

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

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015 AND 2014**

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

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

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Page</u>
Notes to Financial Statements	3 – 21
<b>Supplementary Schedules</b>	
<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Cash	A – 4
Schedule of Change Fund	A – 5
Schedule of Miscellaneous Reserves	A – 6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A – 7
Schedule of Due From / (To) State of New Jersey per Chapter 20, P.L. 1971	A – 8
Schedule of Property Acquired For Taxes (At Assessed Valuation)	A – 9
Schedule of Tax Title Liens	A – 10
Schedule of Revenue Accounts Receivable	A – 11
Schedule of Deferred Charges	A – 12
Schedule of 2014 Appropriation Reserves	A – 13
Schedule of Due to State of NJ- Marriage License Fees	A – 14
Schedule of Tax Overpayments	A – 15
Schedule of Prepaid Taxes	A – 16
Schedule of County Taxes Payable	A – 17
Schedule of Local District School Taxes Payable	A – 18
Schedule of Regional High School Taxes Payable	A – 19
Schedule of Reserve for DEA Confiscated Funds	A – 20
Schedule of Reserve for Revaluation	A – 21
Schedule of Encumbrance Payable	A – 22
Schedule of Police Off Duty Receivable/(Payable)	A – 23
Schedule of Reserve for Tax Appeals	A – 24
<u>Trust Fund</u>	
Schedule of Cash and Cash Equivalents	B – 1
Schedule of Unemployment Trust Reserve	B – 2
Schedule of Due To / (From) State of New Jersey - Dog License Fund	B – 3
Schedule of Due To Current Fund - Dog License Fund	B – 4
Schedule of Reserve for Developers Escrow Fees	B – 5
Schedule of Reserve for Dog Fund Expenditures	B – 6
Schedule of Due To / (From) Current Fund - Other Trust	B – 7
Schedule of Special Reserves - Other Trust	B – 8

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Exhibit</u>
<u>Capital Fund</u>	
Schedule of Cash – Treasurer	C – 2
Schedule of Analysis of Cash	C – 3
Schedule of Due To / (From) Current Fund	C – 4
Schedule of Deferred Charges to Future Taxation - Funded	C – 5
Schedule of Deferred Charges to Future Taxation - Unfunded	C – 6
Schedule of Encumbrance Payable	C – 7
Schedule of Capital Improvement Fund	C – 8
Schedule of Improvement Authorizations	C – 9
Schedule of Premium on BAN / Bond Sale	C – 10
Schedule of Reserve for Building and Grounds Improvement	C – 11
Schedule of State Loan Payable	C – 12
Schedule of General Serial Bonds	C – 13
Schedule of Reserve for Payment of Bonds	C – 14
Schedule of Due from Bergen County Improvement Authority	C – 15
Schedule of Bond Anticipation Notes	C – 16
Schedule of Bonds and Notes Authorized But Not Issued	C – 17
Schedule of Reserve for Grants	C – 18
Schedule of Grants Receivable	C – 19
Schedule of Reserve for Roadway Improvements	C – 20
Schedule of Reserve for BCIA Bonds Payable	C – 21
 <u>Sewer Utility Fund</u>	
Schedule of Cash	D – 4
Schedule of Consumer Accounts Receivable	D – 5
Schedule of Overpayments	D – 6
Schedule of Due To/ (From) Sewer Utility Operating Fund From/(To) Sewer Utility Capital Fund	D – 7
Schedule of Fixed Capital / Fixed Capital Authorized and Uncompleted	D – 8
Schedule of Sewer Lien	D – 9
Schedule of Improvement Authorizations	D – 10
Schedule of Capital Improvement Fund	D – 11
Schedule of Amortization Reserve / Deferred Amortization Reserve	D – 12
Schedule of 2014 Appropriation Reserves	D – 13
Schedule of Due To/(From) Current Fund	D – 14
Schedule of Escrow Trust Reserve	D – 15
Schedule of Bonds and Notes Authorized But Not Issued	D – 16
Schedule of NJ Infrastructure Loan Payable	D – 17

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I (Continued)</u>	<u>Exhibit</u>
Schedule of Accrued Interest on Bond Payable	D - 18
Schedule of Sewer Serial Bonds	D - 19
 <u>Grant Fund</u>	
Schedule of Cash	E - 1
Schedule of Due To/(From) Current Fund	E - 2
Schedule of Grants Receivable	E - 3
Schedule of Appropriated Reserves for State Grants	E - 4
Schedule of Unappropriated Reserves for State Grants	E - 5
 <u>Schedules Related to Accounting and Reporting of Pensions (GASB 68)</u>	
Schedule of Borough's Proportionate Share of Net Pension Liability- PFRS & PERS	G-1
Schedule of Borough's Contributions- PFRS & RERS	G-2
Notes to Required Supplementary Information	G-3
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	   22 - 23
 Schedule of Expenditures of Federal Financial Assistance	 H - 1
 Schedule of Expenditures of State Financial Assistance	 H - 2
 Schedule of Expenditures of County / Other Financial Assistance	 H - 3
 Notes to the Schedules of Expenditures of Federal and State Financial Assistance	  24
 Supplementary Data	 25 - 26
 Roster of Officials and Surety Bonds	 27
 General Comments	 28 - 29
 Schedule of Findings and Responses	 30 - 32
 Summary Schedule of Prior Year Audit Comments and Recommendations	 33 - 34
 Audit Comments and Recommendations	 35 - 36
 Appreciation	 37

## 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, 2015 and 2014, 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, 2015, 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, 2015 and 2014, or the changes in financial position for the years then ended.

## Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the accompanying comparative balance sheet – regulatory basis of the various funds of the Borough as of December 31, 2015 and 2014, 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, 2015, in accordance with accounting principles and practices prescribed by the Division as described in Note 1.

## Other Matters

### *Required Supplementary Information*

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

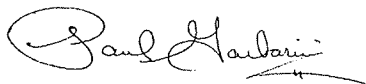
### *Other Information*

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

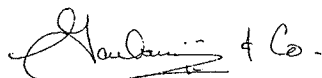
The supplementary schedules and schedules of expenditures of federal, state and county/other financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2016 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



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



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

April 28, 2016  
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
		2015	2014
	Reference		
<b>ASSETS</b>			
Current Assets:			
Cash - Treasurer	A-4	\$ 4,433,528.21	\$ 3,397,764.43
Cash - Tax Collector	A-4	-	7,464.59
Cash - Change and Petty Cash Funds	A-5	1,150.00	1,150.00
		<u>4,434,678.21</u>	<u>3,406,379.02</u>
Due from State of NJ- Senior Citizens & Veterans Deductions	A-8	429.24	179.24
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	345,277.83	381,749.24
Tax Title Liens	A-10	229,684.04	166,643.42
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	10,008.00	26,203.17
Police Off Duty Receivable	A-23		72,543.62
Due from Sewer Utility Fund	D	299,002.47	
	Contra	<u>1,520,872.34</u>	<u>1,284,039.45</u>
Deferred Charges:			
Over-expenditure of Appropriation Reserves	A-12	-	51,132.80
<b>TOTAL ASSETS</b>		<u>\$ 5,955,979.79</u>	<u>\$ 4,741,730.51</u>



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

		At December 31,	
		2015	2014
	Reference		
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Encumbrance Payable	A-22	\$ 27,032.96	\$ 96,245.84
Appropriation Reserves	A-3,13	914,111.30	843,694.95
Tax Overpayments	A-15	9,727.71	38,301.08
Prepaid Taxes	A-16	159,125.65	88,424.06
County Taxes - Added	A-17	216,000.61	6,330.26
Revaluation Reserve	A-21	10,848.61	10,848.61
Police Off Duty/ Receivable Deficit	A-23	31,167.25	
Due to State of New Jersey- Marriage License Fees	A-14	525.00	28,558.57
DEA Confiscated Funds	A-20	382,606.10	277,221.32
Miscellaneous Reserves	A-6	14,443.97	18,157.44
		<u>1,765,589.16</u>	<u>1,407,782.13</u>
Reserve for Receivables and Other Assets	Contra	1,520,872.34	1,284,039.45
Fund Balance	A-1	<u>2,669,518.29</u>	<u>2,049,908.93</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 5,955,979.79</u>	<u>\$ 4,741,730.51</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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

A-1

		At December 31,	
	Reference	2015	2014
Revenue and Other Income Realized:			
Fund Balance Utilized		\$ 1,246,400.00	\$ 500,000.00
Miscellaneous Revenue Anticipated	A-2	12,902,621.70	11,886,670.21
Receipts from Delinquent Taxes	A-2	272,426.30	644,156.77
Receipts from Current Taxes	A-2	37,547,165.41	34,981,173.03
Non-Budget Revenues	A-2	162,889.43	81,431.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	362,307.45	36,961.84
Unexpended Budget Appropriations	A-3	299,002.47	19,732.23
Regional / Local School /County Tax Adjustment	A-18	0.04	0.03
Increase- Petty Cash			500.00
Interfunds Returned		72,543.52	162,366.43
Total Revenue and Other Income Realized		<u>52,865,356.32</u>	<u>48,312,992.06</u>
Expenditures:			
Budget and Emergency Appropriations	A-3	24,688,241.22	22,911,269.42
County Taxes	A-17	5,186,918.99	4,316,197.88
County Share of Added and Omitted Taxes	A-17	216,000.61	6,330.26
Local District School Tax	A-18	14,265,832.50	14,009,299.50
Local District School Tax Adjustment	A-18	-	0.06
Regional School Tax	A-19	5,929,297.00	5,876,825.50
Regional School Tax Adjustment	A-19		0.08
Prior Year Tax Appeals- Overpayments	A-15	1,842.04	109,424.92
Prior Year Tax Appeals- Charged Directly to Fund Balance	A-4	409,212.13	
Senior Citizens & Veterans Prior Year Adjustment	A-7	3,000.00	3,586.23
Interfund Advanced		299,002.47	
Canceled Grants Receivable	E-3		13,471.50
Total Expenditures		<u>50,999,346.96</u>	<u>47,246,405.35</u>
Excess in Revenues		1,866,009.36	1,066,586.71
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>1,866,009.36</u>	<u>1,066,586.71</u>
Fund Balance January 1	A	<u>2,049,908.93</u>	<u>1,483,322.22</u>
		3,915,918.29	2,549,908.93
Decreased by:			
Utilization as Anticipated Revenues		<u>1,246,400.00</u>	<u>500,000.00</u>
Fund Balance December 31	A	<u>\$ 2,669,518.29</u>	<u>\$ 2,049,908.93</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 1,246,400.00	\$ 1,246,400.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		26,500.00	26,400.08	(99.92)
Other		60,000.00	66,796.64	6,796.64
Fees and Permits - Other		12,500.00	17,798.60	5,298.60
Fines and Costs - Municipal Court		450,000.00	431,315.14	(18,684.86)
Interest and Costs on Taxes		75,000.00	57,551.49	(17,448.51)
Interest on Investments and Deposits		2,000.00	2,321.41	321.41
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		7,560,000.00	7,636,995.15	76,995.15
Recycling Income		26,000.00	11,215.53	(14,784.47)
Rental - Library		100,000.00	100,000.00	-
Lease - Becton Regional		75,000.00	75,000.00	-
Consolidated Municipal Property Tax Relief Aid				-
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,489,989.00	1,489,989.00	-
Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.)		132,482.00	132,482.00	-
Uniform Construction Code Fees		175,000.00	236,342.00	61,342.00
POAA		2,312.00	2,312.00	-
Clean Communities Grant		18,265.17	18,265.17	-
Safe and Secure Communities Program Grant		60,000.00	60,000.00	-
Emergency Management Agency Assistance		5,000.00	5,000.00	-
Police Drive Sober/Get Pulled Over Grant		7,500.00	7,500.00	-
Williams Foundation Fire Grant		1,250.00	1,250.00	-
Police Click it or Ticket Grant		4,000.00	4,000.00	-
Drunk Driving Enforcement Fund		8,451.00	8,451.00	-
Recycling Tonnage		21,139.87	21,139.87	-
Chapter 159:				
"Drive Sober or Get Pulled Over" Grant		5,000.00	5,000.00	-
Body Armor Grant		3,783.57	3,783.57	-
Alcohol Education and Rehab Grant		3,359.19	3,359.19	-
Uniform Fire Safety Act		52,043.42	53,439.17	1,395.75
Cable Franchise Fees		117,946.82	117,946.82	-
Hotel Taxes		935,000.00	1,068,836.87	133,836.87
Payment in Lieu of Taxes - Bergen County Housing Authority		24,000.00	27,320.11	3,320.11
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.				-
Premium on BAN / Bond Sale				-
Accrued Interest on Bond Sale		4,827.59	4,827.59	-
Premium on TAN Sale				-
Reserve for Payments of Bonds and Notes		236,000.00	236,000.00	-
Settlement Payment-Timex Center		250,000.00	250,000.00	-
BCIA - Police Station Construction Fund Revenue		713,275.00	713,275.00	-
FEMA Hurricane Sandy				-
Total Miscellaneous Revenues	A-1, Next Page	<u>12,664,324.63</u>	<u>12,902,621.70</u>	<u>238,297.07</u>
Receipts from Delinquent Taxes	A-1, Next Page	442,500.00	272,426.30	(170,073.70)
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	A-7, Next Page	10,810,016.59	12,424,116.31	1,614,099.72
				-
Budget Totals	A-3	<u>\$ 25,163,241.22</u>	26,845,564.31	<u>\$ 1,682,323.09</u>
Non-Budget Revenues	A-1,4, Next Page		<u>162,889.43</u>	
			<u>\$ 27,008,453.74</u>	

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)

A-2

	Reference	
Allocation of Current Tax Collection:		
Revenue from Collections	A-1	\$ 37,547,165.41
Allocated to:		
School and County Taxes	A-17,18,19	25,598,049.10
Balance for Support of Municipal Appropriation		<u>11,949,116.31</u>
 Add: Appropriation "Reserve for Uncollected Taxes"	 A-3	 <u>475,000.00</u>
	Previous Pg.	<u>\$ 12,424,116.31</u>
 Receipts from Delinquent Taxes:		
Delinquent Taxes	Prev. Pg.	<u>\$ 272,426.30</u>
 Miscellaneous Revenues:		
Current Fund	A-4	\$ 11,989,391.98
Collector	A-4	59,893.92
Non-Cash BCIA Interest	A-3	713,275.00
Due from Grant Fund - Anticipated Revenue	E-2	140,060.80
		<u></u>
	Previous Pg.	<u>\$ 12,902,621.70</u>
 Non-Budget Revenues:		
DMV Fees		\$ 1,400.00
Misc. Refunds		26,478.01
Towing Fees		18,900.00
Settlements		114,371.62
Auction Proceeds		180.00
Senior Citizen's & Veteran's 2% Administrative Payments		1,020.00
County Polling Payment		160.00
Miscellaneous		<u>379.80</u>
	Prev. Pg., A-1, 4	<u>\$ 162,889.43</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
OPERATIONS - WITHIN "CAPS"							
GENERAL GOVERNMENT							
Administrative & Executive:							
Municipal Clerk							
Salaries and Wages	\$ 254,000.00	\$ -	\$ 250,000.00	\$ 248,042.07	\$ 1,957.93	\$ -	\$ -
Other Expenses	17,000.00		17,000.00	9,885.63	7,114.37		
Other Expenses - Code Publishing	6,000.00		6,000.00	5,034.11	965.89		
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	4,910.91	3,089.09		
Elections - Other Expenses	14,000.00		14,000.00	5,347.52	8,652.48		
Financial Administration							
Salaries and Wages	86,000.00		88,400.00	88,328.00	72.00		
Other Expenses							
Annual Audit	43,250.00		43,250.00		43,250.00		
Miscellaneous - Other Expenditures	48,750.00		48,750.00	34,627.23	14,122.77		
Purchasing							
Salaries and Wages	2,500.00		2,500.00	2,499.90	0.10		
Assessment of Taxes							
Salaries and Wages	67,500.00		67,500.00	66,623.75	876.25		
Other Expenses	6,300.00		6,300.00	5,521.49	778.51		
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	4,502.04	5,497.96		
Collection of Taxes							
Salaries and Wages	89,500.00		89,500.00	88,512.61	987.39		
Other Expenses	11,000.00		11,000.00	6,666.40	4,333.60		

