

**BOROUGH OF FORT LEE**

**Financial Statements With  
Supplementary Information**

**December 31, 2011  
(With Independent Auditors' Report Thereon)**

# BOROUGH OF FORT LEE

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Fort Lee  
County of Bergen, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Fort Lee in the County of Bergen, as of and for the years ended December 31, 2011 and 2010, and the related statements 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, 2011. These financial statements are the responsibility of the Borough of Fort Lee's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits 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, 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. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



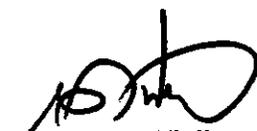
Honorable Mayor and  
Members of the Borough Council  
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In our opinion, because of the Borough of Fort Lee's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Fort Lee, New Jersey as of December 31, 2011 and 2010 or the results of its operations for the years then ended.

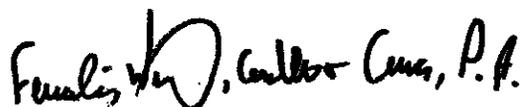
However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Fort Lee, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 6, 2012 on our consideration of the Borough of Fort Lee, New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Fort Lee, State of New Jersey, taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the New Jersey Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly presented in all material respects in relation to the regulatory basis financial statements taken as a whole on the basis of accounting as described in Note 1.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CRO0413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 6,331,350	5,761,807
Change Fund	A-6	450	450
Petty Cash	A-7	1,500	1,093
		<u>6,333,300</u>	<u>5,763,350</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	1,231,515	1,428,289
Property Acquired for Taxes - Assessed Valuation	A-10	8,220	8,220
Tax Title Liens	A-11	90,067	84,028
Revenue Accounts Receivable	A-12	92,818	85,773
Demolition Lien Receivable	A-13	2,350	2,350
Prepaid School Taxes	A-23	40	
Due from:			
Escrow Trust	A-16	1,113	748
Police Activity Account	A-16	1,325	1,325
Flexible Spending Escrow Account	A-16	1,304	15
Fort Lee Film Commission	A-16	105	105
Redemption Trust	A-16	2,212	302,069
Fire Prevention - Dedicated Penalties	A-16		6,300
General Capital Fund	A-16	198,918	95,980
Animal License Trust Fund	A-16	9,835	6,025
		<u>1,639,822</u>	<u>2,021,227</u>
Deferred Charges:			
Special Emergency	A-15	1,440,000	1,800,000
Grant Expenditure without Appropriation	A-17		51,231
Expenditure without Appropriation	A-17		3,843
Overexpenditure of Appropriations	A-3,A-17		3,557
Overexpenditure of Appropriation Reserves	A-14,17	2,000	2,000
		<u>1,442,000</u>	<u>1,860,631</u>
		<u>9,415,122</u>	<u>9,645,208</u>
Federal and State Grant Fund:			
Due from Current Fund	A-5	502,078	574,232
Grants Receivable	A-25	206,887	145,961
		<u>708,965</u>	<u>720,193</u>
		<u>\$ 10,124,087</u>	<u>10,365,401</u>

**BOROUGH OF FORT LEE, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2011 and 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	1,458,543	1,205,772
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	68,217	59,862
Due to:			
Federal and State Grant Fund	A-5	502,078	574,232
Senior Citizen Advisory Trust	A-16	2,175	
POAA Trust	A-16	2,292	188
Fire Prevention - Dedicated Penalties	A-16	18,707	
Other Trust Fund	A-16	2,210	3,362
COAH Development Fees Trust	A-16	100,913	43,293
Encumbrances Payable	A-18	379,246	345,213
Prepaid Taxes	A-19	612,175	620,862
Tax Overpayments	A-20	268,437	212,192
Special Emergency Note Payable	A-21	1,440,000	1,800,000
Various Reserves	A-22	90,350	59,426
County Taxes Payable	A-24	9,252	13,201
		<u>4,954,595</u>	<u>4,937,603</u>
Reserve for Receivables	Contra	1,639,822	2,021,227
Fund Balance	A-1	<u>2,820,705</u>	<u>2,686,378</u>
		<u>9,415,122</u>	<u>9,645,208</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-26	538,740	606,920
Encumbrances Payable	A-26		6,268
Unappropriated Reserve for Grants	A-27	170,225	107,005
		<u>708,965</u>	<u>720,193</u>
		<u>\$ 10,124,087</u>	<u>10,365,401</u>

See accompanying notes to financial statements.

## BOROUGH OF FORT LEE, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Current Fund

Year Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues and Other Income:		
Fund Balance Utilized	2,250,557	1,950,000
Miscellaneous Revenue Anticipated	7,093,846	6,435,436
Receipts from Delinquent Taxes	1,430,252	1,346,517
Receipts from Current Taxes	120,381,505	117,435,978
Non-Budget Revenue	1,302,555	1,073,462
Other Credits to Income:		
Liabilities canceled	135,288	194,663
Unexpended Balance of Appropriation Reserves	528,027	229,875
Interfunds Returned	7,642	9
	<hr/>	<hr/>
Total Revenues and Other Income	133,129,672	128,665,940
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	25,454,788	26,102,160
Other Expenses	26,715,360	27,603,856
Capital Improvement Fund	300,000	150,000
Municipal Debt Service	7,668,623	6,581,646
Deferred Charges and Statutory Expenditures -		
Municipal	6,265,638	5,001,336
Local District School Tax	50,748,304	49,072,315
County Taxes including Added Taxes	13,333,784	12,931,976
Interfunds Advanced	102,978	398,268
Other Refunds		158,828
Overexpenditures		3,557
Overexpenditures of Appropriation Reserves		2,000
Expenditures without Appropriation		3,843
Tax Refunds	155,313	72,268
	<hr/>	<hr/>
Total Expenditures	130,744,788	128,082,053
Excess (Deficit) Revenue Over Expenditures	2,384,884	583,887
Adjustment to Income Before Fund Balance - Expenditures		
Included above Which are by Statute Deferred		
Charges to Budget of Succeeding Year		1,809,400
		<hr/>
Statutory Excess to Fund Balance	2,384,884	2,393,287
Fund Balance, January 1,	2,686,378	2,243,091
	<hr/>	<hr/>
	5,071,262	4,636,378
Decreased by:		
Fund Balance Utilized as Budget Revenue	2,250,557	1,950,000
	<hr/>	<hr/>
Fund Balance, December 31,	\$ 2,820,705	2,686,378

See accompanying notes to the financial statements.

## BOROUGH OF FORT LEE, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,250,557	2,250,557	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	100,000	98,360	(1,640)
Other	63,000	54,186	(8,814)
Fees and Permits	72,158	80,989	8,831
Fines and Costs:			
Municipal Court	1,113,000	1,259,764	146,764
Interest and Costs on Taxes	334,900	351,346	16,446
Interest on Investments and Deposits	18,700	7,991	(10,709)
Borough of Cliffside Park Sewer Services	393,428	374,718	(18,710)
Recreation Fees	82,600	77,189	(5,411)
Consolidated Municipal Property Tax Relief Aid	146,943	146,943	
Energy Receipts Tax	1,554,795	1,554,795	
Supplemental Energy Receipts Tax	69,454	69,454	
Uniform Construction Code Fees	1,000,000	1,294,289	294,289
Elevator Inspection Fees	125,000	30,993	(94,007)
FEMA	177,804	177,804	
New Jersey Department of Transportation	150,000	150,000	
Bergen County Title III - Older American Act	69,950	69,950	
Clean Communities	50,341	50,341	
LEA Rebate	66,000	62,699	(3,301)
Third Party Ambulance Billing	915,000	882,035	(32,965)
Due from Redemption Trust Fund	302,069	300,000	(2,069)
	<u>6,805,142</u>	<u>7,093,846</u>	<u>288,704</u>
Total Miscellaneous Revenues	6,805,142	7,093,846	288,704

**BOROUGH OF FORT LEE, N.J.**  
**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	1,400,000	1,430,252	30,252
Subtotal General Revenues	10,455,699	10,774,655	318,956
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	57,609,951	57,916,917	306,966
Budget Totals	68,065,650	68,691,572	625,922
Non-Budget Revenue		1,302,555	1,302,555
	\$ 68,065,650	69,994,127	1,928,477

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 120,381,505
Allocated to School and County Taxes	64,082,088
Balance for Support of Municipal Budget Appropriations	56,299,417
Add : Appropriation - Reserve for Uncollected Taxes	1,617,500
Amount for Support of Municipal Budget Appropriations	\$ 57,916,917
Receipts from Delinquent Taxes	\$ 1,430,252

BOROUGH OF FORT LEE, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2011

Analysis of Non-budget Revenues

Interlocal - Leonia	\$	45
Duplicate Bills		12
Tax Searches		20
Voting		760
Cable TV Franchise Fees		119,810
Hotel Tax		496,653
In Lieu		71,628
Burial Fees		16,824
Tax Sale		2,083
Medicare		54,893
Flu Shots		12,138
Telephone		111
Senior Citizen Lunch		41,885
Mutal Aid - Fire		19,471
Verizon		57,536
Inspection Fines		20,973
DCA Housing		17,781
Energy Credits		193,338
Rent Leveling		20
Internet Convenience Fee		7,184
Parking Authority Reimbursement		70,000
Senior Citizens Disallowed		1,600
Medical assistance fee		3,747
Miscellaneous		94,043
		<u>94,043</u>
	\$	<u>1,302,555</u>

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 291,965	300,176	300,175	1	
Other Expenses	176,850	197,863	197,811	52	
Purchasing					
Salaries and Wages	75,698	80,560	80,559	1	
Other Expenses	84,850	84,850	82,311	2,539	
Mayor and Council					
Salaries and Wages	93,742	93,742	93,742		
Other Expenses	39,800	43,439	43,121	318	
Borough Clerk					
Salaries and Wages	197,464	203,291	203,291		
Other Expenses	31,475	24,475	17,277	7,198	
Elections:					
Other Expenses	28,500	25,500	23,823	1,677	
Pay/ Data Processing:					
Salaries and Wages	53,333	59,590	59,589	1	
Other Expenses	5,900	5,900	5,159	741	
Financial Administration:					
Other Expenses	99,000	99,000	57,742	41,258	

## BOROUGH OF FORT LEE, N.J.

## Statement of Expenditures - Regulatory Basis

	Current Fund			Paid or Charged	Reserved	Unexpended Balance Canceled
	2011 Budget	Budget after Modification and Transfer				
Year Ended December 31, 2011						
Collection of Taxes						
Salaries and Wages	342,546	418,884	418,884			
Other Expenses	51,550	48,079	48,079	471		
Assessment of Taxes:						
Salaries and Wages	160,789	166,828	166,828			
Other Expenses	34,600	62,598	62,598			
Legal Services and Costs:						
Other Expenses	831,850	731,850	531,316	200,534		
Municipal Court:						
Salaries and Wages	716,000	716,000	705,082	10,918		
Other Expenses	123,250	123,250	103,044	20,206		
Engineering Services and Costs:						
Salaries and Wages	114,204	114,204	114,204			
Other Expenses	54,200	34,200	24,602	9,598		
Director of Economic Development						
Salaries and Wages	59,562	61,746	61,746			
Other Expenses	75,000	45,000	27,405	17,595		
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)						
Planning Board:						
Other Expenses	24,550	19,550	10,455	9,095		
Zoning Board of Adjustment:						
Other Expenses	20,900	17,900	13,212	4,688		
Rent Leveling Board:						
Salaries and Wages	39,802	42,045	42,045			
Other Expenses	2,100	2,528	2,528			

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Insurance:					
Other Insurance Premiums	2,026,762	1,952,762	1,951,905	857	
Group Insurance Plans for Employees	8,218,480	8,218,480	8,218,480		
Group Insurance Plans for Employees - UCC	400,000	400,000	400,000		
Public Safety:					
Police:					
Salaries and Wages	13,506,871	13,803,733	13,803,732	1	
Other Expenses	627,250	607,250	549,791	57,459	
Department of Communications:					
Salaries and Wages	820,517	847,546	847,546		
Other Expenses	21,950	21,950	15,197	6,753	
Emergency Management:					
Salaries and Wages	84,482	87,579	87,579		
Other Expenses	17,600	17,600	12,025	5,575	
Aid to Volunteer Fire Companies	40,000	40,000	40,000		
Fire Prevention					
Salaries and Wages	528,385	502,385	502,070	315	
Other Expenses	34,350	34,350	29,261	5,089	

## BOROUGH OF FORT LEE, N.J.

## Statement of Expenditures - Regulatory Basis

Current Fund		Year Ended December 31, 2011		Unexpended
	2011	Budget after	Paid or	Balance
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
		<u>and Transfer</u>	<u>Reserved</u>	
Fire Protection:				
Salaries and Wages	890,000	918,941	918,941	
Other Expenses	315,300	315,300	265,678	49,622
Fort Lee Emergency Medical Technicians:				
Salaries and Wages	342,674	328,674	328,383	291
Other Expenses	73,900	73,900	67,850	6,050
Ambulance Corps:				
Salaries and Wages	278,000	253,000	252,918	82
Other Expenses	87,000	93,457	93,456	1
Public Works Function:				
Streets and Roads:				
Road Repairs and Maintenance:				
Salaries and Wages	1,743,288	1,664,288	1,664,028	260
Other Expenses	279,400	279,400	167,942	111,458
Garbage and Trash:				
Other Expenses	2,321,000	2,321,000	2,127,599	193,401
Public Building and Grounds:				
Salaries and Wages	623,397	536,397	536,225	172
Other Expenses	331,700	341,613	341,612	1
General Services:				
Salaries and Wages	546,604	625,698	625,697	1
Other Expenses	28,500	28,500	24,967	3,533
Communications Repairs:				
Salaries and Wages	145,782	175,535	175,534	1
Other Expenses	44,150	44,150	37,633	6,517

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Sanitation - Sewer System:					
Salaries and Wages	283,090	283,090	254,493	28,597	
Other Expenses	164,700	164,746	164,746		
Auto Repairs:					
Other Expenses	278,300	290,256	290,255	1	
Health and Welfare:					
Board of Health:					
Salaries and Wages	591,557	605,737	605,736	1	
Other Expenses	110,500	110,500	99,407	11,093	
Brd of Hlth-Hepts	6,500	6,500	6,215	285	
Administration of Public Assistance:					
Salaries and Wages	125,219	130,775	130,775		
Other Expenses	2,800	2,800	1,695	1,105	
Other Expenses	5,000	5,000		5,000	
Parks and Recreation Functions:					
Recreation and Education:					
Salaries and Wages	432,494	426,494	425,650	844	
Other Expenses	37,300	37,300	35,113	2,187	

