

REPORT OF AUDIT  
BOROUGH OF RUTHERFORD  
COUNTY OF BERGEN  
DECEMBER 31, 2015

# BOROUGH OF RUTHERFORD

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**BOROUGH OF RUTHERFORD**

**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Borough Council  
Borough of Rutherford  
Rutherford, New Jersey 07070

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Rutherford in the County of Bergen, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Rutherford on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Rutherford as of December 31, 2015 and 2014, or changes in financial position for the years then ended.



The Honorable Mayor and  
Members of the Borough Council  
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***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 13 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,893,401.76 and \$1,841,908.65 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.





The Honorable Mayor and  
Members of the Borough Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the Borough of Rutherford'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rutherford's internal control over financial reporting and compliance.



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Registered Municipal Accountant  
No. 413



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Pompton Lakes, New Jersey

June 28, 2016



## Borough of Rutherford , N.J.

## Comparative Balance Sheet - Regulatory Basis

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## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 8,268,877.79	6,925,705.13
Change Fund	A-7	770.00	770.00
Due from State of NJ Senior Cit. and Vet. Ded.	A-8	1,634.52	884.52
Advance/Security Deposit	A-9	514.52	514.52
		<u>8,271,796.83</u>	<u>6,927,874.17</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-10	567,084.30	666,980.62
Tax Title Liens Receivable	A-11	53,731.80	149,351.51
Property Acquired for Taxes - Assessed Valuation	A-12	7,025.00	7,025.00
Revenue Accounts Receivable	A-13	39,881.03	35,802.47
Interfund Receivables:			
Other Trust Fund	A-14	298,145.29	288,529.97
		<u>965,867.42</u>	<u>1,147,689.57</u>
Deferred Charges:			
Special Emergency Authorizations NJSA 40A:4-53	A-15	50,999.00	67,999.00
		<u>50,999.00</u>	<u>67,999.00</u>
		<u>9,288,663.25</u>	<u>8,143,562.74</u>
Federal and State Grant Fund:			
Cash	A-5	208,079.33	244,299.22
Grants Receivable	A-16	736,254.65	737,753.53
		<u>944,333.98</u>	<u>982,052.75</u>
Total Assets		<u>\$ 10,232,997.23</u>	<u>9,125,615.49</u>

See Accompanying Notes to Financial Statements.

## Borough of Rutherford , N.J.

## Comparative Balance Sheet - Regulatory Basis

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## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-17	\$ 1,923,913.69	1,728,822.45
Encumbrances Payable	A-18	337,531.94	410,642.46
Prepaid Taxes	A-19	281,472.32	389,046.94
County Taxes Payable	A-21	21,765.76	7,804.75
Tax Overpayments	A-22	414.78	31,990.17
Prepaid Licenses / Fees and Permits / Revenue	A-22	108,732.60	137,963.72
Accounts Payable	A-22	53,923.22	219,970.59
Due to County - PILOT	A-22	18,750.00	12,500.00
Special Emergency Note Payable	A-22	50,999.00	67,999.00
Tax Title Lien Redemption	A-22	53,449.50	0.00
Due to State of New Jersey:			
Division of Youth and Family Services	A-22	450.00	425.00
Construction Code - Training Fees	A-22	24,672.00	11,485.00
Reserve for:			
Tax Appeals	A-22	640,124.29	590,124.29
Blood Screenings	A-22	2,207.00	2,174.00
Length of Service Award Program	A-22	32,908.92	28,177.97
Maintenance of Free Public Library	A-22	7,898.00	7,850.00
		<u>3,559,213.02</u>	<u>3,646,976.34</u>
Reserve for Receivables	Contra	965,867.42	1,147,689.57
Fund Balance	A-1	<u>4,763,582.81</u>	<u>3,348,896.83</u>
		<u>9,288,663.25</u>	<u>8,143,562.74</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	942,326.15	976,294.34
Unappropriated Reserve for Grants	A-24	2,007.83	5,758.41
		<u>944,333.98</u>	<u>982,052.75</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,232,997.23</u>	<u>9,125,615.49</u>

See Accompanying Notes to Financial Statements.

Borough of Rutherford, N.J.  
 Comparative Statement of Operations and Changes  
 in Fund Balance - Statutory Basis

Current Fund

Year Ended December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 790,000.00	700,000.00
Miscellaneous Revenue Anticipated	A-2	4,881,356.19	4,591,962.11
Receipts from Delinquent Taxes	A-2	666,980.62	614,244.44
Receipts from Current Taxes	A-2	68,407,933.15	66,380,379.41
Non-Budget Revenue	A-2	160,516.82	175,669.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	1,236,262.47	940,461.17
Cancelled Accounts Payable	A-22	540.00	2,607.13
Appropriated Grants Cancelled	A-23	72,658.47	
Interfunds Returned	A-14	288,529.97	227,743.91
		<u>76,504,777.69</u>	<u>73,633,067.57</u>
Total Revenues and Other Income			
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	10,328,644.58	10,513,350.00
Other Expenses	A-3	12,211,001.61	12,440,020.81
Capital Improvements	A-3	1,593,700.00	217,000.00
Municipal Debt Service	A-3	2,235,995.94	2,233,851.91
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,318,912.00	2,771,440.08
Local District School Tax	A-20	38,923,503.00	37,689,928.00
County Taxes including Added Taxes	A-21	6,214,909.98	5,966,052.69
Refund of Prior Year Taxes/Revenues	A-4	89,716.75	5,611.88
Fund Deficits Other Trust Esrow Deposits	A-4	12,904.09	
Grants Receivable Cancelled	A-16	72,658.47	
Interfunds Advanced	A-14	298,145.29	288,529.97
		<u>74,300,091.71</u>	<u>72,125,785.34</u>
Total Expenditures			
Excess (Deficit) Revenue Over Expenditures		2,204,685.98	1,507,282.23
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year			
		<u>2,204,685.98</u>	<u>1,507,282.23</u>
Statutory Excess to Fund Balance		2,204,685.98	1,507,282.23
Fund Balance, January 1,	A	<u>3,348,896.83</u>	<u>2,541,614.60</u>
		5,553,582.81	4,048,896.83
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>790,000.00</u>	<u>700,000.00</u>
Fund Balance, December 31,	A	<u>\$ 4,763,582.81</u>	<u>3,348,896.83</u>

See Accompanying Notes to Financial Statements.

Borough of Rutherford , N.J.  
Statement of Revenues - Statutory Basis

Current Fund

Year Ended December 31, 2015

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 790,000.00	790,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	18,000.00	16,592.00	(1,408.00)
Other	A-2	9,000.00	7,469.00	(1,531.00)
Fees and Permits				
Other	A-2	66,000.00	71,228.15	5,228.15
Fines and Costs:				
Municipal Court	A-13	365,000.00	494,847.30	129,847.30
Interest and Costs on Taxes	A-4	145,000.00	176,737.26	31,737.26
Parking Meters	A-13	175,000.00	245,083.55	70,083.55
Interest on Investments	A-13	15,000.00	18,540.95	3,540.95
Parking Lot Permits	A-13	115,000.00	124,670.00	9,670.00
Uniform Fire Safety Fees - Local Fees	A-13	82,000.00	83,981.00	1,981.00
Consolidated Municipal Property Tax Relief Aid	A-13	63,296.00	63,296.00	
Energy Receipts Tax	A-13	1,321,293.00	1,321,293.00	
Uniform Construction Code Fees	A-13	510,000.00	540,118.00	30,118.00
Special Items of General Revenue Anticipated				
With Prior written Consent of Director of				
Local Government Services:				
Public and Private Revenues:				
N.J. Transportation Trust Fund Authority Act	A-16	149,000.00	149,000.00	
Recycling Tonnage Grant	A-16	19,295.67	19,295.67	
Clean Communities Program	A-16	32,417.68	32,417.68	
Alcohol Education and Rehabilitation Fund	A-16	707.20	707.20	
Municipal Alliance on Alcoholism and Drug Abuse	A-16	15,177.00	15,177.00	
Recreational Opportunities for Individuals with Disabilities	A-16	20,000.00	20,000.00	
COPS in Shops	A-16	1,218.62	1,218.62	
NJDMV - Inspection Fines	A-16	81.96	81.96	
Bergen County Local Arts Program Grant	A-16	3,080.00	3,080.00	
Labor Day Street Fair	A-16	2,550.00	2,550.00	
Sustainable New Jersey	A-16	20,000.00	20,000.00	
EMAA Grant	A-16	5,000.00	5,000.00	
N.J. Div. Of Criminal Justice - Body Armor				
Replacement Fund	A-16	3,867.77	3,867.77	
Bulletproof Vest Partnership Grant	A-16	2,016.29	2,016.29	
Bergen County Open Space Grant - Lincoln & Memorial	A-16	18,061.00	18,061.00	
Bergen County Open Space Grant - Memorial Field	A-16	25,254.00	25,254.00	
Bergen County Historic Preservation Grant	A-16	43,500.00	43,500.00	
Other Special Items:				
Uniform Fire Safety Act	A-13	22,587.22	18,668.01	(3,919.21)
Lease of Borough Property	A-13	149,000.00	158,533.43	9,533.43
Cable TV Franchise Fee	A-13	250,958.26	250,958.26	
Nursing Services Non-Public School Pupils	A-13	47,615.00	47,615.00	
PILOT - Rutherford Senior Housing Committee	A-13	23,000.00	23,761.71	761.71
PILOT - Encap	A-13	118,750.00	118,750.00	
Hotel Occupancy Fee P.L. 2003, c. 114	A-13	270,000.00	277,317.39	7,317.39
Nereid Boat Club - Green Trust Loan Repayment	A-13	10,994.03	10,994.03	
Fees and Permits - Recycling Revenues	A-13	45,000.00	28,612.96	(16,387.04)
Due from Free Public Library	A-13	230,000.00	230,000.00	
NJMC Tax Sharing	A-13	194,017.00	191,062.00	(2,955.00)
Total Miscellaneous Revenues	A-1	4,607,737.70	4,881,356.19	273,618.49
Receipts from Delinquent Taxes	A-1/A-2	625,000.00	666,980.62	41,980.62
Subtotal General Revenues		<u>6,022,737.70</u>	<u>6,338,336.81</u>	<u>315,599.11</u>
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		23,052,781.59	23,651,287.24	598,505.65
Minimum Library Tax		868,232.93	868,232.93	
Total Amt. to be Raised by Taxes for Support of Budget	A-2	<u>23,921,014.52</u>	<u>24,519,520.17</u>	<u>598,505.65</u>
Budget Totals		29,943,752.22	30,857,856.98	914,104.76
Non-Budget Revenue	A-1/A-2		160,516.82	160,516.82
		<u>\$ 29,943,752.22</u>	<u>31,018,373.80</u>	<u>1,074,621.58</u>
Adopted Budget	A-3	29,813,668.96		
Appropriated by N.J.S. 40A:4-87	A-3	130,083.26		
		<u>29,943,752.22</u>		

**Borough of Rutherford , N.J.**  
**Statement of Revenues - Statutory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-10	\$ 68,407,933.15
Allocated to School and County Taxes	A-10	<u>45,138,412.98</u>
Balance for Support of Municipal Budget Appropriations		23,269,520.17
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,250,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 24,519,520.17</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-10	\$ 666,980.62
	A-2	<u>\$ 666,980.62</u>
Licenses - Other:		
Clerk	A-13	\$ 6,844.00
Building	A-13	<u>625.00</u>
	A-2	<u>\$ 7,469.00</u>
Fees and Permits - Other:	<u>Ref.</u>	
Clerk	A-13	\$ 19,153.15
Driveway & Sidewalk Permits	A-13	3,025.00
Planning Board / Board of Adjustment	A-13	7,100.00
Clothing Bin Fee	A-13	2,500.00
Elevator Fee	A-13	30.00
Board of Health/Registrar of Vital Statistics	A-13	<u>39,420.00</u>
	A-2	<u>\$ 71,228.15</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Police Department	\$	7,725.05
Police Vehicle Use Fee		26,600.00
Tax Office - Tax Sale Ads		2,331.94
Tax Office - Duplicate Bills/NSF Check Charges		755.00
Building Department - Violations & Admin. Fees		13,435.00
JIF Award - Gold		2,000.00
Prior Year Budget Refunds		20,542.83
Administrative Fee - Senior Citizen & Veteran Ded.		2,775.00
Resident Prescription Drug Card Program		20.50
Homestead Rebate Mailling Reimbursement		869.40
DMV Fines		450.00
JIF Insurance Dividend		53,990.45
Traffic Light Maintenance		864.02
Interest on Property Abatement Payments		39.23
Proceeds from Public Auction		7,839.86
Extra Garbage Cans		1,450.00
Borough Clerk:		
Copies of Maps, Codes , etc.		1,920.69
UPS Drop Box		600.00
Memorial Field Rent		5,100.00
Train Station Rent		7,200.00
Polling Place Rent		480.00
Nereid Boat Club Annual Lease Payment		350.00
Prior Year Voided Checks		1,788.88
PVSC - Municipal Rebate Incentive Program		575.97
BCUA - Sewer Connection Fee Rebate		671.51
Other Miscellaneous		<u>141.49</u>
	A-2/A-4	<u>\$ 160,516.82</u>

See Accompanying Notes to Financial Statements.

**Borough of Rutherford , N.J.**  
**Statement of Expenditures - Statutory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
General Government:						
General Administration						
Salaries and Wages	\$	180,885.00	180,885.00	97,201.38	83,683.62	
Other Expenses		61,700.00	61,700.00	55,462.80	6,237.20	
Mayor and Council						
Salaries and Wages		22,000.00	22,000.00	21,999.87	0.13	
Other Expenses		1,500.00	1,500.00	1,267.49	232.51	
Municipal Clerk						
Salaries and Wages		177,162.00	179,162.00	178,324.53	837.47	
Other Expenses		87,575.00	87,575.00	78,672.51	8,902.49	
Financial Administration						
Salaries and Wages		253,694.00	253,694.00	226,209.10	27,484.90	
Other Expenses		26,100.00	30,600.00	23,495.36	7,104.64	
Audit and Accounting Services						
Other Expenses		25,000.00	25,000.00		25,000.00	
Computerized Data Processing						
Other Expenses		40,000.00	40,000.00	26,875.21	13,124.79	
Collection of Taxes						
Salaries and Wages		160,580.00	160,580.00	158,580.44	1,999.56	
Other Expenses		8,500.00	8,500.00	6,639.88	1,860.12	
Assessment of Taxes						
Salaries and Wages		90,000.00	80,000.00	52,105.35	27,894.65	
Other Expenses		26,350.00	26,350.00	8,576.88	17,773.12	
Legal Services & Costs						
Other Expenses		180,000.00	210,000.00	170,873.13	39,126.87	
Engineering Services and Costs						
Other Expenses		90,000.00	110,000.00	70,198.03	39,801.97	
Other Expenses-Complete Streets		5,000.00	5,000.00		5,000.00	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		2,400.00	2,400.00	2,400.00		
Other Expenses		6,400.00	6,400.00	1,404.37	4,995.63	
Zoning Board of Adjustment						
Salaries and Wages		2,400.00	2,400.00	2,400.00		
Other Expenses		22,700.00	22,700.00	2,922.00	19,778.00	
Property Management Enforcement						
Salaries and Wages		25,000.00	25,000.00	14,514.35	10,485.65	
Other Expenses		300.00	300.00		300.00	

