

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

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2014 AND 2013

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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BERGEN COUNTY, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of East Rutherford, in the County of Bergen, State of New Jersey (the “Borough”), as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis and comparative statement of general fixed assets group of account – regulatory basis for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirement of the State of New Jersey for municipal government entities. The effects on financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2014 and 2013, or the changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the accompanying comparative balance sheet – regulatory basis of the various funds of the Borough as of December 31, 2014 and 2013, and the results of the comparative statements of operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues and expenditures – regulatory basis of the various funds, and general fixed assets group of accounts for the year ended December 31, 2014, in accordance with accounting principles and practices prescribed by the Division as described in Note 1.

Other Matters

Required Supplementary Information

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

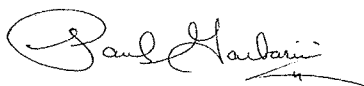
Other Information

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

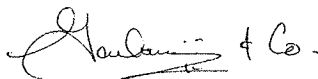
The supplementary schedules and schedules of expenditures of federal, state and county/other financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 1, 2015 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



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



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

May 1, 2015
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
	Reference	2014	2013
ASSETS			
Current Assets:			
Cash - Treasurer	A-4	\$ 3,397,764.43	\$ 2,156,846.97
Cash - Tax Collector	A-4	7,464.59	326,909.24
Cash - Change and Petty Cash Funds	A-5	1,150.00	650.00
		<u>3,406,379.02</u>	<u>2,484,406.21</u>
Due from State of NJ- Senior Citizens & Veterans Deductions	A-8	<u>179.24</u>	<u>429.24</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	381,749.24	628,007.83
Tax Title Liens	A-10	166,643.42	138,851.88
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	26,203.17	-
Due From Dog Trust Fund	B		4,170.00
Due From Sewer Utility Fund	D	-	78,261.05
Police Off Duty Receivable	A-23	72,543.62	149,229.00
Due From Bergen County Housing Authority	A-2		9,772.73
	Contra	<u>1,284,039.45</u>	<u>1,645,192.49</u>
Deferred Charges:			
Over-expenditure of Appropriation Reserves	A-12	<u>51,132.80</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 4,741,730.51</u>	<u>\$ 4,130,027.94</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
	Reference	2014	2013
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Encumbrance Payable	A-22	\$ 96,245.84	\$ 63,601.95
Appropriation Reserves	A-3,13	843,694.95	409,379.42
Tax Overpayments	A-15	38,301.08	101,485.96
Prepaid Taxes	A-16	88,424.06	108,199.06
County Taxes - Added	A-17	6,330.26	4,743.32
Revaluation Reserve	A-21	10,848.61	10,848.61
Due to Other Trust	B		82,975.90
Due to Sewer Utility Account	D	28,558.57	-
Reserve for Premium on TAN	A-14	-	43,442.00
DEA Confiscated Funds	A-20	277,221.32	160,630.57
Miscellaneous Reserves	A-6	18,157.44	16,206.44
		<u>1,407,782.13</u>	<u>1,001,513.23</u>
Reserve for Receivables and Other Assets	Contra	1,284,039.45	1,645,192.49
Fund Balance	A-1	<u>2,049,908.93</u>	<u>1,483,322.22</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,741,730.51</u>	<u>\$ 4,130,027.94</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

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

A-1

		At December 31,	
	Reference	2014	2013
Revenue and Other Income Realized:			
Fund Balance Utilized		\$ 500,000.00	\$ -
Miscellaneous Revenue Anticipated	A-2	11,886,670.21	13,813,247.82
Receipts from Delinquent Taxes	A-2	644,156.77	882,235.25
Receipts from Current Taxes	A-2	34,981,173.03	33,629,349.62
Non-Budget Revenues	A-2	81,431.52	78,025.92
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	36,961.84	164,049.01
Unexpended Budget Appropriations	A-3	19,732.23	100,709.54
Statutory Excess in Dog Fund	B-4	-	4,170.00
Regional / Local School /CountyTax Adjustment	A-18	0.03	0.02
Increase- Petty Cash	A-5	500.00	200.00
Interfunds Returned		162,366.43	-
Total Revenue and Other Income Realized		<u>48,312,992.06</u>	<u>48,671,987.18</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	22,911,269.42	22,266,701.72
County Taxes	A-17	4,316,197.88	5,484,431.17
County Share of Added and Omitted Taxes	A-17	6,330.26	4,743.31
Local District School Tax	A-18	14,009,299.50	13,663,799.00
Local District School Tax Adjustment	A-18	0.06	-
Regional School Tax	A-19	5,876,825.50	5,809,620.49
Regional School Tax Adjustment	A-19	0.08	0.07
Prior Year Tax Appeals	A-15	109,424.92	120,722.29
Senior Citizens & Veterans Prior Year Adjustment	A-7	3,586.23	4,883.66
Petty Cash Adjustment- Tax	A-4	-	12.04
Interfunds Advanced		-	123,804.20
Canceled Grants Receivable	E-3	13,471.50	-
Total Expenditures		<u>47,246,405.35</u>	<u>47,478,717.95</u>
Excess in Revenues		1,066,586.71	1,193,269.23
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year		-	-
Statutory Excess to Fund Balance		<u>1,066,586.71</u>	<u>1,193,269.23</u>
Fund Balance January 1	A	<u>1,483,322.22</u>	<u>290,052.99</u>
		<u>2,549,908.93</u>	<u>1,483,322.22</u>
Decreased by:			
Utilization as Anticipated Revenues		<u>500,000.00</u>	<u>-</u>
Fund Balance December 31	A	<u>\$ 2,049,908.93</u>	<u>\$ 1,483,322.22</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 500,000.00	\$ 500,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		26,000.00	26,521.30	521.30
Other		44,000.00	78,955.56	34,955.56
Fees and Permits - Other		25,000.00	13,601.60	(11,398.40)
Fines and Costs - Municipal Court		495,000.00	458,460.67	(36,539.33)
Interest and Costs on Taxes		75,000.00	79,388.76	4,388.76
Interest on Investments and Deposits		5,000.00	2,549.33	(2,450.67)
Payment in Lieu Taxes from N.J. Sports and Exposition Authority				-
Recycling Income		35,000.00	28,829.06	(6,170.94)
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	1,475,862.52	(14,126.48)
Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.)		20,047.00	20,047.00	-
Uniform Construction Code Fees		320,000.00	177,199.60	(142,800.40)
POAA		2,194.00	2,194.00	-
Safe and Secure Communities Program Grant		60,000.00	60,000.00	-
Comcast Technology Grant		32,500.00	32,500.00	-
Police Drive Sober/Get Pulled Over Grant		4,000.00	4,000.00	-
Drunk Driving Enforcement Fund		7,269.44	7,269.44	-
Chapter 159:				
Alcohol Education & Rehabilitation		3,722.05	3,722.05	-
Drive Sober Grant		5,000.00	5,000.00	-
Police Click it or Ticket Grant		4,000.00	4,000.00	-
Body Armor Replacement Grant		3,789.70	3,789.70	-
Clean Communities Grant		15,025.27	15,025.27	-
OEM NJ Hazard Mitigation Grant		75,000.00	75,000.00	-
Uniform Fire Safety Act		75,945.66	56,853.23	(19,092.43)
Cable Franchise Fees		109,817.95	109,817.95	-
Hotel Taxes		800,000.00	978,950.92	178,950.92
Payment in Lieu of Taxes - Bergen County Housing Authority		25,000.00	23,629.21	(1,370.79)
Payment in Lieu of Taxes - Hackensack Meadowlands Development Commission		6,700.00	6,708.30	8.30
Payment in Lieu of Taxes- N.J. Sports and Exposition Auth.		7,500,000.00	7,414,877.90	(85,122.10)
Premium on BAN / Bond Sale		18,613.00	18,613.00	-
Accrued Interest on Bond Sale		12,228.35	12,228.35	-
Premium on TAN Sale		43,442.00	43,442.00	-
Reserve for Payments of Bonds and Notes		183,000.00	183,000.00	-
Settlement Payment-Timex Center		250,000.00	250,000.00	-
FEMA Hurricane Sandy		26,792.48	39,633.49	12,841.01
Total Miscellaneous Revenues	A-1, Next Page	11,974,075.90	11,886,670.21	(87,405.69)
Receipts from Delinquent Taxes	A-1, Next Page	665,000.00	644,156.77	(20,843.23)
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	A-7, Next Page	10,972,193.52	11,972,519.89	1,000,326.37
Budget Totals	A-3	\$ 24,111,269.42	25,003,346.87	\$ 892,077.45
Non-Budget Revenues	A-1,4, Next Page		81,431.52	
			\$ 25,084,778.39	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

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

A-2

	Reference	
Allocation of Current Tax Collection:		
Revenue from Collections	A-1	\$ 34,981,173.03
Allocated to:		
School and County Taxes	A-17,18,19	24,208,653.14
Balance for Support of Municipal Appropriation		<u>10,772,519.89</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,200,000.00</u>
	Previous Pg.	<u><u>\$ 11,972,519.89</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	Prev. Pg.	<u><u>\$ 644,156.77</u></u>
Miscellaneous Revenues:		
Current Fund	A-4	\$ 11,551,707.02
Collector	A-4	79,020.73
Due from Grant Fund - Anticipated Revenue	E-2	212,500.46
Reserve for Premium on TAN	A-14	<u>43,442.00</u>
	Previous Pg.	<u><u>\$ 11,886,670.21</u></u>
Non-Budget Revenues:		
DMV Fees		\$ 4,794.00
Misc. Refunds		15,712.42
Towing Fees		21,035.00
Auction Proceeds		33,538.34
Senior Citizen's & Veteran's 2% Administrative Payments		1,108.28
County Polling Payment		3,274.16
Forfeited Bail		1,367.00
Miscellaneous		<u>602.32</u>
	Prev. Pg., A-1, 4	<u><u>\$ 81,431.52</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
Administrative & Executive:						
Municipal Clerk						
Salaries and Wages	\$ 224,000.00	\$ -	\$ 224,500.00	\$ 224,219.14	\$ 280.86	\$ -
Other Expenses	17,000.00		17,000.00	12,055.86	4,944.14	
Other Expenses - Code Publishing	6,000.00		6,000.00	4,229.78	1,770.22	
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	4,310.85	3,689.15	
Elections - Other Expenses	14,000.00		14,000.00	5,707.66	8,292.34	
Financial Administration						
Salaries and Wages	94,000.00		94,000.00	89,896.98	4,103.02	
Other Expenses						
Annual Audit	43,250.00		43,250.00		43,250.00	
Miscellaneous - Other Expenditures	48,750.00		48,750.00	36,754.05	11,995.95	
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	65,644.99	355.01	
Other Expenses	6,300.00		6,300.00	3,645.42	2,654.58	
Ordinance Enforcement - Salaries and Wages	9,600.00		9,600.00	9,236.76	363.24	
Redevelopment Agency						
Salaries and Wages	1,700.00		1,700.00	1,636.96	63.04	
Other Expenses (R.S. 40:550-1)	10,000.00		10,000.00	10,000.00	-	
Collection of Taxes						
Salaries and Wages	88,000.00		88,000.00	86,891.58	1,108.42	
Other Expenses	10,700.00		10,700.00	8,110.96	2,589.04	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	
OPERATIONS WITHIN "CAPS" (Cont'd)							
Legal Services and Costs							
Salaries and Wages	\$ 65,000.00	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -
Other Expenses	125,000.00		189,800.00	186,441.76	3,358.24		
					-		
Tax Appeals							
Professional Fees	100,000.00		100,000.00	91,640.00	8,360.00		
Engineering Services and Costs							
Salaries and Wages	3,000.00		3,000.00	2,999.88	0.12		
Other Expenses	50,000.00		50,000.00	47,317.50	2,682.50		
Public Building and Grounds							
Other Expenses	95,000.00		95,000.00	81,002.81	13,997.19		
Contracted Service	270,000.00		270,000.00	243,068.96	26,931.04		
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board - Salaries & Wages	7,500.00		7,500.00	6,962.80	537.20		
Planning Board - Other Expenses	10,000.00		37,000.00	35,533.50	1,466.50		
Zoning Board of Adjustment							
Salaries and Wages	7,500.00		7,500.00	7,160.80	339.20		
Other Expenses	10,000.00		10,000.00	9,914.24	85.76		
Municipal Court							
Salaries and Wages	226,500.00		233,540.00	233,538.84	1.16		
Other Expenses	27,000.00		19,960.00	13,348.26	6,611.74		
Public Defender							
Salaries and Wages	10,000.00		10,000.00	9,743.76	256.24		

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS WITHIN "CAPS" (Cont'd)							
Unemployment Compensation	\$ 175,000.00	\$ -	\$ 205,000.00	\$ 205,000.00	\$ -	\$ -	\$ -
Insurance:							
Liability	345,000.00		355,000.00	254,625.38	100,374.62		
Workman's Compensation	365,000.00		365,000.00	256,004.37	108,995.63		
Employee Group Insurance	2,352,800.00		2,315,840.00	2,156,505.25	159,334.75		
Self - Insurance Eye Care	15,000.00		15,000.00	11,781.26	3,218.74		
Rent Control Board							
Other expenses	500.00		500.00		500.00		
TOTAL GENERAL GOVERNMENT	4,946,600.00	-	5,016,940.00	4,494,429.04	522,510.96	-	-
PUBLIC SAFETY:							
Fire							
Other Expenses							
Clothing Allowance	100,000.00		100,000.00	100,000.00	-		
Other Expenses- Lease/Purchase Equipment	23,000.00		23,000.00	23,000.00	-		
Gear Maintenance	60,000.00		60,000.00	58,571.44	1,428.56		
Fire Alarm System - Other Expenses	12,000.00		12,000.00	8,961.50	3,038.50		
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	90,000.00		90,000.00	89,200.91	799.09		
Other Salaries - Inspectors	15,000.00		15,000.00	12,560.00	2,440.00		
Other Expenses	16,500.00		16,500.00	13,017.45	3,482.55		
Police							
Salaries and Wages	5,340,000.00		5,340,000.00	5,306,129.94	33,870.06		
Clothing Allowance							
Overtime	125,000.00		145,000.00	142,036.38	2,963.62		
Sick pay	111,450.00		111,450.00	111,440.99	9.01		
Other expenses	96,000.00		96,000.00	90,872.29	5,127.71		
911 Service	6,000.00		6,000.00	4,584.50	1,415.50		
Police Cars	51,300.00		51,300.00	43,224.65	8,075.35		

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS WITHIN "CAPS" (Cont'd)							
Special Police							
Salaries and Wages	\$ 55,000.00	\$ -	\$ 68,000.00	\$ 66,880.56	\$ 1,119.44	\$ -	\$ -
Other Expenses	500.00		500.00	125.00	375.00		
Traffic Lights - Other Expenses	15,000.00		15,300.00	14,837.14	462.86		
Traffic Control							
Salaries and Wages	280,000.00		280,160.00	280,152.50	7.50		
Other Expenses	500.00		500.00		500.00		
First Aid Organization							
Other Expenses	12,500.00		12,500.00	7,260.27	5,239.73		
Emergency Management Services							
Salaries and Wages	9,200.00		9,200.00	7,960.11	1,239.89		
Other Expenses	10,000.00		10,000.00	7,732.65	2,267.35		
First Responder							
Salaries and Wages	65,000.00		68,000.00	67,921.80	78.20		
Towing Director							
Salaries and Wages	9,300.00		9,300.00	8,946.08	353.92		
TOTAL PUBLIC SAFETY	<u>6,503,250.00</u>	<u>-</u>	<u>6,539,710.00</u>	<u>6,465,416.16</u>	<u>74,293.84</u>	<u>-</u>	<u>-</u>
STREETS AND ROADS:							
Road Repairs and Maintenance							
Salaries and Wages	886,000.00		886,000.00	861,734.56	24,265.44		
Other Expenses	50,000.00		50,000.00	31,348.10	18,651.90		
Recycling Costs	5,000.00		5,000.00	681.54	4,318.46		
Leased Vehicles	38,100.00		38,100.00	38,083.21	16.79		
TOTAL STREETS AND ROADS	<u>979,100.00</u>	<u>-</u>	<u>979,100.00</u>	<u>931,847.41</u>	<u>47,252.59</u>	<u>-</u>	<u>-</u>
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages	3,400.00		3,400.00	3,399.76	0.24		
Other Expenses	90,000.00		90,000.00	73,405.32	16,594.68		
TOTAL HEALTH AND WELFARE	<u>93,400.00</u>	<u>-</u>	<u>93,400.00</u>	<u>76,805.08</u>	<u>16,594.92</u>	<u>-</u>	<u>-</u>