## BOROUGH OF FORT LEE, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>2011</u> <u>Budget</u>	<u>Budget after</u> <u>Modification</u> <u>and Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
Senior Citizens:					
Salaries and Wages	279,509	219,509	219,025	484	
Other Expenses	116,400	127,111	126,640	471	
Senior Citizens Special Services:					
Other Expenses	336,500	311,500	294,575	16,925	
Parks and Playgrounds:					
Salaries and Wages	670,486	738,904	738,903	1	
Other Expenses	48,100	48,100	48,083	17	
Community Center					
Salaries and Wages	160,464	158,464	158,203	261	
Other Expenses	154,700	154,700	140,288	14,412	
Other Common Unclassified					
Celebration of Public Events, Anniversary or					
Holiday - Other Expenses	92,330	92,330	78,183	14,147	
Salary & Wage Adjustment Program	300,000				
Cultural and Heritage Affairs					
Salaries and Wages	71,495	74,796	74,796		
Other Expenses	98,425	98,425	97,360	1,065	
Uniform Constuction Code Official					
Salaries and Wages	648,092	679,515	679,514	1	
Other Expenses	45,350	45,350	44,157	1,193	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
UNCLASSIFIED:					
Utilities:					
Electricity	950,000	950,000	828,557	121,443	
Street Lighting	425,000	425,000	243,743	181,257	
Water	65,000	65,000	46,141	18,859	
Fuel Oil	20,000	21,355	21,355		
Telephone and Telegraph	310,000	310,000	287,342	22,658	
Gasoline	310,000	395,000	394,927	73	
Fire Hydrant Service	194,000	227,825	227,825		
Total Operations within "CAPS"	45,540,133	45,563,089	44,346,379	1,216,710	
Total Operations Including Contingent-within "CAPS"	45,540,133	45,563,089	44,346,379	1,216,710	
Detail:					
Salaries & Wages	25,217,511	25,318,126	25,275,893	42,233	
Other Expenses (Including Contingent)	20,322,622	20,244,963	19,070,486	1,174,477	
	45,540,133	45,563,089	44,346,379	1,216,710	

(E) Deferred Charges and Statutory Expenditures-

Municipal within "CAPS"	5,682
Deficit in Dedicated Fire Penalties	58,631
Overexpenditures	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	1,276,400	1,276,400	1,276,353	47	
Consolidated Police and Firemen's Pension Fund	25,000	2,044		2,044	
Public Employees' Retirement System	1,223,291	1,223,291	1,150,466	72,825	
Police and Firemen's Retirement System of NJ	3,244,590	3,244,590	3,244,590		
Unemployment Compensation Insurance	95,000	95,000	69,226	25,774	
	<u>5,928,594</u>	<u>5,905,638</u>	<u>5,804,948</u>	<u>100,690</u>	
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
	<u>51,468,727</u>	<u>51,468,727</u>	<u>50,151,327</u>	<u>1,317,400</u>	
Total General Appropriations for Municipal Purposes within "CAPS"					
Operations - Excluded from "CAPS"					
Bergen County Utilities Authority:					
Share of Costs	3,853,618	3,853,618	3,853,618		
Englewood Sewer Treatment	30,000	30,000	27,457	2,543	
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985) Contribution	2,139,300	2,139,300	2,112,052	27,248	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Fair Housing Act (P.L. 1985 Ch. 222 40A:40-45.3):	40,000	40,000	38,134	1,866	
Other Expenses					
Insurance					
Group Insurance for Employees	179,334	179,334	69,849	109,485	
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>6,242,252</b>	<b>6,242,252</b>	<b>6,101,110</b>	<b>141,142</b>	
Uniform Construction Code					
Appropriations Offset by Increased					
Fee Revenues (N.J.A.C. 5:23-4:17)					
Elevator Inspections					
Salaries and Wages	66,712	66,712	66,711	1	
<b>Total Uniform Construction Code Appropriations</b>	<b>66,712</b>	<b>66,712</b>	<b>66,711</b>	<b>1</b>	
Public and Private Programs Offset by Revenues					
FEMA	177,804	177,804	177,804		
Bergen County Title III Older American Act					
Nutrition Center					
Salaries and Wages	69,950	69,950	69,950		
Clean Communities Act	50,341	50,341	50,341		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>298,095</b>	<b>298,095</b>	<b>298,095</b>		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Operations-Excluded from "CAPS"	6,607,059	6,607,059	6,465,916	141,143	
Detail:					
Salaries and Wages	136,662	136,662	136,661	1	
Other Expenses	6,470,397	6,470,397	6,329,255	141,142	
Total:	6,607,059	6,607,059	6,465,916	141,143	
Capital Improvements-Excluded from "CAPS"					
Capital Improvement Fund	150,000	150,000	150,000		
New Jersey Transportation Trust Fund - Linwood Avenue Improvements	150,000	150,000	150,000		
Total Capital Improvements Excluded from "CAPS"	300,000	300,000	300,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	4,840,000	4,840,000	4,840,000		34,174
Interest on Bonds	2,813,922	2,813,922	2,779,748		9,229
Interest on Notes	27,000	27,000	17,771		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	24,760	24,760	24,757		3
Loan Payments - BCIA					
Loan Payments - EDA	6,682	6,682	6,347		335
Total Municipal Debt Service-Excluded from "CAPS"	7,712,364	7,712,364	7,668,623		43,741

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
DEFERRED CHARGES:					
Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)	360,000	360,000	360,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	360,000	360,000	360,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,979,423	14,979,423	14,794,539	141,143	43,741
Subtotal General Appropriations	66,448,150	66,448,150	64,945,866	1,458,543	43,741
Reserve for Uncollected Taxes	1,617,500	1,617,500	1,617,500		
Total General Appropriations	68,065,650	68,065,650	66,563,366	1,458,543	43,741
	\$				
Adopted Budget	67,865,309				
Added by N.J.S.A. 40A:4-87	200,341				
	\$				
Reserve for Uncollected Taxes			1,617,500		
Grants			298,095		
Grants - Capital Improvements			150,000		
Encumbrances			379,246		
Deferred Charges			424,313		
Cash			63,694,212		
			\$		
			66,563,366		

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Assessment Trust Fund:			
Cash	B-2,4	<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Cash	B-2	<u>20,975</u>	<u>17,104</u>
Unemployment Trust Fund:			
Cash	B-2	<u>64,052</u>	<u>32,642</u>
Other Trust Funds:			
Cash	B-2	3,753,767	6,758,167
Accounts Receivable - Due from Employees		1,281	
Interfund - Due from Current Fund	B-8	<u>126,297</u>	
		<u>3,881,345</u>	<u>6,758,167</u>
		<u>\$ 3,973,816</u>	<u>6,815,357</u>

**BOROUGH OF FORT LEE, N.J.**

**Comparative Balance Sheet-Regulatory Basis**

**Trust Funds**

**December 31, 2011 and 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Assessment Trust Fund:			
Reserve for Utility Deposits	B-4	\$ 6,466	6,466
Fund Balance	B-1	978	978
		<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Due to Current Fund	B-6	9,835	6,025
Reserve for Animal Trust Fund Expenditures	B-5	11,140	11,079
		<u>20,975</u>	<u>17,104</u>
Unemployment Trust Fund:			
Reserve for Expenditures	B-10	64,052	32,642
Other Trust Fund:			
Interfund - Due to Capital Fund	B-8	145,982	45,982
Interfund - Due to Current Fund	B-8	6,059	263,719
Reserve for:			
Other Trust Deposits	B-9	3,729,304	6,448,466
		<u>3,881,345</u>	<u>6,758,167</u>
		<u>\$ 3,973,816</u>	<u>6,815,357</u>

See accompanying notes to financial statements.

**BOROUGH OF FORT LEE, N.J.**

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

**Assessment Trust Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>978</u>
Balance - December 31, 2011	\$ <u><u>978</u></u>

See accompanying notes to financial statements.

**BOROUGH OF FORT LEE, N.J.**

**Comparative Balance Sheet-Regulatory Basis**

**General Capital Fund**

**December 31, 2011 and 2010**

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash	C-2/C-3	6,693,308	5,034,334
Accounts Receivable:			
Miscellaneous	C-4	697,358	697,358
Grants	C-4	1,165,231	1,423,524
Interfund Receivables -			
Community Development Trust Fund	C-5	45,982	45,982
Redemption Trust Fund	C-6	100,000	
Deferred Charges to Future Taxation:			
Funded	C-7	56,808,631	61,703,960
Unfunded	C-8	9,620,535	14,117,938
		<u>\$ 75,131,045</u>	<u>83,023,096</u>

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-9	56,517,000	61,387,000
Green Trust Loan Payable	C-10	291,631	310,275
Bond Anticipation Notes	C-11	5,422,000	
EDA Loan Payable			6,685
Encumbrances Payable	C-13	223,261	539,965
Reserve for:			
Interest - Arbitrage	C-12	44,865	44,865
Payment of Debt	C-15	145,982	145,982
Contributions - Main			
Street Widening Project	C-16	817,059	582,684
Due to U.S. Department of Housing and Urban Development	C-14	37,168	37,168
Improvement Authorizations:			
Funded	C-17	4,850,676	6,276,619
Unfunded	C-17	6,248,426	13,349,859
Capital Improvement Fund	C-18	280,611	245,786
Interfund - Current Fund	C-19	198,918	95,980
Fund Balance	C-1	53,448	228
		<u>\$ 75,131,045</u>	<u>83,023,096</u>

There were \$4,198,535 and \$14,117,938 of Bonds and Notes Authorized But Not Issued on December 31, 2011 and 2010 (Exhibit C-20).

See accompanying notes to the financial statements.

**BOROUGH OF FORT LEE, N.J.**

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

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	228
Increased by:			
Premium received on Note Sale	\$	18,062	
Close out of refunding escrow		5,062	
Cancellation of funded improvement authorizations		<u>30,096</u>	
			<u>53,220</u>
Balance - December 31, 2011		\$	<u><u>53,448</u></u>

See accompanying notes to the financial statements.

**BOROUGH OF FORT LEE**

**Comparative Balance Sheet-Regulatory Basis**

**Public Assistance Fund**

**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash - Public Assistance	\$ <u>19,275</u>	<u>18,374</u>
	\$ <u><u>19,275</u></u>	<u><u>18,374</u></u>
 <u>Liabilities</u>		
Reserve for Public Assistance	\$ <u>19,275</u>	<u>18,374</u>
	\$ <u><u>19,275</u></u>	<u><u>18,374</u></u>

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 53,018,284	53,010,784
Buildings	29,543,378	29,207,759
Machinery and Equipment	<u>15,186,302</u>	<u>14,814,753</u>
	<u>\$ 97,747,964</u>	<u>97,033,296</u>
Investment in Fixed Assets	<u>\$ 97,747,964</u>	<u>97,033,296</u>

See accompanying notes to financial statements.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**

**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 accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Fort Lee 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 Fort Lee (the "Fort Lee") operates under a Borough 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 volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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 group:

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.

Other Trust Fund - This fund is 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.

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

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.

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 Assets Account Group - This fund is used to account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Borough of Fort Lee. 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 accounting principles generally accepted in the United States of America (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. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. 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.

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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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. 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 Fund
- 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 appropriations at the line item level. During 2011, the Governing Body approved \$200,341 in additional grant revenues and appropriations in accordance with N.J.S.A. 40A:4-87. In addition, the Mayor and Council approved several budget transfers.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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.

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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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 - The Borough of Fort Lee has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

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.

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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

**Basis of Accounting, (continued)**

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.

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.

**NOTE 2. 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 FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. 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 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. Membership is mandatory for such employees and 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 1/55<sup>th</sup> 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 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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

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  $\frac{1}{4}$  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 average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or  $\frac{1}{60}$  of final average compensation multiplied by the number of years of creditable service, whichever is greater. 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.

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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information 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.

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 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>
December 31, 2011	\$1,150,466	\$3,244,590
December 31, 2010	918,075	2,766,075
December 31, 2009	835,602	2,699,202

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

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 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 annually, the official may choose to waiver 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.

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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</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	\$61,387,000	\$14,115,000	\$18,985,000	\$56,517,000	\$5,225,000
Green Trust Loan Payable	310,275		18,644	291,631	19,019
EDA Loan Payable	<u>6,685</u>		<u>6,685</u>		
	<u>\$61,703,960</u>	<u>\$14,115,000</u>	<u>\$19,010,329</u>	<u>\$56,808,631</u>	<u>\$5,244,019</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.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Issued - general - bonds, notes and loans	\$62,230,631	\$61,703,960	\$67,892,918
Authorized but not issued - general - bonds and notes	<u>4,198,535</u>	<u>14,117,938</u>	<u>5,329,218</u>
Bonds, notes and loans issued and authorized but not issued	66,429,166	75,821,898	73,222,136
Less deductions	<u>3,698,041</u>	<u>7,568,666</u>	<u>11,467,780</u>
Net bonds and notes issued and authorized but not issued	<u>\$62,731,125</u>	<u>\$68,253,232</u>	<u>\$61,754,356</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.98%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$66,429,166</u>	<u>\$3,698,041</u>	<u>\$62,731,125</u>

Net debt of \$62,731,125 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,404,184,607 equals 0.98%.

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

3-1/2% of equalized valuation basis (municipal)	\$6,404,184,607
Less net debt	<u>62,731,125</u>
Remaining Borrowing Power	<u>\$6,341,453,482</u>

The Borough's long-term debt consisted of the following at December 31, 2011:

Paid by Current Fund:

\$18,030,000, 4.00%-4.50% general serial bonds issued February 15, 2002, due through February 15, 2012	\$1,750,000
\$4,230,000, 1.60%-4.90% pension refunding bonds issued March 1, 2003, due through March 1, 2018	2,735,000
\$12,815,000, 3.35%-4.375% general serial bonds issued July 15, 2004, due through July 15, 2013	1,100,000
\$16,115,000, 3.00%-4.00% general serial bonds issued July 15, 2005, due through July 15, 2020	12,290,000
\$5,170,000, 2.25%-5.00% general improvement refunding bonds issued January 29, 2009, due through February 1, 2013	2,565,000
\$22,062,000, 2.00%-5.00% County-Guaranteed Pooled Bond Program issued May 10, 2010, due through February 15, 2025	21,962,000
\$7,595,000, 4.00% general improvement refunding bonds issued March 24, 2011, due through February 15, 2016	7,595,000
\$6,520,000, 2.00%-4.00% general improvement refunding bonds issued December 22, 2011, due through July 15, 2019	<u>6,520,000</u>
	<u>\$56,517,000</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

Aggregate debt service requirements for principal and interest on bonded debt issued and outstanding as follows:

<u>Year</u>	<u>Total</u>	<u>General Capital</u>	
		<u>Principal</u>	<u>Interest</u>
2012	\$8,036,864	\$5,225,000	\$2,811,864
2013	7,658,475	5,301,000	2,357,475
2014	6,593,720	4,570,000	2,023,720
2015	6,544,155	4,849,000	1,695,155
2016	6,484,469	4,981,000	1,503,469
2017-2021	27,117,503	22,447,000	4,670,503
2022-2025	<u>10,078,964</u>	<u>9,144,000</u>	<u>934,964</u>
	<u>\$72,514,150</u>	<u>\$56,517,000</u>	<u>\$15,997,150</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.

At December 31, 2011, the Borough had authorized but not issued debt as follows:

General Capital Fund	<u>\$4,198,535</u>
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**NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE**

The Borough has entered into a loan agreement with the State of New Jersey for the financing relating to a Recreational Redevelopment Project at Van Fleet Park.

