

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

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2013 AND 2012

BOROUGH OF EAST RUTHERFORD
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of East Rutherford (the “Borough”), in the County of Bergen, State of New Jersey, as of December 31, 2013 and 2012, 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 statement of general fixed assets group of accounts for the year ended December 31, 2013, 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 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “DLGS”, “DCA”). 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 *DLGS, DCA, State of New Jersey*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 *DLGS, DCA, State of New Jersey*, 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 effect on financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 the Borough as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Borough as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues and expenditures – regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the *DLGS, DCA, State of New Jersey* as described in Note 1.

Other Matters

Management has omitted management’s discussion and analysis and budgetary comparison information 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. 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 financial statements presented for the various funds and the schedules of expenditures of federal, state and county financial assistance are presented for purposes of additional analysis as required by the *DLGS, DCA, State of New Jersey*, and are not a required part of the basic financial statements.

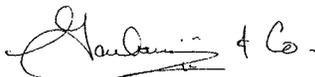
The supplementary financial statements presented for the various funds and schedules of expenditures of federal financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2014 on our consideration of the Borough’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough’s internal control over financial reporting and compliance.



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



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

May 13, 2014
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

| | | At December 31, | |
|---|-----------|------------------------|-------------------------|
| | | 2013 | 2012 |
| ASSETS | Reference | | |
| Current Assets: | | | |
| Cash - Treasurer | A-4 | \$ 2,156,846.97 | \$ 6,317,860.35 |
| Cash - Tax Collector | A-4 | 326,909.24 | 6,552,603.92 |
| Cash - Change and Petty Cash Funds | A-5 | 650.00 | 450.00 |
| | | 2,484,406.21 | 12,870,914.27 |
| Due from State of NJ- Senior Citizens & Veterans Deductions | A-8 | 429.24 | |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes | A-7 | 628,007.83 | 6,864,068.94 |
| Tax Title Liens | A-10 | 138,851.88 | 113,628.04 |
| Property Acquired for Taxes - Assessed Value | A-9 | 636,900.00 | 636,900.00 |
| Revenue Accounts Receivable | A-11 | - | - |
| Due From Dog Trust Fund | B | 4,170.00 | 5,120.75 |
| Due From Sewer Utility Fund | D | 78,261.05 | |
| Due From Grant Fund | E | - | 19.29 |
| Police Off Duty Receivable | A-23 | 149,229.00 | 79,295.53 |
| Due From Developers Escrow | B | - | 52.68 |
| Due From Bergen County Housing Authority | A-2 | 9,772.73 | 20,000.00 |
| | Contra | 1,645,192.49 | 7,719,085.23 |
| Deferred Charges: | | | |
| Deficit in Operations | A-12 | - | 24,568.00 |
| Special Emergency Authorization - Revaluation | A-12 | - | 37,000.00 |
| Emergency Authorization | A-12 | - | 435,000.00 |
| | A-12 | - | 496,568.00 |
| TOTAL ASSETS | | \$ 4,130,027.94 | \$ 21,086,567.50 |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

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

A

| | | At December 31, | |
|---|-----------|------------------------|-------------------------|
| | | 2013 | 2012 |
| LIABILITIES, RESERVES AND FUND BALANCE | Reference | | |
| Liabilities: | | | |
| Encumbrance Payable | A-22 | \$ 63,601.95 | \$ 46,163.92 |
| Appropriation Reserves | A-3,13 | 409,379.42 | 510,331.78 |
| Tax Anticipation Note | A-4 | - | 12,000,000.00 |
| Tax Overpayments | A-15 | 101,485.96 | 11,638.31 |
| Prepaid Taxes | A-16 | 108,199.06 | 85,914.87 |
| County Taxes - Added | A-17 | 4,743.32 | 3,945.57 |
| Regional School Tax Payable | A-19 | - | 72,000.00 |
| Revaluation Reserve | A-21 | 10,848.61 | 10,848.61 |
| Tax Appeal Reserve | A-24 | - | 26,866.35 |
| Due to State of NJ: Senior Citizens and Veterans | A-8 | | 3,428.60 |
| Due to Capital Fund | C | | 7,091.08 |
| Due to Unemployment Fund | B | - | 48.47 |
| Due to Other Trust | B | 82,975.90 | 2,024.50 |
| Due to Sewer Utility Account | D | | 2,274.35 |
| Reserve for Premium on TAN | A-14 | 43,442.00 | 43,442.00 |
| DEA Confiscated Funds | A-25 | 160,630.57 | 236,143.34 |
| Miscellaneous Reserves | A-6 | 16,206.44 | 15,267.53 |
| | | 1,001,513.23 | 13,077,429.28 |
| Reserve for Receivables and Other Assets | Contra | 1,645,192.49 | 7,719,085.23 |
| Fund Balance | A-1 | 1,483,322.22 | 290,052.99 |
| TOTAL LIABILITIES, RESERVES AND FUND BALANCE | | \$ 4,130,027.94 | \$ 21,086,567.50 |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

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

A-1

| | | At December 31, | |
|--|-----------|-----------------|---------------|
| | Reference | 2013 | 2012 |
| Revenue and Other Income Realized | | | |
| Fund Balance Utilized | | \$ - | \$ - |
| Miscellaneous Revenue Anticipated | A-2 | 13,813,247.82 | 12,913,288.88 |
| Receipts from Delinquent Taxes | A-2 | 882,235.25 | 366,654.30 |
| Receipts from Current Taxes | A-2 | 33,629,349.62 | 31,793,436.55 |
| Non-Budget Revenues | A-2 | 78,025.92 | 132,530.42 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-13 | 164,049.01 | 147,078.58 |
| Unexpended Budget Appropriations | A-3 | 100,709.54 | - |
| Tax Overpayments Refunded in Tax Appeal Bond | A-15 | | 94,020.68 |
| Statutory Excess in Dog Fund | B-4 | 4,170.00 | 5,120.75 |
| Regional / Local School Tax Adjustment | A-18 | 0.02 | 0.03 |
| Increase- Petty Cash | A-5 | 200.00 | |
| Interfunds Returned | | | 81,757.65 |
| | | 48,671,987.18 | 45,533,887.84 |
| Total Income | | | |
| Expenditures: | | | |
| Budget and Emergency Appropriations | A-3 | 22,266,701.72 | 22,020,000.87 |
| County Taxes | A-17 | 5,484,431.17 | 4,702,877.00 |
| County Share of Added and Omitted Taxes | A-17 | 4,743.31 | 3,945.56 |
| Local District School Tax | A-18 | 13,663,799.00 | 13,358,746.46 |
| Local District School Tax Adjustment | A-18 | | 0.50 |
| Regional School Tax | A-19 | 5,809,620.49 | 5,683,966.70 |
| Regional School Tax Adjustment | A-19 | 0.07 | |
| Prior Year Tax Appeals | A-15 | 120,722.29 | |
| Senior Citizens & Veterans Prior Year Adjustment | A-7 | 4,883.66 | 4,000.00 |
| Appropriation Difference/ Service Charges | A-4 | | 95.81 |
| Petty Cash Adjustment- Tax | A-4 | 12.04 | 23.99 |
| Interfunds Advanced | | 123,804.20 | |
| Total Expenditures | | 47,478,717.95 | 45,773,656.89 |
| Excess/ (Deficit) in Revenues | | 1,193,269.23 | (239,769.05) |
| Adjustments to Income Before Fund Balance | | | |
| Expenditures Included Above Which are by Statute | | | |
| Deferred to Budget of Succeeding Year | A-12 | - | 435,000.00 |
| Statutory Excess to Fund Balance | | 1,193,269.23 | 195,230.95 |
| Fund Balance January 1 | A | 290,052.99 | 94,822.04 |
| | | 1,483,322.22 | 290,052.99 |
| Decreased by: | | | |
| Utilization as Anticipated Revenues | | - | - |
| Fund Balance December 31 | A | \$ 1,483,322.22 | \$ 290,052.99 |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

| | Reference | Budget | Realized | Excess or (Deficit) |
|--|------------------|------------------|------------------|------------------------|
| | | \$ - | \$ - | \$ - |
| Fund Balance Anticipated: | | - | - | - |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | | 23,000.00 | 26,538.40 | 3,538.40 |
| Other | | 83,000.00 | 44,102.11 | (38,897.89) |
| Fees and Permits - Other | | 25,000.00 | 25,542.81 | 542.81 |
| Fines and Costs - Municipal Court | | 550,000.00 | 498,688.48 | (51,311.52) |
| Interest and Costs on Taxes | | 75,000.00 | 100,820.71 | 25,820.71 |
| Interest on Investments and Deposits | | 4,500.00 | 9,555.02 | 5,055.02 |
| Payment in Lieu Taxes from N.J. Sports and Exposition Authority | | 7,250,000.00 | 7,643,281.70 | 393,281.70 |
| Recycling Income | | 40,000.00 | 38,050.52 | (1,949.48) |
| Rental - Library | | 100,000.00 | 100,000.00 | - |
| Lease - Becton Regional | | 75,000.00 | 75,000.00 | - |
| Consolidated Municipal Property Tax Relief Aid | | | | - |
| Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167) | | 1,489,989.00 | 1,475,862.52 | (14,126.48) |
| Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.) | | 168,156.00 | 168,155.05 | (0.95) |
| Uniform Construction Code Fees | | 430,000.00 | 321,768.03 | (108,231.97) |
| POAA | | 2,684.00 | 2,684.00 | - |
| Safe and Secure Communities Program Grant | | 60,000.00 | 60,000.00 | - |
| Drunk Driving Enforcement Fund | | 7,088.73 | 7,088.73 | - |
| Clean Communities | | 16,022.80 | 16,022.80 | - |
| NJ Environmental Risk Management- Maple Avenue | | 10,000.00 | 10,000.00 | - |
| NJ Environmental Risk Management- DPW Yard | | 10,000.00 | 10,000.00 | - |
| Chapter 159 | | | | - |
| Alcohol Education & Rehabilitation | | 2,902.61 | 2,902.61 | - |
| Drive Sober Grant | | 4,400.00 | 4,400.00 | - |
| Police Click it or Ticket Grant | | 4,000.00 | 4,000.00 | - |
| Body Armor Replacement Grant | | 5,066.60 | 5,066.60 | - |
| Recycling Tonnage Grant | | 20,695.45 | 20,695.45 | - |
| Emergency Management Assistance Program | | 5,000.00 | 5,000.00 | - |
| Uniform Fire Safety Act | | 48,744.71 | 54,620.48 | 5,875.77 |
| Cable Franchise Fees | | 104,656.68 | 104,656.68 | - |
| Hotel Taxes | | 800,000.00 | 823,421.73 | 23,421.73 |
| Payment in Lieu of Taxes - Bergen County Housing Authority | | 20,000.00 | 25,990.68 | 5,990.68 |
| Payment in Lieu of Taxes - Hackensack Meadowlands | | | | |
| Development Commission | | 6,708.30 | 6,708.30 | - |
| Payment in Lieu of Taxes- Timex Center | | 1,175,920.00 | 1,175,920.00 | - |
| Premium on BAN / Bond Sale | | | | - |
| Reserve for Payments of Bonds and Notes | | 885,000.00 | 885,000.00 | - |
| FEMA Hurricane Sandy | | 61,704.41 | 61,704.41 | - |
| Due from Sewer Utility Fund | | | | - |
| Total Miscellaneous Revenues | A-1, Next Page | 13,564,239.29 | 13,813,247.82 | 249,008.53 |
| Receipts from Delinquent Taxes | A-1, Next Page | 542,013.09 | 882,235.25 | 340,222.16 |
| Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes | A-7, Next Page | 11,160,449.34 | 11,666,755.65 | 506,306.31 |
| Budget Totals | A-3 | \$ 25,266,701.72 | \$ 26,362,238.72 | \$ 1,095,537.00 |
| Non-Budget Revenues | A-1,4, Next Page | | 78,025.92 | |
| | | | \$ 26,440,264.64 | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

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

A-2

| | Reference | |
|---|-------------------|-------------------------|
| Allocation of Current Tax Collection: | | |
| Revenue from Collections | A-1 | \$ 33,629,349.62 |
| Allocated to: | | |
| School and County Taxes | A-17,18,19 | <u>24,962,593.97</u> |
| Balance for Support of Municipal Appropriation | | 8,666,755.65 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>3,000,000.00</u> |
| | Previous Pg. | <u>\$ 11,666,755.65</u> |
| Receipts from Delinquent Taxes: | | |
| Delinquent Taxes | Prev. Pg. | <u>\$ 882,235.25</u> |
| Miscellaneous Revenues: | | |
| Current Fund | A-4 | \$ 13,556,240.38 |
| Collector | A-4 | 109,147.25 |
| Due from Grant Fund - Anticipated Revenue | E-2 | 138,087.46 |
| | E-5 | 9,772.73 |
| | Previous Pg. | <u>\$ 13,813,247.82</u> |
| Non-Budget Revenues: | | |
| DMV Fees | | \$ 3,843.00 |
| Misc. Refunds | | 26,628.34 |
| Towing Fees | | 17,360.00 |
| Close Payroll and Payroll Agency Accounts | | 20,592.90 |
| Auction Proceeds | | 6,447.25 |
| Restitution | | 200.00 |
| Senior Citizen's & Veteran's 2% Administrative Payments | | 1,100.17 |
| County Polling Payment | | 320.00 |
| Parking Meters | | 1,411.07 |
| Miscellaneous | | 123.19 |
| | Prev. Pg., A-1, 4 | <u>\$ 78,025.92</u> |