**Borough of Rutherford , N.J.**  
**Statement of Expenditures - Statutory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>Public Safety:</b>						
<b>Police</b>						
Salaries and Wages		4,889,499.00	4,846,499.00	4,503,057.70	343,441.30	
Other Expenses		263,926.00	283,926.00	274,377.22	9,548.78	
<b>Police Dispatch / 911</b>						
Other Expenses		18,110.00	18,110.00	18,110.00		
<b>Emergency Management Services</b>						
Salaries and Wages		5,200.00	5,200.00	5,199.93	0.07	
Other Expenses		9,000.00	9,000.00	4,890.74	4,109.26	
<b>First Aid Ambulance Corps</b>						
Other Expenses		9,000.00	9,000.00	9,000.00		
<b>Fire Department</b>						
Other Expenses		383,950.00	383,950.00	383,269.68	680.32	
<b>Fire Official</b>						
Salaries and Wages		162,303.78	164,303.78	155,833.87	8,469.91	
Other Expenses		11,750.00	11,750.00	11,518.40	231.60	
<b>Fire Official - Uniform Fire Safety Act</b>						
Salaries and Wages		82,000.00	82,000.00	82,000.00		
<b>Fire Official - Life Hazard Use Fees</b>						
Salaries and Wages		22,587.22	22,587.22	22,587.22		
<b>Municipal Prosecutor's Office</b>						
Salaries and Wages		7,700.00	7,800.00	7,700.13	99.87	
<b>Municipal Court:</b>						
Salaries and Wages		134,427.00	134,427.00	109,142.66	25,284.34	
Other Expenses		14,150.00	14,150.00	7,743.48	6,406.52	
<b>Public Defender</b>						
Salaries and Wages		2,500.00	2,500.00	2,499.93	0.07	
<b>Public Works Functions:</b>						
<b>Streets and Road Maintenance</b>						
Salaries and Wages		1,098,547.00	1,013,547.00	923,754.70	89,792.30	
Other Expenses		233,100.00	233,100.00	194,423.69	38,676.31	
<b>Shade Tree Division</b>						
Salaries and Wages		274,679.00	278,679.00	276,056.75	2,622.25	
Other Expenses		42,850.00	42,850.00	38,111.43	4,738.57	
<b>Sewer System</b>						
Salaries and Wages		9,100.00	9,100.00	4,469.99	4,630.01	
Other Expenses		36,500.00	36,500.00	17,971.68	18,528.32	
<b>Solid Waste Collection (Garbage and Trash)</b>						
Salaries and Wages		565,955.00	565,955.00	529,003.29	36,951.71	
Other Expenses		63,200.00	66,200.00	63,690.27	2,509.73	



**Borough of Rutherford , N.J.**  
**Statement of Expenditures - Statutory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Recycling Division						
Salaries and Wages		334,342.00	379,342.00	353,693.68	25,648.32	
Public Buildings and Grounds						
Salaries and Wages		275,655.00	293,155.00	288,121.83	5,033.17	
Other Expenses		238,000.00	238,000.00	188,271.34	49,728.66	
Landfill Disposal Costs:						
Dumping Fees		590,000.00	590,000.00	524,961.97	65,038.03	
Health and Welfare:						
Board of Health						
Salaries and Wages		381,113.00	386,113.00	385,612.59	500.41	
Other Expenses		44,360.00	44,360.00	38,549.67	5,810.33	
Animal Control Services						
Other Expenses		22,440.00	22,440.00	19,627.32	2,812.68	
Administration of Public Assistance						
Salaries and Wages		93,482.00	93,482.00	91,981.98	1,500.02	
Other Expenses		3,200.00	3,200.00	2,474.80	725.20	
Rutherford Senior Citizen - Kip Center						
Other Expenses		55,000.00	55,000.00	41,250.00	13,750.00	
Parks and Recreation:						
Recreation Department						
Salaries and Wages		501,426.00	586,426.00	528,009.86	58,416.14	
Other Expenses		79,490.00	79,490.00	58,310.63	21,179.37	
Education Functions:						
Williams Center for the Arts						
Other Expenses		5,000.00	5,000.00	5,000.00		
Education Plans for Employees						
Other Expenses		3,000.00	3,000.00	2,938.00	62.00	
Insurance						
General Liability		508,500.00	508,500.00	493,533.03	14,966.97	
Worker's Compensation		582,500.00	582,500.00	582,135.46	364.54	
Employee Group Insurance		4,086,724.00	3,954,804.00	3,582,633.34	372,170.66	
Other Insurance Premiums		20,000.00	20,000.00	15,069.00	4,931.00	
Health Benefit Waiver Costs		75,000.00	77,500.00	75,485.67	2,014.33	
State Uniform Construction Code:						
Construction Code Officials						
Salaries and Wages		300,107.00	300,107.00	264,999.34	35,107.66	
Other Expenses		7,650.00	7,650.00	5,472.52	2,177.48	

**Borough of Rutherford, N.J.**  
**Statement of Expenditures - Statutory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Unclassified:						
Legal Settlements		25,000.00	25,000.00		25,000.00	
Salary Attrition (Terminal Leave)		250,000.00	250,000.00	224,007.94	25,992.06	
Joint Meeting		10,000.00	10,000.00	8,000.00	2,000.00	
Utility Expenses and Bulk Purchases						
Electricity		406,500.00	406,500.00	335,522.58	70,977.42	
Street Lighting		265,000.00	265,000.00	211,775.44	53,224.56	
Telephone		75,000.00	87,400.00	80,837.88	6,562.12	
Water		55,000.00	65,000.00	55,984.27	9,015.73	
Fuel Oil		30,000.00	30,000.00	21,600.00	8,400.00	
Gasoline		275,000.00	275,000.00	243,204.24	31,795.76	
Total Operations within "CAPS"		<u>19,433,769.00</u>	<u>19,426,849.00</u>	<u>17,573,599.82</u>	<u>1,853,249.18</u>	
Contingent		<u>3,500.00</u>	<u>3,500.00</u>	<u>325.00</u>	<u>3,175.00</u>	
Total Operations Including Contingent within "CAPS"		<u>19,437,269.00</u>	<u>19,430,349.00</u>	<u>17,573,924.82</u>	<u>1,856,424.18</u>	
Detail:						
Salaries and Wages	A-1	10,304,744.00	10,327,344.00	9,511,468.41	815,875.59	
Other Expenses	A-1	<u>9,132,525.00</u>	<u>9,103,005.00</u>	<u>8,062,456.41</u>	<u>1,040,548.59</u>	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Prior Year Bills:						
Board of Adjustment Legal Fees		3,112.00	3,112.00	3,112.00		
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		650,000.00	650,000.00	649,195.00	805.00	
Social Security System (O.A.S.I.)		583,800.00	582,800.00	539,974.11	42,825.89	
Police and Firemen's Retirement System		1,026,000.00	1,026,000.00	1,024,626.11	1,373.89	
Fire Widows' Pension N.J.S. 43:12-28		24,000.00	24,000.00	24,000.00		
Unemployment Insurance		2,500.00	2,500.00	2,500.00		
Defined Contribution Retirement Plan		12,500.00	13,500.00	12,473.93	1,026.07	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>2,301,912.00</u>	<u>2,301,912.00</u>	<u>2,255,881.15</u>	<u>46,030.85</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>21,739,181.00</u>	<u>21,732,261.00</u>	<u>19,829,805.97</u>	<u>1,902,455.03</u>	

Borough of Rutherford, N.J.  
Statement of Expenditures - Statutory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)		979,200.00	979,200.00	959,986.65	19,213.35	
Insurance						
Group Ins. Plan for Employees		52,062.00	52,062.00	52,062.00		
Service Charges Contractual						
Bergen County Utilities Authority		1,168,750.00	1,168,750.00	1,168,736.23	13.77	
Passaic Valley Trunk Sewer		520,000.00	520,000.00	517,768.46	2,231.54	
Emergency Services Length of Service Award Program		111,213.00	111,213.00	111,213.00		
Reserve for Tax Appeals		50,000.00	50,000.00	50,000.00		
Stormwater Regulation N.J.S.A. 40A:4-45.3(cc)		4,050.00	4,050.00	4,050.00		
Total Other Operations Excluded from "CAPS"		<u>2,885,275.00</u>	<u>2,885,275.00</u>	<u>2,863,816.34</u>	<u>21,458.66</u>	
Public and Private Programs Offset by Revenues						
Clean Communities Program		32,417.68	32,417.68	32,417.68		
U.S. Department of Justice - COPS in Shops		1,218.62	1,218.62	1,218.62		
Recycling Tonnage Grant		19,295.67	19,295.67	19,295.67		
Bergen County Local Arts Program Grant		3,080.00	3,080.00	3,080.00		
EMAA Grant		5,000.00	5,000.00	5,000.00		
Sustainable New Jersey		20,000.00	20,000.00	20,000.00		
Labor Day Street Fair		2,550.00	2,550.00	2,550.00		
N.J. Div. Of Criminal Justice - Body Armor Replacement		3,867.77	3,867.77	3,867.77		
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		15,177.00	15,177.00	15,177.00		
Local Share		875.00	3,795.00	3,795.00		
Alcohol Education and Rehabilitation Fund		707.20	707.20	707.20		
NJDMV Fees		81.96	81.96	81.96		
Bergen County Open Space Fund - Lincoln & Memorial Parks		18,061.00	18,061.00	18,061.00		
Bergen County Open Space Fund - Memorial Field		25,254.00	25,254.00	25,254.00		
Bergen County Historic Preservation Grant		43,500.00	43,500.00	43,500.00		
DCA - Recreational Opportunities for Individuals with Disabilities -						
State Share		20,000.00	20,000.00	20,000.00		
Local Share		4,000.00	8,000.00	8,000.00		
Bulletproof Vest Partnership Grant		2,016.29	2,016.29	2,016.29		
Total Public and Private Programs offset by Revenues		<u>217,102.19</u>	<u>224,022.19</u>	<u>224,022.19</u>		
Total Operations - Excluded from "CAPS"		<u>3,102,377.19</u>	<u>3,109,297.19</u>	<u>3,087,838.53</u>	<u>21,458.66</u>	
Detail:						
Salaries & Wages	A-1	1,300.58	1,300.58	1,300.58		
Other Expenses	A-1	3,101,076.61	3,107,996.61	3,086,537.95	21,458.66	

**Borough of Rutherford , N.J.**  
**Statement of Expenditures - Statutory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Capital Improvements:						
Capital Improvement Fund		744,700.00	744,700.00	744,700.00		
HVAC and Other Building Improvementw to Borough Hall and Police Headquarters		700,000.00	700,000.00	700,000.00		
New Jersey Transportation Trust Fund		149,000.00	149,000.00	149,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>1,593,700.00</u>	<u>1,593,700.00</u>	<u>1,593,700.00</u>		
Municipal Debt Service:						
Payment of Bond Principal		1,390,000.00	1,390,000.00	1,390,000.00		
Payment of Bond Anticipation Notes		408,000.00	408,000.00	408,000.00		
Interest on Bonds		345,000.00	345,000.00	342,551.97		2,448.03
Interest on Notes		40,000.00	40,000.00	37,629.18		2,370.82
Green Trust Loan Program						
Principal and Interest		10,994.03	10,994.03	10,994.03		
Bergen County Improvement Authority						
Principal		46,000.00	46,000.00	45,521.12		478.88
Interest		1,500.00	1,500.00	1,299.64		200.36
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,241,494.03</u>	<u>2,241,494.03</u>	<u>2,235,995.94</u>		<u>5,498.09</u>
Deferred Charges:						
Special Emergency Authorizations - 5 Years		17,000.00	17,000.00	17,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>17,000.00</u>	<u>17,000.00</u>	<u>17,000.00</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>6,954,571.22</u>	<u>6,961,491.22</u>	<u>6,934,534.47</u>	21,458.66	5,498.09
Subtotal General Appropriations		<u>28,693,752.22</u>	<u>28,693,752.22</u>	<u>26,764,340.44</u>	1,923,913.69	5,498.09
Reserve for Uncollected Taxes		<u>1,250,000.00</u>	<u>1,250,000.00</u>	<u>1,250,000.00</u>		
Total General Appropriations		<u>\$ 29,943,752.22</u>	<u>29,943,752.22</u>	<u>28,014,340.44</u>	1,923,913.69	5,498.09
Adopted Budget	A-2		29,813,668.96			
Appropriated by N.J.S. 40A:4-87	A-2		130,083.26			
			<u>29,943,752.22</u>		A	

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Borough of Rutherford, N.J.  
 Statement of Expenditures - Statutory Basis  
 Current Fund  
 Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>Analysis of Paid or Charged</u>						
Cash Disbursed	A-4			25,875,573.31		
Encumbrances Payable	A-18			337,531.94		
Deferred Charges - Special Emergency Authorizations	A-15			17,000.00		
Reserve for Uncollected Taxes	A-2			1,250,000.00		
Reserve for Tax Appeals	A-22			50,000.00		
Reserve for Length of Service Award Program	A-22			111,213.00		
Matching Funds for Grants	A-4/A-5/A-23			11,795.00		
Reserve for Grants	A-23			361,227.19		
				<u>28,014,340.44</u>		

See Accompanying Notes to Financial Statements.

## Borough of Rutherford, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Dog License Fund:			
Cash	B-1	\$ -	-
		<u>-</u>	<u>-</u>
Other Trust Funds:			
Cash	B-1	1,882,536.39	1,239,368.99
		<u>1,882,536.39</u>	<u>1,239,368.99</u>
Unemployment Trust Fund:			
Cash	B-1	52,537.63	40,385.32
		<u>52,537.63</u>	<u>40,385.32</u>
Payroll Agency Fund:			
Cash	B-1	111,571.38	85,456.66
		<u>111,571.38</u>	<u>85,456.66</u>
Special Assessment Fund:			
Cash	B-1	4,465.98	50,341.94
Registrations Receivable	B-3	4,587.62	8,284.32
Assessments Receivable	B-4	-	2,228.07
		<u>9,053.60</u>	<u>60,854.33</u>
COAH Trust Fund:			
Cash	B-1	365,233.09	364,685.69
		<u>365,233.09</u>	<u>364,685.69</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash	B-1	1,845,143.16	1,734,685.01
Contributions Receivable	B-5	48,258.60	107,223.64
		<u>1,893,401.76</u>	<u>1,841,908.65</u>
Total Assets		<u>\$ 4,314,333.85</u>	<u>3,632,659.64</u>

See Accompanying Notes to Financial Statements.

## Borough of Rutherford, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Dog License Fund:			
Reserve for Animal License Expenditures	B-6	\$ -	-
Due to State Department of Health	B-7	-	-
		<u>-</u>	<u>-</u>
Other Trust Fund:			
Interfund - Current Fund - Other Trust	B-2	298,145.29	288,529.97
Reserve for:			
Recreation Commission Dedicated Revenue	B-8	246,880.50	215,552.08
Recycling Trust Program	B-8	1,685.03	1,085.03
Parking Offense Adjudication Fund	B-8	11,034.02	9,959.02
Fire Safety Penalties	B-8	16,697.62	36,232.86
Premiums Received at Tax Sale	B-8	1,023,100.00	489,300.00
Miscellaneous Trust Fund	B-8	425.00	425.00
Municipal Alliance Against Drugs	B-8	2,257.22	6,375.56
Police Forfeited Funds	B-8	2,409.18	2,395.94
Flexible Spending Account	B-8	920.66	1,248.32
Outside Police Duty	B-8	89,100.00	53,150.00
Multicultural Account	B-8	4,025.15	1,942.77
Donations	B-8	17,046.83	14,855.34
Builders/Special Escrow Deposits	B-9	168,809.89	118,317.10
		<u>1,882,536.39</u>	<u>1,239,368.99</u>
Unemployment Trust Fund:			
Reserve for Unemployment	B-10	51,897.72	30,240.52
Due to State of New Jersey	B-11	639.91	10,144.80
		<u>52,537.63</u>	<u>40,385.32</u>
Payroll Agency Fund:			
Payroll Deductions Payable	B-12	111,571.38	85,456.66
		<u>111,571.38</u>	<u>85,456.66</u>
Special Assessment Fund:			
Due Rutherford - Downtown Partnership	B-14	8,988.86	55,559.70
Prepaid Registration Fees	B-15	64.74	5,294.63
		<u>9,053.60</u>	<u>60,854.33</u>
COAH Trust Fund:			
Net Assets Available for Council on Affordable Housing	B-16	365,233.09	364,685.69
		<u>365,233.09</u>	<u>364,685.69</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-17	1,893,401.76	1,841,908.65
		<u>1,893,401.76</u>	<u>1,841,908.65</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>4,314,333.85</u>	<u>3,632,659.64</u>

See Accompanying Notes to Financial Statements.