\$381,500 2004 loan due in semi-annual installments of \$8,041 to \$12,256 through June 15, 2025, interest at 2%	<u>\$291,631</u>
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**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 5. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. 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 anniversary of the date of the original note. 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 August 16, 2011, the Borough issued bond anticipation notes in the amount of \$5,422,000 due on August 16, 2012 at a rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2011.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Oppenheimer & Co., Inc.	<u>\$ -0-</u>	<u>\$5,422,000</u>	<u>\$ _____</u>	<u>\$5,422,000</u>

**NOTE 6. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2011, which has been appropriated as revenue in the 2012 budget is as follows:

Current Fund	<u>\$2,400,000</u>
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**NOTE 7. ACCRUED SICK AND VACATION BENEFITS**

The Borough permits employees to accrue (with certain restrictions) unused vacation and 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 \$8,259,827 as of December 31, 2011. This amount is not reported either as an expenditure or liability.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 8. 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, 2011, \$-0- of the Borough's bank balance of \$17,310,701 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.

**NOTE 9. LITIGATION**

We are advised that the Borough is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Borough. The following matters were identified to have significant risk exposure:

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. LITIGATION, (continued)**

**Borough of Fort Lee v. Bergen County Utilities Authority**  
**Docket No.: BER-L-908-10**

This matter involves a lawsuit filed by the Borough against the Bergen County Utilities Authority ("BCUA"). By way of background, the BCUA is a county utilities authority established in accordance with the Municipal and County Utilities Authority Law, N.J.S.A. 409:14B-1 et seq. The BCUA is responsible for the operation and maintenance of a sewerage system (the "System") serving approximately forty-six(46) municipalities in Bergen County, including the Borough. The BCUA levies sewer use charges against the municipalities that are a part of the System.

Prior to 2007, the sewer use charges levied by the BCUA against each municipality were based upon the treatment services that the BCUA actually provided to the municipality. However, in 2007 and 2009, the BCUA modified the methodology in which sewer use charges were calculated. As a result, the Borough's sewer use charges substantially increased. Consequently, on January 22, 2010, the Borough filed a Complaint in Lieu of Prerogative Writs against the BCUA, alleging that the 2007 and 2009 amendments to the methodology for calculating sewer use charges were arbitrary, capricious, and unreasonable.

In response to the Borough's Complaint, the BCUA filed an Answer and Counterclaim. In its Counterclaim, the BCUA has asserted that the Borough did not pay the full amount of the sewer "service charges" that the BCUA assessed during the calendar year 2007, resulting in a deficiency of \$240,704.72. The BCUA further asserts that pursuant to its "rules," interest accrues on this deficiency at the rate of "6% per annum." Consequently, the BCUA's Counterclaim seeks the entry of judgment against the Borough in the amount of \$240,704.72, "plus interest, pre-judgment interest, and costs of suit."

The Borough and the BCUA have now approved a proposed settlement of this case. The terms of the settlement will be implemented over the next several months, subject to various County approval contingencies. Assuming that the settlement is successfully implemented, we anticipate that this matter will be dismissed with prejudice sometime in the Fall or Winter of 2012.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. LITIGATION, (continued)**

**Tax Appeals**

**CHI 2200 FLETCHER AVENUE**

**Address: 2200 Fletcher Avenue (Block 5854, Lot 1)**

**Pending Tax Years: 2009, 2010 & 2011**

- (a) **Nature of the litigation** - Property tax appeal for tax years 2009 through 2011. For the relevant tax years, the property's total assessment is \$46,249,300. The property tax assessment for the property that is the subject of this appeal was litigated in a prior year (2005) by the former owner (9W Office Building, LLC) and a judgment rendered by the Tax Court.
- (b) **Progress of Case to Date** - Discovery is on-going; a preemptory trial date has not been scheduled as of the date of this letter. The property owner is required to provide financial information through the discovery process to our law firm. Once discovery is complete, the parties will agree upon an appraisal exchange date. The matter is assigned to the Honorable Joseph Andresini, J.T.C., who conducts scheduled status conferences with the parties to monitor the progress of the case.
- (c) **How Fort Lee has responded or intends to respond** - In addition to the efforts of our firm regarding propounding discovery demands, the Fort Lee Tax Assessor and designated Real Estate Expert typically provide analysis, assessment information and data to assist in defending Fort Lee's interests as part of this appeal. Once the property owner provides the pertinent discovery, the information will be forwarded to Fort Lee's Assessor and Appraisal Expert for their review.
- (d) **Likelihood of an unfavorable outcome** - it is difficult to accurately assess the likelihood of an unfavorable outcome until discovery is complete. Because the parties have not exchanged appraisal reports, we cannot determine what Fort Lee's exposure will be at this time. Additionally, because the credibility of the parties' fact and expert witnesses can influence the Tax Court's conclusions, it would be too speculative to attempt to determine the likelihood of an unfavorable outcome or the quantum of the Borough's exposure until closer to trial.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. LITIGATION, (continued)**

**Tax Appeals, (continued)**

**PRIF II T&C (a/k/a Fort Lee Lemoine Avenue Acquisitions, LLC)**

**Address: Main Street (Block 4851, Lot 1.02)**

**Pending Tax Years: 2009, 2010 & 2011**

- (a) **Nature of the litigation** - Property tax appeal for tax years 2009 through 2011. For the 2009 through 2011 tax years, the property had a total assessment of \$77,433,600. The property that is the subject of this appeal is a portion of the former Helmsley Tract and consists of approximately 7 acres of vacant (unimproved) land along Main Street in Fort Lee. The matter is assigned to the Honorable Joseph Andresini, J.T.C., who conducts scheduled status conferences with the parties to monitor the progress of the case.
- (b) **Progress of Case to Date** - After engaging in the necessary discovery and related due diligence, the parties have reached a settlement of the 2009 through 2011 appeals. The appeal was settled in conjunction with Tucker Development and Acquisition Fund, L.P. and TDC Fort Lee, LLC v. Borough of Fort Lee, et al. (Docket No. BER-L-5024-10), discussed previously in this Audit Report.
- (c) **Likelihood of an unfavorable outcome** - the terms of the settlement reached with the parties are in the best interest of the Borough of Fort Lee given the risk of litigation on this matter and Tucker Development and Acquisition Fund, L.P. and TDC Fort Lee, LLC v. Borough of Fort Lee, et al. (Docket No. BER-L-5024-10), discussed previously in this Audit Report.

**SLUMBER INC.**

**Address: 2339 Route 4 East (Block 6354, Lot 7)**

**Pending Tax Years: 2010 & 2011**

- (a) **Nature of the litigation** - Property tax appeal for tax years 2010 and 2011 on the Holiday Inn. For both years, the property had a total assessment of \$17,800,000, which said assessment was agreed to as part of an earlier tax appeal by the Property Owner for 2004 through 2007.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. LITIGATION, (continued)**

**Tax Appeals, (continued)**

**SLUMBER INC.**

**Address: 2339 Route 4 East (Block 6354, Lot 7)**

**Pending Tax Years: 2010 & 2011, (continued)**

- (b) **Progress of Case to Date** - Discovery is on-going; a preemptory trial date has not been scheduled as of the date of this letter. The property owner is required to provide financial information through the discovery process to our law firm. The matter is assigned to the Honorable Joseph Andresini, J.T.C., who conducts scheduled status conferences with the parties to monitor the progress of the case.
- (c) **How Fort Lee has responded or intends to respond** - In addition to the efforts of our firm regarding propounding discovery demands, the Fort Lee Tax Assessor and designated Real Estate Expert typically provide analysis, assessment information and data to assist in defending Fort Lee's interests as part of this appeal. Once the property owner provides the pertinent discovery, the information will be forwarded to Fort Lee's Assessor and expert for this review.
- (d) **Likelihood of an unfavorable outcome** - it is difficult to accurately assess the likelihood of an unfavorable outcome until discovery is complete. Because the parties have not exchanged appraisal reports, we cannot determine what Fort Lee's exposure will be at this time.

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2011.

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2011</u>
Land	\$53,010,784	\$7,500	\$	\$53,018,284
Building and Building Improvements	29,207,759	335,619		29,543,378
Machinery and Equipment	<u>14,814,753</u>	<u>450,649</u>	<u>79,100</u>	<u>15,186,302</u>
	<u>\$97,033,296</u>	<u>\$793,768</u>	<u>\$79,100</u>	<u>\$97,747,964</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2011 consist of the following:

\$ 1,113	Due to the Current Fund from the Escrow Trust for interest earned due the Borough.
18,707	Due to the Dedicated Penalties Trust from the Current Fund for penalties deposited in error and a prior year deferred charge raised in the 2011 budget.
2,212	Due to the Current Fund from the Redemption Trust Fund for subsequent taxes collected and the accumulation of interest earnings.
2,292	Due to the POAA Trust from the Current Fund for deposits made in error.
105	Due to the Current Fund from the Fort Lee Film Comm. Trust for vendor fees due the Current Fund.
1,304	Due to the Current Fund from the Flexible Spending Trust for interest earnings and employee contributions advanced.
9,835	Due to the Current Fund from the Animal Control Trust for the accumulation of statutory excess.
45,982	Due to the General Capital Fund from the Community Development Trust for grant receipts received.
2,210	Due to the Other Trust Fund from the Current Fund to correct a prior year deposit error less current year interest earned.
100,913	Due to the COAH Trust from the Current Fund for prior and current year development fees collected but not turned over to the Trust Account.
1,325	Due to the Current Fund from the Police Activity Trust to reimburse expenses paid.
502,078	Due to the Grant Fund from the Current Fund for grant monies received less expenditures paid.
198,918	Due to the Current Fund from the General Capital Fund for budget revenue realized, the remaining balance of current year interest earnings and grant monies deposited in error.
100,000	Due to the General Capital Fund from the Redemption Trust to correct a deposit error.
<u>2,175</u>	Due to the Senior Citizen Advisory Trust from the Current Fund for deposits made in error.
<u>\$989,169</u>	

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

**NOTE 12. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2011</u>	2012 Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - N.J.S.A. 40A:4-53	\$1,440,000	\$360,000	\$1,080,000
Deferred Charges:			
Overexpenditure of Appropriation Reserves	<u>2,000</u>	<u>2,000</u>	<u>          </u>
	<u>\$1,442,000</u>	<u>\$362,000</u>	<u>\$1,080,000</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 13. 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 2011 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 Fort Lee is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The SBJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

Financial statements for the funds are available at the office of the funds executive director, Public Entity Risk Management Administrators, Inc.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 14. 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, 2011</u>	<u>Balance</u> <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$612,175</u>	<u>\$620,862</u>
Cash Liability for Taxes Collected in Advance	<u>\$612,175</u>	<u>\$620,862</u>

**NOTE 15. POSTEMPLOYMENT HEALTHCARE PLAN**

**Postemployment Benefits Other Than Pensions**

The Borough sponsors a single employer postemployment benefits plan that provided benefits in accordance with State statute, through the State's Health Benefits Bureau to eligible retirees, their spouses/domestic partners and eligible dependent children and continues to be provided on behalf of the surviving spouse/domestic partner or a retiree. Employees and/or their spouses/domestic partners become eligible for these benefits upon 25 years or more of service in the Public Employees Retirement System (PERS) and Police and Firemen's Retirement System (PFRS) or those approved for disability retirement.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Borough obtained an actuarially determined calculation for this obligation.

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2011, and the related information for the plan, are as follows:

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 15. POSTEMPLOYMENT HEALTHCARE PLAN, (continued)**

January 1, 2011 - Net OPEB Obligation (Initial) (NOO)	\$32,555,058
Annual OPEB Costs (AOC)*	10,785,971
Contribution from Borough	<u>(3,258,565)</u>
December 31, 2011 - Net OPEB Obligation (NOO)	<u>\$40,082,464</u>

\*Note: Annual OPEB cost based on latest actuarial results.

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2011 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
(Dollars in Thousands)			
2009	\$9,672.7	21.1%	\$15,924.7
2010	10,786.0	33.1	32,555.0
2011	10,786.0	26.9	40,087.5

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll</u>
(Dollars in Thousands)						
01/01/11	\$-0-	\$139,127.7	\$139,127.7	0%	N/A	N/A

**The Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at January 1, 2011) is \$171,315,859 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 15. POSTEMPLOYMENT HEALTHCARE PLAN, (continued)**

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at January 1, 2011) is \$139,127,697 assuming no prefunding of obligations. The majority of this obligation is for active employees.

**Normal Cost** is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2011 Fiscal Year Normal Cost is \$3,067,533 assuming no prefunding of obligations. In pension accounting, this is also known as "service cost."

**Future Normal Costs** represent the present value of the remaining balance of all projected benefits to be earned in future years.

**Assumptions**

The results were calculated based upon plan provisions, as provided by the Borough of Fort Lee and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the Borough of Fort Lee with guidance from the GASB statement.

**Demographic Assumptions**

Data was provided by the Borough of Fort Lee as of January 1, 2011. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

**Economic Assumptions**

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits". Since the Borough of Fort Lee does not currently pre-fund the retiree healthcare liabilities, the discount rate for the "no prefunding" scenario should be based on the portfolio of the Borough of Fort Lee's "general assets" used to pay these benefits. The discount rate assumption selected by the Borough is 4.0%.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 15. POSTEMPLOYMENT HEALTHCARE PLAN, (continued)**

**Economic Assumptions, (continued)**

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

Aon developed the trend assumption utilizing the short-term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For medical benefits, this amount initially is at 10.0% and decreases to a 5.0% long-term trend rate for all medical benefits after twelve years. For prescription drug benefits, the initial trend rate is 11.0%, decreasing to a 5.0% long-term trend rate after fourteen years.