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>						
Legal Services and Costs						
Salaries and Wages	\$ -	\$ -			\$ -	\$ -
Other Expenses	220,000.00		294,000.00	293,532.42	467.58	
					-	
Tax Appeals						
Professional Fees	100,000.00		135,000.00	130,800.00	4,200.00	
Engineering Services and Costs						
Salaries and Wages	3,000.00		1,750.00	1,730.70	19.30	
Other Expenses	50,000.00		50,000.00	31,556.74	18,443.26	
Public Building and Grounds						
Other Expenses	95,000.00		100,000.00	97,728.89	2,271.11	
Contracted Service	241,500.00		241,500.00	215,433.21	26,066.79	
Municipal Land Use Law (N.J.S. 40:55D-1)						
Planning Board - Salaries & Wages	7,500.00		7,500.00	7,499.96	0.04	
Planning Board - Other Expenses	22,000.00		40,100.00	39,189.13	910.87	
Zoning Board of Adjustment						
Salaries and Wages	7,500.00		7,500.00	7,499.96	0.04	
Other Expenses	10,000.00		13,500.00	12,229.37	1,270.63	
Municipal Court						
Salaries and Wages	232,500.00		232,500.00	223,664.60	8,835.40	
Other Expenses	27,000.00		27,000.00	18,780.86	8,219.14	
Public Defender						
Salaries and Wages	10,000.00		10,000.00	9,788.05	211.95	

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Unemployment Compensation	\$ 110,000.00	\$ -	\$ 110,000.00	\$ 110,000.00	\$ -	\$ -	\$ -
Insurance:							
Liability	353,000.00		339,000.00	245,216.82	93,783.18		
Workman's Compensation	360,000.00		346,000.00	254,762.41	91,237.59		
Employee Group Insurance	2,297,000.00		2,317,000.00	2,315,979.00	1,021.00		
Self - Insurance Eye Care	15,000.00		15,000.00	11,053.74	3,946.26		
Rent Control Board							
Salaries and Wages	1,700.00		400.00	326.90	73.10		
Other expenses	500.00		500.00		500.00		
<b>TOTAL GENERAL GOVERNMENT</b>	<b>4,875,300.00</b>	<b>-</b>	<b>4,998,750.00</b>	<b>4,645,146.92</b>	<b>353,603.08</b>	<b>-</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>							
Fire							
Other Expenses							
Clothing Allowance	101,000.00		99,000.00	93,122.59	5,877.41		
Other Expenses- Lease/Purchase Equipment	23,000.00		14,100.00	14,045.50	54.50		
Gear Maintenance	65,600.00		65,600.00	57,973.22	7,626.78		
Fire Alarm System - Other Expenses	12,000.00		12,000.00	7,098.65	4,901.35		
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	96,500.00		89,500.00	89,233.64	266.36		
Other Salaries - Inspectors	15,000.00		15,000.00	8,627.50	6,372.50		
Other Expenses	14,575.00		14,575.00	10,146.13	4,428.87		
Police							
Salaries and Wages	5,345,000.00		5,345,000.00	5,238,877.94	106,122.06		
Clothing Allowance							
Overtime	145,000.00		180,000.00	177,836.71	2,163.29		
Sick pay	106,445.00		106,445.00	106,444.31	0.69		
Other expenses	96,000.00		101,800.00	95,684.90	6,115.10		
911 Service	6,000.00		4,625.00	4,600.50	24.50		
Police Cars	20,750.00		28,125.00	28,121.55	3.45		

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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	\$ 66,000.00	\$ -	\$ 72,600.00	\$ 72,124.51	\$ 475.49	\$ -	\$ -
Other Expenses	500.00		500.00	162.00	338.00		
Traffic Lights - Other Expenses	20,000.00		20,000.00	7,528.70	12,471.30		
Traffic Control							
Salaries and Wages	282,000.00		274,450.00	271,477.25	2,972.75		
Other Expenses	500.00		500.00		500.00		
First Aid Organization							
Other Expenses	15,250.00		15,250.00	11,026.75	4,223.25		
Emergency Management Services							
Salaries and Wages	8,500.00		6,750.00	5,674.67	1,075.33		
Other Expenses	10,000.00		10,000.00	1,895.00	8,105.00		
First Responder							
Salaries and Wages	72,000.00		57,000.00	54,937.01	2,062.99		
Towing Director							
Salaries and Wages	9,200.00		9,200.00	8,946.08	253.92		
TOTAL PUBLIC SAFETY	6,530,820.00	-	6,542,020.00	6,365,585.11	176,434.89	-	-
STREETS AND ROADS:							
Road Repairs and Maintenance							
Salaries and Wages	1,008,000.00		980,000.00	865,605.20	114,394.80		
Other Expenses	50,000.00		50,000.00	45,470.72	4,529.28		
Recycling Costs	15,000.00		15,000.00	13,909.06	1,090.94		
Leased Vehicles	38,100.00		38,100.00	38,083.21	16.79		
TOTAL STREETS AND ROADS	1,111,100.00	-	1,083,100.00	963,068.19	120,031.81	-	-
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages	3,400.00		2,400.00	1,961.40	438.60		
Other Expenses	88,000.00		88,000.00	80,226.51	7,773.49		
TOTAL HEALTH AND WELFARE	91,400.00	-	90,400.00	82,187.91	8,212.09	-	-



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>RECREATION AND EDUCATION</i>							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	\$ 45,000.00	\$ -	\$ 42,000.00	\$ 41,741.76	\$ 258.24	\$ -	\$ -
Other Expenses	90,000.00		90,000.00	83,444.97	6,555.03		
Celebration of Public Events, Anniversary or Holiday	6,300.00		6,300.00	2,209.00	4,091.00		
Other Expenses					-		
Senior Citizens							
Salaries and Wages	44,500.00		44,500.00	42,832.59	1,667.41		
Other Expenses	6,000.00		6,000.00	5,742.00	258.00		
<b>TOTAL RECREATION AND EDUCATION</b>	<b>191,800.00</b>	<b>-</b>	<b>188,800.00</b>	<b>175,970.32</b>	<b>12,829.68</b>	<b>-</b>	<b>-</b>
<i>SANITATION</i>							
Garbage & Trash Removal							
Salaries and Wages	672,000.00		672,000.00	581,843.56	90,156.44		
Other Expenses					-		
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	290,000.00		290,000.00	267,616.87	22,383.13		
<b>TOTAL SANITATION</b>	<b>962,000.00</b>	<b>-</b>	<b>962,000.00</b>	<b>849,460.43</b>	<b>112,539.57</b>	<b>-</b>	<b>-</b>
<i>STATE UNIFORM CONSTRUCTION CODE</i>							
Salaries and Wages							
Construction Code Official	32,040.00		32,040.00	31,761.86	278.14		
Sub-Code Officials							
Plumbing Inspector	19,000.00		19,000.00	18,741.06	258.94		
Fire Inspector	17,000.00		17,000.00	16,981.90	18.10		
Electrical Inspector	16,000.00		16,000.00	15,842.06	157.94		
Other Salaries	65,560.00		60,060.00	56,586.87	3,473.13		
Building Sub-Code Official	21,000.00		21,000.00	20,622.94	377.06		
Other Expenses	13,000.00		13,000.00	9,993.99	3,006.01		
Rental Expenses	35,000.00		35,000.00	34,834.80	165.20		
<b>TOTAL STATE UNIFORM CONST. CODE</b>	<b>218,600.00</b>	<b>-</b>	<b>213,100.00</b>	<b>205,365.48</b>	<b>7,734.52</b>	<b>-</b>	<b>-</b>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>UNCLASSIFIED:</i>							
Utilities							
Street Lighting	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 277,738.17	\$ 22,261.83	\$ -	\$ -
Gasoline	210,000.00		132,900.00	110,041.90	22,858.10		
Fuel Oil							
Electricity	270,000.00		256,500.00	221,602.31	34,897.69		
Telephone and Telegraph	130,000.00		133,000.00	130,719.72	2,280.28		
Water	32,000.00		47,000.00	44,219.18	2,780.82		
Fire Hydrant Services	130,000.00		128,400.00	128,375.17	24.83		
Purchase of Postage	30,000.00		30,000.00	23,628.43	6,371.57		
Vehicle Maintenance							
Salaries and Wages	94,000.00		94,000.00	93,990.04	9.96		
Other Expenses	205,000.00		210,000.00	204,602.89	5,397.11		
	<u>1,401,000.00</u>	<u>-</u>	<u>1,331,800.00</u>	<u>1,234,917.81</u>	<u>96,882.19</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>15,382,020.00</u>	<u>-</u>	<u>15,409,970.00</u>	<u>14,521,702.17</u>	<u>888,267.83</u>	<u>-</u>	<u>-</u>
<i>Contingent</i>	<u>2,000.00</u>		<u>2,200.00</u>	<u>2,121.47</u>	<u>78.53</u>		
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<u>15,384,020.00</u>	<u>-</u>	<u>15,412,170.00</u>	<u>14,523,823.64</u>	<u>888,346.36</u>	<u>-</u>	<u>-</u>
<i>Detail:</i>							
<i>Salaries and Wages</i>	8,993,145.00	-	8,961,795.00	8,615,079.86	346,715.14	-	-
<i>Other Expenses (Including Contingent)</i>	6,390,875.00	-	6,450,375.00	5,908,743.78 326.90	541,631.22	-	-

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<b>DEFERRED CHARGES:</b>							
Overexpenditure of Appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Authorization							
Overexpenditure of Appropriation Reserves	51,132.80		51,132.80	51,132.80	-		
Overexpenditure of Improvement Authorization							
Deficit in Sewer Utility Fund	436,040.00		436,040.00	137,037.53		299,002.47	
<b>STATUTORY EXPENDITURES:</b>							
Contributions to:							
Public Employees Retirement System	364,132.61		364,132.61	364,132.61	-		
Social Security System (O.A.S.I.)	350,000.00		323,600.00	320,431.92	3,168.08		
Police and Firemen Retirement System of N.J.	1,244,471.00		1,244,471.00	1,244,471.00	-		
Pension of Widow Charles Swift (R.S. 43:12-28.1)	2,400.00		650.00	646.10	3.90		
Defined Contribution Retirement Program Contributions	300.00		300.00	300.00	-		
Early Retirement Incentive Program	120,012.00		120,012.00	120,012.00	-		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"</b>	<b>2,568,488.41</b>	<b>-</b>	<b>2,540,338.41</b>	<b>2,238,163.96</b>	<b>3,171.98</b>	<b>299,002.47</b>	<b>-</b>
<b>CASH DEFICIT OF PRECEDING YEAR</b>	<b>-</b>		<b>-</b>	<b>-</b>			
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>17,952,508.41</b>	<b>-</b>	<b>17,952,508.41</b>	<b>16,761,987.60</b>	<b>891,518.34</b>	<b>299,002.47</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
Maintenance of Free Public Library Ch. 82, PL 1985	719,897.22		719,897.22	697,304.26	22,592.96		
Police and Firemen Retirement System							
Tax Appeals Reserve	200,000.00		200,000.00	200,000.00	-		
	<b>919,897.22</b>	<b>-</b>	<b>919,897.22</b>	<b>897,304.26</b>	<b>22,592.96</b>	<b>-</b>	<b>-</b>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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	\$ -	\$ -	\$ -
Police "Drive Sober/Get Pulled Over" Grant	7,500.00		7,500.00	7,500.00	-		
Clean Communities Grant	18,265.17		18,265.17	18,265.17			
Emergency Management Assistance	5,000.00		5,000.00	5,000.00			
The Williams Foundation Fire Grant	1,250.00		1,250.00	1,250.00			
Police "Click it or ticket Grant"	4,000.00		4,000.00	4,000.00			
Reserves - Grant							
Drunk Driving Enforcement Fund	8,451.00		8,451.00	8,451.00	-		
Parking Offense Adjudication Act	2,312.00		2,312.00	2,312.00	-		
Recycling Tonnage	21,139.87		21,139.87	21,139.87			
Chapter 159:							
"Drive Sober or Get Pulled Over" Grant	5,000.00		5,000.00	5,000.00	-		
Body Armor Grant	3,783.57		3,783.57	3,783.57	-		
Alcohol Education and Rehab Grant	3,359.19		3,359.19	3,359.19	-		
<b>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>	<b>155,060.80</b>	<b>-</b>	<b>155,060.80</b>	<b>155,060.80</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,074,958.02</b>	<b>-</b>	<b>1,074,958.02</b>	<b>1,052,365.06</b>	<b>22,592.96</b>	<b>-</b>	<b>-</b>
<i>Detail:</i>							
<i>Salaries and Wages</i>	75,000.00	-	75,000.00	75,000.00	-	-	-
<i>Other Expenses</i>	999,958.02	-	999,958.02	977,365.06	22,592.96	-	-
<i>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</i>							
Capital Improvement Fund	75,000.00		75,000.00	75,000.00	-		
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>75,000.00</b>	<b>-</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>MUNICIPAL DEBT-EXCLUDED FROM "CAPS"</b>							
Payment of Bond Principal	\$ 2,189,756.21	\$ -	\$ 2,189,756.21	\$ 2,189,756.21	\$ -	\$ -	\$ -
Payment on Bond Anticipation Notes & Capital Notes	1,118,000.00		1,118,000.00	1,118,000.00	-	-	-
Interest on Bonds	1,114,121.19		1,114,121.19	1,114,121.19		-	-
Interest on Notes	27,320.00		27,320.00	27,320.00		-	-
Green Trust Loan Program:					-	-	-
Loan Repayments for Principal and Interest	33,302.39		33,302.39	33,302.39	-	-	-
Bergen County Improvement Authority -Principal	345,000.00		345,000.00	345,000.00	-	-	-
Bergen County Improvement Authority -Interest	713,275.00		713,275.00	713,275.00	-	-	-
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>5,540,774.79</b>	<b>-</b>	<b>5,540,774.79</b>	<b>5,540,774.79</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED CHARGES -</b>							
<b>MUNICIPAL EXCLUDED FROM "CAPS"</b>							
Emergency Authorizations	-	-	-	-	-	-	-
Special Emergency Authorizations - 5 Years	-	-	-	-	-	-	-
Judgements (NJSA 40A:4-45.3cc)	45,000.00		45,000.00	45,000.00			
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>	<b>6,735,732.81</b>	<b>-</b>	<b>6,690,732.81</b>	<b>6,668,139.85</b>	<b>22,592.96</b>	<b>-</b>	<b>-</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>24,688,241.22</b>	<b>-</b>	<b>24,688,241.22</b>	<b>23,475,127.45</b>	<b>914,111.30</b>	<b>299,002.47</b>	<b>-</b>
<i>Reserve for Uncollected Taxes</i>	<i>475,000.00</i>		<i>475,000.00</i>	<i>475,000.00</i>			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 25,163,241.22</b>	<b>\$ -</b>	<b>\$ 25,163,241.22</b>	<b>\$ 23,950,127.45</b>	<b>\$ 914,111.30</b>	<b>\$ 299,002.47</b>	<b>\$ -</b>
Reference	A-2			Below \$ 299,002.47	A	A-1	
Disbursements	A-4			\$ 22,781,014.65			
Budget Offsets	A-4			(452,388.76)			
Reserve for Uncollected Taxes	A-2			475,000.00			
Non-Cash BCIA Interest	A-2			713,275.00			
Deferred Charges	A-12			51,132.80			
Encumbrance Payable	A-22			27,032.96			
Due to Grant Fund	E-4			155,060.80			
Tax Appeal Reserve	A-24			200,000.00			
				<u>\$ 23,950,127.45</u>			

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2015 AND 2014

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

		At December 31,	
	Reference	2015	2014
<b>ASSETS</b>			
Other Trust Fund			
Cash	B-1	\$ 554,016.82	\$ 493,533.07
		<u>554,016.82</u>	<u>493,533.07</u>
Developer's Escrow Fund			
Cash	B-1	239,060.07	206,734.32
		<u>239,060.07</u>	<u>206,734.32</u>
Dog License Fund			
Cash	B-1	5,524.05	9,076.45
		<u>5,524.05</u>	<u>9,076.45</u>
Unemployment Fund			
Cash	B-1	23,366.57	9,153.08
		<u>23,366.57</u>	<u>9,153.08</u>
<b>TOTAL ASSETS</b>		<u>\$ 821,967.51</u>	<u>\$ 718,496.92</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Other Trust			
Special Reserves	B-8	\$ 554,016.82	\$ 493,533.07
		<u>554,016.82</u>	<u>493,533.07</u>
Developers Escrow			
Reserve for Escrow Fees	B-5	239,060.07	206,734.32
		<u>239,060.07</u>	<u>206,734.32</u>
Dog License Fund			
Due to State of NJ	B-3	7.80	12.60
Reserve for Dog Fund Expenditures	B-6	5,516.25	9,063.85
		<u>5,524.05</u>	<u>9,076.45</u>
Unemployment Fund			
Fund Reserve	B-2	23,366.57	9,153.08
		<u>23,366.57</u>	<u>9,153.08</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 821,967.51</u>	<u>\$ 718,496.92</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

C

	Reference	At December 31,	
		2015	2014
<b>ASSETS</b>			
Cash - Treasurer	C-2,3	\$ 2,565,516.61	\$ 1,930,421.10
Grants Receivable	C-19	1,188,414.86	975,493.86
Deferred Charges to Future Taxation:			
Funded	C-5	40,143,258.85	42,454,257.26
Unfunded	C-6	5,889,052.35	5,439,552.35
Due from Bergen County Improvement Authority	C-15	11,099.48	729,517.90
<b>TOTAL ASSETS</b>		<u>\$ 49,797,342.15</u>	<u>\$ 51,529,242.47</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 23,859,963.36	\$ 26,049,719.57
Bond Anticipation Note Payable	C-16	4,321,000.00	1,918,000.00
State Loan Payable	C-12	583,295.49	359,537.69
Bergen County Improvement Authority Bond Payable	C-21	15,700,000.00	16,045,000.00
Encumbrance Payable	C-7	-	15,260.61
Improvement Authorizations:			
Funded	C-9	355,497.56	1,850,779.98
Unfunded	C-9	2,700,946.46	3,422,899.78
Reserve for Payment of Bonds and Notes	C-14	953,376.40	695,588.20
Reserve for Building & Grounds Improvements	C-11	493.09	23,050.26
Reserve for Roadway Improvements	C-20	112,500.00	159,300.00
Reserve for Grants- Receivable	C-18	1,188,414.86	975,493.86
Premium on BAN/ Bond Sale	C-10	10,607.00	4,827.59
Capital Improvement Fund	C-8	391.63	7,891.63
Fund Balance	C-1	10,856.30	1,893.30
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 49,797,342.15</u>	<u>\$ 51,529,242.47</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014  
in the amount of \$1,568,052.35 and \$3,521,552.35, respectively. (Exhibit C-17).