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <u>APPROPRIATIONS</u> | | | <u>EXPENDED</u> | | | |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|-----------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS - WITHIN "CAPS" | | | | | | | |
| <i>GENERAL GOVERNMENT</i> | | | | | | | |
| Administrative & Executive: | | | | | | | |
| Municipal Clerk | | | | | | | |
| Salaries and Wages | \$ 214,000.00 | \$ - | \$ 224,005.00 | \$ 224,002.42 | \$ 2.58 | \$ - | \$ - |
| Other Expenses | 17,250.00 | | 17,250.00 | 14,065.46 | 3,184.54 | | |
| Other Expenses - Code Publishing | | | | | - | | |
| Mayor and Council | | | | | | | |
| Salaries and Wages | 37,000.00 | | 37,000.00 | 36,998.78 | 1.22 | | |
| Other Expenses | 8,000.00 | | 8,000.00 | 7,669.95 | 330.05 | | |
| Elections - Other Expenses | 14,000.00 | | 14,000.00 | 5,545.58 | 8,454.42 | | |
| Financial Administration | | | | | | | |
| Salaries and Wages | 90,800.00 | | 98,600.00 | 98,118.15 | 481.85 | | |
| Other Expenses | | | | | | | |
| Annual Audit | 43,250.00 | | 43,250.00 | | 43,250.00 | | |
| Miscellaneous - Other Expenditures | 48,750.00 | | 48,750.00 | 43,754.36 | 4,995.64 | | |
| Purchasing | | | | | | | |
| Salaries and Wages | 2,500.00 | | 2,500.00 | 2,499.90 | 0.10 | | |
| Assessment of Taxes | | | | | | | |
| Salaries and Wages | 64,700.00 | | 64,700.00 | 64,609.95 | 90.05 | | |
| Other Expenses | 6,000.00 | | 6,000.00 | 3,968.53 | 2,031.47 | | |
| 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 | 390.69 | 9,609.31 | | |
| Collection of Taxes | | | | | | | |
| Salaries and Wages | 84,300.00 | | 85,300.00 | 85,223.24 | 76.76 | | |
| Other Expenses | 8,500.00 | | 8,500.00 | 6,703.97 | 1,796.03 | | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <u>EXPENDED</u> | | | | | | |
|--|-----------------|---------------------------------|----------------------------------|------------------------|-----------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS WITHIN "CAPS" (Cont'd) | | | | | | | |
| Legal Services and Costs | | | | | | | |
| Salaries and Wages | \$ 67,600.00 | \$ - | \$ 65,100.00 | \$ 65,000.00 | \$ 100.00 | \$ - | \$ - |
| Other Expenses | 150,000.00 | | 148,000.00 | 122,317.84 | 25,682.16 | | |
| Ordinance Recodification | 6,000.00 | | 6,000.00 | 4,543.84 | 1,456.16 | | |
| Tax Appeals | | | | | | | |
| Professional Fees | 85,000.00 | | 55,000.00 | 44,180.00 | 10,820.00 | | |
| Engineering Services and Costs | | | | | | | |
| Salaries and Wages | 3,000.00 | | 3,000.00 | 2,999.88 | 0.12 | | |
| Other Expenses | 50,000.00 | | 50,000.00 | 38,523.23 | 11,476.77 | | |
| Public Building and Grounds | | | | | | | |
| Other Expenses | 95,000.00 | | 95,000.00 | 87,909.30 | 7,090.70 | | |
| Contracted Service | 213,000.00 | | 213,000.00 | 197,944.17 | 15,055.83 | | |
| Municipal Land Use Law (N.J.S. 40:55D-1) | | | | | | | |
| Planning Board - Salaries & Wages | 3,750.00 | | 5,250.00 | 4,465.80 | 784.20 | | |
| Planning Board - Other Expenses | 8,000.00 | | 18,000.00 | 14,301.00 | 3,699.00 | | |
| Zoning Board of Adjustment | | | | | | | |
| Salaries and Wages | 3,750.00 | | 5,250.00 | 4,965.80 | 284.20 | | |
| Other Expenses | 6,000.00 | | 8,300.00 | 5,934.48 | 2,365.52 | | |
| Municipal Court | | | | | | | |
| Salaries and Wages | 215,000.00 | | 228,900.00 | 213,958.32 | 14,941.68 | | |
| Other Expenses | 27,000.00 | | 27,000.00 | 21,048.76 | 5,951.24 | | |
| Public Defender | | | | | | | |
| Salaries and Wages | 10,000.00 | | 10,000.00 | 9,743.76 | 256.24 | | |
| | | | | | - | | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <u>APPROPRIATIONS</u> | | | <u>EXPENDED</u> | | | |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|-------------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS WITHIN "CAPS" (Cont'd) | | | | | | | |
| Unemployment Compensation | \$ 50,000.00 | \$ - | \$ 50,000.00 | \$ 50,000.00 | \$ - | \$ - | \$ - |
| Insurance: | | | | | | | |
| Liability | 208,075.00 | | 203,255.00 | 177,883.27 | 25,371.73 | | |
| Workman's Compensation | 274,500.00 | | 279,200.00 | 279,114.27 | 85.73 | | |
| Employee Group Insurance | 2,200,000.00 | | 2,200,000.00 | 2,198,335.06 | 1,664.94 | | |
| Self - Insurance Eye Care | 15,000.00 | | 15,000.00 | 13,678.38 | 1,321.62 | | |
| Rent Control Board | | | | | | | |
| Salaries and Wages | | | | | - | | |
| Other expenses | 500.00 | | 500.00 | | 500.00 | | |
| TOTAL GENERAL GOVERNMENT | 4,351,525.00 | - | 4,364,910.00 | 4,161,271.86 | 203,638.14 | - | - |
| PUBLIC SAFETY: | | | | | | | |
| Fire | | | | | | | |
| Other Expenses | | | | | | | |
| Clothing Allowance | 95,000.00 | | 99,200.00 | 99,180.08 | 19.92 | | |
| Other Expenses- Lease/Purchase Equipment | 23,000.00 | | - | - | - | | |
| Gear Maintenance | 59,000.00 | | 75,000.00 | 73,371.50 | 1,628.50 | | |
| Fire Alarm System - Other Expenses | 7,500.00 | | 10,800.00 | 9,584.75 | 1,215.25 | | |
| Fire Prevention and Life Safety | | | | | | | |
| Salaries and Wages | | | | | | | |
| Fire Official | 85,900.00 | | 87,100.00 | 87,064.98 | 35.02 | | |
| Other Salaries - Inspectors | 11,000.00 | | 16,000.00 | 15,392.67 | 607.33 | | |
| Other Expenses | 16,750.00 | | 15,750.00 | 13,596.52 | 2,153.48 | | |
| Police | | | | | | | |
| Salaries and Wages | 5,235,000.00 | | 5,215,000.00 | 5,200,254.11 | 14,745.89 | | |
| Clothing Allowance | | | | | | | |
| Overtime | 100,000.00 | | 140,000.00 | 139,817.38 | 182.62 | | |
| Sick pay | 104,320.00 | | 104,320.00 | 104,318.80 | 1.20 | | |
| Other expenses | 83,200.00 | | 83,200.00 | 74,521.74 | 8,678.26 | | |
| 911 Service | 4,600.00 | | 4,600.00 | 4,584.50 | 15.50 | | |
| Police Cars | | | - | | - | | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| OPERATIONS WITHIN "CAPS" (Cont'd) | <u>APPROPRIATIONS</u> | | | <u>EXPENDED</u> | | | |
|-----------------------------------|-----------------------|---------------------------------|----------------------------------|------------------------|-----------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| Special Police | | | | | | | |
| Salaries and Wages | \$ 78,000.00 | \$ - | \$ 70,000.00 | \$ 69,085.14 | \$ 914.86 | \$ - | \$ - |
| Other Expenses | 500.00 | | 500.00 | - | 500.00 | | |
| Traffic Lights - Other Expenses | 15,000.00 | | 10,000.00 | 7,938.31 | 2,061.69 | | |
| Traffic Control | | | | | | | |
| Salaries and Wages | 280,000.00 | | 272,000.00 | 268,743.00 | 3,257.00 | | |
| Other Expenses | 500.00 | | 500.00 | | 500.00 | | |
| First Aid Organization | | | | | | | |
| Other Expenses | 12,500.00 | | 12,500.00 | 5,238.08 | 7,261.92 | | |
| Emergency Management Services | | | | | | | |
| Salaries and Wages | 8,300.00 | | 9,200.00 | 9,125.27 | 74.73 | | |
| Other Expenses | 10,000.00 | | 10,000.00 | 9,348.11 | 651.89 | | |
| First Responder | | | | | | | |
| Salaries and Wages | 63,800.00 | | 65,400.00 | 65,084.61 | 315.39 | | |
| Towing Director | | | | | | | |
| Salaries and Wages | 9,300.00 | | 9,300.00 | 8,946.08 | 353.92 | | |
| TOTAL PUBLIC SAFETY | 6,303,170.00 | - | 6,310,370.00 | 6,265,195.63 | 45,174.37 | - | - |
| STREETS AND ROADS: | | | | | | | |
| Road Repairs and Maintenance | | | | | | | |
| Salaries and Wages | 875,000.00 | | 866,555.00 | 866,550.81 | 4.19 | | |
| Other Expenses | 60,000.00 | | 60,000.00 | 47,567.08 | 12,432.92 | | |
| Recycling Costs | 5,000.00 | | 5,000.00 | 5,000.00 | - | | |
| Leased Vehicles | 38,100.00 | | 38,100.00 | 38,083.21 | 16.79 | | |
| TOTAL STREETS AND ROADS | 978,100.00 | - | 969,655.00 | 957,201.10 | 12,453.90 | - | - |
| HEALTH AND WELFARE: | | | | | | | |
| Board of Health | | | | | | | |
| Salaries and Wages | 3,400.00 | | 3,400.00 | 3,399.76 | 0.24 | | |
| Other Expenses | 89,000.00 | | 89,000.00 | 84,356.10 | 4,643.90 | | |
| TOTAL HEALTH AND WELFARE | 92,400.00 | - | 92,400.00 | 87,755.86 | 4,644.14 | - | - |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <i>APPROPRIATIONS</i> | | | <i>EXPENDED</i> | | | |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|------------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS WITHIN "CAPS" (Cont'd) | | | | | | | |
| <i>RECREATION AND EDUCATION</i> | | | | | | | |
| Board of Recreation Commission (R.S.4061-1 et. seq.) | | | | | | | |
| Salaries and Wages | \$ 41,500.00 | \$ - | \$ 41,500.00 | \$ 41,226.26 | \$ 273.74 | \$ - | \$ - |
| Other Expenses | 85,000.00 | | 90,000.00 | 89,084.75 | 915.25 | | |
| Celebration of Public Events, Anniversary or Holiday | 4,500.00 | | 1,500.00 | 1,004.50 | 495.50 | | |
| Other Expenses | | | | | - | | |
| Senior Citizens | | | | | | | |
| Salaries and Wages | 27,500.00 | | 34,280.00 | 34,276.97 | 3.03 | | |
| Other Expenses | 4,500.00 | | 6,000.00 | 5,975.00 | 25.00 | | |
| TOTAL RECREATION AND EDUCATION | 163,000.00 | - | 173,280.00 | 171,567.48 | 1,712.52 | - | - |
| <i>SANITATION</i> | | | | | | | |
| Garbage & Trash Removal | | | | | | | |
| Salaries and Wages | 570,000.00 | | 577,680.00 | 577,676.04 | 3.96 | | |
| Other Expenses | | | | | - | | |
| Dumping Fees - Bergen County | | | | | | | |
| Sanitary Landfill - Contractual | 280,000.00 | | 280,000.00 | 270,209.87 | 9,790.13 | | |
| TOTAL SANITATION | 850,000.00 | - | 857,680.00 | 847,885.91 | 9,794.09 | - | - |
| <i>STATE UNIFORM CONSTRUCTION CODE</i> | | | | | | | |
| Salaries and Wages | | | | | | | |
| Construction Code Official | 25,750.00 | | 25,750.00 | 25,749.88 | 0.12 | | |
| Sub-Code Officials | | | | | | | |
| Plumbing Inspector | 19,000.00 | | 19,000.00 | 18,741.06 | 258.94 | | |
| Fire Inspector | 15,000.00 | | 15,000.00 | 14,981.98 | 18.02 | | |
| Electrical Inspector | 12,500.00 | | 12,500.00 | 12,366.38 | 133.62 | | |
| Other Salaries | 71,000.00 | | 66,000.00 | 64,033.36 | 1,966.64 | | |
| Elevator Sub-Code Official | | | | | - | | |
| Building Sub-Code Official | 17,500.00 | | 17,500.00 | 17,098.64 | 401.36 | | |
| Other Expenses | 15,000.00 | | 15,000.00 | 9,813.67 | 5,186.33 | | |
| Rental Expenses | 37,000.00 | | 37,000.00 | 34,834.80 | 2,165.20 | | |
| TOTAL STATE UNIFORM CONST. CODE | 212,750.00 | - | 207,750.00 | 197,619.77 | 10,130.23 | - | - |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <u>APPROPRIATIONS</u> | | | <u>EXPENDED</u> | | | |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|-------------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS WITHIN "CAPS" (Cont'd) | | | | | | | |
| <i>UNCLASSIFIED:</i> | | | | | | | |
| Utilities | | | | | | | |
| Street Lighting | \$ 340,000.00 | \$ - | \$ 300,000.00 | \$ 262,219.17 | \$ 37,780.83 | \$ - | \$ - |
| Gasoline | 220,000.00 | | 180,000.00 | 171,260.63 | 8,739.37 | | |
| Fuel Oil | | | | | - | | |
| Electricity | 250,000.00 | | 250,000.00 | 217,655.66 | 32,344.34 | | |
| Telephone and Telegraph | 110,000.00 | | 125,000.00 | 123,157.72 | 1,842.28 | | |
| Water | 25,000.00 | | 32,200.00 | 16,466.43 | 15,733.57 | | |
| Fire Hydrant Services | 130,000.00 | | 130,000.00 | 117,567.29 | 12,432.71 | | |
| Purchase of Postage | 30,000.00 | | 30,000.00 | 27,565.88 | 2,434.12 | | |
| Vehicle Maintenance | | | | | | | |
| Salaries and Wages | 90,000.00 | | 90,100.00 | 90,100.00 | - | | |
| Other Expenses | 165,000.00 | | 201,600.00 | 197,714.59 | 3,885.41 | | |
| | <u>1,360,000.00</u> | <u>-</u> | <u>1,338,900.00</u> | <u>1,223,707.37</u> | <u>115,192.63</u> | <u>-</u> | <u>-</u> |
| TOTAL OPERATIONS WITHIN "CAPS" | <u>14,310,945.00</u> | <u>-</u> | <u>14,314,945.00</u> | <u>13,912,204.98</u> | <u>402,740.02</u> | <u>-</u> | <u>-</u> |
| <i>Contingent</i> | <u>2,000.00</u> | | <u>2,000.00</u> | <u>925.50</u> | <u>1,074.50</u> | | |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | <u>14,312,945.00</u> | <u>-</u> | <u>14,316,945.00</u> | <u>13,913,130.48</u> | <u>403,814.52</u> | <u>-</u> | <u>-</u> |
| <i>Detail:</i> | | | | | | | |
| <i>Salaries and Wages</i> | 8,551,470.00 | | 8,598,490.00 | 8,557,492.90 | 40,997.10 | - | - |
| <i>Other Expenses (Including Contingent)</i> | 5,761,475.00 | | 5,718,455.00 | 5,355,637.58 | 362,817.42 | - | - |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <u>APPROPRIATIONS</u> | | | <u>EXPENDED</u> | | | |
|---|-----------------------|---------------------------------|----------------------------------|------------------------|------------------|-----------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS WITHIN "CAPS" (Cont'd) | | | | | | | |
| DEFERRED CHARGES: | | | | | | | |
| Overexpenditure of Appropriations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Emergency Authorization | | | | | | | |
| Overexpenditure of Appropriation Reserves | | | | | - | | |
| Overexpenditure of Improvement Authorization | | | | | | | |
| Deficit in Sewer Utility Fund | 90,709.54 | | 90,709.54 | | | 90,709.54 | |
| STATUTORY EXPENDITURES: | | | | | | | |
| Contributions to: | | | | | | | |
| Public Employees Retirement System | 328,907.57 | | 328,907.57 | 328,907.57 | - | | |
| Social Security System (O.A.S.I.) | 330,000.00 | | 326,000.00 | 324,254.65 | 1,745.35 | | |
| Police and Firemen Retirement System of N.J. | 1,158,395.00 | | 1,158,395.00 | 1,158,395.00 | - | | |
| Pension of Widow Charles Swift (R.S. 43:12-28.1) | 2,400.00 | | 2,400.00 | 2,399.80 | 0.20 | | |
| Early Retirement Incentive Program | 111,456.00 | | 111,456.00 | 111,456.00 | - | | |
| | <hr/> | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. - MUNICIPAL WITHIN "CAPS" | 2,021,868.11 | - | 2,017,868.11 | 1,925,413.02 | 1,745.55 | 90,709.54 | - |
| CASH DEFICIT OF PRECEDING YEAR | <hr/> 24,568.00 | | <hr/> 24,568.00 | <hr/> 24,568.00 | | | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | <hr/> 16,359,381.11 | <hr/> - | <hr/> 16,359,381.11 | <hr/> 15,863,111.50 | <hr/> 405,560.07 | <hr/> 90,709.54 | <hr/> - |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | | | |
| Maintenance of Free Public Library Ch. 82, PL 1985 | 655,269.94 | | 655,269.94 | 652,450.59 | 2,819.35 | | |
| Police and Firemen Retirement System | | | | | - | | |
| Tax Appeals Reserve | | | | | - | | |
| Health Insurance | | | | | - | | |
| Meadowlands Adjustment | | | | | - | | |
| Public Employees Retirement System | | | | | - | | |
| Joint Meeting - Borough Contribution | 11,000.00 | | 11,000.00 | 10,000.00 | 1,000.00 | | |
| Prior Years Bills | | | | | - | | |
| Prior Years Legal Bills | | | | | - | | |
| | <hr/> | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 666,269.94 | - | 666,269.94 | 662,450.59 | 3,819.35 | - | - |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <i>APPROPRIATIONS</i> | | | <i>EXPENDED</i> | | | |
|---|-----------------------|---------------------------------|----------------------------------|------------------------|-----------------|---------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| OPERATIONS EXCLUDED FROM "CAPS" (Continued) | | | | | | | |
| <i>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i> | | | | | | | |
| Clean Community Grant | \$ 16,022.80 | \$ - | \$ 16,022.80 | \$ 16,022.80 | \$ - | \$ - | \$ - |
| Police Safe & Secure Grant | 75,000.00 | | 75,000.00 | 75,000.00 | - | | |
| South Bergen JIF Police Accreditation Grant | | | | | - | | |
| Police Click it or Ticket Grant | | | | | - | | |
| Emergency Management Performance Grant | | | | | - | | |
| NJ Env Risk EJIF - UST Maple Ave. | 10,000.00 | | 10,000.00 | 10,000.00 | - | | |
| NJ Env Risk EJIF - UST DPW Yard | 10,000.00 | | 10,000.00 | 10,000.00 | - | | |
| Drunk Driving Enforcement Fund | | | | | - | | |
| Reserves - Grant | | | | | | | |
| Drunk Driving Enforcement Fund | 7,088.73 | | 7,088.73 | 7,088.73 | - | | |
| Police Click it or Ticket Grant | | | | | - | | |
| Parking Offense Adjudication Act | 2,684.00 | | 2,684.00 | 2,684.00 | - | | |
| Chapter 159: | | | | | | | |
| Drive Sober Grant | 4,400.00 | | 4,400.00 | 4,400.00 | - | | |
| Police Click it or Ticket Grant | 4,000.00 | | 4,000.00 | 4,000.00 | - | | |
| EMS Performance Grant | 5,000.00 | | 5,000.00 | 5,000.00 | - | | |
| Recycling Tonnage Grant | 20,695.45 | | 20,695.45 | 20,695.45 | - | | |
| Body Armor Grant | 5,066.60 | | 5,066.60 | 5,066.60 | - | | |
| Alcohol Education and Rehab Grant | 2,902.61 | | 2,902.61 | 2,902.61 | - | | |
| NJ Body Armor Replacement Grant | | | | | - | | |
| | | | | | | | |
| TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES | 162,860.19 | - | 162,860.19 | 162,860.19 | - | - | - |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | 829,130.13 | - | 829,130.13 | 825,310.78 | 3,819.35 | - | - |
| <i>Detail:</i> | | | | | | | |
| <i>Salaries and Wages</i> | 75,000.00 | - | 75,000.00 | 75,000.00 | - | - | - |
| <i>Other Expenses</i> | 754,130.13 | - | 754,130.13 | 750,310.78 | 3,819.35 | - | - |
| CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | | | | | | | |
| Capital Improvement Fund | 50,000.00 | | 50,000.00 | 50,000.00 | - | | |
| Public and Private Programs Offset by Revenue: | | | | | | | |
| NJ Meadowlands Commission Grant | | | | | - | | |
| Purchase of Hybrid Vehicles | | | | | - | | |
| MAP Hybrid Police Vehicles | | | | | - | | |
| | | | | | | | |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | 50,000.00 | - | 50,000.00 | 50,000.00 | - | - | - |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

| | <i>APPROPRIATIONS</i> | | | <i>EXPENDED</i> | | | |
|---|-------------------------|---------------------------------|----------------------------------|-------------------------|----------------------|----------------------|------------------------|
| | <u>Budget</u> | <u>Emergency Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | <u>Overexpenditure</u> |
| MUNICIPAL DEBT-EXCLUDED FROM "CAPS" | | | | | | | |
| Payment of Bond Principal | \$ 1,880,724.19 | \$ - | \$ 1,880,724.19 | \$ 1,870,724.19 | \$ - | \$ 10,000.00 | \$ - |
| Payment on Bond Anticipation Notes & Capital Notes | 804,000.00 | | 804,000.00 | 804,000.00 | - | | |
| Interest on Bonds | 986,913.08 | | 986,913.08 | 986,913.08 | - | | |
| Interest on Notes | 163,188.31 | | 163,188.31 | 163,188.31 | - | | |
| Green Trust Loan Program: | | | | | | | |
| Loan Repayments for Principal and Interest | 33,302.40 | | 33,302.40 | 33,302.40 | - | | |
| Bergen County Improvement Authority -Principal | 315,000.00 | | 315,000.00 | 315,000.00 | - | | |
| Bergen County Improvement Authority -Interest | 373,062.50 | | 373,062.50 | 373,062.50 | - | | |
| <hr/> | | | | | | | |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 4,556,190.48 | - | 4,556,190.48 | 4,546,190.48 | - | 10,000.00 | - |
| <hr/> | | | | | | | |
| DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS" | | | | | | | |
| Emergency Authorizations | 435,000.00 | | 435,000.00 | 435,000.00 | | | |
| Special Emergency Authorizations - 5 Years | 37,000.00 | | 37,000.00 | 37,000.00 | - | | |
| Capital Ordinances Unfunded | | | | | | | |
| 98-13 / 99-15 | | | | | | | |
| 99-10 | | | | | | | |
| | 472,000.00 | - | 472,000.00 | 472,000.00 | - | - | - |
| <hr/> | | | | | | | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS" | 5,907,320.61 | - | 5,907,320.61 | 5,893,501.26 | 3,819.35 | 10,000.00 | - |
| <hr/> | | | | | | | |
| SUBTOTAL GENERAL APPROPRIATIONS | 22,266,701.72 | - | 22,266,701.72 | 21,756,612.76 | 409,379.42 | 100,709.54 | - |
| <hr/> | | | | | | | |
| <i>Reserve for Uncollected Taxes</i> | 3,000,000.00 | | 3,000,000.00 | 3,000,000.00 | | | |
| <hr/> | | | | | | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 25,266,701.72 | \$ - | \$ 25,266,701.72 | \$ 24,756,612.76 | \$ 409,379.42 | \$ 100,709.54 | \$ - |
| Reference | A-2 | | | Below | A | A-1 | |
| | | | | | | | |
| Reference | | | | | | | |
| Disbursements | A-4 | | | \$ 21,296,074.32 | | | |
| Budget Offsets | A-4 | | | (262,491.70) | | | |
| Reserve for Uncollected Taxes | A-2 | | | 3,000,000.00 | | | |
| Encumbrance Payable | A-22 | | | 63,601.95 | | | |
| Due to Grant Fund | E-4 | | | 162,860.19 | | | |
| Deferred Charges | A-12 | | | 496,568.00 | | | |
| | | | | <u>\$ 24,756,612.76</u> | | | |

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

BOROUGH OF EAST RUTHERFORD
TRUST FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

| | | At December 31, | |
|--|-----------|----------------------|----------------------|
| ASSETS | Reference | 2013 | 2012 |
| Other Trust Fund | | | |
| Cash | B-1 | \$ 441,362.05 | \$ 451,212.06 |
| Due from Current Fund | A, B-7 | 82,975.90 | 2,024.50 |
| | | 524,337.95 | 453,236.56 |
| Developer's Escrow Fund | | | |
| Cash | B-1 | 228,287.77 | 200,106.45 |
| | | 228,287.77 | 200,106.45 |
| Dog License Fund | | | |
| Cash | B-1 | 16,772.40 | 17,323.15 |
| Due from State of New Jersey | B-3 | | |
| | | 16,772.40 | 17,323.15 |
| Unemployment Fund | | | |
| Cash | B-1 | 54,961.90 | 61,008.98 |
| Due From Current Fund | A, B-9 | - | 48.47 |
| | | 54,961.90 | 61,057.45 |
| TOTAL ASSETS | | \$ 824,360.02 | \$ 731,723.61 |
| LIABILITIES, RESERVE AND FUND BALANCE | | | |
| Other Trust | | | |
| Special Reserves | B-8 | \$524,337.95 | \$ 453,036.56 |
| Due to Sewer Utility Fund | B-11 | - | 200.00 |
| | | 524,337.95 | 453,236.56 |
| Developers Escrow | | | |
| Due to Current Fund | A,B-10 | - | 52.68 |
| Reserve for Escrow Fees | B-5 | 228,287.77 | 200,053.77 |
| | | 228,287.77 | 200,106.45 |
| Dog License Fund | | | |
| Due to Current Fund | A,B-4 | 4,170.00 | 5,120.75 |
| Due to State of NJ | B-3 | 9.60 | 1.20 |
| Reserve for Dog Fund Expenditures | B-6 | 12,592.80 | 12,201.20 |
| | | 16,772.40 | 17,323.15 |
| Unemployment Fund | | | |
| Fund Reserve | B-2 | 54,961.90 | 61,057.45 |
| TOTAL LIABILITIES, RESERVE AND FUND BALANCE | | \$ 824,360.02 | \$ 731,723.61 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

| | | At December 31, | |
|--|-----------|-------------------------|-------------------------|
| | Reference | <u>2013</u> | <u>2012</u> |
| ASSETS | | | |
| Cash - Treasurer | C-2,3 | \$ 4,950,245.56 | \$ 3,849,367.30 |
| Grants Receivable | C-19 | 1,081,412.50 | 1,199,362.50 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-5 | 40,220,047.09 | 42,430,989.52 |
| Unfunded | C-6 | 8,551,217.35 | 6,313,217.35 |
| Due from Current Fund | A, C-4 | | 7,091.08 |
| Due from Grant Fund | C-2 | | 500,000.00 |
| Due from Bergen County Improvement Authority | C-15 | 1,134,678.85 | 1,548,754.60 |
| TOTAL ASSETS | | <u>\$ 55,937,601.35</u> | <u>\$ 55,848,782.35</u> |
| LIABILITIES, RESERVE AND FUND BALANCE | | | |
| General Serial Bonds | C-13 | \$ 23,459,784.28 | \$ 25,330,508.47 |
| Bond Anticipation Note Payable | C-16 | 7,610,665.00 | 4,752,665.00 |
| State Loan Payable | C-12 | 385,262.81 | 410,481.05 |
| Bergen County Improvement Authority Bond Payable | C-21 | 16,375,000.00 | 16,690,000.00 |
| Encumbrance Payable | C-7 | 14,893.25 | 2,359.03 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 1,171,057.16 | 2,900,739.76 |
| Unfunded | C-9 | 4,738,668.32 | 2,686,778.51 |
| Due to Sewer Capital Fund | C-2,D | 53,000.00 | |
| Reserve for Payment of Bonds and Notes | C-14 | 686,394.00 | 1,437,294.00 |
| Reserve for Building & Grounds Improvements | C-11 | 31,037.75 | 31,037.75 |
| Reserve for Roadway Improvements | C-20 | 159,300.00 | 187,500.00 |
| Reserve for Grants- Receivable | C-18 | 1,081,412.50 | 1,199,362.50 |
| Premium on BAN/ Bond Sale | C-10 | 18,613.00 | 9,543.00 |
| Accrued Interest on Bond Sale | C-22 | 12,228.35 | 12,228.35 |
| Capital Improvement Fund | C-8 | 138,391.63 | 196,391.63 |
| Fund Balance | C-1 | 1,893.30 | 1,893.30 |
| TOTAL LIABILITIES, RESERVE AND FUND BALANCE | | <u>\$ 55,937,601.35</u> | <u>\$ 55,848,782.35</u> |

