310,226.00
	<u>\$ 3,789,259.06</u>	<u>\$ 1,898,105.29</u>	<u>\$ 2,646,478.24</u>	<u>\$ -</u>	<u>\$ 3,040,886.11</u>
	C	C-2	C-2		C

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF DUE TO CURRENT FUND**

C-4

	Reference		
Balance December 31, 2010	C		\$ 281,472.22
Increased by:			
Interest Income	C-2	\$ 1,203.29	
Expenditures Paid in Current Fund	A-4, C-9	43,759.76	
Anticipated in Current Fund Budget:			
Reserve Payment on BAN	A-2, C-14	100,000.00	
		<hr/>	144,963.05
Decreased by:			<hr/> 426,435.27
Transfer to Current Fund- Interest	C-2	1,544.80	
Transfer to Current Fund - Interfund	C-2	281,472.22	
DCA Grant	A-4, C-14	<hr/> 100,000.00	
			<hr/> 383,017.02
Balance December 31, 2011	C		<hr/> <u>\$ 43,418.25</u>

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

C-5

	Reference		
Balance December 31, 2010	C		\$46,389,250.98
Increased by:			
State Loan Received	C-12	100,000.00	
			<hr/> 46,489,250.98
Decreased by:			
2011 Budget Appropriation to Pay Bonds	C-13	\$1,774,383.67	
State Loan Payable	C-12	<hr/> 74,476.55	
			<hr/> 1,848,860.22
Balance December 31, 2011	C		<hr/> <u>\$44,640,390.76</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

C-6

							<u>Analysis of Balance Dec. 31, 2011</u>	
<u>Ord.</u> <u>#</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>2011</u> <u>Authorizations</u>	<u>Down</u> <u>Payment</u>	<u>Transfer from</u> <u>Funded</u> <u>Ordinance</u>	<u>Grants &amp;</u> <u>Green Acres Loan</u> <u>Received</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Unexpended</u> <u>Improvement</u> <u>Authorizations</u>
							<u>Expenditures</u>	
05-01	Acquisition of Land	\$ 101.85					\$ 101.85	\$ -
06-06 / 08-11	Veterans Park Improvements	650,000.00				100,000.00	550,000.00	15,401.34
09-06	Various Improvements	248,000.00				183,549.50	64,450.50	64,450.50
10-07	Acquisition of Land Located on Carlton Ave.	1,496,000.00					1,496,000.00	739,198.75
11-02	Tax Refunding Bond		1,500,000.00				1,500,000.00	0.00
11-15	Various Capital Improvements		2,385,000.00	63,751.61	280,583.39		2,040,665.00	2,040,665.00
		<u>\$ 2,394,101.85</u>	<u>\$3,885,000.00</u>	<u>\$ 63,751.61</u>	<u>\$ 280,583.39</u>	<u>\$ 283,549.50</u>	<u>\$ 5,651,217.35</u>	<u>\$2,859,715.59</u>
Reference		C	C-17	C-17	C-17	C-17	C	C-9



BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF ENCUMBRANCE PAYABLE**

**C-7**

	Reference	
Balance December 31, 2010	C	\$ 28,997.00
Increased by:		
Improvement Authorizations Expenditures	C-9	<u>40,632.89</u> 69,629.89
Decreased by:		
Prior Year Encumbrances Disbursed	C-2	<u>28,997.00</u>
Balance December 31, 2011	C	<u><u>\$ 40,632.89</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**C-8**

	Reference	
Balance December 31, 2010	C	\$ 160,143.24
Increased by:		
Budget Appropriations -CIF	C-2	<u>75,000.00</u> 235,143.24
Decreased by:		
Improvement Authorization	C-17	<u>63,751.61</u>
Balance December 31, 2011	C	<u><u>\$ 171,391.63</u></u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2010		2011 Authorizations	Expended	Transfer to Fund New Ordinance	Overexpenditures	Balance December 31, 2011	
		Funded	Unfunded					Funded	Unfunded
98-13/99-15	Acquisition of Building; Improvement -to St. Joseph's Park Phase II & -Acq. of Computers & Equipment	\$ 661.17	\$ -	\$ -	\$ -	\$ 661.17		\$ -	\$ -
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	4,128.23						4,128.23	
04-11	Acquisition of Property	460,221.79			89,777.78			370,444.01	
06-06 / 08-11	Veterans Park Improvements		45,488.23		30,086.89			-	15,401.34
06-18					789.29		(789.29)	-	
06-19	Road Improvements	139,313.61			73,835.01			65,478.60	
07-07	Various Capital Improvements	148,113.43			139,549.93		(27.00)	8,590.50	
07-14	Purchase of Property	378,266.63						378,266.63	
09-06	Various Improvements	1,054,580.02	248,000.00		544,434.18			693,695.34	64,450.50
10-05	Construction of a New Public Safety Building	14,894,241.00			1,081,180.25			13,813,060.75	
10-07	Acquisition of Land Located on Carlton Ave.		739,198.75						739,198.75
11-02	Tax Refunding			1,500,000.00	1,506,274.79		(6,274.79)	(0.00)	
11-15	Various Capital Improvements			2,385,000.00	34,109.00			310,226.00	2,040,665.00
		<u>\$ 17,379,448.10</u>	<u>\$ 1,032,686.98</u>	<u>\$ 3,885,000.00</u>	<u>\$ 3,500,037.12</u>	<u>\$ 280,583.39</u>	<u>\$ (7,091.08)</u>	<u>\$ 15,663,890.06</u>	<u>\$ 2,859,715.59</u>
Reference		C	C	C-17	Below	C-17	C	C	C,C-6