**SUPPLEMENTARY DATA**

**BOROUGH OF FORT LEE**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax rate	<u>1.988</u>	<u>1.947</u>	<u>1.892</u>
Apportionment of tax rate:			
Municipal	0.905	0.933	0.911
Library	0.035		
School	0.829	0.802	0.773
County	<u>0.219</u>	<u>0.208</u>	<u>0.181</u>

Assessed Value

2011	\$ 6,122,598,259
2010	6,117,807,169
2009	6,082,424,489

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>
2011	\$ 121,801,241	120,381,505	98.83%
2010	119,234,943	117,435,978	98.49%
2009	115,186,676	113,699,698	98.71%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2011	\$ 1,231,515	90,067	1,321,582	1.09%
2010	1,428,289	84,028	1,512,317	1.27%
2009	1,356,436	77,328	1,433,764	1.24%

**BOROUGH OF FORT LEE**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2011	\$	8,220
2010		8,220
2009		8,220

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2011	\$	2,820,705	2,400,000
	2010		2,686,378	2,250,557
	2009		2,243,091	1,950,000
	2008		1,575,849	1,331,000
	2007		2,156,730	2,100,000

## BOROUGH OF FORT LEE

### Supplementary Data

#### Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of bond</u>
Mark Sokolich	Mayor		
Armand Pohan	Council President		
Joseph L. Cervieri, Jr.	Councilman		
Jan Goldberg	Councilman		
Ila Kasofsky	Councilwoman		
Michael Sargenti	Councilman		
Harvey Sohmer	Councilman		
Peggy E. Thomas	Administrator		
Joseph Iannaconi Jr.	Tax Collector/Treasurer/CFO	\$ 1,000,000	(A)
Neil Grant	Borough Clerk		
John DeSheplo	Magistrate	1,000,000	(A)
Matthew Fierro	Magistrate	1,000,000	(A)
June Keelen	Court Administrator	1,000,000	(A)
Dana Reilly	Deputy Court Administrator	1,000,000	(A)
J. Sheldon Cohen	Borough Attorney		
Boswell McClave	Borough Engineer		
Brian Ribarro	Construction Code Official		

(A) Statutory positions are covered under the South Bergen Municipal Joint Insurance Fund (\$50,000) and Municipal Excess Liability Joint Insurance Fund (Excess Crime Policy - Public Employee Bond - \$950,000)

BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award	Grant Period From	Grant Period To	Balance Dec., 31 2010	Cash Received	Grant Expenditures	Deferred Revenue/ (Accounts Receivable) Dec., 31 2011	MEMO Cumulative Total Expenditures	
<b>State and Federal Grant Fund:</b>											
Department of Housing and Urban Development											
Pass Through Funds:											
U.S. Department of Environmental Protection											
	Municipal Stormwater Regulation Program	66.605 (WQ05-044)	5,155	1/1/2007	12/31/2007	5,155			5,155		
			5,155	1/1/2008	12/31/2008	5,155			5,155		
U.S. Department of Homeland Security											
	Assistance to Firefighters	97.044	177,804	1/1/2009	12/31/2010		177,804	177,804		177,804	
<b>U.S. Department of Transportation</b>											
National Highway Traffic Safety Administration											
	Pedestrian Safety Enforcement	20.609	16,000	1/1/2010	12/31/2010	16,000			16,000		
	Pedestrian Safety Enforcement	20.609	13,000	1/1/2011	12/31/2011		13,000		13,000		
	Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	3,650	1/1/2011	12/31/2011		3,650		3,650		
<b>Federal Highway Administration</b>											
	Highway Planning and Construction - Linwood Avenue Improvements	20.205	150,000	1/1/2011	12/31/2011		100,732	148,343	(47,611)	148,343	
<b>U.S. Department of Justice</b>											
	Office of Juvenile Justice and Delinquency Program - Station House Adjustment Grant	16.540	39,644	9/30/2008	3/31/2009	(2,878)		8,218	(11,096)	34,299	
	Edward Byrne Memorial Justice Assistance Grant - Local Solicitation - ARRA	16.804	11,924	1/1/2009	12/31/2009	9,255			9,255	2,669	
	COPS More	16.710	59,963	1/1/2004	12/31/2004	4,015			4,015	55,948	
	Bulleproof Vest Partnership Program	16.607	576	1/1/2002	12/31/2002	576			576		
			20,592	1/1/2003	12/31/2003	20,592			20,592		
			6,468	1/1/2006	12/31/2006	6,468			6,468		
			3,723	1/1/2007	12/31/2007	3,723			3,723		
<b>Health and Senior Services</b>											
	Title III - Older Americans Act	93.045	69,228	1/1/2003	12/31/2003	444			444	68,784	
			95,534	1/1/2007	12/31/2007	(23,593)			(23,593)	95,534	
			95,534	1/1/2008	12/31/2008	(21,902)			(21,902)	95,534	
			95,534	1/1/2009	12/31/2009	(21,902)			(21,902)	95,534	
			69,950	1/1/2010	12/31/2010	(5,828)	5,828	69,950	(17,486)	69,950	
			69,950	1/1/2011	12/31/2011		52,464	69,950	(17,486)	69,950	
	USDA		11,758	1/1/2003	12/31/2003	2,940			2,940		
	Local Public Health Emergency Response HINI	93.069	98,440	10/1/2009	7/30/2012					98,440	
<b>Total State and Federal Grant Fund</b>							(1,780)	353,478	404,315	(52,617)	

BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award	Grant Period From	Grant Period To	Balance Dec., 31 2010	Cash Received	Grant Expenditures	Deferred Revenue/ (Accounts Receivable) Dec., 31 2011	MEMO Cumulative Total Expenditures
<b>General Capital Funds:</b>										
Department of Housing and Urban Development										
Community Development Block Grant Pass Through Funds:										
County of Bergen										
	Senior Center Expansion	14.218	72,168	1/1/2006	12/31/2006	37,168			37,168	
210-155-739-49-63	Stillwell Avenue Street Improvements	14.218	100,000	7/1/2009	6/30/2010					
210-155-738-49-63	Various Street Improvements	14.218	100,000	7/1/2008	6/30/2009					
210-155-737-49-63	Street Imps., Lewis & Summit - Ord. 2006-44	14.218	100,000	7/31/2007	6/30/2008					100,000
U.S. Department of Environmental Protection										
	Sewer Outflow Abatement Upgrades, Ord. 2010-23	66.202	485,000			(7,745)			(7,745)	7,745
U.S. Department of Transportation										
Federal Highway Administration										
	Highway Planning and Construction - North Avenue and 8th Street Imps, 2010-6	20.205	175,000							
	Roadway Imps to Myrtle Ave., 2010-21	20.205	200,000			(180,851)	180,851			117,485
	Abbott Blvd Pedestrian Pathway Infrastructure Project - Ord. 2009-11	20.205	184,000							180,851
U.S. Department of Justice										
	Community Oriented Policing Services - Law Enforcement Technology Grant 2008CKW0490	16.710	280,590	12/26/2007	12/25/2010	(231,453)	232,792	1,339		231,453
	Homeland Security Grant	97.073	109,620	Ordinance 2005-27		(2,216)			(2,216)	107,712
<b>Total General Capital Fund</b>							<b>413,643</b>	<b>1,339</b>	<b>27,207</b>	
<b>Total Federal Grants</b>							<b>767,121</b>	<b>405,654</b>	<b>(25,410)</b>	

Note: This schedule was subject to an audit in accordance with OMB Circular A-133

A - Accounts Receivable of \$8,818, appropriated reserve of \$11,758

B - Accounts Receivable of \$16,441, appropriated reserve of \$13,563

(1) - Expenses are not reported on the Appropriated Grant Reserves Schedule (A-26) as grant receipts were incorrectly recorded as a budget reimbursement to offset expenditures incurred - see Comments and Recommendations

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2011**

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Grant Period From	To	Balance Dec. 31 2010	Cash Received	Grant Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) Dec. 31 2011	MEMO		
											Cumulative Total Expenditures	Total Expenditures	
State and Federal Grant Fund, Department of Environmental Protection and Energy Solid Waste Administration	Recycling Tonnage Grant	4900-752-178810-60	5,341	1/1/2001	12/31/2001	4,228		4,228		6,091	5,341		
		4900-752-178810-61	10,703	1/1/2001	12/31/2001	6,998		907			7,586	4,612	
		4900-752-178810-62	7,586	1/1/2003	12/31/2003	7,586					3,263	5,832	
		4900-752-178810-63	9,095	1/1/2004	12/31/2004	3,263					4,775		
		4900-752-178810-64	4,775	1/1/2005	12/31/2005	4,775					6,647	55	
		4900-752-042-4900-001-V42Y	6,702	1/1/2006	12/31/2006	6,647					6,666		
		4900-752-042-4900-001-V42Y	6,666	1/1/2007	12/31/2007	6,666					14,228		
		4900-752-042-4900-001-V42Y	14,228	1/1/2008	12/31/2008	14,228					23,050		
		4900-752-042-4900-001-V42Y	23,050	1/1/2009	12/31/2009	23,050		17,974			17,974		
		4900-752-042-4900-001-V42Y	17,974	1/1/2008	12/31/2008	17,974		9,866			9,866		
Clean Communities		4900-765-042-4900-004-V42Y	9,070	1/1/2002	12/31/2002	471		471			9,070		
		4900-765-042-4900-004-V42Y	31,952	1/1/2003	12/31/2003	3,595		3,595			31,952		
		4900-765-042-4900-004-V42Y	31,715	1/1/2005	12/31/2005	2,205		2,205			31,715		
		4900-765-042-4900-004-V42Y	32,164	1/1/2006	12/31/2006	7,190		701			6,489		
		4900-765-042-4900-004-V42Y	34,518	1/1/2007	12/31/2007	16,525					16,525		
		4900-765-042-4900-004-V42Y	3,471	1/1/2007	12/31/2007	1,608					1,608		
		4900-765-042-4900-004-V42Y	39,841	1/1/2008	12/31/2008	5,525					5,525		
		4900-765-042-4900-004-V42Y	51,120	1/1/2009	12/31/2009	13,729					13,729		
		4900-765-042-4900-004-V42Y	53,248	1/1/2010	12/31/2010	53,248					53,248		
		4900-765-042-4900-004-V42Y	50,341	1/1/2011	12/31/2011		50,341	49,304			1,037	49,304	
NJ Stormwater Regulation Grant NJ Stormwater Regulation Grant			15,464	1/1/2004	12/31/2004	11,354				11,354	4,110		
			15,464	1/1/2005	12/31/2005	15,068					15,068	396	
Department of Community Affairs	NJ Playground Historical Commission		5,000	1/1/2002	12/31/2002	4,251				4,251	749		
			300	1/1/2003	12/31/2003								
Emergency Management Grant			2,406	1/1/2004	12/31/2004	2,406				2,406			
			4,342	1/1/2001	12/31/2001	4,342		1,161			3,181	1,161	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400	15,866	1/1/2004	12/31/2004	15,866		15,866			15,866		
		6400-100-078-6400	11,783	1/1/2007	12/31/2007	2,785					2,785		
		6400-100-078-6400	6,034	1/1/2008	12/31/2008	5,720		5,720			6,034		
Alcohol Education and Rehabilitation			12,426	1/1/2010	12/31/2010	6,158		6,158			12,426		
			398	1/1/2005	12/31/2005	398					398		
			3,890	1/1/2007	12/31/2007	3,890					3,890		
			1,660	1/1/2008	12/31/2008	1,660					1,660		
			3,017	1/1/2009	12/31/2009	3,017					3,017		
	3,318	1/1/2010	12/31/2010	3,318					3,318				
	701	1/1/2011	12/31/2011		701					701			

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2011

Name of State Agency or Department	State Program	State Program/Account No.	Total Grant Award	Grant Period From To	Balance Dec. 31 2010	Cash Received	Grant Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) Dec. 31 2011	MEMO	
										Cumulative Total Expenditures	
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-066-1160-112-YHTS	5,760	1/1/2001 12/31/2001	5,554			206	5,760	6,257	
		Pedestrian Safety	16,000	1/1/2002 12/31/2002	9,743				9,743	12,995	
		Pedestrian Safety	16,967	1/1/2003 12/31/2003	4,032				4,032	18,644	
		Pedestrian Safety	18,850	1/1/2008 12/31/2008	18,850				(206)	14,000	
	Pedestrian Safety	1160-100-066-1160-112-YHTS	14,000	1/1/2009 12/31/2009	14,000				14,000	206	
	Speed/Aggressive Driving Pilot Enforcement Grant	PT06-03-11-02	3,800	1/1/2006 12/31/2006	3,800				3,800		
Division of Highway Traffic Safety (cont.)	Traffic Safety	1160-100-066-1160-057-YHTS	2,240	1/1/2001 12/31/2001	2,240				2,240		
		Traffic Safety	4,480	1/1/2001 12/31/2001	4,480				4,480		
		1160-100-066-1160-036-YHTS-6020	2,000	1/1/2009 12/31/2009	2,000				2,000		
	You Drink You Drive You Lose	1160-100-066-1160-057-YHTS	4,900	1/1/2007 12/31/2007	3,294				3,294	1,606	
	Click It/Ticket	1160-100-066-1160-116-YHTS	8,320	1/1/2004 12/31/2004	1				1	8,319	
	Click It/Ticket	OP06-45-05-101	3,200	1/1/2006 12/31/2006	3,200				3,200		
	Over the Limit	1160-100-066-1160-057-YHTS	9,600	1/1/2008 12/31/2008	9,600				9,600		
		1160-100-066-1160-057-YHTS	5,600	1/1/2009 12/31/2009	5,600				5,600		
Department of Health and Senior Services	Public Health Priority Funding	4230-100-046-4102-307-1002	13,305	1/1/2001 12/31/2001	10,855		10,855		8,762	13,305	
		4230-100-046-4102-307-1002	13,354	1/1/2002 12/31/2002	13,354		4,592		4,592	8,762	
		4230-100-046-4102-307-1002	13,868	1/1/2003 12/31/2003	11,409		6,197		5,212	8,656	
		4230-100-046-4102-307-1002	13,090	1/1/2004 12/31/2004	12,090				12,090	1,000	
		4230-100-046-4102-307-1002	9,886	1/1/2005 12/31/2005	7,741				7,741	2,145	
		4230-100-046-4102-307-1002	12,162	1/1/2006 12/31/2006	1,021				1,021	11,141	
		4230-100-046-4102-307-1002	13,674	1/1/2007 12/31/2007	173				173	13,501	
		4230-100-046-4102-307-1002	15,080	1/1/2008 12/31/2008	3,674				3,674	13,501	
				18,408	1/1/2010 12/31/2010	(8,856)				(8,856)	16,439
			Domestic Violence Grant		3,000	1/1/2001 12/31/2001	3,000				3,000
			67	1/1/2002 12/31/2002	67				67		
	State of NJ Smoking Prevention		2,220	1/1/2002 12/31/2002	2,220				2,220		
	State of NJ Smoking Prevention		2,040	1/1/2003 12/31/2003	2,040				2,040		
	Comprehensive Tobacco Control		1,660	1/1/2005 12/31/2005	1,660				1,660		
			440	1/1/2006 12/31/2006	440				440		
			2,820	1/1/2007 12/31/2007	2,820				2,820		
			2,160	1/1/2008 12/31/2008	3,720				3,720		
	Infrastructure Preparedness Grant		1,500	1/1/2008 12/31/2008	1,500				1,500		
Office of the Attorney General Department of Law and Public Safety	Body Armor	1020-718-066-1020-001-YCJS	8,708	1/1/2000 12/31/2000	8,708				8,708		
		1020-718-066-1020-001-YCJS	9,816	1/1/2001 12/31/2001	9,816				9,816		
		1020-718-066-1020-001-YCJS	9,198	1/1/2002 12/31/2002	9,198				9,198		
		1020-718-066-1020-001-YCJS	16,838	1/1/2003 12/31/2003	16,838				16,838		
		1020-718-066-1020-001-YCJS	9,735	1/1/2004 12/31/2004	9,735				9,735		

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2011

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Grant Period From To	Balance Dec. 31 2010	Cash Received	Grant Expenditures	Adjustment	Deferred Revenue / (Accounts Receivable) Dec. 31 2011	MEMO	
										Cumulative Total Expenditures	
Office of the Attorney General Department of Law and Public Safety, (cont.)	Body Armor	1020-718-066-1020-001-YCJS	9,616	1/1/2004	9,616				9,616		
		1020-718-066-1020-001-YCJS	10,081	1/1/2006	10,081				10,081		
		1020-718-066-1020-001-YCJS	11,925	1/1/2007	11,925				11,925		
		1020-718-066-1020-001-YCJS	10,641	1/1/2008	10,641				10,641		
		1020-718-066-1020-001-YCJS	3,162	1/1/2009	3,162				3,162		
		1020-718-066-1020-001-YCJS	8,227	1/1/2010	8,227				8,227		
		1020-718-066-1020-001-YCJF	8,083	1/1/2011		8,083			8,083		
Bergen County Pass Through Grants	Municipal Alliance	17,500	1/1/2004	17,500	3,908				3,908		
		17,500	1/1/2008	17,500	(6,500)				(6,500) C		
		16,765	1/1/2009	16,765	(9,638)				(9,638) D		
		15,759	1/1/2010								
		34,355	1/1/2006		22,952				22,952		
<i>Total State and Federal Grant Fund</i>											
					535,761	86,965	111,960	(3,563)	514,329		
Public Assistance Trust Fund, Department of Human Services	General Assistance	7500-150-158010-60	86,663	1/1/2011			82,999				
							82,999			82,999	
<i>Total Public Assistance Trust Fund</i>											
							82,999			82,999	
<i>Total State Financial Assistance</i>											
					\$ 535,761	169,964	194,959	(3,563)	514,329		
Other Financial Assistance	NJ Health Officers Association - HINI Mini Grant		10,000	1/1/2011					9,946		
Bergen County Open Space Fort Lee Little League Park Improvements Improvements to William T. Birch Park - Ord. 2010-22	Municipal Alliance - Local Match		3,940	1/1/2010	3,940				3,940		
Bergen County Emergency Management Municipal Recycling Assistance Program			3,000	1/1/2005	3,000				3,000		
Bergen County Open Space Fort Lee Little League Park Improvements Improvements to William T. Birch Park - Ord. 2010-22			15,011	1/1/2003	4,686				4,686		
			9,800	1/1/2007	9,800				9,800		
			11,021	1/1/2007	8,994				8,994		
<i>Total Other Financial Assistance</i>											
					30,420	9,946			40,366		
					\$ 566,181	179,910	194,959	(3,563)	554,695		
<i>Total State Grants and Other Financial Assistance</i>											
										12,352	
										552,064	