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

STATEMENT OF FUND BALANCE

C-1

| | Reference | |
|---------------------------|-----------|--------------------|
| Balance December 31, 2012 | C | \$ 1,893.30 |
| Balance December 31, 2013 | C | <u>\$ 1,893.30</u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

D

| | | At December 31, | |
|--|-------------|------------------------|------------------------|
| | Reference | <u>2013</u> | <u>2012</u> |
| ASSETS | | | |
| Operating Fund: | | | |
| Cash | D-4 | \$ 881,318.78 | \$ 391,685.28 |
| Escrow Trust Cash | D-4, D-15 | 1,027.19 | 1,192.19 |
| Receivable with Full Reserves: | | | |
| Consumer Accounts Receivable | D-5, Contra | 221,015.73 | 343,440.48 |
| Sewer Lien Receivable | D-9, Contra | - | 992.96 |
| Due from Current Fund | D-14 | | 2,274.35 |
| Due from Trust Fund | D-4 | | 200.00 |
| Deferred Charges: | | | |
| Overexpenditure of Appropriations | D-3 | 145,873.64 | 110,701.68 |
| Overexpenditure of Appropriation Reserves | D-13 | 8,379.02 | |
| Deficit in Operation | D-1 | | 90,709.54 |
| Total Operating Fund | | <u>1,257,614.36</u> | <u>941,196.48</u> |
| Capital Fund: | | | |
| Fixed Capital | D-8 | 4,115,742.84 | 4,115,742.84 |
| Fixed Capital Authorized and Uncompleted | D-8 | 500,000.00 | 500,000.00 |
| Due from General Capital Fund | C, D-21 | 53,000.00 | |
| Due from Utility Operating Fund | D-7 | 425,447.65 | 486,302.66 |
| Total Capital Fund | | <u>5,094,190.49</u> | <u>5,102,045.50</u> |
| TOTAL ASSETS | | <u>\$ 6,351,804.85</u> | <u>\$ 6,043,241.98</u> |
| LIABILITIES, RESERVE AND FUND BALANCE | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-3,13 | \$ 1,491.92 | \$ 311.35 |
| Encumbrance Payable | D-3 | 2,007.50 | 2,638.72 |
| Accrued Interest | D-18 | 4,802.72 | 2,160.82 |
| Prepaid Sewer Charges | D-19 | | 7,167.29 |
| Due to Utility Capital Fund | D-7 | 425,447.65 | 486,302.66 |
| Due to Current Fund | A,D-14 | 78,261.05 | |
| Sewer Charge Overpayment | D-6 | 28,633.27 | 10,384.12 |
| | | <u>540,644.11</u> | <u>508,964.96</u> |
| Reserve for Escrow Deposit | D-15 | 1,027.19 | 1,192.19 |
| Reserve for Receivables | Contra | 221,015.73 | 344,433.44 |
| Fund Balance | D-1 | 494,927.33 | 86,605.89 |
| Total Operating Fund | | <u>1,257,614.36</u> | <u>941,196.48</u> |
| Capital Fund: | | | |
| Serial Bond Payable | D-20 | 365,215.72 | 394,491.53 |
| NJ Infrastructure Loan Payable | D-17 | 211,484.86 | 316,069.77 |
| Bond Anticipation Notes | D-21 | 53,000.00 | |
| Improvement Authorizations | | | |
| Funded | D-10 | 166,719.10 | 166,719.10 |
| Unfunded | D-10 | | |
| Capital Improvement Fund | D-11 | 311,935.55 | 372,790.56 |
| Reserve for Deferred Amortization | D-12 | 699,359.66 | 565,498.94 |
| Amortization Reserve | D-12 | 3,286,475.60 | 3,286,475.60 |
| Total Capital Fund | | <u>5,094,190.49</u> | <u>5,102,045.50</u> |
| TOTAL LIABILITIES, RESERVE AND FUND BALANCE | | <u>\$ 6,351,804.85</u> | <u>\$ 6,043,241.98</u> |

There were bonds and notes authorized but not issued
on December 31, 2013 in the amount of \$207.00 (Schedule D-16)

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

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

D-1

| | | At December 31, | |
|---|-----------|----------------------|---------------------|
| | Reference | 2013 | 2012 |
| Revenue and Other Income Realized | | | |
| Operating Surplus Anticipated | D-2 | | \$ 165,000.00 |
| User Charges and Fees | D-2 | 1,537,827.91 | 1,103,477.12 |
| Delinquent User Charges | D-2,4 | 373,588.94 | 252,469.81 |
| Giants Training Facility Agreement | | 165,000.00 | |
| New Meadowlands Racetrack Conn Fee | | 204,019.20 | |
| Meadowlands Stadium Agreement | D-2 | 194,362.72 | 224,042.37 |
| Miscellaneous Revenues | D-2 | 35,094.79 | 60,454.16 |
| Deficit General Budget | D-2 | - | 42,969.29 |
| | D-2 | <u>2,509,893.56</u> | <u>1,848,412.75</u> |
| Other Credits to Income: | | | |
| Prepaid Canceled | D-19 | 7,167.29 | |
| Appropriations Lapsed | D-3 | 1,371.69 | 3,977.34 |
| Prior Year Appropriation Reserve lapsed | D-13 | 311.35 | 113,900.37 |
| | | <u>2,518,743.89</u> | <u>1,966,290.46</u> |
| Less: Budget Appropriations | D-3 | 2,110,422.45 | 2,057,000.00 |
| | | <u>2,110,422.45</u> | <u>2,057,000.00</u> |
| Excess/(Deficit) in Revenues | | 408,321.44 | (90,709.54) |
| Expenditures Included Above Which are by Statute | | | |
| Deferred Charges to Budget of Succeeding Year | | | |
| Deficit in Operations | D | | 90,709.54 |
| Fund Balance - Operating - January 1 | D | <u>86,605.89</u> | <u>251,605.89</u> |
| Less: Fund Balance Utilized | D-2 | | <u>165,000.00</u> |
| Fund Balance - Operating - December 31 | D | <u>\$ 494,927.33</u> | <u>\$ 86,605.89</u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

| | <u>Reference</u> | <u>Anticipated Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--------------------------------------|------------------|-------------------------------|------------------------|--------------------------------|
| Surplus Anticipated | D-1 | \$ - | \$ - | \$ - |
| User Charges and Fees | D-1,5 | 1,103,330.99 | 1,537,827.91 | 434,496.92 |
| Delinquent User Charges | D-1,Below | 300,000.00 | 373,588.94 | 73,588.94 |
| Giants Training Facility Agreement | D-1,4 | 188,000.00 | 165,000.00 | (23,000.00) |
| Meadowlands Stadium Agreement | D-1,4 | 194,362.72 | 194,362.72 | - |
| New Meadowlands Racetrack Conn Fee | D-1,4 | 204,019.20 | 204,019.20 | - |
| Miscellaneous Revenues | D-1,4 | 30,000.00 | 35,094.79 | 5,094.79 |
| Deficit General Budget | D-1,4 | 90,709.54 | | (90,709.54) |
| | | <u>\$ 2,110,422.45</u> | <u>\$ 2,509,893.56</u> | <u>\$ 399,471.11</u> |
| | | D-3 | D-1 | |
| | | | | |
| Delinquent User Charges Collected | D-4 | | \$ 372,407.39 | |
| Due from Current Fund- Lien Receipts | D-14 | | 1,181.55 | |
| | | | <u>\$ 373,588.94</u> | |
| | Above | | | |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

| | <u>Appropriations</u> | | <u>Expended</u> | | | <u>(Overexpenditure)</u> |
|---|------------------------|--------------------------------------|----------------------------|--------------------|--------------------|--------------------------|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Lapsed</u> | |
| Operating | | | | | | |
| Salaries and Wages | \$ 200,000.00 | \$ 199,800.00 | \$ 198,316.98 | \$ 1,483.02 | \$ - | \$ - |
| Other Expenses | 1,489,000.00 | 1,489,000.00 | 1,634,873.64 | - | - | (145,873.64) |
| Health Benefits | 43,000.00 | 43,000.00 | 43,000.00 | - | - | - |
| Total Operating Expenditures | <u>1,732,000.00</u> | <u>1,731,800.00</u> | <u>1,876,190.62</u> | <u>1,483.02</u> | <u>-</u> | <u>(145,873.64)</u> |
| Capital Improvement Fund | - | - | - | - | - | - |
| Deferred Charges & Statutory Expenditures | | | | | | |
| Deferred Charges: | | | | | | |
| Deficit in Operations | 90,709.54 | 90,709.54 | 90,709.54 | | | |
| Appropriation Overexpenditure | 110,701.68 | 110,701.68 | 110,701.68 | | - | |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Social Security System | 15,000.00 | 15,200.00 | 15,191.10 | 8.90 | - | - |
| Unemployment Compensation Insurance | 3,200.00 | 3,200.00 | 3,200.00 | - | - | - |
| Total Deferred Charges & Statutory Expenditures | <u>219,611.22</u> | <u>219,811.22</u> | <u>219,802.32</u> | <u>8.90</u> | <u>-</u> | <u>-</u> |
| Debt Service | | | | | | |
| Bond Principal | 29,275.81 | 29,275.81 | 29,275.81 | | | |
| Bond Interest | 13,036.92 | 13,036.92 | 13,036.92 | | - | |
| NJ Infrastructure Loan: | | | | | | |
| Principal | 104,584.91 | 104,584.91 | 104,584.91 | | - | |
| Interest Expense | 11,913.59 | 11,913.59 | 10,541.90 | | 1,371.69 | |
| Total Debt Service | <u>158,811.23</u> | <u>158,811.23</u> | <u>157,439.54</u> | <u>-</u> | <u>1,371.69</u> | <u>-</u> |
| Total Sewer Utility Appropriations | <u>\$ 2,110,422.45</u> | <u>\$ 2,110,422.45</u> | <u>\$ 2,253,432.48</u> | <u>\$ 1,491.92</u> | <u>\$ 1,371.69</u> | <u>\$ (145,873.64)</u> |
| Reference | D-1,2 | D-1,2 | Below | D | D-1 | D |

| | | |
|---|------|------------------------|
| Disbursed | D-4 | \$ 2,050,832.65 |
| Accrued Interest | D-18 | 2,641.90 |
| Encumbrance Payable | D | 2,007.50 |
| Deferred Charge - Overexpenditures of Appropriation | D | 110,701.68 |
| Deferred Charge - Deficit in Operations | D | 90,709.54 |
| Refund | D-4 | (3,460.79) |
| Above | | <u>\$ 2,253,432.48</u> |

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

BOROUGH OF EAST RUTHERFORD
GRANT FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

E

| | | At December 31, | |
|---------------------------------------|-----------|-----------------------------|-----------------------------|
| | Reference | <u>2013</u> | <u>2012</u> |
| ASSETS | | | |
| Cash | E-1 | \$ 72,112.57 | \$ 611,922.57 |
| Grants Receivable | E-3 | 37,301.30 | 147,568.81 |
| Due from Current Fund | A, E-2 | | |
| | | <u> </u> | <u> </u> |
| TOTAL ASSETS | | <u><u>\$ 109,413.87</u></u> | <u><u>\$ 759,491.38</u></u> |
| LIABILITIES AND RESERVES | | | |
| Due to Current Fund | A, E-2 | \$ - | \$ 19.29 |
| Due to Capital Fund | E-6 | | 500,000.00 |
| Appropriated Reserve | E-4 | 99,950.43 | 249,699.36 |
| Unappropriated Reserve | E-5 | 9,463.44 | 9,772.73 |
| | | <u> </u> | <u> </u> |
| TOTAL LIABILITIES AND RESERVES | | <u><u>\$ 109,413.87</u></u> | <u><u>\$ 759,491.38</u></u> |

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

BOROUGH OF EAST RUTHERFORD
GENERAL FIXED ASSETS FUND

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

| | At December 31, | | F |
|---------------------------------------|-------------------------|-------------------------|---|
| | 2013 | 2012 | |
| GENERAL FIXED ASSETS | | | |
| Land (as per assessed valuation) | \$ 33,867,600.00 | \$ 33,867,600.00 | |
| Buildings (as per assessed valuation) | 12,758,400.00 | 12,758,400.00 | |
| Machinery and Equipment | 10,504,731.00 | 10,155,573.00 | |
| TOTAL GENERAL FIXED ASSETS | \$ 57,130,731.00 | \$ 56,781,573.00 | |
| LIABILITIES AND RESERVES | | | |
| Investments in General Fixed Assets | \$ 57,130,731.00 | \$ 56,781,573.00 | |
| TOTAL LIABILITIES AND RESERVES | \$ 57,130,731.00 | \$ 56,781,573.00 | |

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

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 "DLGS, DCA"), 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 DLGS, DCA. 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 DLGS, DCA 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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

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

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

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the DLGS, DCA 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 DLGS (Chapter 159).

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

Trust Funds
General Capital Fund
Sewer Capital Fund

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

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

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

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

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BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

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 ensures that property records are maintained accurately to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

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

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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

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

C. Basis of Accounting (Continued)

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

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

D. Basic Financial Statements

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

2. **Cash and Cash Equivalents**

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2013 and 2012, \$0 of the Borough’s bank balance of \$9,151,520.69 and \$11,426,512.27 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, 2013 and 2012, the Borough had no investments.

4. **Municipal Debt**

Summary of Long-Term Debt

Long-term debt as of December 31, 2013 consisted of bonds, loans, compensated absences and capital leases.

| | Balance Dec. 31, 2012 | Additions | Reductions | Balance Dec.31, 2013 | Due in One Year |
|-------------------------------|--------------------------|-------------|------------------------|-------------------------|------------------------|
| Bonds Payable - General | \$ 25,330,508.47 | \$ - | \$ 1,870,724.19 | \$ 23,459,784.28 | \$ 1,967,064.71 |
| Bonds Payable - Sewer Utility | 394,491.53 | | 29,275.81 | 365,215.72 | 32,935.29 |
| Bergen County Imp. Auth. | | | | | |
| Bond Payable - General | 16,690,000.00 | | 315,000.00 | 16,375,000.00 | 330,000.00 |
| Loan Payable - General | 410,481.05 | | 25,218.24 | 385,262.81 | 25,725.12 |
| Loan Payable - Sewer Utility | 316,069.77 | | 104,584.91 | 211,484.86 | 102,417.00 |
| Compensated Absences | 1,037,659.92 | | 27,786.68 | 1,009,873.24 | 142,388.93 |
| | <u>\$ 44,179,210.74</u> | <u>\$ -</u> | <u>\$ 2,372,589.83</u> | <u>\$ 41,806,620.91</u> | <u>\$ 2,600,531.05</u> |

As of December 31, 2013, all outstanding bonds are included in the general capital fund and sewer utility fund. Interest and principal reductions are included in the current and sewer utility operating budget of the Borough.

See Independent Auditor’s Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

4. **Municipal Debt (Continued)**

Summary of Long-Term Debt (Continued)

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

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

| | | |
|-----------|-----------|----------------------|
| 2014 | \$ | 330,000.00 |
| 2015 | | 345,000.00 |
| 2016 | | 360,000.00 |
| 2017 | | 370,000.00 |
| 2018 | | 390,000.00 |
| 2018-2039 | | 14,580,000.00 |
| | <u>\$</u> | <u>16,375,000.00</u> |

The Borough's long-term debt consisted of the following at December 31, 2013:

General Obligation Bonds

\$20,145,000 - 2005 Bonds, due in annual installments of \$1,100,000-1/15/14-18; \$1,200,000-1/15/19-24; \$1,145,000-1/15/2025, interest rate variable from 4.00% to 5.00%

\$ 13,845,000.00

\$12,505,000 - 2009 Bonds, due in annual installments of \$867,064.71-11/01/14-15; \$1,059,745.76-11/01/16-18; \$1,156,086.29-11/01/19-21; \$1,233,158.71-11/01/22 interest rate variable from 2.00% to 4.00%

9,614,784.28

Subtotal

23,459,784.28

Bergen County Improvement Authority Bond Payable

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

16,375,000.00

State Loan Payable

\$100,000-due in annual installments, at a 2.00% interest rate
\$435,553-due in semi-annual installments, at an interest rate of 2.00%

87,024.42

298,238.39

Subtotal

385,262.81

Sewer Utility Capital:

Bond Payable

\$475,000 - 2009 Bonds, due in annual installments of \$32,935.29-11/01/14-15; \$40,254.24-11/01/16-18; \$43,913.71-11/01/19-21; \$46,841.29-11/01/22 interest rate variable from 2.00% to 4.00%

365,215.72

Subtotal

365,215.72

NJ Infrastructure Loan Payable

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

115,000.00

96,484.86

Subtotal

211,484.86

Total

\$ 40,796,747.67

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013 AND 2012
 (Continued)

4. Municipal Debt (Continued):

Summary of Statutory Municipal Debt

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

| | <u>Year 2013</u> | <u>Year 2012</u> | <u>Year 2011</u> |
|---|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 47,830,712.09 | \$ 47,183,654.52 | \$ 46,140,390.76 |
| Sewer Utility: | | | |
| Bonds, Notes and Loans | <u>629,700.58</u> | <u>710,561.30</u> | <u>837,451.24</u> |
| Debt Issued | <u>48,460,412.67</u> | <u>47,894,215.82</u> | <u>46,977,842.00</u> |
| Authorized but not Issued: | | | |
| General: | | | |
| Bonds and Notes | 940,552.35 | 1,560,552.35 | 4,151,217.35 |
| Sewer Utility: | | | |
| Bonds and Notes | <u>207.00</u> | <u>53,207.00</u> | <u>53,207.00</u> |
| | <u>940,759.35</u> | <u>1,613,759.35</u> | <u>4,204,424.35</u> |
| Less Deductions | <u>3,477,907.58</u> | <u>2,712,000.00</u> | <u>1,500,000.00</u> |
| Net Bonds and Notes Issued and Authorized but not Issued | <u>\$ 45,923,264.44</u> | <u>\$ 46,795,975.17</u> | <u>\$ 49,682,266.35</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 2.348%.

| | Gross Debt Issued and Authorized | Deductions | Net Debt |
|--------------------|--|------------------------|-------------------------|
| School Debt | \$ 6,041,000.00 | \$ 6,041,000.00 | \$ - |
| General Debt | 48,771,264.44 | 2,848,000.00 | 45,923,264.44 |
| Sewer Utility Debt | <u>629,907.58</u> | <u>629,907.58</u> | <u>-</u> |
| | <u>\$ 55,442,172.02</u> | <u>\$ 9,518,907.58</u> | <u>\$ 45,923,264.44</u> |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013 AND 2012
 (Continued)

4. Municipal Debt (Continued):

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

Net Debt of \$ 45,923,264.44 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$1,956,098,864= 2.348%.

| | | |
|--|-------------------|-----------------------------|
| Calculation of "Self-Liquidating Purpose", Sewer Utility | | |
| Cash Receipts from Fees, Rents or Other Charges | | \$ 2,509,893.56 |
| Deductions: | | |
| Operating and Maintenance Cost | \$ 1,731,800.00 | |
| Deferred Charges & Statutory Expenditures | 219,811.22 | |
| Debt Service | <u>158,811.23</u> | |
| | | <u>2,110,422.45</u> |
| Excess in Revenue | | <u><u>\$ 399,471.11</u></u> |

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

| | |
|---|--------------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 68,463,460.24 |
| Net Debt | <u>45,923,264.44</u> |
| Remaining Borrowing Power | <u><u>\$ 22,540,195.80</u></u> |

5. Capital Leases Payable

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

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

On January 26, 2010, the Borough entered into a lease agreement with Ford Motor Credit Company for one 2011 Ford Crown Victoria for 3 years with annual payments of \$9,183.77, to be used by the Police Department. The fair market value of the vehicle was \$25,904.00.

The total payments for the leases amounted to \$38,083.21 and \$39,754.98 in 2013 and 2012, respectively. These lease-purchase agreements include a \$1.00 buyout at the end of the lease periods; the assets will then become Borough property.

All the lease payments were paid off as of December 31, 2013.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

6. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges were shown on the statement of financial position of Current Fund and Sewer Utility Fund:

| | <u>Balance</u> <u>Dec. 31, 2013</u> | <u>2014 Budget</u> <u>Appropriations</u> | <u>Subsequent</u> <u>Budgets</u> |
|---|--|---|-------------------------------------|
| <u>Sewer Utility Fund</u> | | | |
| Overexpenditure of Appropriation Reserves | \$ 8,379.02 | \$ 8,379.02 | \$ - |
| Overexpenditure of Appropriations | 145,873.64 | 145,873.64 | |
| Total | <u>\$ 154,252.66</u> | <u>\$ 154,252.66</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, | |
|-------------------------|---|-----------------|--|-----------------|
| | 2013 | 2012 | 2013 | 2012 |
| Balance of Tax | \$ 6,943,878.00 | \$ 6,719,921.00 | \$ 2,931,971.50 | \$ 2,949,648.99 |
| Deferred | 6,943,878.00 | 6,719,921.00 | 2,931,971.50 | 2,877,648.99 |
| Taxes Payable/(Prepaid) | \$ - | \$ - | \$ - | \$ 72,000.00 |

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 18, 2013 and for 2012 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, 2013 | Balance Dec. 31, 2012 |
|---------------|--------------------------|--------------------------|
| Prepaid Taxes | \$ 108,199.06 | \$ 85,914.87 |

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013 AND 2012
 (Continued)

10. Interfund Receivables and Payables

Interfund Receivables and Payables at December 31, 2013 were as follows:

| Fund Type | Receivables | Payables |
|---|----------------------|----------------------|
| Current Fund | \$ 4,170.00 | \$ 95,424.39 |
| Trust Funds | 82,975.90 | 4,170.00 |
| Capital Fund | - | 53,000.00 |
| Sewer Utility Fund | 12,448.49 | 425,447.65 |
| Sewer Capital Fund | 478,447.65 | - |
| Grant Fund | - | - |
| Total Interfund Receivables and Payable | <u>\$ 578,042.04</u> | <u>\$ 578,042.04</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, 2013, 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.