	Reference	
Improvement Authorization Disbursement	C-2	\$2,334,464.22
BCIA Reimbursements	C-15	1,081,180.25
Due to Current Fund	C-4	43,759.76
Encumbrance Payable	C-7	<u>40,632.89</u>
	Above	<u>\$3,500,037.12</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**C-10**

	Reference	
Balance December 31, 2010	C	\$ -
Increased by:		
BAN Issue	C-2	<u>4,740.00</u>
Balance December 31, 2011	C	<u>\$ 4,740.00</u>

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

**C-11**

	Reference	
Balance December 31, 2010	C	\$ 2,051.22
Balance December 31, 2011	C	<u>\$ 2,051.22</u>

**SCHEDULE OF STATE LOAN PAYABLE**

**C-12**

	Reference	
Balance December 31, 2010	C	\$ 413,634.65
Increased by:		
NJ DEP Green Acres Loan Received	C-5	<u>100,000.00</u>
		513,634.65
Decreased by:		
Paid by Budget Appropriation	C-5	<u>74,476.55</u>
Balance December 31, 2011	C	<u>\$ 439,158.10</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

C-13

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	General Serial Bonds Issued	Decreased	Balance Dec. 31, 2011
			Date	Amount					
General Improvement Bonds	12/20/05	\$ 20,145,000.00	01/15/2012-18	1,100,000.00	4.25%	\$ 17,145,000.00		\$ 1,100,000.00	\$ 16,045,000.00
			01/15/2019-24	1,200,000.00	4.25%				
			01/15/2025	1,145,000.00	5.00%				
General Improvement Bonds	11/01/09	12,505,000.00	11/01/2012-13	770,724.19	2.00%	11,830,616.33		674,383.67	11,156,232.66
			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%				
						<u>\$ 28,975,616.33</u>	<u>\$ -</u>	<u>\$ 1,774,383.67</u>	<u>\$ 27,201,232.66</u>
Reference						C		C-5	C
Paid by Budget Appropriation						A-3		<u>\$ 1,774,383.67</u>	

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS**

**C-14**

	Reference		
Balance December 31, 2010	C		\$1,941,181.50
Increased by:			
Reserve for Grants Receivable - Due from Current Fund	C-4	\$ 100,000.00	
Reserve for Grants Receivable	C-2	171,000.00	271,000.00
			<u>2,212,181.50</u>
Decreased by:			
Anticipated in Current Budget	C-4	100,000.00	
Prior Year's Adjustment	C-17	137,387.50	
			<u>237,387.50</u>
Balance December 31, 2011	C, Below		<u><u>\$1,974,794.00</u></u>

**Analysis of Balance:**

Ord # 03-04 Veteran's Park Extension - NJ DEP Green Acres Program	\$655,164.00
Ord# 03-10 Park and Railroad Avenue- NJ Dept. of Transportation	376,400.00
Ord# 03-10 Park and Railroad Avenue- Community Development Block Grant	181,993.00
Ord# 03-10 Park and Railroad Avenue - State Aid - Highway Projects	165,000.00
Ord#03-24/00-09 Civic Center Construction- Community Development Block Grant	87,806.00
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	271,000.00
	<u><u>\$1,974,794.00</u></u>
Above	

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

**C-15**

	Reference	
Balance December 31, 2010	C	\$ 14,894,241.00
Decreased by:		
Improvement Authorization Expenditures	C-9	1,081,180.25
Balance December 31, 2011	C	<u><u>\$ 13,813,060.75</u></u>

**C-16**

**C-16**

<u>Ordinance #</u>	<u>Description</u>	<u>Useful Life in Years</u>	<u>Original Amount Issue</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance Dec. 31, 2010</u>	<u>Issuance</u>	<u>Paid</u>	<u>Balance Dec. 31, 2011</u>
11-02	Tax Refunding Bond		\$1,500,000.00	03/23/2011	03/23/2012	2.250%		\$1,500,000.00		\$1,500,000.00
										-
										-
										-
										-
										-
							<u>\$0.00</u>	<u>1,500,000.00</u>	<u>\$0.00</u>	<u>\$1,500,000.00</u>
							C	C-2,17		C

