

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

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

We have audited the accompanying statements of financial position – regulatory basis of various funds of the Borough of East Rutherford “the Borough”, State of New Jersey, as of December 31, 2008 and December 31, 2007, and the related statements of operations and changes in fund balance – regulatory basis, and statement of revenue and expenditures – regulatory basis of accounts for the years then ended. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*. Those standards and requirements require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting practices prescribed or permitted by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, that demonstrate compliance with a modified accrual basis, with certain exceptions, and the budget laws of State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough as of December 31, 2008 and December 31, 2007, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough as of December 31, 2008 and December 31, 2007, and the results of its operations and the changes in fund balance of such funds for the years then ended, and the revenues, expenditures of the various funds for the year ended December 31, 2008 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2009 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were performed for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and/or state financial assistance are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, the accompanying supplementary schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audits of financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole.

Garbarini & Co., P.C., CPA's

Paul C. Garbarini

by: Paul C. Garbarini, CPA
Registered Municipal Accountant
License No. 120

June 30, 2009
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

COMPARATIVE STATEMENT OF FINANCIAL POSITION

A

		At December 31,	
		2008	2007
	Reference		
ASSETS			
Current Assets:			
Cash - Treasurer	A-4	\$3,066,369.79	\$2,671,395.39
Cash - Tax Collector	A-4	192,484.46	67,001.52
Cash - Change Funds	A-5	125.00	125.00
Due from State of NJ - Homeland Security	A-8a	0.00	50,000.00
		3,258,979.25	2,788,521.91
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	438,051.99	696,686.28
Tax Title Liens	A-10	29,830.40	22,362.03
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	72,123.72	78,096.53
Due From Dog Trust Fund	B	892.30	2,767.62
Due From Other Trust Fund	B	0.00	7,904.12
Due From Capital Fund	C	7,409.49	204,362.05
Due From Grant Fund	E	51,954.82	86,832.91
Police Off Duty Receivable/ Reserve	A-23	55,545.66	75,153.84
Due From Developers Escrow	B	389.84	355.69
Due From Becton Regional High School	A-24	75,000.00	75,000.00
	Contra	1,368,098.22	1,886,421.07
Deferred Charges:			
Overexpenditure of Appropriation	A-3, 12	0.00	172,775.64
Overexpenditure of Appropriation Reserves	A-12, 13	61,982.44	168,724.14
	A-12	61,982.44	341,499.78
TOTAL ASSETS		\$4,689,059.91	\$5,016,442.76

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

**COMPARATIVE STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

A

		At December 31,	
		2008	2007
LIABILITIES, RESERVES AND FUND BALANCE	Reference		
Liabilities:			
Encumbrance Payable	A-22	\$112,099.86	\$28,338.47
Appropriation Reserves	A-3,13	541,705.87	386,521.75
Tax Overpayments	A-15	951.00	
Prepaid Taxes	A-16	385,781.60	253,422.03
County Taxes - Added	A-17	3,263.22	24,756.76
Regional School Taxes Payable	A-19	415,027.00	
Revaluation Reserve	A-21	16,618.61	16,618.61
Hackensack Meadowlands			
Development Commission Reserve	A-14	3,200.00	3,200.00
Due to State of NJ: Senior Citizens and Veterans	A-8	5,928.61	4,401.20
Fire Inspection Reserve	A-6	98,126.61	93,788.61
Due to Unemployment Fund	B	194.32	48.71
Due to Other Trust	B	16,171.95	
Reserve for State Library Aid	A-25	7,071.00	
Due to Sewer Utility Fund	D	0.00	171.70
		1,606,139.65	811,267.84
Reserve for Receivables and Other Assets	Contra	1,368,098.22	1,886,421.07
Fund Balance	A-1	1,714,822.04	2,318,753.85
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$4,689,059.91	\$5,016,442.76

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

A-1

		At December 31,	
	Reference	2008	2007
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$1,970,000.00	\$1,970,000.00
Miscellaneous Revenue Anticipated	A-2	10,408,367.37	10,845,238.15
Receipts from Delinquent Taxes	A-2	611,405.67	467,987.07
Receipts from Current Taxes	A-2	25,928,029.14	23,380,007.65
Non-Budget Revenues	A-2	639,001.55	99,549.98
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	118,379.85	320,014.72
Interfunds Returned / Advanced		50,369.56	
Unexpended Budget Appropriations	A-3	975.50	19,109.46
Overpayments Canceled			
Canceled School Taxes			
Statutory Excess in Dog Fund	B-4	880.20	2,791.20
		39,727,408.84	37,104,698.23
Total Income			
Expenditures:			
Budget and Emergency Appropriations	A-3	18,042,019.58	17,290,142.78
County Taxes	A-17	3,551,741.22	3,015,088.38
County Share of Added and Omitted Taxes	A-17	3,726.04	24,756.76
Local District School Tax	A-18	11,625,566.98	11,205,488.46
Regional School Tax	A-19	4,691,020.86	4,492,394.46
Senior Citizens & Veterans Prior Year Adjustment	A-7	7,031.35	7,041.77
Tax Appeals	A-15	440,234.62	161,268.30
Appropriation Difference/ Service Charges			
Interfunds Returned / Advanced			328,469.01
		38,361,340.65	36,524,649.92
Total Expenditures			
Excess in Revenues		1,366,068.19	580,048.31
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-12		
		1,366,068.19	580,048.31
Statutory Excess to Fund Balance			
Fund Balance January 1	A	2,318,753.85	3,708,705.54
		3,684,822.04	4,288,753.85
Decreased by:			
Utilization as Anticipated Revenues	A-2	1,970,000.00	1,970,000.00
Fund Balance December 31	A	\$1,714,822.04	\$2,318,753.85

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF REVENUES

A-2

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated:	A-1	<u>\$1,970,000.00</u>	<u>\$1,970,000.00</u>	<u>\$0.00</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		23,000.00	22,464.00	(536.00)
Other		52,000.00	59,804.73	7,804.73
Fees and Permits - Other		8,000.00	8,320.06	320.06
Fines and Costs - Municipal Court		489,000.00	555,451.57	66,451.57
Interest and Costs on Taxes		90,000.00	118,802.43	28,802.43
Interest on Investments and Deposits		350,000.00	90,442.16	(259,557.84)
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		5,034,000.00	5,574,198.07	540,198.07
Recycling Income		17,000.00	29,262.90	12,262.90
Rental - Library		30,000.00	30,000.00	0.00
Lease - Becton Regional		75,000.00	75,000.00	0.00
Consolidated Municipal Property Tax Relief Aid		153,010.00	153,010.00	0.00
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,768,038.00	1,768,038.00	0.00
Garden State Trust Fund		3,302.00	2,974.92	(327.08)
Hackensack Meadowlands Adjustment - - Tax Sharing (N.J.S. 13:17-60 et. seq.)		130,950.00	153,396.00	22,446.00
Uniform Construction Code Fees		600,000.00	283,939.00	(316,061.00)
Police Grant - Safe and Secure Communities Program Grant		60,000.00	54,602.00	(5,398.00)
NJ Body Armor Replacement Grant		3,655.40	3,655.40	0.00
Police Over the Limit Grant		5,000.00	5,000.00	0.00
Reserve				
Parking Offense Adjudication Act		3,024.00	3,024.00	0.00
Drunk Driving Enforcement Fund		10,294.10	10,294.10	0.00
Garden State Trust Fund		3,302.00	3,302.00	0.00
Chapter 159				
Police Over the Limit Grant		5,000.00	5,000.00	0.00
Recycling Tonnage Grant		19,051.60	19,051.60	0.00
Obey the Signs and Speed Enforcement Grant		4,000.00	4,000.00	0.00
Clean Communities Grant		10,386.82	10,386.82	0.00
Bergen County Recycling Grant		10,380.63	10,380.63	0.00
Uniform Fire Safety Act		52,323.86	62,379.51	10,055.65
Cable Franchise Fees		25,927.57	25,927.57	0.00
Hotel Taxes		739,000.00	841,650.00	102,650.00
Payment in Lieu of Taxes - Bergen County Housing Authority		20,000.00	20,039.55	39.55
Payment in Lieu of Taxes - Hackensack Meadowlands Development Commission		6,708.30	6,708.30	0.00
Premium on BAN Sale		19,500.00	19,500.00	0.00
Reserve for Payments of Bonds and Notes		174,000.00	174,000.00	0.00
Due from Capital		204,362.05	204,362.05	0.00
Total Miscellaneous Revenues	A-1, Next Page	<u>10,199,216.33</u>	<u>10,408,367.37</u>	<u>209,151.04</u>
Receipts from Delinquent Taxes	A-1, Next Page	600,000.00	611,405.67	11,405.67
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	A-7, Next Page	<u>6,172,803.25</u>	<u>6,453,306.00</u>	<u>280,502.75</u>
Budget Totals	A-3	<u>\$18,942,019.58</u>	<u>19,443,079.04</u>	<u>\$501,059.46</u>
Non-Budget Revenues	A-1,4, Next Page		<u>639,001.55</u>	
			<u>\$20,082,080.59</u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

**STATEMENT OF REVENUES
(CONTINUED)**

A-2

	Reference	
Allocation of Current Tax Collection:		
Revenue from Collections	A-1	\$25,928,029.14
Allocated to:		
School and County Taxes	A-17,18,19	<u>20,374,723.14</u>
Balance for Support of Municipal Appropriation		5,553,306.00
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>900,000.00</u>
	Previous Pg.	<u><u>\$6,453,306.00</u></u>
	Reference	
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-7, Prev. Pg.	<u><u>\$611,405.67</u></u>
Miscellaneous Revenues:		
Current Fund	A-4	\$9,959,845.99
Collector	A-4	128,870.15
Due From Grant Fund - Reserves	E-5	16,620.10
Due From Grant Fund - Receivables	E-3	24,031.13
Rental Library- Charge to Budget	A-3	30,000.00
Due from Becton School - Rent	A-24	75,000.00
Due From Capital Reserve for Payment of Bonds	C-4	<u>174,000.00</u>
	Previous Pg.	<u><u>\$10,408,367.37</u></u>
Non-Budget Revenues:		
Sale of Borough Assets - Fire Trucks		\$555,750.00
Misc. Refunds		35,998.95
Towing Fees		17,330.00
NJ MVC Fees		10,500.50
Bank Error		9.20
Senior Citizen's & Veteran's 2% Administrative Payments		1,669.92
County Polling Payment		320.00
FEMA - 2007 Noreaster		<u>17,422.98</u>
	Prev. Pg., A-1, 4	<u><u>\$639,001.55</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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"							
GENERAL GOVERNMENT							
Administrative & Executive:							
Municipal Clerk							
Salaries and Wages	\$204,200.00		\$211,700.00	\$211,610.13	\$89.87	\$	\$
Other Expenses	25,000.00		25,000.00	21,712.45	3,287.55		
Contracted Services	15,000.00		15,000.00	10,737.00	4,263.00		
Mayor and Council							
Salaries and Wages	45,300.00		45,300.00	44,000.06	1,299.94		
Other Expenses	8,000.00		9,000.00	8,424.38	575.62		
Elections - Other Expenses	20,000.00		20,000.00	4,089.62	15,910.38		
Financial Administration							
Salaries and Wages	73,100.00		77,100.00	76,596.33	503.67		
Other Expenses							
Annual Audit	14,000.00		14,000.00	57.51	13,942.49		
Miscellaneous - Other Expenditures	73,000.00		73,000.00	47,088.60	25,911.40		
Single Audit Act	15,000.00		15,000.00		15,000.00		
Purchasing							
Salaries and Wages	5,000.00		5,000.00	5,000.00	0.00		
Assessment of Taxes							
Salaries and Wages	91,100.00		92,100.00	91,857.63	242.37		
Other Expenses	10,000.00		10,000.00	5,449.47	4,550.53		
Ordinance Enforcement - Salaries and Wages	12,000.00		12,000.00	11,256.70	743.30		
Redevelopment Agency							
Salaries and Wages	1,800.00		1,800.00	1,699.88	100.12		
Other Expenses (R.S. 40:550-1)	18,000.00		22,500.00	22,216.73	283.27		
Collection of Taxes							
Salaries and Wages	73,700.00		75,700.00	75,560.81	139.19		
Other Expenses	7,000.00		7,000.00	5,549.93	1,450.07		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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)							
Legal Services and Costs							
Salaries and Wages	75,000.00		78,800.00	78,773.55	26.45		
Other Expenses	130,000.00		130,000.00	113,816.50	16,183.50		
Ordinance Recodification	4,000.00		4,000.00	854.96	3,145.04		
Tax Appeals - Professional Fees	22,000.00		22,000.00	20,053.90	1,946.10		
Engineering Services and Costs							
Salaries and Wages	3,000.00		3,000.00	2,999.88	0.12		
Other Expenses	40,000.00		40,000.00	28,280.30	11,719.70		
Public Building and Grounds							
Other Expenses	140,000.00		155,000.00	152,930.91	2,069.09		
Contracted Service	100,000.00		100,000.00	92,896.03	7,103.97		
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board - Other Expenses	14,000.00		14,000.00	6,069.84	7,930.16		
Zoning Board of Adjustment							
Salaries and Wages	7,700.00		12,800.00	12,747.39	52.61		
Other Expenses	8,000.00		8,500.00	8,217.32	282.68		
Redevelopment / Grant Services							
Contracted Services	20,000.00		20,000.00	8,250.00	11,750.00		
Municipal Court							
Salaries and Wages	199,400.00		205,400.00	205,059.21	340.79		
Other Expenses	18,000.00		18,000.00	17,140.09	859.91		
Public Defender							
Salaries and Wages	10,000.00		10,000.00	9,744.02	255.98		
Other Expenses					0.00		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
Unemployment Compensation	50,000.00		50,000.00	50,000.00	0.00		
Insurance:							
Employee Group Insurance	2,091,300.00		1,716,150.00	1,691,354.65	24,795.35		
Self - Insurance Eye Care	15,000.00		15,000.00	11,130.76	3,869.24		
Rent Control Board							
Salaries and Wages	1,800.00		1,800.00	65.38	1,734.62		
Other expenses	1,000.00		1,000.00	28.85	971.15		
TOTAL GENERAL GOVERNMENT	3,661,400.00	0.00	3,336,650.00	3,153,320.77	183,329.23	0.00	0.00
PUBLIC SAFETY:							
Fire							
Other Expenses							
Clothing Allowance	100,000.00		100,000.00	100,000.00	0.00		
Miscellaneous - Other Expenses							
Other Expenses- Lease/Purchase Equipment	21,107.00		21,107.00	21,106.66	0.34		
Gear Maintenance	80,000.00		100,000.00	94,065.62	5,934.38		
Leased Vehicles	14,225.00		14,225.00	14,223.52	1.48		
Fire Alarm System - Other Expenses	5,000.00		5,000.00	4,904.50	95.50		
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	75,600.00		77,800.00	77,701.83	98.17		
Other Salaries	18,000.00		18,000.00	15,470.00	2,530.00		
Other Expenses	12,500.00		12,500.00	8,947.65	3,552.35		
Police							
Salaries and Wages	3,440,000.00		3,500,000.00	3,499,270.85	729.15		
Clothing Allowance	46,000.00		41,850.00	41,850.00	0.00		
Overtime	120,000.00		140,000.00	130,753.56	9,246.44		
Sick pay	59,000.00		59,000.00	58,281.40	718.60		
Other expenses	90,000.00		105,000.00	98,956.88	6,043.12		
911 Service	7,000.00		7,000.00	6,537.00	463.00		
Police Cars	55,000.00		71,000.00	70,596.61	403.39		