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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

12. Retirement Plans (Continued)

Police and Firemen's Retirement System (PFRS)

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

Funding Policy

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 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 |
|----------------------------|----------------|-----------------|
| 2013 | \$ 328,907.57 | \$ 1,158,395.00 |
| 2012 | 330,743.00 | 1,026,501.00 |
| 2011 | 342,114.00 | 1,042,316.00 |

13. Defined Contribution Retirement Program

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

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contribution for eligible members' life insurance and disability coverage under DCRP. The Borough has not made any contributions to DCRP for 2013 and 2012.

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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

15. Post Employment Benefits

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

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

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

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

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

The Borough contributions to SHBP for the years ended December 31, 2013 and 2012 were \$259,930.55 and \$261,638.04, respectively, which equaled the required contribution for each year. There were approximately 13 retired participants eligible at December 31, 2013 and 2012.

16. Compensated Absences

The Borough's policy to compensate police officers for unused sick time amounted to \$111,440.99 in 2013 and was paid in 2014.

The Borough has permitted other employees to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$ 1,009,873.24.

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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

19. Subsequent Events

The Borough has approved its 2014 budget on March 18, 2014 and is scheduled for adoption in late May or early June 2014.

Refinancing Permanent Debt

The \$11,175,000 Governmental Loan Revenue Bonds, Series 2014, are being issued to provide funds to make a loan to the Borough of East Rutherford in the County of Bergen, New Jersey to fund an escrow, the proceeds of which are to be used to advance refund and redeem \$11,645,000 of General Improvement Bonds, issued December 29, 2005, maturing on December 15 in the years 2016 through 2025, which Refunding Bonds are callable on December 15, 2015 and pay certain of the costs of issuance of the Refunding Bonds.

Permanent Financing of Bond Anticipation Notes

The Borough participated in a pooled bond financing program of the Bergen County Improvement Authority (the "BCIA"), which provided permanent financing for a \$5,755,665 Bond Anticipation Note held by the Borough. The bond provides permanent financing for the following bond ordinances: No. 2009-06 in the amount of \$64,000, No. 2010-07 in the amount of \$1,496,000, No. 2011-15 in the amount of \$2,040,665, No. 2013-09 in the amount of \$304,000, No. 2013-11 in the amount of \$1,798,000 all of the General Capital Fund and No. 2005-06 in the amount of \$53,000 of the Sewer Utility Fund.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CASH

A-4

| | Reference | Current Fund | Tax Collector |
|---|---------------|----------------------------|------------------------|
| Balance December 31, 2012 | A | <u>\$ 6,317,860.35</u> | <u>\$ 6,552,603.92</u> |
| Increased by: | | | |
| Miscellaneous Revenue | A-2 | 13,556,240.38 | 109,147.25 |
| Non-Budget Revenues | A-2 | 78,025.92 | |
| Taxes Receivable | A-7 | 204,662.17 | 34,146,318.25 |
| Senior Citizens and Veterans Collector | A-8 Contra | 55,008.50 40,675,921.22 | |
| Tax Title Liens - Outside Lien holder | A-20 | | 85,392.47 |
| Police Off Duty Receivable/ Reserve | A-23 | 756,229.47 | |
| Prepaid Taxes | A-16 | | 108,199.06 |
| Due from Grant Fund- Grant Receivable | E-2 | 248,354.97 | |
| Due from Grant Fund- Transfer | E-2 | 661,225.56 | |
| Due from Sewer Utility Fund | D-14 | 25,000.00 | 93,275.52 |
| Due from Capital Fund | C-4 | 2,800,000.00 | |
| Due from BC Housing Authority | A | 20,000.00 | |
| DEA Confiscated Funds | A-25 | 367,128.29 | |
| Miscellaneous Reserves | A-6 | 8,615.00 | |
| Budget Offsets | A-3 | 262,491.70 | |
| Transfer from Other Trust Fund | B-7 | 389,834.82 | |
| Transfer from Dog License Fund | B-4 | 5,119.27 | |
| | | <u>60,113,857.27</u> | <u>34,542,332.55</u> |
| | | <u>66,431,717.62</u> | <u>41,094,936.47</u> |
| Decreased by: | | | |
| 2013 Budget Appropriations | A-3 | 21,296,074.32 | |
| 2012 Appropriation Reserves | A-13 | 392,446.69 | |
| Tax Anticipation Note- Paid | A | 12,000,000.00 | |
| Tax Overpayments | A-15 | 35,534.47 | |
| Tax Title Liens - Outside Lien holder | A-20 | 85,392.47 | |
| Local District School Tax | A-18 | 13,663,798.98 | |
| Regional School Tax | A-19 | 5,881,620.56 | |
| County Taxes | A-17 | 5,488,376.73 | |
| Due to Grant Fund - Expenditures | E-2 | 312,609.12 | |
| Due to Grant Fund | E-2 | 612,000.00 | |
| Petty Cash Adjustment | A-1 | | 12.04 |
| Transfer to Other Trust Fund | B-7 | 305,410.29 | |
| Transfer to Unemployment Trust Fund | B-9 | 51.96 | |
| Due from Capital Fund | C-4 | 2,807,091.08 | |
| Transfer to Current Fund | Contra | | 40,675,921.22 |
| Due to Sewer Utility Fund | D-14 | 117,983.89 | 92,093.97 |
| DEA Confiscated Funds | A-25 | 442,641.06 | |
| Miscellaneous Reserves | A-6 | 7,676.09 | |
| Police Off Duty Receivable/ Reserve | A-23 | 826,162.94 | |
| | | <u>64,274,870.65</u> | <u>40,768,027.23</u> |
| Balance December 31, 2013 | A | <u>\$ 2,156,846.97</u> | <u>\$ 326,909.24</u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CHANGE AND PETTY CASH FUND

A-5

| | Balance Dec. 31, 2012 | Increased | Balance Dec. 31, 2013 |
|-----------------------------|--------------------------|------------------|--------------------------|
| Collector - Change Fund | \$ 100.00 | \$ - | \$ 100.00 |
| Borough Clerk - Change Fund | 100.00 | | 100.00 |
| Petty Cash Fund | 250.00 | 200.00 | 450.00 |
| | <u>\$ 450.00</u> | <u>\$ 200.00</u> | <u>\$ 650.00</u> |
| Reference | A | A-1 | A |

SCHEDULE OF MISCELLANEOUS RESERVES

A-6

| | Balance December 31, 2012 | Cash Receipts | Cash Disbursements | Balance December 31, 2013 |
|---|------------------------------|--------------------|--------------------|------------------------------|
| Donations for First Aid Squad | \$ 2,405.12 | \$ 250.00 | \$ 323.40 | \$ 2,331.72 |
| Donations for St. Joe's Park | 785.00 | | | 785.00 |
| Meadowlands Hospital's Donation for Police Equip. | 183.00 | | | 183.00 |
| Fire Department Training | 11,894.41 | 8,365.00 | 7,352.69 | 12,906.72 |
| | <u>\$ 15,267.53</u> | <u>\$ 8,615.00</u> | <u>\$ 7,676.09</u> | <u>\$ 16,206.44</u> |
| | A | A-4 | A-4 | A |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

| Year | Balance Dec. 31, 2012 | 2013 Levy | 2012 | Collections 2013 | Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net) | Transfer to Lien | Added 6% Penalty | (Canceled) | Balance Dec. 31, 2013 |
|--|--------------------------|-------------------------|------------------|-------------------------|---|---------------------|---------------------|-----------------------|--------------------------|
| 2010/2011/2012 | \$ 6,864,068.94 | \$ - | \$ - | \$ 882,235.25 | \$ 4,883.66 | \$ 5,126.84 | \$ 27,238.73 | \$ (6,005,432.63) | \$ 3,396.61 |
| 2013 | <u>6,864,068.94</u> | <u>36,441,604.85</u> | <u>85,914.87</u> | <u>33,543,434.75</u> | <u>4,883.66</u> | <u>19,613.13</u> | <u>27,608.35</u> | <u>(2,195,639.23)</u> | <u>624,611.22</u> |
| Reference | A | Below | A-16 | Below | A-1,8 | A-10 | | (8,201,071.86) | A |
| | | | Reference | | | | | | |
| Cash Receipts | | | A-4 | \$ 34,350,980.42 | | | | | |
| Applied from Overpayments | | | A-15 | 10,939.58 | | | | | |
| State of NJ - Realized | | | | | | | | | |
| Seniors and Veterans Deductions | | | A-8 | <u>63,750.00</u> | | | | | |
| | | | Above | <u>\$ 34,425,670.00</u> | | | | | |
| Analysis of 2013 Property Tax Levy | | | | | | | | | |
| Tax Yield: | | | | | | | | | |
| General Purpose Tax | | \$ 36,343,380.55 | | | | | | | |
| Senior Citizen's & Veteran's Deduction | | 63,500.00 | | | | | | | |
| Added Taxes (54:4-63.1 et. seq.) | | 34,724.30 | | | | | | | |
| | | <u>36,441,604.85</u> | Above | | | | | | |
| Tax Levy: | | | | | | | | | |
| Local & Regional District School | | | | | | | | | |
| Tax (Abstract) | | \$ 19,751,699.00 | A-18,19 | | | | | | |
| County Taxes | | 5,484,431.17 | A-17 | | | | | | |
| Due County for Added Taxes | | 4,743.31 | A-17 | | | | | | |
| Local Tax for Municipal Purposes | | 11,160,449.34 | A-2 | | | | | | |
| Add: Additional Taxes Levied | | <u>40,282.03</u> | | | | | | | |
| Total Tax Levy | | <u>\$ 36,441,604.85</u> | Above | | | | | | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

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

A-8

| | Reference | | |
|--|-----------|--------------|-------------------------------|
| Balance December 31, 2012 | A | | \$ 3,428.60 |
| Increased by: | | | |
| Cash Receipts - State of New Jersey | A-4 | \$ 55,008.50 | |
| Senior Citizens Deductions Disallowed by Tax Collector 2012 Taxes | A-1,7 | 4,883.66 | 59,892.16 |
| | | | 63,320.76 |
| Decreased by: | | | |
| Senior Citizens Deductions Per Tax Billing | | 19,500.00 | |
| Veterans Deductions Per Tax Billing | | 44,000.00 | |
| Senior Citizens/Veteran Deductions Allowed by Tax Collector | | 250.00 | 63,750.00 |
| Balance December 31, 2013 | A | | <u><u>\$ (429.24)</u></u> |
| <i>Calculation of Amount Realized from State Reimbursement</i> | | | |
| Deductions per tax billings: | | | |
| Senior Citizens | | \$ 19,500.00 | |
| Veterans | | 44,000.00 | |
| Senior Citizens/Veteran Deductions Allowed by Tax Collector | | 250.00 | |
| Amount Realized | A-7 | | <u><u>\$ 63,750.00</u></u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-9

| | Reference | |
|--------------------------------|-----------|-----------------------------|
| Balance December 31, 2012 | A | <u>\$ 636,900.00</u> |
| Balance December 31, 2013 | A, Below | <u><u>\$ 636,900.00</u></u> |
| <i>Analysis of Balance</i> | | |
| Block | Lot | Assessed Valuation |
| 70 | 10 | \$ 38,000.00 |
| 107.03 | 1 | 134,400.00 |
| 108.01 | 3 | 250,000.00 |
| 108.04 | 3 | 62,000.00 |
| 109.02 | 3 | <u>152,500.00</u> |
| | Above | <u><u>\$ 636,900.00</u></u> |

SCHEDULE OF TAX TITLE LIENS

A-10

| | Reference | |
|--------------------------------|-----------|-----------------------------|
| Balance December 31, 2012 | A | \$ 113,628.04 |
| Increased by: | | |
| Adjustment | | \$ 483.87 |
| Transferred to Lien | A-7 | <u>24,739.97</u> |
| | | <u>25,223.84</u> |
| Decreased by: | | |
| Balance December 31, 2013 | A, Below | <u><u>\$ 138,851.88</u></u> |
| <i>Analysis of Balance</i> | | |
| Block | Lot | COA08 |
| 6.01 | 8 | \$ 35.00 |
| 8 | 3 | 10,819.85 |
| 19 | 15 | 325.50 |
| 23.02 | 10 | 1,338.99 |
| 46 | 31 | 1,032.60 |
| 70 | 26 | 263.57 |
| 79 | 26.01 | 744.21 |
| 102C | 3 | 2,275.96 |
| 102 | 6 | 32,681.26 |
| 105.01 | 11 | 45,561.84 |
| 105.02 | 7 | <u>43,773.10</u> |
| | Above | <u><u>\$ 138,851.88</u></u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

| | Balance Dec. 31, 2012 | Accrued in 2013 | Collected | Balance Dec. 31, 2013 |
|-------------------|--------------------------|--------------------|---------------|--------------------------|
| Municipal Court | \$ - | \$ 498,688.48 | \$ 498,688.48 | \$ - |
| Construction Code | | | | |
| Official Fees | | 321,768.03 | 321,768.03 | - |
| Vital Statistics | | 2,401.00 | 2,401.00 | - |
| Borough Clerk | | 39,857.86 | 39,857.86 | - |
| Board of Health | | 26,237.00 | 26,237.00 | - |
| | | | | |
| | \$ - | \$ 888,952.37 | \$ 888,952.37 | \$ - |
| Reference | A | | | A |

SCHEDULE OF DEFERRED CHARGES

A-12

| | Balance Dec. 31, 2012 | Amount in 2013 Budget | Increased by Current Year Deferred Charges | Balance Dec. 31, 2013 |
|---------------------------------|--------------------------|-----------------------------|--|--------------------------|
| Special Emergency - Revaluation | \$ 37,000.00 | \$ 37,000.00 | \$ - | \$ - |
| Deficit in Operations | 24,568.00 | 24,568.00 | | - |
| Emergency Appropriations | 435,000.00 | 435,000.00 | | - |
| | | | | |
| | \$ 496,568.00 | \$ 496,568.00 | \$ - | \$ - |
| Reference | A | A-3 | A-1 | A |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

| | Balance December 31, 2012 | Encumbrances December 31, 2012 | Transfers | Modified by Transfers | Paid or Charged | Lapsed | Over - expenditures |
|--|---------------------------------|--------------------------------------|---------------|-----------------------------|-----------------------|-----------|------------------------|
| GENERAL GOVERNMENT | | | | | | | |
| Administrative & Executive | | | | | | | |
| Municipal Clerk | | | | | | | |
| Salaries and Wages | \$ 1,475.59 | \$ - | \$ (1,400.00) | \$ 75.59 | \$ - | \$ 75.59 | \$ - |
| Other Expenses | 27.18 | | | 27.18 | | 27.18 | |
| Contracted Services | | | | | | | |
| Mayor and Council | | | | | | | |
| Salaries and Wages | 1.22 | | | 1.22 | | 1.22 | |
| Other Expenses | 1,801.00 | 775.00 | (1,000.00) | 1,576.00 | 775.00 | 801.00 | |
| Elections | | | | | | | |
| Other Expenses | 6,514.47 | | | 6,514.47 | 289.00 | 6,225.47 | |
| Financial Administration | | | | | | | |
| Salaries and Wages | 14.06 | | | 14.06 | | 14.06 | |
| Other Expenses | | | | | | | |
| Annual Audit | 29,250.00 | | | 29,250.00 | 29,250.00 | | |
| Miscellaneous - Other Expenditures | 2,613.37 | 15.49 | | 2,628.86 | 15.49 | 2,613.37 | |
| Single Audit Act | | | | | | | |
| Purchasing | | | | | | | |
| Salaries and Wages | 0.10 | | | 0.10 | | 0.10 | |
| Assessment of Taxes | | | | | | | |
| Salaries and Wages | 624.24 | | | 624.24 | | 624.24 | |
| Other Expenses | 343.68 | 846.68 | | 1,190.36 | 1,022.68 | 167.68 | |
| Ordinance Enforcement | | | | | | | |
| Salaries and Wages | 63.24 | | | 63.24 | | 63.24 | |
| Redevelopment Agency (R.S. 40:550-1) | | | | | | | |
| Salaries and Wages | 63.04 | | | 63.04 | | 63.04 | |
| Other Expenses (R.S. 40:550-1) | 5,506.00 | | | 5,506.00 | | 5,506.00 | |
| Collection of Taxes | | | | | | | |
| Salaries and Wages | 28.20 | | | 28.20 | | 28.20 | |
| Other Expenses | 42.88 | | | 42.88 | | 42.88 | |
| Legal Services and Costs | | | | | | | |
| Salaries and Wages | - | | | - | | - | |
| Other Expenses | 5,840.81 | | 11,500.00 | 17,340.81 | 16,547.95 | 792.86 | |
| Ordinance Recodification | 4,538.47 | | | 4,538.47 | | 4,538.47 | |
| Tax Appeals - Professional Fees | | | | | | | |
| Engineering Services and Costs | | | | | | | |
| Salaries and Wages | 0.12 | | | 0.12 | | 0.12 | |
| Other Expenses | 12,311.25 | | | 12,311.25 | 11,440.35 | 870.90 | |
| Public Buildings and Grounds | | | | | | | |
| Other Expenses | 2,304.13 | 3,560.40 | | 5,864.53 | 5,319.93 | 544.60 | |
| Contracted Service | 22,073.22 | 1,877.00 | | 23,950.22 | 4,247.00 | 19,703.22 | |
| Municipal Land Use Law (NJSA 40:55D-1) | | | | | | | |
| Planning Board - Other Expenses | 1,951.50 | | (1,300.00) | 651.50 | | 651.50 | |
| Zoning Board of Adjustment | | | | | | | |
| Salaries and Wages | | | | | | | |
| Other Expenses | 274.00 | | 1,100.00 | 1,374.00 | 1,000.00 | 374.00 | |
| Redevelopment / Grant Services | | | | | | | |
| Contractual Services | | | | | | | |
| Municipal Court | | | | | | | |
| Salaries and Wages | 2,811.17 | | | 2,811.17 | | 2,811.17 | |
| Other Expenses | 6,543.93 | 5,102.47 | | 11,646.40 | 5,454.09 | 6,192.31 | |
| Public Defender | | | | | | | |
| Salaries and Wages | 256.24 | | | 256.24 | | 256.24 | |
| Insurance | | | | | | | |
| Liability | 68,123.70 | | | 68,123.70 | 67,967.27 | 156.43 | |
| Workman's Compensation | 98,121.11 | | (8,000.00) | 90,121.11 | 90,096.15 | 24.96 | |
| Employee Group Insurance | 9,386.71 | | (2,000.00) | 7,386.71 | 100.00 | 7,286.71 | |
| Self-Insurance Eye Care | 4,569.46 | 589.96 | | 5,159.42 | 889.96 | 4,269.46 | |
| Rent Control Board | | | | | | | |
| Salaries and Wages | 46.20 | | | 46.20 | | 46.20 | |
| Other Expenses | 500.00 | | | 500.00 | | 500.00 | |
| PUBLIC SAFETY | | | | | | | |
| Fire | | | | | | | |
| Other Expenses | | | | | | | |
| Gear Maintenance | 12,141.85 | 7,550.12 | | 19,691.97 | 16,674.98 | 3,016.99 | |
| Other Expenses - Lease/Purchase Equip. | 36.26 | | | 36.26 | | 36.26 | |
| Clothing Allowance | 1,700.00 | | | 1,700.00 | | 1,700.00 | |
| Leased Vehicles | - | | | - | | - | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