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorization</u>	<u>Down Payment Capital Imp. Fund</u>	<u>Grants/Loans Received</u>	<u>Transfer from Funded Ord.</u>	<u>BANS/Bonds Issued</u>	<u>Balance Dec. 31, 2011</u>
05-01	Acquisition of Land	\$ 101.85						\$ 101.85
06-06/08-11	Veterans Park Improvements	650,000.00			100,000.00			550,000.00
09-06	Various Improvements	248,000.00			183,549.50			64,450.50
10-07	Acquisition of Land on Carlton Ave.	1,496,000.00						1,496,000.00
11-02	Tax Refunding Bond		1,500,000.00				1,500,000.00	0.00
11-15	Various Capital Improvements		2,385,000.00	63,751.61		280,583.39		2,040,665.00
		<u>\$ 2,394,101.85</u>	<u>\$ 3,885,000.00</u>	<u>\$ 63,751.61</u>	<u>\$ 283,549.50</u>	<u>\$ 280,583.39</u>	<u>\$ 1,500,000.00</u>	<u>\$ 4,151,217.35</u>
Reference			C-6,9	C-6,8	C-6, Below	C-6,9	C-16	C
			CDBG Grant Received	C-18	\$ 146,162.00			
			Prior Year Adjustment	C-14	137,387.50			
					<u>\$ 283,549.50</u>			
					Above			

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF RESERVE FOR GRANTS**

C-18

	Reference	
Balance December 31, 2010	C	\$ 1,672,574.50
Increased by:		
Grants Receivable	C-19	335,450.00
		<u>2,008,024.50</u>
Decreased by:		
Grants Received to Fund Authorized Improvements	C-2	146,162.00
		<u>146,162.00</u>
Balance December 31, 2011	C, Below	<u>\$ 1,861,862.50</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
State of NJ Department of Transportation- Ord # 11-15		150,000.00
Community Development Block Grant - Ord #11-15		80,450.00
Bergen County Open Space Grant - Ord #09-06		63,912.50
Bergen County Open Space Grant - Ord #10-07		75,000.00
Bergen County Open Space Grant - Ord #11-15		105,000.00
	Above	<u>\$ 1,861,862.50</u>

**SCHEDULE OF GRANTS RECEIVABLE**

C-19

	Reference	
Balance December 31, 2010	C	\$ 1,672,574.50
Increased by:		
NJ Department of Transportation - Ord #11-15	\$	150,000.00
Bergen County Open Space Grant - Ord #11-15 Riffin Field		35,000.00
Bergen County Open Space Grant - Ord #11-15 Grove St. Park		70,000.00
Community Development Block Grant - Ord #11-15		80,450.00
	C-18	<u>335,450.00</u>
		<u>2,008,024.50</u>
Decreased by:		
Receipt of Community Development Block Grant-Ord #06-19		146,162.00
Receipt of Bergen County Open Space Grant		
Receipt of NJ Meadowlands Commission		
	C-2	<u>146,162.00</u>
Balance December 31, 2011	C, Below	<u>\$ 1,861,862.50</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
State of NJ Department of Transportation- Ord # 11-15		150,000.00
Bergen County Open Space Grant - Ord #09-06		63,912.50
Bergen County Open Space Grant - Ord #10-07		75,000.00
Bergen County Open Space Grant - Ord #11-15		105,000.00
Community Development Block Grant - Ord #11-15		80,450.00
	Above	<u>\$ 1,861,862.50</u>



BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS**

**C-20**

	Reference	
Balance December 31, 2010	C	<u>\$ 187,500.00</u>
Balance December 31, 2011	C	<u><u>\$ 187,500.00</u></u>

**SCHEDULE OF RESERVE FOR BCIA BONDS PAYABLE**

**C-21**

	Reference	
Balance December 31, 2010	C	<u>\$ 17,000,000.00</u>
Balance December 31, 2011	C	<u><u>\$ 17,000,000.00</u></u>

**SCHEDULE OF ACCRUED INTEREST ON BOND SALE**

**C-22**

	Reference	
Balance December 31, 2010	C	<u>\$ 12,228.35</u>
Balance December 31, 2011	C	<u><u>\$ 12,228.35</u></u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH

D-4

	Reference	Operating	Escrow Trust
Balance December 31, 2010	D	<u>\$ 932,107.47</u>	<u>\$ 131.54</u>
Increased by Receipts:			
User Charges and Fees	D-5	1,506,121.86	
Delinquent User Charges	D-1,2,5	257,679.39	
Met Life Stadium Agreement	D-1,2,5	250,000.00	
Miscellaneous Income	D-1,2	49,163.98	
Overpayments	D-6	12,973.70	
Escrow Deposits	D-15		10,000.00
Prepaid Sewer Charge	D-19	6,921.07	
Deficit	D-2	293,505.35	
		<u>2,376,365.35</u>	<u>10,000.00</u>
		<u>3,308,472.82</u>	<u>10,131.54</u>
Decreased by Disbursements:			
Appropriations	D-3	2,316,468.17	
Appropriation Reserves	D-13	3,167.38	
Due to Current Fund	D-14	37,807.53	
Due to Unemployment Fund	B-11	3,100.00	
Due to Utility Capital Fund	D-7	7,508.47	
		<u>\$ 2,368,051.55</u>	<u>\$ -</u>
Balance December 31, 2011	D	<u><u>\$ 940,421.27</u></u>	<u><u>\$ 10,131.54</u></u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