Note: This schedule is not subject to an audit in accordance with N.J. OMB Circular 04-04

A - Accounts Receivable of \$300, appropriated reserve of \$300.  
 C - Accounts Receivable of \$8,817, appropriated reserve of \$2,317  
 D - Accounts Receivable of \$11,778, appropriated reserve of \$5,703  
 E - Accounts Receivable of \$15,759, appropriated reserve of \$15,759 plus local match of \$3,940.  
 F - Accounts Receivable of \$10,823, appropriated reserve of \$1,967

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2011

		Current Fund
Balance - December 31, 2010	\$	5,761,807
Increased by Receipts:		
Due to/from Federal and State Grant Fund	\$	349,657
Miscellaneous Revenue Not Anticipated		1,302,555
Tax Overpayments		312,853
Petty Cash		1,093
Special Emergency Note		1,440,000
Due to State - Senior Citizen and Veteran Deductions		247,605
Taxes Receivable		120,941,718
Tax Title Liens		5,255
Revenue Accounts Receivable		6,645,751
Interfunds		456,224
Prepaid Taxes		612,175
Various Cash Liabilities and Reserves		87,755
		<u>132,402,641</u>
		138,164,448
Decreased by Disbursements:		
Current Year Budget Appropriations		63,694,212
Petty Cash		1,500
Tax Overpayments		116,683
Interfunds		377,016
Due to/from Federal and State Grant Fund		522,543
Special Emergency Note		1,800,000
Tax Refunds		155,313
Various Cash Liabilities and Reserves		56,796
Appropriation Reserves		1,022,958
Local District School Taxes		50,748,344
County Taxes Payable		13,337,733
		<u>131,833,098</u>
Balance - December 31, 2011	\$	<u>6,331,350</u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Due from/(to) Federal and State Grant Fund**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	(574,232)
Decreased by:			
Prior year encumbrances paid	\$	6,268	
Cash Disbursements		<u>516,275</u>	
			<u>522,543</u>
			(51,689)
Increased by:			
Local Match - Transferred from Budget	\$		
Grants Received - Unappropriated		63,220	
Grants Received - Due from			
General Capital Fund		100,732	
Grants Received - Appropriated		<u>286,437</u>	
			<u>450,389</u>
Balance - December 31, 2011		\$	<u><u>(502,078)</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>450</u>
Balance - December 31, 2011	\$ <u><u>450</u></u>
<u>Analysis of Balance:</u>	
Municipal Court	400
Tax Collector	<u>50</u>
	\$ <u><u>450</u></u>

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 1,093
Increased by:	
Petty Cash Advanced	<u>1,500</u>
	2,593
Decreased by:	
Returned to Treasurer	<u>1,093</u>
Balance - December 31, 2011	\$ <u><u>1,500</u></u>
<u>Authorized Petty Cash</u>	
Tax Collector	500
Recreation	200
Police	500
Board of Health	<u>300</u>
	\$ <u><u>1,500</u></u>

**BOROUGH OF FORT LEE, N.J.**

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

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	59,862
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$	247,605	
Senior Citizens' Deductions Disallowed		<u>750</u>	
			<u>248,355</u>
			308,217
Decreased by:			
Senior Citizens' Deductions Per Tax Billing		51,000	
Veterans' Deductions Per Tax Billing		188,000	
Senior Citizens' and Veterans' Allowed		<u>1,000</u>	
			<u>240,000</u>
Balance - December 31, 2011		\$	<u><u>68,217</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2011

Year	Balance, Dec. 31, 2010	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
				2010	2011				
2010	\$ 1,428,289			1,424,997			2,892		400
	1,428,289			1,424,997			2,892		400
2011		121,717,254	83,987	620,862	119,521,393	239,250	8,344	180,277	1,231,115
	\$ 1,428,289	121,717,254	83,987	620,862	120,946,390	239,250	11,236	180,277	1,231,515

Overpayments Applied 4,672  
Cash Receipts 120,941,718  
\$ 120,946,390

Analysis of Tax Levy

Tax yield:  
General Purpose Tax \$ 121,717,254  
Added Tax (R.S. 54:4-63.1 et seq.) 83,987  
\$ 121,801,241

Tax Levy:  
Local District School Tax \$ 50,748,304  
County Tax \$ 13,324,532  
Added County Taxes 9,252  
13,333,784

Local Tax for Municipal Purposes \$ 57,609,951  
Additional Taxes 109,202  
64,082,088

57,719,153  
\$ 121,801,241

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>8,220</u>
Balance - December 31, 2011	\$ <u><u>8,220</u></u>

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 84,028
Increased by:	
2010 Taxes sold at tax sale	\$ 2,892
Interest and Costs	58
Transfer from 2011 Taxes	<u>8,344</u>
	<u>11,294</u>
	95,322
Decreased by:	
Redeemed	<u>5,255</u>
Balance - December 31, 2011	\$ <u><u>90,067</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clerk:				
Licenses:				
Alcoholic beverages		98,360	98,360	
Other		54,186	54,186	
Fees and Permits		80,989	80,989	
Municipal Court :				
Fines and Costs	85,773	1,266,809	1,259,764	92,818
Interest and Costs on Taxes		351,346	351,346	
Interest on Investments and Deposits		7,991	7,991	
Consolidated Municipal Property Tax				
Relief Aid		146,943	146,943	
Energy Receipts Tax		1,554,795	1,554,795	
Supplemental Energy Receipts Tax		69,454	69,454	
Garden State Trust Fund				
Uniform Construction Code Fees		1,294,289	1,294,289	
Elevator Inspection Fees		30,993	30,993	
Recreation Fees		77,189	77,189	
Borough of Cliffside Park Sewer Services		374,718	374,718	
LEA Rebate		62,699	62,699	
Due from Redemption Trust Fund		300,000	300,000	
Third Party Ambulance Billing		882,035	882,035	
	<u>\$ 85,773</u>	<u>6,652,796</u>	<u>6,645,751</u>	<u>92,818</u>
			Cash <u>6,645,751</u>	
			<u>\$ 6,645,751</u>	

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Demolition Lien Receivable**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>2,350</u>
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Balance - December 31, 2011	\$ <u><u>2,350</u></u>
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## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Collection of Taxes	\$ 1	1		1
Director of Economic Development	1	1		1
Assessment of Taxes	1	1		1
Road Repairs and Maintenance	925	925		925
Public Buildings and Grounds	25,496	496		496
General Services	154	154		154
Department of Communications	6,372	6,372		6,372
Engineering Services and Costs	1	1		1
Ambulance	3,585	3,585		3,585
Emergency Management	1	1		1
Police	84,229	84,229		84,229
Communications Repairs	1	1		1
Sanitation - Sewer System	1	1		1
Administration of Public Assistance	2,571	2,571		2,571
Recreation and Education	1	1		1
Senior Citizens Special Services	54,495	54,495		54,495
Parks and Playgrounds	13,981	13,981		13,981
Community Center	4,700	4,700		4,700
Uniform Construction Code Official	3,305	3,305		3,305
Emergency Medical Technicians	1,309	1,309		1,309
Fire Prevention	1	1		1
Fire Protection	1,232	3,232		3,232
<b>Total Salaries and Wages Within "CAPS"</b>	<b>202,363</b>	<b>179,363</b>		<b>179,363</b>
Other Expenses Within "CAPS":				
Administration		15,113	13,498	1,615
Purchasing	1,273	6,013	1,581	4,432
Mayor and Council	1,251	3,367	3,243	124
Borough Clerk	3,169	3,365	476	2,889
Elections	1	3,468	3,468	
Personnel and Data Processing	430	1,314	258	1,056
Financial Administration	27,820	53,470	28,050	25,420
Collection of Taxes	1	1,718	1,183	535
Assessment of Taxes		1,352	1,300	52
Legal	104	105,910	105,884	26
Municipal Court	16,076	19,494	4,415	15,079
Engineering Services and Costs	1	5,204	5,202	2
Dir. Economic Development	946	2,302	2,301	1
Planning Board	9,833	11,746	4,858	6,888
Zoning Board of Adjustment	8,999	9,390	1,447	7,943
Public Buildings and Grounds	299	16,093	16,080	13
Rent Leveling Board	183	454		454
Other Insurance Premiums	34,409	399		399
Group Insurance Plans for Employees	21,637	21,637	43	21,594
Fire Prevention	312	3,116	2,733	383

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Fire Protection	15,318	46,438	46,168	270
Police	48,282	85,445	85,421	24
Department of Communications	1,609	1,939	1,893	46
Emergency Management	3,842	5,003	4,710	293
Emergency Medical Technicians		4,790	4,790	
Ambulance Corps	2,229	5,568	4,527	1,041
Road Repairs and Maintenance	4,223	17,245	17,107	138
Sanitation - Sewer System		4,220	4,220	
Public Assistance	387	387		387
Parks and Recreation	3,662	3,803	141	3,662
Parks and Playgrounds		798	798	
General Services		2,728	2,698	30
Community Center	3,120	19,077	19,076	1
Holiday - Other Expenses	9,814	10,742	1,039	9,703
Communications Repair	17,469	19,257	5,882	13,375
Auto Repairs	513	40,260	39,808	452
Garbage and Trash	306,104	312,011	310,941	1,070
Senior Citizen's Special Services	33,182	47,984	24,334	23,650
Senior Citizens	1	27,214	26,884	330
Cultural and Heritage Affairs	6,259	6,627	526	6,101
Board of Health	54,047	18,191	13,353	4,838
Board of Health Hepatitis B	500	500		500
Construction Code Official		6,003	4,730	1,273
Electricity	142,614	123,036	83,094	39,942
Gasoline	7,331	21,112	21,112	
Fuel Oil	6,310	12,351	6,041	6,310
Telephone	16,397	16,397	15,824	573
Street Lighting	68	32,498	32,498	
Water	6,785	6,785	294	6,491
Fire Hydrant Service	29,741	29,741	16,271	13,470
Total Other expenses Within "CAPS"	<u>846,551</u>	<u>1,213,075</u>	<u>990,200</u>	<u>222,875</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Unemployment	24	24		24
FICA	919	919	579	340
Consolidated Police and Firemen's Pension Fur	25,000	25,000		25,000
	<u>25,943</u>	<u>25,943</u>	<u>579</u>	<u>25,364</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"				
	<u>25,943</u>	<u>25,943</u>	<u>579</u>	<u>25,364</u>
Total Reserves Within "CAPS"	<u>1,074,857</u>	<u>1,418,381</u>	<u>990,779</u>	<u>427,602</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utilities Authority	438	438		438
Englewood Sewer Treatment	30,000	30,000	27,457	2,543
Maintenance of Free Public Library	97,434	97,444		97,444
Fair Housing Act	3,043	4,722	4,722	
	<u>130,915</u>	<u>132,604</u>	<u>32,179</u>	<u>100,425</u>
Total Other Expenses Excluded from "CAPS"				
	<u>130,915</u>	<u>132,604</u>	<u>32,179</u>	<u>100,425</u>
Total Reserves	<u>\$ 1,205,772</u>	<u>1,550,985</u>	<u>1,022,958</u>	<u>528,027</u>
		Appropriation Reserves 1,205,772		
		Encumbrances 345,213		
		<u>\$ 1,550,985</u>		

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency

Current Fund

Year Ended December 31, 2011

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2010</u>	<u>Reduced</u> <u>in 2011</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2011</u>
Dec. 19, 2010	Contractually Required Severance Liabilities	<u>1,800,000</u>	<u>360,000</u>	<u>1,800,000</u>	<u>360,000</u>	<u>1,440,000</u>
		<u>\$ 1,800,000</u>	<u>360,000</u>	<u>1,800,000</u>	<u>360,000</u>	<u>1,440,000</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2011

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2011</u>
<b>Other Trust:</b>				
Escrow Trust	\$ 748	365		1,113
Police Activity Trust	1,325			1,325
Redemption Trust	302,069	377,016	676,873	2,212
Fire Prevention - Dedicated Penalties	6,300		25,007	(18,707)
Other Trust Fund	(3,362)	1,152		(2,210)
COAH Development Fees	(43,293)		57,620	(100,913)
POAA Trust	(188)		2,104	(2,292)
Flexible Spending Escrow Account	15	4,643	3,354	1,304
Fort Lee Film Commission	105			105
Senior Citizen Advisory			2,175	(2,175)
Animal License Trust Fund	6,025	3,819	9	9,835
General Capital Fund	<u>95,980</u>	<u>102,938</u>		<u>198,918</u>
	<u>\$ 365,724</u>	<u>489,933</u>	<u>767,142</u>	<u>88,515</u>
<b>Analysis</b>				
Due to Current Fund	\$ 412,567	488,781	686,536	214,812
Due from Current Fund	<u>(46,843)</u>	1,152	80,606	<u>(126,297)</u>
	<u>\$ 365,724</u>			<u>88,515</u>
Interest on Investments	\$	1,477	1,882	
Statutory Excess		3,819		
Deferred Charge raised in Budget			5,682	
Flexible Spending Account		4,643	3,354	
Budget Revenue			300,000	
Interfunds Advanced		102,978		
Deposit errors			81,233	
Receipts			374,991	
Disbursements		<u>377,016</u>		
		<u>\$ 489,933</u>	<u>767,142</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Deferred Charges

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Decreased by: Budget <u>Appropriation</u>	Balance, Dec. 31, <u>2011</u>
Grant expenditures without Appropriation	\$ 51,231	51,231	
Expenditure without Appropriation	3,843	3,843	
Overexpenditure of Appropriations	3,557	3,557	
Overexpenditure of Appropriation Reserves	<u>2,000</u>		<u>2,000</u>
	<u>\$ 60,631</u>	<u>58,631</u>	<u>2,000</u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	427,904
Increased by:		
Transfer from Current Appropriations		<u>379,246</u>
		807,150
Decreased by:		
Transferred to Appropriation Reserves		<u>427,904</u>
Balance - December 31, 2011	\$	<u><u>379,246</u></u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	620,862
Increased by:		
Receipts - Prepaid 2012 Taxes		<u>612,175</u>
		1,233,037
Decreased by:		
Applied to 2011 Taxes		<u>620,862</u>
Balance - December 31, 2011	\$	<u><u>612,175</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	212,192
Increased by:			
Transfer from Tax Collections			<u>312,853</u>
			525,045
Decreased by:			
Applied	\$	4,672	
Cancelled to Operations		135,253	
Cash Disbursed		<u>116,683</u>	
			<u>256,608</u>
Balance - December 31, 2011		\$	<u><u>268,437</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Special Emergency Notes