**Borough of Rutherford , N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**General Capital Fund**  
**December 31, 2015 and 2014**

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2/C-3	\$ 3,001,725.22	2,396,712.53
Grants Receivable	C-4	299,648.00	299,648.00
Deferred Charges to Future Taxation:			
Funded	C-5	7,122,143.27	8,519,601.29
Unfunded	C-6	<u>9,317,844.00</u>	<u>8,144,944.00</u>
Total Assets		<u>19,741,360.49</u>	<u>19,360,905.82</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	6,776,000.00	8,166,000.00
Green Acres Loan Payable	C-8	346,143.27	353,601.29
Bond Anticipation Notes	C-9	7,649,001.00	6,552,001.00
Improvement Authorizations:			
Funded	C-10	615,760.41	344,961.92
Unfunded	C-10	2,642,081.94	2,176,669.52
Encumbrances Payable	C-11	987,540.48	1,742,838.70
Capital Improvement Fund	C-12	16,266.83	16,266.83
Reserve for Building Improvements	C-13	700,000.00	
Fund Balance	C-1	<u>8,566.56</u>	<u>8,566.56</u>
Total Liabilities,Reserves & Fund Balance		<u>\$ 19,741,360.49</u>	<u>19,360,905.82</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2015 and 2014 of \$1,668,843.00 and \$1,592,943.00 respectively per Exhibit C-14.

See Accompanying Notes to Financial Statements.



**Borough of Rutherford , N.J.**

**Comparative Statement of Changes in Fund Balance - Regulatory Basis**

**General Capital Fund**

**For the Years Ended December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	C	\$ <u>8,566.56</u>	\$ <u>8,566.56</u>
Balance - December 31, 2015	C/C-3	\$ <u><u>8,566.56</u></u>	\$ <u><u>8,566.56</u></u>

See Accompanying Notes to Financial Statements.

**Borough of Rutherford, N.J.**  
**Comparative Balance Sheet - Regularatory Basis**  
**Public Assistance Fund**  
**December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	E-1	\$ 72,532.13	90,747.49
		<u>72,532.13</u>	<u>90,747.49</u>
<u>Liabilities</u>			
Due to State of New Jersey	E-6	63,003.72	82,574.61
Reserve for Public Assistance	E-7	9,528.41	8,172.88
		<u>\$ 72,532.13</u>	<u>90,747.49</u>

See Accompanying Notes to Financial Statements.

## GENERAL FIXED ASSET ACCOUNT GROUP

Exhibit F

Borough of Rutherford, N.J.

## Comparative Statement of General Fixed Assets - Statutory Basis

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>General Fixed Assets:</u>		
Land	\$ 46,365,800.00	46,365,800.00
Land Improvements	2,510,121.00	1,883,497.00
Buildings	11,802,095.00	11,802,095.00
Building Improvements	2,773,335.00	2,424,295.00
Machinery , Equipment and Vehicles	<u>12,486,913.00</u>	<u>11,693,348.00</u>
	<u>75,938,264.00</u>	<u>74,169,035.00</u>
Investment in General Fixed Assets	<u>\$ 75,938,264.00</u>	<u>74,169,035.00</u>

See Accompanying Notes to Financial Statements.

**BOROUGH OF RUTHERFORD, N. J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**

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

A. Reporting Entity

The Borough of Rutherford (the "Borough") operates under a 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 prepare 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 Free Public Library, Volunteer Fire Department and the First Aid Ambulance Corps. which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Dog License Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Borough of Rutherford. Under this method of accounting revenues, except 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:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year levied are subject to be included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et seq. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

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 balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. 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.

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

General Capital Fund  
Trust Funds  
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

appropriations at the line item level. During 2015, the Borough Council increased the original budget by \$130,083.23. The increase was funded by \$130,083.26 of additional grants allotted to the Borough. Also, several budgetary transfers were approved.

Expenditures - Are recorded on 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. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

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.

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.



**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

Inventories - The costs 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 balance sheets.

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 which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Rutherford has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except land which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates.

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

**Recent Accounting Pronouncements**

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity’s proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be 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 RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015, \$-0- of the Borough's bank balance of \$14,831,123.75 was exposed to custodial credit risk. As of December 31, 2014, \$-0- of the Borough's bank balance of \$11,675,808.42 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**Unaudited Investments**

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Unaudited Investments, (continued)**

seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by VALIC, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2015 and 2014 amounted to \$1,845,143.16 and \$1,734,685.01, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Money Market Funds	\$152,751.80	\$137,921.17
Fixed Income	281,159.57	257,096.38
Index	1,197,142.28	1,158,001.38
All Others	<u>214,089.51</u>	<u>181,666.08</u>
Total	<u>\$1,845,143.16</u>	<u>\$1,734,685.01</u>

**NOTE 3: MUNICIPAL DEBT**

Long-term debt as of December 31, 2015 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>		<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation						
Debt	\$8,166,000.00	\$		\$1,390,000.00	\$6,776,000.00	\$1,444,000.00
Green Acres Loan Payable	353,601.29			7,458.02	346,143.27	15,140.52
Other Liabilities - Compensated						
Absences Payable	3,147,112.15			110,783.96	3,036,328.19	
Deferred Pension Obligation	<u>566,292.00</u>			<u>40,253.00</u>	<u>526,039.00</u>	<u>43,606.00</u>
	<u>\$12,233,005.44</u>		<u>\$0.00</u>	<u>\$1,548,494.98</u>	<u>\$10,684,510.46</u>	<u>\$1,502,746.52</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

The Borough's debt is summarized as follows:

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds and Notes	\$14,425,001.00	\$14,718,001.00	\$14,934,000.00
Loans	<u>346,143.27</u>	<u>353,601.29</u>	<u>333,956.53</u>
Total Issued	14,771,144.27	15,071,602.29	15,267,956.53
<u>Authorized But Not Issued</u>			
<u>General:</u>			
Bonds and Notes	<u>1,668,843.00</u>	<u>1,592,943.00</u>	<u>1,848,561.47</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$16,439,987.27</u>	<u>\$16,664,545.29</u>	<u>\$17,116,518.00</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 .621%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$13,870,000.00	\$13,870,000.00	0.00
General Debt	<u>16,439,987.27</u>	<u>                                </u>	<u>16,439,987.27</u>
	<u>\$30,309,987.27</u>	<u>\$13,870,000.00</u>	<u>\$16,439,987.27</u>

Net Debt \$16,439,987.27 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$2,646,496,285.00= .621%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$92,627,369.97
Net Debt	<u>16,439,987.27</u>
Remaining Borrowing Power	<u>\$76,187,382.70</u>



**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

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

Paid by the Current Fund:

	<u>Amount Outstanding</u>
General Improvement Bonds - \$1,600,000.00 issued October 15, 2002 due through October 15, 2016 with variable interest rates of 2.00% to 4.30%	\$144,000.00
General Improvement Bonds - \$5,627,000.00 issued October 1, 2004 due through October 1, 2019 with variable interest rates of 2.00% to 4.00%	2,312,000.00
General Improvement Bonds - \$8,300,000.00 issued July 31, 2009 due through February 15, 2020 with variable interest rates of 3.00% to 5.00%	<u>4,320,000.00</u>
 Total	 <u>\$6,776,000.00</u>

General Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the Borough.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
BONDED DEBT ISSUED AND OUTSTANDING.

	General		
Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,444,000.00	\$285,457.00	\$1,729,457.00
2017	1,380,000.00	221,277.50	1,601,277.50
2018	1,380,000.00	157,625.00	1,537,625.00
2019	1,432,000.00	95,955.00	1,527,955.00
2020	<u>1,140,000.00</u>	<u>25,650.00</u>	<u>1,165,650.00</u>
	<u>\$6,776,000.00</u>	<u>\$785,964.50</u>	<u>\$7,561,964.50</u>

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

At December 31, 2015, the Borough had authorized but not issued debt of \$1,668,843.00.

The Borough has been awarded a Green Acres Loan from the New Jersey Department of Environmental Protection for the Rutherford Waterfront Park in the amount of \$335,074.00. As of December 31, 2015, the Borough has received the full amount of the loan. The amount to be repaid is \$353,601.29 representing the loan amount plus \$18,527.29 of accrued interest. This loan will be repaid by the Nereid Boat Club, the tenant on the property that was improved. The following is the schedule of annual debt service for principal and interest on the outstanding loan:

Calendar			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$15,140.52	\$6,847.54	\$21,988.06
2017	15,444.84	6,543.22	21,988.06
2018	15,755.28	6,232.77	21,988.05
2019	16,071.96	5,916.10	21,988.06
2020	16,395.01	5,593.05	21,988.06
2021-2025	87,052.65	22,887.64	109,940.29
2026-2030	96,160.27	13,780.03	109,940.30
2031-2034	84,122.74	3,829.47	87,952.21
	<u>\$346,143.27</u>	<u>\$71,629.82</u>	<u>\$417,773.09</u>

**NOTE 4: BOND ANTICIPATION NOTES/SPECIAL EMERGENCY NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds, in addition, special emergency notes were issued to temporarily fund special emergency authorizations. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2015, the Borough had \$7,700,000.00 outstanding bond anticipation notes and special emergency notes that mature on December 6, 2016 at an interest rate of .70%.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 4: BOND ANTICIPATION NOTES/CAPITAL NOTES, (continued)**

The following activity related to bond anticipation notes/special emergency notes occurred during the calendar year ended December 31, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Bank	\$6,620,000.00	\$7,700,000.00	\$6,620,000.00	\$7,700,000.00
	<u>\$6,620,000.00</u>	<u>\$7,700,000.00</u>	<u>\$6,620,000.00</u>	<u>\$7,700,000.00</u>

**NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>	<u>Balance to Succeeding Budget</u>
Special Emergency Authorization	<u>\$50,999.00</u>	<u>\$17,000.00</u>	<u>\$33,999.00</u>

**NOTE 6: SCHOOL TAXES**

Local district school taxes have been raised on a calendar year basis and there is no deferred liability at December 31.

**NOTE 7: PENSION PLANS**

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Rutherford opted for this deferral in the amount of \$664,409.00. The Outstanding balance at December 31, 2016 is \$526,039.00

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$649,195.00	\$1,003,073.00	\$12,473.93
2014	574,592.00	1,082,907.00	4,491.43
2013	616,353.00	1,206,091.00	1,552.57

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.



**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$16,620,929.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0740419276 percent, which was an increase/(decrease) of (0.000846452) percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$649,195.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 396,517.00	\$
Changes of assumptions	1,784,955.00	
Net difference between projected and actual earnings on pension plan investments		267,233.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	363,525.00	134,455.00
Borough contributions subsequent to the measurement date	<u>0.00</u>	<u>0.00</u>
Total	<u>\$2,544,997.00</u>	<u>\$401,688.00</u>

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$348,488.00
2017	348,488.00
2018	348,488.00
2019	555,023.00
2020	313,753.00

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	0.0740419276 %	0.0748883796%

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

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

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$20,657,781.00	\$16,620,929.00	\$13,236,461.00

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2015, the Borough had a liability of \$20,487,297.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.1229987036 percent, which was an increase/(decrease) of 0.013096472 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$1,003,073.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$176,709.00
Changes of assumptions	3,782,464.00	
Net difference between projected and actual earnings on pension plan investments		356,563.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	143,655.00	1,576,464.00
Borough contributions subsequent to the measurement date	<u>0.00</u>	<u>0.00</u>
Total	<u>\$3,926,119.00</u>	<u>\$2,109,736.00</u>

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$617,081.00
2017	617,081.00
2018	617,081.00
2019	1,011,799.00
2020	386,150.00

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	0.129987036 %	0.1216890564%

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:



**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$29,377,339.00	\$20,487,297.00	\$16,499,950.00

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2015 and 2014 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	<u>\$1,140,000.00</u>	<u>\$790,000.00</u>

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 9: FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2016.

	Balance Dec. 31, 2014	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, 2015
Land	\$46,365,800.00			\$46,365,800.00
Land Improvements	1,883,497.00	\$ 626,624.00	\$	2,510,121.00
Buildings	11,802,095.00			11,802,095.00
Building Improvements	2,424,295.00	349,040.00		2,773,335.00
Machinery and Equipment	<u>11,693,348.00</u>	<u>956,162.00</u>	<u>162,597.00</u>	<u>12,486,913.00</u>
	<u>\$74,169,035.00</u>	<u>\$1,931,826.00</u>	<u>\$162,597.00</u>	<u>\$75,938,264.00</u>

**NOTE 10: ACCRUED SICK AND VACATION BENEFITS**

The Borough permits employees to accrue sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$3,036,328.19. Annually, the amount required is budgeted and charged to operations as paid. No liability has been recorded in the Borough's financial statements.

**NOTE 11: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2015 consist of the following:

<u>\$298,145.29</u>	Due to the Current Fund from Other Trust Fund for interest earned and Other Trust Fund bills paid by the Current Fund.
---------------------	--

It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 12: LEASES**

The Borough authorized the execution of an agreement with the Bergen County Improvement Authority for the leasing of certain capital equipment. The lease term is based on the useful bond life of each particular item.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 12: LEASES, (continued)**

The lease payments consist of basic rent which is comprised of principal and interest. On May 29, 2007, the Borough adopted a bond ordinance to fund \$3,954,911.24 of outstanding principal and interest on certain capital leases with useful life of 5 years or greater. The following schedule presents the remaining lease payments at December 31, 2015.

Calendar			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$3,889.30</u>	<u>\$12.43</u>	<u>\$3,901.73</u>

The full faith and credit of the Municipality has been pledged to the punctual payment of the obligations set forth in the Lease (the "Lease Payments"). The Lease Payments under the Lease shall be a direct, unlimited and general obligation of the Municipality, not subject to annual appropriation by the Municipality pursuant to the County Improvement Authorities Law, and unless paid from other sources, the Municipality shall be obligated to levy ad valorem taxes upon all the taxable real property within the Municipality for the payment of the Lease Payments thereunder without limitation as to rate or amount.

**NOTE 13: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On July 23, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

The Variable Annuity Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$1,150.00 to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 2906-99. In addition, the ordinance does not provide for prior years service credit. The amount of the LOSAP award cannot exceed \$1,150.00 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 13: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

We have reviewed the plan for the year ended December 31, 2015 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 14: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Rutherford is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Rutherford is a member of the South Bergen Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Borough of Rutherford pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be sued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of Rutherford is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides excess insurance coverage for claims for general liability, automobile liability and workers' compensation.

The JIF also provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 14: RISK MANAGEMENT, (continued)**

In addition, the Borough is also a member of the Bergen Municipal Employees Benefit Fund for employee health insurance.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Public Entity Risk Management Services, 9 Campus Drive, Parsippany, NJ, 07054.

**New Jersey Unemployment Compensation Insurance** - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year Ended</u> <u>Dec. 31,</u>	<u>Interest Earnings/</u> <u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$16,994.17	\$14,436.37	\$4,773.34	\$51,897.72
2014	18,196.32	14,301.64	31,798.74	30,240.52
2013	59.42	13,776.12	11,650.41	29,541.30

The Borough of Rutherford continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance.

**NOTE 15: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$281,472.32</u>	<u>\$389,046.94</u>
Cash Liability for Taxes Collected in Advance	<u>\$281,472.32</u>	<u>\$389,046.94</u>

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES**

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough's legal counsel estimates such amounts to be immaterial, except for the following:

IMO PBA Local 300 & Rutherford re Medicare Part B, BER-C-174-13. Through the grievance process under the PBA Local 300 collected negotiated agreement (CNA) a retired police officer asserted that the Borough should pay for Medicare Part B benefits for he and his wife under the contract under which he retired. The matter proceeded to arbitration and the arbitrator assigned by the Public Employee Relations Commission (PERC) determined that the police officer and his wife were not entitled to this coverage.

At the time of our response to last year's request, this matter was on appeal from the arbitration decision in the Superior Court of New Jersey under Docket Number C-174-13. Superior Court Judge Menelaos Toskos confirmed the entirety of the arbitrator's decision (in favor of the Borough) but remanded one issue back to the arbitrator. Specifically, Judge Toskos requested that the arbitrator provide analysis into his reasoning pertaining to a violation of the Federal Age Discrimination in Employment Act ("ADEA"). The arbitrator issued an amended decision clarifying his earlier decision and confirmed his opinion that the Borough did not violate the Collected Negotiation Agreement (CNA) between Rutherford and PBA Local 300 by failing to reimburse for Medicare Part B.