**STATEMENT OF FUND BALANCE**

C-1

	Reference	
Balance December 31, 2014	C	\$ 1,893.30
Increased by:		
Void Check from Prior Year Canceled Ordinances	C-2	<u>8,963.00</u>
Balance December 31, 2015	C	<u>\$ 10,856.30</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

D

	Reference	At December 31,	
		2015	2014
<b>ASSETS</b>			
Operating Fund:			
Cash	D-4	\$ 554,308.70	\$ 341,097.69
Escrow Trust Cash	D-4, D-15	1,514.69	1,027.19
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	371,824.29	538,085.08
Sewer Lien Receivable	D-9, Contra	2,058.75	2,058.75
Due from Current Fund	D-14		28,558.57
Deferred Charges:			
Overexpenditure of Appropriations	D-3	257,097.50	-
Overexpenditure of Appropriation Reserves	D-13		18,455.75
Deficit in Operation	D-1		319,152.74
Total Operating Fund		<u>1,186,803.93</u>	<u>1,248,435.77</u>
Capital Fund:			
Fixed Capital	D-8	4,115,742.84	4,115,742.84
Fixed Capital Authorized and Uncompleted	D-8	1,500,000.00	500,000.00
Due from General Capital Fund	C, D-20		
Due from Utility Operating Fund	D-7	261,546.27	423,922.77
Total Capital Fund		<u>5,877,289.11</u>	<u>5,039,665.61</u>
<b>TOTAL ASSETS</b>		<u>\$ 7,064,093.04</u>	<u>\$ 6,288,101.38</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,13	\$ 162.42	\$ 34,869.00
Encumbrance Payable	D-3,13	337.50	175.00
Accrued Interest	D-18	2,618.52	4,309.74
Due to Utility Capital Fund	D-7	261,546.27	423,922.77
Sewer Charge Overpayment	D-6	32,211.69	28,460.91
Due to Current Fund	D-14	299,002.47	
Reserve for Escrow Deposit	D-15	1,514.69	1,027.19
Reserve for Receivables	Contra	373,883.04	540,143.83
Fund Balance	D-1	215,527.33	215,527.33
Total Operating Fund		<u>1,186,803.93</u>	<u>1,248,435.77</u>
Capital Fund:			
Serial Bond Payable	D-19	350,036.64	385,280.43
NJ Infrastructure Loan Payable	D-17	-	109,067.81
Improvement Authorizations			
Funded	D-10	112,194.22	112,194.22
Unfunded	D-10	837,623.50	
Capital Improvement Fund	D-11	261,935.55	311,935.55
Reserve for Deferred Amortization	D-12	1,029,023.60	834,712.00
Amortization Reserve	D-12	3,286,475.60	3,286,475.60
Total Capital Fund		<u>5,877,289.11</u>	<u>5,039,665.61</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 7,064,093.04</u>	<u>\$ 6,288,101.38</u>

There were bonds and notes authorized but not issued  
on December 31, 2015 in the amount of \$950,207.00 (Schedule D-16)



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

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

D-1

	Reference	At December 31,	
		2015	2014
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2		\$ 279,400.00
User Charges and Fees	D-2,4	1,509,374.27	1,293,937.93
Delinquent User Charges	D-2	464,821.62	143,629.30
Giants Training Facility Agreement	D-2,4	82,401.21	47,644.80
Meadowlands Stadium Agreement	D-2,4	149,546.18	149,848.72
Miscellaneous Revenues	D-2,4	40,228.58	114,310.68
Deficit General Budget	D-2,4	137,037.53	
	D-2	<u>2,383,409.39</u>	<u>2,028,771.43</u>
Other Credits to Income:			
Prior Year Voided Checks	D-4	19.98	-
Appropriations Lapsed	D-3	1,691.54	5,454.94
Prior Year Appropriation Reserve lapsed	D-13	15,579.09	1,491.92
		<u>2,400,700.00</u>	<u>2,035,718.29</u>
Less: Budget Appropriations	D-3	<u>2,400,700.00</u>	<u>2,354,871.03</u>
Excess/(Deficit) in Revenues		-	(319,152.74)
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>215,527.33</u>	<u>494,927.33</u>
Less: Fund Balance Utilized	D-2		<u>279,400.00</u>
Fund Balance - Operating - December 31	D	<u>\$ 215,527.33</u>	<u>\$ 215,527.33</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ -		\$ -
User Charges and Fees	D-1,4	1,320,160.00	1,509,374.27	189,214.27
Delinquent User Charges	D-1,Below	424,000.00	464,821.62	40,821.62
Giants Training Facility Agreement	D-1,4,5	23,000.00	82,401.21	59,401.21
Meadowlands Stadium Agreement	D-1,4,5	149,000.00	149,546.18	546.18
Miscellaneous Income/Hook-up Fees	D-1,4,5	48,500.00	40,228.58	(8,271.42)
Deficit General Budget	D-1,4, Below	436,040.00	137,037.53	(299,002.47)
		<u>\$ 2,400,700.00</u>	<u>\$ 2,383,409.39</u>	<u>\$ (17,290.61)</u>
		D-3	D-1	
Delinquent User Charges Collected	D-4,5		\$ 414,327.34	
Delinquent Interest Collected	D-4,5		50,494.28	
	Above		<u>\$ 464,821.62</u>	
Miscellaneous Income	D-4		\$ 1,730.05	
Hook-up Fees Billed	D-4,5		38,498.53	
	Above		<u>\$ 40,228.58</u>	

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

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	\$ 180,375.00	\$ 180,371.04	\$ 3.96	\$ -	\$ -
Other Expenses	1,642,013.74	1,661,360.02	1,918,457.52	-	-	257,097.50
Health Benefits	43,000.00	43,000.00	43,000.00	-	-	-
Total Operating Expenditures	1,885,013.74	1,884,735.02	2,141,828.56	3.96	-	257,097.50
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Deferred Charges:						
Deficit in Operations	319,152.74	319,152.74	319,152.74			
Appropriation Reserve Overexpenditure	18,455.75	18,455.75	18,455.75			
Statutory Expenditures:						
Contributions to:						
Social Security System	14,000.00	13,625.00	13,466.54	158.46	-	-
Unemployment Compensation Insurance	3,200.00	3,200.00	3,200.00	-	-	-
Total Deferred Charges & Statutory Expenditures	354,808.49	354,433.49	354,275.03	158.46	-	-
Debt Service						
Bond Principal	35,244.11	35,244.11	35,243.79		0.32	
Bond Interest	14,042.80	14,696.52	13,996.60		699.92	
NJ Infrastructure Loan:						
Principal	109,190.86	109,190.86	109,190.86		-	
Interest Expense	2,400.00	2,400.00	1,408.70	-	991.30	
	160,877.77	161,531.49	159,839.95	-	1,691.54	-
Total Sewer Utility Appropriations	\$ 2,400,700.00	\$ 2,400,700.00	\$ 2,655,943.54	\$ 162.42	\$ 1,691.54	\$ 257,097.50
Reference	D-1,2	D-1,2	Below	D	D-1	D

Disbursed	D-4	\$ 2,319,688.77
Accrued Interest	D-18	(1,691.22)
Encumbrance Payable	D	337.50
Deferred Charge - Overexpenditures of Appr. Reserves	D	18,455.75
Deferred Charge - Deficit in Operations	D	319,152.74
Above		\$ 2,655,943.54

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2015 AND 2014

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**E**

	Reference	At December 31,	
		2015	2014
<b>ASSETS</b>			
Cash	E-1	\$ 15,466.39	\$ 110,129.10
Grants Receivable	E-3	90,000.00	90,000.00
<b>TOTAL ASSETS</b>		<u>\$ 105,466.39</u>	<u>\$ 200,129.10</u>
<b>LIABILITIES AND RESERVES</b>			
Appropriated Reserve	E-4	\$ 96,912.15	\$ 168,226.23
Unappropriated Reserve	E-5	8,554.24	31,902.87
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 105,466.39</u>	<u>\$ 200,129.10</u>

BOROUGH OF EAST RUTHERFORD  
GENERAL FIXED ASSETS FUND  
DECEMBER 31, 2015 AND 2014

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

F

	At December 31,	
	2015	2014
<b>GENERAL FIXED ASSETS</b>		
Land (as per assessed valuation)	\$ 35,431,200.00	\$ 36,183,600.00
Buildings (as per-assessed valuation)	13,765,700.00	12,758,400.00
Machinery and Equipment	12,265,426.00	11,564,238.00
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 61,462,326.00</u>	<u>\$ 60,506,238.00</u>
 <b>LIABILITIES AND RESERVES</b>		
Investments in General Fixed Assets	<u>\$ 61,462,326.00</u>	<u>\$ 60,506,238.00</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<u>\$ 61,462,326.00</u>	<u>\$ 60,506,238.00</u>

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**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, 2015 AND 2014

1. Summary of Significant Accounting Policies (Continued)

*C. Measurement Focus and Basis of Accounting*

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

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

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

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

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

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

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

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

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

Trust Funds  
General Capital Fund  
Sewer Capital Fund

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

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

1. Summary of Significant Accounting Policies (Continued)

*C. Measurement Focus and Basis of Accounting*

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

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

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

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

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

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

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

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

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

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

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

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

See Independent Auditor's Report.



BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

1. Summary of Significant Accounting Policies (Continued)

*C. Measurement Focus and Basis of Accounting (Continued)*

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

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

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

*D. Basic Financial Statements*

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

2. Cash and Cash Equivalents

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$0 of the Borough's bank balance of \$9,202,021.26 and \$7,439,327.64 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, 2015 and 2014, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

4. Municipal Debt

Summary of Long-Term Debt

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

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

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, 2015 and December 31, 2014, all outstanding bonds are included in the general capital fund and sewer utility fund. Interest and principal reductions were included in the current and sewer utility operating budget of the Borough.

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

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

2016	360,000.00
2017	370,000.00
2018	390,000.00
2019	405,000.00
2020	425,000.00
2021-2039	<u>13,750,000.00</u>
	<u>\$ 15,700,000.00</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

4. **Municipal Debt**

Summary of Long-Term Debt (Continued):

The Borough's long-term debt consisted of the following at December 31, 2015

<i>General Obligation Bonds</i>	December 31, 2015	December 31, 2014
<b>\$20,145,000</b> - 2005 Bonds, due in annual installments of \$1,100,000-01/15/15 interest rate variable from 4.00% to 5.00%- Refinanced in 2014		\$ 1,100,000.00
<b>\$12,505,000</b> - 2009 Bonds, due in annual installments of \$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%	7,880,654.54	8,747,719.57
<b>\$5,112,000</b> - 2014 Bonds, due in annual installments of \$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%	4,889,308.82	5,112,000.00
<b>\$11,175,000</b> - 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	11,090,000.00
Subtotal	<u>23,859,963.36</u>	<u>26,049,719.57</u>
<i>Bergen County Improvement Authority Bond Payable</i>		
<b>\$17,000,000</b> - Bergen County Improvement Authority County Guaranteed Bonds, Series 2010; due in annual installments; interest rate variable from 2.00% to 5.00%	15,700,000.00	16,045,000.00
Subtotal	<u>15,700,000.00</u>	<u>16,045,000.00</u>
<i>State Loan Payable</i>		
<b>\$100,000</b> - due in annual installments, at a 2.00% interest rate	77,933.52	82,524.20
<b>\$435,553</b> - due in semi-annual installments, at a 2.00% interest rate	255,361.97	277,013.49
<b>\$250,000</b> - due in semi-annual installments, at a 2.00% interest rate	250,000.00	
Subtotal	<u>583,295.49</u>	<u>359,537.69</u>
<u><i>Sewer Utility Capital:</i></u>		
<i>Bond Payable</i>		
<b>\$475,000</b> - 2009 Bonds, due in annual installments of \$40,254.24-11/01/16-18; \$43,913.71-11/01/19-21;\$46,841.29-11/01/22 interest rate variable from 2.00% to 4.00%	\$ 299,345.46	\$ 332,280.43
<b>\$53,000</b> - 2014 Bonds, due in annual installments of \$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%	50,691.18	53,000.00
Total	<u>350,036.64</u>	<u>385,280.43</u>
<i>NJ Infrastructure Loan Payable</i>		
<b>\$445,000</b> - due in semi-annual installments, at an interest rate of 4.00%		60,000.00
<b>\$451,793</b> - due in semi- annual installments, at a 0.00% interest rate		49,067.81
Subtotal	<u>-</u>	<u>109,067.81</u>
Total	<u>\$ 40,493,295.49</u>	<u>\$ 42,948,605.50</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

4. Municipal Debt

Summary of Long-Term Debt (Continued):

Summary of Statutory Municipal Debt

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

	2015	2014	2013
Issued:			
General:			
Bonds, Notes and Loans	\$ 44,464,258.85	\$ 44,372,257.26	\$ 47,830,712.09
Sewer Utility:			
Bonds, Notes and Loans	350,036.64	494,348.24	629,700.58
Debt Issued	<u>44,814,295.49</u>	<u>44,866,605.50</u>	<u>48,460,412.67</u>
Authorized but not Issued:			
General:			
Bonds and Notes	1,568,052.34	3,521,552.35	940,552.35
Sewer Utility:			
Bonds and Notes	950,207.00	207.00	207.00
	<u>2,518,259.34</u>	<u>3,521,759.35</u>	<u>940,759.35</u>
Less Deductions	<u>2,100,243.64</u>	<u>2,044,000.00</u>	<u>3,477,907.58</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 45,232,311.19</u>	<u>\$ 46,344,364.85</u>	<u>\$ 45,923,264.44</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.242% as of December 31, 2015 and 2.308% as of December 31, 2014.