Current Fund

Year ended December 31, 2011

<u>Improvement description</u>	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec.31, 2010	Issued	Payments	Balance, Dec.31, 2011
Severance Liabilities	Dec. 30, 2010	Dec. 8, 2011	May 11, 2012	1.05%	\$ 1,800,000	1,440,000	1,800,000	1,440,000

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Various Reserves**

**Current Fund**

**Year Ended December 31, 2011**

	Balance, Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2011</u>
<u>Reserve for:</u>				
Police Retro Pay	\$			
Environmental Committee	269			269
Sale of Municipal Assets	2,373	21,956		24,329
Reserve for Police Communications System	1,762			1,762
Reserve for Payment of Debt - Ord. 96-26	10,538			10,538
Tax Map	35		35	
Due to Library	26,686			26,686
Marriage License/Domestic Partner Registration				
Fees Payable	1,550	4,700	5,400	850
Burial Permits Payable	20			20
DCA Fees Payable	7,503	43,708	35,143	16,068
Due to Parking Authority	14	16,239	16,253	
Due to Developers	1,201			1,201
Improvements	4,757			4,757
Miscellaneous	2,718	1,152		3,870
	<u>\$ 59,426</u>	<u>87,755</u>	<u>56,831</u>	<u>90,350</u>
		Cash Receipts		
		87,755		
		Cash Disbursements	56,796	
		Cancelled	35	
		<u>\$ 87,755</u>	<u>56,831</u>	

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Local District School Tax Payable**

**Current Fund**

**Year Ended December 31, 2011**

Increased by:		
Levy School Year - July 1, 2011 to June 30, 2011	\$	50,748,304
Decreased by:		
Payments		<u>50,748,344</u>
Balance - December 31, 2011	\$	<u><u>(40)</u></u>

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	13,201
Increased by:		
Levy	\$	13,324,532
Added and Omitted Taxes		<u>9,252</u>
		<u>13,333,784</u>
Decreased by:		
Payments		<u>13,346,985</u>
Balance - December 31, 2011	\$	<u><u>9,252</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	Balance, Dec. 31, 2010	Budget <u>Revenue</u>	<u>Received</u>	Balance, Dec. 31, 2011
USDA (2003)	\$ 8,818			8,818
Historical Commission	300			300
Title III - Older Americans Act (2007)	23,593			23,593
Title III - Older Americans Act (2008)	43,250			43,250
Title III - Older Americans Act (2009)	554			554
Title III - Older Americans Act (2010)	5,828		5,828	
Title III - Older Americans Act (2011)		69,950	52,464	17,486
Clean Communities		50,341	50,341	
Municipal Alliance (2008)	8,817			8,817
Municipal Alliance (2009)	11,778			11,778
Municipal Alliance (2010)	15,759			15,759
FEMA - Assistance to Firefighters Grant		177,804	177,804	
NJ Department of Transportation - Linwood Avenue Improvements		150,000	100,732	49,268
Public Health Priority Funding	10,823			10,823
Stationhouse Adjustment Program	16,441			16,441
	<u>\$ 145,961</u>	<u>448,095</u>	<u>387,169</u>	<u>206,887</u>
		Cash Receipts \$	286,437	
		Due from General Capital Fund	<u>100,732</u>	
			<u>\$ 387,169</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	Balance, Dec. 31, <u>2010</u>	Transfer From 2011 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2011</u>
Clean Communities - 2003	\$ 4,066		4,066	
Body Armor - 2001	9,816			9,816
Recycling Tonnage Grant	4,228		4,228	
Body Armor - 2000	8,708			8,708
Body Armor - 2002	9,198			9,198
Title III - Older Americans Act	444			444
Recycling Tonnage Grant	6,998		907	6,091
Traffic Grant	6,720			6,720
Pedestrian Safety Grant	5,760			5,760
Pedestrian Safety Grant - 2003	9,743			9,743
Domestic Violence Grant	3,000			3,000
Drunk Driving Enforcement Fund	4,342		1,161	3,181
Public Health Priority Funding	10,855		10,855	
Public Health Priority Funding - 2003	13,354		4,592	8,762
New Jersey Smoking	2,220			2,220
New Jersey Playground	4,251			4,251
BCUA Recycling Grant	4,686			4,686
Historic Commission	300			300
USDA	11,758			11,758
Body Armor - 2003	16,838			16,838
Municipal Alliance	3,908			3,908
Recycling Tonnage Grant	7,586			7,586
Emergency Management	2,406			2,406
Public Health Priority Funding	11,409		6,197	5,212
Drunk Driving Enforcement Fund	15,866		15,866	
Domestic Violence Grant	67			67
COPS More	4,015			4,015
Body Armor	30,903			30,903
Clean Communities	2,205		2,205	
Recycling Tonnage Grant	8,038			8,038
Click it or Ticket	1			1
Public Health Priority Funding	12,090			12,090
Stormwater Grant	11,354			11,354
Clean Communities	7,190		701	6,489
Pedestrian Safety Grant	4,032			4,032
Recycling Tonnage Grant	6,647			6,647
Alcohol Education Rehabilitation	398			398
Public Health Priority Funding	7,741			7,741

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	Balance, Dec. 31, <u>2010</u>	Transfer From 2011 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2011</u>
Stormwater Grant	20,223			20,223
Emergency Management	3,000			3,000
NJ Smoking Prevention	4,860			4,860
NJ CMB Tobacco	1,660			1,660
NJ Information Technology	22,952			22,952
Body Armor	9,616			9,616
Body Armor Grant	10,081			10,081
Clean Communities	17,035			17,035
Clean Communities	1,098			1,098
Municipal Alliance	2,317			2,317
Alcohol Education and Rehabilitation	3,890			3,890
Public Health Priority Funding	1,021			1,021
Aggressive Driver Grant	3,800			3,800
Click it or Ticket	3,200			3,200
Stationhouse Adjustment Grant	13,563			13,563
Municipal Recycling Assistance	9,800			9,800
You Drink You Drive You Lose	3,294			3,294
NJ CMB Tobacco	440			440
Body Armor - State (07)	11,925			11,925
Municipal Recycling Assistance - (BCUA	8,994			8,994
Recycling Tonnage Grant	6,666			6,666
Public Health Priority Funding	173			173
Drunk Driving Enforcement Fund	2,785			2,785
Pedestrian Safety Grant	18,644			18,644
Municipal Alliance	5,703			5,703
Recycling Tonnage Grant	14,228			14,228
Public Health Priority Funding	3,674			3,674
Drunk Driving Enforcement Fund	5,720		5,720	
Alcohol Education Rehabilitation	1,660			1,660
Over the Limit Under Arrest	9,600			9,600
Justice Assistance Grant (JAG)	9,255		8,218	1,037
Body Armor - State	10,641			10,641
Body Armor - Federal	10,191			10,191
Stormwater Grant	5,155			5,155
NJ CMB Tobacco	3,720			3,720
Infrastructure Preparedness	1,500			1,500
Clean Communities	5,525			5,525
Municipal Alliance - 2010	15,759			15,759
Municipal Alliance - Match	3,940			3,940
Public Health Priority Funding	1,967			1,967

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	Balance, Dec. 31, <u>2010</u>	Transfer From 2011 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2011</u>
Traffic Safety	2,000			2,000
Alcohol Education and Rehabilitation	3,017			3,017
Over the Limit Under Arrest	5,600			5,600
Clean Communities	13,729			13,729
Drunk Driving Enforcement Fund	6,158		6,158	
Pedestrian Safety Grant	14,000			14,000
Title III - Older Americans Act		69,950	69,950	
Clean Communities		50,341	49,304	1,037
FEMA - Assistance to Firefighters Grant		177,804	177,804	
NJ Department of Transportation - Linwood Avenue Improvements		150,000	148,343	1,657
	<u>\$ 606,920</u>	<u>448,095</u>	<u>516,275</u>	<u>538,740</u>
			Cash Disbursements \$ <u>516,275</u>	

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2011**

<u>Grant</u>	Balance, Dec. 31, <u>2010</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2011</u>
Recycling Tonnage Grant	\$ 23,050	27,840	50,890
Body Armor - State	11,389	8,083	19,472
Safety Belt Performance Grants - Walksafe NJ	16,000	13,000	29,000
NJ Health Officers Association - H1N1 Mini Grant		9,946	9,946
Clean Communities	53,248		53,248
Alcohol Impaired Driving Countermeasures - Over the Limit Under Arrest		3,650	3,650
Alcohol Education and Rehabilitation	3,318	701	4,019
	<u>\$ 107,005</u>	<u>63,220</u>	<u>170,225</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2011

	Assessment Trust Fund	Animal Trust Fund	Unemployment Trust Fund	Other Trust Fund
Balance - December 31, 2010	\$ 7,444	17,104	32,642	6,758,167
Increase by Receipts:				
Due from Board of Health		4,576		
Due to State		791		
Interfunds				478,541
Other Trust Funds				2,260,691
Payroll Deductions			31,410	
Interest Earned on Investments		10		
Total Receipts		5,377	31,410	2,739,232
	7,444	22,481	64,052	9,497,399
Decreased by Disbursements:				
Reserve for Animal License Expenditures		715		
Due to State		791		
Interfunds				676,873
Other Trust Funds				5,066,759
Total Disbursements		1,506		5,743,632
Balance - December 31, 2011	\$ 7,444	20,975	64,052	3,753,767

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Due from Board of Health**

**Animal License Trust Fund**

**Year Ended December 31, 2011**

Increased by:	
License Fees collected	\$ <u>4,576</u>
Decreased by:	
Cash Receipts	\$ <u><u>4,576</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2011**

Reserve for Utility Deposits	\$ 6,466
Fund Balance	<u>978</u>
Balance - December 31, 2011	<u>\$ 7,444</u>

**Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 11,079
Increased by:	
Dog License Fees Collected	\$ 4,066
Cat License Fees Collected	390
Late Fees	130
Interest earned	<u>9</u>
	<u>4,595</u>
	15,674
Decreased by:	
Statutory Excess	3,819
Expenditures R.S. 4:19-15.11	<u>715</u>
	<u>4,534</u>
Balance - December 31, 2011	<u>\$ 11,140</u>

Animal Licenses Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 5,998
2010	<u>5,142</u>
	<u>\$ 11,140</u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Interfund - Current Fund**  
**Animal License Trust Fund**  
**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	6,025
Increased by:		
Statutory Excess		<u>3,819</u>
		9,844
Decreased by:		
Deposit errors due from Current Fund		<u>9</u>
Balance - December 31, 2011	\$	<u><u>9,835</u></u>

**Due to State of New Jersey**  
**Animal License Trust Fund**  
**Year Ended December 31, 2011**

Increased by:		
Fees Collected	\$	<u>791</u>
Decreased by:		
Paid to State of New Jersey	\$	<u><u>791</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

Other Trust Funds

Year Ended December 31, 2011

	Due from/(to) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2011</u>
<b>Current Fund:</b>				
Escrow Trust	\$ (748)		365	(1,113)
Redemption Trust	(302,069)	676,873	377,016	(2,212)
POAA Trust	188	2,104		2,292
Police Activity Trust	(1,325)			(1,325)
Other Trust Fund	3,362		1,152	2,210
Fire Prevention Dedicated Penalties	(6,300)	25,007		18,707
Flexible Spending Escrow Account	(15)	3,354	4,643	(1,304)
Fort Lee Film Commission	(105)			(105)
Senior Citizen Advisory		2,175		2,175
COAH Development Fees	43,293	57,620		100,913
<b>Total Current Fund</b>	<u>(263,719)</u>	<u>767,133</u>	<u>383,176</u>	<u>120,238</u>
<b>Capital Fund:</b>				
Redemption Trust Fund			100,000	(100,000)
Community Development	(45,982)			(45,982)
	<u>(45,982)</u>		<u>100,000</u>	<u>(145,982)</u>
<b>Total All Funds</b>	<u>\$ (309,701)</u>	<u>767,133</u>	<u>483,176</u>	<u>(25,744)</u>
Due from	46,843	80,606	1,152	126,297
Due (to)	<u>(356,544)</u>	<u>686,527</u>	<u>482,024</u>	<u>(152,041)</u>
	<u>\$ (309,701)</u>	<u>767,133</u>	<u>483,176</u>	<u>(25,744)</u>

Due from Current - Deposit Errors	81,224		
Deferred Charge - Due from Current Budget	5,682		
Flexible Spending Account	3,354	4,635	
Cash Receipts		478,541	
Cash Disbursements	<u>676,873</u>		
	<u>\$ 767,133</u>	<u>483,176</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Reserve for Other Trust Funds

## Trust Funds

Year Ended December 31, 2011

	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
Reserve for:				
Escrow Deposits	\$ 656,944	785,793	807,144	635,593
Disability Insurance	81			81
Police Activities - Justice	131,402	88,646		220,048
Police Activities - County	207			207
Police Activities - Treasury	380,812	147,662	148,670	379,804
Police Activities - Asset Management	696			696
Parks and Recreation	21,048	46,720	45,373	22,395
Tax Title Lien Premiums	266,900	431,100	146,100	551,900
Tax Title Redemptions	27,607	606,479	633,216	870
East/West Acquisition Company	102,447			102,447
Avalon Bay Escrow	230,183			230,183
Donation - Allmendinger Estate	5,000			5,000
Donation - Police Station Equipment	165,000		104,902	60,098
Donation - Fire Command Vehicle	30,433			30,433
Film Shoot Proceeds	17,391			17,391
Confiscated Funds	27,115			27,115
Police School Resource	12,723	2,706	1,962	13,467
Police Donations	5,595	103	3,880	1,818
Senior Citizen Advisory Council	65,584	32,543	32,130	65,997
Senior Citizen Computer Projects	664			664
COAH Development Fees	3,980,729	126,009	3,100,000	1,006,738
Multiple Dwelling Fees	92,110	41		92,151
Historic Film Commission	4,971	15,409	18,196	2,184
Litigation Escrow	106,947			106,947
Fire Prevention-Dedicated Penalties	(5,682)	27,783		22,101
Donations - Wedding Fees	374		374	
POAA Trust	109,107	10,615		119,722
Recycling Trust	4,496	5,728		10,224
Flexible Spending Account Escrow	7,582	20,260	24,812	3,030
	<u>\$ 6,851,145</u>	<u>2,347,597</u>	<u>5,066,759</u>	<u>3,729,304</u>
		Cash	2,260,691	5,066,759
		Due from Current Fund	81,224	
		Due from Current Fund - Deferred Charge	5,682	
		<u>\$ 2,347,597</u>	<u>5,066,759</u>	