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	<u>Overexpenditure</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
Special Police							
Salaries and Wages	141,600.00		161,600.00	158,521.64	3,078.36		
Other Expenses	3,000.00		3,000.00	516.00	2,484.00		
Traffic Lights - Other Expenses	7,000.00		7,000.00	6,523.07	476.93		
Traffic Control							
Salaries and Wages	417,500.00		472,000.00	471,899.42	100.58		
Other Expenses	2,000.00		2,000.00	394.62	1,605.38		
First Aid Organization							
Other Expenses	15,000.00		15,000.00	11,171.27	3,828.73		
Emergency Management Services							
Salaries and Wages	7,600.00		23,600.00	23,578.15	21.85		
Other Expenses	4,000.00		4,000.00	3,608.72	391.28		
First Responder							
Salaries and Wages	47,800.00		22,800.00	19,770.96	3,029.04		
Towing Director							
Salaries and Wages	11,200.00		11,200.00	10,926.24	273.76		
TOTAL PUBLIC SAFETY	4,800,132.00	0.00	4,994,682.00	4,949,576.17	45,105.83	0.00	0.00
STREETS AND ROADS:							
Road Repairs and Maintenance							
Salaries and Wages	1,110,000.00		1,146,000.00	1,145,338.37	661.63		
Other Expenses	75,000.00		75,000.00	59,193.19	15,806.81		
Recycling Costs	5,000.00		5,000.00	2,755.67	2,244.33		
Leased Vehicles	90,000.00		65,000.00	63,455.00	1,545.00		
TOTAL STREETS AND ROADS	1,280,000.00	0.00	1,291,000.00	1,270,742.23	20,257.77	0.00	0.00
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages	4,500.00		4,750.00	4,726.93	23.07		
Other Expenses	92,350.00		102,350.00	96,524.52	5,825.48		
Hepatitis "B" Shot	2,500.00		2,500.00		2,500.00		
TOTAL HEALTH AND WELFARE	99,350.00	0.00	109,600.00	101,251.45	8,348.55	0.00	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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)							
RECREATION AND EDUCATION							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	80,700.00		80,700.00	80,697.50	2.50		
Other Expenses	135,000.00		141,500.00	141,356.10	143.90		
Celebration of Public Events, Anniversary or Holiday							
Other Expenses	20,000.00		20,000.00	9,987.80	10,012.20		
Senior Citizens							
Salaries and Wages	54,200.00		29,200.00	25,504.57	3,695.43		
Other Expenses	10,000.00		10,000.00	5,125.00	4,875.00		
TOTAL RECREATION AND EDUCATION	299,900.00	0.00	281,400.00	262,670.97	18,729.03	0.00	0.00
SANITATION							
Garbage & Trash Removal							
Salaries and Wages	750,000.00		767,000.00	766,737.68	262.32		
Other Expenses	4,000.00		4,000.00	4,000.00	0.00		
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	400,000.00		455,000.00	420,791.32	34,208.68		
TOTAL SANITATION	1,154,000.00	0.00	1,226,000.00	1,191,529.00	34,471.00	0.00	0.00
STATE UNIFORM CONSTRUCTION CODE							
Salaries and Wages							
Construction Code Official	31,900.00		25,900.00	25,752.74	147.26		
Sub-Code Officials							
Plumbing Inspector	28,000.00		28,500.00	28,362.98	137.02		
Fire Inspector	22,000.00		23,000.00	22,925.16	74.84		
Electrical Inspector	19,000.00		20,000.00	19,844.09	155.91		
Other Salaries	60,000.00		100,000.00	99,482.85	517.15		
Elevator Sub-Code Official	2,200.00		1,200.00	960.00	240.00		
Building Sub-Code Official	30,500.00		24,500.00	24,000.00	500.00		
Mechanical Inspector					0.00		
Other Expenses	30,000.00		40,000.00	35,142.75	4,857.25		
Rental Expenses	32,000.00		33,000.00	32,633.26	366.74		
TOTAL STATE UNIFORM CONST. CODE	255,600.00	0.00	296,100.00	289,103.83	6,996.17	0.00	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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>	
OPERATIONS WITHIN "CAPS" (Cont'd)							
<i>UNCLASSIFIED:</i>							
Utilities							
Street Lighting	230,000.00		230,000.00	219,935.36	10,064.64		
Gasoline	175,000.00		195,000.00	191,133.54	3,866.46		
Fuel Oil	16,000.00		16,000.00	2,669.78	13,330.22		
Electricity	175,000.00		175,000.00	174,979.67	20.33		
Telephone and Telegraph	92,000.00		101,000.00	100,440.76	559.24		
Water	12,000.00		19,050.00	18,713.40	336.60		
Fire Hydrant Services	94,000.00		94,000.00	88,826.49	5,173.51		
 Purchase of Postage	 27,000.00		 27,000.00	 24,078.26	 2,921.74		
 Vehicle Maintenance							
Salaries and Wages	85,000.00		91,600.00	91,330.88	269.12		
Other Expenses	180,000.00		180,000.00	170,676.60	9,323.40		
	1,086,000.00	0.00	1,128,650.00	1,082,784.74	45,865.26	0.00	0.00
TOTAL OPERATIONS WITHIN "CAPS"	12,636,382.00	0.00	12,664,082.00	12,300,979.16	363,102.84	0.00	0.00
 <i>Contingent</i>	 5,000.00		 7,500.00	 7,046.40	 453.60		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	12,641,382.00	0.00	12,671,582.00	12,308,025.56	363,556.44	0.00	0.00
 <i>Detail:</i>							
<i>Salaries and Wages</i>	7,419,400.00		7,660,850.00	7,628,808.77	32,041.23	0.00	(0.00)
<i>Other Expenses (Including Contingent)</i>	5,221,982.00		5,010,732.00	4,679,216.79	331,515.21	0.00	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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)							
DEFERRED CHARGES:							
Overexpenditure of Appropriations	172,775.64		172,775.64	172,775.64	0.00		
Emergency Authorization					0.00		
Overexpenditure of Appropriation Reserves	168,724.14		168,724.14	168,724.14	0.00		
STATUTORY EXPENDITURES:							
Contributions to:							
Public Employees Retirement System	198,370.40		198,370.40	198,370.40	0.00		
Social Security System (O.A.S.I.)	382,000.00		362,000.00	360,131.50	1,868.50		
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	88,880.00		88,880.00	88,880.00	0.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"	<u>1,013,150.18</u>	<u>0.00</u>	<u>993,150.18</u>	<u>991,281.48</u>	<u>1,868.70</u>	<u>0.00</u>	<u>0.00</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>13,654,532.18</u>	<u>0.00</u>	<u>13,664,732.18</u>	<u>13,299,307.04</u>	<u>365,425.14</u>	<u>0.00</u>	<u>0.00</u>
OPERATIONS EXCLUDED FROM "CAPS"							
Maintenance of Free Public Library Ch. 82, PL 1985	564,748.73		564,748.73	573,584.55	(8,835.82)		
Tax Appeals Reserve	25,000.00		25,000.00		25,000.00		
Insurance							
Liability	276,075.00		236,075.00	185,683.70	50,391.30		
Workmen's Compensation	317,800.00		317,800.00	222,799.95	95,000.05		
Employee Group					0.00		
Self - Insurance Eye Care					0.00		
Police and Fireman's Retirement System	657,335.00		657,335.00	657,335.00	0.00		
Joint Meeting - Borough Contribution	7,000.00		7,000.00	7,000.00	0.00		
Tax MAP	30,000.00		59,800.00	45,074.80	14,725.20		
	<u>1,877,958.73</u>	<u>0.00</u>	<u>1,867,758.73</u>	<u>1,691,478.00</u>	<u>176,280.73</u>	<u>0.00</u>	<u>0.00</u>

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	<i>APPROPRIATIONS</i>			<i>EXPENDED</i>			<i>Overexpenditure</i>
	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>	
OPERATIONS EXCLUDED FROM "CAPS" (Continued)							
<i>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i>							
Reserves - Grant							
Parking Offense Adjudication Act	3,024.00		3,024.00	3,024.00	0.00	\$	
Drunk Driving Enforcement Fund	10,294.10		10,294.10	10,294.10	0.00		
Comcast Tech Grant							
Safe & Secure Communities							
Program Grant							
Police - Salaries & Wages							
State Share	60,000.00		60,000.00	60,000.00	0.00		
Municipal Share	15,000.00		15,000.00	15,000.00	0.00		
Chapter 159:							
Clean Community Grant	10,386.82		10,386.82	10,386.82	0.00		
Recycling Tonnage Grant	19,051.60		19,051.60	19,051.60	0.00		
Alcohol Education and Rehabilitation Grant					0.00		
Obey Signs & Speed Enforcement Grant	4,000.00		4,000.00	4,000.00	0.00		
Police Over the Limit Grant	5,000.00		5,000.00	5,000.00	0.00		
Body Armor Replacement Grant	3,655.40		3,655.40	3,655.40	0.00		
Drunk, Drive, Lose Grant	5,000.00		5,000.00	5,000.00	0.00		
Bergen County MRAP Grant	10,380.63		10,380.63	10,380.63	0.00		
TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES	145,792.55	0.00	145,792.55	145,792.55	0.00	0.00	0.00
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	2,023,751.28	0.00	2,013,551.28	1,837,270.55	176,280.73	0.00	0.00
<i>Detail:</i>							
Salaries and Wages	75,000.00	0.00	75,000.00	75,000.00	0.00	0.00	0.00
Other Expenses	1,948,751.28	0.00	1,938,551.28	1,762,270.55	176,280.73	0.00	0.00
<i>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</i>							
Capital Improvement Fund	100,000.00		100,000.00	100,000.00	0.00		
Public and Private Programs Offset by Revenue:							
NJ Meadowlands Commission Grant							
Park Improvements					0.00		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	100,000.00	0.00	100,000.00	100,000.00	0.00	0.00	0.00

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

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	994,000.00		994,000.00	994,000.00		0.00	\$
Payment on Bond Anticipation Notes & Capital Notes							
Interest on Bonds	841,033.50		841,033.50	841,033.50		0.00	
Interest on Notes	351,180.00		351,180.00	350,204.50		975.50	
EDA Loan Program - Principal Program	42,448.00		42,448.00	42,448.00			
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	35,074.62		35,074.62	35,074.62		0.00	
Environmental Infrastructure Loan -Principal						0.00	
-Interest						0.00	
Silver Street Loan Repayment						0.00	
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>2,263,736.12</u>	<u>0.00</u>	<u>2,263,736.12</u>	<u>2,262,760.62</u>	<u>0.00</u>	<u>975.50</u>	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"							
Emergency Authorizations							
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	<u>4,387,487.40</u>	<u>0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>176,280.73</u>	<u>975.50</u>	
SUBTOTAL GENERAL APPROPRIATIONS	<u>18,042,019.58</u>	<u>0.00</u>	<u>18,042,019.58</u>	<u>17,499,338.21</u>	<u>541,705.87</u>	<u>975.50</u>	<u>0.00</u>
<i>Reserve for Uncollected Taxes</i>	<u>900,000.00</u>		<u>900,000.00</u>	<u>900,000.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$18,942,019.58</u>	<u>\$0.00</u>	<u>\$18,942,019.58</u>	<u>\$18,399,338.21</u>	<u>\$541,705.87</u>	<u>\$975.50</u>	<u>\$0.00</u>
Reference	A-2			Below	A	A-1	A-12
	Reference						
Disbursements	A-4			\$17,179,232.28			
Budget Offsets	A-4			(190,644.37)			
Library -Rental	A-2			30,000.00			
Reserve for Uncollected Taxes	A-2			900,000.00			
Encumbrance Payable	A-22			112,099.86			
Due to Grant Fund	E-4			27,150.66			
Deferred Charges	A, A-12			341,499.78			
				<u>\$18,399,338.21</u>			

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
TRUST FUND

COMPARATIVE STATEMENT OF FINANCIAL POSITION

B

		At December 31,	
	Reference	<u>2008</u>	<u>2007</u>
ASSETS			
Other Trust Fund			
Cash	B-1	\$17,730.16	\$26,032.95
Due from Current Fund	B-7	<u>16,171.95</u>	<u>0.00</u>
		33,902.11	26,032.95
Developer's Escrow Fund			
Cash	B-1	340,725.57	262,267.18
Due from Engineer - Overpayments		<u>463.75</u>	<u>463.75</u>
		341,189.32	262,730.93
Dog License Fund			
Cash	B-1	<u>7,801.95</u>	<u>8,985.27</u>
Unemployment Fund			
Cash	B-1	56,666.36	178,811.97
Due From Current Fund	A, B-9	194.32	48.71
Due From Sewer Utility Fund	D, B-11	<u>3,000.00</u>	<u>3,000.00</u>
		59,860.68	181,860.68
TOTAL ASSETS		<u><u>\$442,754.06</u></u>	<u><u>\$479,609.83</u></u>
 LIABILITIES, RESERVE AND FUND BALANCE			
Other Trust			
Due to Current Fund	A,B-7	\$0.00	\$7,904.12
Special Reserves	B-8	<u>33,902.11</u>	<u>18,128.83</u>
		33,902.11	26,032.95
Developers Escrow			
Due to Current Fund	A,B-10	389.84	355.69
Reserve for Escrow Fees	B-5	<u>340,799.48</u>	<u>262,375.24</u>
		341,189.32	262,730.93
Dog License Fund			
Due to Current Fund	A,B-4	892.30	2,767.62
Due to State of New Jersey	B-3	3.20	3.20
Reserve for Dog Fund Expenditures	B-6	<u>6,906.45</u>	<u>6,214.45</u>
		7,801.95	8,985.27
Unemployment Fund			
Fund Reserve	B-2	<u>59,860.68</u>	<u>181,860.68</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u><u>\$442,754.06</u></u>	<u><u>\$479,609.83</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND

COMPARATIVE STATEMENT OF FINANCIAL POSITION

C

		At December 31,	
	Reference	<u>2008</u>	<u>2007</u>
ASSETS			
Cash - Treasurer	C-2,3	\$3,843,290.21	\$8,960,236.16
Grants Receivable	C-18	750,000.00	750,000.00
Deferred Charges - Overexpenditure of Impr. Authorization	C-9	7,588.25	
Deferred Charges to Future Taxation:			
Funded	C-5	19,397,477.06	20,460,103.68
Unfunded	C-6	10,881,413.02	10,406,413.02
Due From Sewer Capital Fund	D	0.00	95,473.77
		<u> </u>	<u> </u>
TOTAL ASSETS		<u><u>\$34,879,768.54</u></u>	<u><u>\$40,672,226.63</u></u>
 LIABILITIES, RESERVE AND FUND BALANCE			
General Serial Bonds	C-13	\$18,845,000.00	\$19,839,000.00
Bond Anticipation Notes	C-15	9,755,000.00	9,755,000.00
State Loan Payable	C-12	552,477.06	621,103.68
Encumbrance Payable	C-7	14,756.18	42,767.47
Improvement Authorizations:			
Funded	C-9	913,677.99	2,618,851.72
Unfunded	C-9	1,604,679.72	4,905,941.95
Due to Current Fund	A,C-4	7,409.49	204,362.05
Due to Sewer Capital Fund	D	58,187.94	0.00
Reserve for Payment of Bonds and Notes	C-14	1,983,231.00	1,822,837.00
Reserve for Building & Grounds Improvements	C-11	2,051.22	3,816.22
Reserve for Roadway Improvements	C-19	187,500.00	0.00
Reserve for Grants- Receivable	C-17	750,000.00	750,000.00
Premium on BAN/ Bond Sale	C-10	41,761.40	19,510.00
Capital Improvement Fund	C-8	112,143.24	37,143.24
Fund Balance	C-1	51,893.30	51,893.30
		<u> </u>	<u> </u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u><u>\$34,879,768.54</u></u>	<u><u>\$40,672,226.63</u></u>

There were bonds and notes authorized but not issued on December 31, 2008
in the amount of \$1,126,413.02 (Exhibit C-16).