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

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

2014	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%.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**4. Municipal Debt**

Summary of Long-Term Debt (Continued):

<u>Calculation of "Self-Liquidating Purpose", Sewer Utility</u>	<u>2015</u>	<u>2014</u>
Cash Receipts from Fees, Rents or Other Charges	\$ 2,699,702.47	\$ 1,756,318.29
Deductions:		
Operating and Maintenance Cost	1,884,735.02	2,023,000.00
Deferred Charges & Statutory Expenditures	354,433.49	173,452.66
Debt Service	161,531.49	158,418.37
	<u>2,400,700.00</u>	<u>2,354,871.03</u>
Excess (Deficit) in Revenue	299,002.47	(598,552.74)
Smaller of deficit in revenue or utility debt service capitalized at 5%		158,418.37 3,168,367.40
Gross Sewer System Debt	1,300,243.64	494,348.24
Less Above:		3,168,367.40
Total Deduction	<u>1,300,243.64</u>	<u>-</u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 70,612,225.10	\$ 70,483,457.77
Net Debt	<u>45,232,311.19</u>	<u>46,470,364.85</u>
Remaining Borrowing Power	<u>\$ 25,379,913.91</u>	<u>\$ 24,013,092.92</u>

**5. Capital Leases Payable**

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

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

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

Total payments for the leases amounted to \$42,167.05 and \$42,167.05 in 2015 and 2014, respectively. These lease-purchase agreements include a \$1.00 buyout at the end of the lease periods; the assets will become Borough property.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 77,227.96</u>	<u>\$ 7,778.72</u>	<u>\$ 85,006.68</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2015 and 2014, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

<u>2015</u>	Balance Dec. 31, 2015	2016 Budget Appropriations	Subsequent Budgets
<u>Sewer Utility Fund</u>			
Overexpenditure of Appropriations	257,097.50	257,097.50	-
Total	<u>257,097.50</u>	<u>257,097.50</u>	<u>-</u>
<u>2014</u>	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,	
	2015	2014	2015	2014
Balance of Tax	\$ 7,200,411.00	\$ 7,065,421.50	\$ 2,984,443.00	\$ 2,944,854.00
Deferred	<u>7,200,411.00</u>	<u>7,065,421.50</u>	<u>2,984,443.00</u>	<u>2,944,854.00</u>
Taxes Payable/(Prepaid)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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 16, 2015, for 2014 taxes and June 11, 2014 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, 2015	Balance Dec. 31, 2014
Prepaid Taxes	\$ 159,125.65	\$ 88,424.06

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**10. Interfund Receivables and Payables**

Interfund Receivables and Payables at December 31, 2015 were as follows:

Fund Type	December 31, 2015		December 31, 2014	
	Receivables	Payables	Receivables	Payables
Current Fund	\$ 299,002.47	\$ -	\$ 13,471.50	\$ 28,558.57
Sewer Utility Fund		560,548.74	28,558.57	423,922.77
Sewer Capital Fund	261,546.27		423,922.77	
Grant Fund				13,471.50
Total Interfund Receivables and Payable	<u>\$ 560,548.74</u>	<u>\$ 560,548.74</u>	<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, 2015, 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 or can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

*Summary of Significant Accounting Policies -PERS and PFRS*

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

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Summary of Significant Accounting Policies -PERS and PFRS (Continued):*

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

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

*Public Employees' Retirement System (PERS)*

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

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

At December 31, 2015, the Borough has disclosed a liability of \$8,269,875 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the Borough's proportion was 0.0441703%, which was an increase of 0.006309% from its proportion measured as of June 30, 2013.

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

For the year ended December 31, 2015, the Borough recognized pension expense of \$364,133. At December 31, 2015, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	260,049	
Net difference projected and actual earnings on pension plan investments		492,840
Changes in proportion and differences between Borough and proportionate share of contributions		1,018,486
Borough contributions subsequent to the measurement date		
Total	<u>\$ 260,049</u>	<u>\$ 1,511,326</u>

See Independent Auditor's Report.



BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Public Employees' Retirement System (PERS)*

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

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

	Year Ended June 30:
2015	\$ (261,885)
2016	(261,885)
2017	(261,885)
2018	(261,885)
2019	(261,885)
Thereafter	58,148
Total	<u>\$ (1,251,277)</u>

	6/30/2013	6/30/2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability (Non-State-Local Group)	19,111,986,911	18,722,735,003
Borough's portion of net pension liability	9,647,516	8,269,875
Borough's proportion %	0.0504788733%	0.0441702293%

*Actuarial assumptions.* The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2021	2.15% – 4.40% based on age
Thereafter	3.15% – 5.40% based on age
Investment Rate of Return:	7.90%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Public Employees' Retirement System (PERS)*

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real	
		Rate of Return	
Cash	6.00%		0.80%
Core Bonds	1.00%		2.49%
Intermediate-Term Bonds	11.20%		2.26%
Mortgages	2.50%		2.17%
High Yield Bonds	5.50%		4.82%
Inflation-Indexed Bonds	2.50%		3.51%
Broad US Equities	25.90%		8.22%
Developed Foreign Equities	12.70%		8.12%
Emerging Market Equities	6.50%		9.91%
Private Equity	8.25%		13.02%
Hedge Funds/ Absolute Return	12.25%		4.92%
Real Estate (Property)	3.20%		5.80%
Commodities	2.50%		5.35%

*Discount rate.* The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Public Employees' Retirement System (PERS)*

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

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u> <u>(4.39%)</u>	<u>Rate</u> <u>(5.39%)</u>	<u>1% Increase</u> <u>(6.39%)</u>
Borough's proportionate share of the net pension liability	\$ 10,074,196	\$ 8,269,875	\$ 6,755,907

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

*Police and Firemen's Retirement System (PFRS)*

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

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

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

At December 31, 2015, the Borough has disclosed a liability of \$20,381,358 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.1620259%, which was a decrease of 0.0087320% from its proportion measured as of June 30, 2013.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Police and Firemen's Retirement System (PFRS)*

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

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2014 was \$2,194,730.

For the year ended December 31, 2015, the Borough recognized pension expense of \$1,244,471. At December 31, 2015, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	765,185	
Net difference projected and actual earnings on pension plan investments		2,079,849
Changes in proportion and differences between Borough's and proportionate share of contributions	972,703	
Borough contributions subsequent to the measurement date		
Total	<u>\$ 1,737,888</u>	<u>\$ 2,079,849</u>

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

	<u>Year Ended June 30:</u>	
2015	\$ (134,302)	
2016	(134,302)	
2017	(134,302)	
2018	(134,302)	
2019	(134,302)	
Thereafter	329,551	
Total	<u>\$ (341,961)</u>	

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources		\$ 544,495,815
Collective deferred inflows of resources		1,371,441,797
Collective net pension liability (Non-State-Local Group)	14,533,269,004	13,933,627,178
Borough's portion of net pension liability	20,379,037	20,381,358
Borough's portion of net pension liability	0.1532938753%	0.1620259236%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Police and Firemen's Retirement System (PFRS)*

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

*Actuarial assumptions.* The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2021	3.95% – 8.62% based on age
Thereafter	4.95% – 9.62% based on age
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2011 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/ Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

*Police and Firemen's Retirement System (PFRS)*

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

*Discount rate.* The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made on the average of the last five years of actuarially determined contributions.

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

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 6.32%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.32%) or 1-percentage-point higher (7.32%) than the current rate:

	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(5.32%)</u>	<u>(6.32%)</u>	<u>(7.32)</u>
Borough's proportionate share of the net pension liability	\$ 26,892,244	\$ 20,381,358	\$ 15,002,881

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

*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
2015	\$ 364,132.61	\$ 1,244,471.00
2014	384,503.98	1,118,398.00
2013	328,907.57	1,158,395.00
2012	330,743.00	1,026,501.00

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**13. Defined Contribution Retirement Program**

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

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

**14. Deferred Compensation Plan**

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

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

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

**15. Post-Employment Benefits**

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

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

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

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

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

The Borough contributions for retirees to SHBP for the years ended December 31, 2015 and 2014 were \$283,667.76 and \$261,319.20, respectively, which equaled the required contribution for each year. There were approximately 16 and 13 retired participants eligible at December 31, 2015 and 2014, respectively.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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

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

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

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

**Health Insurance Waiver:** The Borough offers health insurance waivers in an amount of the lesser of \$5,000 or the actual net insurance cost to employees that can show that coverage is provided by a spouse or other means. In 2015 the Borough had no employees that were receiving the health insurance waiver incentive.

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

**16. Compensated Absences**

The Borough's policy to compensate police officers for unused sick time amounted to \$114,730.78 in 2015 and was paid in 2016, and \$106,444.31 in 2014 paid in 2015, respectively.

The Borough has permitted other employees to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the 2015 cost of accumulated absence is \$995,792.37 for 2015 and \$1,026,567.42 for 2014.

**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 2016 budget on March 15, 2016 and a hearing on the 2015 budget and tax resolution will be held on June 21, 2016.

The Borough has evaluated subsequent events through April 28, 2016, which is the date the financial statements were available to be issued.



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF CASH

A-4

	Reference	Current Fund	Tax Collector
Balance December 31, 2014	A	\$ 3,397,764.43	\$ 7,464.59
Increased by:			
Miscellaneous Revenue	A-2	11,989,391.98	59,893.92
Non-Budget Revenues	A-2	162,889.43	
Taxes Receivable	A-7	184,684.62	37,492,233.03
Senior Citizens and Veterans	A-8	51,000.00	
Tax Overpayments	A-15		8,209.08
Collector	Contra	37,726,926.27	
Tax Title Liens - Outside Lien holder	Contra, B-7		
Due to State Marriage License Fees	A-14	525.00	
Police Off Duty Receivable/ Reserve	A-23	775,270.71	
Prepaid Taxes	A-16		159,125.65
Due from Grant Fund- Grant Receivable	E-2	219,157.93	
Due from Grant Fund- Transfer	E-2		
Due from Capital Fund	Contra, C-4	112,500.00	
DEA Confiscated Funds	A-20	185,201.71	
Miscellaneous Reserves	A-6	3,940.61	
Budget Offsets	A-3	452,388.76	
Transfer / Due to Other Trust Fund	Contra, B-7	462,777.33	31,579.39
Due to Dog License Fund	Contra	9,128.80	
		<u>52,335,783.15</u>	<u>37,751,041.07</u>
		55,733,547.58	37,758,505.66
Decreased by:			
2015 Budget Appropriations	A-3	22,781,014.65	
2014 Appropriation Reserves	A-13	577,633.34	
Tax Overpayments	A-15	38,624.49	
Local District School Tax	A-18	14,265,832.44	
Regional School Tax	A-19	5,929,297.02	
County Taxes	A-17	5,193,249.25	
Due to Grant Fund - Expenditures	E-2	226,374.88	
Due to Grant Fund	E-2	7,783.05	
Due from Dog License Fund	Contra	9,128.80	
Transfer to Other Trust Fund	Contra, B-7	462,777.33	31,579.39
Due from Capital Fund	Contra, C-4	112,500.00	
Transfer to Current Fund	Contra		37,726,926.27
Adjustment		0.10	
Due to Sewer Utility Fund	D-14	327,561.04	
DEA Confiscated Funds	A-20	79,816.93	
Miscellaneous Reserves	A-6	7,654.08	
Tax Appeals - Charged to Fund Balance	A-1	409,212.13	
Tax Appeals- Reserve	A-24	200,000.00	
Police Off Duty Receivable/ Reserve	A-23	671,559.84	
		<u>51,300,019.37</u>	<u>37,758,505.66</u>
Balance December 31, 2015	A	\$ 4,433,528.21	\$ -

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF CHANGE FUND**

A-5

	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
Petty Cash	\$ 950.00			\$ 950.00
Collector - Change Fund	100.00	\$ -	\$ -	100.00
Borough Clerk - Change Fund	100.00	-	-	100.00
	<u>\$ 1,150.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150.00</u>
	A			A

**SCHEDULE OF MISCELLANEOUS RESERVES**

A-6

	Balance December 31, 2014	Cash Receipts	Cash Disbursements	Balance December 31, 2015
Donations for First Aid Squad	\$ 4,331.72	\$ 1,965.61	\$ 3,761.97	\$ 2,535.36
Donations for St. Joe's Park	785.00			785.00
Meadowlands Hospital's Donation for Police Equip.	183.00			183.00
Fire Department Training	12,857.72	1,975.00	3,892.11	10,940.61
	<u>\$ 18,157.44</u>	<u>\$ 3,940.61</u>	<u>\$ 7,654.08</u>	<u>\$ 14,443.97</u>
Reference	A	A-4	A-4	A

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2014	2015 Levy	Collections		Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	(Canceled)	Balance Dec. 31, 2015
			2014	2015				
2010-13	\$ 11,398.89	\$ -	\$ -	\$ 6,149.97	\$ -	\$ -	\$ -	\$ 5,248.92
2014	370,350.35			266,276.33	3,000.00	18,407.87	(10,930.96)	77,735.19
2015		37,941,448.09	88,424.06	37,458,741.35		44,244.29	(87,744.67)	262,293.72
	<u>\$ 381,749.24</u>	<u>\$ 37,941,448.09</u>	<u>\$ 88,424.06</u>	<u>\$ 37,731,167.65</u>	<u>\$ 3,000.00</u>	<u>\$ 62,652.16</u>	<u>\$ (98,675.63)</u>	<u>\$ 345,277.83</u>
Reference	A	Below	A-16	Below	A-1,8	A-10		A
Reference								
Cash Receipts			A-4	\$ 37,492,233.03				
Cash Receipts- Homestead Rebate			A-4	184,684.62				
State of NJ - Realized								
Seniors and Veterans Deductions			A-8	<u>54,250.00</u>				
			Above	<u>\$ 37,731,167.65</u>				
Analysis of 2015 Property Tax Levy								
Tax Yield:								
General Purpose Tax		\$ 36,326,624.81						
Added 6% Penalty		25,544.02						
Senior Citizen's & Veteran's Deduction		54,000.00						
Added Taxes (54:4-63.1 et. seq.)		<u>1,535,279.26</u>						
		<u>\$ 37,941,448.09</u>	Above					
Tax Levy:								
Local & Regional District School								
Tax (Abstract)	\$ 20,369,708.00		A-18,19					
County Taxes	5,186,918.99		A-17					
Due County for Added Taxes	216,000.61		A-17					
Local Tax for Municipal Purposes	10,810,016.59		A-2					
Add: Additional Taxes Levied	<u>1,358,803.90</u>							
Total Tax Levy	<u>\$ 37,941,448.09</u>		Above					

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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

A-8

	Reference		
Balance December 31, 2014	A	\$	179.24
Increased by:			
Senior Citizens Deductions Per Tax Billing			14,750.00
Veterans Deductions Per Tax Billing			39,250.00
Senior Citizens/Veteran Deductions Allowed by Tax Collector			<u>250.00</u>
			<u>54,250.00</u>
			54,429.24
Decreased by:			
Cash Receipts - State of New Jersey	A-4		51,000.00
Senior Citizens Deductions Disallowed by			
Tax Collector 2014 Taxes	A-1,7		<u>3,000.00</u>
			<u>54,000.00</u>
Balance December 31, 2015	A	\$	<u><u>429.24</u></u>
<i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$	14,750.00
Veterans			39,250.00
Senior Citizens/Veteran Deductions Allowed by Tax Collector			<u>250.00</u>
Amount Realized	A-7	\$	<u><u>54,250.00</u></u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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

A-9

	Reference	
Balance December 31, 2014	A	<u>\$ 636,900.00</u>
Balance December 31, 2015	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	152,500.00
	Above	<u><u>\$ 636,900.00</u></u>

**SCHEDULE OF TAX TITLE LIENS**

A-10

	Reference	
Balance December 31, 2014	A	\$ 166,643.42
Increased by:		
Interest & Costs		388.46
Transferred to Lien	A-7	<u>62,652.16</u>
		<u>63,040.62</u>
Balance December 31, 2015	A, Below	<u><u>\$ 229,684.04</u></u>
<i>Analysis of Balance</i>		
Block	Lot	
6.01	8 COA08	\$ 35.00
8	3	10,819.85
19	15	325.50
23.02	10	1,338.99
30	47	12,241.89
46	31	1,032.60
70	26	263.57
79	26.01	1,280.21
102.C	3	2,275.96
102	6	37,609.04
105.01	11	63,925.29
105.02	7	61,111.31
108.04	2	37,424.83
	Above	<u><u>\$ 229,684.04</u></u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

A-11

	Balance Dec. 31, 2014	Accrued in 2015	Collected	Balance Dec. 31, 2015
Construction Code:				
Official Fees	\$ 8,038.00	\$ 238,312.00	\$ 236,342.00	\$ 10,008.00
Vital Statistics	255.00		255.00	-
Borough Clerk	805.17		805.17	(0.00)
Board of Health	17,105.00		17,105.00	-
	<u>\$ 26,203.17</u>	<u>\$ 238,312.00</u>	<u>\$ 254,507.17</u>	<u>\$ 10,008.00</u>
Reference	A			A

**SCHEDULE OF DEFERRED CHARGES**

A-12

	Balance Dec. 31, 2014	Amount in 2015 Budget	Increased by Current Year Deferred Charges	Balance Dec. 31, 2015
Over-expenditure of Appropriation Reserves	\$ 51,132.80	\$ 51,132.80		\$ -
	<u>\$ 51,132.80</u>	<u>\$ 51,132.80</u>	<u>\$ -</u>	<u>\$ -</u>
Reference	A	A-3	A-1	A