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS WITHIN "CAPS" (Cont'd)							
<i>RECREATION AND EDUCATION</i>							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	\$ 43,000.00	\$ -	\$ 45,000.00	\$ 44,778.49	\$ 221.51	\$ -	\$ -
Other Expenses	90,000.00		90,000.00	74,452.38	15,547.62		
Celebration of Public Events, Anniversary or Holiday	4,500.00		6,500.00	6,337.50	162.50		
Other Expenses					-		
Senior Citizens							
Salaries and Wages	46,000.00		46,000.00	45,312.06	687.94		
Other Expenses	4,500.00		6,000.00	6,000.00	-		
TOTAL RECREATION AND EDUCATION	188,000.00	-	193,500.00	176,880.43	16,619.57	-	-
<i>SANITATION</i>							
Garbage & Trash Removal							
Salaries and Wages	589,000.00		604,000.00	602,294.13	1,705.87		
Other Expenses					-		
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	280,000.00		280,000.00	271,841.23	8,158.77		
TOTAL SANITATION	869,000.00	-	884,000.00	874,135.36	9,864.64	-	-
<i>STATE UNIFORM CONSTRUCTION CODE</i>							
Salaries and Wages							
Construction Code Official	31,800.00		31,800.00	31,761.86	38.14		
Sub-Code Officials							
Plumbing Inspector	19,000.00		19,000.00	18,741.06	258.94		
Fire Inspector	18,000.00		18,000.00	16,981.95	1,018.05		
Electrical Inspector	16,000.00		16,000.00	15,842.03	157.97		
Other Salaries	66,000.00		66,000.00	59,947.33	6,052.67		
Building Sub-Code Official	21,000.00		21,000.00	20,622.97	377.03		
Other Expenses	15,000.00		15,000.00	13,153.07	1,846.93		
Rental Expenses	37,000.00		37,000.00	34,834.80	2,165.20		
TOTAL STATE UNIFORM CONST. CODE	223,800.00	-	223,800.00	211,885.07	11,914.93	-	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED				
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed		
OPERATIONS WITHIN "CAPS" (Cont'd)								
<i>UNCLASSIFIED:</i>								
Utilities								
Street Lighting	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 248,246.12	\$ 51,753.88	\$ -	\$ -	
Gasoline	220,000.00		190,000.00	173,698.39	16,301.61			
Fuel Oil					-			
Electricity	250,000.00		250,000.00	236,753.77	13,246.23			
Telephone and Telegraph	125,000.00		129,000.00	126,501.14	2,498.86			
Water	32,000.00		32,000.00	15,083.77	16,916.23			
Fire Hydrant Services	130,000.00		130,000.00	128,153.04	1,846.96			
Purchase of Postage	30,000.00		30,000.00	27,768.96	2,231.04			
Vehicle Maintenance								
Salaries and Wages	92,000.00		92,200.00	92,152.00	48.00			
Other Expenses	200,000.00		217,000.00	211,940.36	5,059.64			
	<u>1,379,000.00</u>	<u>-</u>	<u>1,370,200.00</u>	<u>1,260,297.55</u>	<u>109,902.45</u>	<u>-</u>	<u>-</u>	
TOTAL OPERATIONS WITHIN "CAPS"	<u>15,182,150.00</u>	<u>-</u>	<u>15,300,650.00</u>	<u>14,491,696.10</u>	<u>808,953.90</u>	<u>-</u>	<u>-</u>	
<i>Contingent</i>	<u>2,000.00</u>		<u>5,500.00</u>	<u>3,499.80</u>	<u>2,000.20</u>			
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>15,184,150.00</u>	<u>-</u>	<u>15,306,150.00</u>	<u>14,495,195.90</u>	<u>810,954.10</u>	<u>-</u>	<u>-</u>	
<i>Detail:</i>								
<i>Salaries and Wages</i>	8,773,450.00		8,809,350.00	8,724,228.64	85,121.36	-	-	
<i>Other Expenses (Including Contingent)</i>	6,410,700.00		6,496,800.00	5,770,967.26	725,832.74	-	-	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS WITHIN "CAPS" (Cont'd)							
DEFERRED CHARGES:							
Overexpenditure of Appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Authorization							
Overexpenditure of Appropriation Reserves					-		
Overexpenditure of Improvement Authorization							
Deficit in Sewer Utility Fund	-		-			-	
STATUTORY EXPENDITURES:							
Contributions to:							
Public Employees Retirement System	415,327.36		385,634.36	384,503.98	1,130.38		
Social Security System (O.A.S.I.)	350,000.00		335,000.00	330,977.65	4,022.35		
Police and Firemen Retirement System of N.J.	1,195,705.00		1,118,398.00	1,118,398.00	-		
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	116,516.00		116,516.00	116,516.00	-		
TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"	2,079,948.36	-	1,957,948.36	1,952,795.43	5,152.93	-	-
CASH DEFICIT OF PRECEDING YEAR	-		-	-			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	17,264,098.36	-	17,264,098.36	16,447,991.33	816,107.03	-	-
OPERATIONS EXCLUDED FROM "CAPS"							
Maintenance of Free Public Library Ch. 82, PL 1985	642,622.69		642,622.69	615,034.77	27,587.92		
Police and Firemen Retirement System					-		
Tax Appeals Reserve	100,000.00		100,000.00	100,000.00	-		
Health Insurance	57,200.00		57,200.00	57,200.00	-		
Meadowlands Adjustment					-		
Public Employees Retirement System					-		
Joint Meeting - Borough Contribution	-				-		
Declared State of Emergency Costs for Snow Removal	50,000.00		50,000.00	50,000.00	-		
Prior Years Bills					-		
Prior Years Legal Bills					-		
	849,822.69	-	849,822.69	822,234.77	27,587.92	-	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS EXCLUDED FROM "CAPS" (Continued)							
<i>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i>							
Police Safe & Secure Grant	\$ 75,000.00	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ -	\$ -
Comcast Technology Grant	32,500.00		32,500.00	32,500.00			
Police "Drive Sober/Get Pulled Over" Grant	4,000.00		4,000.00	4,000.00			
Reserves - Grant							
Drunk Driving Enforcement Fund	7,269.44		7,269.44	7,269.44	-		
Parking Offense Adjudication Act	2,194.00		2,194.00	2,194.00	-		
Chapter 159:							
"Drive Sober or Get Pulled Over" Grant	5,000.00		5,000.00	5,000.00	-		
Police Click it or Ticket Grant- Seat Mobilization Grant	4,000.00		4,000.00	4,000.00	-		
Clean Communities Grant	15,025.27		15,025.27	15,025.27			
NJ OEM Hazard Mitigation Grant	75,000.00		75,000.00	75,000.00	-		
Body Armor Grant	3,789.70		3,789.70	3,789.70	-		
Alcohol Education and Rehab Grant	3,722.05		3,722.05	3,722.05	-		
<i>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i>	<u>227,500.46</u>	<u>-</u>	<u>227,500.46</u>	<u>227,500.46</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	1,077,323.15	-	1,077,323.15	1,049,735.23	27,587.92	-	-
<i>Detail:</i>							
<i>Salaries and Wages</i>	75,000.00	-	75,000.00	75,000.00	-	-	-
<i>Other Expenses</i>	1,002,323.15	-	1,002,323.15	974,735.23	27,587.92	-	-
<i>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</i>							
Capital Improvement Fund	50,000.00		50,000.00	50,000.00	-		
<i>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</i>	<u>50,000.00</u>	<u>-</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
MUNICIPAL DEBT-EXCLUDED FROM "CAPS"							
Payment of Bond Principal	\$ 2,052,064.71	\$ -	\$ 2,052,064.71	\$ 2,052,064.71	\$ -	\$ -	\$ -
Payment on Bond Anticipation Notes & Capital Notes	804,000.00		804,000.00	804,000.00	-		
Interest on Bonds	792,383.33		792,383.33	792,378.62		4.71	
Interest on Notes	139,759.98		139,759.98	120,032.46		19,727.52	
Green Trust Loan Program:					-		
Loan Repayments for Principal and Interest	33,302.39		33,302.39	33,302.39	-	-	
Bergen County Improvement Authority -Principal	330,000.00		330,000.00	330,000.00	-	-	
Bergen County Improvement Authority -Interest	368,337.50		368,337.50	368,337.50	-	-	
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>4,519,847.91</u>	<u>-</u>	<u>4,519,847.91</u>	<u>4,500,115.68</u>	<u>-</u>	<u>19,732.23</u>	
DEFERRED CHARGES -							
MUNICIPAL EXCLUDED FROM "CAPS"							
Emergency Authorizations	-	-	-	-	-	-	-
Special Emergency Authorizations - 5 Years	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	<u>5,647,171.06</u>	<u>-</u>	<u>5,647,171.06</u>	<u>5,599,850.91</u>	<u>27,587.92</u>	<u>19,732.23</u>	<u>-</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>22,911,269.42</u>	<u>-</u>	<u>22,911,269.42</u>	<u>22,047,842.24</u>	<u>843,694.95</u>	<u>19,732.23</u>	<u>-</u>
<i>Reserve for Uncollected Taxes</i>	<u>1,200,000.00</u>		<u>1,200,000.00</u>	<u>1,200,000.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 24,111,269.42</u>	<u>\$ -</u>	<u>\$ 24,111,269.42</u>	<u>\$ 23,247,842.24</u>	<u>\$ 843,694.95</u>	<u>\$ 19,732.23</u>	<u>\$ -</u>
Reference	A-2			Below	A	A-1	

Reference

Disbursements	A-4	\$ 22,089,011.85
Budget Offsets	A-4	(464,915.91)
Reserve for Uncollected Taxes	A-2	1,200,000.00
Encumbrance Payable	A-22	96,245.84
Due to Grant Fund	E-4	227,500.46
Tax Appeal Reserve	A-24	100,000.00
		<u>\$ 23,247,842.24</u>

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

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

		At December 31,	
	Reference	2014	2013
ASSETS			
Other Trust Fund			
Cash	B-1	\$ 493,533.07	\$ 441,362.05
Due from Current Fund	A, B-7	-	82,975.90
		<u>493,533.07</u>	<u>524,337.95</u>
Developer's Escrow Fund			
Cash	B-1	206,734.32	228,287.77
		<u>206,734.32</u>	<u>228,287.77</u>
Dog License Fund			
Cash	B-1	9,076.45	16,772.40
		<u>9,076.45</u>	<u>16,772.40</u>
Unemployment Fund			
Cash	B-1	9,153.08	54,961.90
		<u>9,153.08</u>	<u>54,961.90</u>
TOTAL ASSETS		<u><u>\$ 718,496.92</u></u>	<u><u>\$ 824,360.02</u></u>
LIABILITIES, RESERVE AND FUND BALANCE			
Other Trust			
Special Reserves	B-8	\$ 493,533.07	\$ 524,337.95
		<u>493,533.07</u>	<u>524,337.95</u>
Developers Escrow			
Reserve for Escrow Fees	B-5	206,734.32	228,287.77
		<u>206,734.32</u>	<u>228,287.77</u>
Dog License Fund			
Due to Current Fund	A,B-4	-	4,170.00
Due to State of NJ	B-3	12.60	9.60
Reserve for Dog Fund Expenditures	B-6	9,063.85	12,592.80
		<u>9,076.45</u>	<u>16,772.40</u>
Unemployment Fund			
Fund Reserve	B-2	9,153.08	54,961.90
		<u>9,153.08</u>	<u>54,961.90</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u><u>\$ 718,496.92</u></u>	<u><u>\$ 824,360.02</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

		At December 31,	
	Reference	2014	2013
ASSETS			
Cash - Treasurer	C-2,3	\$ 1,930,421.10	\$ 4,950,245.56
Grants Receivable	C-19	975,493.86	1,081,412.50
Deferred Charges to Future Taxation:			
Funded	C-5	42,454,257.26	40,220,047.09
Unfunded	C-6	5,439,552.35	8,551,217.35
Due from Bergen County Improvement Authority	C-15	729,517.90	1,134,678.85
TOTAL ASSETS		<u>\$ 51,529,242.47</u>	<u>\$ 55,937,601.35</u>
LIABILITIES, RESERVE AND FUND BALANCE			
General Serial Bonds	C-13	\$ 26,049,719.57	\$ 23,459,784.28
Bond Anticipation Note Payable	C-16	1,918,000.00	7,610,665.00
State Loan Payable	C-12	359,537.69	385,262.81
Bergen County Improvement Authority Bond Payable	C-21	16,045,000.00	16,375,000.00
Encumbrance Payable	C-7	15,260.61	14,893.25
Improvement Authorizations:			
Funded	C-9	1,850,779.98	1,171,057.16
Unfunded	C-9	3,422,899.78	4,738,668.32
Due to Sewer Capital Fund	C-2,D	-	53,000.00
Reserve for Payment of Bonds and Notes	C-14	695,588.20	686,394.00
Reserve for Building & Grounds Improvements	C-11	23,050.26	31,037.75
Reserve for Roadway Improvements	C-20	159,300.00	159,300.00
Reserve for Grants- Receivable	C-18	975,493.86	1,081,412.50
Premium on BAN/ Bond Sale	C-10	4,827.59	18,613.00
Accrued Interest on Bond Sale	C-22	-	12,228.35
Capital Improvement Fund	C-8	7,891.63	138,391.63
Fund Balance	C-1	1,893.30	1,893.30
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 51,529,242.47</u>	<u>\$ 55,937,601.35</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013
in the amount of \$3,521,552.35 and \$940,552.35, respectively. (Exhibit C-17).