| | Balance December 31, 2012 | Encumbrances December 31, 2012 | Transfers | Modified by Transfers | Paid or Charged | Lapsed | Over - expenditures |
|--|---------------------------------|--------------------------------------|-------------|-----------------------------|-----------------------|-----------|------------------------|
| GENERAL GOVERNMENT (Continued) | | | | | | | |
| Fire Alarm System | \$ 632.90 | \$ - | \$ - | \$ 632.90 | \$ 126.80 | \$ 506.10 | \$ - |
| Other Expenses | | | | | | | |
| Fire Prevention and Life Safety | | | | | | | |
| Salaries & Wages | | | | | | | |
| Fire Official | 22.44 | | | 22.44 | | 22.44 | |
| Other Salaries | 334.62 | | | 334.62 | | 334.62 | |
| Other Expenses | 1,178.70 | 1,178.36 | (1,000.00) | 1,357.06 | 953.36 | 403.70 | |
| Police | | | | | | | |
| Salaries and Wages | | | | | | | |
| Clothing Allowance | | | | | | | |
| Overtime | 94.24 | | | 94.24 | | 94.24 | |
| Sick Pay | | | | | | | |
| Other Expenses | 5,988.57 | 1,393.08 | | 7,381.65 | 3,455.89 | 3,925.76 | |
| 911 Service | 15.50 | | | 15.50 | | 15.50 | |
| Police Cars | | | | | | | |
| Special Police | | | | | | | |
| Salaries and Wages | 2.39 | | | 2.39 | | 2.39 | |
| Other Expenses | 500.00 | | | 500.00 | | 500.00 | |
| Traffic Lights | | | | | | | |
| Other Expenses | 2,541.18 | | | 2,541.18 | 432.11 | 2,109.07 | |
| Traffic Control | | | | | | | |
| Salaries and Wages | 116.25 | | | 116.25 | | 116.25 | |
| Other Expenses | 500.00 | | | 500.00 | | 500.00 | |
| First Aid Organization | | | | | | | |
| Other Expenses | 4,542.03 | | | 4,542.03 | 3,713.94 | 828.09 | |
| Emergency Management Services | | | | | | | |
| Salaries and Wages | 15.27 | | | 15.27 | | 15.27 | |
| Other Expenses | 1,638.27 | | | 1,638.27 | | 1,638.27 | |
| First Responder | | | | | | | |
| Salaries and Wages | 184.01 | | | 184.01 | | 184.01 | |
| Towing Director | | | | | | | |
| Salaries and Wages | 53.92 | | | 53.92 | | 53.92 | |
| STREETS AND ROADS | | | | | | | |
| Road Repair and Maintenance | | | | | | | |
| Salaries and Wages | 5,462.33 | | | 5,462.33 | | 5,462.33 | |
| Other Expenses | 2,141.97 | 2,861.24 | | 5,003.21 | 3,395.49 | 1,607.72 | |
| Recycling Costs | 3,876.50 | | | 3,876.50 | | 3,876.50 | |
| Lease Vehicles | | | | | | | |
| HEALTH AND WELFARE | | | | | | | |
| Board of Health | | | | | | | |
| Salaries and Wages | 0.24 | | | 0.24 | | 0.24 | |
| Other Expenses | 3,138.57 | 763.50 | | 3,902.07 | 1,122.50 | 2,779.57 | |
| Hepatitis "B" Shot | | | | | | | |
| SANITATION | | | | | | | |
| Garbage and Trash Removal | | | | | | | |
| Salaries and Wages | 5,491.71 | | | 5,491.71 | | 5,491.71 | |
| Other Expenses | | | | | | | |
| Dumping Fees - Bergen County | | | | | | | |
| Sanitary Landfill - Contractual | 49,801.38 | 2,528.47 | (20,000.00) | 32,329.85 | 13,989.93 | 18,339.92 | |
| RECREATION AND EDUCATION | | | | | | | |
| Board of Recreation Commission (R.S.4061-1 et. seq.) | | | | | | | |
| Salaries and Wages | 832.37 | | | 832.37 | | 832.37 | |
| Other Expenses | 1,781.07 | 908.78 | 5,000.00 | 7,689.85 | 6,793.28 | 896.57 | |
| Senior Citizens | | | | | | | |
| Salaries and Wages | 94.92 | | | 94.92 | | 94.92 | |
| Other Expenses | 32.21 | | | 32.21 | | 32.21 | |
| Celebration of Public Events, Anniversary or Holiday | | | | | | | |
| Other Expenses | 876.46 | 1,288.54 | | 2,165.00 | 205.14 | 1,959.86 | |
| GENERAL GOVERNMENT (Continued) | | | | | | | |
| STATE UNIFORM CONSTRUCTION CODE | | | | | | | |
| Sub-Code Official - Salaries and Wages | | | | | | | |
| Construction Code Official | 0.12 | | | 0.12 | | 0.12 | |
| Plumbing Inspector | 258.94 | | | 258.94 | | 258.94 | |
| Fire Inspector | 18.02 | | | 18.02 | | 18.02 | |
| Electrical Inspector | 133.62 | | | 133.62 | | 133.62 | |
| Other Salaries | 5.22 | | | 5.22 | | 5.22 | |
| Elevator Sub-Code Official | 132.96 | | | 132.96 | | 132.96 | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF 2012 APPROPRIATION RESERVES

A-13

| | Balance December 31, 2012 | Encumbrances December 31, 2012 | Transfers | Modified by Transfers | Paid or Charged | Lapsed | Over - expenditures |
|--|---------------------------------|--------------------------------------|-------------|-----------------------------|-----------------------|----------------------|------------------------|
| Building Sub-Code Official | \$ 9,199.59 | \$ 1,906.86 | \$ - | \$ 11,106.45 | \$ 3,884.32 | \$ 7,222.13 | \$ - |
| Other Expenses | 165.20 | | | 165.20 | | 165.20 | - |
| Rental Expense | | | | - | | - | - |
| UNCLASSIFIED | | | | - | | - | - |
| Utilities | | | | - | | - | - |
| Street Lighting | 32,542.04 | | | 32,542.04 | 29,257.79 | 3,284.25 | - |
| Gasoline | 5,964.89 | | | 5,964.89 | 5,309.83 | 655.06 | - |
| Fuel Oil | | | | - | | - | - |
| Electricity | 27,752.08 | | | 27,752.08 | 16,005.23 | 11,746.85 | - |
| Telephone and Telegraph | 4,014.37 | 150.00 | | 4,164.37 | 2,094.64 | 2,069.73 | - |
| Water | 1,556.70 | | 6,500.00 | 8,056.70 | 6,739.70 | 1,317.00 | - |
| Fire Hydrant Services | 10,082.66 | | 600.00 | 10,682.66 | 10,666.06 | 16.60 | - |
| Purchase of Postage | 11,804.36 | 936.25 | | 12,740.61 | 858.53 | 11,882.08 | - |
| Vehicle Maintenance | | | | - | | - | - |
| Salaries & Wages | 488.73 | | | 488.73 | | 488.73 | - |
| Other Expenses | 3,313.64 | 5,331.72 | 6,500.00 | 15,145.36 | 14,043.67 | 1,101.69 | - |
| Contingent | 1,469.85 | | | 1,469.85 | 1,469.85 | - | - |
| STATUTORY EXPENDITURES: | | | | - | | - | - |
| PERS | - | | | - | | - | - |
| Social Security System (O.A.S.I) | 691.39 | | | 691.39 | | 691.39 | - |
| PFRS | - | | | - | | - | - |
| Pension of Widow Charles Swift (R.S.43:12-28.1) | 0.20 | | | 0.20 | | 0.20 | - |
| Maintenance of Free Public Library Ch.82, PL. 1985 | 2,738.78 | | | 2,738.78 | 2,738.78 | - | - |
| Adjustment | | | | - | | - | - |
| Tax Appeals - Prof'l Services | 4,210.00 | 6,600.00 | 3,500.00 | 14,310.00 | 14,100.00 | 210.00 | - |
| Meadowlands Adjustment | | | | - | | - | - |
| Joint Meeting | | | | - | | - | - |
| Prior Year Bills | | | | - | | - | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 510,331.78 | \$ 46,163.92 | \$ - | \$ 556,495.70 | \$ 392,446.69 | \$ 164,049.01 | \$ - |
| Reference | A | A-22 | | | A-4 | A-1 | |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF PREMIUM ON TAX ANTICIPATION NOTE

A-14

| | Reference | |
|---------------------------|-----------|---------------------|
| Balance December 31, 2012 | A | \$ 43,442.00 |
| Balance December 31, 2013 | A | <u>\$ 43,442.00</u> |

SCHEDULE OF TAX OVERPAYMENTS

A-15

| | Reference | |
|--|-----------|----------------------|
| Balance December 31, 2012 | A | \$ 11,638.31 |
| Increased by: | | |
| Judgments- Charge to Reserve for Tax Appeals | A-24 | \$ 26,866.35 |
| Judgments- Charged to Operations | A-1 | <u>120,722.29</u> |
| | | <u>147,588.64</u> |
| | | 159,226.95 |
| Decreased by: | | |
| Net Overpayments - Applied to Taxes | A-7 | 10,939.58 |
| Applied to Sewer Payments | D-14 | 11,266.94 |
| Overpayments and Tax Appeals Refunded | A-4 | <u>35,534.47</u> |
| | | <u>57,740.99</u> |
| Balance December 31, 2013 | A | <u>\$ 101,485.96</u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF PREPAID TAXES

A-16

| | Reference | |
|----------------------------|-----------|-----------------------------|
| Balance December 31, 2012 | A | \$ 85,914.87 |
| Increased by: | | |
| Collection of Taxes - 2014 | A-4 | 108,199.06 |
| | | <u>194,113.93</u> |
| Decreased by | | |
| Applied to 2013 Taxes | A-7 | <u>85,914.87</u> |
| Balance December 31, 2013 | A | <u><u>\$ 108,199.06</u></u> |

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

| | Reference | |
|---------------------------|-----------|---------------------------|
| Balance December 31, 2012 | A | \$ 3,945.57 |
| Increased by: | | |
| 2013 Levy | A-1,2,7 | \$ 5,424,731.27 |
| County Open Space | A-1,2,7 | 59,699.90 |
| Added Taxes | A-1,2,7 | <u>4,743.31</u> |
| | | <u>5,489,174.48</u> |
| | | 5,493,120.05 |
| Decreased by: | | |
| Payments | A-4 | <u>5,488,376.73</u> |
| Balance December 31, 2013 | A | <u><u>\$ 4,743.32</u></u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

| | Reference | | |
|---|-----------|----------------------|----------------------|
| Balance December 31, 2012 | | | |
| School Tax Deferred | | \$ | 6,719,921.00 |
| | | | |
| Increased by: | | | |
| Adjustment | A-1 | \$ | (0.02) |
| Levy-School Year July 1, 2013 - June 30, 2014 | A-7 | <u>13,887,756.00</u> | <u>13,887,755.98</u> |
| | | | <u>20,607,676.98</u> |
| | | | |
| Decreased by: | | | |
| Payments | A-4 | | <u>13,663,798.98</u> |
| | | | |
| Balance December 31, 2013 | | \$ | <u>6,943,878.00</u> |
| | | | |
| Due from School | | | |
| School Tax Deferred | | \$ | <u>6,943,878.00</u> |
| | | | |
| 2013 Liability for Local District Tax | | \$ | - |
| | | | |
| Taxes Paid | | | 13,663,798.98 |
| Adjustment | | | <u>0.02</u> |
| | | | |
| Amount Charged to 2013 Operations | A-1,2 | \$ | <u>13,663,799.00</u> |

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

| | Reference | | |
|---|-----------|---------------------|---------------------|
| Balance December 31, 2012 | | | |
| School Tax Deferred | | \$ | 2,877,648.99 |
| School tax Payable | | | 72,000.00 |
| | | | |
| Increased by: | | | |
| Adjustment | A-1 | \$ | 0.07 |
| Levy-School Year July 1, 2013 - June 30, 2014 | A-7 | <u>5,863,943.00</u> | <u>5,863,943.07</u> |
| | | | <u>8,813,592.06</u> |
| | | | |
| Decreased by: | | | |
| Payments | A-4 | | <u>5,881,620.56</u> |
| | | | |
| Balance December 31, 2013 | | \$ | <u>2,931,971.50</u> |
| | | | Below |
| | | | |
| Regional High School Tax Payable | | \$ | - |
| Regional High School Tax Deferred | | | <u>2,931,971.50</u> |
| | | \$ | <u>2,931,971.50</u> |
| | | | |
| 2013 Liability for Regional School Tax | | | |
| Tax Paid | | \$ | 5,881,620.56 |
| Adjustment | | | (0.07) |
| Regional School Tax Payable- Prior Year | A | | <u>(72,000.00)</u> |
| | | | |
| Amount Charged to 2013 Operations | A-1,2 | \$ | <u>5,809,620.49</u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF TAX TITLE LIENS PAYABLE

A-20

| | Reference | |
|---|-----------|--------------------|
| Balance December 31, 2012 | A | \$ - |
| Increased by: | | |
| Receipts Due to Outside Lien holders - Tax Collector | A-4 | 85,392.47 |
| | | <u>85,392.47</u> |
| Decreased by: | | |
| Disbursements to Outside Lien holder | A-4 | 85,392.47 |
| | | <u>85,392.47</u> |
| Balance December 31, 2013 | A | <u><u>\$ -</u></u> |

SCHEDULE OF RESERVE FOR REVALUATION

A-21

| | Reference | |
|---------------------------|-----------|----------------------------|
| Balance December 31, 2012 | A | \$ 10,848.61 |
| | | <u>10,848.61</u> |
| Balance December 31, 2013 | A | <u><u>\$ 10,848.61</u></u> |

SCHEDULE OF ENCUMBRANCE PAYABLE

A-22

| | Reference | |
|---|-----------|----------------------------|
| Balance December 31, 2012 | A | \$ 46,163.92 |
| Increased by: | | |
| Budget Appropriations Payable | A-3 | 63,601.95 |
| | | <u>63,601.95</u> |
| | | 109,765.87 |
| Decreased by: | | |
| Encumbrances Transferred to Appropriation Reserve Schedule | A-13 | 46,163.92 |
| | | <u>46,163.92</u> |
| Balance December 31, 2013 | A | <u><u>\$ 63,601.95</u></u> |

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF POLICE OFF DUTY RECEIVABLE/ (PAYABLE)

A-23

| | Reference | |
|---------------------------|-----------|----------------------|
| Balance December 31, 2012 | A | \$ 79,295.53 |
| Increased by: | | |
| Cash Disbursements | A-4 | 826,162.94 |
| | | <u>905,458.47</u> |
| Decreased by: | | |
| Cash Receipts | A-4 | 756,229.47 |
| | | <u>756,229.47</u> |
| Balance December 31, 2013 | A | <u>\$ 149,229.00</u> |

SCHEDULE OF RESERVE FOR TAX APPEALS

A-24

| | Reference | |
|---------------------------|-----------|------------------|
| Balance December 31, 2012 | A | \$ 26,866.35 |
| Increased by: | | |
| Budget Appropriations | A-3 | 26,866.35 |
| | | <u>26,866.35</u> |
| Decreased by: | | |
| Tax Refunds | A-15 | 26,866.35 |
| | | <u>26,866.35</u> |
| Balance December 31, 2013 | A | <u>\$ -</u> |

SCHEDULE OF RESERVE FOR DEA CONFISCATED FUNDS

A-25

| | Reference | |
|---------------------------|-----------|----------------------|
| Balance December 31, 2012 | A | \$ 236,143.34 |
| Increased by: | | |
| Cash Received | A-4 | 367,128.29 |
| | | <u>603,271.63</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | 442,641.06 |
| | | <u>442,641.06</u> |
| Balance December 31, 2013 | A | <u>\$ 160,630.57</u> |

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

| | Reference | Other Trust | Developers Escrow | Dog License | Unemployment Compensation |
|-------------------------------------|------------|----------------------|----------------------|---------------------|------------------------------|
| Balance December 31, 2012 | B | \$ 451,212.06 | \$ 200,106.45 | \$ 17,323.15 | \$ 61,008.98 |
| Increased by Receipts: | | | | | |
| Interest Income | B-4,7,9,10 | 190.33 | 195.54 | 5.97 | 14.19 |
| Municipal Dog License Fee | B-6 | | | 5,904.80 | |
| State Dog License Fee | B-3 | | | 1,174.20 | |
| Escrow Deposits | B-5 | | 412,730.84 | | |
| Special Reserves | B-8 | 6,035,426.93 | | | |
| Interfunds | Contra | 25,910.79 | | | |
| Due to Current Fund | B-4,7,9,10 | 233,000.45 | | | 51.96 |
| Due from Sewer Utility Fund | B-11 | | | | |
| Transfer from Payroll Agency | B-2 | | | | 10,528.39 |
| Budget Requirement | B-2 | | | | 53,200.00 |
| | | <u>6,294,528.50</u> | <u>412,926.38</u> | <u>7,084.97</u> | <u>63,794.54</u> |
| | | <u>6,745,740.56</u> | <u>613,032.83</u> | <u>24,408.12</u> | <u>124,803.52</u> |
| Decreased by Disbursements: | | | | | |
| Transfer to Current Fund - Interest | B-4,7,9,10 | 241,525.83 | 248.22 | 7.45 | 17.68 |
| Interfunds | Contra | 25,910.79 | | 5,119.27 | |
| Transfer to Sewer Utility Fund | B-11 | 200.00 | | | |
| Dog License Fund Expenditures | B-6 | | | 1,343.20 | |
| State Dog License Fees | B-3 | | | 1,165.80 | |
| State of NJ Unemployment Fund | B-2 | | | | 69,823.94 |
| Escrow Disbursements | B-5 | | 384,496.84 | | |
| Special Reserves | B-8 | 6,036,741.89 | | | |
| | | <u>6,304,378.51</u> | <u>384,745.06</u> | <u>7,635.72</u> | <u>69,841.62</u> |
| Balance December 31, 2013 | B | <u>\$ 441,362.05</u> | <u>\$ 228,287.77</u> | <u>\$ 16,772.40</u> | <u>\$ 54,961.90</u> |

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

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF UNEMPLOYMENT TRUST RESERVE

B-2

| | Reference | |
|------------------------------|-----------|---------------------|
| Balance December 31, 2012 | B | \$ 61,057.45 |
| Increased by: | | |
| Budget Requirement | B-1 | \$ 53,200.00 |
| Transfer from Payroll Agency | | <u>10,528.39</u> |
| | | <u>63,728.39</u> |
| Decreased by: | | 124,785.84 |
| Payments to State of NJ | B-1 | <u>69,823.94</u> |
| Balance December 31, 2013 | B | <u>\$ 54,961.90</u> |

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

B-3

| | Reference | |
|---------------------------|-----------|-----------------|
| Balance December 31, 2012 | B | \$ 1.20 |
| Increased by: | | |
| 2013 Fees Collected | B-1 | 1,174.20 |
| | | <u>1,175.40</u> |
| Decreased by: | | |
| Payments | B-1 | <u>1,165.80</u> |
| Balance December 31, 2013 | B | <u>\$ 9.60</u> |

SCHEDULE OF DUE TO CURRENT FUND - DOG LICENSE FUND

B-4

| | Reference | |
|--------------------------------------|-----------|--------------------|
| Balance December 31, 2012 | B | \$ 5,120.75 |
| Increased by: | | |
| Interest Income | B-1 | \$ 5.97 |
| Statutory Excess | A-1,B-6 | <u>4,170.00</u> |
| | | <u>4,175.97</u> |
| Decreased by: | | 9,296.72 |
| Transfer to Current Fund - Interest | B-1 | 7.45 |
| Transfer to Current Fund - Interfund | A-4,B-1 | <u>5,119.27</u> |
| | | <u>5,126.72</u> |
| Balance December 31, 2013 | B | <u>\$ 4,170.00</u> |

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

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES

B-5

| | Reference | |
|---------------------------|-----------|----------------------|
| Balance December 31, 2012 | B | \$ 200,053.77 |
| Increased by: | | |
| Escrow Deposits | B-1 | 412,730.84 |
| | | <u>612,784.61</u> |
| Decreased by: | | |
| Escrow Disbursements | B-1 | 384,496.84 |
| | | <u>384,496.84</u> |
| Balance December 31, 2013 | B | <u>\$ 228,287.77</u> |

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-6

| | Reference | |
|--|-----------|---------------------|
| Balance December 31, 2012 | B | \$ 12,201.20 |
| Increased by: | | |
| Dog License Fees Collected | B-1 | 5,904.80 |
| | | <u>18,106.00</u> |
| Decreased by: | | |
| Expenditures | B-1 | \$ 1,343.20 |
| Statutory Excess - Due to Current Fund | B-4 | 4,170.00 |
| | | <u>5,513.20</u> |
| Balance December 31, 2013 | B, Below | <u>\$ 12,592.80</u> |
| 2011 Fees Collected | | \$ 6,318.40 |
| 2012 Fees Collected | | 6,274.40 |
| | Above | <u>\$ 12,592.80</u> |

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

B-7

| | Reference | |
|--|-----------|-----------------------|
| Balance December 31, 2012 | B | \$ (2,024.50) |
| Increased by: | | |
| Interest Income | B-1 | \$ 190.33 |
| Adjustment for Elevator Fees | B-8 | 3,484.00 |
| Transfer from Current Fund | A-4, B-1 | 233,000.45 |
| Expenditures from Current Fund | A-4, B-8 | 48,409.84 |
| TTL Premium | A-4, B-8 | 24,000.00 |
| | | <u>309,084.62</u> |
| Decreased by: | | |
| Fees Received in Current Fund | A-4, B-8 | 67,710.19 |
| Tax Title Liens - Received in Current Fund | A-4, B-8 | 80,800.00 |
| Transfers to Current Fund | A-4, B-1 | 241,324.63 |
| Transfers to Current Fund - Interest | B-1 | 201.20 |
| | | <u>390,036.02</u> |
| Balance December 31, 2013 | B | <u>\$ (82,975.90)</u> |