**D-5**

	Reference		
Balance December 31, 2010	D		\$ 375,830.89
Increased by:			
Utility Charges and Fees Levied			1,912,906.56
			<u>2,288,737.45</u>
Decreased by:			
Collections			
Current Year Charges and Fees	D-2, Below	\$ 1,526,408.86	
Meadowlands Stadium Agreement	D-4	250,000.00	
Transfer to Lien	D-9	3,329.04	
Delinquent Charges and Fees	D-4	257,679.39	<u>2,037,417.29</u>
Balance December 31, 2011	D		<u>\$ 251,320.16</u>
Current Year Charges and Fees - Collected in 2011	D-4	\$ 1,506,121.86	
Current Year Charges and Fees - Collected in 2010	D-19	4,618.08	
Overpayments Applied	D-6	15,668.92	
	D-2, Above	<u>\$ 1,526,408.86</u>	

**SCHEDULE OF OVERPAYMENTS**

**D-6**

	Reference		
Balance December 31, 2010	D		\$ 15,668.92
Increased by:			
Cash Receipts	D-4		12,973.70
			<u>28,642.62</u>
Decreased by:			
Applied to Sewer Payments	D-5		<u>15,668.92</u>
Balance December 31, 2011	D		<u>\$ 12,973.70</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

D-7

	Reference		
Balance December 31, 2010	D		\$ (559,476.52)
Increased by:			
Capital Improvements	D-11	\$ 17,786.36	
Paid by Sewer Utility Operating Fund	A-4, D-4	<u>7,508.47</u>	<u>25,294.83</u>
Balance December 31, 2011	D		<u>\$ (534,181.69)</u>

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

D-8

Balance December 31, 2010	D	\$ 4,615,742.84
Balance December 31, 2011	Below	<u>4,615,742.84</u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,115,742.84
Fixed Capital Authorized and Uncompleted	D	<u>500,000.00</u>
	Above	<u>\$ 4,615,742.84</u>

**SCHEDULE OF SEWER LIEN**

D-9

	Reference	
Balance December 31, 2010	D	\$ -
Increased by:		
Sewer Lien	D-2,5	<u>3,329.04</u>
		3,329.04
Decreased by:		
Payments	D-14	<u>3,329.04</u>
Balance December 31, 2011	D	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2010		2011 Authorizations	Expended	Balance December 31, 2011	
		<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
08-12	Sewer Lines & Pump Imp.	\$ 189,598.13	\$ 25,000.00	\$ -		\$ 214,598.13	
		<u>\$ 189,598.13</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,598.13</u>	<u>\$ -</u>
		D	D			D	D

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**D-11**

	Reference	
Balance December 31, 2010	D	\$ 390,576.92
Decreased by:		
Capital Improvements	D-3,7	<u>17,786.36</u>
Balance December 31, 2011	D	<u>\$ 372,790.56</u>

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

**D-12**

	Reference		
Balance December 31, 2010	D		\$ 3,599,883.36
Increased by:			
Principal Payments on Bonds	D-20	\$ 25,616.33	
Principal Payments on Loans	D-17	<u>99,584.91</u>	<u>125,201.24</u>
Balance December 31, 2011	Below		<u>\$ 3,725,084.60</u>
Analysis of Balance:			
Amortization Reserve	D		\$ 3,286,475.60
Deferred Reserve for Amortization	D		<u>438,609.00</u>
	Above		<u>\$ 3,725,084.60</u>

**SCHEDULE OF 2010 APPROPRIATION RESERVES**

**D-13**

	Balance <u>Dec. 31, 2010</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	<u>(Overexpended)</u>
Operating				
Salaries and Wages				\$ -
Other Expenses		3,167.38		(3,167.38)
Statutory Expenditures:				
Social Security System				
	<u>\$ -</u>	<u>\$ 3,167.38</u>	<u>\$ -</u>	<u>\$ (3,167.38)</u>
	D	D-4		

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**D-14**

	Reference		
Balance December 31, 2010	D	\$	37,268.83
Increased by:			
Budget Appropriation -Debt Service	A-3, D-3		<u>39,754.72</u>
			77,023.55
Decreased by:			
Sewer Lien	D-9	\$	3,329.04
Due to Current Fund	D-4		<u>37,807.53</u>
			<u>41,136.57</u>
Balance December 31, 2011	D	\$	<u><u>35,886.98</u></u>

**SCHEDULE OF ESCROW TRUST RESERVE**

**D-15**

	Reference		
Balance December 31, 2010	D	\$	131.54
Increased by:			
Escrow Deposit	D-4		<u>10,000.00</u>
Balance December 31, 2011	D	\$	<u><u>10,131.54</u></u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**D-16**