STATEMENT OF FUND BALANCE

C-1

	Reference	
Balance December 31, 2013	C	<u>\$ 1,893.30</u>
Balance December 31, 2014	C	<u>\$ 1,893.30</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

D

	Reference	At December 31,	
		2014	2013
ASSETS			
Operating Fund:			
Cash	D-4	\$ 341,097.69	\$ 881,318.78
Escrow Trust Cash	D-4, D-15	1,027.19	1,027.19
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	538,085.08	221,015.73
Sewer Lien Receivable	D-9, Contra	2,058.75	-
Due from Current Fund	D-14	28,558.57	
Due from Trust Fund	D-4		
Deferred Charges:			
Overexpenditure of Appropriations	D-3	-	145,873.64
Overexpenditure of Appropriation Reserves	D-13	18,455.75	8,379.02
Deficit in Operation	D-1	319,152.74	
Total Operating Fund		<u>1,248,435.77</u>	<u>1,257,614.36</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 General Capital Fund	C, D-20		53,000.00
Due from Utility Operating Fund	D-7	423,922.77	425,447.65
Total Capital Fund		<u>5,039,665.61</u>	<u>5,094,190.49</u>
TOTAL ASSETS		<u>\$ 6,288,101.38</u>	<u>\$ 6,351,804.85</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, 13	\$ 34,869.00	\$ 1,491.92
Encumbrance Payable	D-3, 13	175.00	2,007.50
Accrued Interest	D-18	4,309.74	4,802.72
Due to Utility Capital Fund	D-7	423,922.77	425,447.65
Due to Current Fund	A, D-14		78,261.05
Sewer Charge Overpayment	D-6	28,460.91	28,633.27
Reserve for Escrow Deposit	D-15	1,027.19	1,027.19
Reserve for Receivables	Contra	540,143.83	221,015.73
Fund Balance	D-1	215,527.33	494,927.33
Total Operating Fund		<u>1,248,435.77</u>	<u>1,257,614.36</u>
Capital Fund:			
Serial Bond Payable	D-19	385,280.43	365,215.72
NJ Infrastructure Loan Payable	D-17	109,067.81	211,484.86
Bond Anticipation Notes	D-20		53,000.00
Improvement Authorizations			
Funded	D-10	112,194.22	166,719.10
Unfunded	D-10		
Capital Improvement Fund	D-11	311,935.55	311,935.55
Reserve for Deferred Amortization	D-12	834,712.00	699,359.66
Amortization Reserve	D-12	3,286,475.60	3,286,475.60
Total Capital Fund		<u>5,039,665.61</u>	<u>5,094,190.49</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 6,288,101.38</u>	<u>\$ 6,351,804.85</u>

There were bonds and notes authorized but not issued
on December 31, 2014 in the amount of \$207.00 (Schedule D-16)

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

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

D-1

	Reference	At December 31,	
		2014	2013
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2	\$ 279,400.00	
User Charges and Fees	D-2,4	1,293,937.93	1,537,827.91
Delinquent User Charges	D-2	143,629.30	373,588.94
Giants Training Facility Agreement	D-2,4	47,644.80	165,000.00
New Meadowlands Racetrack Conn Fee	D-2,4	-	204,019.20
Meadowlands Stadium Agreement	D-2,4	149,848.72	194,362.72
Miscellaneous Revenues	D-2,4	114,310.68	35,094.79
	D-2	<u>2,028,771.43</u>	<u>2,509,893.56</u>
Other Credits to Income:			
Prepaid Canceled		-	7,167.29
Appropriations Lapsed	D-3	5,454.94	1,371.69
Prior Year Appropriation Reserve lapsed	D-13	1,491.92	311.35
		<u>2,035,718.29</u>	<u>2,518,743.89</u>
Less: Budget Appropriations	D-3	<u>2,354,871.03</u>	<u>2,110,422.45</u>
Excess/(Deficit) in Revenues		(319,152.74)	408,321.44
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit in Operations	D	319,152.74	-
Fund Balance - Operating - January 1	D	<u>494,927.33</u>	<u>86,605.89</u>
Less: Fund Balance Utilized	D-2	<u>279,400.00</u>	<u>-</u>
Fund Balance - Operating - December 31	D	<u>\$ 215,527.33</u>	<u>\$ 494,927.33</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 279,400.00	\$ 279,400.00	\$ -
User Charges and Fees	D-1,5	1,535,622.31	1,293,937.93	(241,684.38)
Delinquent User Charges	D-1,Below	360,000.00	143,629.30	(216,370.70)
Giants Training Facility Agreement	D-1,4	23,000.00	47,644.80	24,644.80
Meadowlands Stadium Agreement	D-1,4	149,848.72	149,848.72	-
Miscellaneous Income/Hook-up Fees	D-1,4	7,000.00	114,310.68	107,310.68
Deficit General Budget	D-1,4	-	-	-
		<u>\$ 2,354,871.03</u>	<u>\$ 2,028,771.43</u>	<u>\$ (326,099.60)</u>
		D-3	D-1	
Delinquent User Charges Collected	D-5		\$ 116,423.98	
Delinquent Interest Collected	D-4		<u>27,205.32</u>	
	Above		<u>\$ 143,629.30</u>	

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

	Appropriations		Expended			(Overexpenditure)
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed	
Operating						
Salaries and Wages	\$ 200,000.00	\$ 176,000.00	\$ 173,406.32	\$ 2,593.68	\$ -	\$ -
Other Expenses	1,780,000.00	1,807,000.00	1,774,792.45	32,207.55	-	-
Health Benefits	43,000.00	43,000.00	43,000.00	-	-	-
Total Operating Expenditures	<u>2,023,000.00</u>	<u>2,026,000.00</u>	<u>1,991,198.77</u>	<u>34,801.23</u>	<u>-</u>	<u>-</u>
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Deferred Charges:						
Deficit in Operations						
Appropriation Overexpenditure	145,873.64	145,873.64	145,873.64		-	-
Appropriation Reserve Overexpenditure	8,379.02	8,379.02	8,379.02			
Statutory Expenditures:						
Contributions to:						
Social Security System	16,000.00	13,000.00	12,932.23	67.77	-	-
Unemployment Compensation Insurance	3,200.00	3,200.00	3,200.00	-	-	-
Total Deferred Charges & Statutory Expenditures	<u>173,452.66</u>	<u>170,452.66</u>	<u>170,384.89</u>	<u>67.77</u>	<u>-</u>	<u>-</u>
Debt Service						
Bond Principal	32,935.29	32,935.29	32,935.29			
Bond Interest	16,556.03	16,556.03	12,848.76		3,707.27	
Interest on Notes	1,360.00	1,360.00	500.38		859.62	
NJ Infrastructure Loan:						
Principal	102,417.05	102,417.05	102,417.05		-	
Interest Expense	5,150.00	5,150.00	4,261.95	-	888.05	
	<u>158,418.37</u>	<u>158,418.37</u>	<u>152,963.43</u>	<u>-</u>	<u>5,454.94</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 2,354,871.03</u>	<u>\$ 2,354,871.03</u>	<u>\$ 2,314,547.09</u>	<u>\$ 34,869.00</u>	<u>\$ 5,454.94</u>	<u>\$ -</u>
Reference	D-1,2	D-1,2	Below	D	D-1	D

Disbursed	D-4	\$ 2,160,612.41
Accrued Interest	D-18	(492.98)
Encumbrance Payable	D	175.00
Deferred Charge - Overexpenditures of Appr. Reserves	D	8,379.02
Deferred Charge - Deficit in Operations	D	145,873.64
Above		<u>\$ 2,314,547.09</u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

E

		At December 31,	
	Reference	2014	2013
ASSETS			
Cash	E-1	\$ 110,129.10	\$ 72,112.57
Grants Receivable	E-3	90,000.00	37,301.30
TOTAL ASSETS		<u>\$ 200,129.10</u>	<u>\$ 109,413.87</u>
LIABILITIES AND RESERVES			
Appropriated Reserve	E-4	\$ 168,226.23	\$ 99,950.43
Unappropriated Reserve	E-5	31,902.87	9,463.44
TOTAL LIABILITIES AND RESERVES		<u>\$ 200,129.10</u>	<u>\$ 109,413.87</u>

BOROUGH OF EAST RUTHERFORD
GENERAL FIXED ASSETS FUND
DECEMBER 31, 2014 AND 2013

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

F

	At December 31,	
	2014	2013
GENERAL FIXED ASSETS		
Land (as per assessed valuation)	\$ 36,183,600.00	\$ 33,867,600.00
Buildings (as per assessed valuation)	12,758,400.00	12,758,400.00
Machinery and Equipment	11,564,238.00	10,504,731.00
TOTAL GENERAL FIXED ASSETS	<u>\$ 60,506,238.00</u>	<u>\$ 57,130,731.00</u>
 LIABILITIES AND RESERVES		
Investments in General Fixed Assets	<u>\$ 60,506,238.00</u>	<u>\$ 57,130,731.00</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 60,506,238.00</u>	<u>\$ 57,130,731.00</u>

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

B. Fund Accounting

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

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

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

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

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

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

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

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

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

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

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

Trust Funds
General Capital Fund
Sewer Capital Fund

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

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

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

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

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

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

Inventories - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of financial position.

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

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

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

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

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

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

C. Basis of Accounting (Continued)

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

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

D. Basic Financial Statements

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

2. **Cash and Cash Equivalents**

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2014 and 2013, \$0 of the Borough's bank balance of \$7,439,327.64 and \$9,151,520.69 was exposed to custodial credit risk, respectively.

3. **Investments**

Interest Rate Risk. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A: 5-15.1(a) limits the length of time for most investments to 397 days.

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

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

As of December 31, 2014 and 2013, the Borough had no investments.

4. **Municipal Debt**

Summary of Long-Term Debt

Long-term debt as of December 31, 2014 consisted of bonds, loans, compensated absences and capital leases.

	Balance Dec. 31, 2013	Additions	Reductions	Balance Dec. 31, 2014	Due in One Year
Bonds Payable - General	\$ 23,459,784.28	\$ 5,112,000.00	\$ 2,522,064.71	\$ 26,049,719.57	\$ 3,274,755.89
Bonds Payable - Sewer Utility	365,215.72	53,000.00	32,935.29	385,280.43	35,244.11
Bergen County Imp. Auth.					
Bond Payable - General	16,375,000.00		330,000.00	16,045,000.00	345,000.00
Loan Payable - General	385,262.81		25,725.12	359,537.69	26,242.20
Loan Payable - Sewer Utility	211,484.86		102,417.05	109,067.81	109,067.81
Compensated Absences	1,009,873.24	16,694.18	-	1,026,567.42	
	<u>\$ 41,806,620.91</u>	<u>\$ 5,181,694.18</u>	<u>\$ 3,013,142.17</u>	<u>\$ 43,975,172.92</u>	<u>\$ 3,790,310.01</u>

As of December 31, 2014, 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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

4. Municipal Debt (Continued)

Summary of Long-Term Debt (Continued)

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

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

2015	\$	34,500.00
2016		360,000.00
2017		370,000.00
2018		390,000.00
2019		405,000.00
2020-2039		<u>14,175,000.00</u>
	\$	<u><u>16,045,000.00</u></u>

The Borough's long-term debt consisted of the following at December 31, 2014:

General Obligation Bonds

\$20,145,000 - 2005 Bonds, due in annual installments of \$1,100,000-1/15/15, interest rate variable from 4.00% to 5.00%. Refinanced in 2014. \$ 1,100,000.00

\$12,505,000 - 2009 Bonds, due in annual installments of \$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% 8,747,719.57

\$5,112,000 - 2014 Bonds, due in annual installments of \$222,691.18-02/01/15, \$252,383.34-02/01/16, \$257,332.04-02/01/17-02/01/19, \$267,229.42-02/01/20, \$272,178.11-02/01/21, \$282,075.50-02/01/22, \$291,972.89-02/01/23, \$301,870.27-02/01/24, \$311,767.66-02/01/25, \$326,613.74-02/01/26, \$336,511.12-02/01/27, \$351,357.20-02/01/28, \$361,254.59-02/01/29, \$376,100.67-02/01/30, \$385,998.19-02/01/31, interest rate variable from 2.00% to 5.00% 5,112,000.00

\$11,175,000 - 2014 Bonds, due in annual installments of \$1,085,000-06/15/16, \$1,055,000-06/15/17, \$1,035,000-06/15/18, \$1,130,000-06/15/19, \$1,125,000-06/15/20, \$1,130,000-06/15/21, \$1,135,000-06/15/22, \$1,145,000-06/15/23, \$1,150,000-06/15/24, \$1,100,000-06/15/25, interest rate variable from 1.50% to 5.00% 11,090,000.00

Subtotal 26,049,719.57

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% 16,045,000.00

Subtotal 16,045,000.00

State Loan Payable

\$100,000- due in annual installments, at a 2.00% interest rate 82,524.20

\$435,553- due in semi-annual installments, at a 2.00% interest rate 277,013.49

Subtotal 359,537.69

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

4. Municipal Debt (Continued):

Summary of Long-Term Debt (Continued)

Sewer Utility Capital:

Bond Payable

\$475,000 - 2009 Bonds, due in annual installments of \$32,935.29-1/01/15; \$40,254.24-1/01/16-18;
\$43,913.71-11/01/19-21; \$46,841.29-1/01/22 interest rate variable from 2.00% to 4.00% \$ 332,280.43

\$53,000 - 2014 Bonds, due in annual installments of \$2,308.82-2/01/15; \$2,616.66-2/01/16; \$2,667.96 -
2/01/17-19; \$2,770.58-2/01/20; \$2,821.89-2/01/21; \$2,924.50-2/01/22; \$3,027.11-2/01/23; \$3,129.73 -
2/01/24; \$3,232.34-2/01/25; \$3,386.26-2/01/26; \$3,488.88-2/01/27; \$3,642.80-2/01/28; \$3,745.41-2/01/29;
\$3,899.33 -2/01/30; \$4,001.81-2/01/31 - interest rate variable from 2.00% to 5.00% 53,000.00

Subtotal 385,280.43

NJ Infrastructure Loan Payable

\$445,000-due in semi-annual installments, at an interest rate of 4.00% 60,000.00
\$451,793-due in semi- annual installments, at a 0.00% interest rate 49,067.81

Subtotal 109,067.81

Total \$ 42,948,605.50

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.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 44,372,257.26	\$ 47,830,712.09	\$ 47,183,654.52
Sewer Utility:			
Bonds, Notes and Loans	494,348.24	629,700.58	710,561.30
Debt Issued	<u>44,866,605.50</u>	<u>48,460,412.67</u>	<u>47,894,215.82</u>
Authorized but not Issued:			
General:			
Bonds and Notes	3,521,552.35	940,552.35	1,560,552.35
Sewer Utility:			
Bonds and Notes	207.00	207.00	53,207.00
	<u>3,521,759.35</u>	<u>940,759.35</u>	<u>1,613,759.35</u>
Less Deductions	<u>2,044,000.00</u>	<u>3,477,907.58</u>	<u>2,712,000.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 46,344,364.85</u>	<u>\$ 45,923,264.44</u>	<u>\$ 46,795,975.17</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

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 2.308%.

	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 5,496,000.00	\$ 5,496,000.00	\$ -
General Debt	48,019,809.61	2,044,000.00	45,975,809.61
Sewer Utility Debt	494,555.24	-	494,555.24
	<u>\$ 54,010,364.85</u>	<u>\$ 7,540,000.00</u>	<u>\$ 46,470,364.85</u>

Net Debt of \$ 46,470,364.85 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,013,813,079= 2.308%.

Calculation of "Self-Liquidating Purpose", Sewer Utility

Cash Receipts from Fees, Rents or Other Charges \$ 1,756,318.29

Deductions:

Operating and Maintenance Cost \$ 2,023,000.00

Deferred Charges & Statutory Expenditures 173,452.66

Debt Service 158,418.37

2,354,871.03

Deficit in Revenue \$ (598,552.74)

Smaller of Deficit in Revenue or Utility Debt Service 158,418.37

Capitalized at 5% 3,168,367.40

Gross Sewer System Debt \$ 494,348.24

Less Above: (3,168,367.40)

Total Deduction \$ -

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

3 1/2% of Equalized Valuation Basis (Municipal) \$ 70,483,457.77

Net Debt 46,470,364.85

Remaining Borrowing Power \$ 24,013,092.92

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

5. Capital Leases Payable

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

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

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

Total payments for the leases amounted to \$42,167.05 and \$38,083.21 in 2014 and 2013, respectively. These lease-purchase agreements include a \$1.00 buyout at the end of the lease periods; the assets will become Borough property.

	Principal	Interest	Total
2015	\$ 35,675.62	\$ 6,491.43	\$ 42,167.05
2016	37,750.20	4,416.85	42,167.05
2017	19,199.04	2,220.78	21,419.82
2018	20,278.72	1,141.09	21,419.81
	<u>\$ 20,278.72</u>	<u>\$ 1,141.09</u>	<u>\$ 21,419.81</u>

6. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

	Balance Dec. 31, 2014	2015 Budget Appropriations	Subsequent Budgets
<u>Current Fund</u>			
Overexpenditure of Appropriation Reserves	\$ 51,132.80	\$ 51,132.80	\$ -
<u>Sewer Utility Fund</u>			
Overexpenditure of Appropriation Reserves	18,455.75	18,455.75	-
Deficit in Operations	319,152.74	319,152.74	-
Subtotal	<u>337,608.49</u>	<u>337,608.49</u>	<u>-</u>
Total	<u>\$ 388,741.29</u>	<u>\$ 388,741.29</u>	<u>\$ -</u>

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,	
	2014	2013	2014	2013
Balance of Tax	\$ 7,065,421.50	\$ 6,943,878.00	\$ 2,944,854.00	\$ 2,931,971.50
Deferred	<u>7,065,421.50</u>	<u>6,943,878.00</u>	<u>2,944,854.00</u>	<u>2,931,971.50</u>
Taxes Payable/(Prepaid)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

8. Property Tax Calendar

The Borough's property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sales were held on June 11, 2014 and for 2013 taxes.