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Reserve for Expenditures**

**Unemployment Trust Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	32,642
Increased by:		
Payroll Deductions		<u>31,410</u>
Balance - December 31, 2011	\$	<u><u>64,052</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	5,034,334
Increased by Receipts:			
Premium on Note Sale	\$	18,062	
Close out of Refunding Escrow		5,062	
Grants Receivable		413,293	
Bond Anticipation Note Proceeds		5,422,000	
Main Street Widening Project Contributions:			
Port Authority of New York/New Jersey		234,375	
Capital Improvement Fund		150,000	
Interfund - Current Fund		102,938	
		<u>        </u>	<u>6,345,730</u>
			11,380,064
Decreased by Disbursements:			
Improvement Authorizations		4,046,791	
Encumbrances		539,965	
Due from Redemption Trust Account		100,000	
		<u>        </u>	<u>4,686,756</u>
Balance - December 31, 2011		\$	<u><u>6,693,308</u></u>

## BOROUGH OF FORT LEE, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Fund Balance	C-1	53,448
Various Receivables	C-4	(1,862,589)
Interfund - Community Development Trust Fund	C-5	(45,982)
Interfund - Redemption Trust Fund	C-6	(100,000)
Reserve for Interest - Arbitrage	C-12	44,865
Reserve for Contributions-Main Street Widening	C-16	817,059
Reserve for Payment of Debt	C-15	145,982
Due to US Department of Housing and Urban Development	C-14	37,168
Interfund - Current Fund	C-19	198,918
Capital Improvement Fund	C-18	280,611
Encumbrances payable	C-13	223,261

## Improvement Authorizations:

<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
88-12	Various Improvements	(3,619)
93-12	Self Insurance Claims	(2,970)
94-35	Improvements to Main Street/Palisades Ave.	(136)
00-36	Streetscape and sewer improvements	13,607
01-22/02-11	Storm Water/Sewer Improvement	7
01-40	Construction of Library	(4,750)
02-34	Municipal Parking Lot Improvements	(500)
02-35	Streetscape Imps. - Various Streets	(250)
02-41	Various Capital Improvements	2,788
03-13/06-28	Construction of a Community Center and Sports Fields	118,945
03-24	Various Capital Improvements	3,051
03-32	Anderson and Columbia Avenue Drainage Bypass	12,444
03-34	Installation of a Traffic Light	14,696
04-21	Downtown Pedestrian Imp. Project, Phase IIA	215
04-27/06-36/07-31	Acquisition of Real Property (95 Main Street)	71,510
04-30	Various Capital Improvements	4,033
04-31	Downtown Pedestrian Imp. Project, Phase IIA	30
04-45	Acquisition of a Fire Truck	(1,272)
05-7	Acquisition of Property - 4601/10	3,733
05-21	Various Capital Improvements	2,550

## BOROUGH OF FORT LEE, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2011

05-27	Firefighter Safety Program Equipment	13,481
06-5	Rehabilitation of the Richard Nest Senior Citizens' Center Kitchen	493
06-6	Improvements to Inwood Terrace Park	102,798
06-15	Environmental engineering and related services in connection with the combined sewer outflow	51,465
06-39/07-32	Acquisition of Property (2005 Hoyt Ave., 153 Main St. 33-35 Main Street)	(491)
06-44	Various Capital Improvements	260,298
07-09	Wireless Public Safety Communications Network	1,465,849
07-30	Various Capital Improvements	855,727
07-47	Installation of Solar Panels	195,314
08-16	Acquisition of Mini Buses	(2,490)
08-29	Improvements to Constitution Park	1,524
08-35	Various Road Improvements	56,395
09-11	Abbott Blvd Pedestrian Pathway Project	199,077
09-22	Acquisition of Law Enforcement Equipment	47,798
09-24	Various Capital Improvements	493,332
09-35	Acquisition of Firefighting Equipment	15,439
10-04	Acquisition of a Fire Truck and related equipment	178,937
10-06	North Avenue and 8th Street Project	57,515
10-20	Roadway Imps., to Stillwell Avenue, 8th and 11th Sts.	99,942
10-21	Roadway Imps. To Myrtle Avenue	5,808
10-22	William T. Birch Park Improvements	155,244
10-23	Combined sewer outflow abatement upgrades	828,058
10-24	Various Capital Improvements	48,466
11-14	Various Capital Improvements	1,374,882
11-16	Preparation/Implementation of an energy efficiency strategy	154,856
11-18	Refunding Bond Ordinance	(915)
10-24	Various Capital Improvements	7,653
		<u>\$ 6,693,308</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Grants and Contributions Receivable

## General Capital Fund

Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	Grant <u>Awards</u>	Decreased <u>by</u>	Balance <u>Dec. 31, 2011</u>
<u>Miscellaneous:</u>				
Bank	\$ 142			142
Bergen County	302,000			302,000
Bergen County - Ord. 03-32: Anderson and Columbia Avenue Drainage Bypass	208,000			208,000
Borough of Cliffside Park	10,000			10,000
Palisades Interstate Park Commission	177,216			177,216
<b>Total Miscellaneous Contributions Receivable</b>	<b>697,358</b>			<b>697,358</b>
<u>Community Development Block Grant</u>				
Prior Year	3,537			3,537
Ord. 03-39: Acquisition of a Non-Medical Handicap Van				
Various Street Improvements	100,000			100,000
<u>State of NJ - Department of Transportation</u>				
Ord. 09-11: Abbott Boulevard Pedestrian Pathway	184,000			184,000
Ord. 10-06: North Avenue and 8th Street	57,515			57,515
Ord. 10-21: Roadway Improvements to Myrtle Avenue	200,000		180,501	19,499
<u>U.S. Department of Justice</u>				
Ord. 09-22: Law Enforcement Equipment	280,590		232,792	47,798
<u>U.S. Department of Homeland Security</u>				
Ord. 05-27: Firefighter Safety Equipment	4,124			4,124
<u>U.S. Department of Environmental Protection</u>				
Ord. 10-23: Sewer Outflow Abatement Upgrades	485,000			485,000
<u>U.S. Department of Energy</u>				
Ord. 11-16: Preparation/Implementation of an Energy Efficiency Strategy		155,000		155,000
<u>Bergen County Open Space Trust Fund</u>				
Ord. 08-29: Imps. to Constitution Park	8,758			8,758
Ord. 10-22: Imps. To William T. Birch Park	100,000			100,000
<b>Total Grants Receivable</b>	<b>1,423,524</b>	<b>155,000</b>	<b>413,293</b>	<b>1,165,231</b>
	<b>\$ 2,120,882</b>	<b>155,000</b>	<b>413,293</b>	<b>1,862,589</b>
		Cash Receipts	413,293	
			<b>\$ 413,293</b>	

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Due from/(to) Community Development Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010 \$ 45,982

Balance - December 31, 2010 \$ 45,982

Exhibit C-6

**Schedule of Due from/(to) Redemption Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2011**

Increased by:  
Cash Disbursements \$ 100,000

Balance - December 31, 2010 \$ 100,000

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	61,703,960
Increased by:			
Refunding Bonds Issued			<u>14,115,000</u>
			75,818,960
Decreased by:			
Serial Bonds Refunded	\$	14,145,000	
Current Year Budget Appropriations:			
Serial Bonds		4,840,000	
EDA Loan		6,682	
EDA Loan balance cancelled		3	
Green Trust Loan		<u>18,644</u>	
			<u>19,010,329</u>
Balance - December 31, 2011		\$	<u><u>56,808,631</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**

**General Capital Fund**

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance		Decreased	2011		Balance Dec. 31, 2011	Analysis of Balance - Dec. 31, 2011	
		Dec. 31, 2010	Dec. 31, 2010		Authorizations	Expenditures		Financed by	Unexpended Improvement Authorization
		\$	3,619				3,619		
88-12	General Improvements:		2,970				2,970		
93-12	Various Improvements		136				136		
94-35	Self Insurance Claims		250	250					
98-12	Improvements to Main St./Palisades Ave.		4,750				4,750		
01-40	Various Capital Improvements		500				500		
02-34	Construction of Library		250				250		
02-35	Municipal Parking Lot Improvements		70,000	70,000					
02-52	Streetscape Imps. - Various Streets		100				100		100
03-24	Refund of unfunded pension liabilities		500				500		500
04-27	Various Capital Improvements		100				100		100
04-30	Acquisition of Real Property (95 Main St.)		1,750	478			1,272	1,272	
04-45	Various Capital Improvements		607				607		607
05-27	Acquisition of a Fire Truck								
06-39	Firefighter Safety Program Equipment		755				755		264
	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)		6,012				6,012		6,012
07-30	Various Capital Improvements		389				389		388
07-47	Installation of Solar Panels		4,750				4,750		2,260
08-16	Acquisition of Mini Buses		1,680,000				1,680,000		1,680,000
08-17	Refunding Bonds		855,000				855,000	855,000	
10-04	Acquisition of Fire Truck and related equipment		95,000				95,000	95,000	
10-22	William T. Birch Park Improvements		370,000				370,000	370,000	
10-23	Combined sewer outflow abatement upgrades		2,270,500				2,270,500	2,270,500	
10-24	Various Capital Improvements		8,750,000	7,595,000			1,155,000	1,155,000	1,155,000
10-28	Refunding Bond Ordinance								
11-14	Various Capital Improvements				1,832,075		1,832,075	1,831,500	575

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**

**General Capital Fund**

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance		2011 Authorizations	Decreased	Balance Dec. 31, 2011	Analysis of Balance - Dec. 31, 2011		
		Dec. 31, 2010	2011				Financed by	Bond Anticipation Notes	Expenditures
11-18	Refunding Bond Ordinance		7,500,000	7,500,000	6,520,000	980,000		915	979,085
11-21	Various Capital Improvements		356,250	356,250		356,250			356,250
		<u>\$ 14,117,938</u>	<u>9,688,325</u>	<u>9,688,325</u>	<u>14,185,728</u>	<u>9,620,535</u>	<u>5,422,000</u>	<u>17,394</u>	<u>4,181,141</u>

Cancelled via Resolution  
 Refunding Bonds Issued \$ 70,728  
 14,115,000  
\$ 14,185,728

Improvement Authorizations-Unfunded \$ 6,248,426

Less: Unexpended Proceeds of  
 Bond Anticipation Notes

Ord. 10-08 178,937  
 Ord. 10-22 95,000  
 Ord. 10-23 370,000  
 Ord. 10-24 48,466  
 Ord. 11-14 1,374,882

2,067,285

\$ 4,181,141

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011	Interest Rate	Balance			
					Dec. 31, 2010	Dec. 31, 2011		
			Date	Amount	Increased	Decreased		
General Improvement Bonds	Feb. 15, 2002	18,030,000	2/15/12	1,750,000	4.10%	11,180,000	9,430,000	1,750,000
Pension Refunding Bonds	Mar. 1, 2003	4,230,000	3/1/2012	280,000	4.60%	2,985,000	250,000	2,735,000
			3/1/2013	310,000	4.70%			
			3/1/2014	345,000	4.75%			
			3/1/2015	385,000	4.80%			
			3/1/2016	425,000	4.85%			
	3/1/2017	470,000	4.90%					
	3/1/2018	520,000	4.90%					
General Obligation Bonds	July 15, 2004	12,815,000	7/15/2012	600,000	4.00%	8,015,000	6,915,000	1,100,000
			7/15/2013	500,000	4.00%			
General Obligation Bonds	July 15, 2005	16,115,000	7/15/2012	1,050,000	3.25%	13,290,000	1,000,000	12,290,000
			7/15/2013	1,100,000	4.00%			
			7/15/2014	1,150,000	4.00%			
			7/15/2015	1,200,000	4.00%			
			7/15/2016	1,250,000	4.00%			
			7/15/2017	1,300,000	4.00%			
			7/15/2018	1,350,000	4.00%			
			7/15/2019	1,400,000	4.00%			
			7/15/2020	2,490,000	4.00%			
General Improvement Refunding Bonds	Jan. 29, 2009	5,170,000	2/1/2012	1,280,000	5.00%	3,855,000	1,290,000	2,565,000
			2/1/2013	1,285,000	3.00%			

**BOROUGH OF FORT LEE, N.J.**

**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2011**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date	Amount					
County - Guaranteed Pooled Bond Program Series 2010	May 10, 2010	22,062,000	2/15/12	150,000	3.00%	22,062,000		100,000	21,962,000
			2/15/13	351,000	4.00%				
			2/15/14	550,000	4.00%				
			2/15/15	599,000	5.00%				
			2/15/16	601,000	3.00%				
			2/15/17	2,056,000	3.00%				
			2/15/18	650,000	4.00%				
			2/15/18	1,637,000	3.00%				
			2/15/19	2,105,000	5.00%				
			2/15/20	1,445,000	4.00%				
			2/15/20	570,000	5.00%				
			2/15/21	2,104,000	5.00%				
			2/15/22	2,193,000	5.25%				
			2/15/23	2,286,000	5.25%				
			2/15/24	2,380,000	5.00%				
		2/15/25	2,285,000	5.00%					
General Improvement Refunding Bonds	March 24, 2011	7,595,000	2/15/13	650,000	3.00%		7,595,000		7,595,000
			2/15/13	1,105,000	5.00%				
			2/15/14	435,000	4.00%				
			2/15/14	1,425,000	5.00%				
			2/15/15	1,980,000	4.00%				
			2/15/16	2,000,000	4.00%				

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date	Amount					
General Obligation Refunding Bonds		6,520,000	7/15/12	115,000	2.00%		6,520,000		6,520,000
			7/15/14	665,000	3.00%				
			7/15/15	685,000	3.00%				
			7/15/16	705,000	4.00%				
			7/15/17	1,005,000	2.00%				
			7/15/18	1,280,000	4.00%				
			7/15/19	2,065,000	4.00%				
						\$ 61,387,000	14,115,000	18,985,000	56,517,000

Budget Appropriation	14,145,000
Refunded	4,840,000
	<u>\$ 18,985,000</u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Green Trust Loan**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 310,275
Decreased by:	
Green Trust Loans Paid by Current Year	
Budget Appropriations	<u>18,644</u>
Balance - December 31, 2011	<u>\$ 291,631</u>
	<u><u>291,631</u></u>
<u>Analysis of Balance</u>	
Van Fleet Park/Community Center, Ord. 03-13	<u><u>291,631</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2011</u>
2010-4	Acquisition of Fire Truck and related equipment	Aug. 16, 2011	Aug. 16, 2011	Aug. 16, 2012	1.00%	\$ 855,000	855,000
2010-22	William T. Birch Park Improvements	Aug. 16, 2011	Aug. 16, 2011	Aug. 16, 2012	1.00%	95,000	95,000
2010-23	Combined sewer outflow abatement upgrades	Aug. 16, 2011	Aug. 16, 2011	Aug. 16, 2012	1.00%	370,000	370,000
2010-24	Various Capital Improvements	Aug. 16, 2011	Aug. 16, 2011	Aug. 16, 2012	1.00%	2,270,500	2,270,500
2011-14	Various Capital Improvements	Aug. 16, 2011	Aug. 16, 2011	Aug. 16, 2012	1.00%	1,831,500	1,831,500
						\$ 5,422,000	5,422,000
					Cash	5,422,000	5,422,000
						\$ 5,422,000	5,422,000

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Reserve for Interest - Arbitrage**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>44,865</u>
Balance - December 31, 2011	\$ <u><u>44,865</u></u>

**Exhibit C-13**

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Encumbrances Payable**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 539,965
Increased by:	
Charged to Improvement Authorizations	<u>223,261</u>
	763,226
Decreased by:	
Payments	<u>539,965</u>
Balance - December 31, 2011	<u><u>\$ 223,261</u></u>