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Bond Issued</u>	<u>Balance Dec. 31, 2011</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>	<u>Balance Dec. 31, 2010</u>	<u>Principal Payments</u>	<u>Balance Dec. 31, 2011</u>
05-02	Renovation of Sewer Systems	\$ 513,268.81	\$ 99,584.91	\$ 413,683.90
		<u>\$ 513,268.81</u>	<u>\$ 99,584.91</u>	<u>\$ 413,683.90</u>
		D	D-12	D



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE**

**D-18**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 2,355.81
Increased by:		
Accrued Interest on Bond Payable	D-3	<u>(85.39)</u>
Balance December 31, 2011	D	<u><u>\$ 2,270.42</u></u>

**SCHEDULE OF PREPAID SEWER CHARGES**

**D-19**

Balance December 31, 2010	D	\$ 4,618.08
Increased by:		
Prepaid Sewer Charges	D-4	<u>6,921.07</u> 11,539.15
Decreased by:		
Sewer Charges Applied	D-5	<u>4,618.08</u>
Balance December 31, 2011	D	<u><u>\$ 6,921.07</u></u>

BOROUGH OF EAST RUTHERFORD  
SEWER CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

D-20

SCHEDULE OF SEWER SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Bonds Issued	Decreased	Balance Dec. 31, 2011
			December 31, 2011						
			Date	Amount					
General Improvement Bonds	11/01/09	\$475,000.00	11/01/2012-13	\$29,275.81	2.00%	\$449,383.67		\$25,616.33	\$423,767.34
			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%				

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
FOR THE YEAR DECEMBER 31, 2011

**SCHEDULE OF CASH**

**E-1**

	Reference		
Balance December 31, 2010	E		\$ 108,095.30
Increased by Receipts:			
Unappropriated Grant Revenue	E-5	\$ 4,166.00	
Interest Income	E-2	<u>202.00</u>	<u>4,368.00</u>
			112,463.30
Decreased by:			
Transfer To Current Fund - Interest	E-2		<u>182.53</u>
Balance December 31, 2011	E		<u><u>\$ 112,280.77</u></u>

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

**E-2**

	Reference		
Balance December 31, 2010	E		\$ (121,861.73)
Increased by:			
Interest Earned	E-1	\$ 202.00	
Current Fund Disbursements	E-4	369,090.61	
Grants Receivable - Budgeted	E-3	261,279.78	
Unappropriated Grants Appropriated	E-5,A-2	<u>8,548.97</u>	<u>639,121.36</u>
			517,259.63
Decreased by:			
Transfer To Current Fund - Interest	E-1	182.53	
Grants Receivable	E-3	567,656.05	
Unappropriated Grants Received	E-5	9,000.00	
Budget Appropriation	E-4	<u>269,828.75</u>	<u>846,667.33</u>
Balance December 31, 2011	E		<u><u>\$ (329,407.70)</u></u>

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF GRANTS RECEIVABLE

E-3

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased by 2011 Budget</u>	<u>Cancellation</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2011</u>
Alcohol Education and Rehabilitation	\$ -	\$ 2,427.06		\$ 2,427.06	\$ -
Body Armor Replacement Fund	3,300.84	3,908.30		3,908.30	3,300.84
Safe and Secure Community Program	15,000.00	60,000.00		52,531.50	22,468.50
FEMA Firefighters Grant	380,960.00			380,960.00	0.00
Clean Communities Program		13,599.03		13,599.03	0.00
Recycling Tonnage Grant		84,470.86		84,470.86	0.00
NJ Over the Limit Grant		4,400.00		4,400.00	0.00
Safe & Secure Homeland Buffer Zone	89,814.80	92,474.53	64,361.00	25,359.30	92,569.03
	<u>\$489,075.64</u>	<u>\$261,279.78</u>	<u>\$64,361.00</u>	<u>\$567,656.05</u>	<u>\$118,338.37</u>
Reference	E	E-2	E-4	E-2, A-4	E

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

	Balance Dec. 31, 2010	Transferred From 2011 Budget Appropriations	Expended	Cancellation	Balance Dec. 31, 2011
Comcast Technology Grant	\$ 3,561.86				\$ 3,561.86
Clean Communities	2,258.42	13,599.03	13,599.03		2,258.42
Safe and Secure Communities	-	60,000.00	60,000.00		-
Alcohol Education and Rehabilitation	481.81	2,427.06	2,427.06		481.81
Drunk Driving Enforcement Fund	30,309.49	8,548.97	8,617.92		30,240.54
Parking Offense Adjudication Act	14,971.97				14,971.97
Body Armor Replacement Fund	6,047.57	3,908.30			9,955.87
BCUA Grant	9,190.63				9,190.63
FEMA Grant	481,927.45		156,332.84		325,594.61
Police Over the Limit Grant	-	4,400.00	4,400.00		-
Recycling Tonnage Grant	-	84,470.86	84,470.86		-
Safe & Secure Grant-Homeland Buffer Zone	69,712.50	92,474.53	39,242.90	64,361.00	58,583.13
Storm Water Grant	2,117.00				2,117.00
NJ Meadowlands Commission Park Improvements	86,808.00				86,808.00
	<u>\$ 707,386.70</u>	<u>\$ 269,828.75</u>	<u>\$ 369,090.61</u>	<u>\$ 64,361.00</u>	<u>\$ 543,763.84</u>
Reference	E	E-2, Below	E-2, Below	E-3	E
Current Budget Expended	Below		\$ 207,856.82		
Current Fund Grant Reserves Expended	A-4		161,233.79		
	Above		<u>\$ 369,090.61</u>		
Budget Appropriations	Above	\$ 269,828.75			
Less: Current Budget Expended	Above	207,856.82			
Grants Balance Due From Current	A-3	<u>\$ 61,971.93</u>			