9. Taxes Collected in Advance

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

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Prepaid Taxes	\$ 88,424.06	\$ 108,199.06

10. Interfund Receivables and Payables

Interfund Receivables and Payables at December 31, 2014 were as follows:

Fund Type	Receivables	Payables
Current Fund	\$ 13,471.50	\$ 28,558.57
Sewer Utility Fund	28,558.57	423,922.77
Sewer Capital Fund	423,922.77	-
Grant Fund	-	13,471.50
Total Interfund Receivables and Payable	<u>\$ 465,952.84</u>	<u>\$ 465,952.84</u>

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, 2014, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

12. Retirement Plans

Description of Plans

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

12. Retirement Plans (Continued)

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.

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. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2014	\$ 384,503.98	\$ 1,118,398.00
2013	328,907.57	1,158,395.00
2012	330,743.00	1,026,501.00
2011	342,114.00	1,042,316.00

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

14. Deferred Compensation Plan

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

Any employee of the Borough is eligible to participate in the plan. Participation in the plan is entirely voluntary on the part of each employee. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is not a part of the financial statements of the Borough.

15. Post Employment Benefits

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

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

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

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

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

The Borough contributions for retirees to SHBP for the years ended December 31, 2014 and 2013 were \$261,319.20 and \$259,930.55, respectively, which equaled the required contribution for each year. There were approximately 13 retired participants eligible at December 31, 2014 and 2013.

16. Compensated Absences

The Borough's policy to compensate police officers for unused sick time amounted to \$106,444.31 in 2014 and was paid in 2015.

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 \$1,026,567.42.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

17. Risk Management

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

18. Insurance

The Borough is a member of the South Bergen Municipal Joint Insurance Fund. The coverage includes general liability, automotive liability, law enforcement professional liability, and employee benefits liability. The employee benefit program includes prescription drug card plan, dental benefits, long-term disability benefit, and group life insurance benefit. There has been no reduction in insurance coverage from prior years and settlements did not exceed insurance coverage for the past three years. The fund continues to provide broader coverage than the conventional insurance market at a lower premium. According to the Borough's insurance manager, Professional Insurance Associates, Inc., the fund actuary has reported that all funds of which the Borough is a member are financially sound. The Borough has contracted with the State of New Jersey sponsored health coverage for its employees.

19. Subsequent Events

The Borough has approved its 2015 budget on March 17, 2015 and a hearing on the 2015 budget and tax resolution will be held on June 16, 2015.

The Borough has evaluated subsequent events through May 1, 2015, which is the date the financial statements were available to be issued.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH

A-4

	Reference	Current Fund	Tax Collector
Balance December 31, 2013	A	\$ 2,156,846.97	\$ 326,909.24
Increased by:			
Miscellaneous Revenue	A-2	11,551,707.02	79,020.73
Non-Budget Revenues	A-2	81,431.52	
Taxes Receivable	A-7		35,409,725.58
Senior Citizens and Veterans	A-8	55,413.77	
Collector	Contra	35,925,173.59	
Tax Title Liens - Outside Lien holder	Contra, B-7		342,347.21
Police Off Duty Receivable/ Reserve	A-23	803,108.19	
Prepaid Taxes	A-16		88,424.06
Due from Grant Fund- Grant Receivable	E-2	132,437.02	
Due from Grant Fund- Transfer	E-2	70,000.00	
Due from Sewer Utility Fund	D-14	82,914.87	85,644.74
Due from Capital Fund	C-4	1,005,000.00	
Insurance Exchange	Contra	50,000.00	
DEA Confiscated Funds	A-20	203,809.13	
Miscellaneous Reserves	A-6	4,225.00	
Budget Offsets	A-3	464,915.91	
Transfer from Other Trust Fund	B-7	672,582.42	
Transfer from Dog License Fund	B-4	4,170.00	
Due from Dog License Fund - Expenditures	B-6	8,919.15	
		<u>51,115,807.59</u>	<u>36,005,162.32</u>
		53,272,654.56	36,332,071.56
Decreased by:			
2014 Budget Appropriations	A-3	22,089,011.85	
2013 Appropriation Reserves	A-13	487,152.33	
Tax Overpayments	A-15	223,954.64	
Local District School Tax	A-18	14,009,299.56	
Regional School Tax	A-19	5,876,825.58	
County Taxes	A-17	4,320,941.17	
Due to Grant Fund - Expenditures	E-2	154,794.86	
Due to Grant Fund	E-2	76,113.66	
Due from Dog License Fund	B-6	8,919.15	
Transfer to Other Trust Fund	Contra, B-7	755,558.32	342,347.21
Due from Capital Fund	C-4	1,005,000.00	
Transfer to Current Fund	Contra		35,925,173.59
Insurance Exchange	Contra	50,000.00	
Due to Sewer Utility Fund	D-14	4,653.82	57,086.17
DEA Confiscated Funds	A-20	87,218.38	
Miscellaneous Reserves	A-6	2,274.00	
Police Off Duty Receivable/ Reserve	A-23	723,172.81	
		<u>49,874,890.13</u>	<u>36,324,606.97</u>
Balance December 31, 2014	A	\$ 3,397,764.43	\$ 7,464.59

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CHANGE AND PETTY CASH FUND

A-5

	Balance December 31, 2013	Increased	Balance December 31, 2014
Collector - Change Fund	\$ 100.00	\$ -	\$ 100.00
Borough Clerk - Change Fund	100.00		100.00
Petty Cash Fund	450.00	500.00	950.00
	<u>\$ 650.00</u>	<u>\$ 500.00</u>	<u>\$ 1,150.00</u>
Reference	A	A-1	A

SCHEDULE OF MISCELLANEOUS RESERVES

A-6

	Balance December 31, 2013	Cash Receipts	Cash Disbursements	Balance December 31, 2014
Donations for First Aid Squad	\$ 2,331.72	\$ 2,000.00	\$ -	\$ 4,331.72
Donations for St. Joe's Park	785.00			785.00
Meadowlands Hospital's Donation for Police Equip.	183.00			183.00
Fire Department Training	12,906.72	2,225.00	2,274.00	12,857.72
	<u>\$ 16,206.44</u>	<u>\$ 4,225.00</u>	<u>\$ 2,274.00</u>	<u>\$ 18,157.44</u>
Reference	A	A-4	A-4	A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2013	2014 Levy	Collections		Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	Added/ 6% Penalty	(Canceled)	Balance Dec. 31, 2014
2010/2011/2012	\$ 3,396.61	\$ -	\$ -	\$ 3,566.20	\$ -	\$ -	\$ 750.47	\$ -	\$ 580.88
2013	624,611.22			640,590.57	3,586.23	3,372.07	26,583.20		10,818.01
2014		35,397,899.35	108,199.06	34,872,973.97		24,419.47		(21,956.50)	370,350.35
	<u>\$ 628,007.83</u>	<u>\$ 35,397,899.35</u>	<u>\$ 108,199.06</u>	<u>\$ 35,517,130.74</u>	<u>\$ 3,586.23</u>	<u>\$ 27,791.54</u>	<u>\$ 27,333.67</u>	<u>\$ (21,956.50)</u>	<u>\$ 381,749.24</u>
Reference	A	Below	A-16	Below	A-1,8	A-10			A
			Reference						
Cash Receipts			A-4	\$ 35,409,725.58					
Applied from Overpayments			A-15	48,655.16					
State of NJ - Realized									
Seniors and Veterans Deductions			A-8	58,750.00					
			Above	<u>\$ 35,517,130.74</u>					
Analysis of 2014 Property Tax Levy									
Tax Yield:									
General Purpose Tax		\$ 35,307,292.14							
Senior Citizen's & Veteran's Deduction		58,750.00							
Added Taxes (54:4-63.1 et. seq.)		<u>31,857.21</u>							
		<u>\$ 35,397,899.35</u>	Above						
Tax Levy:									
Local & Regional District School									
Tax (Abstract)		\$ 20,020,551.00	A-18,19						
County Taxes		4,316,197.88	A-17						
Due County for Added Taxes		6,330.26	A-17						
Local Tax for Municipal Purposes		10,972,193.52	A-2						
Add: Additional Taxes Levied		<u>82,626.69</u>							
Total Tax Levy		<u>\$ 35,397,899.35</u>	Above						

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

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

A-8

	Reference		
Balance December 31, 2013	A	\$	429.24
Increased by:			
Senior Citizens Deductions Per Tax Billing		17,000.00	
Veterans Deductions Per Tax Billing		41,750.00	
Senior Citizens/Veteran Deductions Allowed by Tax Collector		<u>-</u>	
			<u>58,750.00</u>
			59,179.24
Decreased by:			
Cash Receipts - State of New Jersey	A-4	55,413.77	
Senior Citizens Deductions Disallowed by Tax Collector 2013 Taxes	A-1,7	<u>3,586.23</u>	
			<u>59,000.00</u>
Balance December 31, 2014	A	<u>\$</u>	<u>179.24</u>
<i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$ 17,000.00	
Veterans		41,750.00	
Senior Citizens/Veteran Deductions Allowed by Tax Collector		<u>-</u>	
Amount Realized	A-7	<u>\$</u>	<u>58,750.00</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-9

	Reference	
Balance December 31, 2013	A	<u>\$ 636,900.00</u>
Balance December 31, 2014	A, Below	<u><u>\$ 636,900.00</u></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	<u>152,500.00</u>
	Above	<u><u>\$ 636,900.00</u></u>

SCHEDULE OF TAX TITLE LIENS

A-10

	Reference	
Balance December 31, 2013	A	\$ 138,851.88
Increased by:		
Transferred to Lien	A-7	<u>27,791.54</u>
Balance December 31, 2014	A, Below	<u><u>\$ 166,643.42</u></u>
<i>Analysis of Balance</i>		
Block	Lot	
6.01	8	\$ 35.00
8	3	10,819.85
19	15	325.50
23.02	10	1,338.99
30	47	7,543.73
46	31	1,032.60
70	26	263.57
79	26.01	1,008.21
102C	3	2,275.96
102	6	35,105.05
105.01	11	54,593.84
105.02	7	<u>52,301.12</u>
	Above	<u><u>\$ 166,643.42</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

	Balance Dec. 31, 2013	Accrued in 2014	Collected	Balance Dec. 31, 2014
Municipal Court	\$ -	\$ 458,460.67	\$ 458,460.67	\$ -
Construction Code:				
Official Fees		185,949.60	177,911.60	8,038.00
Vital Statistics		2,802.00	2,547.00	255.00
Borough Clerk		48,601.28	47,796.11	805.17
Board of Health		54,290.95	37,185.95	17,105.00
	<u>\$ -</u>	<u>\$ 750,104.50</u>	<u>\$ 723,901.33</u>	<u>\$ 26,203.17</u>
Reference	A			A

SCHEDULE OF DEFERRED CHARGES

A-12

	Balance Dec. 31, 2013	Amount in 2014 Budget	Increased by Current Year Deferred Charges	Balance Dec. 31, 2014
Over-expenditure of Appropriation Reserves	\$ -	\$ -	\$ 51,132.80	\$ 51,132.80
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,132.80</u>	<u>\$ 51,132.80</u>
Reference	A	A-3	A-1	A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF 2013 APPROPRIATION RESERVES

A-13

	Balance December 31, 2013	Encumbrances December 31, 2013	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
GENERAL GOVERNMENT							
Administrative & Executive:							
Municipal Clerk:							
Salaries and Wages	\$ 2.58	\$ -	\$ -	\$ 2.58	\$ -	\$ 2.58	\$ -
Other Expenses	3,184.54	1,295.00	(2,000.00)	2,479.54	2,338.14	141.40	-
Contracted Services				-		-	-
Mayor and Council:							
Salaries and Wages	1.22	-	-	1.22	-	1.22	-
Other Expenses	330.05	-	-	330.05	201.30	128.75	-
Elections:							
Other Expenses	8,454.42	-	-	8,454.42	-	8,454.42	-
Financial Administration:							
Salaries and Wages	481.85	-	-	481.85	-	481.85	-
Other Expenses:							
Annual Audit	43,250.00	-	-	43,250.00	43,250.00	-	-
Miscellaneous - Other Expenditures	4,995.64	-	(2,500.00)	2,495.64	350.00	2,145.64	-
Single Audit Act	-	-	-	-	-	-	-
Purchasing:							
Salaries and Wages	0.10	-	-	0.10	-	0.10	-
Assessment of Taxes:							
Salaries and Wages	90.05	-	-	90.05	-	90.05	-
Other Expenses	2,031.47	-	(2,000.00)	31.47	-	31.47	-
Ordinance Enforcement:							
Salaries and Wages	363.24	-	-	363.24	-	363.24	-
Redevelopment Agency (R.S. 40:550-1):							
Salaries and Wages	63.04	-	-	63.04	-	63.04	-
Other Expenses (R.S. 40:550-1)	9,609.31	-	(9,000.00)	609.31	-	609.31	-
Collection of Taxes:							
Salaries and Wages	76.76	-	-	76.76	-	76.76	-
Other Expenses	1,796.03	-	(1,000.00)	796.03	730.59	65.44	-
Legal Services and Costs:							
Salaries and Wages	100.00	-	-	100.00	-	100.00	-
Other Expenses	25,682.16	509.60	(17,600.00)	8,591.76	8,437.09	154.67	-
Ordinance Recodification	1,456.16	-	(1,000.00)	456.16	-	456.16	-
Tax Appeals - Professional Fees	10,820.00	1,450.00	12,000.00	24,270.00	21,450.00	2,820.00	-
Engineering Services and Costs:							
Salaries and Wages	0.12	-	-	0.12	-	0.12	-
Other Expenses	11,476.77	-	-	11,476.77	11,280.00	196.77	-
Public Buildings and Grounds:							
Other Expenses	7,090.70	3,285.58	-	10,376.28	8,811.69	1,564.59	-
Contracted Service	15,055.83	19,600.66	(24,000.00)	10,656.49	9,756.66	899.83	-
Municipal Land Use Law (NJSA 40:55D-1):							
Planning Board - Salaries & Wages	784.20	-	-	784.20	-	784.20	-
Planning Board - Other Expenses	3,699.00	-	2,500.00	6,199.00	6,132.71	66.29	-
Zoning Board of Adjustment:							
Salaries and Wages	284.20	-	-	284.20	-	284.20	-
Other Expenses	2,365.52	-	-	2,365.52	2,350.00	15.52	-
Municipal Court:							
Salaries and Wages	14,941.68	-	(14,500.00)	441.68	-	441.68	-
Other Expenses	5,951.24	212.54	(5,500.00)	663.78	572.54	91.24	-
Public Defender:							
Salaries and Wages	256.24	-	-	256.24	-	256.24	-
Insurance:							
Liability	25,371.73	-	52,715.00	78,086.73	78,083.36	3.37	-
Workman's Compensation	85.73	-	52,285.00	52,370.73	103,503.53	-	(51,132.80)
Employee Group Insurance	1,664.94	-	-	1,664.94	100.00	1,564.94	-
Self-Insurance Eye Care	1,321.62	416.00	-	1,737.62	655.21	1,082.41	-
Rent Control Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	500.00	-	-	500.00	-	500.00	-
PUBLIC SAFETY							
Fire:							
Other Expenses:							
Gear Maintenance	1,628.50	1,450.93	-	3,079.43	3,079.43	0.00	-
Other Expenses - Lease/Purchase Equip.	-	-	-	-	-	-	-
Clothing Allowance	19.92	-	-	19.92	-	19.92	-
Leased Vehicles	-	-	-	-	-	-	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF 2013 APPROPRIATION RESERVES