STATEMENT OF FUND BALANCE

C-1

	Reference	
Balance December 31, 2007	C	\$51,893.30
Balance December 31, 2008	C	<u><u>\$51,893.30</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

COMPARATIVE STATEMENT OF FINANCIAL POSITION

D

At December 31:

	Reference	2008	2007
ASSETS			
Operating Fund:			
Cash	D-4	\$149,301.98	\$223,954.19
Escrow Trust Cash	D-4, D-15	3,246.82	29,045.10
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	547,824.25	330,369.99
Due from Utility Capital Fund	D-7	273,711.42	35,953.77
Due from Current Fund	A, D-14	-	171.70
Deferred Charges:			
Overexpenditure of Appropriations	D-3	44,620.42	95,617.74
Overexpenditure of Appropriation Reserves	D-13	48,669.58	
Deficit in Operations	D-1	-	91,496.76
		1,067,374.47	806,609.25
Total Operating Fund			
Capital Fund:			
Fixed Capital	D-8	4,115,742.84	3,190,742.84
Fixed Capital Authorized and Uncompleted	D-8	500,000.00	925,000.00
Due from General Capital Fund	D-9	58,187.94	-
NJ Infrastructure Loan Receivable	D-18	-	282,223.00
		4,673,930.78	4,397,965.84
Total Capital Fund			
		\$5,741,305.25	\$5,204,575.09
TOTAL ASSETS			
 LIABILITIES, RESERVE AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,13	18,764.50	2,423.89
Due to Unemployment Fund	B	3,000.00	3,000.00
Sewer Charge Overpayment	D-4,6	54,261.80	31,038.87
		76,026.30	36,462.76
Reserve for Escrow Deposit	D-15	3,246.82	29,045.10
Reserve for Receivables	Contra	547,824.25	330,369.99
Fund Balance	D-1	440,277.10	410,731.40
		1,067,374.47	806,609.25
Total Operating Fund			
Capital Fund:			
NJ Infrastructure Loan Payable	D-17	699,876.61	795,609.37
Improvement Authorizations			
Funded	D-10	-	60,218.54
Unfunded	D-10	222,106.60	28,207.00
Due to General Capital Fund	D-9	-	95,473.77
Due to Utility Operating Fund	D-7	273,711.42	35,953.77
Capital Improvement Fund	D-11	90,576.92	90,576.92
Reserve for Deferred Amortization	D-12	101,183.63	101,183.63
Amortization Reserve	D-12	3,286,475.60	3,190,742.84
		4,673,930.78	4,397,965.84
Total Capital Fund			
		5,741,305.25	5,204,575.09
TOTAL LIABILITIES, RESERVE AND FUND BALANCE			

There were bonds and notes authorized but not issued
on December 31, 2008 in the amount of \$528,207.00 (Schedule D-16)

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN OPERATING FUND BALANCE**

D-1

At December 31:			
	Reference	2008	2007
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2	220,000.00	21,000.00
User Charges and Fees	D-2	1,520,382.21	1,166,129.91
Delinquent User Charges	D-2,4	153,497.33	154,481.02
Xanadu Agreement	D-2,4	353,000.00	512,000.00
Excess NJ Infrastructure Loan Received	D-2,18	6,793.00	
Miscellaneous Revenues	D-2	49,956.01	211,761.48
	D-2	2,303,628.55	2,065,372.41
Other Credits to Income:			
Appropriations Lapsed	D-3	141.36	-
Prior Year Appropriation Reserve lapsed			9,824.08
		2,303,769.91	2,075,196.49
Less: Budget Appropriations	D-3	2,054,224.21	2,166,693.25
		2,054,224.21	2,166,693.25
Excess/(Deficit) in Revenues	D	249,545.70	(91,496.76)
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Deficit in Operations	D	-	91,496.76
Fund Balance - Operating - January 1	D	410,731.40	431,731.40
Less: Fund Balance Utilized	D-2	220,000.00	21,000.00
Fund Balance - Operating - December 31	D	440,277.10	410,731.40

See Accompanying Notes to Financial Statements

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF REVENUES

D-2

	Anticipated <u>Budget</u>	Realized	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 220,000.00	\$ 220,000.00	\$ -
User Charges and Fees	1,166,000.00	1,520,382.21	354,382.21
Delinquent User Charges	215,224.21	153,497.33	(61,726.88)
Xanadu Agreement	353,000.00	353,000.00	-
Miscellaneous Revenues	100,000.00	56,749.01	(43,250.99)
	<u>\$ 2,054,224.21</u>	<u>\$ 2,303,628.55</u>	<u>\$ 249,404.34</u>
Reference	<u>D-3</u>	<u>D-1, Below</u>	

User Charges and Fees-Cash Receipts	D-4	\$ 1,520,382.21	
Delinquent User Charges- Cash Receipts	D-4	153,497.33	
Xanadu Agreement	D-4	353,000.00	
Miscellaneous Revenue - Excess NJ			
Infrastructure Loan Received	D-1, 18	6,793.00	
Miscellaneous Revenues - Cash Receipts	D-4	49,956.01	
Surplus Anticipated	D-1	220,000.00	
		<u>220,000.00</u>	
Above		<u>\$ 2,303,628.55</u>	

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

D-3

	Appropriations		Expended		Lapsed/ (Overexpenditure)
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 126,800.00	\$ 126,800.00	\$ 111,788.61	\$ 15,011.39	\$ -
Other Expenses	<u>1,610,000.00</u>	<u>1,610,000.00</u>	<u>1,654,620.42</u>	<u>-</u>	<u>(44,620.42)</u>
Total Operating Expenditures	<u>1,736,800.00</u>	<u>1,736,800.00</u>	<u>1,766,409.03</u>	<u>15,011.39</u>	<u>(44,620.42)</u>
Capital Improvement Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Charges & Statutory Expenditures					
Deferred Charges:					
Overexpenditure of Appropriations	95,617.74	95,617.74	95,617.74		
Deficit in Operations	91,496.76	91,496.76	91,496.71		
Statutory Expenditures:					
Contributions to:					
Social Security System	12,500.00	12,500.00	8,746.89	3,753.11	-
Unemployment Compensation Insurance	3,000.00	3,000.00	3,000.00	-	-
Total Deferred Charges & Statutory Expenditures	<u>202,614.50</u>	<u>202,614.50</u>	<u>198,861.34</u>	<u>3,753.11</u>	<u>-</u>
Debt Service					
Principal	114,809.71	114,809.71	114,668.35		141.36
Interest Expense	-	-	-	-	-
	<u>114,809.71</u>	<u>114,809.71</u>	<u>114,668.35</u>	<u>-</u>	<u>141.36</u>
Total Sewer Utility Appropriations	<u>\$ 2,054,224.21</u>	<u>\$ 2,054,224.21</u>	<u>\$ 2,079,938.72</u>	<u>\$ 18,764.50</u>	<u>\$ (44,479.06)</u>
Reference	D-1,2	D-1,2	Below	D	Below
			Lapsed Appropriations	D-1	141.36
			Overexpenditure of Appropriations	D	<u>(44,620.42)</u>
					<u>(44,479.06)</u>
Disbursed	D-4		\$ 1,889,824.27		Above
Deferred Charges Expended	D		187,114.45		
Due to Unemployment Fund	B-11		<u>3,000.00</u>		
	Above		<u>\$ 2,079,938.72</u>		

BOROUGH OF EAST RUTHERFORD
GENERAL FIXED ASSETS FUND
AT DECEMBER 31, 2008

STATEMENT OF GENERAL FIXED ASSETS - "UNAUDITED"

F

	<u>2008</u>
GENERAL FIXED ASSETS	
Land (as per assessed valuation) *	\$13,193,750.00
Buildings (as per assessed valuation) *	13,463,950.00
Machinery and Equipment	<u>11,792,973.40</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$38,450,673.40</u></u>
 LIABILITIES AND RESERVES	
Investments in General Fixed Assets	<u>\$38,450,673.40</u>
TOTAL LIABILITIES AND RESERVES	<u><u>\$38,450,673.40</u></u>

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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 generally accepted accounting principles (GAAP).

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

A. Reporting Entity

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

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

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

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

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

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

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

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

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

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

Trust Funds
General Capital Fund

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

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

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

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

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

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

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments, with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or litigations obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

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

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

GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule F of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2008 and December 31, 2007, no depreciation has been provided for in the financial statements.

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

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

Land and Buildings	Assessed Valuations
Machinery and Equipment	Estimated Market Value

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

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

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

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

D. Basic Financial Statements

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

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

2. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

At December 31, 2008, the Borough of East Rutherford had the following cash held by a custodial bank or financial institution:

Current Fund	\$3,258,979.25
Trust Funds	422,924.04
Capital Fund	3,843,290.21
Sewer Utility Fund	149,301.98
Sewer Utility Escrow Trust Account	3,246.82
Federal and State Grant Fund	139,256.60
	<u>\$7,816,998.90</u>
Municipal Court *	
- Bail Account	\$11,577.38
- Fines and Costs	89,503.83
	<u>\$101,081.21</u>

* Municipal Court audit is under separate cover.

The carrying amount of the Borough's cash at December 31, 2008, was \$7,918,080.11 and the bank balance was \$8,029,489.75, of the bank balance, \$250,000.00 was covered by federal depository insurance and \$7,779,489.75 was covered by the State of New Jersey, Governmental Unit Deposit Protection Act.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

2. Cash and Cash Equivalents

Investments

The purchase of investments by the Borough are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund; or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. The underlying securities are permitted investments pursuant to paragraphs 1 and 3 above;
 - b. The custody of collateral is transferred to a third party;
 - c. The maturity of the agreement is not more than 30 days;
 - d. The underlying securities are purchased through a public depository as defined in statute; and
 - e. A master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

3. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges were shown on the Statement of financial position of Current Funds.

<u>Current Fund</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Budget Appropriations</u>	<u>Subsequent Budgets</u>
Overexpenditure of Appropriation			
Reserves	61,982.44	61,982.44	0.00
	<u>\$61,982.44</u>	<u>\$61,982.44</u>	<u>\$0.00</u>

4. Local District School Taxes

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

	<u>Local School District Tax Balance December 31,</u>		<u>Regional High School Tax Balance December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Balance of Tax	\$5,919,449.06	\$5,706,109.04	\$2,905,201.44	\$2,200,846.42
Deferred	<u>5,919,449.06</u>	<u>5,706,109.04</u>	<u>2,490,174.44</u>	<u>2,200,846.42</u>
Taxes Payable/(Prepaid)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$415,027.00</u>	<u>\$0.00</u>

5. Taxes Collected in Advance

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

	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2007</u>
Prepaid Taxes	\$385,781.60	\$253,422.03

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008
 (Continued)

6. Comparative Schedule of Fund Balances

	<u>Year</u>	Balance <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
Current Fund	2008	\$ 1,714,822.04	--- *
	2007	2,318,753.85	1,970,000.00
	2006	3,708,705.54	1,970,000.00
	2005	4,137,473.34	1,970,000.00
	2004	4,135,482.44	1,970,000.00

* - Budget not adopted as of audit date

7. Long-Term Debt

Summary of Municipal Debt	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
Issued			
General:			
Bonds, Notes and Loans	\$29,152,477.06	\$30,215,103.68	\$21,522,214.49
Sewer Utility			
Bonds, Notes and Loans	699,876.61	795,609.37	883,538.83
Total Bonds and Notes Issued	<u>29,852,353.67</u>	<u>31,010,713.05</u>	<u>22,405,753.32</u>
Authorized but not Issued			
General:	1,126,413.02	651,413.02	4,549,311.17
Sewer Utility	<u>528,207.00</u>	<u>28,207.00</u>	<u>28,207.00</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$31,506,973.69</u>	<u>\$31,690,333.07</u>	<u>\$26,983,271.49</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 1.735%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$8,174,414.00	\$8,174,414.00	\$0.00
Debt for Self-Liquidating Purposes	1,228,083.00	1,228,083.00	0.00
General Debt	<u>30,278,890.08</u>		<u>30,278,890.08</u>
	<u>\$39,681,387.08</u>	<u>\$9,402,497.00</u>	<u>\$30,278,890.08</u>

Net Debt \$30,278,890.08 divided by Equalized Valuation Basis per N.J.S.A.
 40A:2-2 as amended \$1,745,086,584 = 1.735%

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

7. Long-Term Debt (Continued)

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	\$61,078,030.44
Net Debt	30,278,890.08
Remaining Borrowing Power	\$30,799,140.36

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Fiscal Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>
2009	\$850,000.00	\$803,062.50
2010	850,000.00	768,187.50
2011	1,100,000.00	737,250.00
2012	1,100,000.00	681,912.50
2013	1,100,000.00	635,162.50
2014-2025	13,845,000.00	4,688,337.50
Total	\$18,845,000.00	\$8,313,912.50

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

7. Long-Term Debt (Continued)

The Borough's long-term debt consisted of the following at December 31, 2008:

General Obligation Bonds

\$2,315,000 - 1998 Bonds, due in annual installments of ; \$250,000-1/15/09-10, interest at 4.35%	\$500,000.00
---	--------------

\$20,145,000 - 2005 Bonds, due in annual installments of \$600,000-1/15/09-10; \$1,100,000-1/15/11-18; \$1,200,000-1/15/19-24; \$1,145,000-1/15/2025, interest rate variable from 4.00% to 5.00%	18,345,000.00
--	---------------

Subtotal	18,845,000.00
----------	---------------

State Loan Payable

\$128,500-due in semi-annual instalments, at an interest rate of 2.00%	26,880.96
--	-----------

\$424,480-due in annual instalments, at a 0.00% interest rate	127,344.00
---	------------

\$435,553-due in semi-annual instalments, at an interest rate of 2.00%	398,252.10
--	------------

Subtotal	552,477.06
----------	------------

Sewer Utility Capital:

NJ Infrastructure Loan Payable

\$445,000-due in semi-annual instalments, at an interest rate of 4.00%	360,000.00
--	------------

\$451,793-due in semi- annual instalments, at a 0.00% interest rate	339,876.61
---	------------

Subtotal	699,876.61
----------	------------

Total	\$20,097,353.67
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Short - Term Debt

The Borough had \$9,755,000 bond anticipation note dated November 14, 2008. The note matures November 13, 2009 and bears interest at the rate of 2.50% per annum payable at maturity.

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008
 (Continued)

7. Long-Term Debt (Continued)

Interfund Receivables and Payables

Interfund Receivables and Payables at December 31, 2008 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$66,044.45	\$16,366.27
Trust Funds	19,366.27	1,282.14
Capital Fund	-	65,597.43
Sewer Utility Fund	331,899.36	276,711.42
Grant Fund		57,352.82
Total Interfund Receivables and Payable	<u>\$417,310.08</u>	<u>\$417,310.08</u>

8. 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.