Counsel for PBA Local 300 has now filed an action in Superior Court under Docket No. 114-15 seeking to vacate the remanded portion of the decision and we have filed an Answer and Counterclaim requesting that the judge confirm the remanded decision. Counsel is now asserting a claim under the New Jersey Law Against Discrimination ("NJ LAD") and we prepared a motion to preclude argument pertaining to the NJ LAD which was filed in September of 2015. A status conference was held on May 26, 2016 at which time Judge Toskos informed that the paperwork for the motion, including the Plaintiff's response brief, had been misplaced. He requested that we re-file the motion, which is scheduled to be heard on July 22, 2016.

Should Judge Toskos decide to determine the issue pertaining to the NJ LAD in the union's favor, if it is not precluded, then it is estimated that the potential exposure to the Borough will range between a low of \$321,000.00 to a high of 1 million dollars over the next 20 years.

The potential damages are not covered by insurance.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 17: OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Borough of Rutherford pays health insurance premiums for employees, which have retired according to their individual employment contracts. Currently, the Borough has 88 retired employees which have this benefit. The cost of these health insurance benefits, net of any reimbursements were \$1,484,378.77 for the period from January 1, 2015 through December 31, 2015 and \$1,328,700.30 for the period January 1, 2014 through December 31, 2014 for approximately 66 retired employees.

The Borough's policy for all other employees is to pay for two months of health insurance premiums after the employee retires. Police & DPW employees with over 25 years of service and retiring after the age of 50 will receive lifetime paid health insurance benefits.

The Borough funds these benefits on a pay as you go basis and therefore does not record accrued expenses related to these benefits. As required by Government Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" and State of New Jersey Local Finance Notice 2007-15 the Borough had an actuarial valuation of their postretirement medical obligations performed as of December 31, 2011. Below is the results of the Valuation as reported to the Borough by UHY Advisors, 153 Bauer Drive, Oakland, NJ 07436.

**Results of Valuation**

- *Actuarial Accrued Liability*

The Actuarial Accrued Liability ("AAL") as of December 31, 2014 is \$ 51,469,003 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2014.

- *Annual Required Contribution*

The Annual Required Contribution ("ARC") is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the Unfunded Actuarial Accrued Liability ("UAAL"). As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.



**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 17: OTHER POST EMPLOYMENT BENEFITS, (continued)**

The ARC as of December 31, 2014 is \$4,065,593 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2014. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 905,831
(2) Actuarial Accrued Liability	\$ 51,469,003
(3) Assets	\$ 0
(4) UAAL = (2)-(3)	\$ 51,469,003
(5) 30 Year Amortization of UAAL at Discount Rate	\$ 3,159,762
(6) ARC = (1)+(5)	\$ 4,065,593

**Basis of Valuation**

This valuation has been conducted as of December 31, 2014 based upon census, plan design and claims information provided by The Fund. Census includes 88 participants currently receiving retiree benefits, and 114 active participants of whom 12 are eligible to retire as of the valuation date. The average age of the active population is 45 and the average age of the retiree population is 63.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2011 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2013 report from Aon Consultants.

**BOROUGH OF RUTHERFORD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 17: OTHER POST EMPLOYMENT BENEFITS, (continued)**

**Key Actuarial Assumptions**

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 25 years of service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.50%</i>
<i>Medical Trend</i>	<i>8% in 2014, reducing by 0.5% per annum, leveling at 5% per annum in 2020</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2014 medical, prescription drug, and dental husband and spouse premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (43) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capital plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of combined medical/prescription drug costs. 2012 employer contributions for retiree benefits as reported by the Fund and net of retiree contributions are \$1.440 million.
- Retiree Contributions – Current and future PBA retirees do not make contributions. Certain grandfathered non-PBA current retirees are not required to contribute either. All other retirees contribute 25% of the premium. It is assumed that this contribution scheme does not overstate the future contribution requirement under NJ Chapter 78, and therefore is assumed to not understate the obligations.
- Actuarial valuation method – Projected Unit Credit Funding Method.

**NOTE 18: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 28, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate:	<u>2.533</u>	<u>2.454</u>	<u>2.382</u>	<u>2.337</u>	<u>2.267</u>
<u>Apportionment of Tax Rate:</u>					
Municipal	.846	.832	.811	.788	.753
Municipal Library	.031	.031	.031	.032	.034
County	.225	.215	.210	.210	.207
County Open Space	.003	.003	.003	.003	.003
Local School	1.428	1.373	1.327	1.304	1.270

Assessed Valuation

2015	\$2,726,370,461.00
2014	2,745,812,709.00
2013	2,784,650,057.00
2012	2,803,828,649.00
2011	2,811,456,024.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$69,301,366.91	\$68,407,933.15	98.71%
2014	67,469,973.66	66,380,379.41	98.38
2013	66,411,587.23	64,769,417.96	97.52
2012	65,600,067.79	64,721,089.74	98.66
2011	63,831,086.27	63,024,389.24	98.73

**DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the last five years. A comparison of the outstanding assessment and assessment title liens for the past five years is also shown.

<u>Taxes and Liens</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current Year	\$567,084.30	\$656,003.98	\$598,430.89	\$686,774.60	\$557,339.60
Prior Years	0.00	10,976.64	26,790.19	10,976.64	8,781.64
Tax Title Liens	<u>53,731.80</u>	<u>149,351.51</u>	<u>141,358.83</u>	<u>139,918.60</u>	<u>132,014.85</u>
Totals	<u>\$620,816.10</u>	<u>\$816,332.13</u>	<u>\$766,579.91</u>	<u>\$837,669.84</u>	<u>\$698,136.09</u>
Percentage of each years Tax Levy	.89%	1.21%	1.15%	1.28%	1.09%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

There was no property sold or acquired during the year 2015.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$7,025.00
2014	7,025.00
2013	7,025.00
2012	7,025.00
2011	7,025.00

**COMPARATIVE SCHEDULE OF FUND BALANCE AND RESERVE FUNDS**

<u>Year</u>	<u>Current Fund</u>	
	<u>Fund Balance</u>	<u>Utilized in Budget of</u>
	<u>December 31</u>	<u>Succeeding Year</u>
2015	\$4,763,582.81	\$1,140,000.00
2014	3,348,896.83	790,000.00
2013	2,541,614.60	700,000.00
2012	2,501,202.15	500,000.00
2011	1,362,973.92	200,000.00

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office during the period under audit:

		<u>Amount of</u> <u>Bond</u>	<u>Personal</u> <u>Surety</u>
Joseph DeSalvo, Jr.	Mayor		
Frank Nunziato	Council President		
Jack Manzo	Councilman		
Stephanie McGowan	Councilwoman		
Mark O'Connor	Councilman		
Carolyn Smith	Councilwoman		
Ray Tetro	Councilman		
Richard Sheola	Borough Administrator to 03/3/2015		
Caryn Miller	Tax Collector		
Gordon L. Stelter	Chief Financial Officer		
Margaret Scanlon	Borough Clerk		
Jillian Andrews	Court Administrator		
Warren Stroedecke	Judge		
Philip LaPorta	Borough Attorney		
John Uhl	Construction Official to 03/1/2015		
Paul Dansbach	Fire Protection Inspector		
Mary Ellen Sartori	Zoning Board Secretary/Planning Board Secretary		
Susan Fujii	Cashier		
Linda Hricik	Secretary to Board of Health		
Michele Hennessey	Assessor to 06/30/2015		
Denis McGuire	Assessor from 07/1/2015		
Genevieve Kacmarcik	Welfare Director		

All of the Surety Bonds were presented for examination and were properly executed.

All employees are covered by Faithful Performance Blanket Position Bond, each for the sum of \$1,000,000 included in the coverage provided by the South Bergen Municipal Joint Insurance Fund.

SCHEDULE A

**BOROUGH OF RUTHERFORD, N.J.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Name of Federal Agency or Department</u>	<u>Federal Program</u>	<u>C.F.D.A. Account No.</u>	<u>Total Grant Award Amount</u>	<u>Balance Jan. 1, 2015</u>	<u>Receipts</u>	<u>Adjustment/Expended</u>	<u>Balance Dec. 31, 2015</u>	<u>Memo Cumulative Total Expenditures</u>
Department of Housing and Urban Development <u>Pass Through Funds:</u> County of Bergen	Community Development Block Grant-							*
								*
	Barrier Free Curb Cuts	14.218	50,000.00	(9,038.00)			(9,038.00)	* 9,038.00
	Vanderburgh Ave. Improvements		66,680.00	46,044.00			46,044.00	* 20,636.00
	Williams Center Improvements		127,840.00	2,347.10			2,347.10	* 125,492.90
U.S. Department of Justice	Improvement to Orient Way		63,400.00	(11,412.00)	11,412.00			* 63,400.00
	Feronia Way Rehabilitation		75,900.00	(46,299.00)	46,299.00			* 75,900.00
	COPS in Shops - 2010	20.601	1,218.62	1,218.62		1,218.62		* 1,218.62
	Bullet Proof Vest Program	16.607	8,460.00	(5,684.00)			(5,684.00)	* 5,684.00
	Bullet Proof Vest Program - 2014	16.607	5,554.20	(3,304.00)		2,250.20	(5,554.20)	* 5,554.20
U.S. Department of Justice Pass thru State of NJ	Bullet Proof Vest Program - 2015	16.607	2,016.29					*
	Urban Areas Security Initiative		20,686.10					* 20,649.50
	NJ State Police Emergency Mgmt.	97.042	10,000.00	10,000.00			10,000.00	* 10,000.00
	NJ State Police Emergency Mgmt.		1,090.00	1,090.00			1,090.00	* 1,090.00
National Highway Safety Pass thru State of NJ	NJ State Police Emergency Mgmt.		5,000.00	5,000.00			5,000.00	* 5,000.00
	NJ State Police Emergency Mgmt.		5,000.00	5,000.00		5,000.00		* 5,000.00
	NJ State Police Emergency Mgmt.		5,000.00	5,000.00				*
	NJ State Police Emergency Mgmt.		5,000.00	5,000.00		5,000.00		* 5,000.00
U.S. Environmental Protection Agency	Highway Safety - 2009	20.601	4,000.00	4,000.00			4,000.00	* 4,000.00
	Click It or Ticket - 2007	20.600	4,000.00	(75.00)			(75.00)	* 4,000.00
US Department of Homeland Security	Municipal Stormwater Regulation	66.605	24,058.00	(714.00)			(714.00)	* 15,750.00
	Public Assistance Grant Program	97.036						*
U.S. Department of Transportation <u>Pass Through Funds:</u> NJ Dept. of Trans.	Super Storm Sandy - Reimbursement		272,990.35	(5,431.15)			(5,431.15)	* 221,099.84
	Assistance to Firefighters Grant	97.044	38,500.00	1,220.80			1,220.80	* 37,279.20
	Local Initiated Transit Service - FTA		2,018.19	0.08			0.08	* 2,018.11
				<u>(1,036.55)</u>	<u>57,711.00</u>	<u>8,468.82</u>	<u>48,205.63</u>	* <u>612,720.37</u>

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH THE FEDERAL UNIFORM GUIDANCE.

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**BOROUGH OF RUTHERFORD, N.J.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

State Grantor Department	Program Title	State Program/ Account Number	Program Amount	Balance Jan. 1, 2015	Revenues/ Receipts	Expended	Balance Dec. 31, 2015	Memo Cumulative Total Expenditures	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400	7,432.66	7,432.66		7,432.00	0.66	7,432.00	
	DMV Fines		6,422.96	6,422.96		6,422.96		6,422.96	
	Municipal Court Alcohol Education and Rehabilitation	9735-760-098-Y900-001	756.32	2.32			2.32		
			862.96	862.96			862.96		
			593.59	593.59			593.59		
			580.52	580.52			580.52		
			827.12	827.12			827.12		
			707.20		707.20		707.20		
Division of Criminal Justice	Body Armor Fund - 2008	1020-718-066-1020-001	4,371.00	(324.68)			(324.68)	4,371.00	
	Body Armor Fund - 2009		4,052.00	(3,880.00)			(3,880.00)	3,880.00	
	Body Armor Fund - 2010		5,076.13	541.38			541.38	4,534.75	
	Body Armor Fund - 2013		4,838.27	461.01		461.01		4,377.26	
	Body Armor Fund - 2014		3,874.05	3,874.05		1,713.79	2,160.26		
	Body Armor Fund - 2015		3,867.77	3,867.77	3,867.77		3,867.77		
Department of Human Services	General Assistance	7500-150-15801060 A/C#2	207,015.00	82,574.61	122,329.25	141,900.14	83,003.72	141,900.14	
Department of Community Affairs	Recreational Opportunities for Individuals with Disabilities		18,000.00	11,940.94			11,940.94	6,059.06	
			20,000.00	(4,470.42)	5,509.51	15,529.56	(14,490.49)	4,470.42	
			20,000.00						
Department of Environmental Protection	Clean Communities Program	4900-765-178900-60	26,132.00	(2,822.25)			(2,822.25)	26,132.00	
			28,437.41	19,513.04		19,513.04		28,437.41	
			26,666.63	17,860.12		8,402.01	9,458.11	17,208.52	
			32,417.68		32,417.68	3,241.77	29,175.91	3,241.77	
	Recycling Tonnage Grant	4900-752-042-4900	20,458.38	0.87			0.87	20,457.51	
	Recycling Tonnage Grant		19,295.67		19,295.67		19,295.67		
	Green Acres - Kids Spot		60,000.00	36,871.77			36,871.77	23,128.23	
	Green Acres - Wall Field Improvements		105,648.00	(105,648.00)			(105,648.00)	105,648.00	
	Green Acres - Memorial & Lincoln Field Imp.		194,000.00						
Bergen County Municipal Alliance Grant	Governor's Alcohol and Drug Abuse Prevention	1110-448-031020-22	12,953.00	(25.61)			(25.61)	12,953.00	
			12,157.00	(2,473.06)			(2,473.06)	9,468.06	
			12,157.00	(1,969.75)			(1,969.75)	5,008.75	
			12,157.00						10,674.22
			15,177.00		11,288.50	11,288.50			11,288.50
	11,677.00								
Department of Transportation	Transportation Trust Fund	Woodland Avenue	6320-480-078-6320	140,000.00	29,430.99		29,430.99	110,569.01	
		Fairview Avenue	6320-480-078-6320	100,000.00	100,000.00		100,000.00	9,468.06	
		Mortimer Avenue - Ph. I	6320-480-078-6320	200,000.00	107,510.00		107,510.00	189,978.44	
		Ridge Road - Ph. II	6320-480-078-6320	146,500.00	(36,625.00)		(36,625.00)	146,500.00	
		Orient Way - Section 5	6320-480-078-6320	149,000.00	111,750.00	37,250.00	149,000.00		
		2015 Municipal Road Aid Projects	6320-480-078-6320	149,000.00					149,000.00
				<u>360,812.14</u>	<u>232,865.58</u>	<u>384,200.47</u>	<u>229,277.25</u>	<u>1,072,436.68</u>	

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH N.J. OMB CIRCULAR 15-08.