A-13

	Balance December 31, 2013	Encumbrances December 31, 2013	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
GENERAL GOVERNMENT (Continued)							
Fire Alarm System:							
Other Expenses	\$ 1,215.25	\$ 257.50	\$ (500.00)	\$ 972.75	\$ 607.50	\$ 365.25	\$ -
Fire Prevention and Life Safety:							
Salaries & Wages:							
Fire Official	35.02	-		35.02		35.02	-
Other Salaries	607.33	-		607.33		607.33	-
Other Expenses	2,153.48	922.98	(1,000.00)	2,076.46	1,276.91	799.55	-
Police:							
Salaries and Wages:	14,745.89	-	(14,500.00)	245.89	-	245.89	-
Clothing Allowance	-	-	-	-	-	-	-
Overtime	182.62	-	-	182.62	-	182.62	-
Sick Pay	1.20	-	-	1.20	-	1.20	-
Other Expenses	8,678.26	3,533.54	(7,500.00)	4,711.80	4,410.28	301.52	-
911 Service	15.50	-	-	15.50	-	15.50	-
Police Cars	-	-	-	-	-	-	-
Special Police:							
Salaries and Wages	914.86	-	-	914.86	-	914.86	-
Other Expenses	500.00	-	-	500.00	-	500.00	-
Traffic Lights:							
Other Expenses	2,061.69	390.00	(1,500.00)	951.69	790.15	161.54	-
Traffic Control:							
Salaries and Wages	3,257.00	-	(3,000.00)	257.00	-	257.00	-
Other Expenses	500.00	-	-	500.00	-	500.00	-
First Aid Organization:							
Other Expenses	7,261.92	-	(4,900.00)	2,361.92	2,275.15	86.77	-
Emergency Management Services:							
Salaries and Wages	74.73	-	-	74.73	-	74.73	-
Other Expenses	651.89	4,470.00	-	5,121.89	4,470.00	651.89	-
First Responder:							
Salaries and Wages	315.39	-	-	315.39	-	315.39	-
Towing Director:							
Salaries and Wages	353.92	-	-	353.92	-	353.92	-
STREETS AND ROADS							
Road Repair and Maintenance:							
Salaries and Wages	4.19	-	-	4.19	-	4.19	-
Other Expenses	12,432.92	1,763.51	4,000.00	18,196.43	17,318.98	877.45	-
Recycling Costs	-	-	-	-	-	-	-
Lease Vehicles	16.79	-	-	16.79	-	16.79	-
HEALTH AND WELFARE							
Board of Health:							
Salaries and Wages	0.24	-	-	0.24	-	0.24	-
Other Expenses	4,643.90	320.34	(4,500.00)	464.24	320.34	143.90	-
SANITATION							
Garbage and Trash Removal:							
Salaries and Wages	3.96	-	-	3.96	-	3.96	-
Other Expenses	-	-	-	-	-	-	-
Dumping Fees - Bergen County:							
Sanitary Landfill - Contractual	9,790.13	15,501.96	1,400.00	26,692.09	26,653.56	38.53	-
RECREATION AND EDUCATION							
Board of Recreation Commission (R.S.4061-1 et. seq.):							
Salaries and Wages	273.74	-	-	273.74	-	273.74	-
Other Expenses	915.25	2,070.68	2,500.00	5,485.93	5,197.16	288.77	-
Senior Citizens:							
Salaries and Wages	3.03	-	-	3.03	-	3.03	-
Other Expenses	25.00	-	-	25.00	-	25.00	-
Celebration of Public Events, Anniversary or Holiday:							
Other Expenses	495.50	-	-	495.50	-	495.50	-

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF 2013 APPROPRIATION RESERVES

A-13

	Balance December 31, 2013	Encumbrances December 31, 2013	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
GENERAL GOVERNMENT (Continued)							
STATE UNIFORM CONSTRUCTION CODE							
Sub-Code Official - Salaries and Wages:							
Construction Code Official	\$ 0.12	\$ -	\$ -	\$ 0.12	\$ -	\$ 0.12	\$ -
Plumbing Inspector	258.94	-	-	258.94	-	258.94	-
Fire Inspector	18.02	-	-	18.02	-	18.02	-
Electrical Inspector	133.62	-	-	133.62	-	133.62	-
Other Salaries	1,966.64	-	(1,500.00)	466.64	-	466.64	-
Elevator Sub-Code Official	-	-	-	-	-	-	-
Building Sub-Code Official	401.36	-	-	401.36	-	401.36	-
Other Expense	5,186.33	534.78	(5,000.00)	721.11	721.11	-	(0.00)
Rental Expense	2,165.20	-	(2,000.00)	165.20	-	165.20	-
UNCLASSIFIED							
Utilities:							
Street Lighting	37,780.83	-	7,600.00	45,380.83	45,308.60	72.23	-
Gasoline	8,739.37	-	(3,000.00)	5,739.37	5,559.28	180.09	-
Fuel Oil	-	-	-	-	-	-	-
Electricity	32,344.34	-	(8,500.00)	23,844.34	23,822.37	21.97	-
Telephone and Telegraph	1,842.28	-	(1,000.00)	842.28	380.16	462.12	-
Water	15,733.57	778.90	(2,500.00)	14,012.47	13,708.99	303.48	-
Fire Hydrant Services	12,432.71	-	(1,500.00)	10,932.71	10,683.49	249.22	-
Purchase of Postage	2,434.12	991.25	(2,000.00)	1,425.37	1,342.72	82.65	-
Vehicle Maintenance:							
Salaries & Wages	-	-	-	-	-	-	-
Other Expenses	3,885.41	3,846.20	10,000.00	17,731.61	17,609.42	122.19	-
Contingent	1,074.50	-	-	1,074.50	794.56	279.94	-
STATUTORY EXPENDITURES:							
PERS	-	-	-	-	-	-	-
Social Security System (O.A.S.D)	1,745.35	-	(1,500.00)	245.35	-	245.35	-
PFRS	-	-	-	-	-	-	-
Pension of Widow Charles Swift (R.S.43:12-28.1)	0.20	-	-	0.20	-	0.20	-
Maintenance of Free Public Library Ch. 82, PL. 1985	2,819.35	-	-	2,819.35	2,819.35	-	-
Joint Meeting	1,000.00	-	-	1,000.00	-	1,000.00	-
TOTAL GENERAL APPROPRIATIONS	\$ 409,379.42	\$ 63,601.95	\$ -	\$ 472,981.37	\$ 487,152.33	\$ 36,961.84	\$ (51,132.80)
Reference	A	A-22			A-4	A-1	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF PREMIUM ON TAX ANTICIPATION NOTE

A-14

	Reference	
Balance December 31, 2013	A	\$ 43,442.00
Decreased by:		
Anticipated as Budget Appropriation	A-2	<u>43,442.00</u>
Balance December 31, 2014	A	<u><u>\$ -</u></u>

SCHEDULE OF TAX OVERPAYMENTS

A-15

	Reference		
Balance December 31, 2013	A		\$ 101,485.96
Increased by:			
Judgments- Charge to Reserve for Tax Appeals	A-24	\$ 100,000.00	
Judgments- Charged to Operations	A-1	<u>109,424.92</u>	
			<u>209,424.92</u>
			310,910.88
Decreased by:			
Net Overpayments - Applied to Taxes	A-7	48,655.16	
Overpayments and Tax Appeals Refunded	A-4	<u>223,954.64</u>	
			<u>272,609.80</u>
Balance December 31, 2014	A		<u><u>\$ 38,301.08</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF PREPAID TAXES

A-16

	Reference		
Balance December 31, 2013	A	\$	108,199.06
Increased by:			
Collection of Taxes - 2015	A-4		88,424.06
			<u>196,623.12</u>
Decreased by:			
Applied to 2014 Taxes	A-7		108,199.06
			<u>108,199.06</u>
Balance December 31, 2014	A	\$	<u>88,424.06</u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	Reference		
Balance December 31, 2013	A	\$	4,743.32
Increased by:			
2014 Levy	A-1,2,7	\$	4,268,754.01
County Open Space	A-1,2,7		47,443.87
Added Taxes	A-1,2,7		6,330.26
			<u>4,322,528.14</u>
			4,327,271.46
Decreased by:			
Canceled	A-1		0.03
Payments	A-4		4,320,941.17
			<u>4,320,941.20</u>
Balance December 31, 2014	A	\$	<u>6,330.26</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

	Reference		
Balance December 31, 2013			
School Tax Deferred		\$	6,943,878.00
Increased by:			
Adjustment	A-1	\$	0.06
Levy-School Year July 1, 2014 - June 30, 2015	A-7	<u>14,130,843.00</u>	
			<u>14,130,843.06</u>
			21,074,721.06
Decreased by:			
Payments	A-4		<u>14,009,299.56</u>
Balance December 31, 2014		<u>\$</u>	<u>7,065,421.50</u>
Due from School			
School Tax Deferred		<u>\$</u>	<u>7,065,421.50</u>
2014 Liability for Local District Tax		\$	-
Taxes Paid			14,009,299.56
Adjustment			<u>(0.06)</u>
Amount Charged to 2014 Operations	A-1,2	<u>\$</u>	<u>14,009,299.50</u>

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

	Reference		
Balance December 31, 2013			
School Tax Deferred		\$	2,931,971.50
School tax Payable			-
Increased by:			
Adjustment	A-1	\$	0.08
Levy-School Year July 1, 2014 - June 30, 2015	A-7	<u>5,889,708.00</u>	
			<u>5,889,708.08</u>
			8,821,679.58
Decreased by:			
Payments	A-4		<u>5,876,825.58</u>
Balance December 31, 2014		<u>\$</u>	<u>2,944,854.00</u>
			Below
Regional High School Tax Payable		\$	-
Regional High School Tax Deferred			<u>2,944,854.00</u>
		<u>\$</u>	<u>2,944,854.00</u>
2014 Liability for Regional School Tax			
Tax Paid		\$	5,876,825.58
Adjustment			<u>(0.08)</u>
Regional School Tax Payable- Prior Year	A		<u>-</u>
Amount Charged to 2014 Operations	A-1,2	<u>\$</u>	<u>5,876,825.50</u>

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS

A-20

	Reference	
Balance December 31, 2013	A	\$ 160,630.57
Increased by:		
Cash Received	A-4	203,809.13
		<u>364,439.70</u>
Decreased by:		
Cash Disbursements	A-4	87,218.38
		<u>87,218.38</u>
Balance December 31, 2014	A	<u>\$ 277,221.32</u>

SCHEDULE OF RESERVE FOR REVALUATION

A-21

	Reference	
Balance December 31, 2013	A	<u>\$ 10,848.61</u>
Balance December 31, 2014	A	<u>\$ 10,848.61</u>

SCHEDULE OF ENCUMBRANCE PAYABLE

A-22

	Reference	
Balance December 31, 2013	A	\$ 63,601.95
Increased by:		
Budget Appropriations Payable	A-3	96,245.84
		<u>159,847.79</u>
Decreased by:		
Encumbrances Transferred to Appropriation Reserve Schedule	A-13	63,601.95
		<u>63,601.95</u>
Balance December 31, 2014	A	<u>\$ 96,245.84</u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF POLICE OFF DUTY RECEIVABLE/ (PAYABLE)

A-23

	Reference		
Balance December 31, 2013	A		\$ 149,229.00
Increased by:			
Adjustment		3,250.00	
Cash Disbursements	A-4	<u>723,172.81</u>	
			<u>726,422.81</u>
			875,651.81
Decreased by:			
Cash Receipts	A-4		<u>803,108.19</u>
Balance December 31, 2014	A		<u><u>\$ 72,543.62</u></u>

SCHEDULE OF RESERVE FOR TAX APPEALS

A-24

	Reference		
Balance December 31, 2013	A		\$ -
Increased by:			
Budget Appropriations	A-3	<u>100,000.00</u>	
			100,000.00
Decreased by:			
Tax Refunds	A-15	<u>100,000.00</u>	
Balance December 31, 2014	A		<u><u>\$ -</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2013	B	<u>\$ 441,362.05</u>	<u>\$ 228,287.77</u>	<u>\$ 16,772.40</u>	<u>\$ 54,961.90</u>
Increased by Receipts:					
Municipal Dog License Fee	B-6	-	-	5,390.20	-
State Dog License Fee	B-3	-	-	1,063.80	-
Escrow Deposits	B-5	-	150,858.88	-	-
Special Reserves	B-8	12,796,066.94	-	-	-
Interfunds	Contra	-	-	-	-
Due to Current Fund	B-7	268,301.31	-	-	-
Transfer from Payroll Agency	B-2	-	-	-	10,616.73
Budget Requirement	B-2	-	-	-	208,200.00
		<u>13,064,368.25</u>	<u>150,858.88</u>	<u>6,454.00</u>	<u>218,816.73</u>
		<u>13,505,730.30</u>	<u>379,146.65</u>	<u>23,226.40</u>	<u>273,778.63</u>
Decreased by Disbursements:					
Interfunds	Contra	-	-	-	-
Transfer to Current Fund	B-4,7	225,000.00	-	4,170.00	-
Dog License Fund Expenditures	B-6	-	-	8,919.15	-
State Dog License Fees	B-3	-	-	1,060.80	-
State of NJ Unemployment Fund	B-2	-	-	-	264,625.55
Escrow Disbursements	B-5	-	172,412.33	-	-
Special Reserves	B-8	12,787,197.23	-	-	-
		<u>13,012,197.23</u>	<u>172,412.33</u>	<u>14,149.95</u>	<u>264,625.55</u>
Balance December 31, 2014	B	<u>\$ 493,533.07</u>	<u>\$ 206,734.32</u>	<u>\$ 9,076.45</u>	<u>\$ 9,153.08</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF UNEMPLOYMENT TRUST RESERVE

B-2

	Reference		
Balance December 31, 2013	B	\$	54,961.90
Increased by:			
Budget Requirement	B-1	\$	208,200.00
Transfer from Payroll Agency	B-1		<u>10,616.73</u>
			218,816.73
			<u>273,778.63</u>
Decreased by:			
Payments to State of NJ	B-1		<u>264,625.55</u>
Balance December 31, 2014	B	\$	<u>9,153.08</u>

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

B-3

	Reference		
Balance December 31, 2013	B	\$	9.60
Increased by:			
2014 Fees Collected	B-1		<u>1,063.80</u>
			1,073.40
Decreased by:			
Payments	B-1		<u>1,060.80</u>
Balance December 31, 2014	B	\$	<u>12.60</u>

SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND

B-4

	Reference		
Balance December 31, 2013	B	\$	4,170.00
Decreased by:			
Transfer to Current Fund - Interfund	A-4,B-1		<u>4,170.00</u>
Balance December 31, 2014	B	\$	<u>-</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES

B-5

	Reference	
Balance December 31, 2013	B	\$ 228,287.77
Increased by:		
Escrow Deposits	B-1	150,858.88
		<u>379,146.65</u>
Decreased by:		
Escrow Disbursements	B-1	172,412.33
		<u>172,412.33</u>
Balance December 31, 2014	B	<u>\$ 206,734.32</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-6

	Reference	
Balance December 31, 2013	B	\$ 12,592.80
Increased by:		
Dog License Fees Collected	B-1	5,390.20
		<u>17,983.00</u>
Decreased by:		
Expenditures	B-1	8,919.15
		<u>8,919.15</u>
Balance December 31, 2014	B	<u>\$ 9,063.85</u>
2012 Fees Collected		\$ 6,274.40
2013 Fees Collected		<u>5,904.80</u>
		<u>\$ 12,179.20</u>

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

B-7

	Reference	
Balance December 31, 2013	B	\$ (82,975.90)
Increased by:		
Transfer from Current Fund	B-1	\$ 268,301.31
Expenditures from Current Fund	B-8	487,257.01
		<u>755,558.32</u>
	A-4	<u>672,582.42</u>
Decreased by:		
Fees Received in Current Fund	B-8	447,582.42
Transfers to Current Fund	B-1	225,000.00
	A-4	<u>672,582.42</u>
Balance December 31, 2014	B	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Refundable Deposits	\$ 100.00	\$ -	\$ -	\$ 100.00
Tax Title Lien Premiums	184,500.00	42,500.00	103,200.00	123,800.00
Redemption of Third Party Liens		342,347.21	342,347.21	-
Fees	485.00			485.00
Escrow Reserve	8.68			8.68
Street Openings	-			-
Riggin Field Bricks	-			-
Graffiti Reward	500.00			500.00
Fire Official	-	11,562.00	11,562.00	-
Neighborhood Crime Watch	2,154.73	19.00	390.93	1,782.80
Uniform Fire Safety Act Penalty	34,016.00	3,225.00	7,378.38	29,862.62
Elevator Fees	63,335.00	28,914.92	21,217.00	71,032.92
COAH	140,990.42	376.08		141,366.50
Insurance	-	606,066.59	606,066.59	-
Payroll and Payroll Agency	75,204.30	12,178,062.27	12,169,568.64	83,697.93
Snow Removal	5,779.72	14,760.00		20,539.72
Substance Abuse Prevention	17,264.10	15,816.29	12,723.49	20,356.90
	<u>\$ 524,337.95</u>	<u>\$ 13,243,649.36</u>	<u>\$ 13,274,454.24</u>	<u>\$ 493,533.07</u>
Reference	B	Below	Below	B
Trust Fund Receipts/Disbursements	B-1	\$ 12,796,066.94	\$ 12,787,197.23	
Expenditures Paid from Current Fund	B-7		487,257.01	
Collected in Current Fund	B-7	<u>447,582.42</u>		
	Above	<u>\$ 13,243,649.36</u>	<u>\$ 13,274,454.24</u>	