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS**

E-5

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Transfer to 2011 Budget</u>	<u>Grant Fund Receipt</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2011</u>
Drunk Driving Enforcement Fund	\$ 8,548.97	\$ 8,548.97			\$ -
Parking Offense Adjudication Act	3,097.00		4,166.00		7,263.00
Click It or Ticket Grant			4,000.00		4,000.00
Police Over the Limit Grant			5,000.00		5,000.00
	<u>\$ 11,645.97</u>	<u>\$ 8,548.97</u>	<u>\$ 13,166.00</u>	<u>\$ -</u>	<u>\$ 16,263.00</u>
<u>Reference</u>	E	E-2	Below		E

Cash Receipts	E-1	\$ 4,166.00
Due from Current Fund	E-2	<u>9,000.00</u>
	Above	<u>\$ 13,166.00</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 – regulatory basis (the “financial statements”) of the Borough of East Rutherford (“Borough”), State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated September 28, 2012. 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. In addition, our report on the financial statements – regulatory basis was qualified because of the fixed asset accounting and reporting system not being maintained. Except as discussed in the preceding sentence, we conducted our audit 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**

Management of the Borough is responsible for establishing and maintaining effective 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.

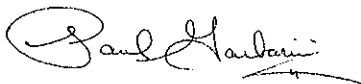
However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Recommendations item #11-1 through item #11-10 that we consider to be significant deficiencies in internal control over financial reporting. A significant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

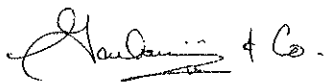
As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 Findings and Recommendations as item #11-11 through #11-14.

We noted certain matters that we reported to management of the Borough, in a separate letter dated September 28, 2012. 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, governing body, others within the Borough, 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 W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



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

September 28, 2012  
Carlstadt, New Jersey



BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

Schedule G-1

	CFDA #	Pass-Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
<b>FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM</b>								
<b>Non-Major Programs</b>								
			\$ -		\$ -	\$ -	\$ -	\$ -
Law and Public Div. Highway Traffic:								
Police Traffic Service								
NJ Speed Aggressive Grant	20.600	NJ-066-1160-100-036	9,400.00	0701/10-06/30/11	9,400.00	4,400.00		
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
Ord # 2011-15	20.205		150,000.00					150,000.00
Community Development - Paterson Ave. (Ord.#2009-6)			146,162.00		146,162.00	146,162.00		0.00
Community Development - Road Improve. (Ord.#2011-15)			80,450.00					80,450.00
Law and Public Safety:								
Click -it- or Ticket Grant	20.602	NJ-066-1160-100-113	4,000.00	01/01/11-12/31/11	4,000.00			
Emergency Management Performance Grant	97.042		5,000.00	01/01/10-12/31/10				
Exercise Supp Program	97.042		9,987.69	FY08				
Safe & Secure Grant - Homeland Buffer Zone	97.078	NJ-066-1005-800-1458	123,800.00	FY07				25,453.80
Safe & Secure Grant - Homeland Buffer Zone	97.078		64,361.00	FY09			64,361.00	0.00
Safe & Secure Grant - Homeland Buffer Zone	97.078		92,474.53	FY10	25,359.30	39,242.90		67,115.23
Department of Homeland Security:								
FEMA Firefighters Grant	97.044		388,960.00	08/14/09-08/13/10	380,960.00	156,332.84		0.00
<b>Major Programs</b>								
None								
<b>Total Federal Financial Assistance</b>					<u>\$565,881.30</u>	<u>\$346,137.74</u>	<u>\$64,361.00</u>	<u>\$360,519.03</u>

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

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				550,000.00
Loan (Ord. 10-7)	800,000.00						800,000.00
<i>Solid Waste Administration</i>							
Clean Communities	13,599.03	4900-765-042-4900-004-V42Y-6020	01/01/11-12/31/11	13,599.03	13,599.03		
State Recycling Grants		4900-752-042-4900-001-V42Y-6020	01/01/11-12/31/11	84,470.86	84,470.86		
<i>Municipal Courts</i>							
Alcohol Education, Rehabilitation and Enforcement	2,427.06	9735-760-098-Y900-001-X100-6020	01/01/11-12/31/11	2,427.06	2,427.06		
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>							
Safe and Secure Communities Program	60,000.00	P-5135-11	01/01/11-12/31/11	52,531.50	60,000.00		7,468.50
Safe and Secure Communities Program	60,000.00	066-1020-100-232-07	01/01/10-12/31/10				15,000.00
Body Armor Replacement Fund	5,233.86	066-1020-718-001-08	01/01/10-12/31/10		0.00		3,300.84
	3,908.30	1020-718-066-1020-001-YCJF-6120	01/01/11-12/31/11	3,908.30			
<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		68.95		
Drunk Driving Enforcement Fund	8,548.97	0400-100-078-6400	01/01/11-12/31/11	8,548.97	8,548.97		
<i>Department of Community Affairs</i>							
Parking Offense Adjudication Act			01/01/11-12/31/11	4,166.00			
<b>Total State Financial Assistance</b>				<u>\$ 169,651.72</u>	<u>\$ 169,114.87</u>	<u>\$ -</u>	<u>\$ 1,375,769.34</u>