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF 2014 APPROPRIATION RESERVES

A-13

	Balance December 31, 2014	Encumbrances December 31, 2014	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
<b>GENERAL GOVERNMENT</b>							
Administrative & Executive:							
Municipal Clerk:							
Salaries and Wages	\$ 280.86	\$ -	\$ -	\$ 280.86	\$ -	\$ 280.86	\$ -
Other Expenses	4,944.14	11.00	-	4,955.14	1,627.81	3,327.33	-
Other Expenses-Code Publishing	1,770.22	-	-	1,770.22	1,770.22	-	-
Mayor and Council:							
Salaries and Wages	1.22	-	-	1.22	-	1.22	-
Other Expenses	3,689.15	107.00	-	3,796.15	359.00	3,437.15	-
Elections:							
Other Expenses	8,292.34	-	-	8,292.34	-	8,292.34	-
Financial Administration:							
Salaries and Wages	4,103.02	-	-	4,103.02	-	4,103.02	-
Other Expenses:	-	-	-	-	-	-	-
Annual Audit	43,250.00	-	-	43,250.00	43,250.00	-	-
Miscellaneous - Other Expenditures	11,995.95	986.00	-	12,981.95	986.00	11,995.95	-
Single Audit Act	-	-	-	-	-	-	-
Purchasing:							
Salaries and Wages	0.10	-	-	0.10	-	0.10	-
Assessment of Taxes:							
Salaries and Wages	355.01	-	-	355.01	-	355.01	-
Other Expenses	2,654.58	1,500.00	-	4,154.58	-	4,154.58	-
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)	-	9,404.04	-	9,404.04	9,404.04	-	-
Collection of Taxes:							
Salaries and Wages	1,108.42	-	-	1,108.42	-	1,108.42	-
Other Expenses	2,589.04	-	-	2,589.04	-	2,589.04	-
Legal Services and Costs:							
Other Expenses	3,358.24	1,706.51	10,000.00	15,064.75	14,876.18	188.57	-
Ordinance Recodification	-	-	-	-	-	-	-
Tax Appeals - Professional Fees							
	8,360.00	6,700.00	-	15,060.00	6,900.00	8,160.00	-
Engineering Services and Costs:							
Salaries and Wages	0.12	-	-	0.12	-	0.12	-
Other Expenses	2,682.50	-	-	2,682.50	2,065.00	617.50	-
Public Buildings and Grounds:							
Other Expenses	13,997.19	22,084.10	-	36,081.29	31,435.99	4,645.30	-
Contracted Service	26,931.04	799.00	-	27,730.04	4,291.50	23,438.54	-
Municipal Land Use Law (NJSA 40:55D-1):							
Planning Board - Salaries & Wages	537.20	-	-	537.20	-	537.20	-
Planning Board - Other Expenses	1,466.50	-	2,000.00	3,466.50	3,466.50	-	-
Zoning Board of Adjustment:							
Salaries and Wages	339.20	-	-	339.20	-	339.20	-
Other Expenses	85.76	-	1,000.00	1,085.76	1,058.50	27.26	-
Municipal Court:							
Salaries and Wages	1.16	-	-	1.16	-	1.16	-
Other Expenses	6,611.74	448.68	-	7,060.42	1,521.33	5,539.09	-
Public Defender:							
Salaries and Wages	256.24	-	-	256.24	-	256.24	-
Insurance:							
Liability	100,374.62	-	-	100,374.62	79,887.17	20,487.45	-
Workman's Compensation	108,995.63	-	-	108,995.63	91,177.43	17,818.20	-
Employee Group Insurance	159,334.75	-	(38,500.00)	120,834.75	64,141.58	56,693.17	-
Self-Insurance Eye Care	3,218.74	730.00	-	3,948.74	1,792.75	2,155.99	-
Rent Control Board:							
Other Expenses	500.00	-	-	500.00	-	500.00	-
<b>PUBLIC SAFETY</b>							
Fire:							
Other Expenses:	-	-	-	-	-	-	-
Gear Maintenance	1,428.56	3,443.96	-	4,872.52	850.81	4,021.71	-

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF 2014 APPROPRIATION RESERVES

A-13

GENERAL GOVERNMENT (Continued)	Balance December 31, 2014	Encumbrances December 31, 2014	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
Fire Alarm System:							
Other Expenses	\$ 3,038.50	\$ 1,669.00		\$ 4,707.50	\$ 1,669.00	\$ 3,038.50	\$ -
Fire Prevention and Life Safety:							
Salaries & Wages:							
Fire Official	799.09	-		799.09		799.09	-
Other Salaries	2,440.00	-		2,440.00		2,440.00	-
Other Expenses	3,482.55	330.85		3,813.40	330.85	3,482.55	-
Police:							
Salaries and Wages:	33,870.06	-		33,870.06	7,488.58	26,381.48	-
Clothing Allowance		-	-	-		-	-
Overtime	2,963.62	-	-	2,963.62		2,963.62	-
Sick Pay	9.01	-	-	9.01		9.01	-
Other Expenses	5,127.71	10,345.73		15,473.44	11,483.87	3,989.57	-
911 Service	1,415.50	-	-	1,415.50		1,415.50	-
Police Cars	8,075.35	-	-	8,075.35	2,075.00	6,000.35	-
Special Police:							
Salaries and Wages	1,119.44	-	-	1,119.44		1,119.44	-
Other Expenses	375.00	100.00	-	475.00	293.50	181.50	-
Traffic Lights:							
Other Expenses	462.86			462.86	462.86	-	-
Traffic Control:							
Salaries and Wages	7.50	-		7.50		7.50	-
Other Expenses	500.00	-	-	500.00		500.00	-
First Aid Organization:							
Other Expenses	5,239.73	1,172.40		6,412.13	2,114.86	4,297.27	-
Emergency Management Services:							
Salaries and Wages	1,239.89	-	-	1,239.89		1,239.89	-
Other Expenses	2,267.35		-	2,267.35		2,267.35	-
First Responder:							
Salaries and Wages	78.20	-		78.20		78.20	-
Towing Director:							
Salaries and Wages	353.92	-	-	353.92		353.92	-
<b>STREETS AND ROADS</b>							
Road Repair and Maintenance:							
Salaries and Wages	24,265.44	-	-	24,265.44	24,000.00	265.44	-
Other Expenses	18,651.90	1,498.65		20,150.55	3,794.05	16,356.50	-
Recycling Costs	4,318.46	-	-	4,318.46		4,318.46	-
Lease Vehicles	16.79	-	-	16.79		16.79	-
<b>HEALTH AND WELFARE</b>							
Board of Health:							
Salaries and Wages	0.24	-	-	0.24		0.24	-
Other Expenses	16,594.68			16,594.68	250.00	16,344.68	-
<b>SANITATION</b>							
Garbage and Trash Removal:							
Salaries and Wages	1,705.87	-	-	1,705.87	1,000.00	705.87	-
Dumping Fees - Bergen County:							
Sanitary Landfill - Contractual	8,158.77	6,712.03	14,000.00	28,870.80	27,569.08	1,301.72	-
<b>RECREATION AND EDUCATION</b>							
Board of Recreation Commission (R.S.4061-1 et. seq.):							
Salaries and Wages	221.51	-	-	221.51		221.51	-
Other Expenses	15,547.62	505.00		16,052.62	805.00	15,247.62	-
Senior Citizens:							
Salaries and Wages	687.94	-	-	687.94		687.94	-
Other Expenses		-	-	-		-	-
Celebration of Public Events, Anniversary or Holiday:							
Other Expenses	162.50	-	-	162.50		162.50	-



BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF 2014 APPROPRIATION RESERVES

A-13

	Balance December 31, 2014	Encumbrances December 31, 2014	Transfers	Modified by Transfers	Paid or Charged	Lapsed	Over - expenditures
<b>GENERAL GOVERNMENT (Continued)</b>							
<b>STATE UNIFORM CONSTRUCTION CODE</b>							
Sub-Code Official - Salaries and Wages:							
Construction Code Official	\$ 38.14	\$ -	\$ -	\$ 38.14		\$ 38.14	\$ -
Plumbing Inspector	258.94	-	-	258.94		258.94	-
Fire Inspector	1,018.05	-	-	1,018.05		1,018.05	-
Electrical Inspector	157.97	-	-	157.97		157.97	-
Other Salaries	6,052.67	-	-	6,052.67		6,052.67	-
Elevator Sub-Code Official		-	-				-
Building Sub-Code Official	377.03		-	377.03		377.03	-
Other Expense	1,846.93	50.00		1,896.93	135.54	1,761.39	-
Rental Expense	2,165.20	-		2,165.20		2,165.20	-
<b>UNCLASSIFIED</b>							
Utilities:							
Street Lighting	51,753.88	171.51		51,925.39	29,279.38	22,646.01	-
Gasoline	16,301.61	7,356.84		23,658.45	12,046.48	11,611.97	-
Fuel Oil	-	-	-	-	-	-	-
Electricity	13,246.23	-	10,000.00	23,246.23	22,467.14	779.09	-
Telephone and Telegraph	2,498.86	92.17		2,591.03	362.43	2,228.60	-
Water	16,916.23		1,500.00	18,416.23	17,177.49	1,238.74	-
Fire Hydrant Services	1,846.96	-		1,846.96		1,846.96	-
Purchase of Postage	2,231.04	1,076.89		3,307.93	1,076.89	2,231.04	-
Vehicle Maintenance:							
Salaries & Wages	48.00	-	-	48.00		48.00	-
Other Expenses	5,059.64	17,119.27		22,178.91	21,361.48	817.43	-
Contingent	2,000.20	125.21	-	2,125.41	1,940.13	185.28	-
<b>STATUTORY EXPENDITURES:</b>							
PERS	1,130.38	-	-	1,130.38		1,130.38	-
Social Security System (O.A.S.I.)	4,022.35	-	-	4,022.35		4,022.35	-
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	27,587.92	-	-	27,587.92	27,587.92	-	-
Joint Meeting		-	-	-		-	-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 843,694.95</b>	<b>\$ 96,245.84</b>	<b>\$ -</b>	<b>\$ 939,940.79</b>	<b>\$ 577,633.34</b>	<b>\$ 362,307.45</b>	<b>\$ -</b>
Reference	A	A-22			A-4	A-1	

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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

A-14

	Reference	
Balance December 31, 2014	A	\$ -
Increased by:		
Due to State of NJ-Marriage license fees collected	A-4	<u>525.00</u>
Balance December 31, 2015	A	<u><u>\$ 525.00</u></u>

**SCHEDULE OF TAX OVERPAYMENTS**

A-15

	Reference		
Balance December 31, 2014	A	\$	38,301.08
Increased by:			
Cash Receipts	A-4	\$ 8,209.08	
Judgments- Charged to Operations	A-1	<u>1,842.04</u>	
			<u>10,051.12</u>
			48,352.20
Decreased by:			
Overpayments and Tax Appeals Refunded	A-4	<u>38,624.49</u>	
			<u>38,624.49</u>
Balance December 31, 2015	A	<u><u>\$ 9,727.71</u></u>	

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF PREPAID TAXES

A-16

	Reference		
Balance December 31, 2014	A	\$	88,424.06
Increased by:			
Collection of Taxes - 2016	A-4		159,125.65
			<u>247,549.71</u>
Decreased by			
Applied to 2015 Taxes	A-7		88,424.06
			<u>88,424.06</u>
Balance December 31, 2015	A	\$	<u>159,125.65</u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	Reference		
Balance December 31, 2014	A	\$	6,330.26
Increased by:			
2015 Levy	A-1,2,7	\$	5,132,558.53
County Open Space	A-1,2,7		54,360.46
Added Taxes	A-1,2,7		216,000.61
			<u>5,402,919.60</u>
			5,409,249.86
Decreased by:			
Payments	A-4		5,193,249.25
			<u>5,193,249.25</u>
Balance December 31, 2015	A	\$	<u>216,000.61</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

	Reference		
Balance December 31, 2014			
School Tax Deferred		\$	7,065,421.50
Increased by:			
Adjustment	A-1		
Levy-School Year July 1, 2015 - June 30, 2016	A-7	14,400,822.00	
			<u>14,400,822.00</u>
			21,466,243.50
Decreased by:			
Adjustment	A-1	0.06	
Payments	A-4	14,265,832.44	
			<u>14,265,832.50</u>
Balance December 31, 2015		\$	<u>7,200,411.00</u>
Due from School			
School Tax Deferred		\$	<u>7,200,411.00</u>
2015 Liability for Local District Tax		\$	-
Taxes Paid			14,265,832.44
Adjustment			<u>0.06</u>
Amount Charged to 2015 Operations	A-1,2	\$	<u>14,265,832.50</u>

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

	Reference		
Balance December 31, 2014			
School Tax Deferred		\$	2,944,854.00
School tax Payable			-
Increased by:			
Adjustment	A-1	\$ 0.02	
Levy-School Year July 1, 2015 - June 30, 2016	A-7	5,968,886.00	
			<u>5,968,886.02</u>
			8,913,740.02
Decreased by:			
Payments	A-4		<u>5,929,297.02</u>
Balance December 31, 2015		\$	<u>2,984,443.00</u>
			Below
Regional High School Tax Payable		\$	-
Regional High School Tax Deferred			<u>2,984,443.00</u>
		\$	<u>2,984,443.00</u>
2015 Liability for Regional School Tax			
Tax Paid		\$	5,929,297.02
Adjustment			(0.02)
Regional School Tax Payable- Prior Year	A		<u>-</u>
Amount Charged to 2015 Operations	A-1,2	\$	<u>5,929,297.00</u>

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

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS**

A-20

	Reference	
Balance December 31, 2014	A	\$ 277,221.32
Increased by:		
Cash Received	A-4	185,201.71
		<u>462,423.03</u>
Decreased by:		
Cash Disbursements	A-4	79,816.93
		<u>79,816.93</u>
Balance December 31, 2015	A	<u>\$ 382,606.10</u>

**SCHEDULE OF RESERVE FOR REVALUATION**

A-21

	Reference	
Balance December 31, 2014	A	<u>\$ 10,848.61</u>
Balance December 31, 2015	A	<u>\$ 10,848.61</u>

**SCHEDULE OF ENCUMBRANCE PAYABLE**

A-22

	Reference	
Balance December 31, 2014	A	\$ 96,245.84
Increased by:		
Budget Appropriations Payable	A-3	27,032.96
		<u>123,278.80</u>
Decreased by:		
Encumbrances Transferred to Appropriation Reserve Schedule	A-13	96,245.84
		<u>96,245.84</u>
Balance December 31, 2015	A	<u>\$ 27,032.96</u>

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2015 AND 2014

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

A-23

	Reference	
Balance December 31, 2014	A	\$ 72,543.62
Increased by:		
Cash Disbursements	A-4	671,559.84
		<u>744,103.46</u>
Decreased by:		
Cash Receipts	A-4	775,270.71
		<u>775,270.71</u>
Balance December 31, 2015	A	<u>\$ (31,167.25)</u>

**SCHEDULE OF RESERVE FOR TAX APPEALS**

A-24

	Reference	
Balance December 31, 2014	A	\$ -
Increased by:		
Budget Appropriations	A-3	200,000.00
		<u>200,000.00</u>
Decreased by:		
Tax Refunds	A-4	200,000.00
		<u>200,000.00</u>
Balance December 31, 2015	A	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2014	B	\$ 493,533.07	\$ 206,734.32	\$ 9,076.45	\$ 9,153.08
Increased by Receipts:					
Municipal Dog License Fee	B-6	-	-	5,517.60	-
State Dog License Fee	B-3	-	-	1,116.60	-
Escrow Deposits	B-5	-	212,633.26	-	-
Special Reserves	B-8	4,785,136.83	-	-	-
Interfunds	Contra	-	-	-	-
Due to Current Fund	B-7	329,688.08	-	-	-
Transfer from Payroll Agency	B-2	-	-	-	13,805.55
Budget Requirement	B-2	-	-	-	110,000.00
		<u>5,114,824.91</u>	<u>212,633.26</u>	<u>6,634.20</u>	<u>123,805.55</u>
		<u>5,608,357.98</u>	<u>419,367.58</u>	<u>15,710.65</u>	<u>132,958.63</u>
Decreased by Disbursements:					
Interfunds	Contra	-	-	-	-
Transfer to Current Fund	B-4,7	268,000.00	-	-	-
Dog License Fund Expenditures	B-6	-	-	9,065.20	-
State Dog License Fees	B-3	-	-	1,121.40	-
State of NJ Unemployment Fund	B-2	-	-	-	109,592.06
Escrow Disbursements	B-5	-	180,307.51	-	-
Special Reserves	B-8	4,786,341.16	-	-	-
		<u>5,054,341.16</u>	<u>180,307.51</u>	<u>10,186.60</u>	<u>109,592.06</u>
Balance December 31, 2015	B	<u>\$ 554,016.82</u>	<u>\$ 239,060.07</u>	<u>\$ 5,524.05</u>	<u>\$ 23,366.57</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF UNEMPLOYMENT TRUST RESERVE**