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## Borough of Rutherford , N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2014	A	\$ 6,925,705.13
Increased by Receipts:		
Interest and Costs on Taxes	A-2	176,737.26
Miscellaneous Revenue Not Anticipated	A-2	160,516.82
Appropriated Grants Cancelled	A-5	72,658.47
Petty Cash Returned	A-6	1,300.00
Advance/Security Deposit		
Taxes Receivable	A-10	68,546,366.83
Revenue Accounts Receivable	A-13	4,285,938.02
Interfunds	A-14	288,604.07
Prepaid Taxes	A-19	281,472.32
Due From State - Senior Citizen and Veteran Deductions	A-8	138,750.00
Various Cash Liabilities and Reserves	A-22	497,048.74
		<u>74,449,392.53</u>
		<u>81,375,097.66</u>
Decreased by Disbursements:		
Current Year Budget Appropriations	A-3	25,875,573.31
Matching Funds for Grants	A-3	11,795.00
Grants Receivable Cancelled	A-5	72,658.47
Interfunds	A-14	298,219.39
Appropriation Reserves	A-17	892,060.79
Refund Prior Year Taxes	A-1	89,716.75
Refund Prior Year Revenue	A-1	12,904.09
Petty Cash Advanced	A-6	1,300.00
Local District School Taxes	A-20	38,923,503.00
County Taxes Payable	A-21	6,200,948.97
Various Cash Liabilities and Reserves	A-22	727,540.10
		<u>73,106,219.87</u>
Balance - December 31, 2015	A	\$ <u><u>8,268,877.79</u></u>

**Borough of Rutherford , N.J.**  
**Schedule of Cash - Grant Fund**  
**Grant Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014			\$ 244,299.22
<b>Increased by Receipts:</b>			
Grants Receivable	A-16	286,217.02	
Grants Receivable Cancelled	A-4/A-16	72,658.47	
Unappropriated Reserve for Grants	A-24	100.00	
Matching Funds for Grants	A-3	<u>11,795.00</u>	
			<u>370,770.49</u>
			<u>615,069.71</u>
<b>Decreased by Disbursements:</b>			
Appropriated Reserve for Grants	A-23	334,331.91	
Appropriated Reserve for Grants Cancelled	A-4/A-23	<u>72,658.47</u>	
			<u>406,990.38</u>
Balance - December 31, 2015			<u><u>\$ 208,079.33</u></u>

Exhibit A-6

Borough of Rutherford , N.J.  
Schedule of Petty Cash  
Current Fund  
Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Cash Received	A-4	\$ <u>1,300.00</u>
Decreased by:		
Cash Disbursed	A-4	\$ <u>1,300.00</u>

Exhibit A-7

Borough of Rutherford , N.J.  
Schedule of Cash - Change Fund  
Current Fund  
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ <u>770.00</u>
Balance - December 31, 2015	A	\$ <u>770.00</u>
<u>Analysis of Balance:</u>		
Borough Clerk		50.00
Court Clerk		300.00
Tax Collector		300.00
Construction Code Official		75.00
Health Officer		20.00
Police Department		25.00
		<u>770.00</u>

Borough of Rutherford , N.J.

Schedule of Amount Due from/(to) State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2015

		<u>Ref.</u>	
Balance - December 31, 2014	Due to	A	\$ 884.52
Increased by:			
Senior Citizens' Deductions Per Tax Billing			19,000.00
Veterans' Deductions Per Tax Billing			120,750.00
Senior Citizens' and Veterans' Allowed			<u>3,000.00</u>
			142,750.00
Less:			
Senior Citizens' and Veterans' Disallowed			<u>3,250.00</u>
		A-10	<u>139,500.00</u>
			<u>140,384.52</u>
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash		A-4	<u>138,750.00</u>
Balance - December 31, 2015	Due from	A	<u>\$ 1,634.52</u>

Exhibit A-9

Advance/Security Deposit

Current Fund

Year Ended December 31, 2015

		<u>Ref.</u>	
Balance - December 31, 2014		A	\$ <u>514.52</u>
Balance - December 31, 2015		A	\$ <u><u>514.52</u></u>

Borough of Rutherford, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Original Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	(Adjusted)/ Cancelled	Balance, Dec. 31, 2015
				2014	2015				
2011	\$ 8,781.64				8,781.64				
2012	2,195.00				2,195.00				
2014	656,003.98				656,753.98	(750.00)			
	<u>666,980.62</u>				<u>667,730.62</u>	<u>(750.00)</u>			
2015		69,058,966.14	242,400.77	389,046.94	67,878,636.21	140,250.00	2,639.39	323,710.07	567,084.30
	<u>\$ 666,980.62</u>	<u>69,058,966.14</u>	<u>242,400.77</u>	<u>389,046.94</u>	<u>68,546,366.83</u>	<u>139,500.00</u>	<u>2,639.39</u>	<u>323,710.07</u>	<u>567,084.30</u>
	A			A-2/A-19	A-2/A-4	A-2/A-8	A-11		A

Analysis of Tax Levy

Tax yield:	Ref.	
General Property Tax		68,784,420.32
Public Utility Tax		274,545.82
Added Tax (R.S. 54:4-63.1 et seq.)		242,400.77
		<u>69,301,366.91</u>
Tax Levy:		
Local District School Tax	A-20	38,923,503.00
County Tax including Open Space Tax	A-21	6,193,144.22
Added County Taxes	A-21	21,765.76
		<u>6,214,909.98</u>
	A-2	45,138,412.98
Local Tax for Municipal Purposes	A-2	23,921,014.52
Additional Taxes		241,939.41
		<u>24,162,953.93</u>
		<u>69,301,366.91</u>

**Borough of Rutherford , N.J.**  
**Schedule of Tax Title Liens**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	<u>Ref.</u> A	\$ 149,351.51
Increased by:		
Transfer from Taxes Receivable	A-10	2,639.39
		151,990.90
Decreased by:		
Cancelled		98,259.10
Balance - December 31, 2015	A	\$ 53,731.80

**Schedule of Property Acquired for**  
**Taxes Assessed Valuation**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	<u>Ref.</u> A	\$ <u>7,025.00</u>
Balance - December 31, 2015	A	\$ 7,025.00

Schedule of Property Acquired for Taxes

<u>Block</u>	<u>Lot</u>	<u>Amount</u>
2	41A	100.00
4	13A	200.00
99	36	400.00
104A	21B	600.00
150A	14B	100.00
158	9	100.00
166	1B	100.00
166	2E	100.00
166	8B	100.00
166	11B	100.00
168	24	400.00
168	25A	250.00
220	6	475.00
220	8	1,200.00
220	14	400.00
220	15B	2,400.00
		7,025.00
		7,025.00

## Borough of Rutherford, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	16,592.00	16,592.00	
Other	A-2		6,844.00	6,844.00	
Fees, Permits and Miscellaneous	A-2		19,153.15	19,153.15	
Board of Health/Registrar of Vital Statistics:					
Fees and Permits	A-2		39,420.00	39,420.00	
Building Department					
Other Licenses	A-2		625.00	625.00	
Driveway & Sidewalk Permits	A-2		3,025.00	3,025.00	
Planning Board / Board of Adjustment Fees	A-2		7,100.00	7,100.00	
Clothing Bin Fees	A-2		2,500.00	2,500.00	
Municipal Court - Fines and Costs	A-2	35,802.47	498,925.86	494,847.30	39,881.03
Parking Meters	A-2		245,083.55	245,083.55	
Interest on Investments	A-2		18,540.95	18,540.95	
Parking Lot Permits	A-2		124,670.00	124,670.00	
Uniform Fire Safety Fees - Local Fees	A-2		83,981.00	83,981.00	
Elevator Inspection Fees	A-2		30.00	30.00	
Consolidated Municipal Property Tax Relief Aid	A-2		63,296.00	63,296.00	
Energy Receipts Tax	A-2		1,321,293.00	1,321,293.00	
Uniform Construction Code Fees	A-2		540,118.00	540,118.00	
Uniform Fire Safety Act - LEA Rebate	A-2		18,668.01	18,668.01	
Lease of Borough Property	A-2		158,533.43	158,533.43	
Cable TV Franchise Fee	A-2		250,958.26	250,958.26	
Nursing Services Non-Public School Pupils	A-2		47,615.00	47,615.00	
Nereid Boat Club - Green Trust Loan Repayment	A-2		10,994.03	10,994.03	
Fees and Permits - Recycling Revenues	A-2		28,612.96	28,612.96	
Due from Free Public Library	A-2		230,000.00	230,000.00	
PILOT - ENCAP	A-2		118,750.00	118,750.00	
PILOT - Rutherford Senior Housing Committee	A-2		23,761.71	23,761.71	
Hotel Occupancy Fee	A-2		277,317.39	277,317.39	
NJMC Tax Sharing	A-2		191,062.00	191,062.00	
		\$ 35,802.47	4,347,470.30	4,343,391.74	39,881.03
		A			A
Receipts	A-4			4,285,938.02	
Prepaid Licenses & Fees	A-22			57,453.72	
				<u>4,343,391.74</u>	

Borough of Rutherford , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

Fund	Ref.	Due From/(To)			Due From/(To) Balance Dec. 31, 2015
		Balance Dec. 31, 2014	Increased	Decreased	
Special Assessment Trust Fund	A	\$	60.91	60.91	
Dog License Fund	A		0.54	0.54	
Other Trust Fund	A	288,529.97	298,145.29	288,529.97	298,145.29
Public Assistance Fund	A		12.65	12.65	
		<u>\$ 288,529.97</u>	<u>298,219.39</u>	<u>288,604.07</u>	<u>298,145.29</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	<u>288,529.97</u>			<u>298,145.29</u>
		<u>288,529.97</u>			<u>298,145.29</u>
Disbursed	A-4		298,219.39		
Received	A-4			288,604.07	
			<u>298,219.39</u>	<u>288,604.07</u>	



**Borough of Rutherford , N.J.**  
**Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2014</u>	<u>Reduced in 2015</u>	<u>Balance, Dec. 31, 2015</u>
7/23/2013	Preparation of Tax Maps	\$ 84,999.00	16,999.80	67,999.00	17,000.00	50,999.00
		<u>\$ 84,999.00</u>	<u>16,999.80</u>	<u>67,999.00</u>	<u>17,000.00</u>	<u>50,999.00</u>
				A	A-3	A

**Borough of Rutherford , N.J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2015**

<u>Grant</u>	Balance, Dec. 31, <u>2014</u>	<u>Budget</u> <u>Revenue</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2015</u>
Drunk Driving Enforcement Fund					
Clean Communities Program	\$ 2,822.25				2,822.25
Clean Communities Program - 2015		32,417.68	32,417.68		
Municipal Alliance on Alcoholism and Drug Abuse - 2009	25.61				25.61
Municipal Alliance on Alcoholism and Drug Abuse - 2010	8,201.00				8,201.00
Municipal Alliance on Alcoholism and Drug Abuse - 2011	12,157.00				12,157.00
Municipal Alliance on Alcoholism and Drug Abuse - 2012	1,482.78				1,482.78
Municipal Alliance on Alcoholism and Drug Abuse - 2013/14	1,390.98			1,390.98	
Municipal Alliance on Alcoholism and Drug Abuse - 2014/15	11,677.00	3,500.00	11,288.50		3,888.50
Municipal Alliance on Alcoholism and Drug Abuse - 2015/16		11,677.00			11,677.00
Board of Public Utility - Energy Audit - 2009	6,717.50				6,717.50
Donations Labor Day Street Fair		2,550.00	2,550.00		
N.J. Div. Of Law & Public Safety:					
- Click It or Ticket 2007	75.00				75.00
- Click It or Ticket 2009	4,000.00			4,000.00	
- Click It or Ticket 2012	4,000.00			4,000.00	
- Cops in Shops		1,218.62	1,218.62		
Labor Day Street Fair					
Acohol Education and Rehabilitation Fund	754.00				754.00
Acohol Education and Rehabilitation Fund - 2015		707.20	707.20		
NJDEP Forrestry Grant	17.50			17.50	
Bulletproof Vest Partnership Grant	8,460.00				8,460.00
Bulletproof Vest Partnership Grant - 2014	5,554.20				5,554.20
Bulletproof Vest Partnership Grant - 2015		2,016.29			2,016.29
Sustainable New Jersey		20,000.00	10,000.00		10,000.00
Municipal Stormwater Regulation Program Grant	9,022.00				9,022.00
N.J. Div. Of Criminal Justice - Body Armor Grant 2008	324.68				324.68
N.J. Div. Of Criminal Justice - Body Armor Grant 2009	4,052.00				4,052.00
N.J. Div. Of Criminal Justice - Body Armor Grant - 2015		3,867.77	3,867.77		
Recycling Tonnage Grant	5,584.39	19,295.67	19,295.67	5,584.39	
US Dept. of Justice - Secure Our Schools	7,629.00			7,629.00	
Bergen County Special Project Grant - NJSCA Regent - 2014	437.50		437.50		
DMV Fees		81.96	81.96		
Office of Emergency Management - EMMA Grant		5,000.00	5,000.00		

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## Borough of Rutherford , N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

## Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Budget Revenue	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, 2015
Bergen County Historic Preservation Grant - 2015		43,500.00			43,500.00
Bergen County ADA Cooperative Grant	61,125.00				61,125.00
Bergen County Union Ave. Drainage Imp. Project	274,390.00				274,390.00
Bergen County Local Arts Program Grant		3,080.00	2,310.00		770.00
FYY 11 Urban Areas Security Initiative	36.60			36.60	
NJ Meadowlands Commission - Municipal Assistance Grant 2008	75.40				75.40
NJ Meadowlands Commission - Municipal Assistance Grant 2009	1,338.79				1,338.79
Bergen County Open Space Grant - Walls Field Imp. 2007	15,422.19		15,422.19		
Bergen County Open Space Grant - WWI Monument	11.00				11.00
Bergen County Open Space Grant - Memorial Field Walkway	65,000.00		65,000.00		
Bergen County Open Space Grant - 2010	20,000.00		20,000.00		
Bergen County Open Space - Lincoln & Memorial Parks		18,061.00			18,061.00
Bergen County Open Space - Memorial Field		25,254.00			25,254.00
Community Development Block Grant - Barrier Free Curb Cuts - 2010	50,000.00			50,000.00	
Community Development Block Grant - 2012	11,412.00		11,412.00		
Community Development Block Grant - 2013	46,299.00		46,299.00		
Recreational Opportunities for Individuals with Disabilities		20,000.00			20,000.00
Recreational Opportunities for Individuals with Disabilities	20,000.00		5,509.51		14,490.49
N.J. Transportation Trust Fund Authority Act - Mortimer Ave.	4,384.16				4,384.16
N.J. Transportation Trust Fund Authority Act - Ridge Road II	36,625.00				36,625.00
N.J. Transportation Trust Fund Authority Act - Orient Way Sec. 5	37,250.00		37,250.00		
N.J. Transportation Trust Fund Authority Act		149,000.00			149,000.00
	<u>\$ 737,753.53</u>	<u>361,227.19</u>	<u>290,067.60</u>	<u>72,658.47</u>	<u>736,254.65</u>
	A	A-2			A

Transfer from Unappropriated Reserve for Grants  
Receipts

Ref.