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, 2008, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

9. 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.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

10. Retirement Plans

Plan Description, Contribution Information, and Funding Policies

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are: (1) the Public Employees' Retirement System and (2) the Consolidated Police and Firemen's Pension Fund and (3) the Police and Firemen's Retirement System of New Jersey. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. Pension costs charged to the budget for 2008 and 2007 respectively were \$855,705.40 and \$546,050.80.

Borough employees are also covered by the Federal Insurance Contribution Act. Information as to the comparison of the actuarial computed value of vested benefit with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

Deferred Compensation Plan

The Borough currently does not have a deferred compensation plan.

11. Post Employment Benefits

Retired employees are eligible for health insurance and prescription until the age of 65. The Borough currently has twelve employees receiving this benefit at a cost of \$173,575.32 for 2008.

12. Compensated Absences (Unaudited)

The Borough's policy to compensate police officers for unused sick time amounted to \$55,252.36 in 2008 and was paid in 2009.

The Borough's policy to compensate DPW workers for unused sick time did not exist until 2008. As of May 20, 2008, \$16,648.59 was paid to DPW workers for their time accrued in 2006, and, on December 11, 2008, \$15,346.34 was paid to DPW workers for their time accrued in 2007.

The Borough has permitted employees to accrue unused sick pay which may be taken as time off or paid at a later date at a agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$ 1,430,884.63.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

13. Insurance

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

14. Leases

In 2005, the Borough entered into a four year lease agreement with Ford Motor Credit Company for (one) 2004 Chevrolet Impala vehicle to be used by the Police Department. The first payment due on 05/18/05 was \$5,976.81 with \$5,976.81 for the next three consecutive annual payments. The fair market value of the vehicle was \$21,850.00.

In 2005, the Borough entered into a four year lease agreement with Ford Motor Credit Company for (two) 2005 Ford Explorer vehicles to be used by the Fire Department. The first payment due on 08/30/05 was \$14,223.56 with \$14,223.56 for the next two consecutive annual payments and \$14,223.52 for the last annual payment. The fair market value of the vehicle was \$52,138.00.

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

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

In 2004, the Borough entered into a four year lease agreement with Old National Leasing for (ten) on board lap top computers for fire department vehicles for 4 years to be used by the Fire Department. There was a \$15,000 down payment made in 2004. The first payment due on 06/15/05 was \$21,106.66 and \$21,106.66 for the next three consecutive annual payments. The fair market value of the computers was \$90,000.00.

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

14. Leases (Continued):

In 2006, the Borough entered into a lease agreement with Ford Motor Credit Company for (one) 2006 Ford Explorer and Ford extended service plan for 3 years, to be used by the Detective in the Police Department, first payment due of \$10,859.70 and \$10,859.70 for the next 2 consecutive annual payments.

In 2006, the Borough entered into a lease agreement with Ford Motor Credit Company for (one) 2006 Dodge Charger for 3 years, first payment of \$11,265.52 deferred to January 22, 2007 and \$11,265.52 for the next 2 consecutive annual payments.

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

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

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

The grand total payments made in 2008 for the leased vehicles amounted to \$161,776.78. These lease-purchase agreements include a \$1.00 buy out at the end of the lease period, the assets will then become Borough property.

The following is a schedule of future lease payments under capital leases for years ended December 31:

2009	\$	109,610.09
2010		98,344.57
2011		63,455.00

BOROUGH OF EAST RUTHERFORD
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008
 (Continued)

15. Additional Tax Information

Property Tax Calendar

The Borough of East Rutherford property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sale was held on June 10, 2008 for 2007 taxes.

Comparative Schedule of Tax Rate and Assessed Valuations

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	<u>\$2.84</u>	<u>\$2.58</u>	<u>\$2.69</u>	<u>\$2.50</u>	<u>\$2.39</u>
Apportionment of Tax Rate					
Municipal	0.661	0.563	0.605	0.543	0.461
County	0.381	0.316	0.318	0.305	0.307
Local School	1.266	1.227	1.247	1.178	1.157
Regional High School	0.533	0.474	0.519	0.474	0.465

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

2008	<u>\$934,917,058</u>				
2007	<u>\$929,872,429</u>				
2006		<u>\$882,114,829</u>			
2005			<u>\$882,647,583</u>		
2004				<u>\$868,410,644</u>	

BOROUGH OF EAST RUTHERFORD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

15. Additional Tax Information (Continued)

Comparison of Current Tax Collections

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2008	\$26,585,369.48	\$25,928,029.14	97.53%
2007	24,196,739.15	23,380,007.65	96.62%
2006	24,539,438.25	24,161,025.70	98.46%
2005	22,090,873.21	21,854,875.83	98.93%
2004	20,842,493.43	20,647,307.24	99.06%

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>
2008	\$29,830.40	\$438,051.99	\$467,882.39	1.76%
2007	22,362.03	696,686.28	719,048.31	2.97%
2006	20,504.43	433,690.52	454,194.95	1.85%
2005	16,028.10	226,827.75	242,855.85	1.09%
2004	14,228.10	154,422.37	168,650.47	0.81%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation at December 31, 2008 is \$636,900.00. This represents the properties assessed valuation from 1995-2008.

16. Joint Ventures With Other Municipalities

There were no joint ventures during the year.

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH

A-4

	Reference	Current Fund	Tax Collector
Balance December 31, 2007	A	<u>\$2,671,395.39</u>	<u>\$67,001.52</u>
Increased by:			
Miscellaneous Revenue	A-2	9,959,845.99	128,870.15
Non-Budget Revenues	A-2	639,001.55	
Adjustment of Tax			
Taxes Receivable	A-7		26,039,984.53
Senior Citizens and Veterans	A-8	83,496.06	
Municipal Homeland Security	A-8a	50,000.00	
Collector	Contra	26,378,199.73	
State Library Aid	A-26	7,071.00	
Tax Overpayments	A-15		37,031.25
Tax Title Liens - Outside Lienholder	A-20		73,957.63
Police Off Duty Receivable/ Reserve	A-23	549,588.27	
Due from Becton - Rent	A-24	75,000.00	
Prepaid Taxes	A-16		223,839.11
Due from Grant Fund- Interfund	E-2	86,832.91	
Due from Grant Fund- Unappropriated	E-5	6,595.84	
Due from Grant Fund -Receivable	E-3	2,117.00	
Due from Sewer Utility Fund	D-14, Contra	650,000.00	81,808.35
General Capital Fund - Interfund	C-4	2,980,500.00	
General Capital Fund - Reserve for Roadway Improvement	C-4	187,500.00	
Transfer from Fire Official	A-6	5,338.00	
Budget Offsets	A-3	190,644.37	
Due to Trust Fund- Elevator Fees	B-7	26,061.00	
Due to Trust Fund- Tax Title Lien Premiums	B-7	8,200.00	
Transfer from Other Trust Fund	B-1	7,904.12	
Transfer from Dog License Fund	B-4	2,767.92	
		<u>41,896,663.76</u>	<u>26,585,491.02</u>
		<u>44,568,059.15</u>	<u>26,652,492.54</u>
Decreased by:			
2008 Budget Appropriations	A-3	17,179,232.28	
2007 Appropriation Reserves	A-13	358,462.81	
Tax Overpayments	A-15	157,344.13	
Local District School Tax	A-18	11,625,566.98	
Regional School Tax	A-19	4,275,993.86	
County Taxes	A-17	3,576,960.80	
Outside Liens	A-20	79,057.63	
Due from Sewer Utility- Debt Service Paid in Current Fund	D-14, Contra	650,171.70	81,808.35
Prior Year Grant Expenditures	E-4	47,144.37	
General Capital Fund - Interfund	C-4	3,000,000.00	
General Capital Fund Expend. Disbursed from Current Fund	C-4	7,731.00	
Transfer to Unemployment Fund	B-9	48.71	
Transfer to Other Trust Fund	B-1	12,995.00	
Transfer to Current Fund	Contra		26,378,199.73
Fire Inspection Reserve	A-6	1,000.00	
Police Off Duty Receivable/ Reserve	A-23	529,980.09	
		<u>41,501,689.36</u>	<u>26,460,008.08</u>
Balance December 31, 2008	A	<u><u>\$3,066,369.79</u></u>	<u><u>\$192,484.46</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CHANGE AND PETTY CASH FUND

A-5

	<u>Balance</u> Dec. 31, 2008	<u>Balance</u> Dec. 31, 2007
Collector - Change Fund	\$100.00	\$100.00
Borough Clerk	25.00	25.00
	<u>\$125.00</u>	<u>\$125.00</u>
Reference	A	A

SCHEDULE OF FIRE OFFICIAL RESERVE

A-6

	Reference	
Balance December 31, 2007	A	\$93,788.61
Increased by:		
Receipts from Fire Official	A-4	<u>5,338.00</u>
		99,126.61
Decreased by:		
Expenditures	A-4	<u>1,000.00</u>
Balance December 31, 2008	A	\$98,126.61

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2007	2008 Levy	Collections	2008	Prior Year Seniors Citizen Vets. Allowed/ Disallowed/ (Net)	Transfer to Lien	Added	(Canceled)	Balance Dec. 31, 2008
2007	\$ 696,686.28	\$ -		\$ 611,405.67	\$ 7,031.35	\$ 4,515.00		\$ (87,546.96)	\$ 250.00
2008		<u>26,585,369.48</u>	253,422.03	<u>25,674,607.11</u>		<u>2,045.52</u>	15,343.04	<u>(232,835.87)</u>	<u>437,801.99</u>
	<u>\$696,686.28</u>	<u>\$26,585,369.48</u>	<u>\$253,422.03</u>	<u>\$26,286,012.78</u>	<u>\$7,031.35</u>	<u>\$6,560.52</u>	<u>\$15,343.04</u>	<u>(\$320,382.83)</u>	<u>\$438,051.99</u>
Reference	A	Below	A-16	Below, A-2	A-1	A-10			A
			Reference						
Cash Receipts			A-4	\$26,039,984.53					
State of NJ - Realized			A-15	157,028.25					
Seniors and Veterans Deductions			A-8	<u>89,000.00</u>					
Analysis of 2008 Property Tax Levy			Above	<u>\$26,286,012.78</u>					
Tax Yield:									
General Purpose Tax		\$26,471,994.84							
Senior Citizen's & Veteran's Deduction		89,000.00	A-8						
Added Taxes (54:4-63.1 et. seq.)		<u>24,374.64</u>							
		<u>\$26,585,369.48</u>	Above						
Tax Levy:									
Local & Regional District School Tax (Abstract)		\$16,819,255.88	A-18,19						
County Taxes		3,551,741.22	A-17						
Due County for Added Taxes		3,263.22	A-17						
Local Tax for Municipal Purposes		6,172,803.25	A-2						
Add: Additional Taxes Levied		<u>38,305.91</u>							
Total Tax Levy		<u>\$26,585,369.48</u>	Above						

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

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

A-8

	Reference		
Balance December 31, 2007	A		\$4,401.20
Increased by:			
Cash Receipts - State of New Jersey	A-4	\$83,496.06	
Senior Citizens Deductions Disallowed by Tax Collector 2007 Taxes	A-1,7	7,031.35	90,527.41
			94,928.61
Decreased by:			
Senior Citizens Deductions Per Tax Billing		\$28,250.00	
Veterans Deductions Per Tax Billing	A-7	60,750.00	89,000.00
Balance December 31, 2008	A		\$5,928.61
 <i>Calculation of Amount Realized from State Reimbursement</i>			
Deductions per tax billings:			
Senior Citizens		\$28,250.00	
Veterans		60,750.00	
Amount Realized	A-7		\$89,000.00

SCHEDULE OF DUE FROM / (TO) STATE OF NEW JERSEY: MUNICIPAL HOMELAND SECURITY

A-8a

Balance December 31, 2007	A		\$50,000.00
Decreased By:			
Cash Received	A-4		50,000.00
Balance December 31, 2008	A		\$0.00

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-9

	Reference	
Balance December 31, 2007	A	<u>\$636,900.00</u>
Balance December 31, 2008	A, Below	<u><u>\$636,900.00</u></u>

Analysis of Balance

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, 2007	A	\$22,362.03
Increased by:		
Interest and Costs on 2008 Tax Sale		907.85
Transferred to Lien	A-7	<u>6,560.52</u>
		7,468.37
Balance December 31, 2008	A	<u><u>\$29,830.40</u></u>

Analysis of Balance

Block	Lot		
8	3		\$5,422.85
70	26		2,275.96
102C	3		263.57
102	6		<u>21,868.02</u>
		Above	\$29,830.40

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-11

	Balance Dec. 31, 2007	Accrued in 2008	Collected	Balance Dec. 31, 2008
Municipal Court	\$41,470.76	\$556,417.03	\$555,451.57	\$42,436.22
Construction Code				
Official Fees	28,777.77	275,161.23	283,939.00	20,000.00
Vital Statistics	384.00	4,400.00	4,158.00	626.00
Borough Clerk	0.00	42,470.54	40,226.04	2,244.50
Board of Health	7,464.00	35,158.00	35,805.00	6,817.00
	<u>\$78,096.53</u>	<u>\$913,606.80</u>	<u>\$919,579.61</u>	<u>\$72,123.72</u>
Reference	A			A

SCHEDULE OF DEFERRED CHARGES

A-12

	Balance Dec. 31, 2007	Amount in 2008 Budget	Increased by Current Year Deferred Charges	Balance Dec. 31, 2008
Overexpenditure of Appropriation	\$172,775.64	\$172,775.64		\$0.00
Appropriation Reserve	168,724.14	168,724.14	61,982.44	61,982.44
	<u>\$341,499.78</u>	<u>\$341,499.78</u>	<u>\$61,982.44</u>	<u>\$61,982.44</u>
Reference	A	A-3	A-13	A