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH - TREASURER

C-2

Balance December 31, 2013	Reference C		\$ 4,950,245.56
Increased by Receipts:			
Transfer from Current Fund	C-4	\$ 1,122,899.23	
Serial Bond Issues	C-6	5,702,665.00	
Capital Improvement Fund	C-8	50,000.00	
BAN Received	C-16	1,918,000.00	
Premium on BAN Sale	C-10	4,827.59	
Grants Received	C-14,18	192,194.20	
	C-3		8,990,586.02
			<u>13,940,831.58</u>
Decreased by Disbursements:			
BAN Payments- Rollovers	C-16	1,104,000.00	
BAN Payments- From Serial Bonds	C-16	5,702,665.00	
Transfer to Current Fund - Interfund	C-4	1,122,899.23	
Reserve For Payment of BANS- Transfer to Current Fund	C-14	183,000.00	
Improvement Authorizations	C-9	3,791,124.16	
Premium on- BAN /Bond Sale- Transfer to Current Fund	C-10	18,613.00	
Accrued Interest- Bond Sale- Transfer to Current Fund	C-22	12,228.35	
Prior Year Encumbrances Payable	C-7	14,893.25	
Reserve for Building and Grounds Improvements	C-11	7,987.49	
Transfer to Sewer Capital	C	53,000.00	
	C-3		<u>12,010,410.48</u>
Balance December 31, 2014	C		<u><u>\$ 1,930,421.10</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers (From)/To	Balance Dec. 31, 2014
Bond Anticipation Notes	\$ 7,610,665.00	\$ 1,918,000.00	\$ 6,806,665.00	\$ (804,000.00)	\$ 1,918,000.00
Due to Current Fund	-	1,122,899.23	1,122,899.23		-
Reserve for Payment of Bonds	686,394.00	192,194.20	183,000.00	(180,500.00)	515,088.20
Capital Improvement Fund	138,391.63	50,000.00			188,391.63
Premium on BAN/ Bond Sale	18,613.00	4,827.59	18,613.00		4,827.59
Accrued Interest on Bond Sale	12,228.35		12,228.35		-
Fund Balance	1,893.30				1,893.30
Reserve for Building & Grounds Improvements	31,037.75		7,987.49		23,050.26
Reserve for Roadway Improvements	159,300.00		-		159,300.00
Encumbrances Payable	14,893.25		14,893.25	15,260.61	15,260.61
Due to Sewer Capital	53,000.00		53,000.00		-
Improvement Authorizations:					
02-03 Communications Equipment	1,646.75				1,646.75
03-04 Acquisition of Property - Silver Streak	1,215.00		634.00		581.00
03-10 Improvement to Park & R.R. Avenue - Streetscape Project	11,900.00		4,488.83		7,411.17
03-12/03-25/05-09 Recreation Facilities	1,058.43		1,058.43		(0.00)
04-11 Acquisition of Property	185.66		185.66		0.00
05-01 Acquisition of Property	(101.85)				(101.85)
06-06/08-11 Veterans Park Improvements	15,401.34		1,070.00		14,331.34
06-19 Road Improvements	4,392.00		4,392.00		-
07-14 Purchase of Property	579.13		579.13		0.00
09-06 Various Improvements	(21,700.41)	64,000.00	39,673.88		2,625.71
10-07 Acquisition of Land on Carlton Ave.	(1,131,227.92)	1,496,000.00	65,197.14		299,574.94
11-02 Tax Refunding	(900,000.00)			300,000.00	(600,000.00)
11-15/13.09 Various Capital Improvements	(515,320.03)	2,344,665.00	1,596,611.08		232,733.89
12-03 Tax Refunding Bond	(948,516.62)		59,483.38	504,000.00	(504,000.00)
13-11 Various Capital Improvements	(295,682.20)	1,798,000.00	939,960.52		562,357.28
13-19 Tax Refunding Bond			814,000.00		(814,000.00)
14-4 Renovation of Old Police Bldg & Mun Bldg			109,299.70	17,110.00	(92,189.70)
14-20 Various Improvements			154,490.41	148,129.39	(6,361.02)
	<u>\$ 4,950,245.56</u>	<u>\$ 8,990,586.02</u>	<u>\$ 12,010,410.48</u>	<u>\$ -</u>	<u>\$ 1,930,421.10</u>
Reference	C	C-2	C-2		C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

	Reference		C-4
Balance December 31, 2013	C	\$	-
Increased by:			
Transfer from Current Fund	C-2	\$ 1,122,899.23	<u>1,122,899.23</u>
Decreased by:			<u>1,122,899.23</u>
Transfer to Current Fund - Interfund	C-2	<u>1,122,899.23</u>	<u>1,122,899.23</u>
Balance December 31, 2014	C	<u>\$</u>	<u>-</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Reference		C-5
Balance December 31, 2013	C	\$	40,220,047.09
Increased by:			
Bond Issued	C-13		<u>16,287,000.00</u>
			56,507,047.09
Decreased by:			
2014 Budget Appr. to Pay Bonds/ Refinanced	C-13	\$ 13,697,064.71	
2014 Budget Appropriation to Pay BCIA Bonds	C-21	330,000.00	
State Loan Payable	C-12	<u>25,725.12</u>	<u>14,052,789.83</u>
Balance December 31, 2014	C	<u>\$</u>	<u>42,454,257.26</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ord. #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Down Payment	Bond Anticipation Note Pay-Down	Cancel	Bond Issue	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014	
									Expenditures	Unexpended Improvement Authorizations
05-01	Acquisition of Land	\$ 101.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101.85	\$ 101.85	\$ -
09-06	Various Improvements	64,450.50					64,000.00	450.50		450.50
10-07	Acquisition of Land Located on Carlton Ave.	1,496,000.00					1,496,000.00	-		
11-02	Tax Refunding Bond	900,000.00			300,000.00			600,000.00	600,000.00	0.00
11-15/13-09	Various Capital Improvements	2,344,665.00					2,344,665.00	-		
12-03	Tax Refunding Bond	1,008,000.00			504,000.00			504,000.00	504,000.00	0.00
13-11	Various Capital Improvements	1,798,000.00					1,798,000.00	-		
13-19	Tax Refunding Bond	940,000.00				126,000.00		814,000.00	814,000.00	0.00
14-4	Renovation of Old Police Bldg & Mun Bldg		480,000.00	23,000.00				457,000.00	92,189.70	364,810.30
14-20	Various Improvements		3,221,500.00	157,500.00				3,064,000.00	6,361.02	3,057,638.98
		<u>\$ 8,551,217.35</u>	<u>\$ 3,701,500.00</u>	<u>\$ 180,500.00</u>	<u>\$ 804,000.00</u>	<u>\$ 126,000.00</u>	<u>\$ 5,702,665.00</u>	<u>\$ 5,439,552.35</u>	<u>\$ 2,016,652.57</u>	<u>\$ 3,422,899.78</u>
Reference	C	C	C-17	C-17	C-16	C-9,17	C-2,16	C		C-9

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF ENCUMBRANCE PAYABLE

C-7

	Reference		
Balance December 31, 2013	C	\$	14,893.25
Increased by:			
Improvement Authorizations Expenditures	C-9	<u>15,260.61</u>	
			30,153.86
Decreased by:			
Prior Year Encumbrances Disbursed	C-2	<u>14,893.25</u>	
Balance December 31, 2014	C	<u><u>\$</u></u>	<u>15,260.61</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	Reference		
Balance December 31, 2013	C	\$	138,391.63
Increased by:			
Budget Appropriations -CIF	C-2	<u>50,000.00</u>	
			188,391.63
Decreased by:			
Down payment on Improvements	C-17	<u>180,500.00</u>	
Balance December 31, 2014	C	<u><u>\$</u></u>	<u>7,891.63</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2013		2014 Authorizations	Cancel/ Expended	Balance December 31, 2014	
		Funded	Unfunded			Funded	Unfunded
02-03	Communications Equipment	\$ 1,646.75	\$ -	\$ -	\$ -	\$ 1,646.75	\$ -
03-04	Acquisition of Property - Silver Streak	1,215.00			634.00	581.00	
03-10	Improvements to Park & R.R. Ave.						
	Streetscape Project	11,900.00			4,488.83	7,411.17	
03-12/03-25/05-09	Recreation Facilities	1,058.43			1,058.43	-	
04-11	Acquisition of Property	185.66			185.66	0.00	
06-06 / 08-11	Veterans Park Improvements	15,401.34			1,070.00	14,331.34	
06-19	Road Improvements	4,392.00			4,392.00	-	
07-14	Purchase of Property	579.13			579.13	0.00	
09-06	Various Improvements		42,750.09		39,673.88	2,625.71	450.50
10-05	Construction of a New Public Safety Building	1,134,678.85			405,160.95	729,517.90	
10-07	Acquisition of Land Located on Carlton Ave.		364,772.08		65,197.14	299,574.94	
11-15/13-09	Various Capital Improvements		1,829,344.97		1,596,611.08	232,733.89	
12-03	Tax Refunding		59,483.38		59,483.38		-
13-11	Various Capital Improvements		1,502,317.80		939,960.52	562,357.28	
13-19	Tax Refunding Bond		940,000.00		940,000.00		-
14-4	Renovation of Old Police Bldg & Mun Bldg			480,000.00	115,189.70		364,810.30
14-20	Various Improvements			3,221,500.00	163,861.02		3,057,638.98
		<u>\$ 1,171,057.16</u>	<u>\$ 4,738,668.32</u>	<u>\$ 3,701,500.00</u>	<u>\$ 4,337,545.72</u>	<u>\$ 1,850,779.98</u>	<u>\$ 3,422,899.78</u>
	Reference	C	C	C-17	Below	C	C,C-6
				Reference			
	Improvement Authorization Disbursements			C-2	\$ 3,791,124.16		
	BCIA Reimbursements			C-15	405,160.95		
	Cancel			C-6,17	126,000.00		
	Encumbrance Payable			C-7	<u>15,260.61</u>		
				Above	<u>\$ 4,337,545.72</u>		

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF PREMIUM ON BAN/BOND SALE

C-10

	Reference	
Balance December 31, 2013	C	\$ 18,613.00
Increased by:		
BAN Issue	C-2	<u>4,827.59</u> 23,440.59
Decreased by:		
Tran.to Current- Anticipated Revenue	C-2	<u>18,613.00</u>
Balance December 31, 2014	C	<u><u>\$ 4,827.59</u></u>

SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT

C-11

	Reference	
Balance December 31, 2013	C	\$ 31,037.75
Decreased by:		
Cash Disbursements	C-2	<u>7,987.49</u>
Balance December 31, 2014	C	<u><u>\$ 23,050.26</u></u>

SCHEDULE OF STATE LOAN PAYABLE

C-12

	Reference	
Balance December 31, 2013	C	\$ 385,262.81
Decreased by:		
Paid by Budget Appropriation	C-5	<u>25,725.12</u>
Balance December 31, 2014	C	<u><u>\$ 359,537.69</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF GENERAL SERIAL BONDS

C-13

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	General Serial Bonds Issued	Decreased	Balance Dec. 31, 2014
			December 31, 2014						
			Date	Amount					
General Improvement Bonds (Refinanced - 2014 General Improvement Bonds)	12/20/05	\$ 20,145,000.00	1/15/2015	1,100,000.00	4.25%	\$ 13,845,000.00	\$ -	\$ 12,745,000.00	\$ 1,100,000.00
General Improvement Bonds	11/01/09		11/01/2015	867,064.71	2.375%	9,614,784.28		867,064.71	8,747,719.57
			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%				
General Improvement Bonds '14	4/30/2014	\$ 5,112,000.00	2/1/2015	222,691.18	3.00%		5,112,000.00		5,112,000.00
			2/1/2016	252,383.34	4.00%				
			2/1/2017	257,332.04	2.00%				
			2/1/2018	257,332.04	2.00%				
			2/1/2019	257,332.04	5.00%				
			2/1/2020	267,229.42	5.00%				
			2/1/2021	272,178.11	5.00%				
			2/1/2022	282,075.50	5.00%				
			2/1/2023	291,972.89	5.00%				
			2/1/2024	301,870.27	5.00%				
			2/1/2025	311,767.66	5.00%				
			2/1/2026	326,613.74	5.00%				
			2/1/2027	336,511.12	5.00%				
			2/1/2028	351,357.20	5.00%				
			2/1/2029	361,254.59	5.00%				
			2/1/2030	376,100.67	4.00%				
			2/1/2031	385,998.19	3.25%				
General Improvement Bonds '14 (Refunded Bonds 2009)	3/04/14	11,175,000.00	6/15/2016	1,085,000.00	1.50%		11,175,000.00	85,000.00	11,090,000.00
			6/15/2017	1,055,000.00	3.00%				
			6/15/2018	1,035,000.00	4.00%				
			6/15/2019	1,130,000.00	4.00%				
			6/15/2020	1,125,000.00	5.00%				
			6/15/2021	1,130,000.00	5.00%				
			6/15/2022	1,135,000.00	5.00%				
			6/15/2023	1,145,000.00	5.00%				
			6/15/2024	1,150,000.00	5.00%				
			6/15/2025	1,100,000.00	5.00%				
						<u>\$ 23,459,784.28</u>	<u>\$ 16,287,000.00</u>	<u>\$ 13,697,064.71</u>	<u>\$ 26,049,719.57</u>
Reference						C	C-5, Below	C-5	C
Cash Receipts						C-2	\$ 5,112,000.00		
Direct Refinance							11,175,000.00		
						Above	<u>\$ 16,287,000.00</u>		

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

C-14

Balance December 31, 2013	Reference C		\$ 686,394.00
Increased by:			
Grants Received: Ord # 10-7 Carlton Avenue	C-2	\$ 35,918.64	
Grants Received: Ord # 11-15 Riggins Field	C-2	70,000.00	
Grants Received: Ord # 11-15 Streets and Roads	C-2	<u>86,275.56</u>	
			<u>192,194.20</u>
			878,588.20
Decreased by:			
Anticipated in Current Budget	C-2		<u>183,000.00</u>
Balance December 31, 2014	C, Below		<u>\$ 695,588.20</u>

Analysis of Balance:

Ord# 03-10 Park and Railroad Avenue- NJ Dept. of Transportation		\$ 256,527.00
Ord # 10-05 Construction of New Public Safety Building		267.00
Ord #11-15 Various Improvements		112,500.00
Ord #11-15 Carlton Hill Fire House ADA Impr.- Community Development Block Grant		53,650.00
Ord #11-15 Boiling Springs Road Program.- Community Development Block Grant		80,450.00
Ord # 11-15 Streets and Roads		86,275.56
Ord #11-15 Riggins Field- Bergen County Open Space Grant		70,000.00
Ord # 10-07 Carlton Ave- Bergen County Open Space Grant		<u>35,918.64</u>
	Above	<u>\$ 695,588.20</u>

SCHEDULE OF DUE FROM BERGEN COUNTY IMPROVEMENT AUTHORITY

C-15

Balance December 31, 2013	Reference C	\$ 1,134,678.85
Decreased by:		
Improvement Authorization Expenditures	C-9	<u>405,160.95</u>
Balance December 31, 2014	C	<u>\$ 729,517.90</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BOND ANTICIPATION NOTES