A-24

A-5

3,850.58

286,217.02

290,067.60

## Borough of Rutherford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

Page 1 of 2

	Balance, Dec. 31, 2014	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
<b>Salaries and Wages Within "CAPS":</b>				
General Administration	\$ 19,669.94	19,669.94	566.56	19,103.38
Mayor and Council	0.62	0.62		0.62
Municipal Clerk	25,554.64	25,554.64	9,070.84	16,483.80
Financial Administration	13,919.01	13,919.01	11,353.63	2,565.38
Collection of Taxes	11,178.88	11,178.88	9,912.96	1,265.92
Assessment of Taxes	16,325.19	16,325.19	1,469.66	14,855.53
Planning Board	249.94	249.94		249.94
Board of Adjustment	99.94	99.94		99.94
Police	108,804.69	123,804.69	117,220.49	6,584.20
Fire Official	21,069.47	21,069.47	13,684.61	7,384.86
Municipal Prosecutor	0.10	0.10		0.10
Municipal Court	42,637.37	42,637.37	14,849.28	27,788.09
Public Defender	0.10	0.10		0.10
Road Repairs and Maintenance	72,833.32	72,833.32	14,319.92	58,513.40
Shade Tree	6,870.94	6,870.94		6,870.94
Sewer System	2,704.00	2,704.00	84.10	2,619.90
Garbage and Trash	60,680.38	60,680.38	1,165.59	59,514.79
Recycling Program	29,452.18	29,452.18	802.20	28,649.98
Public Buildings and Grounds	32,169.23	32,169.23	354.85	31,814.38
Board of Health	19,983.50	24,983.50	17,885.00	7,098.50
Administration of Public Assistance	6,128.02	6,628.02	6,382.00	246.02
Recreation Commission	50,318.25	50,318.25	32,119.58	18,198.67
Salary Attrition (Terminal Leave)		7,500.00		7,500.00
Construction Code Officials	27,651.66	27,651.66	20,069.37	7,582.29
<b>Total Salaries and Wages Within "CAPS"</b>	<b>568,301.37</b>	<b>596,301.37</b>	<b>271,310.64</b>	<b>324,990.73</b>
<b>Other Expenses Within "CAPS":</b>				
General Administration	9,812.14	13,162.70	3,490.54	9,672.16
Mayor and Council	17.00	247.00	230.00	17.00
Municipal Clerk	23,969.27	30,875.66	6,265.87	24,609.79
Financial Administration - Other	8,416.49	10,515.59	7,362.77	3,152.82
Financial Administration - Audit	25,000.00	25,000.00	24,200.00	800.00
Computerized Data Processing	18,230.55	18,457.34	9,792.56	8,664.78
Collection of Taxes	2,274.20	2,878.93	325.52	2,553.41
Assessment of Taxes	105,407.44	106,290.92	1,282.64	105,008.28
Legal Services and Costs	49,197.80	68,149.94	43,229.57	24,920.37
Engineering Services & Costs	30,781.70	44,577.56	21,794.40	22,783.16
Planning Board	5,967.40	5,967.40	589.13	5,378.27
Board of Adjustment	8,896.25	12,141.17	3,225.92	8,915.25
Police	6,560.83	59,580.14	56,583.34	2,996.80
Emergency Management Services	2,123.59	13,925.00	6,621.41	7,303.59
Fire	22,375.69	64,478.28	39,741.80	24,736.48
Fire Official	2,565.12	7,095.66	5,530.54	1,565.12
Municipal Court	6,134.48	6,352.38	287.48	6,064.90
Road Repairs and Maintenance	54,145.67	93,759.19	38,047.19	55,712.00
Shade Tree Division	9,336.82	16,751.98	7,539.16	9,212.82
Sewer System	6,894.57	35,846.85	26,159.42	9,687.43
Garbage & Trash Removal	18,798.43	26,030.93	6,880.50	19,150.43
Public Buildings and Grounds	28,917.37	75,796.09	46,981.99	28,814.10
Garbage & Trash Removal - Dumping Fees	78,909.87	136,160.54	98,858.85	37,301.69
Board of Health	11,113.40	13,033.73	1,813.83	11,219.90
Animal Control	1,997.60	3,747.60	1,750.00	1,997.60
Administration of Public Assistance	717.33	888.94	215.04	673.90
Rutherford Senior Citizens - Kip Center		13,750.00	13,750.00	
Recreation Department	30,564.11	33,104.29	1,505.57	31,598.72
Educational Plan for Employees	2,975.00	3,000.00		3,000.00
General Liability Insurance	3,773.46	30,573.46	14,888.00	15,685.46
Workers Compensation Insurance	29,910.11	29,910.11		29,910.11
Employee Group Insurance	277,527.70	183,027.70	500.00	182,527.70
Other Insurance Premiums	6,600.97	6,600.97	498.00	6,102.97

## Borough of Rutherford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Page 2 of 2

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Health Benefit Waiver	2,205.36	2,205.36		2,205.36
Legal Settlements	37,816.63	37,816.63	31,664.75	6,151.88
Construction Code Official	4,416.76	4,773.88	516.65	4,257.23
Electricity	59,897.35	66,461.70	28,803.44	37,658.26
Street Lighting	27,727.41	27,727.41	23,266.75	4,460.66
Telephone	2,127.65	20,384.90	12,415.02	7,969.88
Water	12,271.73	21,771.73	13,015.41	8,756.32
Fuel Oil	4,353.49	6,306.00	1,952.51	4,353.49
Gasoline	14,500.25	58,745.79	9,533.71	49,212.08
Contingent	3,500.00	3,500.00	1,188.11	2,311.89
Total Other expenses Within "CAPS"	<u>1,058,728.99</u>	<u>1,441,371.45</u>	<u>612,297.39</u>	<u>829,074.06</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	307.54	307.54		307.54
Social Security System (O.A.S.I.)	70,825.68	70,825.68		70,825.68
Police and Firemen's Retirement System	4,730.62	4,730.62		4,730.62
Unemployment Insurance	5,000.00	5,000.00	5,000.00	
Defined Contribution Retirement Plan	4,088.57	4,088.57		4,088.57
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>84,952.41</u>	<u>84,952.41</u>	<u>5,000.00</u>	<u>79,952.41</u>
Total Reserves Within "CAPS"	<u>1,711,982.77</u>	<u>2,122,625.23</u>	<u>888,608.03</u>	<u>1,234,017.20</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	14,594.41	14,594.41	14,594.41	
Passaic Valley Trunk Sewer	508.00	508.00		508.00
Emergency Services - LOSAP	1,692.00	1,692.00		1,692.00
BCUA Sewer Charges	45.27	45.27		45.27
Total Other Expenses Excluded from "CAPS"	<u>16,839.68</u>	<u>16,839.68</u>	<u>14,594.41</u>	<u>2,245.27</u>
Total Reserves Excluded from "CAPS"	<u>16,839.68</u>	<u>16,839.68</u>	<u>14,594.41</u>	<u>2,245.27</u>
Total Reserves	<u>\$ 1,728,822.45</u>	<u>2,139,464.91</u>	<u>903,202.44</u>	<u>1,236,262.47</u>
				A-1
Appropriation Reserve	Ref.			
Prior Year Encumbrances	Above A-18	1,728,822.45 410,642.46		
		<u>2,139,464.91</u>		
Transfer to Accounts Payable	A- 22		11,141.65	
Disbursed	A-4		892,060.79	
			<u>903,202.44</u>	

**Borough of Rutherford , N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	<u>Ref.</u> A	\$ 410,642.46
Increased by:		
Transfer from Current Appropriations	A-3	<u>337,531.94</u>
		748,174.40
Decreased by:		
Transfer to Appropriation Reserves	A-17	<u>410,642.46</u>
Balance - December 31, 2015	A	\$ <u><u>337,531.94</u></u>

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	<u>Ref.</u> A	\$ 389,046.94
Increased by:		
Receipts - Prepaid 2016 Taxes	A-4	<u>281,472.32</u>
		670,519.26
Decreased by:		
Applied to 2015 Taxes	A-10	<u>389,046.94</u>
Balance - December 31, 2015	A	\$ <u><u>281,472.32</u></u>

**Borough of Rutherford , N.J.**  
**Schedule of Local District School Tax**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Increased by:		
2015 Levy	A-1/A-10	\$ <u>38,923,503.00</u>
Decreased by:		
Payments	A-4	\$ <u><u>38,923,503.00</u></u>

**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	A		\$ 7,804.75
Increased by:			
General County Tax	A-1/A-10	6,128,200.65	
Open Space Tax	A-1/A-10	64,943.57	
Added and Omitted Taxes	A-1/A-10	<u>21,765.76</u>	<u>6,214,909.98</u>
			6,222,714.73
Decreased by:			
Payments	A-4		<u>6,200,948.97</u>
Balance - December 31, 2015	A		\$ <u><u>21,765.76</u></u>

Borough of Rutherford, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2014	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2015
<u>Liabilities:</u>				
Tax Overpayments	\$ 31,990.17	60,755.79	92,331.18	414.78
Accounts Payable	219,970.59	33,762.66	199,810.03	53,923.22
Prepaid Licenses, Fees & Permits, Other	137,963.72	28,222.60	57,453.72	108,732.60
Special Emergency Note	67,999.00		17,000.00	50,999.00
Redemption of Outside Liens		323,447.34	269,997.84	53,449.50
Due to Bergen County Pilot	12,500.00	6,250.00		18,750.00
Due to State of New Jersey:				
Marriage/Civil Union Fees	425.00	2,825.00	2,800.00	450.00
Construction Code - Training Fees	11,485.00	39,566.00	26,379.00	24,672.00
<u>Reserves for:</u>				
Tax Appeals	590,124.29	50,000.00		640,124.29
Blood Screenings	2,174.00	5,463.00	5,430.00	2,207.00
Length of Service Award Program	28,177.97	111,213.00	106,482.05	32,908.92
Maintenance of Free Public Library	7,850.00	7,898.00	7,850.00	7,898.00
	<u>\$ 1,110,659.74</u>	<u>669,403.39</u>	<u>785,533.82</u>	<u>994,529.31</u>
	A			A
	<u>Ref.</u>			
Receipts	A-4	497,048.74		
Disbursed	A-4		727,540.10	
Transfer from Current Year Appropriations	A-3	161,213.00		
Transfer from Appropriation Reserves	A-17	11,141.65		
Accounts Payable Cancelled	A-1		540.00	
Applied to Current Year Revenue	A-13		57,453.72	
		<u>669,403.39</u>	<u>785,533.82</u>	



Borough of Rutherford , N.J.  
Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Page 1 of 2

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer From 2015 Budget	Expended	Cancelled	Balance, Dec. 31, 2015
DWI - 2010	\$ 4,155.00		4,155.00		
NJDMV DMI - 2010	5,436.00		5,436.00		
Drunk Driving Enforcement Fund - 2010	3,277.00		3,277.00		
NJDMV - Police Wages	905.00		905.00		
NJDMV - Police Wages		81.96	81.96		
Clean Communities Program - 2013	19,513.04		19,513.04		
Clean Communities Program - 2014	17,860.12		8,402.01		9,458.11
Clean Communities Program - 2015		32,417.68	3,241.77		29,175.91
Municipal Alliance on Alcoholism and Drug Abuse -2010	5,727.94				5,727.94
Municipal Alliance on Alcoholism and Drug Abuse -2011	10,187.25				10,187.25
Municipal Alliance on Alcoholism and Drug Abuse -2012	1,432.38				1,432.38
Municipal Alliance on Alcoholism and Drug Abuse -2013	1,390.98			1,390.98	
Municipal Alliance on Alcoholism and Drug Abuse -2014/15	14,596.00	4,375.00	15,082.50		3,888.50
Municipal Alliance on Alcoholism and Drug Abuse -2015/16		14,597.00			14,597.00
Handicapped Recreation Opportunities Grant	50,000.00			50,000.00	
2015- Recreation Opportunities for Individuals w/Disabilities		24,000.00			24,000.00
2014- Recreation Opportunities for Individuals w/Disabilities	15,529.58	4,000.00	18,214.84		1,314.74
2013- Recreation Opportunities for Individuals w/Disabilities	11,940.94				11,940.94
NJ State Police - Emergency Management Grant - 2006	5,000.00				5,000.00
NJ State Police - Emergency Management Grant - 2008	5,000.00				5,000.00
NJ State Police - Emergency Equipment	1,090.00				1,090.00
NJ State Police - Emergency Equipment	10,000.00				10,000.00
Office of Emergency Management - EMMA Grant		5,000.00	5,000.00		
N.J. Div. Of Law & Public Safety - Domestic Preparedness					
- Click It or Ticket 2009	4,000.00			4,000.00	
- Click It or Ticket 2012	4,000.00			4,000.00	
- Highway Safety 2009	4,000.00				4,000.00
Recycling Tonnage Grant - 2012	5,584.39			5,584.39	
Recycling Tonnage Grant - 2015		19,295.67	19,295.67		
Assistance to Firefighters Grant	1,220.80				1,220.80
FYY 11 Urban Areas Security Initiative	36.60			36.60	
COPS - Secure Our Schools	7,629.00			7,629.00	
COPS in the Shop		1,218.62	1,218.62		
N.J. Div. Of Criminal Justice - Body Armor Replacement Fund 2009	172.00				172.00
N.J. Div. Of Criminal Justice - Body Armor Replacement Fund 2011	541.25				541.25
N.J. Div. Of Criminal Justice - Body Armor Replacement Fund 2013	461.01		461.01		
N.J. Div. Of Criminal Justice - Body Armor Replacement Fund 2014	3,874.05		1,713.79		2,160.26
N.J. Div. Of Criminal Justice - Body Armor Replacement Fund 2015		3,867.77			3,867.77
Bullet Proof Vest Fund	2,776.00				2,776.00
Bullet Proof Vest Fund - 2014	2,250.20		2,250.20		
Bullet Proof Vest Fund - 2015		2,016.29			2,016.29
Body Armor Replacement Fund	170.82				170.82
Bergen County Local Arts Grant		3,080.00	3,080.00		
Bergen County History Grant	915.00		915.00		
Bergen County Historic Preservation Grant		43,500.00			43,500.00

Borough of Rutherford , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer From 2015 Budget	Expended	Cancelled	Balance, Dec. 31, 2015
Bergen County Open Space Grant - Lincoln & Memorial Parks		18,061.00			18,061.00
Bergen County Open Space Grant - Memorial Field Renovations		25,254.00			25,254.00
Bergen County Open Space Grant - Walkway - 2009	1,169.00				1,169.00
Bergen County Open Space Grant - 2013	25,254.00				25,254.00
NJDEP Forrestry Grant 2010	17.50			17.50	
Sustainable New Jersey	7.18	20,000.00			20,007.18
Bergen County 200 Club Water Rescue Equipment	1,500.00				1,500.00
NJDEP Stormwater Grant	8,308.00				8,308.00
NJ Meadowlands Commission - 2 Police Cars	478.90				478.90
NJ Meadowlands Commission - Pedestrian Crossing Signs	35.00				35.00
NJ Meadowlands Commission - Thermoplastic Paint	155.55				155.55
NJ Meadowlands Commission - Community Policing	19.87				19.87
NJ Meadowlands Commission - Hybrid Car & Curbs	5,138.36				5,138.36
Labor Day Fair 2013	16,725.92		(25.00)		16,750.92
Labor Day Street Fair		2,550.00			2,550.00
Alcohol Education and Rehab. Fund - 2010	754.00				754.00
Alcohol Education and Rehab. Fund - 2011	862.96				862.96
Alcohol Education and Rehab. Fund - 2012	593.59				593.59
Alcohol Education and Rehab. Fund - 2013	580.52				580.52
Alcohol Education and Rehab. Fund - 2014	827.12				827.12
Alcohol Education and Rehab. Fund - 2015		707.20			707.20
N.J. Department of Transportation:					
Fairview Avenue Improvements	100,000.00				100,000.00
Woodland Avenue Improvements	29,430.99				29,430.99
Mortimer	10,021.56				10,021.56
Mortimer	101,872.60				101,872.60
Orient Way - Section 5	149,000.00		149,000.00		
2015 Municipal Aid		149,000.00			149,000.00
County Forfeiture of Funds 2010	9,021.00				9,021.00
Bergen County Community Development - Barrier Free Curbs Cuts	40,962.00				40,962.00
Bergen County Community Development - Williams Center	2,347.10				2,347.10
Bergen County Community Development - Vanderburgh Ave. Imp.	46,044.00				46,044.00
Bergen County Union Ave. Drainage Imp. Project	183,121.87		73,113.50		110,008.37
Bergen County ADA Cooperative	21,373.40				21,373.40
	<u>\$ 976,294.34</u>	<u>373,022.19</u>	<u>334,331.91</u>	<u>72,658.47</u>	<u>942,326.15</u>
	A				A
	Ref.				
Matching Funds for Grants	A-3	11,795.00			
Transfer from Budget Appropriations	A-3	361,227.19			
Disbursement	A-5		334,331.91		
		<u>373,022.19</u>	<u>334,331.91</u>		

Borough of Rutherford , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, <u>2014</u>	Transfer To 2015 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2015</u>
Drunk Driving Enforcement Fund	\$ 0.66			0.66
Alcohol Education and Rehab. Fund	2.32			2.32
Recycling Tonnage Grant	0.87			0.87
DMV Fees	81.96	81.96		0.00
NJ - DOT Shuttle Grant	0.08			0.08
CDBG - Williams Center Improvements	1,828.00			1,828.00
COPS in Shops	1,218.62	1,218.62		
Labor Day Street Fair	2,550.00	2,550.00		
Bergen County Forfeited Funds	0.77			0.77
NJ Body Armor Grant	0.13			0.13
Winter Festival	75.00		100.00	175.00
	<u>\$ 5,758.41</u>	<u>3,850.58</u>	<u>100.00</u>	<u>2,007.83</u>
	A	A-16	A-5	A