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	<u>Balance December 31, 2007</u>	<u>Encumbrances December 31, 2007</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Lapsed</u>	<u>Over - expenditures</u>
GENERAL GOVERNMENT						
Administrative & Executive						
Municipal Clerk						
Salaries and Wages	\$4.65		\$4.65		\$4.65	
Other Expenses	1,008.45	1,269.59	2,278.04	1,340.70	937.34	
Contracted Services	5,135.50		5,135.50		5,135.50	
Mayor and Council						
Salaries and Wages	9.94		9.94		9.94	
Other Expenses	1,239.87	140.00	1,379.87	40.00	1,339.87	
Financial Administration						
Salaries and Wages	1,066.43		1,066.43		1,066.43	
Other Expenses						
Annual Audit	13,940.00		13,940.00	11,400.00	2,540.00	
Miscellaneous - Other Expenditures	23,319.93		23,319.93	18,321.25	4,998.68	
Single Audit Act	14,980.00		14,980.00	13,500.00	1,480.00	
Assessment of Taxes						
Salaries and Wages	0.53		0.53		0.53	
Other Expenses	2,034.62		2,034.62		2,034.62	
Ordinance Enforcement						
Salaries and Wages	1.12		1.12		1.12	
Redevelopment Agency (R.S. 40:550-1)						
Salaries and Wages	100.12		100.12		100.12	
Other Expenses (R.S. 40:550-1)	5,844.28		5,844.28	5,847.30		(3.02)
Collection of Taxes						
Other Expenses	689.04	39.48	728.52	39.48	689.04	
Legal Services and Costs						
Salaries and Wages	7.22		7.22		7.22	
Other Expenses	8,441.69		8,441.69	3,657.07	4,784.62	
Ordinance Recodification	1,557.76		1,557.76		1,557.76	
Engineering Services and Costs						
Salaries and Wages	0.12		0.12		0.12	
Other Expenses	333.65		333.65	330.00	3.65	
Public Buildings and Grounds						
Other Expenses	2,634.77	2,825.78	5,460.55	6,050.52		(589.97)
Contracted Service		3,500.00	3,500.00	6,235.00		(2,735.00)
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board - Other Expenses	2,436.48		2,436.48	631.00	1,805.48	
Zoning Board of Adjustment						
Salaries and Wages	3.10		3.10		3.10	
Other Expenses	990.84		990.84	315.00	675.84	
Municipal Court						
Salaries and Wages	9.44		9.44		9.44	
Other Expenses	4,871.34	21.99	4,893.33	1,489.56	3,403.77	
Public Defender						
Salaries and Wages	397.94		397.94		397.94	
Insurance						
Employee Group Insurance	16,035.91	728.00	16,763.91	12,807.74	3,956.17	
Rent Control Board						
Salaries and Wages	0.88		0.88		0.88	
Other Expenses	459.15		459.15		459.15	
PUBLIC SAFETY						
Fire						
Other Expenses			0.00		0.00	
Miscellaneous - Other Expenses	100.00		100.00		100.00	
Other Expenses - Lease/Purchase Equip.	0.34		0.34		0.34	
Gear Maintenance	13,820.30	1,774.22	15,594.52	14,911.87	682.65	
Leased Vehicles	26.44		26.44		26.44	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	<u>Balance December 31, 2007</u>	<u>Encumbrances December 31, 2007</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Lapsed</u>	<u>Over - expenditures</u>
GENERAL GOVERNMENT (Continued)						
Fire Alarm System						
Other Expenses	1,948.43	340.00	2,288.43	340.00	1,948.43	
Fire Prevention and Life Safety						
Salaries & Wages						
Fire Official	5.00		5.00			5.00
Other Salaries	2.09		2.09			2.09
Other Expenses	3,136.92	1,132.35	4,269.27	1,414.28	2,854.99	
Police						
Salaries and Wages			0.00		0.00	
Overtime	2.73		2.73		2.73	
Sick Pay	0.20		0.20		0.20	
Other Expenses	17,483.69	7,533.46	25,017.15	18,407.53	6,609.62	
911 Service	463.00		463.00		463.00	
Police Cars	6.02		6.02		6.02	
Special Police						
Salaries and Wages	7.09		7.09		7.09	
Other Expenses	2,916.00		2,916.00	2,473.90	442.10	
Traffic Lights						
Other Expenses	1,137.79		1,137.79	353.75	784.04	
Traffic Control						
Other Expenses	522.70		522.70		522.70	
First Aid Organization						
Other Expenses	8,469.30		8,469.30	8,469.30	0.00	
Emergency Management Services						
Salaries and Wages	2.64		2.64		2.64	
Other Expenses	13.82		13.82		13.82	
First Responder						
Salaries and Wages	2.09		2.09		2.09	
Towing Director						
Salaries and Wages	0.85		0.85		0.85	
<i>STREETS AND ROADS</i>						
Road Repair and Maintenance						
Salaries and Wages	3.75		3.75		3.75	
Other Expenses	13,355.11	2,555.00	15,910.11	9,087.01	6,823.10	
Lease Vehicles	96.00		96.00		96.00	
<i>HEALTH AND WELFARE</i>						
Board of Health						
Other Expenses	4,626.66	282.64	4,909.30	825.00	4,084.30	
Hepatitis "B" Shot	2,500.00		2,500.00	2,500.00	0.00	
<i>SANITATION</i>						
Garbage and Trash Removal						
Other Expenses	571.39		571.39		571.39	
Dumping Fees - Bergen County						
Sanitary Landfill - Contractual			0.00	1,545.00		(1,545.00)
<i>RECREATION AND EDUCATION</i>						
Board of Recreation Commission (R.S.4061-1 et. seq.)						
Salaries and Wages	4.36		4.36		4.36	
Other Expenses	19,133.85	203.00	19,336.85	3,264.00	16,072.85	
Senior Citizens						
Salaries and Wages	1.07		1.07		1.07	
Other Expenses	4,525.18		4,525.18		4,525.18	

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	Balance December 31, <u>2007</u>	Encumbrances December 31, <u>2007</u>	Modified by <u>Transfers</u>	Paid or <u>Charged</u>	Lapsed	Over - <u>expenditures</u>
GENERAL GOVERNMENT (Continued)						
<i>STATE UNIFORM CONSTRUCTION CODE</i>						
Sub-Code Official - Salaries and Wages						
Construction Code Official	5.80		5.80		5.80	
Plumbing Inspector	2.59		2.59		2.59	
Electrical Inspector	4.00		4.00		4.00	
Other Salaries	6.64		6.64		6.64	
Elevator Sub-Code Official	6.90		6.90		6.90	
Building Sub-Code Official	1.77		1.77		1.77	
Other Expenses	65.65	360.79	426.44	532.25		(105.81)
Leased Vehicles	35.29		35.29		35.29	
Rental Expense	1,308.31		1,308.31		1,308.31	
<i>UNCLASSIFIED</i>						
Utilities						
Street Lighting		230.51	230.51	18,565.70		(18,335.19)
Gasoline			0.00	11,101.99		(11,101.99)
Fuel Oil	4,690.05		4,690.05	2,788.28	1,901.77	
Electricity		2,787.65	2,787.65	13,290.97		(10,503.32)
Telephone and Telegraph		329.72	329.72	2,235.79		(1,906.07)
Water	1,435.60		1,435.60		1,435.60	
Fire Hydrant Services	1,499.77		1,499.77	8,145.39		(6,645.62)
Purchase of Postage	148.80	913.55	1,062.35	7.95	1,054.40	
Vehicle Maintenance						
Salaries & Wages	4.05		4.05		4.05	
Other Expenses	881.68	1,275.74	2,157.42	4,913.28		(2,755.86)
Contingent	3,172.41		3,172.41	2,820.74	351.67	
<i>STATUTORY EXPENDITURES:</i>						
PERS	2.20		2.20		2.20	
Social Security System (O.A.S.I)	0.61		0.61		0.61	
Pension of Widow Charles Swift (R.S. 43:12-28.1)	0.14		0.14		0.14	
Maintenance of Free Public Library Ch.82, PL 1985	5,231.79		5,231.79	2,035.50	3,196.29	
Tax Appeals - Professional Service	0.00		0.00	800.00		(800.00)
Tax Appeals Reserve	25,000.00		25,000.00		25,000.00	
Insurance						
Liability	36,507.00		36,507.00	36,507.00	0.00	
Worker's Compensation	93,071.12		93,071.12	98,026.71		(4,955.59)
PFRS	11,000.00		11,000.00	11,000.00	0.00	
DDEF Fund	0.00	95.00	95.00	95.00	0.00	
TOTAL GENERAL APPROPRIATIONS	<u>\$386,521.75</u>	<u>\$28,338.47</u>	<u>\$414,860.22</u>	<u>\$358,462.81</u>	<u>\$118,379.85</u>	<u>(\$61,982.44)</u>
Reference	A	A-22	A-4	A-4	A-1	A, A-12

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR HMDC

A-14

	Reference	
Balance December 31, 2007	A	<u>\$3,200.00</u>
Balance December 31, 2008	A	<u><u>\$3,200.00</u></u>

SCHEDULE OF TAX OVERPAYMENTS

A-15

	Reference	
Balance December 31, 2007	A	\$0.00
Increased by:		
Overpayments Received - 2008 Taxes	A-4	\$37,031.25
Tax Appeals	A-1	<u>440,234.62</u>
		<u>477,265.87</u>
		477,265.87
Decreased by:		
Overpayments Applied to 2008	A-7	\$157,028.25
Overpayments Applied to 2009	A-16	161,942.49
Overpayments and Tax Appeals Refunded	A-4	<u>157,344.13</u>
		<u>476,314.87</u>
Balance December 31, 2008	A	<u><u>\$951.00</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF PREPAID TAXES

A-16

	Reference		
Balance December 31, 2007	A		\$253,422.03
Increased by:			
Overpayments Applied to Prepaid Taxes	A-15	\$161,942.49	
Collection of Taxes - 2008	A-4	<u>223,839.11</u>	<u>385,781.60</u>
			639,203.63
Decreased by			
Applied to 2008 Taxes	A-7		<u>253,422.03</u>
Balance December 31, 2008	A		<u><u>\$385,781.60</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	Reference		
Balance December 31, 2007	A		\$24,756.76
Increased by:			
2008 Levy	A-1,2,7	\$3,359,277.08	
County Open Space	A-1,2,7	192,464.14	
Added Taxes	A-1,2,7	3,263.22	
Adjustment - Prior Year County Taxes		<u>462.82</u>	
			<u>3,555,467.26</u>
			3,580,224.02
Decreased by:			
Payments	A-4		<u>3,576,960.80</u>
Balance December 31, 2008	A		<u><u>\$3,263.22</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

A-18

	Reference	
Balance December 31, 2007		
School Tax Deferred		\$5,706,109.04
Increased by:		
Levy-School Year July 1, 2008 - June 30, 2008	A-2,7	11,838,907.00
		<u>17,545,016.04</u>
Decreased by:		
Payments	A-4	11,625,566.98
		<u>11,625,566.98</u>
Balance December 31, 2008		<u>\$5,919,449.06</u>
School Taxes Payable	A	\$0.00
School Tax Deferred		<u>\$5,919,449.06</u>
2008 Liability for Local District Tax		\$11,625,566.98
Tax Paid		\$11,625,566.98
Amount Charged to 2008 Operations	A-1	<u>\$11,625,566.98</u>

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

A-19

	Reference	
Balance December 31, 2007		
School Tax Deferred		\$2,200,846.42
Increased by:		
Levy-School Year July 1, 2008 - June 30, 2008	A-2,7	4,980,348.88
		<u>7,181,195.30</u>
Decreased by:		
Payments	A-1, 4	4,275,993.86
Balance December 31, 2008		<u>\$2,905,201.44</u>
		Below
Regional High School Tax Payable	A	\$415,027.00
Regional High School Tax Deferred		2,490,174.44
		<u>\$2,905,201.44</u>
2008 Liability for Regional School Tax		
Tax Paid		\$4,275,993.86
Regional School Tax Payable		415,027.00
		<u>415,027.00</u>
Amount Charged to 2008 Operations	A-1	<u>\$4,691,020.86</u>

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

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF TAX TITLE LIENS PAYABLE

A-20

	Reference	
Balance December 31, 2007	A	\$0.00
Increased by:		
Receipts Due to Outside Lienholders		
- Tax Collector	A-4	73,957.63
- Premium		<u>5,100.00</u>
		<u>79,057.63</u>
Disbursements to Outside Lienholder	A-4	<u>79,057.63</u>
Balance December 31, 2008	A	<u><u>\$0.00</u></u>

SCHEDULE OF RESERVE FOR REVALUATION

A-21

	Reference	
Balance December 31, 2007	A	<u>\$16,618.61</u>
Balance December 31, 2008	A	<u><u>\$16,618.61</u></u>

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ENCUMBRANCE PAYABLE

A-22

	Reference	
Balance December 31, 2007	A	\$28,338.47
Increased by:		
Budget Appropriations Payable	A-3	112,099.86
		140,438.33
Decreased by:		
Encumbrances Transferred to Appropriation Reserve Schedule	A-13	28,338.47
		28,338.47
Balance December 31, 2008	A	\$112,099.86

SCHEDULE OF POLICE OFF DUTY RECEIVABLE

A-23

	Reference	
Balance December 31, 2007	A	\$75,153.84
Increased by:		
Cash Disbursements	A-4	529,980.09
		605,133.93
Decreased by:		
Cash Receipts	A-4	549,588.27
		549,588.27
Balance December 31, 2008	A	\$55,545.66

SCHEDULE OF DUE FROM BECTON SCHOOL - RENT

A-24

	Reference	
Balance December 31, 2007	A	\$75,000.00
Increased by:		
Rental - Becton Regional School	A-2	75,000.00
		150,000.00
Decreased by:		
Cash Received	A-4	75,000.00
		75,000.00
Balance December 31, 2008	A	\$75,000.00

BOROUGH OF EAST RUTHERFORD
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR LIBRARY STATE AID

A-25

	Reference	
Balance December 31, 2007	A	\$0.00
Increased by:		
Cash Receipts	A-4	7,071.00
Balance December 31, 2008	A	<u><u>\$7,071.00</u></u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH AND CASH EQUIVALENTS

B-1

	Reference	Other Trust	Developers Escrow	Dog License	Unemployment Compensation
Balance December 31, 2007	B	<u>\$26,032.95</u>	<u>\$262,267.18</u>	<u>\$8,985.27</u>	<u>\$178,811.97</u>
Increased by Receipts:					
Interest Income	B-4,7,9,10	113.50	2,517.50	94.59	268.60
Municipal Dog License Fee	B-6			5,579.20	
State Dog License Fee	B-3			1,162.80	
Escrow Deposits/Trust Reserves	B-5,8	14,371.57	134,552.16		
Due from Current Fund	B-9				48.71
Budget Requirement	B-2				53,000.00
		<u>14,485.07</u>	<u>137,069.66</u>	<u>6,836.59</u>	<u>53,317.31</u>
		<u>40,518.02</u>	<u>399,336.84</u>	<u>15,821.86</u>	<u>232,129.28</u>
Decreased by Disbursements:					
Transfer to Current Fund - Interest	B-4,7,9,10	119.45	2,483.35	82.19	462.92
Transfer to Current Fund - Interfund	B-4, 7	7,904.12		2,767.92	
Transfer to Grant Fund	B-11				
State Dog License Fees	B-3			1,162.80	
Escrow Disbursements / Trust Reserves	B-2,5,8	14,764.29	56,127.92	4,007.00	175,000.00
		<u>22,787.86</u>	<u>58,611.27</u>	<u>8,019.91</u>	<u>175,462.92</u>
Balance December 31, 2008	B	<u>\$17,730.16</u>	<u>\$340,725.57</u>	<u>\$7,801.95</u>	<u>\$56,666.36</u>

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF UNEMPLOYMENT TRUST RESERVE

B-2

	Reference		
Balance December 31, 2007	B		\$181,860.68
Increased by:			
Budget Requirement - Current Fund Transfer	B-9	\$50,000.00	
Budget Requirement - Sewer Utility Fund	B-11,D-3	3,000.00	53,000.00
			234,860.68
Decreased by:			
Paid to State of New Jersey	B-1		175,000.00
Balance December 31, 2008	B		\$59,860.68

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

B-3

	Reference		
Balance December 31, 2007	B		\$3.20
Increased by:			
2008 Fees Collected	B-1		1,162.80
			1,166.00
Decreased by:			
Payments	B-1		1,162.80
Balance December 31, 2008	B		\$3.20

SCHEDULE OF DUE TO CURRENT - DOG LICENSE FUND

B-4

	Reference		
Balance December 31, 2007	B		\$2,767.62
Increased by:			
Interest Income	B-1	\$94.59	
Statutory Excess	A-1,B-6	880.20	974.79
			3,742.41
Decreased by:			
Transfer to Current Fund - Interest	B-1	82.19	
Transfer to Current Fund - Interfund	B-1	2,767.92	2,850.11
Balance December 31, 2008	B		\$892.30

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW FEES

B-5

	Reference	
Balance December 31, 2007	B	\$262,375.24
Increased by:		
Escrow Deposits	B-1	134,552.16
		396,927.40
Decreased by:		
Escrow Disbursements	B-1	56,127.92
		56,127.92
Balance December 31, 2008	B	\$340,799.48