C-16

Ordinance #	Description	Original Amount Issue	Original Date of Issue	Date of Maturity	Rate of Interest	Balance Dec. 31, 2013	Issuance	Serial Bond Issue/ Paid	Balance Dec. 31, 2014
09-06	Various Capital Improvements	64,000.00	08/28/2013			\$ 64,000.00	\$ -	\$ 64,000.00	\$ -
10-07	Acq. Of Land on Carlton Avenue	1,496,000.00	05/21/2013			1,496,000.00		1,496,000.00	-
11-02	Tax Refunding Bond	\$1,500,000.00	03/23/2011	03/19/2015	1.000%	900,000.00	600,000.00	900,000.00	600,000.00
11-15	Various Capital Improvements	2,040,665.00	03/22/2012			2,040,665.00		2,040,665.00	-
12-03	Tax Refunding Bond	1,512,000.00	05/22/2012	03/19/2015	1.000%	1,008,000.00	504,000.00	1,008,000.00	504,000.00
13-09	Various Capital Improvements	304,000.00	08/28/2013			304,000.00		304,000.00	-
13-11	Various Capital Improvements	1,798,000.00	08/28/2013			1,798,000.00		1,798,000.00	-
13-19	Tax Refunding Bond	814,000.00	01/15/2014	01/15/2015	2.000%		814,000.00		814,000.00
						<u>\$ 7,610,665.00</u>	<u>\$ 1,918,000.00</u>	<u>\$ 7,610,665.00</u>	<u>\$ 1,918,000.00</u>
						C	C-2,17	Below	C
						Serial Bonds Issued	C-2	\$ 5,702,665.00	
						Rollovers	C-2	1,104,000.00	1,104,000.00
						New Issues	C-17	814,000.00	
						Paid Budget Appropriation	C-6	804,000.00	
						Above	<u>\$ 1,918,000.00</u>	<u>\$ 7,610,665.00</u>	

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

Ord. #	Improvement Description	Balance Dec. 31, 2013	2014 Authorization	Down Payment Capital Imp. Fund	Grants/Loans Received	Cancel	BANS/Bonds Issued	Balance Dec. 31, 2014
05-01	Acquisition of Land	\$ 101.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101.85
09-06	Various Improvements	450.50					0.00	450.50
13-19	Tax Refunding Bond	940,000.00				126,000.00	814,000.00	0.00
14-4	Renovation of Old Police Bldg & Mun Bldg		480,000.00	23,000.00				457,000.00
14-20	Various Improvements		3,221,500.00	157,500.00				3,064,000.00
		<u>\$ 940,552.35</u>	<u>\$ 3,701,500.00</u>	<u>\$ 180,500.00</u>	<u>\$ -</u>	<u>\$ 126,000.00</u>	<u>\$ 814,000.00</u>	<u>\$ 3,521,552.35</u>
	Reference	C	C-6,9	C-6,8	C-6, 14	C-6,9	C-16	C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR GRANTS

C-18

Balance December 31, 2013	Reference C		\$ 1,081,412.50
Decreased by:			
Receipt of Bergen County Open Space - Ord. #11-15	C-14,19	\$ 70,000.00	
Receipt of Bergen County Open Space - Ord. #10-7	C-14,19	<u>35,918.64</u>	
			<u>105,918.64</u>
Balance December 31, 2014	C, Below		<u>\$ 975,493.86</u>
Analysis of Balance			
NJ DEP Green Acres Program - Carlton Ave. (Ord. #10-07)			\$ 800,000.00
State of NJ Department of Transportation- Ord # 11-15			37,500.00
Bergen County Open Space Grant - Ord #09-06			63,912.50
Bergen County Open Space Grant - Ord #10-07			39,081.36
Bergen County Open Space Grant - Ord #11-15			<u>35,000.00</u>
	Above		<u>\$ 975,493.86</u>

SCHEDULE OF GRANTS RECEIVABLE

C-19

Balance December 31, 2013	Reference C		\$ 1,081,412.50
Decreased by:			
Receipt of Bergen County Open Space - Ord. #11-15	C-2,18	\$ 70,000.00	
Receipt of Bergen County Open Space - Ord. #10-7	C-2,18	<u>35,918.64</u>	
			<u>105,918.64</u>
Balance December 31, 2014	C, Below		<u>\$ 975,493.86</u>
Analysis of Balance			
NJ DEP Green Acres Program - Carlton Ave. - Ord. #10-07			\$ 800,000.00
State of NJ Department of Transportation- Ord # 11-15			37,500.00
Bergen County Open Space Grant - Ord #09-06			63,912.50
Bergen County Open Space Grant - Ord #10-07			39,081.36
Bergen County Open Space Grant - Ord #11-15			<u>35,000.00</u>
	Above		<u>\$ 975,493.86</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS

C-20

	Reference	
Balance December 31, 2013	C	\$ 159,300.00
Balance December 31, 2014	C	<u>\$ 159,300.00</u>

SCHEDULE OF RESERVE FOR BCIA BONDS PAYABLE

C-21

	Reference	
Balance December 31, 2013	C	\$ 16,375,000.00
Decreased by:		
Payments	C-5	<u>330,000.00</u>
Balance December 31, 2014	C	<u>\$ 16,045,000.00</u>

SCHEDULE OF ACCRUED INTEREST ON BOND SALE

C-22

	Reference	
Balance December 31, 2013	C	\$ 12,228.35
Decreased by:		
Transfer to Current Fund- Anticipated Budget Revenue	C-2	<u>12,228.35</u>
Balance December 31, 2014	C	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH

D-4

	Reference	Operating	Escrow Trust
Balance December 31, 2013	D	\$ 881,318.78	\$ 1,027.19
Increased by Receipts:			
User Charges and Fees	D-1,5	1,293,937.93	
Delinquent User Charges	D-5	87,549.89	
Delinquent Interest Charged	D-2	27,205.32	
Giants Training Facility Agreement	D-1,2	47,644.80	
Meadowlands Stadium Agreement	D-1,2	149,848.72	
Miscellaneous Income	D-1,2	114,310.68	
Overpayments	D-6	143.16	
Due to Utility Capital Fund	D-7	53,000.00	
		<u>1,773,640.50</u>	<u>-</u>
		2,654,959.28	1,027.19
Decreased by Disbursements:			
Appropriations	D-3	2,160,612.41	
Appropriation Reserves	D-13	20,463.25	
Due to Current Fund	D-14	78,261.05	
Due to Utility Capital Fund	D-7	54,524.88	
		<u>2,313,861.59</u>	<u>-</u>
Balance December 31, 2014	D	<u>\$ 341,097.69</u>	<u>\$ 1,027.19</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-5

Balance December 31, 2013	Reference D		\$ 221,015.73
Increased by:			
Utility Charges and Fees Levied			<u>1,728,497.05</u>
			1,949,512.78
Decreased by:			
Transfer to Lien	D-9	\$ 1,065.79	
Collections			
Current Year Charges and Fees	D-2,4	1,293,937.93	
Delinquent Charges and Fees	D-2, Below	<u>116,423.98</u>	
			<u>1,411,427.70</u>
Balance December 31, 2014	D		<u>\$ 538,085.08</u>
Delinquent Charges and Fees - Collected	D-4	\$ 87,549.89	
Overpayments Applied	D-6	315.52	
Tax Appeals Applied to Sewer Payments	D-14	<u>28,558.57</u>	
	D-2, Above		<u>\$ 116,423.98</u>

SCHEDULE OF OVERPAYMENTS

D-6

Balance December 31, 2013	Reference D		\$ 28,633.27
Increased by:			
Cash Receipts	D-4		<u>143.16</u>
			28,776.43
Decreased by:			
Applied to Sewer Payments	D-5		<u>315.52</u>
Balance December 31, 2014	D		<u>\$ 28,460.91</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

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

D-7

Balance December 31, 2013	Reference D	\$ (425,447.65)
Increased by:		
Paid by Sewer Utility Operating Fund- Capital Exp	D-4	<u>54,524.88</u>
		(370,922.77)
Decreased by:		
Transfer to Utility Operating	D-4	<u>53,000.00</u>
Balance December 31, 2014	D	<u><u>\$ (423,922.77)</u></u>

SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

Balance December 31, 2013	Reference D	<u>\$ 4,615,742.84</u>
Balance December 31, 2014	Below	<u><u>\$ 4,615,742.84</u></u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,115,742.84
Fixed Capital Authorized and Uncompleted	D	<u>500,000.00</u>
	Above	<u><u>\$ 4,615,742.84</u></u>

SCHEDULE OF SEWER LIEN

D-9

Balance December 31, 2013	Reference D	\$ -
Increased by:		
Sewer Liens Transferred	D-5	1,065.79
		<u>992.96</u>
		2,058.75
Decreased by:		
Payments- Received in Current	D-14	<u>-</u>
Balance December 31, 2014	D	<u><u>\$ 2,058.75</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2013		2014 Authorizations	Expended	Balance December 31, 2014	
		Funded	Unfunded			Funded	Unfunded
08-12	Sewer Lines & Pump Imp.	\$ 166,719.10	\$ -	\$ -	\$ 54,524.88	\$ 112,194.22	\$ -
		<u>\$ 166,719.10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,524.88</u>	<u>\$ 112,194.22</u>	<u>\$ -</u>
		D	D		D-7	D	D

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	Reference	
Balance December 31, 2013	D	\$ 311,935.55
Balance December 31, 2014	D	<u>\$ 311,935.55</u>

SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE

D-12

	Reference	
Balance December 31, 2013	D	\$ 3,985,835.26
Increased by:		
Principal Payments on Bonds	D-19	\$ 32,935.29
Principal Payments on Loans	D-17	<u>102,417.05</u>
		<u>135,352.34</u>
Balance December 31, 2014	Below	<u>\$ 4,121,187.60</u>
Analysis of Balance:		
Amortization Reserve	D	\$ 3,286,475.60
Deferred Reserve for Amortization	D	<u>834,712.00</u>
	Above	<u>\$ 4,121,187.60</u>

SCHEDULE OF 2013 APPROPRIATION RESERVES

D-13

	Balance Dec. 31, 2013	Paid or Charged	Balance Lapsed	(Overexpended)
Operating				
Salaries and Wages	\$ 1,483.02	\$ -	\$ 1,483.02	\$ -
Other Expenses	2,007.50	20,463.25		(18,455.75)
Statutory Expenditures:				
Social Security System	<u>8.90</u>		<u>8.90</u>	
	<u>\$ 3,499.42</u>	<u>\$ 20,463.25</u>	<u>\$ 1,491.92</u>	<u>\$ (18,455.75)</u>
Reference	Below	D-4	D-1	D
Appropriation Reserves	D \$ 1,491.92			
Encumbrance Payable	D <u>2,007.50</u>			
	<u>\$ 3,499.42</u>			
	Above			

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

D-14

Balance December 31, 2013	Reference D		\$ (78,261.05)
Increased by:			
Tax Appeals Applied to Sewer Payments	D-5	\$ 28,558.57	
Due to Current Fund	D-4	<u>78,261.05</u>	
			<u>106,819.62</u>
			28,558.57
Decreased by:			
Due to Current Fund	D-4		<u>-</u>
Balance December 31, 2014	D		<u>\$ 28,558.57</u>

SCHEDULE OF ESCROW TRUST RESERVE

D-15

Balance December 31, 2013	Reference D		\$ 1,027.19
Increased by:			
Escrow Deposit	D-4		<u>-</u>
			1,027.19
Decreased by:			
Escrow Disbursements	D-4		<u>-</u>
Balance December 31, 2014	D		<u>\$ 1,027.19</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-16

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>BAN Issued</u>	<u>Balance Dec. 31, 2014</u>
05-06	Renovation of Sewer Systems	\$ 207.00	\$ -	\$ 207.00
		\$ 207.00	\$ -	\$ 207.00
	Reference	D		D

SCHEDULE OF NJ INFRASTRUCTURE LOAN PAYABLE

D-17

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Principal Payments</u>	<u>Balance Dec. 31, 2014</u>
05-06	Renovation of Sewer Systems	\$ 211,484.86	\$ 102,417.05	\$ 109,067.81
		\$ 211,484.86	\$ 102,417.05	\$ 109,067.81
	Reference	D	D-12	D

SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE

D-18

Balance December 31, 2013	Reference D	\$ 4,802.72
Decreased by:		
Accrued Interest on Bond Payable	D-3	(492.98)
Balance December 31, 2014	D	\$ 4,309.74

BOROUGH OF EAST RUTHERFORD
SEWER CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF SEWER SERIAL BONDS

D-19

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Bonds Issued	Decreased	Balance Dec. 31, 2014
			December 31, 2013						
			Date	Amount					
General Improvement Bonds	11/01/09	\$ 475,000.00	11/01/2015	\$ 32,935.29	2.375%	\$ 365,215.72	\$ -	\$ 32,935.29	\$ 332,280.43
			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%				
General Improvement Bonds	4/30/2014	53,000.00	2/1/2015	2,308.82	3.00%		53,000.00		\$ 53,000.00
			2/1/2016	2,616.66	4.00%				
			2/1/2017	2,667.96	2.00%				
			2/1/2018	2,667.96	2.00%				
			2/1/2019	2,667.96	5.00%				
			2/1/2020	2,770.58	5.00%				
			2/1/2021	2,821.89	5.00%				
			2/1/2022	2,924.50	5.00%				
			2/1/2023	3,027.11	5.00%				
			2/1/2024	3,129.73	5.00%				
			2/1/2025	3,232.34	5.00%				
			2/1/2026	3,386.26	5.00%				
			2/1/2027	3,488.88	5.00%				
			2/1/2028	3,642.80	5.00%				
			2/1/2029	3,745.41	5.00%				
			2/1/2030	3,899.33	4.00%				
			2/1/2031	4,001.81	3.25%				
						\$ 365,215.72	\$ 53,000.00	\$ 32,935.29	\$ 385,280.43
Reference						D	D-20	D-12	D

SCHEDULE OF BOND ANTICIPATION NOTES

D-20

Ordinance #	Description	Original Amount Issue	Original Date of Issue	Date of Maturity	Rate of Interest	Balance Dec. 31, 2013	Issuance	Paid	Balance Dec. 31, 2014
05-06	Renovation of Sewer Systems	\$ 53,000.00	08/28/2013	03/19/2015	2.000%	\$ 53,000.00	\$ -	\$ 53,000.00	\$ -
						<u>\$ 53,000.00</u>	<u>\$ -</u>	<u>\$ 53,000.00</u>	<u>\$ -</u>
Reference						D	Below	Below	D
Funded Through Serial Bond								<u>\$ 53,000.00</u>	
Reference								Above, D-19	

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH

E-1

Balance December 31, 2013	Reference E		\$ 72,112.57
Increased by Receipts:			
Unappropriated Grant Revenue	E-5	\$ 31,902.87	
Transfer from Current Fund	E-2	<u>76,113.66</u>	
			<u>108,016.53</u>
			180,129.10
Decreased by:			
Transfer To Current Fund	E-2		<u>70,000.00</u>
Balance December 31, 2014	E		<u><u>\$ 110,129.10</u></u>

SCHEDULE OF DUE TO / (FROM) CURRENT FUND

E-2

Balance December 31, 2013	Reference E		\$ -
Increased by:			
Transfer from Current Fund	A-4,E-1	\$ 76,113.66	
Current Fund Disbursements	A-4, E-4	154,794.86	
Grants Receivable - Budgeted	E-3	203,037.02	
Unappropriated Grants Appropriated	E-5,A-2	<u>9,463.44</u>	
			<u>443,408.98</u>
			443,408.98
Decreased by:			
Cancel Grants Receivable	E-3	13,471.50	
Transfer To Current Fund	A-4,E-1	70,000.00	
Grant Receivables	A-4, E-3	132,437.02	
Budget Appropriation	E-4	<u>227,500.46</u>	
			<u>443,408.98</u>
Balance December 31, 2014	E		<u><u>\$ -</u></u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF GRANTS RECEIVABLE