Borough of Rutherford, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	Ref.	Dog License Fund	Other Trust Fund	Unemployment Compensation Fund	Payroll Agency	Special Assessment Fund	COAH Trust Fund	Emergency Services Volunteer LOSAP
Balance - December 31, 2014	B	\$	1,239,368.99	40,385.32	85,456.66	50,341.94	364,685.69	1,734,685.01
Increase by Receipts:								
Dog License Fees - Borough Share	B-6	3,829.40						
Dog License Fees - State Share	B-7	981.60						
Interfund - Current Fund	B-2	0.54	298,145.29			60.91		
Various Trust Funds	B-8		1,522,314.84					
Builders' Escrow Deposits	B-9		79,762.49					
Unemployment Compensation	B-10			26,430.54				
Payroll Deductions Payable	B-12				7,053,453.47			
Net Payroll	B-13				7,385,672.76			
Registrations Receivable	B-3					9,990.06		
Assessments Receivable	B-4					2,228.07		
Due to Downtown Partnership	B-14					293.11		
Reserve for COAH	B-16						547.40	
LOSAP Contributions Receivable	B-5							106,482.05
Net Assets Available for Benefits	B-17							14,376.10
Total Receipts		4,811.54	1,900,222.62	26,430.54	14,439,126.23	12,572.15	547.40	120,858.15
		4,811.54	3,139,591.61	66,815.86	14,524,582.89	62,914.09	365,233.09	1,855,543.16
Decreased by Disbursements:								
Interfund - Current Fund	B-2	0.54	288,529.97			60.91		
Reserve for Dog Expenditures	B-6	3,829.40						
State Share - Dog Licenses	B-7	981.60						
Various Trust Funds	B-8		939,255.55					
Builders' Escrow Deposits	B-9		29,269.70					
Due to State of New Jersey	B-11			14,278.23				
Payroll Deductions Payable	B-12				7,027,338.75			
Net Payroll	B-13				7,385,672.76			
Due to Downtown Partnership	B-14					53,157.31		
Prepaid Overpaid Special Assessments	B-15					5,229.89		
Net Assets Available for Benefits	B-17							10,400.00
Total Disbursements		4,811.54	1,257,055.22	14,278.23	14,413,011.51	58,448.11		10,400.00
Balance - December 31, 2015	B	\$	1,882,536.39	52,537.63	111,571.38	4,465.98	365,233.09	1,845,143.16

Borough of Rutherford, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Interfund - Current Fund:				
Dog License Fund	\$	0.54	0.54	
Special Assessment District		60.91	60.91	
Other Trust	288,529.97	298,145.29	288,529.97	298,145.29
	<u>288,529.97</u>	<u>298,206.74</u>	<u>288,591.42</u>	<u>298,145.29</u>
	B	B-1	B-1	B

**Borough of Rutherford, N.J.**  
**Schedule of Registrations Receivable**

**Trust Funds**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 8,284.32
Increased by:		
Registration Fees Levied	B-14	<u>6,293.36</u>
		14,577.68
Decreased by:		
Receipts	B-1	<u>9,990.06</u>
		<u>9,990.06</u>
Balance - December 31, 2015	B	\$ <u><u>4,587.62</u></u>

**Schedule of Business Assessment Receivable**

**Trust Funds**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 2,228.07
Decreased by:		
Receipts	B-1	<u>2,228.07</u>
Balance - December 31, 2015	B	\$ <u><u>          </u></u>

**Borough of Rutherford, N.J.**

**Schedule of Emergency Services Volunteer Length  
of Service Award Program - Contributions Receivable**

**Trust Funds**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 107,223.64
Increased by:		
Borough Contributions	B-17	<u>48,258.60</u>
		155,482.24
Decreased by:		
Cancelled	B-17	741.59
Receipts	B-1	<u>106,482.05</u>
Balance - December 31, 2015	B	<u><u>\$ 48,258.60</u></u>

**Borough of Rutherford, N.J.**  
**Reserve for Dog License Fund Expenditures**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>					
Balance - December 31, 2014	B	\$				
Increased by:						
Dog License Fees		3,799.40				
Replacement Tags		30.00				
	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; text-align: right;">3,829.40</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">3,829.40</td> </tr> </table>		3,829.40		3,829.40
	3,829.40					
	3,829.40					
Decreased by:						
Expenditures R.S. 4:19-1511	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; text-align: right;">3,829.40</td> </tr> </table>		3,829.40		
	3,829.40					
Balance - December 31, 2015	B	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$</td> </tr> </table>		\$		
	\$					

	<u>License Fees Collected</u>					
<u>Year</u>						
2014		3,700.80				
2013		4,035.00				
		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; text-align: right;">7,735.80</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">7,735.80</td> </tr> </table>		7,735.80		7,735.80
	7,735.80					
	7,735.80					

**Schedule of Due to State Department of Health**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>			
Increased by:				
State Fees Collected	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; text-align: right;">\$ 981.60</td> </tr> </table>		\$ 981.60
	\$ 981.60			
Decreased by:				
Paid to State	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; border-top: 1px solid black; text-align: right;">\$ 981.60</td> </tr> </table>		\$ 981.60
	\$ 981.60			



**Borough of Rutherford, N.J.**  
**Schedule of Other Trust Funds**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Recreation Commission Dedicated Revenue	\$ 215,552.08	428,216.31	396,887.89	246,880.50
Recycling Trust Program	1,085.03	600.00		1,685.03
Parking Offense Adjudication Fund	9,959.02	6,875.00	5,800.00	11,034.02
Fire Safety Penalties	36,232.86	8,300.00	27,835.24	16,697.62
Premiums Received at Tax Sale	489,300.00	873,300.00	339,500.00	1,023,100.00
Field House Security Deposit	425.00			425.00
Municipal Alliance Against Drugs	6,375.56	187.00	4,305.34	2,257.22
Police Forfeited Funds	2,395.94	933.03	919.79	2,409.18
Flexible Spending Account	1,248.32	6,653.12	6,980.78	920.66
Outside Police Duty Escrow	53,150.00	181,375.00	145,425.00	89,100.00
Multicultural Account	1,942.77	10,250.38	8,168.00	4,025.15
Donations	14,855.34	5,625.00	3,433.51	17,046.83
	<u>\$ 832,521.92</u>	<u>1,522,314.84</u>	<u>939,255.55</u>	<u>1,415,581.21</u>
	<u>B</u>	<u>B-1</u>	<u>B-1</u>	<u>B</u>

**Schedule of Builders/Special Escrow Deposits**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 118,317.10
Increased by:		
Escrow Deposits	B-1	79,762.49
		<u>198,079.59</u>
Decreased by:		
Disbursements	B-1	29,269.70
		<u>29,269.70</u>
Balance - December 31, 2015	B	<u>\$ 168,809.89</u>

**Borough of Rutherford, N.J.**  
**Schedule of Reserve for Unemployment Insurance**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 30,240.52
Increased by:		
Employee Contributions		14,436.37
Budget Appropriation		2,500.00
Appropriation Reserves		5,000.00
Library Reimbursement		4,417.45
Interest		<u>76.72</u>
	B-1	<u>26,430.54</u>
		56,671.06
Decreased by:		
Due to State of New Jersey	B-11	<u>4,773.34</u>
Balance - December 31, 2015	B	<u>\$ 51,897.72</u>

**Schedule of Due to State of New Jersey**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 10,144.80
Increased by:		
Unemployment Charges	B-10	<u>4,773.34</u>
		14,918.14
Decreased by:		
Disbursed	B-1	<u>14,278.23</u>
Balance - December 31, 2015	B	<u>\$ 639.91</u>

**Borough of Rutherford, N.J.**  
**Schedule of Payroll Deductions Payable**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 85,456.66
Increased by:		
Receipts	B-1	7,053,453.47
		<u>7,138,910.13</u>
Decreased by:		
Disbursed	B-1	7,027,338.75
		<u>7,027,338.75</u>
Balance - December 31, 2015	B	<u>\$ 111,571.38</u>
<u>Analysis of Balance - December 31, 2015</u>		
Public Employees Retirement System		55,621.18
Contributory Insurance		3,810.83
Police and Fire Retirement System		49,071.73
ING		20.00
Boston Mutual		556.58
AFLAC		2,491.06
		<u>111,571.38</u>

**Schedule of Net Payroll**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	\$ <u>7,385,672.76</u>
Decreased by :		
Disbursements	B-1	\$ <u>7,385,672.76</u>

**Borough of Rutherford, N.J.**  
**Schedule of Due to Rutherford Downtown Partnership**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	B		\$ 55,559.70
Increased by:			
Interest on Assessments	B-1	293.11	
Registrations Receivable	B-3	6,293.36	
		6,586.47	62,146.17
Decreased by:			
Disbursed	B-1	53,157.31	
		53,157.31	53,157.31
Balance - December 31, 2015	B		\$ 8,988.86

**Exhibit B-15**

**Schedule of Prepaid/Overpaid Registration Fees Downtown Partnership**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2015	B		\$ 5,294.63
Decreased by:			
Refunded	B-1		5,229.89
Balance - December 31, 2015	B		\$ 64.74

**Exhibit B-16**

**Schedule of Reserve for Council on Affordable Housing**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	B		\$ 364,685.69
Increased by:			
Interest Earned	B-1		547.40
Balance - December 31, 2015	B		\$ 365,233.09

## Borough of Rutherford, N.J.

Schedule of Emergency Services Volunteer Length  
of Service Award Program - Net Assets Available for Benefits

## Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	B		\$ 1,841,908.65
Increased by:			
Borough Contributions	B-5	48,258.60	
Interest Earned	B-1	5,946.79	
Gain/(Loss)	B-1	<u>8,429.31</u>	
			<u>62,634.70</u>
			1,904,543.35
Decreased by:			
Withdrawals	B-1	10,400.00	
Cancelled Receivable	B-5	<u>741.59</u>	
			<u>11,141.59</u>
Balance - December 31, 2015	B		\$ <u><u>1,893,401.76</u></u>

## Borough of Rutherford , N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ <u>2,396,712.53</u>
Increased by Receipts:		
Capital Improvement Fund	C-12	744,700.00
Reserve for Building Improvements	C-13	700,000.00
Bond Anticipation Notes	C-9	<u>7,649,001.00</u>
		<u>9,093,701.00</u>
		<u>11,490,413.53</u>
Decreased by Disbursements:		
Bond Anticipation Notes	C-9	6,144,001.00
Improvement Authorizations	C-10	1,182,609.05
Encumbrances Payable	C-11	<u>1,162,078.26</u>
		<u>8,488,688.31</u>
Balance - December 31, 2015	C	\$ <u><u>3,001,725.22</u></u>

Borough of Rutherford , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

Fund Balance	<u>Ref.</u> C-1	\$ 8,566.56
Various Receivables	C-4	(299,648.00)
Reserve for Encumbrances	C-12	987,540.48
Capital Improvement Fund	C-12	16,266.83
Reserve for Building Improvements	C-13	700,000.00

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
3108-06	Improvements to Wall Field	(138,375.00)
3137-07	Various Capital Improvements & Acq.	10,488.40
3168-08	General Capital Improvements	78,999.46
3194-09	General Capital Improvements	36,653.09
3208-10	Union Avenue Sewer Reling, Borough Hall ADA Imp. & Roof Repairs Kip Center	2,015.00
3206-10	Kids Spot	31,381.77
3215-10	Various Capital Improvements	35,548.54
3235-11	General Capital Improvements	107,284.98
3245-11	BCIA WWI Monument Improvements	11,177.47
3259-12	Wall Field Improvements	(178,569.00)
3260-12	General Capital Improvements	331,962.58
3280-13	Acquisition of Fire Truck	(4,686.80)
3292-13	General Capital Improvements	136,276.41
3304-13	Automation of Sanition System	269,380.73
3312-13	Mem. Field & Lincoln Woods Improvements	(108,662.95)
3337-14	General Capital Improvements	206,139.49
3368-15	General Capital Improvements	409,496.68
3369-15	General Capital Improvements	352,488.50
		<hr/>
		C \$ <u>3,001,725.22</u>

Borough of Rutherford , N.J.  
 Schedule of Various Receivables  
 General Capital Fund  
 Year Ended December 31, 2015

	<u>Balance,</u> <u>Dec. 31, 2014</u>	<u>Grants</u> <u>Approved</u>	<u>Cash</u> <u>Received</u>	<u>Balance,</u> <u>Dec. 31, 2015</u>
<u>Green Acres:</u>				
Ord. 3259-12 Wall Field Improvements	\$ 105,648.00			105,648.00
Ord. 3312-13 Memorial & Lincoln Field Improvements	<u>194,000.00</u>			<u>194,000.00</u>
	<u>\$ 299,648.00</u>			<u>299,648.00</u>
	C			C/C-3



**Borough of Rutherford , N.J.**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**  
**General Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 8,519,601.29
Decreased by:		
Budget Appropriations to Pay Bonds	C-7	1,390,000.00
Budget Appropriations to Pay Green Trust Loan	C-8	<u>7,458.02</u>
Balance - December 31, 2015	C	<u><u>\$ 7,122,143.27</u></u>

Borough of Rutherford, N.J.  
 Schedule of Deferred Charges to Future Taxation - Unfunded  
 General Capital Fund  
 Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	2015 Authorizations	Authorizations Funded	Balance, Dec. 31, 2015	Analysis of Balance - Dec. 31, 2015		
						Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
General improvements:								
3108-06	Improvements To Wall Field	\$ 138,375.00			138,375.00		138,375.00	
3235-11	General Capital Improvements	1,500,000.00		200,000.00	1,300,000.00	1,300,000.00		
3259-12	Wall Field Improvements	178,569.00			178,569.00		178,569.00	
3260-12	General Capital Improvements	1,607,000.00		208,000.00	1,399,000.00	1,267,000.00		132,000.00
3280-13	Acquisition of Fire Truck	712,500.00			712,500.00	702,000.00	4,686.80	5,813.20
3292-13	General Capital Improvements	1,045,000.00			1,045,000.00	1,000,001.00		44,999.00
3304-13	Automation of Sanition System	1,425,000.00			1,425,000.00	1,323,500.00		101,500.00
3312-13	Mem. Field & Lincoln Woods Improvements	256,000.00			256,000.00		108,662.95	147,337.05
3332-14	Installation of New Windows	256,500.00			256,500.00	256,500.00		
3337-14	General Capital Improvements	1,026,000.00			1,026,000.00	900,000.00		126,000.00
3369-15	General Capital Improvements		1,580,900.00		1,580,900.00	900,000.00		680,900.00
		<u>\$ 8,144,944.00</u>	<u>1,580,900.00</u>	<u>408,000.00</u>	<u>9,317,844.00</u>	<u>7,649,001.00</u>	<u>430,293.75</u>	<u>1,238,549.25</u>
		C	C-10		C			
	Notes Paid by Budget Appropriation	Ref. C-9		408,000.00				
				<u>408,000.00</u>				
						Improvement Authorizations - Unfunded		2,642,081.94
						Less: Unexpended Proceeds of Bond Anticipation Notes		
						Ord. 3235-11	107,284.98	
						Ord. 3260-12	331,962.58	
						Ord. 3292-13	136,276.41	
						Ord. 3304-13	269,380.73	
						Ord. 3337-14	206,139.49	
						Ord. 3369-15	352,488.50	
							<u>1,403,532.69</u>	
								<u>1,238,549.25</u>

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**Borough of Rutherford, N.J.**  
**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds - 2002	10-15-02	1,600,000.00	10/15/16	144,000.00	4.30%	\$ 284,000.00	140,000.00	144,000.00
General Improvement Bonds - 2004	10-01-04	5,627,000.00	10/01/16-18 10/01/19	575,000.00 587,000.00	4.00% 4.00%	2,862,000.00	550,000.00	2,312,000.00
General Improvement Bonds - 2009	7-31-09	8,300,000.00	02/15/16 02/15/17 02/15/18 02/15/19 02/15/20	725,000.00 805,000.00 805,000.00 845,000.00 1,140,000.00	4.000% 5.000% 5.000% 4.500% 4.500%	5,020,000.00	700,000.00	4,320,000.00
						<u>\$ 8,166,000.00</u>	<u>1,390,000.00</u>	<u>6,776,000.00</u>
						C	C-6	C

**Schedule of New Jersey Green Acres Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Semi-Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
2009 Development of Waterfront Park	2013		See Note 3 Financial Statements		2.00%	\$ 353,601.29	7,458.02	346,143.27
						<u>\$ 353,601.29</u>	<u>7,458.02</u>	<u>346,143.27</u>
						C	C	C