**B-2**

	Reference		
Balance December 31, 2014	B	\$	9,153.08
Increased by:			
Budget Requirement	B-1	\$	110,000.00
Transfer from Payroll Agency	B-1		<u>13,805.55</u>
			123,805.55
			<u>132,958.63</u>
Decreased by:			
Payments to State of NJ	B-1		<u>109,592.06</u>
Balance December 31, 2015	B	\$	<u><u>23,366.57</u></u>

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

**B-3**

	Reference		
Balance December 31, 2014	B	\$	12.60
Increased by:			
2015 Fees Collected	B-1		<u>1,116.60</u>
			1,129.20
Decreased by:			
Payments	B-1		<u>1,121.40</u>
Balance December 31, 2015	B	\$	<u><u>7.80</u></u>

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

**B-4**

	Reference		
Balance December 31, 2014	B	\$	-
Balance December 31, 2015	B	\$	<u><u>-</u></u>



BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES**

B-5

	Reference	
Balance December 31, 2014	B	\$ 206,734.32
Increased by:		
Escrow Deposits	B-1	212,633.26
		<u>419,367.58</u>
Decreased by:		
Escrow Disbursements	B-1	180,307.51
		<u>180,307.51</u>
Balance December 31, 2015	B	<u>\$ 239,060.07</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

B-6

	Reference	
Balance December 31, 2014	B	\$ 9,063.85
Increased by:		
Dog License Fees Collected	B-1	5,517.60
		<u>5,517.60</u>
Decreased by:		
Expenditures	B-1	9,065.20
		<u>9,065.20</u>
Balance December 31, 2015	B	<u>\$ 5,516.25</u>
2013 Fees Collected		\$ 5,904.80
2014 Fees Collected		<u>5,390.20</u>
		<u>\$ 11,295.00</u>

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

B-7

	Reference	
Balance December 31, 2014	B	\$ -
Increased by:		
Transfer from Current Fund	B-1	\$ 329,688.08
Expenditures from Current Fund	B-8	133,089.25
		<u>462,777.33</u>
	A-4	462,777.33
Decreased by:		
Fees Received in Current Fund	B-8	194,777.33
Transfers to Current Fund	B-1	268,000.00
	A-4	<u>462,777.33</u>
Balance December 31, 2015	B	<u>\$ -</u>

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Refundable Deposits	\$ 100.00	\$ -	\$ -	\$ 100.00
Tax Title Lien Premiums	123,800.00	48,000.00	6,500.00	165,300.00
Redemption of Third Party Liens	0.00	31,579.39	31,324.04	255.35
Fees	485.00			485.00
Escrow Reserve	8.68			8.68
Graffiti Reward	500.00			500.00
Fire Official	-	11,962.00	11,962.00	-
Neighborhood Crime Watch	1,782.80		550.00	1,232.80
Uniform Fire Safety Act Penalty	29,862.62	3,475.00		33,337.62
Elevator Fees	71,032.92	49,594.00	27,498.00	93,128.92
COAH	141,366.50	353.80		141,720.30
Insurance	-	731,986.87	731,986.87	-
Payroll and Payroll Agency	83,697.93	4,040,834.16	4,042,392.29	82,139.80
Snow Removal	20,539.72	50,470.00	54,500.98	16,508.74
Substance Abuse Prevention	20,356.90	11,658.94	12,716.23	19,299.61
	<u>\$ 493,533.07</u>	<u>\$ 4,979,914.16</u>	<u>\$ 4,919,430.41</u>	<u>\$ 554,016.82</u>
Reference	B	Below	Below	B
Trust Fund Receipts/Disbursements	B-1	\$ 4,785,136.83	\$ 4,786,341.16	
Expenditures Paid from Current Fund	B-7		133,089.25	
Collected in Current Fund	B-7	<u>194,777.33</u>		
	Above	<u>\$ 4,979,914.16</u>	<u>\$ 4,919,430.41</u>	

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF CASH - TREASURER

C-2

Balance December 31, 2014	Reference C		\$ 1,930,421.10
Increased by Receipts:			
Void Check from Prior Year Canceled Ordinances	C-1	\$ 8,963.00	
Transfer from Current Fund	C-4	112,500.00	
Serial Bond Issues			
Capital Improvement Fund	C-8	75,000.00	
BAN Received	C-16	4,321,000.00	
BAN Pay Downs	C-16	1,118,000.00	
Premium on BAN Sale	C-10	10,607.00	
Grants Received	C-14,18	493,788.20	
	C-3		<u>6,139,858.20</u>
			8,070,279.30
Decreased by Disbursements:			
BAN Payments	C-16	1,918,000.00	
Transfer to Current Fund- Interfund			
Reserve For Payment of BANS- Transfer to Current Fund	C-14	236,000.00	
Improvement Authorizations	C-9	3,308,117.32	
Accrued Int- Bond Sale- Transfer to Current Fund			
Premium on- BAN /Bond Sale- Transfer to Current Fund	C-10	4,827.59	
Prior Year Encumbrances Payable	C-7	15,260.61	
Transfer to Sewer Capital			
Reserve for Building and Grounds Improvements	C-11	22,557.17	
	C-3		<u>5,504,762.69</u>
Balance December 31, 2015	C		<u>\$ 2,565,516.61</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance Dec. 31, 2014	Receipts	Disbursements	Transfers (From)/To	Balance Dec. 31, 2015
Bond Anticipation Notes	\$ 1,918,000.00	\$ 4,321,000.00	\$ 1,918,000.00		\$ 4,321,000.00
Reserve for Payment of Bonds	695,588.20	493,788.20	236,000.00		953,376.40
Capital Improvement Fund	7,891.63	75,000.00		(82,500.00)	391.63
Premium on BAN/ Bond Sale	-4,827.59	10,607.00	4,827.59		10,607.00
Fund Balance	1,893.30	8,963.00			10,856.30
Reserve for Building & Grounds Improvements	23,050.26		22,557.17		493.09
Reserve for Roadway Improvements	159,300.00	112,500.00		(159,300.00)	112,500.00
Encumbrances Payable	15,260.61		15,260.61		(0.00)
Due to Sewer Capital	-				-
Improvement Authorizations:					
02-03 Communications Equipment	1,646.75			(1,646.75)	-
03-04 Acquisition of Property - Silver Streak	581.00			(581.00)	-
03-10 Improvement to Park & R.R. Avenue - Streetscape Project	7,411.17			(7,411.17)	-
03-12/03-25/05-09 Recreation Facilities	(0.00)				(0.00)
04-11 Acquisition of Property	0.00				0.00
05-01 Acquisition of Property	(101.85)				(101.85)
06-06/08-11 Veterans Park Improvements	14,331.34		320.00	(14,011.34)	(0.00)
06-19 Road Improvements	-				-
07-14 Purchase of Property	0.00				0.00
09-06 Various Improvements	2,625.71			(2,625.71)	(0.00)
10-07 Acquisition of Land on Carlton Ave.	299,574.94		11,492.00	(288,082.94)	-
11-02 Tax Refunding	(600,000.00)	300,000.00			(300,000.00)
11-15/13.09 Various Capital Improvements	232,733.89		207,585.84		25,148.05
12-03 Tax Refunding Bond	(504,000.00)	504,000.00			0.00
13-11 Various Capital Improvements	562,357.28		502,376.36		59,980.92
13-19 Tax Refunding Bond	(814,000.00)	314,000.00			(500,000.00)
14-4 Renovation of Old Police Bldg & Mun Bldg	(92,189.70)		364,810.30		(457,000.00)
14-20 Various Improvements	(6,361.02)		1,626,143.02	(245,672.50)	(1,878,176.54)
15-04 Road Improvements			30,250.00	159,300.00	129,050.00
15-10 Buildings & Park Improvements			259,139.80	314,358.91	55,219.11
15-11 Carlton Ave Improvements				75,000.00	75,000.00
15-21 Purchase of 116 Uhland Street			306,000.00	253,172.50	(52,827.50)
	<u>\$ 1,930,421.10</u>	<u>\$ 6,139,858.20</u>	<u>\$ 5,504,762.69</u>	<u>\$ -</u>	<u>\$ 2,565,516.61</u>
Reference	C	C-2	C-2		C

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

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

	Reference		C-4
Balance December 31, 2014	C	\$	-
Increased by:			
Transfer from Current Fund	C-2	\$ 112,500.00	<u>112,500.00</u>
Decreased by:			<u>112,500.00</u>
Allocated to Road Reserve	C-20	<u>112,500.00</u>	<u>112,500.00</u>
Balance December 31, 2015	C	<u>\$</u>	<u>-</u>

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

	Reference		C-5
Balance December 31, 2014	C	\$	42,454,257.26
Increased by:			
Green Acres Loan	C-12		<u>250,000.00</u>
			42,704,257.26
Decreased by:			
2015 Budget Appr. to Pay Bonds/ Refinanced	C-13	\$ 2,189,756.21	
2015 Budget Appropriation to Pay BCIA Bonds	C-21	345,000.00	
State Loan Payable	C-12	<u>26,242.20</u>	
			<u>2,560,998.41</u>
Balance December 31, 2015	C	<u>\$</u>	<u>40,143,258.85</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

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

C-6

Ord. #	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Down Payment	Bond Anticipation Note Pay-Down	Road Impr Reserve	Re-Authorization	Balance Dec. 31, 2015	Analysis of Balance Dec. 31, 2015	
									Expenditures	Unexpended Improvement Authorizations
05-01	Acquisition of Land	\$ 101.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101.85	\$ 101.85	
09-06	Various Improvements	450.50					450.50	-		
11-02	Tax Refunding Bond	600,000.00			300,000.00			300,000.00	300,000.00	
12-03	Tax Refunding Bond	504,000.00			504,000.00			-		
13-19	Tax Refunding Bond	814,000.00			314,000.00			500,000.00	500,000.00	
14-4	Renovation of Old Police Bldg & Mun Bldg	457,000.00						457,000.00	457,000.00	
14-20	Various Improvements	3,064,000.00						3,064,000.00	1,878,176.54	1,185,823.46
15-04	Road Improvements		159,300.00			159,300.00		-		
15-10	Buildings & Park Improvements		314,809.41				314,358.91	450.50		450.50
15-11	Carlton Ave Improvements		1,500,000.00	75,000.00				1,425,000.00	0.00	1,425,000.00
15-21	Purchase of 116 Uhland Street		395,672.50	7,500.00			245,672.50	142,500.00	52,827.50	89,672.50
		<u>\$ 5,439,552.35</u>	<u>\$ 2,369,781.91</u>	<u>\$ 82,500.00</u>	<u>\$ 1,118,000.00</u>	<u>\$ 159,300.00</u>	<u>\$ 560,481.91</u>	<u>\$ 5,889,052.35</u>	<u>\$ 3,188,105.89</u>	<u>\$ 2,700,946.46</u>
Reference		C	C-17	C-17	C-16	C-20	C-17	C		C-9

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF ENCUMBRANCE PAYABLE**

C-7

	Reference		
Balance December 31, 2014	C	\$	15,260.61
Increased by:			
Improvement Authorizations Expenditures	C-9		<u>15,260.61</u>
Decreased by:			
Prior Year Encumbrances Disbursed	C-2		<u>15,260.61</u>
Balance December 31, 2015	C	\$	<u><u>-</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

C-8

	Reference		
Balance December 31, 2014	C	\$	7,891.63
Increased by:			
Budget Appropriations -CIF	C-2		<u>75,000.00</u>
			82,891.63
Decreased by:			
Down payment on Improvements	C-17		<u>82,500.00</u>
Balance December 31, 2015	C	\$	<u><u>391.63</u></u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2014		2015 Authorizations	Cancel/ Expended	Balance December 31, 2015	
		Funded	Unfunded			Funded	Unfunded
02-03	Communications Equipment	\$ 1,646.75	\$ -	\$ (1,646.75)		\$ -	\$ -
03-04	Acquisition of Property - Silver Streak	581.00		(581.00)		-	
03-10	Improvements to Park & R.R. Ave.						
	Streetscape Project	7,411.17		(7,411.17)		-	
03-12/03-25/05-09	Recreation Facilities	-				-	
04-11	Acquisition of Property	0.00				0.00	
06-06 / 08-11	Veterans Park Improvements	14,331.34		(14,011.34)	320.00	-	
06-19	Road Improvements	-				-	
07-14	Purchase of Property	0.00				0.00	
09-06	Various Improvements	2,625.71	450.50	(3,076.21)		-	
10-05	Construction of a New Public Safety Building	729,517.90			718,418.42	11,099.48	
10-07	Acquisition of Land Located on Carlton Ave.	299,574.94		(288,082.94)	11,492.00	(0.00)	
11-15/13-09	Various Capital Improvements	232,733.89			207,585.84	25,148.05	
13-11	Various Capital Improvements	562,357.28			502,376.36	59,980.92	
14-4	Renovation of Old Police Bldg & Mun Bldg		364,810.30		364,810.30		-
14-20	Various Improvements		3,057,638.98	(245,672.50)	1,626,143.02		1,185,823.46
15-04	Road Improvements			159,300.00	30,250.00	129,050.00	
15-10	Buildings & Park Improvements			314,809.41	259,139.80	55,219.11	450.50
15-11	Carlton Ave Improvements			1,500,000.00		75,000.00	1,425,000.00
15-21	Purchase of 116 Uhland Street			395,672.50	306,000.00		89,672.50
		<u>\$ 1,850,779.98</u>	<u>\$ 3,422,899.78</u>	<u>\$ 1,809,300.00</u>	<u>\$ 4,026,535.74</u>	<u>\$ 355,497.56</u>	<u>\$ 2,700,946.46</u>
Reference		C	C	C-17	Below	C	C,C-6
				Reference			
	Improvement Authorization Disbursements			C-2	\$ 3,308,117.32		
	BCIA Reimbursements			C-15	<u>718,418.42</u>		
				Above	<u>\$ 4,026,535.74</u>		



BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

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

C-10

	Reference	
Balance December 31, 2014	C	\$ 4,827.59
Increased by:		
BAN Issue	C-2	<u>10,607.00</u>
		15,434.59
Decreased by:		
Tran.to Current- Anticipated Revenue	C-2	<u>4,827.59</u>
Balance December 31, 2015	C	<u><u>\$ 10,607.00</u></u>

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

C-11

	Reference	
Balance December 31, 2014	C	\$ 23,050.26
Decreased by:		
Cash Disbursements	C-2	<u>22,557.17</u>
Balance December 31, 2015	C	<u><u>\$ 493.09</u></u>

**SCHEDULE OF STATE LOAN PAYABLE**

C-12

	Reference	
Balance December 31, 2014	C	\$ 359,537.69
Increased by:		
Green Acres Loan- St. Joseph Park	C-2,5,14	<u>250,000.00</u>
		609,537.69
Decreased by:		
Paid by Budget Appropriation	C-5	<u>26,242.20</u>
Balance December 31, 2015	C	<u><u>\$ 583,295.49</u></u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF GENERAL SERIAL BONDS

C-13

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2014	General Serial Bonds Issued	Decreased	Balance Dec. 31, 2015
			Date	Amount					
General Improvement Bonds (Refinanced - 2014 General Improvement Bonds)	12/20/05	\$ 20,145,000.00				\$ 1,100,000.00		\$ 1,100,000.00	\$ -
General Improvement Bonds	11/01/09		11/01/2016-17	1,059,745.76	3.00%	8,747,719.57		867,065.03	7,880,654.54
			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	2/1/2016	252,383.34	4.00%	5,112,000.00		222,691.18	4,889,308.82
			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%	\$ 11,090,000.00			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>\$ 26,049,719.57</u>	<u>\$ -</u>	<u>\$ 2,189,756.21</u>	<u>\$ 23,859,963.36</u>
					Reference	C		C-5	C