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

| | Balance Dec. 31, 2012 | Receipts | Disbursements | Due to Current Fund | Due to Sewer Utility Fund | Balance Dec. 31, 2013 |
|---|--------------------------|------------------------|------------------------|------------------------|------------------------------|--------------------------|
| HMDC Recycling Grant | \$ 1,000.00 | \$ - | \$ - | \$ (1,000.00) | \$ - | \$ - |
| Refundable Deposits | 100.00 | | | | | 100.00 |
| Tax Title Lien Premiums | 127,700.00 | | | 56,800.00 | | 184,500.00 |
| Fees | 502.00 | | | (17.00) | | 485.00 |
| Escrow Reserve | 8.68 | | | | | 8.68 |
| Street Openings | 920.00 | | | (920.00) | | 0.00 |
| Riggin Field Bricks | 63.00 | | | (63.00) | | 0.00 |
| Graffiti Reward | 500.00 | | | | | 500.00 |
| Fire Official | 0.00 | 28,768.92 | 28,768.92 | | | 0.00 |
| Neighborhood Crime Watch | 2,429.30 | 0.43 | | (275.00) | | 2,154.73 |
| Uniform Fire Safety Act Penalty | 18,401.00 | | | 15,615.00 | | 34,016.00 |
| Elevator Fees | 54,827.00 | | | 8,508.00 | | 63,335.00 |
| COAH | 140,913.70 | 108.46 | 31.74 | | | 140,990.42 |
| Insurance | 0.00 | 549,578.09 | 549,578.09 | | | 0.00 |
| Payroll and Payroll Agency | 77,946.41 | 5,455,621.03 | 5,458,363.14 | | | 75,204.30 |
| Snow Removal | 5,592.73 | | | 186.99 | | 5,779.72 |
| Substance Abuse Prevention | 22,132.74 | 1,350.00 | | (6,218.64) | | 17,264.10 |
| | <u>\$ 453,036.56</u> | <u>\$ 6,035,426.93</u> | <u>\$ 6,036,741.89</u> | <u>\$ 72,616.35</u> | <u>\$ -</u> | <u>\$ 524,337.95</u> |
| Reference | B | B-1 | B-1 | Below | B-11 | B |
| Adjustment- Elevator Fees | | | B-7 | \$ (3,484.00) | | |
| Expenditures Paid from Current Fund | | | B-7 | (48,409.84) | | |
| TTL Premium - Paid in Current Fund | | | B-7 | (24,000.00) | | |
| Fees Collected in Current Fund | | | B-7 | 67,710.19 | | |
| TTL Premium - Collected in Current Fund | | | B-7 | 80,800.00 | | |
| | | | Above | <u>\$ 72,616.35</u> | | |

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

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

B-9

| | Reference | |
|---------------------------------------|-----------|------------|
| Balance December 31, 2012 | B | \$ (48.47) |
| Increased by: | | |
| Transfer from Current Fund | A-4, B-1 | \$ 51.96 |
| Interest Earned in Unemployment Trust | B-1 | 14.19 |
| | | 66.15 |
| Decreased by: | | |
| Interest Transferred to Current Fund | B-1 | 17.68 |
| | | 17.68 |
| Balance December 31, 2013 | B | \$ - |

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

B-10

| | Reference | |
|---|-----------|----------|
| Balance December 31, 2012 | B | \$ 52.68 |
| Increased by: | | |
| Interest Income | B-1 | 195.54 |
| | | 248.22 |
| Decreased by: | | |
| Interest Income Transferred to Current Fund | B-1 | 248.22 |
| | | 248.22 |
| Balance December 31, 2013 | B | \$ - |

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

B-11

| | Reference | |
|--------------------------------|-----------|-----------|
| Balance December 31, 2012 | B | \$ 200.00 |
| Decreased by: | | |
| Transfer to Sewer Utility Fund | B-1 | 200.00 |
| | | 200.00 |
| Balance December 31, 2013 | B | \$ - |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CASH - TREASURER

C-2

| | Reference | |
|--|-----------|------------------------|
| Balance December 31, 2012 | C | \$ 3,849,367.30 |
| Increased by Receipts: | | |
| Transfer from Current Fund | C-4 | \$ 2,807,091.08 |
| Bond Ant. Notes Paid Down- Transfer from Current Capital Improvement Fund | C-6 | 804,000.00 |
| BAN Received | C-8 | 50,000.00 |
| BAN Received - Due to Sewer Capital Fund | C-16 | 7,610,665.00 |
| Premium on BAN Sale | C | 53,000.00 |
| Grants Received | C-10 | 9,070.00 |
| Transfer from Grant Fund | C-14,18 | 134,100.00 |
| | C | 500,000.00 |
| | C-3 | <u>11,967,926.08</u> |
| | | 15,817,293.38 |
| Decreased by Disbursements: | | |
| BAN Payment | C-16 | 4,752,665.00 |
| Transfer to Current Fund - Interfund | C-4 | 2,800,000.00 |
| Reserve For Payment of BANS- Transfer to Current Fund | C-14 | 885,000.00 |
| Improvement Authorizations | C-9 | 2,398,823.79 |
| Prior Year Encumbrances Payable | C-7 | 2,359.03 |
| Reserve for Roadway Improvements | C-20 | 28,200.00 |
| | C-3 | <u>10,867,047.82</u> |
| Balance December 31, 2013 | C | <u>\$ 4,950,245.56</u> |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF ANALYSIS OF CASH

C-3

| | Balance <u>Dec. 31, 2012</u> | <u>Receipts</u> | <u>Disbursements</u> | Transfers <u>(From)/To</u> | Balance <u>Dec. 31, 2013</u> |
|--|---------------------------------|-------------------------|-------------------------|-------------------------------|---------------------------------|
| Bond Anticipation Notes | \$ 4,752,665.00 | \$ 7,663,665.00 | \$ 4,752,665.00 | \$ - | \$ 7,663,665.00 |
| Due to Current Fund | (7,091.08) | 3,611,091.08 | 2,800,000.00 | (804,000.00) | - |
| Reserve for Payment of Bonds | 1,987,294.00 | 134,100.00 | 885,000.00 | (550,000.00) | 686,394.00 |
| Capital Improvement Fund | 196,391.63 | 50,000.00 | | (108,000.00) | 138,391.63 |
| Premium on BAN/ Bond Sale | 9,543.00 | 9,070.00 | | | 18,613.00 |
| Accrued Interest on Bond Sale | 12,228.35 | | | | 12,228.35 |
| Fund Balance | 1,893.30 | | | | 1,893.30 |
| Reserve for Building & Grounds Improvements | 31,037.75 | | | | 31,037.75 |
| Reserve for Roadway Improvements | 187,500.00 | | 28,200.00 | | 159,300.00 |
| Due From Grant Fund | (500,000.00) | 500,000.00 | | | - |
| Overexpenditure of Improvement Authorization | - | | | | - |
| Encumbrances Payable | 2,359.03 | | 2,359.03 | 14,893.25 | 14,893.25 |
| Improvement Authorizations | | | | | |
| 02-03 Communications Equipment | 6,885.00 | | 3,555.00 | (1,683.25) | 1,646.75 |
| 03-04 Acquisition of Property - Silver Streak | 1,215.00 | | | | 1,215.00 |
| 03-10 Improvement to Park & R.R. Avenue - Streetscape Project | 11,900.00 | | | | 11,900.00 |
| 03-12/03-25/05-09 Recreation Facilities | 2,175.93 | | 1,117.50 | | 1,058.43 |
| 04-11 Acquisition of Property | 303,386.16 | | 200.50 | (303,000.00) | 185.66 |
| 05-01 Acquisition of Property | (101.85) | | | | (101.85) |
| 06-06/08-11 Veterans Park Improvements | (534,598.66) | | | 550,000.00 | 15,401.34 |
| 06-19 Road Improvements | 37,236.60 | | 32,844.60 | | 4,392.00 |
| 07-14 Purchase of Property | 378,266.63 | | 687.50 | (377,000.00) | 579.13 |
| 09-06 Various Improvements | 610,919.84 | | 632,620.25 | | (21,700.41) |
| 10-07 Acquisition of Land on Carlton Ave. | (855,647.52) | | 275,580.40 | | (1,131,227.92) |
| 11-02 Tax Refunding | (1,200,000.00) | | | 300,000.00 | (900,000.00) |
| 11-15/13-09 Various Capital Improvements | (136,722.11) | | 1,074,597.92 | 696,000.00 | (515,320.03) |
| 12-03 Tax Refunding Bond | (1,449,368.70) | | 3,147.92 | 504,000.00 | (948,516.62) |
| 13-11 Various Capital Improvements | | | 374,472.20 | 78,790.00 | (295,682.20) |
| 13-19 Tax Refunding Bond | | | | | |
| | <u>\$ 3,849,367.30</u> | <u>\$ 11,967,926.08</u> | <u>\$ 10,867,047.82</u> | <u>\$ -</u> | <u>\$ 4,950,245.56</u> |
| | C | C-2 | C-2 | | C |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

C-4

| | Reference | | |
|--------------------------------------|-----------|-----------------|---------------|
| Balance December 31, 2012 | C | | \$ (7,091.08) |
| Increased by: | | | |
| Transfer from Current Fund | C-2 | \$ 2,807,091.08 | |
| | | | 2,807,091.08 |
| Decreased by: | | | |
| Transfer to Current Fund - Interfund | C-2 | 2,800,000.00 | |
| | | | 2,800,000.00 |
| Balance December 31, 2013 | C | | \$ - |

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-5

| | Reference | | |
|---|-----------|-----------------|------------------|
| Balance December 31, 2012 | C | | \$ 42,430,989.52 |
| Decreased by: | | | |
| 2013 Budget Appropriation to Pay Bonds | C-13 | \$ 1,870,724.19 | |
| 2013 Budget Appropriation to Pay BCIA Bonds | C-21 | 315,000.00 | |
| State Loan Payable | C-12 | 25,218.24 | |
| | | | 2,210,942.43 |
| Balance December 31, 2013 | C | | \$ 40,220,047.09 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

| Ord. # | Improvement Description | Balance Dec. 31, 2012 | 2013 Authorizations | Down Payment | Bond Anticipation Note Pay-Down | Grants & Green Acres Loan Received | Balance Dec. 31, 2013 | Analysis of Balance Dec. 31, 2013 | |
|-------------|---|--------------------------|------------------------|----------------------|---------------------------------------|--|--------------------------|-----------------------------------|---|
| | | | | | | | | Expenditures | Unexpended Improvement Authorizations |
| 05-01 | Acquisition of Land | \$ 101.85 | \$ - | \$ - | \$ - | \$ - | \$ 101.85 | \$ 101.85 | \$ - |
| 09-06 | Various Improvements | 64,450.50 | | | | | 64,450.50 | 21,700.41 | 42,750.09 |
| 10-07 | Acquisition of Land Located on Carlton Ave. | 1,496,000.00 | | | | | 1,496,000.00 | 1,131,227.92 | 364,772.08 |
| 11-02 | Tax Refunding Bond | 1,200,000.00 | | | 300,000.00 | | 900,000.00 | 900,000.00 | 0.00 |
| 11-15/13-09 | Various Capital Improvements | 2,040,665.00 | 320,000.00 | 16,000.00 | | | 2,344,665.00 | 515,320.03 | 1,829,344.97 |
| 12-03 | Tax Refunding Bond | 1,512,000.00 | | | 504,000.00 | | 1,008,000.00 | 948,516.62 | 59,483.38 |
| 13-11 | Various Capital Improvements | | 1,890,000.00 | 92,000.00 | | | 1,798,000.00 | 295,682.20 | 1,502,317.80 |
| 13-19 | Tax Refunding Bond | | 940,000.00 | | | | 940,000.00 | 0.00 | 940,000.00 |
| | | <u>\$ 6,313,217.35</u> | <u>\$ 3,150,000.00</u> | <u>\$ 108,000.00</u> | <u>\$ 804,000.00</u> | <u>\$ -</u> | <u>\$ 8,551,217.35</u> | <u>\$ 3,812,549.03</u> | <u>\$ 4,738,668.32</u> |
| Reference | | C | C-17 | C-16 | C-2 | C-17 | C | | C-9 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF ENCUMBRANCE PAYABLE

C-7

| | Reference | |
|---|-----------|--------------|
| Balance December 31, 2012 | C | \$ 2,359.03 |
| Increased by: | | |
| Improvement Authorizations Expenditures | C-9 | 14,893.25 |
| | | 17,252.28 |
| Decreased by: | | |
| Prior Year Encumbrances Disbursed | C-2 | 2,359.03 |
| | | 2,359.03 |
| Balance December 31, 2013 | C | \$ 14,893.25 |

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

| | Reference | |
|------------------------------|-----------|---------------|
| Balance December 31, 2012 | C | \$ 196,391.63 |
| Increased by: | | |
| Budget Appropriations -CIF | C-2 | 50,000.00 |
| | | 50,000.00 |
| | | 246,391.63 |
| Decreased by: | | |
| Down payment on Improvements | C-17 | 108,000.00 |
| | | 108,000.00 |
| Balance December 31, 2013 | C | \$ 138,391.63 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

| Ord. # | Improvement Description | Balance December 31, 2012 | | 2013 | | Authorizations Re-Appropriated | Overexpenditures | Balance December 31, 2013 | |
|-------------------|---|------------------------------|------------------------|------------------------|------------------------|-----------------------------------|------------------|------------------------------|------------------------|
| | | Funded | Unfunded | Authorizations | Expended | | | Funded | Unfunded |
| 02-03 | Communications Equipment | \$ 6,885.00 | \$ - | \$ - | \$ 5,238.25 | \$ - | \$ - | \$ 1,646.75 | \$ - |
| 03-04 | Acquisition of Property - Silver Streak | 1,215.00 | | | | | | 1,215.00 | |
| 03-10 | Improvements to Park & R.R. Ave. Streetscape Project | 11,900.00 | | | | | | 11,900.00 | |
| 03-12/03-25/05-09 | Recreation Facilities | 2,175.93 | | | 1,117.50 | | | 1,058.43 | |
| 04-11 | Acquisition of Property | 303,386.16 | | | 200.50 | (303,000.00) | | 185.66 | |
| 06-06 / 08-11 | Veterans Park Improvements | - | 15,401.34 | | | | | 15,401.34 | |
| 06-19 | Road Improvements | 37,236.60 | | | 32,844.60 | | | 4,392.00 | |
| 07-14 | Purchase of Property | 378,266.63 | | | 687.50 | (377,000.00) | | 579.13 | |
| 09-06 | Various Improvements | 610,919.84 | 64,450.50 | | 632,620.25 | | | | 42,750.09 |
| 10-05 | Construction of a New Public Safety Building | 1,548,754.60 | | | 414,075.75 | | | 1,134,678.85 | |
| 10-07 | Acquisition of Land Located on Carlton Ave. | | 640,352.48 | | 275,580.40 | | | | 364,772.08 |
| 11-15/13-09 | Various Capital Improvements | | 1,903,942.89 | 320,000.00 | 1,074,597.92 | 680,000.00 | | | 1,829,344.97 |
| 12-03 | Tax Refunding | | 62,631.30 | | 3,147.92 | | | | 59,483.38 |
| 13-11 | Various Capital Improvements | | | 1,890,000.00 | 387,682.20 | | | | 1,502,317.80 |
| 13-19 | Tax Refunding Bond | | | 940,000.00 | | | | | 940,000.00 |
| | | <u>\$ 2,900,739.76</u> | <u>\$ 2,686,778.51</u> | <u>\$ 3,150,000.00</u> | <u>\$ 2,827,792.79</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,171,057.16</u> | <u>\$ 4,738,668.32</u> |
| | Reference | C | C | C-17 | Below | | | C | C,C-6 |
| | | | | Reference | | | | | |
| | Improvement Authorization Disbursements | | | C-2 | \$ 2,398,823.79 | | | | |
| | BCIA Reimbursements | | | C-15 | 414,075.75 | | | | |
| | Encumbrance Payable | | | C-7 | <u>14,893.25</u> | | | | |
| | | | | Above | <u>\$ 2,827,792.79</u> | | | | |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF PREMIUM ON BAN/BOND SALE

C-10

| | Reference | |
|---------------------------|-----------|----------------------------|
| Balance December 31, 2012 | C | \$ 9,543.00 |
| Increased by: | | |
| BAN Issue | C-2 | <u>9,070.00</u> |
| Balance December 31, 2013 | C | <u><u>\$ 18,613.00</u></u> |

SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT

C-11

| | Reference | |
|---------------------------|-----------|----------------------------|
| Balance December 31, 2012 | C | \$ 31,037.75 |
| Balance December 31, 2013 | C | <u><u>\$ 31,037.75</u></u> |

SCHEDULE OF STATE LOAN PAYABLE

C-12

| | Reference | |
|------------------------------|-----------|-----------------------------|
| Balance December 31, 2012 | C | \$ 410,481.05 |
| Decreased by: | | |
| Paid by Budget Appropriation | C-5 | <u>25,218.24</u> |
| Balance December 31, 2013 | C | <u><u>\$ 385,262.81</u></u> |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

C-13

SCHEDULE OF GENERAL SERIAL BONDS

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Maturities of Bonds Outstanding December 31, 2013</u> | | <u>Interest Rate</u> | <u>Balance Dec. 31, 2012</u> | <u>General Serial Bonds Issued</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2013</u> |
|---------------------------|----------------------|---------------------------------|--|---------------|----------------------|------------------------------|------------------------------------|------------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| General Improvement Bonds | 12/20/05 | | 01/15/2013-18 | 1,100,000.00 | 4.25% | \$ 14,945,000.00 | \$ - | \$ 1,100,000.00 | \$ 13,845,000.00 |
| | | | 01/15/2019-24 | 1,200,000.00 | 4.25% | | | | |
| | | | 01/15/2025 | 1,145,000.00 | 5.00% | | | | |
| General Improvement Bonds | 11/01/09 | | 11/01/2014 | 867,064.71 | 2.125% | 10,385,508.47 | | 770,724.19 | 9,614,784.28 |
| | | | 11/01/2015 | 867,064.71 | 2.375% | | | | |
| | | | 11/01/2016-17 | 1,059,745.76 | 3.00% | | | | |
| | | | 11/01/2018 | 1,059,745.76 | 3.50% | | | | |
| | | | 11/01/2019-21 | 1,156,086.29 | 4.00% | | | | |
| | | | 11/01/2022 | 1,233,158.71 | 4.00% | | | | |
| | | | | | | <u>\$ 25,330,508.47</u> | <u>\$ -</u> | <u>\$ 1,870,724.19</u> | <u>\$ 23,459,784.28</u> |
| Reference | | | | | | C | | C-5 | C |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

C-14

| | Reference | |
|--|-----------|----------------|
| Balance December 31, 2012 | C | \$1,437,294.00 |
| Increased by: | | |
| Grants Received: Ord # 11-15 Carlton Hill Firehouse ADA Upgrades | C-2 | \$ 53,650.00 |
| Grants Received: Ord # 11-15 Boiling Springs Road Program | C-2 | 80,450.00 |
| | | 134,100.00 |
| | | 1,571,394.00 |
| Decreased by: | | |
| Anticipated in Current Budget | C-2 | 885,000.00 |
| Balance December 31, 2013 | C, Below | \$ 686,394.00 |

Analysis of Balance:

| | |
|---|---------------|
| Ord# 03-10 Park and Railroad Avenue- NJ Dept. of Transportation | \$ 376,400.00 |
| Ord# 03-10 Park and Railroad Avenue- Community Development Block Grant | 35,749.00 |
| Ord # 05-08 Purchase of Ambulance and Street Sweepers - NJ Meadowlands Comm. | 4,380.00 |
| Ord #09-06 Various Improvements | 18,597.00 |
| Ord #10-05 Construction of a New Public Safety Building | 4,668.00 |
| Ord #11-15 Various Improvements | 112,500.00 |
| Ord #11-15 Carlton Hill Fire House ADA Impr.- Community Development Block Grant | 53,650.00 |
| Ord #11-15 Boiling Springs Road Program.- Community Development Block Grant | 80,450.00 |
| | 686,394.00 |
| Above | \$ 686,394.00 |

SCHEDULE OF DUE FROM BERGEN COUNTY IMPROVEMENT AUTHORITY

C-15

| | Reference | |
|--|-----------|-----------------|
| Balance December 31, 2012 | C | \$ 1,548,754.60 |
| Decreased by: | | |
| Improvement Authorization Expenditures | C-9 | 414,075.75 |
| Balance December 31, 2013 | C | \$ 1,134,678.85 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