**Borough of Rutherford , N.J.**  
**Schedule of Bond Anticipation Notes Payable**  
**General Capital Fund**  
**Year Ended December 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. '31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
3235-11	General Capital Improvements	1,350,000.00	12/14/11	12/07/15	12/06/16	0.70%	\$ 1,175,000.00	1,000,000.00	1,175,000.00	1,000,000.00
3235-11	General Capital Improvements	350,000.00	12/13/12	12/07/15	12/06/16	0.70%	325,000.00	300,000.00	325,000.00	300,000.00
3260-12	General Capital Improvements	1,525,000.00	12/13/12	12/07/15	12/06/16	0.70%	1,375,000.00	1,167,000.00	1,375,000.00	1,167,000.00
3260-12	General Capital Improvements	100,000.00	12/11/13	12/07/15	12/06/16	0.70%	100,000.00	100,000.00	100,000.00	100,000.00
3280-13	Acquisition of Fire Truck	702,000.00	12/11/13	12/07/15	12/06/16	0.70%	702,000.00	702,000.00	702,000.00	702,000.00
3292-13	General Capital Improvements	938,000.00	12/11/13	12/07/15	12/06/16	0.70%	938,000.00	938,000.00	938,000.00	938,000.00
3304-13	Automation of Sanition System	400,000.00	12/11/13	12/07/15	12/06/16	0.70%	400,000.00	400,000.00	400,000.00	400,000.00
3292-13	General Capital Improvements	62,001.00	12/09/14	12/07/15	12/06/16	0.70%	62,001.00	62,001.00	62,001.00	62,001.00
3304-13	Automation of Sanition System	425,000.00	12/09/14	12/07/15	12/06/16	0.70%	425,000.00	425,000.00	425,000.00	425,000.00
3332-14	Installation of Windows	250,000.00	12/09/14	12/07/15	12/06/16	0.70%	250,000.00	250,000.00	250,000.00	250,000.00
3337-14	General Capital Improvements	800,000.00	12/09/14	12/07/15	12/06/16	0.70%	800,000.00	800,000.00	800,000.00	800,000.00
3304-13	Automation of Sanition System	498,500.00	12/07/15	12/07/15	12/06/16	0.70%	498,500.00	498,500.00	498,500.00	498,500.00
3332-14	Installation of Windows	6,500.00	12/07/15	12/07/15	12/06/16	0.70%	6,500.00	6,500.00	6,500.00	6,500.00
3337-14	General Capital Improvements	100,000.00	12/07/15	12/07/15	12/06/16	0.70%	100,000.00	100,000.00	100,000.00	100,000.00
3369-15	General Capital Improvements	900,000.00	12/07/15	12/07/15	12/06/16	0.70%	900,000.00	900,000.00	900,000.00	900,000.00
							<u>\$ 6,552,001.00</u>	<u>7,649,001.00</u>	<u>6,552,001.00</u>	<u>7,649,001.00</u>
							C			C
						<u>Ref</u>				
						C-2		6,144,001.00	6,144,001.00	
						C-6			408,000.00	
						C-2/C-14		<u>1,505,000.00</u>		
								<u>7,649,001.00</u>	<u>6,552,001.00</u>	

Renewals  
Paid by Budget Appropriation  
Issued

Ref  
C-2  
C-6  
C-2/C-14

6,144,001.00

6,144,001.00

1,505,000.00

7,649,001.00

6,552,001.00

**Borough of Rutherford , N.J.**  
**Schedule of Improvement Authorizations**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2014		2015 Authorizations	Paid or Charged	Cancelled	Balance, Dec. 31, 2015	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
3137-07	Various Capital Improvements & Acq.	10-24-07	900,000.00	\$ 10,587.40			99.00		10,488.40	
3168-08	General Capital Improvements	10-25-08	932,072.00	93,228.70			14,229.24		78,999.46	
3194-09	General Capital Improvements	12-15-09	493,660.00	36,740.99			87.90		36,653.09	
3208-10	Union Avenue Sewer Reling, Borough									
	Hall ADA Imp. & Roof Repairs Kip Center	9-24-10	62,500.00	2,015.00					2,015.00	
3206-10	Kids Spot	7-27-10	60,000.00	36,871.77			5,490.00		31,381.77	
3215-10	Various Capital Improvements	12-28-10	348,941.00	35,548.54					35,548.54	
3235-11	General Capital Improvements	9-27-11	1,790,000.00		118,740.46		11,455.48			107,284.98
3245-11	BCIA WWI Monument Improvements	12-27-11	40,000.00	11,177.47					11,177.47	
3259-12	Wall Field Improvements	5-21-12	284,217.00		14.83		14.83			
3260-12	General Capital Improvements	6-26-12	1,850,000.00		519,409.32		55,446.74			463,962.58
3280-13	Acquisition of Fire Truck	2-12-13	750,000.00		10,533.20		4,720.00			5,813.20
3292-13	General Capital Improvements	5-23-13	1,100,000.00		215,997.79		34,722.38			181,275.41
3304-13	Automation of Sanition System	8-12-13	1,500,000.00		678,458.50		307,577.77			370,880.73
3312-13	Mem. Field & Lincoln Woods Improvements	9-24-13	450,000.00	118,792.05			227,455.00			147,337.05
3337-14	General Capital Improvements	8-26-14	1,080,000.00		377,515.42		45,375.93			332,139.49
3368-15	General Capital Improvements	5-26-15	661,500.00			661,500.00	252,003.32		409,496.68	
3369-15	General Capital Improvements	5-26-15	1,664,100.00			1,664,100.00	630,711.50			1,033,388.50
				\$ 344,961.92	2,176,669.52	2,325,600.00	1,589,389.09		615,760.41	2,642,081.94
				C	C				C	C

	Ref.	
Transfer to Encumbrances Payable	C-11	406,780.04
Disbursed	C-2	1,182,609.05
Capital Improvement Fund	C-12	744,700.00
Deferred Charges to Future Taxation - Unfunded	C-6/C-14	1,580,900.00
		2,325,600.00
		1,589,389.09

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Exhibit C-11

Borough of Rutherford , N.J.  
Schedule of Encumbrances Payable  
General Capital Fund  
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 1,742,838.70
Increased by:		
Transferred from Improvement Authorizations	C-11	<u>406,780.04</u>
		2,149,618.74
Decreased by:		
Disbursed	C-2	<u>1,162,078.26</u>
Balance - December 31, 2015	C/C-3	<u>\$ 987,540.48</u>

Exhibit C-12

Schedule of Capital Improvement Fund  
General Capital Fund  
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 16,266.83
Increased by:		
Budget Appropriation	C-2	<u>744,700.00</u>
		760,966.83
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>744,700.00</u>
Balance - December 31, 2015	C/C-3	<u>\$ 16,266.83</u>

Exhibit C-13

Schedule of Improvements to Borough Hall & Police Headquarters  
General Capital Fund  
Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	C-2	<u>\$ 700,000.00</u>
Balance - December 31, 2015	C/C-3	<u>\$ 700,000.00</u>

**Borough of Rutherford , N.J.**  
**Schedule of Bonds and Notes Authorized But Not Issued**  
**General Capital Fund**  
**Year Ended December 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Notes Issued</u>	<u>Balance, Dec. 31, 2015</u>
<u>General Improvements:</u>					
3108-06	Improvements To Wall Field	\$ 138,375.00			138,375.00
3259-12	Wall Field Improvements	178,569.00			178,569.00
3260-12	General Capital Improvements	132,000.00			132,000.00
3280-13	Acquisition of Fire Truck	10,500.00			10,500.00
3292-13	General Capital Improvements	44,999.00			44,999.00
3304-13	Automation of Sanition System	600,000.00		498,500.00	101,500.00
3312-13	Mem. Field & Lincoln Woods Improvements	256,000.00			256,000.00
3332-14	Installation of New Windows	6,500.00		6,500.00	
3337-14	General Capital Improvements	226,000.00		100,000.00	126,000.00
3369-15	General Capital Improvements		1,580,900.00	900,000.00	680,900.00
		<u>\$ 1,592,943.00</u>	<u>1,580,900.00</u>	<u>1,505,000.00</u>	<u>1,668,843.00</u>
		Footnote C	C-10	C-9	Footnote C

**Borough of Rutherford, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2014	E	\$ 90,747.49	8,172.88	82,574.61
Increased by Receipts:				
State Aid		94,100.00		94,100.00
Other Receipts		1,904.00	1,820.00	84.00
Interfund Transfer		12.65	12.65	
SSI Reimbursement		28,145.25		28,145.25
		<u>124,161.90</u>	<u>1,832.65</u>	<u>122,329.25</u>
		<u>214,909.39</u>	<u>10,005.53</u>	<u>204,903.86</u>
Decreased by Disbursements:				
Public Assistance -2015		141,900.14		141,900.14
Other - Ineligible		464.47	464.47	
Interfund Transfer		12.65	12.65	
		<u>142,377.26</u>	<u>477.12</u>	<u>141,900.14</u>
Balance - December 31, 2015	E	\$ <u>72,532.13</u>	<u>9,528.41</u>	<u>63,003.72</u>



**Borough of Rutherford, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2015	E-1	\$ <u>72,532.13</u>
Increased by:		
Cash Receipts Record		<u>59,495.06</u>
		<u>132,027.19</u>
Decreased by:		
Cash Disbursements Record		<u>52,497.04</u>
Balance - May 31, 2016		\$ <u><u>79,530.15</u></u>

	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F.</u> <u>ACCOUNT #2</u>	<u>TOTAL</u>
<u>Reconciliation - May 31, 2016</u>			
Balance on Deposit per Statement of:			
Bank of America - Checking		53,428.27	53,428.27
BCB Community Bank	9,889.28	16,030.45	25,919.73
Add: Due from Bank Charges		182.15	182.15
Less: Outstanding Checks			
Balance - May 31, 2016	<u><u>9,889.28</u></u>	<u><u>69,640.87</u></u>	<u><u>79,530.15</u></u>

**Borough of Rutherford, N.J.**  
**Schedule of Cash and Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E-1	\$ <u>90,747.49</u>
Increased by Receipts:		
Cash Receipts Record		<u>124,161.90</u>
		<u>214,909.39</u>
Decreased by Disbursements:		
Public Assistance -2015		141,900.14
Interfund Transfer		12.65
SSI		<u>0.00</u>
		<u>142,377.26</u>
Balance - December 31, 2015		\$ <u><u>72,532.13</u></u>

<u>Reconciliation - December 31, 2015</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F. I</u> <u>ACCOUNT #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Bank of America - Checking		62,947.03	62,947.03
Lakeland State Bank - Checking	<u>9,529.55</u>	<u>                    </u>	<u>9,529.55</u>
	9,529.55	62,947.03	72,476.58
Add: Deposits in Transit		56.69	56.69
Less: Outstanding Checks	<u>(1.14)</u>	<u>                    </u>	<u>(1.14)</u>
Balance, December 31, 2015	<u><u>9,528.41</u></u>	<u><u>63,003.72</u></u>	<u><u>72,532.13</u></u>

**Borough of Rutherford, N.J.**  
**Schedule of Revenues - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	\$		
Less: Refunds to the State	94,100.00		94,100.00
Net State Aid Payments	<u>94,100.00</u>		<u>94,100.00</u>
Client Reimbursement:			
State / Municipal Refund	84.00		84.00
Donations/Miscellaneous	1,820.00	1,820.00	
Supplemental Security Income:			
State / Municipal Refund	28,145.25		28,145.25
Client Refund			
Total Revenues (P.A.T.F.)	<u>124,149.25</u>	<u>1,820.00</u>	<u>122,329.25</u>
Interfund Transfer	<u>12.65</u>	<u>12.65</u>	
Total Receipts	<u>\$ 124,161.90</u>	<u>1,832.65</u>	<u>122,329.25</u>

Exhibit E-5

**Schedule of Expenditures - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	\$ 43,393.00		43,393.00
Other:			
Temporary Rental Assistance	92,993.00		92,993.00
Transportation	720.00		720.00
Work Related Expenses	275.00		275.00
Shelter	625.00		625.00
Furnishing's	1,755.00		1,755.00
Security	1,100.00		1,100.00
Utilities	1,039.14		1,039.14
Total Payments Reported	<u>141,900.14</u>		<u>141,900.14</u>
Add: Other			
	<u>141,900.14</u>		<u>141,900.14</u>
Public Assistance/Donations	464.47	464.47	
Client Reimbursement:			
Reimbursement to Clients			
Interfund Transfer	12.65	12.65	
	<u>477.12</u>	<u>477.12</u>	
Total Disbursements (P.A.T.F.)	<u>\$ 142,377.26</u>	<u>477.12</u>	<u>141,900.14</u>

**Borough of Rutherford, N.J.**  
**Schedule of Due to State of New Jersey**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	\$ 82,574.61
Increased by Receipts:		
Revenues - Public Assistance II		<u>122,329.25</u>
		<u>122,329.25</u>
		204,903.86
Decreased by Disbursements:		
Expenditures - Public Assistance II		<u>141,900.14</u>
Balance - December 31, 2015	E	\$ <u>63,003.72</u>

**Schedule of Reserve for Public Assistance**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	\$ 8,172.88
Increased by Receipts:		
Miscellaneous Donation		<u>1,820.00</u>
		9,992.88
Decreased by Disbursements:		
Other Assistance		<u>464.47</u>
		<u>464.47</u>
Balance - December 31, 2015	E	\$ <u>9,528.41</u>

**BOROUGH OF RUTHERFORD**

**PART II**

**LETTERS ON INTERNAL CONTROL AND ON**

**COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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

The Honorable Mayor and  
Members of the Borough Council  
Borough of Rutherford  
Rutherford, New Jersey 07070

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Rutherford in the County of Bergen as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 28, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

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

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Rutherford in the accompany comments and recommendations section of this report.


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Rutherford's financial statements-regulatory basis 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.


However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Rutherford in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 28, 2016



## GENERAL COMMENTS

### Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, 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 therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010, the bid threshold was increased to \$36,000.00 with a qualified purchasing agent and on July 1, 2015, this amount was increased to \$40,000.00.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500.00, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough adopted a resolution increasing their bid threshold to \$36,000.00 and \$40,000.00 based on having a "qualified purchasing agent".

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Memorial Field Parking Lot  
Road Improvements  
Salt Spreader

Stump Grinder  
Brush Chipper



Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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.

#### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

##### Interest on Delinquencies

WHEREAS, the Senate and General Assembly of the State of New Jersey have amended R.S. 54:4-67 to permit municipalities to increase the interest charged on delinquent taxes; and

WHEREAS, pursuant to R.S. 54:4-66 taxes are due and payable on the first days of February, May, August and November of each year and become delinquent if not paid on or before said dates;

NOW, THEREFORE, BE IT RESOLVED that a grace period of (10) days is hereby established within which any installment of taxes or assessments may be received after the due date thereof without an additional charge for interest; and

BE IT FURTHER RESOLVED, that interest on delinquent installments of taxes or assessments shall be charged at the 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.

##### Year End Penalty

WHEREAS, NJSA 54:4-67 has been amended to permit an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Rutherford as follows:

1. The Tax Collector is hereby authorized and directed to charge an additional penalty of 6% on a tax delinquency in excess of \$10,000.00 if it remains in arrears beyond December 31<sup>st</sup>.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

#### Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 15, 2015 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2015	7
2014	24
2013	24

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

#### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2015, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

#### COMMENTS

##### Other

There are various grants receivable and appropriated reserves for grants that are several years old that should be reviewed for follow up and/or proper disposition. No recommendation is being made since corrective action began in 2015 and is expected to be completed in 2016.

There were several instances where purchase were being made prior to purchase order approval.

Several senior citizen and veteran deduction applications were missing signature of approval.

In a few instances police department time sheets were not signed by the department head.

COMMENTS (continued)

The resolution appointing various part time recreations employees did not specify their rate of pay as required by Borough Ordinance 3249-11.

RECOMMENDATIONS

1. That purchase order approval be obtained prior to purchase being made.
2. That all senior citizen and veteran deduction applications contain signature of approval.
3. That police department time sheets be signed by the department head.
4. That the resolution appointing part time recreation employees specify their rate of pay as required by Borough Ordinance 3249.11.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items except those marked with an ("\*\*").

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

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. 413



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