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-6

	Reference	
Balance December 31, 2007	B	\$6,214.45
Increased by:		
Dog License Fees Collected	B-1	5,579.20
		11,793.65
Decreased by:		
Dog License Fund Expenditures		4,007.00
Statutory Excess - Due to Current Fund	B-4	880.20
		4,887.20
Balance December 31, 2008	B, Below	\$6,906.45
2007 Fees Collected		\$3,607.70
2006 Fees Collected		3,298.75
	Above	\$6,906.45

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

B-7

	Reference	
Balance December 31, 2007	B	\$7,904.12
Increased by:		
Interest Income	B-1	\$113.50
Elevator Fees - Paid from Current Fund	B-8	12,995.00
TTL Premium	B-8	5,100.00
		18,208.50
Decreased by:		
Elevator Fees - Received in Current Fund	A-4	26,061.00
Tax Title Liens - Received in Current Fund	A-4	8,200.00
Transfers to Current Fund - Interest	B-1	119.45
Transfers to Current Fund - Interfund	B-1	7,904.12
		42,284.57
Balance December 31, 2008	B	(\$16,171.95)

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF SPECIAL RESERVES - OTHER TRUST

B-8

	Balance Dec. 31, 2007	Receipts	Disbursements	Due to Current Fund	Balance Dec. 31, 2008
Police Computers: Prosecutors Office	\$4,995.00	\$ -	\$ -	\$ -	\$4,995.00
HMDC Recycling Grant	1,000.00				1,000.00
Performance Bond	0.00				0.00
Refundable Deposits	100.00				100.00
Tax Title Liens Premium	0.00			(3,100.00)	3,100.00
Fees	502.00				502.00
Escrow Reserve	8.68				8.68
Street Openings	1,600.00				1,600.00
Riggin Field Bricks	63.00				63.00
Graffiti Reward	500.00				500.00
Fire Official	8,228.85	12,271.57	11,935.45		8,564.97
Neighborhood Crime Watch	1,131.30	2,100.00	2,828.84		402.46
Elevator Fees	0.00			(13,066.00)	13,066.00
	<u>\$18,128.83</u>	<u>\$14,371.57</u>	<u>\$14,764.29</u>	<u>(\$16,166.00)</u>	<u>\$33,902.11</u>
Reference	B	B-1	B-1	Below	B

Elevator Fees - Paid from Current Fund	B-7	\$12,995.00
Tax Title Lien Premium	B-7	5,100.00
Elevator Fees - Collected in Current Fund	A-4	(26,061.00)
TTL Premium - Collected in Current Fund	A-4	(8,200.00)
	Above	(\$16,166.00)

BOROUGH OF EAST RUTHERFORD
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM CURRENT FUND - UNEMPLOYMENT FUND

B-9

	Reference		
Balance December 31, 2007	B		\$48.71
Increased by:			
Interest Transferred to Current Fund	B-1	\$462.92	
Budget Appropriation	Contra, B-2	<u>50,000.00</u>	<u>50,462.92</u>
			50,511.63
Decreased by:			
Transfers from Current Fund - Budget Appropriatio	Contra	50,000.00	
Transfers from Current Fund - Interfund	B-1	48.71	
Interest Earned in Unemployment Trust	B-1	<u>268.60</u>	<u>50,317.31</u>
Balance December 31, 2008	B		<u><u>\$194.32</u></u>

SCHEDULE OF DUE TO CURRENT FUND - DEVELOPERS ESCROW

B-10

	Reference		
Balance December 31, 2007	B		\$355.69
Increased by:			
Interest Income	B-1	<u>2,517.50</u>	
			2,873.19
Decreased by:			
Interest Income Transferred to Current Fund	B-1	<u>2,483.35</u>	
Balance December 31, 2008	B		<u><u>\$389.84</u></u>

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

B-11

	Reference		
Balance December 31, 2007	B		(\$3,000.00)
Increased by:			
Transfer from Sewer Utility Fund	B-1	<u>3,000.00</u>	
			0.00
Decreased by:			
Budget Requirement	B-2	<u>3,000.00</u>	
Balance December 31, 2008	B		<u><u>(\$3,000.00)</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH - TREASURER

C-2

	Reference	
Balance December 31, 2007	C	\$8,960,236.16
Increased by Receipts:		
Interest Income	C-4	\$47,987.66
Due to Current Fund - Interfund	C-4	3,000,000.00
Due to Sewer Capital Fund	D-9	289,016.00
BANS Issued	C-15	9,755,000.00
Premium on BAN Sale	C-10	41,751.40
Capital Improvement Fund	C-8	100,000.00
Grants Received	C-14	334,394.00
		13,568,149.06
	C-3	22,528,385.22
Decreased by Disbursements:		
Transfer to Current Fund- Interest	C-2	54,309.17
Transfer to Current Fund - Interfund	C-2	2,980,500.00
Transfer to Current Fund- Anticipated Revenue	C-2	204,362.05
Transfer to Current Fund - BAN Premium Anticipated	C-2	19,500.00
BANS Paid	C-15	9,755,000.00
Improvement Authorizations	C-9	5,491,537.03
Reserve for Building & Grounds Improvements	C-11	1,765.00
Prior Year Encumbrances Payable	C-7	42,767.47
Due From Sewer Capital Fund	D-9	135,354.29
		18,685,095.01
	C-3	\$3,843,290.21
Balance December 31, 2008	C	\$3,843,290.21

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance <u>Dec. 31, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers (From)/To</u>	Balance <u>Dec. 31, 2008</u>
Bond Anticipation Notes	\$9,755,000.00	\$9,755,000.00	\$9,755,000.00	\$0.00	\$9,755,000.00
Due to Current Fund	204,362.05	3,047,987.66	3,258,671.22	13,731.00	7,409.49
Reserve for Payment of Bonds	1,822,837.00	334,394.00		(174,000.00)	1,983,231.00
Capital Improvement Fund	37,143.24	100,000.00			137,143.24
Premium on BAN/ Bond Sale	19,510.00	41,751.40		(19,500.00)	41,761.40
Fund Balance	51,893.30				51,893.30
Reserve for Building & Grounds Improvements	3,816.22		1,765.00		2,051.22
Reserve for Roadway Improvements				187,500.00	187,500.00
Due From Sewer Capital	(95,473.77)	289,016.00	135,354.29		58,187.94
Overexpenditure of Improvement Authorization			7,588.25		(7,588.25)
Encumbrances Payable	42,767.47		42,767.47	14,756.18	14,756.18
 Improvement Authorizations					
96-27 Road Improvement	90.25		90.25		0.00
98-19 Digital Recording System	4,727.25				4,727.25
99-06 Underground Storage Tanks	230,618.43		6,469.95		224,148.48
99-10 Sidewalk Improvements	1,328.62		146.25		1,182.37
00-09/03-24 Civic Center Construction	2,474.35				2,474.35
01-06 Fire Equipment & Vehicle	109,191.04		109,191.04		0.00
02-03 Communications Equipment	33,559.25		9,380.00	(7,731.00)	16,448.25
02-04 Senior Citizen Bus	1,102.04				1,102.04
02-06 Acquisition of Property	6,403.91				6,403.91
02-17 Acquisition of Property	58,551.50				58,551.50
03-04 Acquisition of Property - Silver Streak	1,215.00				1,215.00
03-10 Improvement to Park & R.R. Avenue - Streetscape Project	58,240.08		46,340.08		11,900.00
03-12/03-25/05-09 Recreation Facilities	(669,191.87)		10,106.40	(2,742.00)	(682,040.27)
04-11 Acquisition of Property	1,976,640.35		1,385,192.48	(12,014.18)	579,433.69
04-13 Vehicles & Equipment	(388,866.46)				(388,866.46)
05-01 Acquisition of Property	(426,588.22)				(426,588.22)
05-08 Purch. of Ambulance & Street Sweepers	(410,647.17)				(410,647.17)
06-06/08-11 Veterans Park Improvements	(336,994.59)		751,348.57		(1,088,343.16)
06-18 Various Capital Improvements	(477,644.50)		26,107.95		(503,752.45)
06-19 Road Improvements	(818,201.07)		58,603.05		(876,804.12)
06-20 Improvements to Park & Railroad	6,091.15		215,020.65		(208,929.50)
07-07 Various Capital Improvements	(575,399.69)		2,263,553.02		(2,838,952.71)
07-14 Purchase of Property	(1,268,319.00)		602,399.09		(1,870,718.09)
	<u>\$8,960,236.16</u>	<u>\$13,568,149.06</u>	<u>\$18,685,095.01</u>	<u>\$0.00</u>	<u>\$3,843,290.21</u>
	C,C-2	C-2	C-2		C,C-2

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO CURRENT FUND

C-4

	Reference		
Balance December 31, 2007	C		\$204,362.05
Increased by:			
Interest Income	C-2	\$47,987.66	
Transfer from Current Fund - Interfund	C-2	3,000,000.00	
Capital Fund Expend. disbursed from Current Fund	C-9	7,731.00	
Anticipated in Current Fund Budget			
Reserve Payment on BAN	A-2, C-14	174,000.00	
Premium on BAN - Anticipated as Revenue	A-2, C-10	<u>19,500.00</u>	
			<u>3,249,218.66</u>
Decreased by:			3,453,580.71
Reserve for Roadway Improvements	C-19	187,500.00	
Transfer to Current Fund- Interest	C-2	54,309.17	
Transfer to Current Fund - Interfund	C-2	2,980,500.00	
Transfer to Current Fund- Anticipated Revenue	C-2	204,362.05	
Transfer to Current Fund - BAN Premium Anticipated	C-10	<u>19,500.00</u>	
			<u>3,446,171.22</u>
Balance December 31, 2008	C		<u><u>\$7,409.49</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-5

	Reference		
Balance December 31, 2007	C		\$20,460,103.68
Decreased by:			
2008 budget appropriation to pay bonds	C-13	\$994,000.00	
State Loan Payable	C-12	<u>68,626.62</u>	
			<u>1,062,626.62</u>
Balance December 31, 2008	C		<u><u>\$19,397,477.06</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ord. #	Improvement Description	Analysis of Balance Dec. 31, 2008						
		Balance Dec. 31, 2007	2008 Authorizations	Ordinances Canceled	Down Payment Capital Imp. Fund	Balance Dec. 31, 2008	Expenditures	Unexpended Improvement Authorizations
98-13/99-15	General Improvements	\$661.17				\$661.17		\$661.17
99-10	Sidewalk Improvements	650.00				650.00		650.00
03-12/-25/05-09	Recreation Facilities	690,000.00				690,000.00	682,040.27	7,959.73
04-13	Vehicles & Equipment	388,866.46				388,866.46	388,866.46	0.00
05-01	Acquisition of Land	426,588.22				426,588.22	426,588.22	0.00
05-08	Purchase of Ambulance & Street Sweepers	410,647.17				410,647.17	410,647.17	0.00
06-06 / 08-11	Veterans Park Improvements	650,000.00	500,000.00		25,000.00	1,125,000.00	1,063,343.16	61,656.84
06-18	Various Capital Improvements	533,000.00				533,000.00	503,752.45	29,247.55
06-19	Road Improvements	1,214,000.00				1,214,000.00	876,804.12	337,195.88
06-20	Improvements to Park & Railroad	247,000.00				247,000.00	215,020.65	31,979.35
07-07	Various Capital Improvements	3,515,000.00				3,515,000.00	2,838,952.71	676,047.29
07-14	Purchase of Property	2,330,000.00				2,330,000.00	1,870,718.09	459,281.91
		<u>\$10,406,413.02</u>	<u>\$500,000.00</u>	<u>\$0.00</u>	<u>\$25,000.00</u>	<u>\$10,881,413.02</u>	<u>\$9,276,733.30</u>	<u>\$1,604,679.72</u>
Reference		C	C-9	C-9	C-8,16	C	C-9	C-9

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ENCUMBRANCE PAYABLE

C-7

	Reference	
Balance December 31, 2007	C	\$42,767.47
Increased by:		
Improvement Authorizations Expenditures	C-9	14,756.18
		57,523.65
Decreased by:		
Prior Year Encumbrances Disbursed	C-2	42,767.47
		42,767.47
Balance December 31, 2008	C	\$14,756.18

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	Reference	
Balance December 31, 2007	C	\$37,143.24
Increased by:		
2008 Budget Appropriations -CIF	C-2	100,000.00
		137,143.24
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-6,16	25,000.00
		25,000.00
Balance December 31, 2008	C	\$112,143.24

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-9

Ord. #	Improvement Description	Balance December 31, 2007		2008 Authorizations	Expended	Overexpenditures	Balance December 31, 2008	
		Funded	Unfunded				Funded	Unfunded
96-27	Road Improvement Program	\$90.25	\$0.00		\$90.25		\$0.00	\$0.00
98-13/99-15	Acquisition of Building; Improvement -to St. Joseph's Park Phase II & -Acq. of Computers & Equipment		661.17		0.00			661.17
98-19	Digital Recording System	4,727.25			0.00		4,727.25	
99-06	Underground Storage Tanks	230,618.43			6,469.95		224,148.48	
99-10	Sidewalk Improvements	1,328.62	650.00		146.25		1,182.37	650.00
00-09/03-24	Civic Center Construction	2,474.35			0.00		2,474.35	
01-06	Acquisition of Various Equipment & Vehicles for Fire Department	109,191.04			109,191.04		0.00	
02-03	Communications Equipment	33,559.25			17,111.00		16,448.25	
02-04	Senior Citizens Bus	1,102.04					1,102.04	
02-06	Acquisition of Property	6,403.91					6,403.91	
02-17	Acquisition of Property	58,551.50					58,551.50	
03-04	Acquisition of Property - Silver Streak	1,215.00					1,215.00	
03-10	Improvements to Park & R.R. Ave. Streetscape Project	58,240.08			46,340.08		11,900.00	
03-12/03-25/05-09	Recreation Facilities		20,808.13		12,848.40			7,959.73
04-11	Acquisition of Property	1,976,640.35			1,397,206.66		579,433.69	
06-06 / 08-11	Veterans Park Improvements	0.00	313,005.41	500,000.00	751,348.57			61,656.84
06-18	Various Capital Improvements	0.00	55,355.50		26,107.95			29,247.55
06-19	Road Improvements	0.00	395,798.93		58,603.05			337,195.88
06-20	Improvements to Park & Railroad	6,091.15	247,000.00		215,020.65	7,588.25	6,091.15	39,567.60
07-07	Various Capital Improvements	128,618.50	2,810,981.81		2,271,141.27			668,459.04
07-14	Purchase of Property		1,061,681.00		602,399.09			459,281.91
		<u>\$2,618,851.72</u>	<u>\$4,905,941.95</u>	<u>\$500,000.00</u>	<u>\$5,514,024.21</u>	<u>\$7,588.25</u>	<u>\$913,677.99</u>	<u>\$1,604,679.72</u>
	Reference	C	C	C-6,16	Below	C	C	C,C-6

Improvement Authorization Disbursements	C-2	\$5,491,537.03
Disbursed from Current Fund - Ordinance #02-03	C-4	7,731.00
Encumbrance Payable	C-7	14,756.18
	Above	<u>\$5,514,024.21</u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF PREMIUM ON BAN/BOND SALE

C-10

	Reference	
Balance December 31, 2007	C	\$19,510.00
Increased by:		
BAN Sale	C-2	<u>41,751.40</u>
		61,261.40
Decreased by:		
Anticipated as Current Fund Revenue	C-4	<u>19,500.00</u>
Balance December 31, 2008	C	<u><u>\$41,761.40</u></u>