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS**

C-14

Balance December 31, 2014	Reference C		\$ 695,588.20
Increased by:			
Ord # 11-15 Green Acres Loan	C-2,12	250,000.00	
Ord # 11-15 Bergen County Open Space- Riggins Field	C-2	35,000.00	
Ord # 11-15 Bergen County Open Space- St Joseph Park	C-2	53,423.00	
Ord # 13-11 FEMA - Generator	C-2	<u>155,365.20</u>	
			<u>493,788.20</u>
			1,189,376.40
Decreased by:			
Anticipated in Current Budget	C-2		<u>236,000.00</u>
Balance December 31, 2015	C, Below		<u>\$ 953,376.40</u>
<b>Analysis of Balance:</b>			
Ord #03-10 Park and Railroad Avenue- NJ Dept. of Transportation			\$ 100,877.00
Ord #11-15 Various Improvements			32,417.00
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			105,000.00
Ord #10-07 Carlton Ave- Bergen County Open Space Grant			35,918.64
Ord #11-15 Green Acres Loan			250,000.00
Ord #11-15 Bergen County Open Space- St Joseph Park			53,423.00
Ord #13-11 FEMA - Generator			<u>155,365.20</u>
	Above		<u>\$ 953,376.40</u>

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

C-15

Balance December 31, 2014	Reference C		\$ 729,517.90
Decreased by:			
Improvement Authorization Expenditures	C-9		<u>718,418.42</u>
Balance December 31, 2015	C		<u>\$ 11,099.48</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**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, 2014	Issuance	Paid	Balance Dec. 31, 2015
11-02	Tax Refunding Bond	\$1,500,000.00	03/23/2011	3/18/2016	1.250%	\$ 600,000.00	\$ 300,000.00	\$ 600,000.00	\$ 300,000.00
12-03	Tax Refunding Bond	1,512,000.00	05/22/2012		1.000%	504,000.00		504,000.00	-
13-19	Tax Refunding Bond	814,000.00	01/15/2014	1/14/2016	2.250%	814,000.00	500,000.00	814,000.00	500,000.00
14-04	Renovation of Old Police Building	457,000.00	03/18/15	3/18/2016	1.500%		457,000.00		457,000.00
14-20	Various Capital Improvements	2,818,327.50	03/18/15	3/18/2016	1.500%		2,818,327.50		2,818,327.50
15-21	Purchase of 116 Uhland Street	245,672.50	3/18/2015	3/18/2016	1.500%		245,672.50		245,672.50
						<u>\$ 1,918,000.00</u>	<u>\$ 4,321,000.00</u>	<u>\$ 1,918,000.00</u>	<u>\$ 4,321,000.00</u>
						C	C-2,Below	C-2, Below	C
							800,000.00	800,000.00	
							3,521,000.00		
								1,118,000.00	
						Above	<u>\$ 4,321,000.00</u>	<u>\$ 1,918,000.00</u>	

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

Ord. #	Improvement Description	Balance Dec. 31, 2014	2015 Authorization	Down Payment Capital Imp. Fund	Transfer from Road Imp Reserve	Re-Authorization	BANS/Bonds Issued	Balance Dec. 31, 2015
05-01	Acquisition of Land	\$ 101.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101.85
09-06	Various Improvements	450.50				450.50	0.00	0.00
14-4	Renovation of Old Police Bldg & Mun Bldg	457,000.00					457,000.00	0.00
14-20	Various Improvements	3,064,000.00					3,064,000.00	0.00
15-04	Road Improvements		159,300.00		159,300.00			0.00
15-10	Buildings & Park Improvements		314,809.41			314,358.91		450.50
15-11	Carlton Ave Improvements		1,500,000.00	75,000.00				1,425,000.00
15-21	Purchase of 116 Uhland Street	0.00	395,672.50	7,500.00	0.00	245,672.50	0.00	142,500.00
		<u>\$ 3,521,552.35</u>	<u>\$ 2,369,781.91</u>	<u>\$ 82,500.00</u>	<u>\$ 159,300.00</u>	<u>\$ 560,481.91</u>	<u>\$ 3,521,000.00</u>	<u>\$ 1,568,052.35</u>
	Reference	C	C-6, Below	C-6,8	C-20	C-6, Below	C-16	C
	2015 Authorizations	Above	\$ 2,369,781.91					
	Re-authorizations	Above	(560,481.91)					
	Net 2015 Authorizations	C-9	<u>\$ 1,809,300.00</u>					

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF RESERVE FOR GRANTS**

C-18

Balance December 31, 2014	Reference C		\$ 975,493.86
Increased by:			
Bergen County Open Space - Borough Hall Park	C-19	33,921.00	
Bergen County Community Development- Van Winkle Road Impr.	C-19	65,000.00	
NJDOT- Various Streets 2015	C-19	<u>149,000.00</u>	
			<u>247,921.00</u>
			1,223,414.86
Decreased by:			
Receipt of Bergen County Open Space - Ord. #11-15	C-14,19		<u>35,000.00</u>
Balance December 31, 2015	C, Below		<u>\$ 1,188,414.86</u>
<b>Analysis of Balance</b>			
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 - Borough Hall Park			33,921.00
Bergen County Community Development- Van Winkle Road Impr.			65,000.00
NJDOT- Various Streets 2015			<u>149,000.00</u>
	Above		<u>\$ 1,188,414.86</u>

**SCHEDULE OF GRANTS RECEIVABLE**

C-19

Balance December 31, 2014	Reference C		\$ 975,493.86
Increased by:			
Bergen County Open Space - Borough Hall Park	C-18	33,921.00	
Bergen County Community Development- Van Winkle Road Impr.	C-18	65,000.00	
NJDOT- Various Streets 2015	C-18	<u>149,000.00</u>	
			<u>247,921.00</u>
			1,223,414.86
Decreased by:			
Receipt of Bergen County Open Space - Ord. #11-15	C-2,18		<u>35,000.00</u>
Balance December 31, 2015	C, Below		<u>\$ 1,188,414.86</u>
<b>Analysis of Balance</b>			
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 - Borough Hall Park			33,921.00
Bergen County Community Development- Van Winkle Road Impr.			65,000.00
NJDOT- Various Streets 2015			<u>149,000.00</u>
	Above		<u>\$ 1,188,414.86</u>

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS**

C-20

Balance December 31, 2014	Reference C	\$ 159,300.00
Increased by:		
Transportation Grant- Received in Current	C-2	<u>112,500.00</u>
		\$ 271,800.00
Decreased by:		
Applied to Capital Ordinance	C-6,17	<u>159,300.00</u>
Balance December 31, 2015	C	<u><u>\$ 112,500.00</u></u>

**SCHEDULE OF RESERVE FOR BCIA BONDS PAYABLE**

C-21

Balance December 31, 2014	Reference C	\$ 16,045,000.00
Decreased by:		
Payments	C-5	<u>345,000.00</u>
Balance December 31, 2015	C	<u><u>\$ 15,700,000.00</u></u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF CASH

D-4

	Reference	<u>Operating</u>	<u>Escrow Trust</u>
Balance December 31, 2014	D	<u>\$ 341,097.69</u>	<u>\$ 1,027.19</u>
Increased by Receipts:			
User Charges and Fees	D-1,2,5	1,509,374.27	
Giants Training Facility Agreement	D-1,2,5	82,401.21	
Meadowlands Stadium Agreement	D-1,2,5	149,546.18	
Hook-up Fees Billed	D-1,2,5	38,498.53	
Delinquent User Charges	D-1,2,5	414,327.34	
Delinquent Interest Charged	D-1,2,5	50,494.28	
Miscellaneous Income	D-1,2	1,730.05	
Deficit-Funded by Current Fund	D-2	137,037.53	
Overpayments	D-6	3,750.78	
Due from Current Fund	D-14	327,561.04	
Prior Year Void Checks	D-1	19.98	
Escrow Deposits	D-15		13,159.40
		<u>2,714,741.19</u>	<u>13,159.40</u>
		<u>3,055,838.88</u>	<u>14,186.59</u>
Decreased by Disbursements:			
Appropriations	D-3	2,319,688.77	
Appropriation Reserves	D-13	19,464.91	
Escrow Disbursements	D-15		12,671.90
Due from Utility Capital Fund	D-7	162,376.50	
		<u>2,501,530.18</u>	<u>12,671.90</u>
Balance December 31, 2015	D	<u>\$ 554,308.70</u>	<u>\$ 1,514.69</u>



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	Reference		D-5
Balance December 31, 2014	D	\$ 538,085.08	
Increased by:			
Utility Charges and Fees Levied		<u>2,027,886.74</u>	
		2,565,971.82	
Decreased by:			
Collections			
Current Year Charges and Fees	D-2,4	1,509,374.27	
Delinquent Charges and Fees	D-2,4	414,327.34	
Giants Training Facility Agreement	D-2,4	82,401.21	
Meadowlands Stadium Agreement	D-2,4	149,546.18	
Miscellaneous Income/Hook-up Fees	D-2,4	<u>38,498.53</u>	
			<u>2,194,147.53</u>
Balance December 31, 2015	D	<u>\$ 371,824.29</u>	

**SCHEDULE OF OVERPAYMENTS**

	Reference		D-6
Balance December 31, 2014	D	\$ 28,460.91	
Increased by:			
Cash Receipts	D-4	<u>3,750.78</u>	
		32,211.69	
Decreased by:			
Applied to Sewer Payments	D-5	<u>                    </u>	
Balance December 31, 2015	D	<u>\$ 32,211.69</u>	

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

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

**D-7**

Balance December 31, 2014	Reference D	\$ 423,922.77
Decreased by:		
Paid by Sewer Utility Operating Fund- Capital Exp	D-4,10	<u>162,376.50</u>
Balance December 31, 2015	D	<u>\$ 261,546.27</u>

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

**D-8**

Balance December 31, 2014	Reference D	\$ 4,615,742.84
Increased by:		
Improvement Authorizations	D-10	<u>1,000,000.00</u>
Balance December 31, 2015	Below	<u>\$ 5,615,742.84</u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,115,742.84
Fixed Capital Authorized and Uncompleted	D	<u>1,500,000.00</u>
	Above	<u>\$ 5,615,742.84</u>

**SCHEDULE OF SEWER LIEN**

**D-9**

Balance December 31, 2014	Reference D	<u>\$ 2,058.75</u>
Balance December 31, 2015	D	<u>\$ 2,058.75</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2014		2015 Authorizations	Expended	Balance December 31, 2015	
		Funded	Unfunded			Funded	Unfunded
08-12	Sewer Lines & Pump Imp.	\$ 112,194.22				\$ 112,194.22	
15-22	Sewer System Upgrades		-	1,000,000.00	\$ 162,376.50		837,623.50
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000.00</u>	<u>\$ 162,376.50</u>	<u>\$ 112,194.22</u>	<u>\$ 837,623.50</u>
		D	D	D-8,16	D-7	D	D

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**D-11**

	Reference	
Balance December 31, 2014	D	\$ 311,935.55
Decreased by:		
Improvement Authorization Down Payment	D-12,16	<u>50,000.00</u>
Balance December 31, 2015	D	<u>\$ 261,935.55</u>

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

**D-12**

	Reference	
Balance December 31, 2014	D	\$ 4,121,187.60
Increased by:		
Capital Improvement Fund-New Ordinance	D-11	\$ 50,000.00
Principal Payments on Bonds	D-19	35,243.79
Principal Payments on Loans	D-17	<u>109,067.81</u>
		<u>194,311.60</u>
Balance December 31, 2015	Below	<u>\$ 4,315,499.20</u>
Analysis of Balance:		
Amortization Reserve	D	\$ 3,286,475.60
Deferred Reserve for Amortization	D	<u>1,029,023.60</u>
	Above	<u>\$ 4,315,499.20</u>

**SCHEDULE OF 2014 APPROPRIATION RESERVES**

**D-13**

	Balance Dec. 31, 2014	Paid or Charged	Balance Lapsed	(Overexpended)
Operating				
Salaries and Wages	\$ 2,593.68	\$ -	\$ 2,593.68	\$ -
Other Expenses	32,382.55	19,464.91	12,917.64	
Statutory Expenditures:				
Social Security System	<u>67.77</u>		<u>67.77</u>	
	<u>\$ 35,044.00</u>	<u>\$ 19,464.91</u>	<u>\$ 15,579.09</u>	<u>\$ -</u>
Reference	Below	D-4	D-1	D
Appropriation Reserves	D \$ 34,869.00			
Encumbrance Payable	D <u>175.00</u>			
	<u>\$ 35,044.00</u>			
	Above			

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

D-14

Balance December 31, 2014	Reference D	\$ 28,558.57
Decreased by:		
Transfer to Current Fund	D-4	<u>327,561.04</u>
Balance December 31, 2015	D	<u>\$ (299,002.47)</u>

SCHEDULE OF ESCROW TRUST RESERVE

D-15

Balance December 31, 2014	Reference D	\$ 1,027.19
Increased by:		
Escrow Deposit	D-4	<u>13,159.40</u>
		14,186.59
Decreased by:		
Escrow Disbursements	D-4	<u>12,671.90</u>
Balance December 31, 2015	D	<u>\$ 1,514.69</u>

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

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

**D-16**

Ord. #	Improvement Description	Balance Dec. 31, 2014	Authorized Not Issued Improvement Authorizations	Balance Dec. 31, 2015
05-06	Renovation of Sewer Systems	\$ 207.00		\$ 207.00
15-22	Sewer System Upgrades		950,000.00	950,000.00
		<u>\$ -</u>	<u>\$ 950,000.00</u>	<u>\$ 950,207.00</u>
	Reference	D	Below	D
	Improvement Authorizations	D-10	\$ 1,000,000.00	
	Funded by Capital Improvement Fund	D-11	<u>(50,000.00)</u>	
		Above	<u>\$ 950,000.00</u>	

**SCHEDULE OF NJ INFRASTRUCTURE LOAN PAYABLE**

**D-17**

Ord. #	Improvement Description	Balance Dec. 31, 2014	Principal Payments	Balance Dec. 31, 2015
05-06	Renovation of Sewer Systems	\$ 109,067.81	\$ 109,067.81	\$ -
		<u>\$ 109,067.81</u>	<u>\$ 109,067.81</u>	<u>\$ -</u>
	Reference	D	D-12	D

**SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE**

**D-18**

Balance December 31, 2014	Reference D	\$ 4,309.74
Decreased by:		
Accrued Interest on Bond Payable	D-3	<u>1,691.22</u>
Balance December 31, 2015	D	<u>\$ 2,618.52</u>

BOROUGH OF EAST RUTHERFORD  
SEWER CAPITAL FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF SEWER SERIAL BONDS

D-19

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Bonds Issued	Decreased	Balance Dec. 31, 2015							
			December 31, 2014													
			Date	Amount												
General Improvement Bonds	11/01/09	\$ 475,000.00	11/01/2016-17	40,254.24	3.00%	\$ 332,280.43	\$ -	\$ 32,934.97	\$ 299,345.46							
			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	2/1/2016	2,616.66	4.00%	53,000.00		2,308.82	\$ 50,691.18							
			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%											
										\$ 385,280.43	\$ -	\$ 35,243.79	\$ 350,036.64			
			Reference							D	D-20	D-12	D			

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF CASH**

**E-1**

Balance December 31, 2014	Reference E		\$ 110,129.10
Increased by Receipts:			
Unappropriated Grant Revenue	E-5	\$ 8,554.24	
Transfer from Current Fund	E-2	<u>7,783.05</u>	
			<u>16,337.29</u>
			126,466.39
Decreased by:			
Transfer To Current Fund	E-2		<u>111,000.00</u>
Balance December 31, 2015	E		<u><u>\$ 15,466.39</u></u>

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

**E-2**

Balance December 31, 2014	Reference E		\$ -
Increased by:			
Transfer from Current Fund	A-4,E-1	\$ 7,783.05	
Current Fund Disbursements	A-4, E-4	226,374.88	
Grants Receivable - Budgeted	E-3	60,000.00	
Unappropriated Grants Appropriated	E-5,A-2	<u>31,902.87</u>	
			<u>326,060.80</u>
			326,060.80
Decreased by:			
Transfer To Current Fund	A-4,E-1	111,000.00	
Grant Receivables	A-4, E-3	60,000.00	
Budget Appropriation	E-4	<u>155,060.80</u>	
			<u>326,060.80</u>
Balance December 31, 2015	E		<u><u>\$ -</u></u>



BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2015 AND 2014

**SCHEDULE OF GRANTS RECEIVABLE**

E-3

Grant	Balance Dec.31, 2014	Increased by 2015 Budget	Cancellation	Cash Received	Balance Dec.31, 2015
Safe and Secure Community Program	\$ 15,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 15,000.00
OEM NJ Hazard Mitigation Grant	75,000.00				75,000.00
	<u>\$ 90,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ -</u>	<u>\$ 60,000.00</u>	<u>\$ 90,000.00</u>
Reference	E	E-2	Below	E-2	E

### SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

		Transferred From 2015		
<u>Grant</u>	Balance <u>Dec. 31, 2014</u>	Budget <u>Appropriations</u>	Cancel/ <u>Expended</u>	Balance <u>Dec. 31, 2015</u>
Comcast Technology Grant	\$ 32,500.00	\$ -	\$ 4,660.00	\$ 27,840.00
Clean Communities	15,025.27	18,265.17	33,290.44	-
Drunk Driving Enforcement Fund	11,478.56	8,451.00	2,015.00	17,914.56
Parking Offense Adjudication Act	19,547.15	2,312.00		21,859.15
Body Armor Replacement Fund	8,856.30	3,783.57	8,856.30	3,783.57
Recycling Tonnage Grant	5,818.95	21,139.87	5,818.95	21,139.87
OEM NJ Hazard Mitigation Grant	75,000.00		75,000.00	-
Safe and Secure Communities Program		60,000.00	60,000.00	-
Safe and Secure Communities Program-Match		15,000.00	15,000.00	-
Drive Sober Grant		7,500.00	7,500.00	-
Williams Foundation-Fire Department Grant		1,250.00	1,250.00	-
Click it or Ticket		4,000.00	4,000.00	-
Emergency Management Agency- Asst Grant		5,000.00	625.00	4,375.00
Alcohol Education & Rehabilitation		3,359.19	3,359.19	-
Driver Sober or Get Pulled Over- Labor Day Grant		5,000.00	5,000.00	-
				-
				-
				-
	<u>\$ 168,226.23</u>	<u>\$ 155,060.80</u>	<u>\$ 226,374.88</u>	<u>\$ 96,912.15</u>
Reference	E	E-2, A-3	E-2	E

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2015 AND 2014

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

Grant	Balance Dec. 31, 2014	Transfer to 2015 Budget	Grant Fund Receipt	Balance Dec. 31, 2015
Drunk Driving Enforcement Fund	\$ 8,451.00	\$ 8,451.00	\$ 6,176.24	\$ 6,176.24
Parking Offense Adjudication Act	2,312.00	2,312.00	2,378.00	2,378.00
Recycling Tonnage Grant	21,139.87	21,139.87		-
	<u>\$ 31,902.87</u>	<u>\$ 31,902.87</u>	<u>\$ 8,554.24</u>	<u>\$ 8,554.24</u>
Reference	E	A-2, E-2	E-1	E

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

Exhibit G-1

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

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Borough's proportionate share of the net pension liability (asset) **	0.16203%	0.15329%								
Borough's proportionate share of the net pension liability (asset) associated with the Borough	\$ 20,381,358	\$ 20,379,037								
Total	<u>20,381,358</u>	<u>20,379,037</u>								
Borough's covered employee payroll	5,357,102	\$ 4,893,785								
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	380%	416%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.41%	58.70%								

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

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Borough's proportionate of the net pension liability (asset)	0.04417%	0.05048%								
Borough's proportionate share of the net pension liability (asset)	\$ 8,269,875	\$ 9,647,516								
Borough's covered employee payroll	2,805,059	2,812,367								
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	295%	343%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.08%	48.72%								

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

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

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

Exhibit G-2

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

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contribution*	\$ 1,244,471	\$ 1,118,398								
Contributions in relation to the contractually required contributions*	<u>(1,244,471)</u>	<u>(1,118,398)</u>								
Contributions deficiency (excess)	<u>-</u>	<u>-</u>								
Borough's covered employee payroll	5,357,102	\$ 4,893,785								
Contributions as a percentage of covered-employee payroll	23.23%	22.85%								

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

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contribution*	\$ 364,133	\$ 384,504								
Contributions in relation to the contractually required contributions*	<u>(364,133)</u>	<u>(384,504)</u>								
Contributions deficiency (excess)	<u>-</u>	<u>-</u>								
Borough's covered employee payroll	2,805,059	2,812,367								
Contributions as a percentage of covered-employee payroll	12.98%	13.67%								

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Pension Schedules  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Exhibit G-3**

**Police & Firemen's Retirement System**

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of East Rutherford, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated April 28, 2016. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items # 15-001 that we consider to be significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division, which are described in the accompanying schedule of audit findings and responses as item #15-001.

**Borough's Response to Findings**

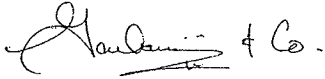
The Borough's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



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



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

April 28, 2016  
Carlstadt, New Jersey



BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule H-1

	CFDA #	Pass-Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
<b>FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM</b>								
Division of Highway Traffic:								
National Priority Safety Programs								
Police Click-it or Ticket Grant	20.616	NJ-066-1160-100-155	\$ 4,000.00	2015	\$ 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-066-1160-100-157	7,500.00	2015	7,500.00	7,500.00		
Drive Sober or Get Pulled Over Labor Day Crackdown Grant	20.616	NJ-066-1160-100-0157	5,000.00	2015	5,000.00	5,000.00		
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		37,500.00
Roadway Improvements-2015	20.205		149,000.00					149,000.00
Roadway Improvements-2013	20.205	NJ-078-6320-480	112,500.00		112,500.00			
US Dept. of Housing and Urban Development								
Community Development Block Grants:								
Van Winkle Road Improvements	14.219	21-213-746-155-44-83	65,000.00					65,000.00
OEM NJ Hazard Mitigation Grant	97.039	State of NJ	75,000.00	2014	-	75,000.00		75,000.00
New Jersey State Police: Public Assistance Grant								
FEMA Grant - Hurricane Sandy (Generators Ord # 13-11)	97.036	NJ-066-1200-100-A92	155,365.20	2012	155,365.20	155,365.20		-
Office of Homeland Security								
Emergency Management Performance Grant	97.042		5,000.00	2015	5,000.00	625.00		
<b>Total Federal Financial Assistance</b>					<u>\$ 289,365.20</u>	<u>\$ 284,990.20</u>	<u>\$ -</u>	<u>\$ 326,500.00</u>
* Major Programs								

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

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule H-2

	Grant Award	Grant Award Numbers or Project Number	Grant Period	Cash Received	Program Expenditures	Grant Receivable
<b>STATE GRANT PROGRAM</b>						
Green Acres Program						
Improvement to Veteran's Park						
Loan (Ord. 10-7)	\$ 800,000.00			\$ -	\$ -	\$ 800,000.00
Loan (Ord. 11-15)	250,000.00	042-4800-577-003	2015	250,000.00	250,000.00 *	250,000.00
<i>Solid Waste Administration</i>						
Clean Communities	33,290.44	042-4900-765-004	2014-2015	18,265.17	33,290.44	
State Recycling Grants	21,139.87	042-4900-752-001	2014-2015		5,818.95	
<i>Municipal Courts</i>						
Alcohol Education, Rehabilitation and Enforcement	3,359.19	098-9735-760-001	2015	3,359.19	3,359.19	
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>						
Safe and Secure Communities Program	60,000.00	066-1020-100-232	2014-2015	60,000.00	60,000.00	15,000.00
Body Armor Replacement Fund	7,573.27	066-1020-718-001	2014-2015	3,783.57	8,856.30	
<i>NJ Division of Highway Traffic Safety</i>						
Drunk Driving Enforcement Fund	7,269.44	6400-100-078-6400	PY		2,015.00	
Drunk Driving Enforcement Fund	8,451.00	6400-100-078-6400	2014			
Drunk Driving Enforcement Fund	6,176.24	6400-100-078-6400	2015	6,176.24		
<i>Department of Community Affairs</i>						
Parking Offense Adjudication Act	2,378.00		2015	2,378.00		
<b>Total State Financial Assistance</b>				<u>\$ 343,962.17</u>	<u>\$ 363,339.88</u>	<u>\$ 1,065,000.00</u>
* Expended in Prior Years						

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

BOROUGH OF EAST RUTHERFORD  
SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule H-3

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Canceled	Grant Receivable
<b>COUNTY GRANT PROGRAM</b>							
Bergen County Open Space:	N/A						
New Park (Ord #09-06)		\$ 75,000.00	1/1/09 - 12/31/15	\$ -	\$ -	\$ -	\$ 63,912.50
Carlton Avenue (Ord #10-07)		75,000.00	1/1/10 - 12/31/15				39,081.36
Riggin Field (Ord #11-15)		35,000.00	1/1/11 - 12/31/15	35,000.00	35,000.00		
St. Joseph Park Impr. (Ord # 11-15/13-11)		53,423.00	1/1/15 - 12/31/15	53,423.00	53,423.00		
Borough Hall Improvements		33,921.00	1/1/15 - 12/31/15				33,921.00
Other Grant Programs:	N/A						
Comcast Technology Grant		32,500.00	1/1/14 - 12/31/15		4,660.00		
Williams Foundation- Fire Department Grant		1,250.00	1/1/15 - 12/31/15	1,250.00	1,250.00		
<b>Total County Financial Assistance</b>				<u>\$ 89,673.00</u>	<u>\$94,333.00</u>	<u>\$ -</u>	<u>\$136,914.86</u>

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

BOROUGH OF EAST RUTHERFORD  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2015

1. **General**

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

2. **Basis of Accounting**

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

3. **Relationship of Financial Statements**

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

	Federal	State	County/Other	Total
Grant / Current Fund	\$ 92,125.00	\$ 113,339.88	\$ 5,910.00	\$ 211,374.88
Capital Fund	192,865.20	250,000.00	88,423.00	531,288.20
	<u>\$ 284,990.20</u>	<u>\$ 363,339.88</u>	<u>\$ 94,333.00</u>	<u>\$ 742,663.08</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, 2015, 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	\$ 77,933.52
Green Trust Program	#0212-02-046	\$ 255,361.97
Green Trust Program	#0212-01-023	\$ 250,000.00

See Independent Auditor's Report

## SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD  
SUPPLEMENTARY DATA

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

	2015	2014	2013	2012	* 2011
Tax Rate	<u>\$ 1.967</u>	<u>\$ 1.904</u>	<u>\$ 1.845</u>	<u>\$ 1.735</u>	<u>\$ 1.618</u>

**Apportionment of Tax Rate**

Municipal	0.584	0.590	0.565	0.535	0.457
County	0.281	0.234	0.279	0.237	0.221
Local School	0.779	0.762	0.704	0.675	0.661
Regional High School	0.323	0.318	0.297	0.288	0.279

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

2015	<u>\$ 1,849,548,746</u>
2014	<u>\$ 1,897,754,949</u>
2013	<u>\$ 1,973,272,359</u>
2012	<u>\$ 1,993,078,993</u>
2011	<u>\$ 2,009,226,950</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
2015	\$ 37,941,448.09	\$ 37,819,591.71	99.68%
2014	35,397,899.35	34,981,173.03	98.82%
2013	36,441,604.85	33,629,349.62	92.28%
2012	34,610,569.81	31,793,436.55	91.86%
2011	32,631,987.57	30,430,444.23	93.25%

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

BOROUGH OF EAST RUTHERFORD  
SUPPLEMENTARY DATA

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2015	\$ 229,684.04	\$ 345,277.83	574,961.87	1.52%
2014	166,643.42	381,749.24	548,392.66	1.55%
2013	138,851.88	628,007.83	766,859.71	2.10%
2012	113,628.04	6,864,068.94	6,977,696.98	20.16%
2011	98,691.68	4,615,507.51	4,714,199.19	14.45%

**Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation at December 31, 2015 is \$636,900. This represents the properties assessed valuation from 1995-2015.

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$ 2,669,518.29	\$ 2,160,000.00
	2014	2,050,233.66	1,246,400.00
	2013	1,483,322.22	500,000.00
	2012	290,052.99	-
	2011	94,822.04	-

BOROUGH OF EAST RUTHERFORD  
ROSTER OF OFFICIALS AND SURETY BONDS  
AT DECEMBER 31, 2015

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James Cassella	Mayor	
Jeffrey Lahullier	President of Council	
Joel Brizzi	Councilman	
George Perry	Councilman	
Michael Homaychak	Councilman	
Edward Ravettine	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.



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

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

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 \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

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

Collection of Interest of Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of East Rutherford, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, and if delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency. Delinquent real estate taxes for 2015 will be advertised for sale after April 1, 2016.
2. There is a ten day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

Collection of Interest on Delinquent Utility Rents

The Governing Body on January 1, 2015 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, 2015, all past due balances to the East Rutherford Public Works & Utilities Commission shall accrue interest at the rate of one and one-half (1 1/2 %) percent per month.

Borough of East Rutherford  
Schedule of Findings and Responses  
For the Year Ended December 31, 2015

Part 1- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued

Unmodified (Regulatory Basis)

B) Internal Control over Financial Reporting

1) Material weakness identified

Yes

X

No

2) Were reportable conditions identified that were  
not considered to be material weaknesses?

X

Yes

No

C) Noncompliance material to financial statements?

Yes

X

No

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

Borough of East Rutherford  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2015

**Part 2 - Schedule of Financial Statement Findings**

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

**\*Finding 2015-001**

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

**Criteria or Specific Requirement**

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

**Condition-**

2015 expenditures in the Sewer Utility Operating Fund exceeded available appropriations.

**Context**

Expenditures exceeded available appropriations by \$ 257,097.50.

**Effect**

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

**Cause**

Proper procedures, specifically review of available balances and adoption of an emergency appropriation, were not followed to ensure that approved appropriations were made available prior to incurring 2015 expenditures.

**Recommendation**

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

**Management's Response**

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

Borough of East Rutherford  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2015

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB A-133 and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

Not Applicable

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

This section identifies the status of prior year findings related to the financial statements and federal and state awards required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB Circular A-133 and NJ OMB Circular 15-08.

**Status of Prior Year Findings**

**Finding 2014-001**

That over-expenditures of budget appropriations be avoided.

**Status:**

Corrective action has not been taken.

Borough of East Rutherford  
Summary Schedule of Prior Year Audit Comments/Recommendations  
Year Ended December 31, 2015

**Internal Controls:**

**\*14-01 Recommendation:**

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

**Status:**

Corrective action has been taken for the construction code department.

**\*14-02 Recommendation:**

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

**Status:**

Corrective action has not been taken.

**\*14-03 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.

**\*14-04 Recommendation:**

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

**Status:**

Corrective action has not been taken.

**\*14-05 Recommendation:**

That over-expenditures in budget appropriations be avoided.

**Status:**

Corrective action has not been taken.

**\*14-06 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.

**Status:**

Corrective action has been taken.

Borough of East Rutherford

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

Year Ended December 31, 2015

**\*14-07 Recommendation:**

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

**Status:**

Partial corrective action has been taken.

**14-08 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.

**Status:**

Corrective action has been taken.

Borough of East Rutherford  
Audit Comments and Recommendations  
For the Year Ended December 31, 2015

**\*Finding 15-02**

The Construction Code department did not comply with N.J.S.A. 40A:5-15. All monies collected were not deposited or transmitted to the treasurer within 48 hours of receipt.

**Recommendation:**

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

**\*Finding 15-03**

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

**Recommendation:**

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

**\*Finding 15-04**

During the testing of pension reports, there were multiple employees not enrolled in the pension system in accordance with State of New Jersey Division of Pensions.

**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.

**\* Finding 15-05**

Our examination of expenditures indicated instances where two vendors exceeded the bidding threshold, in violation of contract and agreements required to be advertised as per N.J.S.A. 40A:11-4, and were not advertised for bids:

-Diesel Fuel

-Gas for Borough Vehicles

**Recommendation:**

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

**\*Finding 15-06**

The public defender and engineer were on the Borough's payroll/salary ordinance and enrolled in the pension system. These professionals 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. Although these employees were removed from payroll during 2015, they still remained on the pension system in 2015.

**Recommendation:**

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

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



Borough of East Rutherford  
Audit Comments and Recommendations (Continued)  
For the Year Ended December 31, 2015

**Finding 15-07**

The Borough did not provide the requested new hire and terminated employees report. The audit of new hires and terminated employees could not be completed.

**Recommendation:**

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

**Finding 15-08**

The Borough's employer quarterly federal tax returns Form 941 or New Jersey employer quarterly report Form 927, did not agree with the gross payroll reported on form W-3 Wage and Tax Statement for 2015.

**Recommendation:**

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

\* Repeated from prior year's audit

### Appreciation

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

\*\*\*\*\*

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