E-3

Grant	Balance Dec.31, 2013	Increased by 2014 Budget	Cancellation	Cash Received	Balance Dec.31, 2014
Alcohol Education and Rehabilitation	\$ -	\$ 3,722.05	\$ -	\$ 3,722.05	\$ -
Body Armor Replacement Fund	3,300.84	3,789.70	3,300.84	3,789.70	0.00
Safe and Secure Community Program	24,958.00	60,000.00	9,958.00	60,000.00	15,000.00
Clean Communities Program	0.00	15,025.27		15,025.27	0.00
Comcast Technology Grant	0.00	32,500.00		32,500.00	0.00
Safe & Secure Homeland Buffer Zone	212.66		212.66		(0.00)
Police Click It or Ticket It Grant	0.00	4,000.00		4,000.00	0.00
OEM NJ Hazard Mitigation Grant	0.00	75,000.00			75,000.00
Urban Area Security Initiative Grant	4,429.80		4,429.80		0.00
Drive Sober Grant	4,400.00	9,000.00		13,400.00	0.00
	<u>\$ 37,301.30</u>	<u>\$ 203,037.02</u>	<u>\$ 17,901.30</u>	<u>\$ 132,437.02</u>	<u>\$ 90,000.00</u>
Reference	E	E-2	Below	E-2	E
Cancel to Current Fund Balance		E-2	\$ 13,471.50		
Cancel to Appropriation Reserves		E-4	<u>4,429.80</u>		
		Above	<u>\$ 17,901.30</u>		

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

Grant	Balance Dec. 31, 2013	Transferred From 2014 Budget Appropriations	Cancel/ Expended	Balance Dec. 31, 2014
Comcast Technology Grant	\$ 0.00	\$ 32,500.00	\$ -	\$ 32,500.00
Clean Communities	-	15,025.27		15,025.27
Safe and Secure Communities	-	75,000.00	75,000.00	-
Alcohol Education and Rehabilitation	-	3,722.05	3,722.05	-
Drunk Driving Enforcement Fund	20,932.22	7,269.44	16,723.10	11,478.56
Parking Offense Adjudication Act	24,918.97	2,194.00	7,565.82	19,547.15
Body Armor Replacement Fund	19,200.23	3,789.70	14,133.63	8,856.30
Click It or Ticket Grant	-	4,000.00	4,000.00	-
FEMA Grant	1,864.57		1,864.57	0.00
Recycling Tonnage Grant	5,818.95			5,818.95
NJ Meadowlands Commission Park Improvements	13,385.69		13,385.69	-
OEM NJ Hazard Mitigation Grant	-	75,000.00		75,000.00
Emergency Management Performance Grant	5,000.00		5,000.00	-
NJ Urban Areas Security Initiative Grant	4,429.80		4,429.80	-
Drive Sober Grant	4,400.00	9,000.00	13,400.00	-
	<u>\$ 99,950.43</u>	<u>\$ 227,500.46</u>	<u>\$ 159,224.66</u>	<u>\$ 168,226.23</u>
Reference	E	E-2, A-3	Below	E
Current Fund Disbursements		E-2	\$ 154,794.86	
		E-3	<u>4,429.80</u>	
		Above	<u>\$ 159,224.66</u>	

BOROUGH OF EAST RUTHERFORD
GRANT FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

Grant	Balance Dec. 31, 2013	Transfer to 2014 Budget	Grant Fund Receipt	Balance Dec. 31, 2014
Drunk Driving Enforcement Fund	\$ 7,269.44	\$ 7,269.44	\$ 8,451.00	\$ 8,451.00
Parking Offense Adjudication Act	2,194.00	2,194.00	2,312.00	2,312.00
Recycling Tonnage Grant			21,139.87	21,139.87
	<u>\$ 9,463.44</u>	<u>\$ 9,463.44</u>	<u>\$ 31,902.87</u>	<u>\$ 31,902.87</u>
Reference	E	A-2, E-2	E-1	E

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of East Rutherford, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated May 1, 2015. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items # 14-3 through 14-8 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division, which are described in the accompanying schedule of audit findings and recommendations as item #14-1 through #14-8.

Borough's Response to Findings

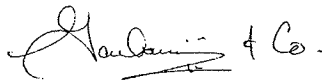
The Borough's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



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



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

May 1, 2015
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule G-1

	CFDA #	Pass-Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM								
Division of Highway Traffic:								
National Priority Safety Programs								
Police Click-it or Ticket Grant	20.616	NJ-066-1160-100-155	\$ 4,000.00	2014	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -
Alcohol Impaired Driving Countermeasures Incentive Grant								
Drive Sober or Get Pulled Over Year End Crackdown Grant	20.616	NJ-066-1160-100-057	9,000.00	2014	13,400.00	13,400.00		
Transportation State Aid Highway Projects								
Highway Planning & Construction								
Ord # 2011-15	20.205	NJ- 078-620-097-340-56	150,000.00					37,500.00
OEM NJ Hazard Mitigation Grant	97.039	State of NJ	75,000.00	2014	-	-		75,000.00
New Jersey State Police: Public Assistance Grant								
FEMA Grant - Hurricane Sandy	97.036	NJ-066-1200-100-A92		2012	39,633.49	39,633.49		
Office of Homeland Security								
Emergency Management Performance Grant	97.042		5,000.00	2014		5,000.00		
Safe & Secure Grant - Homeland Buffer Zone	97.078	NJ-066-1005-100-009	92,474.53	FY10				212.66
2008 FEMA Firefighters Grant	97.044		388,960.00	08/14/09-09/30/11		1,864.57		-
FY11 Urban Areas Security Initiative Grant Program	97.067	NJ-066-1005-100-008	62,058.30	12/27/11-08/31/14				4,429.80
Total Federal Financial Assistance					<u>\$ 57,033.49</u>	<u>\$ 63,898.06</u>	<u>\$ -</u>	<u>\$ 117,142.46</u>

* Major Programs

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

						Schedule G-2
	Grant Award	Grant Award Numbers or Project Number	Grant Period	Cash Received	Program Expenditures	Grant Receivable
STATE GRANT PROGRAM						
Green Acres Program Improvement to Veteran's Park Loan (Ord. 10-7)	\$ 800,000.00			\$ -	\$ -	\$ 800,000.00
<i>Solid Waste Administration</i>						
Clean Communities	15,025.27	042-4900-765-004	2014	15,025.27	0.00	
State Recycling Grants	21,139.87	042-4900-752-001	2014	21,139.87	0.00	
<i>Municipal Courts</i>						
Alcohol Education, Rehabilitation and Enforcement	3,722.05	098-9735-760-001	2014	3,722.05	3,722.05	
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>						
Safe and Secure Communities Program	60,000.00	066-1020-100-232	2014	60,000.00	60,000.00	24,958.00
Body Armor Replacement Fund	3,789.70	066-1020-718-001	2014	3,789.70	14,133.63	3,300.84
<i>NJ Division of Highway Traffic Safety</i>						
Drunk Driving Enforcement Fund	7,269.44	6400-100-078-6400	PY		16,723.10	
Drunk Driving Enforcement Fund	8,451.00	6400-100-078-6400	2014	8,451.00		
<i>Department of Community Affairs</i>						
Parking Offense Adjudication Act	2,312.00		2014	2,312.00	7,565.82	
Total State Financial Assistance				<u>\$ 114,439.89</u>	<u>\$ 102,144.60</u>	<u>\$ 828,258.84</u>

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

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule G-3

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
COUNTY GRANT PROGRAM							
Bergen County Open Space:	N/A						
New Park (Ord #09-06)		\$ 75,000.00	1/1/09 - 12/31/14	\$ -	\$ -	\$ -	\$ 63,912.50
Carlton Avenue (Ord #10-07)		75,000.00	1/1/10 - 12/31/14	35,918.64			39,081.36
Riggin Field (Ord #11-15)		35,000.00	1/1/11 - 12/31/14				35,000.00
Grove St. Park (Ord #11-15)		70,000.00	1/1/11 - 12/31/14	70,000.00	70,000.00		0.00
Other Grant Programs:	N/A						
Comcast Technology Grant		32,500.00	1/1/14 - 12/31/14	32,500.00	0.00		
NJMC Grant - Park Improvements		100,000.00	1/1/14 - 12/31/14		13,385.69		
Total County Financial Assistance				<u>\$ 138,418.64</u>	<u>\$83,385.69</u>	<u>\$ -</u>	<u>\$137,993.86</u>

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

BOROUGH OF EAST RUTHERFORD
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014

1. General

The accompanying schedules present the activity of all federal and state financial assistance programs of the Borough of East Rutherford (the "Borough"). All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

2. Basis of Accounting

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

3. Relationship of Financial Statements

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

	<u>Federal</u>	<u>State</u>	<u>County/Other</u>	<u>Total</u>
Grant / Current Fund	\$ 63,898.06	\$ 102,144.60	\$ 13,385.69	\$ 179,428.35
Capital Fund			70,000.00	70,000.00
	<u>\$ 63,898.06</u>	<u>\$ 102,144.60</u>	<u>\$ 83,385.69</u>	<u>\$ 249,428.35</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, 2014, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Green Trust Program	#0212-03-055	\$ 82,524.20
Green Trust Program	#0212-02-046	\$ 277,013.49
New Jersey Environmental Infrastructure Trust Loan	#S340-296-02	\$ 109,067.81

See Independent Auditor's Report

SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate and Assessed Valuations

	2014	2013	2012	*	2011	2010
Tax Rate	<u>\$ 1.904</u>	<u>\$ 1.845</u>	<u>\$ 1.735</u>		<u>\$ 1.618</u>	<u>\$ 1.552</u>
Apportionment of Tax Rate						
Municipal	0.590	0.565	0.535		0.457	0.424
County	0.234	0.279	0.237		0.221	0.222
Local School	0.762	0.704	0.675		0.661	0.644
Regional High School	0.318	0.297	0.288		0.279	0.262

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

2014	<u>\$ 1,897,754,949</u>
2013	<u>\$ 1,973,272,359</u>
2012	<u>\$ 1,993,078,993</u>
2011	<u>\$ 2,009,226,950</u>
2010	<u>\$ 2,023,458,239</u>

*Revaluation

Comparison of Current Tax Collections

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

Year	Tax Levy	Cash Collection	Percentage of Collection
2014	\$ 35,397,899.35	\$ 34,981,173.03	98.82%
2013	36,441,604.85	33,629,349.62	92.28%
2012	34,610,569.81	31,793,436.55	91.86%
2011	32,631,987.57	30,430,444.23	93.25%
2010	32,619,811.95	29,247,225.11	89.66%

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2014	\$ 166,643.42	\$ 381,749.24	\$ 548,392.66	1.55%
2013	138,851.88	628,007.83	766,859.71	2.10%
2012	113,628.04	6,864,068.94	6,977,696.98	20.16%
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%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation at December 31, 2014 is \$636,900. This represents the properties assessed valuation from 1995-2013.

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2014	\$ 2,050,233.66	\$ 1,000,000.00
	2013	1,483,322.22	500,000.00
	2012	290,052.99	
	2011	94,822.04	-
	2010	94,822.04	

BOROUGH OF EAST RUTHERFORD
ROSTER OF OFFICIALS AND SURETY BONDS
AT DECEMBER 31, 2014

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

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

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

Borough of East Rutherford
General Comments
For the Year Ended December 31, 2014

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

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 “a contract year the total sum of \$17,500...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$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, 2014

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, 2014 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 2013 will be advertised for sale after April 1, 2014.
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, 2014 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

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

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

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council that effective January 1, 2013, all past due balances to the East Rutherford Public Works & Utilities Commission shall accrue interest at the rate of one and one-half (1 1/2 %) percent per month.

Internal Controls:

13-1. RECOMMENDATION:

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

STATUS:

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

13-2. RECOMMENDATION:

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

STATUS:

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

13-3. RECOMMENDATION:

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

STATUS:

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

13-4. RECOMMENDATION:

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

STATUS:

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

13-5. RECOMMENDATION:

That a subsidiary ledger be implemented and monitored to record the addition, retirement and transfer of fixed assets. Such ledger should record the source of property, acquisition date, cost and percentage of government participation and the insurable value of the asset.

STATUS:

Corrective action has been taken.

13-6. RECOMMENDATION:

That over-expenditures in budget appropriations be avoided.

STATUS:

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

13-7. RECOMMENDATION:

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

STATUS:

Corrective action has been taken.

13-8. RECOMMENDATION:

Sewer utility billing should be in compliance with criteria established by the Borough.

STATUS:

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

13-9. RECOMMENDATION:

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

STATUS:

Corrective action has been taken.

13-10. RECOMMENDATION:

Timesheets for Department of Public Works employees should be signed by the supervisor or the department head. Backup information should be provided regarding overtime hours.

STATUS:

Corrective action has been taken.

13-11. RECOMMENDATION:

That all attorneys be removed from the Borough's payroll and health benefits plan and be paid as a professional service vendor.

STATUS:

Partial corrective action has not been taken. See current year audit findings and recommendations.

***Finding 14-1**

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 fire official and building department.

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 14-2**

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 #98-7, 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 complies 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.

***Finding 14-3**

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

Criteria:

Pension enrollment criteria from State of New Jersey Division of Pension.

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.

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Findings and Recommendations (Continued)
For the Year Ended December 31, 2014

*** Finding 14-4**

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

-Diesel Fuel -Gas for Borough Vehicles

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.

*** Finding 14-5**

There were over-expenditures in the Current Fund of budget appropriation reserves in the amount of \$51,132.80 and budget appropriation reserves in the amount of \$18,455.75 in the Sewer Utility Fund.

Criteria:

On August 2, 1990, Chapter 131 of the Laws of 1989 was enacted into law, making the disbursing of monies or the incurring of obligations by public officials in excess of appropriations or an amount limited by law a gross violation of state statute.

Recommendation:

That over-expenditures in budget appropriations be avoided.

Borough's Proposed Corrective Action Plan:

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

***Finding 14-6**

The sewer billing for commercial users is based on flow charges and fixture units. However, numerous commercial sewer accounts were not billed by using water flow charges and instead bills were based on individual circumstances that had no documentation as to criteria used.

Criteria:

The sewer billing criteria established by the Borough of East Rutherford.

Recommendation:

The sewer utility billings should be in compliance with the criteria established by the Borough. A sewer utility billing ordinance should be adopted and all criteria used should be approved by Mayor and Council.

Borough's Proposed Corrective Action Plan:

The sewer utility billing procedures are currently being reviewed and a new rate ordinance will be in place after review.

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

Finding 14-7

Professionals, specifically attorneys, prosecutors, public defenders and engineers are on the Borough's payroll/salary ordinance and or enrolled in the pension system. These attorneys are engaged in private practice, offer their services to the public, work for other clients, and therefore are not appropriately considered an "employee" of the Borough.

Criteria:

Internal Revenue Service – Publication 963 (Rev. 11-2013)
Internal Revenue Service – Publication 1779 (Rev. 3-2012)
Internal Revenue Service – Revenue Ruling 87-41
State of New Jersey - Office of the State Comptroller: Investigative Report on Improper Participation by Professional Service Providers in the State Pension System
Division of Local Government Services – Local Finance Notice 2007-28

Recommendation:

That all professionals be removed from the Borough's payroll and/or pension system and paid as a professional service vendor.

Borough's Proposed Corrective Action Plan:

Professionals will be removed from the payroll and pension system and be paid as a vendor.

Finding 14-8

The health insurance contribution was calculated incorrectly for all employees. The cost of prescription benefits was based on an administrative fee and not on the actual cost of the benefit. The borough is self insured for prescription benefits, and is required to develop a premium or periodic charge in order to calculate the health insurance contribution.

Criteria:

Department of Community Affairs, DLGS, Local Finance Notice LFN 2011-20R and LFN 2011-34.

Recommendation:

That the Borough develop a premium or periodic charge for self-insured prescription plan and adjust the health insurance contribution for employees based on the premium developed.

Borough's Proposed Corrective Action Plan:

The Borough will contact its insurance administrator and develop a premium for self-insured prescription plan.

Appreciation

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

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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.