SCHEDULE OF RESERVE FOR BUILDING AND GROUNDS IMPROVEMENT

C-11

	Reference	
Balance December 31, 2007	C	\$3,816.22
Decreased by:		
Expenditures	C-2	<u>1,765.00</u>
Balance December 31, 2008	C	<u><u>\$2,051.22</u></u>

SCHEDULE OF STATE LOAN PAYABLE

C-12

	Reference	
Balance December 31, 2007	C	\$621,103.68
Decreased by:		
Paid by Budget Appropriation	C-5	<u>68,626.62</u>
Balance December 31, 2008	C	<u><u>\$552,477.06</u></u>

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>General Serial Bonds Issued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2007</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	01/15/98	\$2,315,000.00	01/15/2009-10	\$250,000.00	4.35%	\$750,000.00	\$	\$250,000.00	\$500,000.00
General Improvement Bonds	01/15/98	1,448,000.00	1/15/2008	144,000.00	4.30%	144,000.00		144,000.00	-
General Improvement Bonds	12/20/05	20,145,000.00	1/15/2009	600,000.00	4.00%				
			01/15/2010	600,000.00	4.25%				
			01/15/2011-18	1,100,000.00	4.25%				
			01/15/2019-24	1,200,000.00	4.25%				
			01/15/2025	1,145,000.00	5.00%	18,945,000.00		600,000.00	18,345,000.00
						<u>\$19,839,000.00</u>	<u>\$0.00</u>	<u>\$994,000.00</u>	<u>\$18,845,000.00</u>
					Reference	C		C-5	C
		Paid by Budget Appropriation			A-3			<u>\$994,000.00</u>	

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

C-14

	Reference	
Balance December 31, 2007	C	\$1,822,837.00
Increased by:		
Grants Received		
Community Development Block Grant - Park Ave. St Scape II	C-2	\$59,401.00
Bergen County Open Space - Park/River Walkway	C-2	89,993.00
State Aid - Park Avenue and Railroad Avenue	C-16	185,000.00
	C-2	334,394.00
		2,157,231.00
Decreased by:		
Anticipated in Current Budget	C-4	174,000.00
Balance December 31, 2008	C, Below	\$1,983,231.00
Analysis of Balance:		
Ord # 03-04 Veteran's Park Extension - Bergen County Open Space		\$47,101.00
Ord # 03-04 Veteran;s Park Extension - NJ DEP Green Acres Program		800,000.00
Ord# 03-10 Park and Railroad Avenue- NJ Dept. of Transportation		416,400.00
Ord# 03-10 Park and Railroad Avenue- Community Development Block Grant		211,993.00
Ord# 03-10 Park and Railroad Avenue - State Aid - Highway Projects		185,000.00
Ord#03-24/00-09 Civic Center Construction- Community Development Block Grant		127,806.00
Ord # 05-08 Purchase of Ambulance and Street Sweepers - NJ Meadowlands Comm.		75,000.00
Ord # 07-07 Park Improvements - Bergen County Open Space		29,938.00
		89,993.00
	Above	\$1,983,231.00

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

C-15

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance #</u>	<u>Description</u>	<u>Useful Life in Years</u>	<u>Original Amount Issue</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance Dec. 31, 2007</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2008</u>
04-13	DPW and Fire Equipment	5	\$388,866.46	11/15/07	11/13/09	2.500%	\$388,866.46	\$388,866.46	\$388,866.46	\$388,866.46
05-01	Acquisition of Land '05 - 114 Uhlin Street - 91 Madison Street	40	426,486.37	11/15/07	11/13/09	2.500%	426,486.37	426,486.37	426,486.37	426,486.37
05-08	Purchase Ambulance and Street Sweepers	5	410,647.17	11/15/07	11/13/09	2.500%	410,647.17	410,647.17	410,647.17	410,647.17
05-09	Recreation Fields Additions	15	690,000.00	11/15/07	11/13/09	2.500%	690,000.00	690,000.00	690,000.00	690,000.00
06-18	06 Various Equipment	10	533,000.00	11/15/07	11/13/09	2.500%	533,000.00	533,000.00	533,000.00	533,000.00
06-19	06 Various Improvement	10	1,214,000.00	11/15/07	11/13/09	2.500%	1,214,000.00	1,214,000.00	1,214,000.00	1,214,000.00
06-20	Addition to '03-10 Park Avenue	10	247,000.00	11/15/07	11/13/09	2.500%	247,000.00	247,000.00	247,000.00	247,000.00
07-07	Various Improvement - 2007	11.49	3,515,000.00	11/15/07	11/13/09	2.500%	3,515,000.00	3,515,000.00	3,515,000.00	3,515,000.00
07-14	Purchase of Various Properties	40	2,330,000.00	11/15/07	11/13/09	2.500%	2,330,000.00	2,330,000.00	2,330,000.00	2,330,000.00
							<u>\$9,755,000.00</u>	<u>9,755,000.00</u>	<u>\$9,755,000.00</u>	<u>\$9,755,000.00</u>
							C	C-2	C-2	C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-16

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Authorization</u>	<u>Down Payment Capital Imp. Fund</u>	<u>Reserve for Payments of Bonds & Notes</u>	<u>Canceled</u>	<u>2008 Issuance</u>	<u>Balance Dec. 31, 2008</u>
99-10	Sidewalk Improvements	\$650.00						\$650.00
98-13/99-15	Senior Center Bldg. & St. Joseph Park	661.17						661.17
05-01	Acquisition of Land	101.85						101.85
06-06/08-11	Veterans Park Improvements	650,000.00	500,000.00	25,000.00				1,125,000.00
		<u>\$651,413.02</u>	<u>\$500,000.00</u>	<u>\$25,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,126,413.02</u>
Reference			C-9	C-6,8				C

BOROUGH OF EAST RUTHERFORD
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR GRANTS

C-17

	Reference	
Balance December 31, 2007	C	<u>\$750,000.00</u>
Balance December 31, 2008	C, Below	<u><u>\$750,000.00</u></u>
Analysis of Balance		
NJ DEP Green Acres Program		
Veteran's Park Improvements		\$650,000.00
State of NJ Department of Transportation- Ord # 06-19		<u>100,000.00</u>
	Above	<u><u>\$750,000.00</u></u>

SCHEDULE OF GRANTS RECEIVABLE

C-18

	Reference	
Balance December 31, 2007	C	<u>\$750,000.00</u>
Balance December 31, 2008	C, Below	<u><u>\$750,000.00</u></u>
Analysis of Balance		
NJ DEP Green Acres Program		
Veteran's Park Improvements		\$650,000.00
State of NJ Department of Transportation- Ord # 06-19		<u>100,000.00</u>
	Above	<u><u>\$750,000.00</u></u>

SCHEDULE OF RESERVE FOR ROADWAY IMPROVEMENTS

C-19

	Reference	
Balance December 31, 2007	C	\$0.00
Increased by:		
New Jersey Transit Trust Fund		
Auth Act Received in Current Fund	C-4	<u>187,500.00</u>
Balance December 31, 2008	C	<u><u>\$187,500.00</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH

D-4

	Reference	Operating	Escrow Trust
Balance December 31, 2007	D	\$ 223,954.19	\$ 29,045.10
Increased by Receipts:			
User Charges and Fees	D-2, 5	1,520,382.21	
Delinquent User Charges	D-1,2,5	153,497.33	
Sewer Charge Overpayments	D-6	24,307.93	
Xanadu Agreement	D-1	353,000.00	
Miscellaneous Income	D-1,2	49,956.01	
Transfers from Current Fund	D-14	650,171.70	
Escrow Deposits	D-15		56,650.00
Expenditures Refunded	CONTRA	30,445.12	
		2,781,760.30	56,650.00
		3,005,714.49	85,695.10
Decreased by Disbursements:			
Appropriations	D-3	1,889,824.27	
Appropriation Reserves	D-13	51,093.47	
Overpayments Refunded	D-6	1,085.00	
Current Fund - Transfer	D-14	650,000.00	
Transfer - Due to Unemployment Fund	B-1	3,000.00	
Due from Utility Capital- Transfer to Capital Fund	D-7	230,964.65	
Escrow Disbursements	D-15		82,448.28
Expenditures Refunded	CONTRA	30,445.12	
		\$ 2,856,412.51	\$ 82,448.28
Balance December 31, 2007	D	\$ 149,301.98	\$ 3,246.82

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-5

	Reference	
Balance December 31, 2007	D	\$ 330,369.99
Increased by:		
Utility Charges and Fees Levied		<u>1,891,333.80</u>
		2,221,703.79
Decreased by:		
Collections		
Current Year Charges and Fees	D-2,4	\$ 1,520,382.21
Delinquent Charges and Fees	D-2,4	<u>153,497.33</u>
		<u>1,673,879.54</u>
Balance December 31, 2008	D	<u><u>\$ 547,824.25</u></u>

SCHEDULE OF OVERPAYMENTS

D-6

	Reference	
Balance December 31, 2007	D	\$ 31,038.87
Increased by:		
Receipts	D-4	<u>24,307.93</u>
		55,346.80
Decreased by:		
Refunds	D-4	<u>1,085.00</u>
Balance December 31, 2008	D	<u><u>\$ 54,261.80</u></u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

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

D-7

	Reference	
Balance December 31, 2007	D	\$ 35,953.77
Increased by:		
Improvement Authorizations Expenditures from Sewer Operating Fund	D-10	230,964.65
Excess of Infrastructure Loan Received	D-18	<u>6,793.00</u>
		<u>237,757.65</u>
Balance December 31, 2008	D	<u>\$ 273,711.42</u>

SCHEDULE OF FIXED CAPITAL / FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

Balance December 31, 2007	D	\$ 4,115,742.84
Increased by:		
2008 Improvement Authorizations	D-10	500,000.00
Balance December 31, 2008	Below	<u>4,615,742.84</u>
Analysis of Balance:		
Fixed Capital	D	\$ 4,115,742.84
Fixed Capital Authorized and Uncompleted	D	<u>500,000.00</u>
	Above	<u>\$ 4,615,742.84</u>

SCHEDULE OF DUE TO / (FROM) GENERAL CAPITAL FUND

D-9

	Reference	
Balance December 31, 2007	D	\$ 95,473.77
Increased by:		
Authorizations Disbursed in Capital Fund	C-2,D-10	<u>135,354.29</u>
		230,828.06
Decreased by:		
NJ Infrastructure Loan Received in Capital Fund	D-18	<u>289,016.00</u>
Balance December 31, 2008	D	<u>\$ (58,187.94)</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Balance December 31, 2007		2008 Authorizations	Expended From General Capital	Expended From Utility Operating	Balance December 31, 2008	
		Funded	Unfunded				Funded	Unfunded
05-06	Renovation of Sewer Systems	\$ 60,218.54	\$ 28,207.00	\$ -	\$ -	\$ 88,425.54	\$ -	\$ -
08-12	Sewer Lines & Pump Imp.	-	-	500,000.00	135,354.29	142,539.11	-	222,106.60
		\$ 60,218.54	\$ 28,207.00	\$ 500,000.00	\$ 135,354.29	\$ 230,964.65	\$ -	\$ 222,106.60
		<u>D</u>	<u>D</u>	<u>D-16</u>	<u>D-9</u>	<u>D-7</u>	<u>D</u>	<u>D</u>

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	Reference	
Balance December 31, 2007	D	\$ 90,576.92
<hr/>		
Balance December 31, 2008	D	<u>\$ 90,576.92</u>

SCHEDULE OF AMORTIZATION RESERVE/ DEFERRED AMORTIZATION RESERVE

D-12

	Reference	
Balance December 31, 2007	D	\$ 3,291,926.47
Increased by:		
Principal Payments on Debt Service (Deferred)	D-17	<u>95,732.76</u>
Balance December 31, 2008	Below	<u>\$ 3,387,659.23</u>
Analysis of Balance:		
Amortization Reserve	D	\$ 3,286,475.60
Deferred Reserve for Amortization	D	<u>101,183.63</u>
	Above	<u>\$ 3,387,659.23</u>

SCHEDULE OF 2007 APPROPRIATION RESERVES

D-13

	Balance Dec. 31, 2007	Paid or Charged	Balance Lapsed/ (Overexpended)
Social Security	\$ 2,423.89	\$ 51,093.47	\$ (48,669.58)
	<u>\$ 2,423.89</u>	<u>\$ 51,093.47</u>	<u>\$ (48,669.58)</u>
Reference	D	D-4	D

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

D-14

	Reference	
Balance December 31, 2007	D	\$ (171.70)
Increased by:		
Transfer from Current Fund	A-4,D-4	650,171.70
		650,000.00
Decreased by:		
Transfers to Current Fund	D-4	650,000.00
	A-4	650,000.00
Balance December 31, 2008	D	-

SCHEDULE OF ESCROW TRUST RESERVE

D-15

	Reference	
Balance December 31, 2007	D	\$ 29,045.10
Increased by:		
Escrow Deposit	D-4	56,650.00
		85,695.10
Decreased by:		
Disbursements	D-4	82,448.28
		82,448.28
Balance December 31, 2008	D	\$ 3,246.82

BOROUGH OF EAST RUTHERFORD
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-16

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Authorization</u>	<u>Balance Dec. 31, 2008</u>
05-02	Renovation of Sewer Systems	\$ 28,207.00	\$ 500,000.00	\$ 528,207.00
		<u>\$ 28,207.00</u>	<u>\$ 500,000.00</u>	<u>\$ 528,207.00</u>
			D-10	D

SCHEDULE OF NJ INFRASTRUCTURE LOAN PAYABLE

D-17

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>Principal Payments</u>	<u>Balance Dec. 31, 2008</u>
05-02	Renovation of Sewer Systems	\$ 795,609.37	\$ 95,732.76	\$ 699,876.61
		<u>\$ 795,609.37</u>	<u>\$ 95,732.76</u>	<u>\$ 699,876.61</u>
		D	D-12	D

SCHEDULE OF NJ INFRASTRUCTURE LOAN RECEIVABLE

D-18

Ordinance #05-02 - Renovation of Sewer Systems

Balance December 31, 2007	D	\$282,223.00
Increased By:		
Excess Received	D-7	6,793.00
		<u>289,016.00</u>
Decreased By:		
Receipts in General Capital Fund	D-9	289,016.00
Balance December 31, 2008	D	<u><u>\$0.00</u></u>

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR DECEMBER 31, 2008

SCHEDULE OF CASH

E-1

	Reference		
Balance December 31, 2007	E		\$214,339.69
Increased by Receipts:			
Unappropriated Grant Revenue	E-5	11,727.22	
Interest Income	E-2	406.86	12,134.08
			226,473.77
Decreased by:			
Transfer To Current Fund - Interfund		86,832.91	
Transfer To Current Fund - Interest	E-2	384.26	87,217.17
Balance December 31, 2008	E		\$139,256.60

SCHEDULE OF DUE TO CURRENT FUND

E-2

	Reference		
Balance December 31, 2007	E		\$86,832.91
Increased by:			
Interest Earned	E-1	\$406.86	
Current Fund Disbursements	E-4	169,088.26	
Grants Receivable - Budgeted	E-3	117,474.45	
Adjustment - Garden State Trust	E-5	0.12	
Unappropriated Grants Appropriated	E-5,A-2	16,620.10	303,589.79
			390,422.70
Decreased by:			
Transfer To Current Fund - Interest	E-1	384.26	
Transfer To Current Fund - Interfund	E-1	86,832.91	
Grants Receivable	E-3	90,162.32	
Unappropriated Grants Received in Current	E-5	6,595.84	
Grant Receivable Canceled	E-3	5,398.00	
Budget Appropriation	E-4	149,094.55	338,467.88
Balance December 31, 2008	E		\$51,954.82

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF GRANTS RECEIVABLE

E-3

<u>Grant</u>	<u>Balance Dec. 31, 2007</u>	<u>Increased by 2008 Budget</u>	<u>Cash Received</u>	<u>Grant Receivable Canceled</u>	<u>Balance Dec. 31, 2008</u>
NJ DCA Smart Future Planning Grant	\$60,000.00				\$60,000.00 *
NJ DOT Bicycle Connector Grant	20,000.00				20,000.00 *
NJ DCA Livable Communities - Paterson	100,000.00				100,000.00 *
Click it or Ticket Grant	485.08				485.08 *
NJ Meadowlands Commission Storm Water Grant	58.98				58.98
Storm Water Grant Receivable	2,117.00		2,117.00		0.00
Body Armor Replacement Fund		3,655.40	3,655.40		0.00
Safe and Secure Community Program		60,000.00	40,951.50	5,398.00	13,650.50
BCUA Grant		10,380.63			10,380.63
Clean Communities Program		10,386.82	10,386.82		0.00
Recycling Tonnage Grant		19,051.60	19,051.60		0.00
NJ Speed Aggressive Grant		4,000.00	4,000.00		0.00
NJ Over the Limit Grant		5,000.00	5,000.00		0.00
You Drink, You Drive, You Lose Grant		5,000.00	5,000.00		0.00
	<u>\$182,661.06</u>	<u>\$117,474.45</u>	<u>\$90,162.32</u>	<u>\$5,398.00</u>	<u>\$204,575.19</u>
Reference	E	E-2	E-2	E-2	E, Below

* Balances prior to 01/01/06.