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

Schedule G-3

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
<b>COUNTY GRANT PROGRAM</b>							
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					63,912.50
Carlton Avenue (Ord #10-07)		75,000.00					75,000.00
Riggin Field (Ord #11-15)		35,000.00					35,000.00
Grove St. Park (Ord #11-15)		70,000.00					70,000.00
<b>Other Grant Programs</b>							
				<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$273,850.50</u>
<b>Total County Financial Assistance</b>							

BOROUGH OF EAST RUTHERFORD  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

**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	\$199,975.74	\$169,114.87		\$369,090.61
Capital Fund	146,162.00			146,162.00
	<u>\$346,137.74</u>	<u>\$169,114.87</u>	<u>\$0.00</u>	<u>\$515,252.61</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, 2011, 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	\$ 3,955.71
Green Trust Program	#0212-03-055	\$ 95,760.59
Green Trust Program	#0212-02-046	\$ 339,441.80
New Jersey Environmental Infrastructure Trust Loan	S340-296-02	\$ 413,683.90

## SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD  
SUPPLEMENTARY DATA

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

	<u>2011</u>	<u>2010</u>	*	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$1.618</u>	<u>\$1.552</u>		<u>\$3.084</u>	<u>\$2.841</u>	<u>\$2.580</u>

**Apportionment of Tax Rate**

Municipal	0.457	0.424		0.688	0.661	0.563
County	0.221	0.222		0.446	0.381	0.316
Local School	0.661	0.644		1.363	1.266	1.227
Regional High School	0.279	0.262		0.587	0.533	0.474

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

2011	<u>\$2,009,226,950</u>					
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>

\*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>
2011	\$32,631,987.57	\$30,430,444.23	93.25 %
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 %

**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>
2011	\$98,691.68	\$4,615,507.51	\$4,714,199.19	14.45 %
2010	138,238.58	3,233,744.29	3,371,982.87	10.34 %
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 %

**Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation at December 31, 2011 is \$636,900. This represents the properties assessed valuation from 1995-2011.

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2011	\$ 94,822.04	\$ -
	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

BOROUGH OF EAST RUTHERFORD  
ROSTER OF OFFICIALS AND SURETY BONDS  
AT DECEMBER 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James Cassella	Mayor	
Saverio Stallone	President of Council	
Joel Brizzi	Councilman	
Thomas Banca	Councilman	
Jeffrey Lahullier	Councilman	
George Perry	Councilman	
Edward Ravettine	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, 2011

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, 2011

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, 2011 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 2010 will be advertised for sale after April 1, 2011.
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, 2011 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, 2011

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, 2011, 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, 2011

**Internal Controls:**

**10-1. 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.

**10-2. 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.

**10-3. 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.

**10-4. 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 taken.

**10-5. RECOMMENDATION:**

That the construction permit files be available for inspection.

**STATUS:**

Corrective action was taken.

Borough of East Rutherford  
Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2011

**Internal Controls (continued):**

**10-6. RECOMMENDATION:**

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

**STATUS:**

Corrective action was taken.

**10-7. 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.

**10-8. RECOMMENDATION:**

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

**STATUS:**

Corrective action was partially taken. See current year audit findings and recommendations.

**10-9. 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.

**10-10. RECOMMENDATION:**

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

**STATUS:**

Corrective action was taken.

Borough of East Rutherford  
Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2011

**10-11. 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.

**STATUS:**

Corrective action was taken.

**10-12. 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.

**10-13. RECOMMENDATION:**

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

**STATUS:**

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

Borough of East Rutherford  
Audit Findings and Recommendations  
For the Year Ended December 31, 2011

**INTERNAL CONTROL:**

**\*Finding 11-1**

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 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:**

That 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 11-2**

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". 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.

**Recommendation:**

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

**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 Findings and Recommendations (Continued)  
For the Year Ended December 31, 2011

**INTERNAL CONTROL (CONTINUED):**

**\*Finding 11-3**

The fixed assets accounting and reporting system is not being maintained.

**Criteria:**

N.J.A.C. 5:30-5.6 Governmental Fixed Assets Accounting and Reporting System requires:

- To place value of all fixed assets put into service by establishment and maintenance of physical inventory.
- To have subsidiary ledger of detailed records of fixed assets.
- To provide property management standards to control fixed assets.