C-16

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>Ordinance #</u> | <u>Description</u> | <u>Original Amount Issue</u> | <u>Original Date of Issue</u> | <u>Date of Maturity</u> | <u>Rate of Interest</u> | <u>Balance Dec. 31, 2012</u> | <u>Issuance</u> | <u>Paid</u> | <u>Balance Dec. 31, 2013</u> |
|--------------------|--------------------------------|--------------------------------------|---------------------------------------|-----------------------------|-----------------------------|----------------------------------|------------------------|------------------------|----------------------------------|
| 09-06 | Various Capital Improvements | 64,000.00 | 08/28/2013 | 03/20/2014 | 2.000% | \$ - | \$ 64,000.00 | \$ - | \$ 64,000.00 |
| 10-07 | Acq. Of Land on Carlton Avenue | 1,496,000.00 | 05/21/2013 | 03/20/2014 | 2.000% | | 1,496,000.00 | | 1,496,000.00 |
| 11-02 | Tax Refunding Bond | \$1,500,000.00 | 03/23/2011 | 03/20/2014 | 1.750% | 1,200,000.00 | 900,000.00 | 1,200,000.00 | 900,000.00 |
| 11-15 | Various Capital Improvements | 2,040,665.00 | 03/22/2012 | 03/20/2014 | 1.500% | 2,040,665.00 | 2,040,665.00 | 2,040,665.00 | 2,040,665.00 |
| 12-03 | Tax Refunding Bond | 1,512,000.00 | 05/22/2012 | 03/20/2014 | 2.000% | 1,512,000.00 | 1,008,000.00 | 1,512,000.00 | 1,008,000.00 |
| 13-09 | Various Capital Improvements | 304,000.00 | 08/28/2013 | 03/20/2014 | 2.000% | | 304,000.00 | | 304,000.00 |
| 13-11 | Various Capital Improvements | 1,798,000.00 | 08/28/2013 | 03/20/2014 | 2.000% | | 1,798,000.00 | | 1,798,000.00 |
| | | | | | | <u>\$ 4,752,665.00</u> | <u>\$ 7,610,665.00</u> | <u>\$ 4,752,665.00</u> | <u>\$ 7,610,665.00</u> |
| | | | | | | C | C-2,17 | C-2 | C |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

| <u>Ord. #</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2012</u> | <u>2013 Authorization</u> | <u>Down Payment Capital Imp. Fund</u> | <u>Grants/Loans Received</u> | <u>Transfer from Funded Ord.</u> | <u>BANS/Bonds Issued</u> | <u>Balance Dec. 31, 2013</u> |
|---------------|-------------------------------------|----------------------------------|-------------------------------|---|----------------------------------|--------------------------------------|------------------------------|----------------------------------|
| 05-01 | Acquisition of Land | \$ 101.85 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 101.85 |
| 09-06 | Various Improvements | 64,450.50 | | | | | 64,000.00 | 450.50 |
| 10-07 | Acquisition of Land on Carlton Ave. | 1,496,000.00 | | | | | 1,496,000.00 | 0.00 |
| 11-15/13-09 | Various Capital Improvements | 0.00 | 320,000.00 | 16,000.00 | | | 304,000.00 | 0.00 |
| 13-11 | Various Capital Improvements | | 1,890,000.00 | 92,000.00 | | | 1,798,000.00 | 0.00 |
| 13-19 | Tax Refunding Bond | 0.00 | 940,000.00 | | | | | 940,000.00 |
| | | <u>\$ 1,560,552.35</u> | <u>\$ 3,150,000.00</u> | <u>\$ 108,000.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,662,000.00</u> | <u>\$ 940,552.35</u> |
| Reference | | | C-6,9 | C-6,8 | C-6, 14 | C-6,9 | C-16 | C |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF RESERVE FOR GRANTS

C-18

| | Reference | |
|---|--------------|----------------------------|
| Balance December 31, 2012 | C | \$ 1,199,362.50 |
| Decreased by: | | |
| Receipt of Community Development Block Grant - Ord. #11-15 | C-2 | \$ 80,450.00 |
| Cancellation - NJ Department of Transportation Grant- Ord # 06-19 | C-19 | 37,500.00 |
| | | 117,950.00 |
| Balance December 31, 2013 | C, Below | <u>\$ 1,081,412.50</u> |
| Analysis of Balance | | |
| NJ DEP Green Acres Program - Carlton Ave. (Ord. #10-07) | | \$ 800,000.00 |
| State of NJ Department of Transportation- Ord # 11-15 | | 37,500.00 |
| Bergen County Open Space Grant - Ord #09-06 | | 63,912.50 |
| Bergen County Open Space Grant - Ord #10-07 | | 75,000.00 |
| Bergen County Open Space Grant - Ord #11-15 | | 105,000.00 |
| | Above | \$ 1,081,412.50 |

SCHEDULE OF GRANTS RECEIVABLE

C-19

| | Reference | |
|---|--------------|----------------------------|
| Balance December 31, 2012 | C | \$ 1,199,362.50 |
| Decreased by: | | |
| Receipt of Community Development Block Grant - Ord. #11-15 | C-2 | \$ 80,450.00 |
| Cancellation - NJ Department of Transportation Grant- Ord # 06-19 | C-18 | 37,500.00 |
| | | 117,950.00 |
| Balance December 31, 2013 | C, Below | <u>\$ 1,081,412.50</u> |
| Analysis of Balance | | |
| NJ DEP Green Acres Program - Carlton Ave. - Ord. #10-07 | | \$ 800,000.00 |
| State of NJ Department of Transportation- Ord # 11-15 | | 37,500.00 |
| Bergen County Open Space Grant - Ord #09-06 | | 63,912.50 |
| Bergen County Open Space Grant - Ord #10-07 | | 75,000.00 |
| Bergen County Open Space Grant - Ord #11-15 | | 105,000.00 |
| | Above | \$ 1,081,412.50 |

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

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS

C-20

| | Reference | |
|---------------------------|-----------|----------------------|
| Balance December 31, 2012 | C | \$ 187,500.00 |
| Decreased by: | | |
| Cash Disbursements | C-2 | <u>28,200.00</u> |
| Balance December 31, 2013 | C | <u>\$ 159,300.00</u> |

SCHEDULE OF RESERVE FOR BCIA BONDS PAYABLE

C-21

| | Reference | |
|---------------------------|-----------|-------------------------|
| Balance December 31, 2012 | C | \$ 16,690,000.00 |
| Decreased by: | | |
| Payments | C-5 | <u>315,000.00</u> |
| Balance December 31, 2013 | C | <u>\$ 16,375,000.00</u> |

SCHEDULE OF ACCRUED INTEREST ON BOND SALE

C-22

| | Reference | |
|---------------------------|-----------|---------------------|
| Balance December 31, 2012 | C | <u>\$ 12,228.35</u> |
| Balance December 31, 2013 | C | <u>\$ 12,228.35</u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CASH

D-4

| | Reference | Operating | Escrow Trust |
|------------------------------------|-----------|-----------------------------|---------------------------|
| Balance December 31, 2012 | D | <u>\$ 391,685.28</u> | <u>\$ 1,192.19</u> |
| Increased by Receipts: | | | |
| User Charges and Fees | D-5 | 1,525,058.54 | |
| Delinquent User Charges | D-1,2,5 | 372,407.39 | |
| Giants Training Facility Agreement | D-1,2 | 165,000.00 | |
| Meadowlands Stadium Agreement | D-1,2 | 194,362.72 | |
| New Meadowlands Racetrack Conn Fee | D-1,2 | 204,019.20 | |
| Miscellaneous Income | D-1,2 | 35,094.79 | |
| Overpayments | D-6 | 19,751.58 | |
| Transfer from Current Fund | D-14 | 117,983.89 | |
| Transfer from Trust Fund | D | 200.00 | |
| Deficit | D-2 | - | |
| Refund | D-3 | 3,460.79 | |
| | | <u>2,637,338.90</u> | <u>-</u> |
| | | <u>3,029,024.18</u> | <u>1,192.19</u> |
| Decreased by Disbursements: | | | |
| Appropriations | D-3 | 2,050,832.65 | |
| Appropriation Reserves | D-13 | 11,017.74 | |
| Due to Current Fund | D-14 | 25,000.00 | |
| Due to Utility Capital Fund | D-7 | 60,855.01 | |
| Escrow Payments | D-15 | | 165.00 |
| | | <u>2,147,705.40</u> | <u>165.00</u> |
| Balance December 31, 2013 | D | <u><u>\$ 881,318.78</u></u> | <u><u>\$ 1,027.19</u></u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-5

| | Reference | | |
|---|------------|------------------------|----------------------|
| Balance December 31, 2012 | D | | \$ 343,440.48 |
| Increased by: | | | |
| Utility Charges and Fees Levied | | | 1,716,118.24 |
| | | | <u>2,059,558.72</u> |
| Decreased by: | | | |
| Collections | | | |
| Current Year Charges and Fees | D-2, Below | \$ 1,537,827.91 | |
| Delinquent Charges and Fees | D-4 | <u>300,715.08</u> | <u>1,838,542.99</u> |
| Balance December 31, 2013 | D | | <u>\$ 221,015.73</u> |
| | | | |
| Current Year Charges and Fees - Collected in 2013 | D-4 | \$ 1,525,058.54 | |
| Tax Appeals Applied | D-14 | 11,266.94 | |
| Overpayments Applied | D-6 | <u>1,502.43</u> | |
| | D-2, Above | <u>\$ 1,537,827.91</u> | |

SCHEDULE OF OVERPAYMENTS

D-6

| | Reference | | |
|---------------------------|-----------|--|---------------------|
| Balance December 31, 2012 | D | | \$ 10,384.12 |
| Increased by: | | | |
| Cash Receipts | D-4 | | 19,751.58 |
| | | | <u>30,135.70</u> |
| Decreased by: | | | |
| Applied to Sewer Payments | D-5 | | <u>1,502.43</u> |
| Balance December 31, 2013 | D | | <u>\$ 28,633.27</u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

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

D-7

| | Reference | |
|---|-----------|-------------------------------|
| Balance December 31, 2012 | D | \$ (486,302.66) |
| Increased by: | | |
| Paid by Sewer Utility Operating Fund- Capital Exp | D-4 | <u>60,855.01</u> |
| Balance December 31, 2013 | D | <u><u>\$ (425,447.65)</u></u> |

SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

| | | |
|--|-------|-------------------------------|
| Balance December 31, 2012 | D | \$ 4,615,742.84 |
| <hr/> | | |
| Balance December 31, 2013 | Below | <u>\$ 4,615,742.84</u> |
| Analysis of Balance: | | |
| Fixed Capital | D | \$ 4,115,742.84 |
| Fixed Capital Authorized and Uncompleted | D | <u>500,000.00</u> |
| | Above | <u><u>\$ 4,615,742.84</u></u> |

SCHEDULE OF SEWER LIEN

D-9

| | Reference | |
|-------------------------------|-----------|--------------------|
| Balance December 31, 2012 | D | \$ 992.96 |
| Increased by: | | |
| Interest & Cost | | <u>188.59</u> |
| | | 1,181.55 |
| Decreased by: | | |
| Payments- Received in Current | D-14 | <u>1,181.55</u> |
| Balance December 31, 2013 | D | <u><u>\$ -</u></u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

| Ord. # | Improvement Description | Balance December 31, 2012 | | 2013 | | Balance December 31, 2013 | |
|-----------|-------------------------|------------------------------|-------------|----------------|-------------|------------------------------|-------------|
| | | Funded | Unfunded | Authorizations | Expended | Funded | Unfunded |
| 08-12 | Sewer Lines & Pump Imp. | \$ 166,719.10 | \$ - | \$ - | \$ - | \$ 166,719.10 | \$ - |
| | | <u>\$ 166,719.10</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 166,719.10</u> | <u>\$ -</u> |
| | | D | D | | | D | D |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

| | Reference | |
|----------------------------------|-----------|-----------------------------|
| Balance December 31, 2012 | D | \$ 372,790.56 |
| Decreased by: | | |
| Disbursements - Capital Expenses | D-4 | <u>60,855.01</u> |
| Balance December 31, 2013 | D | <u><u>\$ 311,935.55</u></u> |

SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE

D-12

| | Reference | |
|-----------------------------------|-----------|-------------------------------|
| Balance December 31, 2012 | D | \$ 3,851,974.54 |
| Increased by: | | |
| Principal Payments on Bonds | D-20 | \$ 29,275.81 |
| Principal Payments on Loans | D-17 | <u>104,584.91</u> |
| | | <u>133,860.72</u> |
| Balance December 31, 2013 | Below | <u><u>\$ 3,985,835.26</u></u> |
| Analysis of Balance: | | |
| Amortization Reserve | D | \$ 3,286,475.60 |
| Deferred Reserve for Amortization | D | <u>699,359.66</u> |
| | Above | <u><u>\$ 3,985,835.26</u></u> |

SCHEDULE OF 2012 APPROPRIATION RESERVES

D-13

| | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> | <u>(Overexpended)</u> |
|-------------------------|--|----------------------------------|---------------------------------|-----------------------|
| Operating | | | | |
| Salaries and Wages | \$ 287.75 | \$ - | \$ 287.75 | \$ - |
| Other Expenses | 2,638.72 | 11,017.74 | 0.00 | (8,379.02) |
| Statutory Expenditures: | | | | |
| Social Security System | 23.60 | | 23.60 | |
| | <u>\$ 2,950.07</u> | <u>\$ 11,017.74</u> | <u>\$ 311.35</u> | <u>\$ (8,379.02)</u> |
| | Below | D-4 | D-1 | D |
| Appropriation Reserves | D \$ 311.35 | | | |
| Encumbrance Payable | D 2,638.72 | | | |
| | <u>\$ 2,950.07</u> | | | |
| | Above | | | |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

D-14

| | Reference | | |
|---------------------------------------|-----------|------------------|---------------------------------------|
| Balance December 31, 2012 | D | | \$ 2,274.35 |
| Increased by: | | | |
| Tax Appeals Applied to Sewer Payments | D-5 | \$ 11,266.94 | |
| Sewer Lien Payments | D-2,9 | 1,181.55 | |
| Due to Current Fund | D-4 | <u>25,000.00</u> | |
| | | | <u>37,448.49</u> |
| Decreased by: | | | |
| Due to Current Fund | D-4 | | <u>39,722.84</u> <u>117,983.89</u> |
| Balance December 31, 2013 | D | | <u>\$ (78,261.05)</u> |

SCHEDULE OF ESCROW TRUST RESERVE

D-15

| | Reference | | |
|---------------------------|-----------|--|-----------------------------|
| Balance December 31, 2012 | D | | \$ 1,192.19 |
| Increased by: | | | |
| Escrow Deposit | D-4 | | <u>-</u> <u>1,192.19</u> |
| Decreased by: | | | |
| Escrow Disbursements | D-4 | | <u>165.00</u> |
| Balance December 31, 2013 | D | | <u>\$ 1,027.19</u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-16

| <u>Ord. #</u> | <u>Improvement Description</u> | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>BAN</u> <u>Issued</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---------------|--------------------------------|--|-----------------------------|--|
| 05-06 | Renovation of Sewer Systems | \$ 53,207.00 | \$ 53,000.00 | \$ 207.00 |
| | | <u>\$ 53,207.00</u> | <u>\$ 53,000.00</u> | <u>\$ 207.00</u> |
| | | | D-21 | D |

SCHEDULE OF NJ INFRASTRUCTURE LOAN PAYABLE

D-17

| <u>Ord. #</u> | <u>Improvement Description</u> | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Principal</u> <u>Payments</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---------------|--------------------------------|--|-------------------------------------|--|
| 05-06 | Renovation of Sewer Systems | \$ 316,069.77 | \$ 104,584.91 | \$ 211,484.86 |
| | | <u>\$ 316,069.77</u> | <u>\$ 104,584.91</u> | <u>\$ 211,484.86</u> |
| | | D | D-12 | D |

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

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF ACCRUED INTEREST ON BOND PAYABLE

D-18

| | <u>Ref.</u> | |
|----------------------------------|-------------|---------------------------|
| Balance December 31, 2012 | D | \$ 2,160.82 |
| Increased by: | | |
| Accrued Interest on Bond Payable | D-3 | <u>2,641.90</u> |
| Balance December 31, 2013 | D | <u><u>\$ 4,802.72</u></u> |

SCHEDULE OF PREPAID SEWER CHARGES

D-19

| | | |
|-----------------------------------|-----|--------------------|
| Balance December 31, 2012 | D | \$ 7,167.29 |
| Increased by: | | |
| Prepaid Sewer Charges | D-4 | <u>7,167.29</u> |
| Decreased by: | | |
| Sewer Charges Canceled to Surplus | D-1 | <u>7,167.29</u> |
| Balance December 31, 2013 | D | <u><u>\$ -</u></u> |

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

BOROUGH OF EAST RUTHERFORD
SEWER CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

D-20

SCHEDULE OF SEWER SERIAL BONDS

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Maturities of Bonds Outstanding December 31, 2013</u> | | <u>Interest Rate</u> | <u>Balance Dec. 31, 2012</u> | <u>Bonds Issued</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2013</u> |
|---------------------------|----------------------|---------------------------------|--|---------------|----------------------|------------------------------|---------------------|---------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| General Improvement Bonds | 11/01/09 | \$475,000.00 | 11/01/2014 | 32,935.29 | 2.125% | \$ 394,491.53 | \$ - | \$ 29,275.81 | \$ 365,215.72 |
| | | | 11/01/2015 | 32,935.29 | 2.375% | | | | |
| | | | 11/01/2016-17 | 40,254.24 | 3.00% | | | | |
| | | | 11/01/2018 | 40,254.24 | 3.50% | | | | |
| | | | 11/01/2019-21 | 43,913.71 | 4.00% | | | | |
| | | | 11/01/2022 | 46,841.29 | 4.00% | | | | |
| | | | | | | <u>\$ 394,491.53</u> | <u>\$ -</u> | <u>\$ 29,275.81</u> | <u>\$ 365,215.72</u> |
| Reference | | | | | | D | D-12 | D | |

D-21

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>Ordinance #</u> | <u>Description</u> | <u>Original Amount Issued</u> | <u>Original Date of Issue</u> | <u>Date of Maturity</u> | <u>Rate of Interest</u> | <u>Balance Dec. 31, 2012</u> | <u>Issuance</u> | <u>Paid</u> | <u>Balance Dec. 31, 2013</u> |
|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------|-------------------------|------------------------------|---------------------|-------------|------------------------------|
| 05-06 | Renovation of Sewer Systems | 53,000.00 | 08/28/2013 | 03/20/2014 | 2.000% | \$ - | \$ 53,000.00 | \$ - | \$ 53,000.00 |
| | | | | | | <u>\$ -</u> | <u>\$ 53,000.00</u> | <u>\$ -</u> | <u>\$ 53,000.00</u> |
| | | | | | | D | D-16, Below | | D |
| Due from General Capital Fund | | | | | | | D, Above | \$53,000.00 | |

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

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR DECEMBER 31, 2013

SCHEDULE OF CASH

E-1

| | Reference | | |
|-------------------------------------|-----------|---------------|----------------------------|
| Balance December 31, 2012 | E | | \$ 611,922.57 |
| Increased by Receipts: | | | |
| Unappropriated Grant Revenue | E-5 | \$ 9,463.44 | |
| Transfer from Current Fund | E-2 | 612,000.00 | |
| Interest Income | E-2 | <u>523.42</u> | <u>621,986.86</u> |
| | | | 1,233,909.43 |
| Decreased by: | | | |
| Transfer To Capital Fund | E-6 | 500,000.00 | |
| Transfer To Current Fund | E-2 | 661,225.56 | |
| Transfer To Current Fund - Interest | E-2 | <u>571.30</u> | <u>1,161,796.86</u> |
| Balance December 31, 2013 | E | | <u><u>\$ 72,112.57</u></u> |

SCHEDULE OF DUE TO / (FROM) CURRENT FUND

E-2

| | Reference | | |
|------------------------------------|-----------|-------------------|---------------------|
| Balance December 31, 2012 | E | | \$ 19.29 |
| Increased by: | | | |
| Interest Earned | E-1 | \$ 523.42 | |
| Transfer from Current Fund | A-4,E-1 | 612,000.00 | |
| Current Fund Disbursements | A-4, E-4 | 312,609.12 | |
| Grants Receivable - Budgeted | E-3 | 138,087.46 | |
| Unappropriated Grants Appropriated | E-5,A-2 | <u>9,772.73</u> | <u>1,072,992.73</u> |
| | | | 1,073,012.02 |
| Decreased by: | | | |
| Transfer To Current Fund | A-4,E-1 | 661,225.56 | |
| Transfer to Current Fund-Interest | E-1 | 571.30 | |
| Grant Receivables | A-4, E-3 | 248,354.97 | |
| Budget Appropriation | E-4 | <u>162,860.19</u> | <u>1,073,012.02</u> |
| Balance December 31, 2013 | E | | <u><u>\$ -</u></u> |

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF GRANTS RECEIVABLE

E-3

| <u>Grant</u> | <u>Balance Dec.31, 2012</u> | <u>Increased by 2013 Budget</u> | <u>Cancellation</u> | <u>Cash Received</u> | <u>Balance Dec.31, 2013</u> |
|--|---------------------------------|-------------------------------------|---------------------|--------------------------|---------------------------------|
| Alcohol Education and Rehabilitation | \$ - | \$ 2,902.61 | \$ - | \$ 2,902.61 | \$ - |
| Body Armor Replacement Fund | 3,300.84 | 5,066.60 | | 5,066.60 | 3,300.84 |
| Safe and Secure Community Program | 24,958.00 | 60,000.00 | | 60,000.00 | 24,958.00 |
| Clean Communities Program | 0.00 | 16,022.80 | | 16,022.80 | 0.00 |
| Recycling Tonnage Grant | 0.00 | 20,695.45 | | 20,695.45 | 0.00 |
| Safe & Secure Homeland Buffer Zone | 52,851.67 | | | 52,639.01 | 212.66 |
| NJ Environmental Risk Grant- UST Maple Ave | 0.00 | 10,000.00 | | 10,000.00 | 0.00 |
| NJ Environmental Risk Grant- UST DPW Yard | 0.00 | 10,000.00 | | 10,000.00 | 0.00 |
| Police Click It or Ticket It Grant | 0.00 | 4,000.00 | | 4,000.00 | 0.00 |
| Emergency Management Performance | 0.00 | 5,000.00 | | 5,000.00 | 0.00 |
| Urban Area Security Initiative Grant | 62,058.30 | | | 57,628.50 | 4,429.80 |
| Drive Sober Grant | 4,400.00 | 4,400.00 | | 4,400.00 | 4,400.00 |
| | <u>\$ 147,568.81</u> | <u>\$ 138,087.46</u> | <u>\$ -</u> | <u>\$ 248,354.97</u> | <u>\$ 37,301.30</u> |
| Reference | E | E-2 | | E-2 | E |