Prior Year Grants Receivable	\$180,544.06
Current Year Grants Receivable	A-2 24,031.13
	<u>\$204,575.19</u>
	Above

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

E-4

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transferred</u> <u>From 2008</u> <u>Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Comcast Technology Grant	\$12,626.86		\$9,065.00	\$3,561.86
Recycling Tonnage Grant	0.00	19,051.60	19,051.60	0.00
Clean Communities	0.00	10,386.82	8,128.40	2,258.42
Safe and Secure Communities	0.00	75,000.00	75,000.00	0.00
Alcohol Education and Rehabilitation	481.81			481.81
Drunk Driving Enforcement Fund	40,253.40	10,294.10	26,262.08	24,285.42
Parking Offense Adjudication Act	8,243.97	3,024.00		11,267.97
Body Armor Replacement Fund	1,900.89	3,655.40	1,087.18	4,469.11
BCUA Grant	9,190.63	10,380.63		19,571.26
NJ Meadowlands Commission Stormwater Grant	58.98			58.98
Click-it-or Ticket Grant	485.08			485.08
NJ DOT Bicycle Connector Grant	20,000.00			20,000.00
NJ Speed Aggressive Grant	0.00	4,000.00	4,000.00	0.00
Police Over the Limit Grant	0.00	5,000.00	5,000.00	0.00
You Drink, You Drive, You Lose Grant	0.00	5,000.00	5,000.00	0.00
NJ Meadowlands Commission Park Improvements	100,000.00		13,192.00	86,808.00
Garden Street Trust	0.00	3,302.00	3,302.00	0.00
NJ DCA Livable Communities	100,000.00			100,000.00
	<u>\$293,241.62</u>	<u>\$149,094.55</u>	<u>\$169,088.26</u>	<u>\$273,247.91</u>
Reference	E	E-2, Below	E-2, Below	E
Current Budget Expended	Below		\$121,943.89	
Prior Year Budget Expenditure	A-4		<u>47,144.37</u>	
	Above		<u>\$169,088.26</u>	
Budget Appropriations	Above	\$149,094.55		
Less: Current Budget Expended	Above	<u>121,943.89</u>		
Grants Balance Due From Current	A-3	<u>\$27,150.66</u>		

BOROUGH OF EAST RUTHERFORD
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

E-5

<u>Grant</u>	<u>Balance Dec. 31, 2007</u>	<u>Transfer to 2008 Budget</u>	<u>Grant Fund Receipt</u>	<u>Adjustment Due to Current Fund</u>	<u>Balance Dec. 31, 2008</u>
Drunk Driving Enforcement Fund	\$10,294.10	\$10,294.10	\$8,003.22		\$8,003.22
Parking Offense Adjudication Act	3,330.00	3,024.00	3,724.00		4,030.00
Garden State Trust	3,302.12	3,302.00		(0.12)	(0.00)
Alcohol Ed. & Rehabilitation			1,178.00		1,178.00
Body Armor Replacement			3,300.84		3,300.84
Stormwater Grant			2,117.00		2,117.00
	<u>\$16,926.22</u>	<u>\$16,620.10</u>	<u>\$18,323.06</u>	<u>(\$0.12)</u>	<u>\$18,629.06</u>
<u>Reference</u>	E	E-2	Below	E-2	E
Received in Current Fund	E-2		\$6,595.84		
Cash Receipts	E-1		<u>11,727.22</u>		
	Above		<u>\$18,323.06</u>		

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

The Honorable Mayor and Members
of the Borough Council
Borough of East Rutherford

We have audited the financial statements of the Borough of East Rutherford ("Borough"), State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 30, 2009. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the *Comptroller General of the United States*; and audit requirements prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control. We consider the deficiencies described in the accompanying schedule of findings and recommendations, item 08-1 through 08-8 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**, and audit requirements as prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which are described in the accompanying schedule of findings and recommendations as item 08-1 through 08-8.

We noted certain matters that we reported to management of the Borough, in a separate letter dated June 30, 2009. The Borough's responses to findings identified in our audit are described in the accompanying schedule of audit findings and recommendations. We did not audit the Borough's response, and accordingly, we express no opinion on it.

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

Garbarini & Co. P.C. CPA's

Paul C. Garbarini

By: Paul C. Garbarini, CPA
Registered Municipal Accountant
License No. 120

June 30, 2009
Carlstadt, New Jersey

BOROUGH OF EAST RUTHERFORD
 SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule G-1

FEDERAL GRANT PROGRAMS / PASS THROUGH GRANTOR PROGRAM	CFDA #	Pass-Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Grant Receivable
Non-Major Programs							
			\$ -		\$ -	\$ -	\$ -
Storm Water Grant	66.605	State of NJ	\$ 8,468.00	01/01/04-12/31/04	\$ 4,234.00	\$ -	\$ -
Click -it- or Ticket Grant	20.604	NJ-066-1160-100-113	4,000.00	01/01/05-12/31/05			485.08
Law and Public Div. Highway Traffic:							
Alcohol Education & Public Awareness							
You Drink, You Drive, You Lose Grant	20.601	066-1160-100-057-07	5,000.00	07/01/08-06/30/09	5,000.00	5,000.00	
Police Traffic Service							
NJ Speed Aggressive Grant	20.600	NJ-066-1160-100-036	4,000.00	07/01/07-06/30/08	4,000.00	4,000.00	
Transportation State Aid Highway Projects							
Highway Planning & Construction							
Ord # 2006-19	20.205	NJ- 078-6320-480	100,000.00	01/01/06-12/31/07			100,000.00
Community Development - Park Ave. Streetscape			211,993.00		59,401.00	59,401.00	0.00
Police Over the Limit Grant	20.601	AL 08-10-04-166	5,000.00	08/15/08 - 10/01/08	5,000.00	5,000.00	
Major Programs							
None							
Total Federal Financial Assistance					<u>\$77,635.00</u>	<u>\$73,401.00</u>	<u>\$100,485.08</u>

BOROUGH OF EAST RUTHERFORD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule G-2

	Grant Award	Grant Award Numbers or Project Number	Grant Period	Cash Received	Program Expenditures	Grant Receivable
STATE GRANT PROGRAM						
<i>Department of Environmental Protection:</i>				\$ -	\$ -	\$ -
Green Acres Program Improvement to Veteran's Park Loan	650,000.00		01/01/06-12/31/06			\$650,000.00
New Jersey Environmental Infrastructure Trust 2005A -Loan	896,793.00		01/01/07-12/31/07	289,016.00		0.00
<i>Solid Waste Administration</i>						
Clean Communities	10,386.82	042-4900-765-004-07	01/01/08-12/31/08	10,386.82	8,128.40	
Recycling Tonnage Grant	19,051.60	042-4900-752-001-08	01/01/08-12/31/08	19,051.60	19,051.60	
<i>Municipal Courts</i>						
Alcohol Education, Rehabilitation and Enforcement	2,480.74	098-9735-760-001-07	01/01/07-12/31/07	1,178.00		
<i>Dept. of Law and Public Safety Division of Criminal Justice</i>						
Safe and Secure Communities Program	54,602.00	066-1020-100-232-07	01/01/08-12/31/08	40,951.50	54,602.00	13,650.50
Body Armor Replacement Fund	6,956.24	066-1020-718-001-08	01/01/08-12/31/08	6,956.24	1,087.18	
<i>NJ Division of Highway Traffic Safety</i>						
Drunk Driving Enforcement Fund	22,270.86	0400-100-078-6400	01/01/07-12/31/07		22,270.86	
Drunk Driving Enforcement Fund	10,294.10	0400-100-078-6400	01/01/08-12/31/08	8,003.22	3,991.22	
New Jersey Department of Transportation Bicycle Connector Grant	20,000.00	05-480-078-6300-CUN-7310	01/01/06-12/31/06			20,000.00
<i>Department of Community Affairs</i>						
Office of Smart Growth - Smart Growth Planning Grant	75,000.00	022-8049-100-006-05	01/01/06-12/31/06			60,000.00
New Jersey DCA Livable Communities Grant Paterson Avenue Street Scape	100,000.00	05-100-022-8030-655-FFFF-6120	05/01/05-04/30/07			100,000.00
Parking Offense Adjudication Act	3,024.00		01/01/08-12/31/08	3,724.00		
Total State Financial Assistance				<u>\$ 379,267.38</u>	<u>\$ 109,131.26</u>	<u>\$ 843,650.50</u>

BOROUGH OF EAST RUTHERFORD
 SCHEDULE OF EXPENDITURES OF COUNTY/ OTHER FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule G-3

	Grant Award Numbers or Project Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Grant Receivable
COUNTY GRANT PROGRAM						
Bergen County Open Space - Firemens' Park		59,876.00	01/01/07-12/31/07	\$ -	\$ -	\$ 29,938.00
Bergen County Recycling Grant		10,380.63	01/01/08-12/31/08			10,380.63
Bergen County Open Space - Passive Park/Walkway		89,993.00	01/01/08-12/31/08	89,993.00	89,993.00	
Other Grant Programs						
Comcast Technology Grant			01/01/08-12/31/08	0.00	9,065.00	0.00
New Jersey Meadowlands Commission Grant						
Stormwater Management Grant		25,000.00	01/01/07-12/31/07	0.00	0.00	58.98
Park Improvements		100,000.00	01/01/07-12/31/07	0.00	13,192.00	0.00
Total County Financial Assistance				<u>\$89,993.00</u>	<u>\$112,250.00</u>	<u>\$40,377.61</u>

BOROUGH OF EAST RUTHERFORD
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

1. General

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

2. Basis of Accounting

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

3. Relationship of Financial Statements

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

	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Total</u>
Grant Fund	\$14,000.00	\$109,131.26	\$9,065.00	\$132,196.26
Capital Fund	59,401.00		103,185.00	\$162,586.00
	<u>\$73,401.00</u>	<u>\$109,131.26</u>	<u>\$112,250.00</u>	<u>\$294,782.26</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. State Loans Outstanding

The Borough's state loans outstanding at December 31, 2008, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Green Acres Program	# 0212-84-032	\$ 26,880.96
New Jersey Economic Development Authority	UST029-00\P10558	\$ 127,344.00
Green Trust Program	#0212-02-046	\$ 398,252.10

BOROUGH OF EAST RUTHERFORD
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2008

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

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

Borough of East Rutherford
General Comments
For the Year Ended December 31, 2008

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 \$21,000...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$29,000.00.”], 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 \$21,000.00 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 \$29,000.00 “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 \$3,150 or more and less than \$21,000 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, 2008

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, 2008 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 2008 will be advertised for sale after April 1, 2009.
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, 2008 adopted the following resolution authorizing interest to be charged on delinquent utility rents:

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

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

Borough of East Rutherford
General Comments (Continued)
For the Year Ended December 31, 2008

Collection of Interest of Delinquent Taxes and Assessments (Continued)

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

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council that effective January 1, 2008, all past due balances to the Commission shall accrue interest at the rate of one and one-half (1 1/2 %) percent per month.

Borough of East Rutherford
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2008

Internal Controls:

07-1. RECOMMENDATION:

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

STATUS:

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

07-2. RECOMMENDATION:

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

STATUS:

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

07-3. RECOMMENDATION:

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

STATUS:

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

07-4. RECOMMENDATION:

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

STATUS:

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

Borough of East Rutherford
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2008

Internal Controls (continued):

07-5. RECOMMENDATION:

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

STATUS:

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

07-6. RECOMMENDATION:

That Overexpenditures of appropriations be avoided.

STATUS:

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

07-7. RECOMMENDATION:

Utility billings must be proven to the software billing system. Posting for corrections and adjustments must be dated in the current audit year. Billings should be reviewed for accuracy.

STATUS:

Corrective action was taken.

07-8. RECOMMENDATION:

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

STATUS:

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

Borough of East Rutherford
Audit Comments and Recommendations
For the Year Ended December 31, 2008

INTERNAL CONTROL:

***Finding 08-1**

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

***Finding 08-2**

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2008

***Finding 08-3**

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

***Finding 08-4**

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

Criteria:

In accordance with the State of New Jersey Division of Pensions, employees whose earnings are greater than \$1,500 (prior to November 2, 2008) or \$7,500 (on or after November 2, 2008) per year, work in all four quarters, and are not already retired, should be enrolled in the pension system.

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**

LOCAL PUBLIC CONTRACT LAW:

*** Finding 08-5**

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

Diesel fuel

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

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

OTHER:

*** Finding 08-6**

There was an over-expenditure of appropriation reserves in the amount of \$61,982.44 in the Current Fund and over-expenditures of budget appropriation and appropriation reserves in the amount of \$44,620.42 and \$48,669.58 in the Sewer Utility Fund. There was an over-expenditure of improvement authorization (ordinance #06-20) in the amount of \$7,588.25 in the Capital Fund.

Criteria:

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

Recommendation:

Over- expenditures in appropriations should be avoided.

Borough's Proposed Corrective Action Plan:

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

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

Borough of East Rutherford
Audit Comments and Recommendations (Continued)
For the Year Ended December 31, 2008

SEWER UTILITY FUND:

*** Finding 08-7**

Not all sewer utility cash receipts were posted in the computer system.

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Cash receipts will be proven to the utility computer system.

PAYROLL:

Finding 08-8

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

Criteria:

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

Recommendation:

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

Borough's Proposed Corrective Action Plan:

Monthly bank reconciliations will be performed for the Payroll account on a monthly basis.

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

Borough of East Rutherford
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section – No Major Federal Programs Not Applicable

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

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2008

Summary of Auditor's Results (Continued)

State Awards Section - No Major State Program
Not Applicable

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

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2008

Section 2 – Schedule of Financial Statement Findings

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

None

Borough of East Rutherford
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2008

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

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

N/A

Status of Prior Year Findings

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

N/A

Appreciation

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

* * * * *

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