**Recommendation:**

That the fixed assets accounting and reporting system be maintained as per N.J.A.C. 5:30-5.6:

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

The Borough will conduct a Borough-wide fixed asset inventory and maintain a fixed asset accounting and reporting system.

**SEWER UTILITY FUND:**

**\* Finding 11-4**

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 computer system.

**Recommendation:**

That the sewer utility's electronic records be reconciled with cash deposited into the bank.

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

Cash receipts will be proven to the utility computer system.

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



Borough of East Rutherford  
Audit Findings and Recommendations (Continued)  
For the Year Ended December 31, 2011

**\*Finding 11-5**

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.

**Criteria:**

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

**Recommendation:**

That sewer utility billings be reconciled and that all corrections to customer accounts be made in the utility billing software using the date when discovered.

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

Adjustments will be posted in the current year. Billings will be proven to the software billing system.

**PAYROLL:**

**\*Finding 11-6**

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 cash reconciliations for the Payroll and Payroll Agency accounts be reconciled to the bank's statements monthly and timely.

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

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

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

**MUNICIPAL COURT/POLICE DEPARTMENT:**

**Finding 11-7**

When bail monies are collected for an out-of-town municipal court and the payment is in the form of a check, the check is made payable to another town and mailed directly there. These payments are not processed through the East Rutherford Municipal Court ATS/ACS system as "out of town bail" as they should be.

**Criteria:**

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

**Recommendation:**

That all out-of-town traffic/criminal bail monies be received and disbursed through the ATS/ACS system and made payable to the Borough of East Rutherford Municipal Court.

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

All out-of-town traffic and criminal bail monies will be entered and disbursed through the ATS/ACS automated system.

**Finding 11-8**

Information regarding Bail collected by the Police Department, such as receipt date, type of payment, ticket/complaint number, and receiving police officer's signature was not always indicated on the manual bail receipts issued. Generally, the date was left blank or the court appearance date was written instead of the receipt date, ticket/complaint number information was missing, and there was no indication of who collected the bail monies.

**Criteria:**

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

**Recommendation:**

That manual bail receipts issued by the Police Department be completed accurately and in full.

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

Police department bail receipt books will be filled out completely and accurately.

Borough of East Rutherford  
Audit Findings and Recommendations (Continued)  
For the Year Ended December 31, 2011

**LOCAL PUBLIC CONTRACT LAW:**

**\* Finding 11-9**

Our examination of expenditures indicated instance where one vendor exceeded the bidding threshold and was not advertised for bids:

- Diesel Fuel

**Criteria:**

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

**Recommendation:**

That expenditures be monitored for 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.

**OTHER:**

**\* Finding 11-10**

There were over-expenditures of budget appropriation reserves in the amount of \$9,958.41 in the Current Fund, over-expenditures of budget appropriation reserves in the amount of \$3,167.38 in the Sewer Utility Fund and over-expenditures of improvement authorization in the amount of \$7,091.08 in the Capital 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:**

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

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

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

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

Borough of East Rutherford  
Audit Findings and Recommendations (Continued)  
For the Year Ended December 31, 2011

**Finding 11-11**

Capital Ordinance #05-01 and Sewer Capital Ordinance #05-02 are over 5 years old with a cash deficit of \$101.85 and \$53,207 each, which need to be funded.

**Criteria:**

The analysis of general and sewer capital fund cash should not include cash deficits for ordinances over 5 years old.

**Recommendation:**

That capital ordinances with cash deficits be funded as required by statute.

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

The Borough will fund Ordinance #05-01 and #05-02.

**Finding 11-12**

The Borough did not make any contributions to the Defined Contribution Retirement Program (the "DCRP").

**Criteria:**

The Defined Contribution Retirement Program established under Chapter 92, P.L. 2007 and 103, P.L. 2007 (N.J.S.A. 43:15C)

**Recommendation:**

That the Borough make contributions to the Defined Contribution Retirement Plan based on the required rate.

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

The Borough will make the required contribution to the DCRP.

Borough of East Rutherford  
Audit Findings and Recommendations (Continued)  
For the Year Ended December 31, 2011

**Finding 11-13**

Petty cash fund and the reimbursement procedures were not formally established for Recreation Department.

**Criteria:**

N.J.S.A. 40A:5-21 petty cash fund of local unit.

**Recommendation:**

That the Borough establish a petty cash fund by written application to and after approval by the Director of Local Government Services.

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

The Borough will establish a petty cash fund for Recreation Department with the approval of the Director of Local Government Services.

**Finding 11-14**

Political Contribution Forms and Business Entity Disclosure Forms were not on file for several non-fair and open contracts.

**Criteria:**

Local Unit Pay-to-Play Law (P.L.2005, C.271)

**Recommendation:**

That the Borough review and reconcile a contractor's Business Entity Disclosure Certification and Political Contribution Disclosure prior to issuing a contract.

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

The Borough will review the two forms for a non-fair and open contract.

Borough of East Rutherford  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011

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, 2011

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	

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Borough of East Rutherford  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2011

**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, 2011

**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.