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

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

| | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Transferred</u> <u>From 2013</u> <u>Budget</u> <u>Appropriations</u> | <u>Expended</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---|--|--|----------------------|--|
| Comcast Technology Grant | \$ 8.86 | \$ - | \$ 8.86 | \$ 0.00 |
| Clean Communities | - | 16,022.80 | 16,022.80 | - |
| Safe and Secure Communities | - | 75,000.00 | 75,000.00 | - |
| Alcohol Education and Rehabilitation | - | 2,902.61 | 2,902.61 | - |
| Drunk Driving Enforcement Fund | 29,889.63 | 7,088.73 | 16,046.14 | 20,932.22 |
| Parking Offense Adjudication Act | 22,234.97 | 2,684.00 | | 24,918.97 |
| Body Armor Replacement Fund | 14,133.63 | 5,066.60 | | 19,200.23 |
| BCUA Grant | - | | | - |
| FEMA Grant | 99,164.51 | | 97,299.94 | 1,864.57 |
| Police Click It or Ticket Grant | - | 4,000.00 | 4,000.00 | - |
| Police Over the Limit Grant | - | | | - |
| Recycling Tonnage Grant | 7,415.04 | 20,695.45 | 22,291.54 | 5,818.95 |
| Safe & Secure Grant-Homeland Buffer Zone | 13,578.23 | | 13,578.23 | - |
| NJ Environmental Risk Grant- UST Maple Ave | - | 10,000.00 | 10,000.00 | - |
| NJ Environmental Risk Grant- UST DPW Yard | - | 10,000.00 | 10,000.00 | - |
| NJ Meadowlands Commission Park Improvements | 32,094.69 | | 18,709.00 | 13,385.69 |
| South Bergen JIF Police Accreditation Grant | 21,750.00 | | 21,750.00 | - |
| Emergency Management Performance Grant | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 |
| NJ Urban Areas Security Initiative Grant | 4,429.80 | | | 4,429.80 |
| Drive Sober Grant | - | 4,400.00 | | 4,400.00 |
| | <u>\$ 249,699.36</u> | <u>\$ 162,860.19</u> | <u>\$ 312,609.12</u> | <u>\$ 99,950.43</u> |
| Reference | E | E-2, A-3 | E-2 | E |

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

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

| <u>Grant</u> | <u>Balance Dec. 31, 2012</u> | <u>Transfer to 2013 Budget</u> | <u>Grant Fund Receipt</u> | <u>Balance Dec. 31, 2013</u> |
|----------------------------------|----------------------------------|------------------------------------|-------------------------------|----------------------------------|
| Drunk Driving Enforcement Fund | \$ 7,088.73 | \$ 7,088.73 | \$ 7,269.44 | \$ 7,269.44 |
| Parking Offense Adjudication Act | 2,684.00 | 2,684.00 | 2,194.00 | 2,194.00 |
| Click It or Ticket Grant | | | | - |
| Police Over the Limit Grant | | | | - |
| | <u>\$ 9,772.73</u> | <u>\$ 9,772.73</u> | <u>\$ 9,463.44</u> | <u>\$ 9,463.44</u> |
| <u>Reference</u> | E | A-2, E-2 | E-1 | E |

SCHEDULE OF DUE TO / (FROM) CAPITAL FUND

E-6

| | <u>Reference</u> | |
|-----------------------------|------------------|-------------------|
| Balance December 31, 2012 | E | \$ 500,000.00 |
| Decreased by: | | |
| Transferred to Capital Fund | E-4 | <u>500,000.00</u> |
| Balance December 31, 2013 | E | <u>\$ -</u> |

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

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 financial statements – regulatory basis (the “financial statements”) of the Borough of East Rutherford (the “Borough”), State of New Jersey, prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “DLGS”, “DCA”), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Borough’s basic financial statements and have used our report thereon dated May 13, 2014.

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.

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. However, as described in the accompanying schedule of audit findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and recommendations as item #13-8 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and recommendations as items #13-9 through #13-11 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the *DLGS, DCA, State of New Jersey*, which are described in the accompanying schedule of audit findings and recommendations as item #13-1 through #13-7.

Borough's Response to Findings

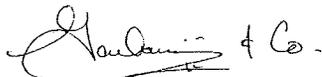
The Borough's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs and schedules of audit findings and recommendations. Borough's responses were not subjected to the auditing procedures applied in the audit of the financial statements 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 of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



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

May 13, 2014
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
 SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule G-1

| FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM | CFDA # | Pass-Through Entity ID # | Grant Award | Grant Period | Cash Received | Program Expenditures | Canceled | Grant Receivable |
|--|--------|--------------------------|-------------|-------------------|----------------------|----------------------|-------------|---------------------|
| Division of Highway Traffic: | | | | | | | | |
| National Priority Safety Programs | | | | | | | | |
| Police Click-it or Ticket Grant | 20.616 | NJ-066-1160-100-155 | \$ 4,000.00 | 2013 | \$ 4,000.00 | \$ 4,000.00 | \$ - | \$ - |
| Alcohol Impaired Driving Countermeasures Incentive Grant | | | | | | | | |
| Drive Sober or Get Pulled Over Year End Crackdown Grant | 20.601 | NJ-066-1160-100-057 | 4,400.00 | 2013 | 4,400.00 | - | | 4,400.00 |
| Transportation State Aid Highway Projects | | | | | | | | |
| Highway Planning & Construction | | | | | | | | |
| Ord # 2011-15 | 20.205 | NJ- 078-620-097-340-56 | 150,000.00 | | | | | 37,500.00 |
| US Dept. of Housing and Urban Development | | | | | | | | |
| Bergen County | | | | | | | | |
| Community Development Block Grants: | | | | | | | | |
| Road Improve. (Ord.#2011-15) | 14.219 | | 80,450.00 | | 80,450.00 | 80,450.00 | | |
| Carlton Hill Firehouse- ADA Impr (Ord.#2011-15) | 14.219 | | 53,650.00 | | 53,650.00 | 53,650.00 | | |
| Emergency Management Performance Grant | 97.042 | | 5,000.00 | 2013 | 5,000.00 | 5,000.00 | | |
| New Jersey State Police: Public Assistance Grant | | | | | | | | |
| FEMA Grant - Hurricane Irene | 97.036 | NJ-066-1200-100-A92 | | 2012 | 100,910.79 | 100,910.79 | | |
| FEMA Grant - October 2011 Snow Storm | 97.036 | NJ-066-1200-100-A92 | | 2011 | 953.44 | 953.44 | | |
| Office of Homeland Security | | | | | | | | |
| Safe & Secure Grant - Homeland Buffer Zone | 97.078 | NJ-066-1005-100-009 | 92,474.53 | FY10 | 52,639.01 | 13,578.23 | | 212.66 |
| 2008 FEMA Firefighters Grant | 97.044 | | 388,960.00 | 08/14/09-09/30/11 | | 97,299.94 | | - |
| FY11 Urban Areas Security Initiative Grant Program | 97.067 | NJ-066-1005-100-008 | 62,058.30 | 12/27/11-08/31/14 | 57,628.50 | | | 4,429.80 |
| * Major Programs | | | | | | | | |
| Total Federal Financial Assistance | | | | | <u>\$ 359,631.74</u> | <u>\$ 355,842.40</u> | <u>\$ -</u> | <u>\$ 46,542.46</u> |

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, 2013

Schedule G-2

| STATE GRANT PROGRAM | Grant Award | Grant Award Numbers or Project Number | Grant Period | Cash Received | Program Expenditures | Grant Receivable |
|--|---------------|---------------------------------------|-------------------|----------------------|----------------------|----------------------|
| Green Acres Program Improvement to Veteran's Park Loan (Ord. 10-7) | \$ 800,000.00 | | | \$ - | \$ - | \$ 800,000.00 |
| <i>Solid Waste Administration</i> | | | | | | |
| Clean Communities | 16,022.80 | 042-4900-765-004 | 2013 | 16,022.80 | 16,022.80 | |
| State Recycling Grants | Various | 042-4900-752-001 | PY | | 7,415.04 | |
| State Recycling Grants | 20,695.45 | 042-4900-752-001 | 2013 | 20,695.45 | 14,876.50 | |
| <i>Municipal Courts</i> | | | | | | |
| Alcohol Education, Rehabilitation and Enforcement | 2,902.61 | 098-9735-760-001 | 2013 | 2,902.61 | 2,902.61 | |
| <i>Dept. of Law and Public Safety Division of Criminal Justice</i> | | | | | | |
| Safe and Secure Communities Program | 60,000.00 | 066-1020-100-232 | 2013 | 60,000.00 | 60,000.00 | 24,958.00 |
| Body Armor Replacement Fund | 5,066.60 | 066-1020-718-001 | 2013 | 5,066.60 | | 3,300.84 |
| <i>NJ Division of Highway Traffic Safety</i> | | | | | | |
| Drunk Driving Enforcement Fund | Various | 6400-100-078-6400 | PY | | 16,046.14 | |
| Drunk Driving Enforcement Fund | 7,088.73 | 6400-100-078-6400 | 2013 | 7,088.73 | | |
| <i>Department of Community Affairs</i> | | | | | | |
| Parking Offense Adjudication Act | | | 01/01/12-12/31/12 | 2,194.00 | | |
| NJ Environmental Risk Grant- UST Maple Avenue | | | 2013 | 10,000.00 | 10,000.00 | |
| NJ Environmental Risk Grant- UST DPW Yard | | | 2013 | 10,000.00 | 10,000.00 | |
| Total State Financial Assistance | | | | <u>\$ 133,970.19</u> | <u>\$ 137,263.09</u> | <u>\$ 828,258.84</u> |

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

BOROUGH OF EAST RUTHERFORD
 SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule G-3

| | Grant Award Numbers or Project Number | Grant Award | Grant Period | Cash Received | Program Expenditures | Canceled | Grant Receivable |
|---|---|----------------|-----------------|------------------|-------------------------|----------|---------------------|
| COUNTY GRANT PROGRAM | | | | | | | |
| Bergen County Open Space: | | | | | | | |
| New Park (Ord #09-06) | | \$ 75,000.00 | | \$ - | \$ - | \$ - | \$ 63,912.50 |
| Carlton Avenue (Ord #10-07) | | 75,000.00 | | | | | 75,000.00 |
| Riggin Field (Ord #11-15) | | 35,000.00 | | | | | 35,000.00 |
| Grove St. Park (Ord #11-15) | | 70,000.00 | | | | | 70,000.00 |
| Other Grant Programs | | | | | | | |
| Comcast Technology Grant | | | | | 8.86 | | |
| NJMC Grant - Park Improvements | | | | | 18,709.00 | | |
| South Bergen JIF Police Accreditation Grant | | 25,000.00 | | | 21,750.00 | | |
| | | | | \$ - | \$40,467.86 | \$ - | \$243,912.50 |
| Total County Financial Assistance | | | | \$ - | \$40,467.86 | \$ - | \$243,912.50 |

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
 FOR THE YEAR ENDED DECEMBER 31, 2013

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 "DLGS", "DCA"), which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1C of the Borough's financial statements.

3. Relationship of Financial Statements

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

| | <u>Federal</u> | <u>State</u> | <u>County/Other</u> | <u>Total</u> |
|----------------------|----------------|---------------|---------------------|---------------|
| Grant / Current Fund | \$ 221,742.40 | \$ 137,263.09 | \$ 40,467.86 | \$ 399,473.35 |
| Capital Fund | 134,100.00 | | | 134,100.00 |
| | \$ 355,842.40 | \$ 137,263.09 | \$ 40,467.86 | \$ 533,573.35 |

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, 2013, 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 | \$ 87,024.42 |
| Green Trust Program | #0212-02-046 | \$ 298,238.39 |
| New Jersey Environmental Infrastructure Trust Loan | #S340-296-02 | \$ 211,484.86 |

See Independent Auditor's Report

SUPPLEMENTARY DATA

BOROUGH OF EAST RUTHERFORD
SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate and Assessed Valuations

| | 2013 | 2012 | 2011 | * | 2010 | 2009 |
|----------|----------------|----------------|----------------|---|----------------|----------------|
| Tax Rate | <u>\$1.845</u> | <u>\$1.735</u> | <u>\$1.618</u> | | <u>\$1.552</u> | <u>\$3.084</u> |

Apportionment of Tax Rate

| | | | | | | |
|----------------------|-------|-------|-------|--|-------|-------|
| Municipal | 0.565 | 0.535 | 0.457 | | 0.424 | 0.688 |
| County | 0.279 | 0.237 | 0.221 | | 0.222 | 0.446 |
| Local School | 0.704 | 0.675 | 0.661 | | 0.644 | 1.363 |
| Regional High School | 0.297 | 0.288 | 0.279 | | 0.262 | 0.587 |

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

| | | | | | |
|------|------------------------|------------------------|------------------------|---|----------------------|
| 2013 | <u>\$1,973,272,359</u> | | | | |
| 2012 | <u>\$1,993,078,993</u> | | | | |
| 2011 | | <u>\$2,009,226,950</u> | | | |
| 2010 | | | <u>\$2,023,458,239</u> | * | |
| 2009 | | | | | <u>\$900,936,732</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 |
|------|------------------|------------------|--------------------------|
| 2013 | \$ 36,441,604.85 | \$ 33,629,349.62 | 92.28% |
| 2012 | 34,610,569.81 | 31,793,436.55 | 91.86% |
| 2011 | 32,631,987.57 | 30,430,444.23 | 93.25% |
| 2010 | 32,619,811.95 | 29,247,225.11 | 89.66% |
| 2009 | 27,798,552.44 | 26,716,045.43 | 96.11% |

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> |
|-------------------------|----------------------------------|-----------------------------------|---------------|-------------------------------|
| 2013 | \$ 138,851.88 | \$ 628,007.83 | \$ 766,859.71 | 2.10% |
| 2012 | 113,628.04 | 6,864,068.94 | 6,977,696.98 | 20.16% |
| 2011 | 98,691.68 | 4,615,507.51 | 4,714,199.19 | 14.45% |
| 2010 | 138,238.58 | 3,233,744.29 | 3,371,982.87 | 10.34% |
| 2009 | 99,034.53 | 839,988.56 | 939,023.09 | 3.38% |

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation at December 31, 2013 is \$636,900. This represents the properties assessed valuation from 1995-2008.

Comparative Schedule of Fund Balances

| | <u>Year</u> | <u>Balance December 31</u> | <u>Utilized In Budget of Succeeding Year</u> |
|--------------|-------------|----------------------------|--|
| Current Fund | 2013 | \$ 1,483,322.22 | \$ 500,000.00 |
| | 2012 | 290,052.99 | - |
| | 2011 | 94,822.04 | |
| | 2010 | 94,822.04 | - |
| | 2009 | 94,822.04 | |

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

BOROUGH OF EAST RUTHERFORD
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2013

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|-------------------|---|-----------------------|
| James Cassella | Mayor | |
| Jeffrey Lahullier | President of Council | |
| Joel Brizzi | Councilman | |
| Thomas Banca | Councilman | |
| George Perry | Councilman | |
| 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.

Borough of East Rutherford
General Comments
For the Year Ended December 31, 2013

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

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 “a contract year the total sum of \$17,500...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000.00.”], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law.”

N.J.S. 40A:11-9 states “The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit.”

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney’s opinion should be sought before a commitment is made.

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

Except for a few instances reported in the audit findings section, our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 “for the performance of any work, or the furnishing or hiring of any materials or supplies,” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Expenditure of \$5,400 or more and less than \$36,000 Per N.J.S.A. 40A:11-6.1

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

Borough of East Rutherford
General Comments (Continued)
For the Year Ended December 31, 2013

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, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, and if delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency. Delinquent real estate taxes for 2013 will be advertised for sale after April 1, 2014.
2. There is a ten day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

Collection of Interest on Delinquent Utility Rents

The Governing Body on January 1, 2013 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

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

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

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

Internal Controls:

12-1. RECOMMENDATION:

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

STATUS:

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

12-2. RECOMMENDATION:

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

STATUS:

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

12-3. RECOMMENDATION:

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

STATUS:

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

12-4. RECOMMENDATION:

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

STATUS:

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

12-5. RECOMMENDATION:

That Police Department manual receipts used for acceptance of bail monies be complete.

- a. Manual receipts issued by the Police Department for acceptance of bail should be completely filled out, including the date of receipt, and signature of the police officer collecting the bail monies.
- b. All pre-numbered receipts must have a copy retained in the receipt book.
- c. All receipt books used by the police department should be available for audit.
- d. All out-of-town traffic and criminal bail monies posted for outside agencies should be receipted and disbursed through the ATS/ACS automated system. When accepting bail in the form of a check for an out-of-town summons/warrant, the check should be made payable to East Rutherford Municipal Court. mailed directly there. These payments are not processed through the East Rutherford Municipal Court ATS/ACS system as "out of town bail" as they should be.

STATUS:

Corrective action has been taken.

12-6. RECOMMENDATION:

That over-expenditures in budget appropriations be avoided.

STATUS:

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

Borough of East Rutherford
Summary Schedule of Prior Year Audit Findings (Continued)
Year Ended December 31, 2013

12-7. RECOMMENDATION:

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

STATUS:

Corrective action has been taken.

12-8. RECOMMENDATION:

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

STATUS:

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

12-9. RECOMMENDATION:

The sewer utility billings should be in compliance with the criteria established by the Borough.

STATUS:

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

12-10. RECOMMENDATION:

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

STATUS:

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

12-11. RECOMMENDATION:

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

STATUS:

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

12-12. RECOMMENDATION:

The Borough should establish procedures to monitor all grant requirements to ensure the Borough is in compliance with all aspects of the grant agreements. The Community Oriented Policing Services (COPS) Technology grant (CFDA 16.710): Quarterly Federal Financial Reports for were not filed on a timely basis.

STATUS:

Corrective action has been taken.

12-13. RECOMMENDATION:

The Borough should establish procedures to monitor all grant requirements. Assistance to Firefighters Grant (AFG) CFDA #97.044: Costs were incurred after the period of performance.

STATUS:

Corrective action has been taken.

***Finding 13-1**

Certain departments did not comply with N.J.S.A. 40A:5-15. All monies collected were not deposited or transmitted to the treasurer within 48 hours of receipt by the police records, fire official and building department.

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

***Finding 13-2**

Developers with expenditures over \$1,000 were not sent monthly activity reports and developers with expenditures less than \$1,000 were not issued quarterly activity reports.

Criteria:

The Division of Local Government Services Local Finance Notice #98-7, which provided amendments to the "Developers Escrow Directive". A policy should be instituted so that developers receive activity reports on a monthly or quarterly basis. Developers with expenditures of \$1,000 or more per month should receive monthly activity reports, and all others should receive quarterly reports in order to comply with the amendments.

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

***Finding 13-3**

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Findings and Recommendations (Continued)
For the Year Ended December 31, 2013

*** Finding 13-4**

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

-Diesel Fuel -Gas for Borough Vehicles

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

Finding 13-5

That a fixed asset accounting and reporting system be implemented and monitored.

- a. Establish an insurable value on all fixed assets acquired through purchase, grant or gift,
- b. Maintain a subsidiary ledger which records additions, retirements and transfers of fixed assets reflecting source of property, acquisition date and cost and percentage of government participation, if any.

Criteria:

N.J.A.C. 5:30-5.6

Recommendation:

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

Borough's Proposed Corrective Action Plan:

A subsidiary ledger will be implemented and monitored.

*** Finding 13-6**

There were over-expenditures of budget appropriation in the amount of \$145,873.64 and budget appropriation reserves in the amount of \$8,379.02 in the Sewer Utility Fund.

Criteria:

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

Recommendation:

That over-expenditures in budget appropriations be avoided.

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Findings and Recommendations (Continued)
For the Year Ended December 31, 2013

***Finding 13-7**

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

The Borough will make the required contribution to the DCRP.

***Finding 13-8**

The sewer billing for commercial users is based on flow charges and fixture unit. However, numerous commercial sewer accounts were not billed for water flow charges as it should be. The water consumption used for sewer billing was only about 7 million gallons in 2012, compared to over 104 million gallons in 2013.

Criteria:

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

Recommendation:

The sewer utility billings should be in compliance with the criteria established by the Borough.

Borough's Proposed Corrective Action Plan:

The sewer utility billing will be reviewed for its accuracy.

***Finding 13-9**

The sewer utility levy was not proven to the utility billing software system.

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Findings and Recommendations (Continued)
For the Year Ended December 31, 2013

***Finding 13-10**

Timesheets for Department of Public Works employees were not signed by the supervisor or the department head. Backup information was not provided regarding overtime hours.

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Timesheets will be signed by the supervisor or the department head. Backup information will be provided regarding overtime hours.

Finding 13-11

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

Criteria:

Internal Revenue Service – Publication 963 (Rev. 11-2013)

Internal Revenue Service – Publication 1779 (Rev. 3-2012)

Internal Revenue Service – Revenue Ruling 87-41

State of New Jersey - Office of the State Comptroller: Investigative Report on Improper Participation by Professional Service Providers in the State Pension System

Division of Local Government Services – Local Finance Notice 2007-28

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Attorneys will be removed from the payroll and health benefits plan and be paid as a vendor.

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.