**Exhibit C-14**

**Schedule of Amount due to the U.S. Department  
of Housing and Urban Development**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>37,168</u>
Balance - December 31, 2011	<u><u>\$ 37,168</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ <u>145,982</u>
-----------------------------	-------------------

Balance - December 31, 2011	\$ <u><u>145,982</u></u>
-----------------------------	--------------------------

<u>Analysis of Balance</u>	
Ord. 2003-13 - Bonds	100,000
Ord. 2009-24 - Bonds	<u>45,982</u>
	\$ <u><u>145,982</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Reserve for  
Contributions - Main Street  
Widening Project**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$	582,684
Increased by:		
Contributions received:		
Port Authority of NY/NJ		<u>234,375</u>
Balance - December 31, 2011	\$	<u>817,059</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2010		2011 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2011	
			Funded	Unfunded				Funded	Unfunded
	<b>General Improvements:</b>								
98-12	Various Capital Improvements	\$ 1,875,000	1,247	250		1,497	1,400	13,607	7
00-36	Streetscape and sewer improvements	1,300,000	15,007						
01-22/2-11	Storm Water/Sewer Improvement	600,000	7						
01-11/01-24	Acquisition of Fire Engine/related apparatus	450,000	16,260			16,260			
01-33	Various Capital Improvements	1,600,000	169			169			
01-37	Acquisition of Various Vehicles	225,000	1,271			1,271			
01-38	Acquisition of Property	140,000	24			24			
02-17	Various Capital Improvements	500,000	1,053			1,053			
02-23	Anderson Avenue Park	2,000,000	439			439		2,788	
02-41	Various Capital Improvements	700,000	2,788			2,788			
02-45	Purchase of Property 6/4601	4,300,000	7,716	70,000		7,716			
02-52	Refund of unfunded pension liabilities					70,000			
03-13/06-28	Construction of a Community Center and Sports Fields	13,500,000	181,506				62,561	118,945	
03-17	Demolition of 540 Main Street	175,000	1,750			1,750			
03-24	Various Capital Improvements	1,978,000	4,351	100			1,300	3,051	100
03-29	Acquisition of a Fire Truck	640,000	167			167			
03-32	Anderson and Columbia Ave. Drainage Bypass	208,000	12,444				(2,700)	12,444	
03-34	Installation of a Traffic Light	125,000	11,996					14,696	
04-21	Downtown Pedestrian Imp. Project: Phase IIA Streetscape	250,000	215					215	
04-27/06-36/07-31	Acquisition of Real Property (95 Main Street)	2,250,000	71,510	500				71,510	500
		400,000							
		800,000	4,033	100				4,033	100
04-30	Various Capital Improvements	400,000	30						
04-31	Downtown Pedestrian Imp. Project: Phase IIA Streetscape								30

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2010		2011 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2011	
			Funded	Unfunded				Funded	Unfunded
04-45	Acquisition of a Fire Truck	525,000		478		478		3,733	
05-7	Acquisition of Property - 4601/10	525,000	3,733					2,550	
05-21	Various Capital Improvements	1,746,750	2,550					13,481	607
05-27	Firefighter Safety Program Equipment	121,800	13,481	607					
06-5	Rehabilitation of the Richard Nest Senior Citizens' Center Kitchen	250,000	493					493	
06-6	Improvements to Inwood Terrace Park	275,000	102,798					102,798	
06-15	Environmental Engineering and related services in connection with the combined sewer outflow	500,000	51,465					51,465	
06-39/07-32	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	5,500,000		264					264
		400,000							
		2,000,000	260,298					260,298	
06-44	Various Capital Improvements	12,500,000	9,300				9,300		
07-07	Roadway and Traffic Signal Improvements to Main Street and Hudson Terrace	5,500,000	2,355,275				889,426	1,465,849	
07-09	Wireless Public Safety Communications Network	2,110,000	865,869	6,012			10,142	855,727	6,012
07-30	Various Capital Improvements	1,550,000	195,315	388				195,315	388
07-47	Installation of Solar Panels	165,000		2,260					2,260
08-16	Acquisition of Mini-Buses	6,850,000		1,680,000					1,680,000
08-17	Refunding Bonds	500,000	3,332				3,332		
08-26	Main Street/Hudson Terrace Widening Project	110,000	1,978				454	1,524	
08-29	Imps. to Constitution Park	320,000	56,395					56,395	
08-35	Various Road Improvements								

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2010		2011 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2011	
			Funded	Unfunded				Funded	Unfunded
09-11	Abbott Blvd Pedestrian Pathway Project	200,000	199,077				51,590	199,077	
09-17	Main Street and Hudson Terrace Widening	1,400,000	51,590				47,798	51,590	
09-22	Acquisition of Law Enforcement Equipment	280,590	47,798				493,332	47,798	
09-24	Various Capital Improvements	2,300,000	780,746				287,414	493,332	
09-35	Acquisition of Firefighting Equipment	225,000	17,932				2,493	15,439	
09-40	Main Street and Hudson Terrace Widening	1,000,000	140,843				140,843	140,843	
10-04	Acquisition of Fire Truck and related equipment	900,000		644,576			465,639		178,937
10-06	North Avenue and 8th Street Project	245,000	57,515				57,515	57,515	
10-20	Roadway Imps. to Stillwell Avenue, 8th and 11th Sts.	100,000	99,942				99,942	99,942	
10-21	Roadway Improvements to Myrtle Avenue	200,000	7,108			1,300	5,808	7,108	
10-22	William T. Birch Park Improvements	200,000	104,934	95,000		44,690	60,244	95,000	
10-23	Combined sewer outflow abatement upgrades	900,000	512,869	370,000		54,811	458,058	370,000	
10-24	Various Capital Improvements	2,390,000		1,729,324		1,680,858		1,680,858	
10-28	Refunding Bond Ordinance	8,750,000		8,750,000		7,595,000		1,155,000	
11-14	Various Capital Improvements	1,928,500			1,928,500	553,043		1,375,457	
11-16	Preparation/Implementation of an energy efficiency strategy	155,000			155,000	144		144	
11-18	Refunding Bond Ordinance	7,500,000			7,500,000	6,520,915		979,085	
11-21	Various Capital Improvements	375,000			375,000	11,097		7,653	
			\$ 6,276,619	13,349,859	9,958,500	100,824	18,385,052	4,850,676	6,248,426

U.S. Department of Energy \$ 155,000  
 Capital Improvement Fund 115,175  
 Deferred Charges to Future Taxation - Unfunded 9,688,325  
 \$ 9,958,500

Cash \$ 4,046,791  
 Refunding Bonds Issued 14,115,000  
 Encumbrances 223,261  
 \$ 18,385,052

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	\$ 245,786
Increased by:	
Budget Appropriation	<u>150,000</u>
	395,786
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>115,175</u>
Balance - December 31, 2011	<u><u>\$ 280,611</u></u>

**BOROUGH OF FORT LEE, N.J.**

**Schedule of Due from/(to) Current Fund**

**General Capital Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010		\$	(95,980)
Increased by:			
Interest on Investments	\$	2,206	
Grant Receipts		<u>100,732</u>	
			<u>102,938</u>
Balance - December 31, 2011		\$	<u><u>(198,918)</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance		<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
		<u>Dec. 31, 2010</u>	<u>2011 Authorizations</u>		
		\$			
	<u>General improvements:</u>				
88-12	Various Improvements	3,619			3,619
93-12	Self-Insurance Fund	2,970			2,970
94-35	Refund of Taxes	136			136
98-12	Various Capital Improvements	250		250	
01-40	Construction of Library	4,750			4,750
02-34	Municipal Parking Lot Improvements	500			500
02-35	Streetscape Improvements - Various Streets	250			250
02-52	Refund of unfunded pension liabilities	70,000		70,000	
03-24	Various Capital Improvements	100			100
04-27	Acquisition of Real Property (95 Main Street)	500			500
04-30	Various Capital Improvements	100			100
04-45	Acquisition of a Fire Truck	1,750		478	1,272
05-27	Firefighter Safety Program Equipment	607			607
06-39	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	755			755
07-09	Wireless Public Safety Communications Network				
07-30	Various Capital Improvements	6,012			6,012
07-47	Installation of Solar Panels	389			389
08-16	Acquisition of Mini-Buses	4,750			4,750
08-17	Refunding Bond Ordinance	1,680,000			1,680,000
10-04	Acquisition of Fire Truck and related equipment	855,000		855,000	
10-22	William T. Birch Park Improvements	95,000		95,000	
10-23	Combined sewer outflow abatement upgrades	370,000		370,000	



**BOROUGH OF FORT LEE**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2011**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2010	\$ 18,374	18,374	
Increased by Receipts:			
State Aid	82,301		82,301
Prior Year Void Checks	875	875	
Refunds of Assistance	1,000		1,000
Donations	18,362	18,362	
Interest Earned	24	24	
	<u>102,562</u>	<u>19,261</u>	<u>83,301</u>
	<u>120,936</u>	<u>37,635</u>	<u>83,301</u>
Decreased by Disbursements:			
Public Assistance - 2011	82,999		82,999
Non-Reimbursable Assistance	18,360	18,360	
State of New Jersey - Refund of State Aid, zero-balance account	302		302
	<u>101,661</u>	<u>18,360</u>	<u>83,301</u>
Balance - December 31, 2011	<u><u>19,275</u></u>	<u><u>19,275</u></u>	

**BOROUGH OF FORT LEE**

**Schedule of Public Assistance Cash and Reconciliation  
Per N.J.S.A. 40A:5-5**

**Public Assistance Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2011			\$	19,275
Increased by:				
State Aid	\$	12,245		
Donations		17,326		
Interest Earned on Investments		<u>4</u>		
				<u>29,575</u>
				48,850
Decreased by:				
Public Assistance - 2012		12,245		
Non reimbursable expenses		<u>1,652</u>		
				<u>13,897</u>
Balance - February 28, 2012			\$	<u>34,953</u>
Reconciliation - February 28, 2012				
		<u>PATF I</u>		<u>PATF II</u>
		<u>Account</u>		<u>Account</u>
Balance on Deposit per Bank Statement:				<u>Total</u>
Checking	\$	34,953		34,953
Savings		<u>34,953</u>		<u>34,953</u>
Add: Deposits in Transit - Due from State of New Jersey - zero balance account				
Less: Outstanding Checks		<u>          </u>		<u>          </u>
Balance - February 28, 2012	\$	<u>34,953</u>		<u>34,953</u>

**BOROUGH OF FORT LEE**

**Schedule of Public Assistance Cash and Reconciliation**

**Public Assistance Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010			\$	18,374
Increased by:				
State Aid	\$	82,301		
Prior Year Void Checks		875		
Refunds of Assistance		1,000		
Donations		18,362		
Interest Earned on Investments		24		
				<u>102,562</u>
				120,936
<u>Decreased by:</u>				
Public Assistance 2011		82,999		
Non-Reimbursable Assistance		18,360		
State of New Jersey - Refund of State Aid, Zero-Balance Account		302		
				<u>101,661</u>
Balance - December 31, 2011			\$	<u>19,275</u>
<u>Reconciliation - December 31, 2011</u>	<u>PATF I</u>	<u>PATF II</u>		<u>Total</u>
	<u>Account</u>	<u>Account</u>		
Balance on Deposit per Bank Statement:				
Checking	\$	13,806		13,806
Savings		5,567		5,567
		<u>19,373</u>		<u>19,373</u>
Add: Deposits in Transit - Due from State of New Jersey - zero balance account				
				1,793
Less: Outstanding Checks		98		1,891
		<u>98</u>		<u>1,891</u>
Balance - December 31, 2011	\$	<u>19,275</u>		<u>19,275</u>

BOROUGH OF FORT LEE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2011

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2010	\$ 18,374	18,374	_____
Increased by:			
State Aid	82,301		82,301
Refunds of Assistance	1,000		1,000
Prior Year Void Checks	875	875	
Donations	18,362	18,362	
Interest Earned	24	24	
	<u>102,562</u>	<u>19,261</u>	<u>83,301</u>
	120,936	37,635	83,301
Decreased by:			
Public Assistance - 2011	82,999		82,999
Non Reimbursable Assistance	18,360	18,360	
State of New Jersey - Refund of State Aid, Zero-Balance Account	302		302
	<u>101,661</u>	<u>18,360</u>	<u>83,301</u>
Balance - December 31, 2011	\$ <u>19,275</u>	<u>19,275</u>	_____

**BOROUGH OF FORT LEE**  
**Schedule of Revenues - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	\$ 82,301		82,301
Less: Refunds to the State			
Net State Aid Payments	<u>82,301</u>		<u>82,301</u>
Refunds of Assistance	1,000		1,000
Prior Year Void Checks	875	875	
Interest Earned	<u>24</u>	<u>24</u>	
Total Revenues (P.A.T.F.)	<u>84,200</u>	<u>899</u>	<u>83,301</u>
Donations	<u>18,362</u>	<u>18,362</u>	
Total Receipts	<u>\$ 102,562</u>	<u>19,261</u>	<u>83,301</u>

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<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	\$ 30,531		30,531
Temporary Rental Assistance	32,546		32,546
Emergency Assistance	16,639		16,639
Work-Related Expenses	680		680
Transportation	2,603		2,603
Total Payments Reported	82,999		82,999
Non-Reimbursable Assistance	18,360	18,360	
State of New Jersey -			
Refund of State Aid, Zero-balance account	302		302
	18,662	18,360	302
Total Disbursements (P.A.T.F.)	\$ 101,661	18,360	83,301

**BOROUGH OF FORT LEE**

**PART II**

**LETTER ON INTERNAL CONTROL  
COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## 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

Honorable Mayor and  
Members of the Borough Council  
Borough of Fort Lee  
County of Bergen, New Jersey

We have audited the financial statements-regulatory basis of the Borough of Fort Lee in the County of Bergen as of and for the year ended December 31, 2011, and have issued our report thereon dated June 6, 2012. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Fort Lee prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit 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.

### Internal Control Over Financial Reporting

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

*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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Fort Lee'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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Fort Lee in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CRO0413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

June 6, 2012



**BOROUGH OF FORT LEE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2006-1:**

Excess reimbursement has not been refunded.

## BOROUGH OF FORT LEE

### GENERAL COMMENTS

#### Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. 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 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. 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 of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

## **BOROUGH OF FORT LEE**

### **GENERAL COMMENTS, (CONTINUED)**

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal 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:

- Snow Removal
- Janitorial and Maintenance Services
- Police Motorcycles
- Ambulance Corp New Floor
- Asphalt Milling Contract
- New Roof at Borough Hall

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 reveal 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.

**BOROUGH OF FORT LEE**

**GENERAL COMMENTS, (CONTINUED)**

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 6, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, in accordance with the provisions of New Jersey Statute 54:4-67, the governing body of each municipality may, by resolution, fix the rate of interest to be charged for nonpayment of taxes or assessments, on or before the date on which they would become delinquent;

WHEREAS, R.S. 54:4-67 provides that the governing body by resolution, may provide that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same become payable;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Fort Lee do hereby fix the rate of 8% (eight percent) interest per annum up to \$1,500.00; 18% (eighteen percent) per annum thereafter to be charged for delinquent payment of any installments made ten days from the date upon which taxes become payable.

BE IT FURTHER RESOLVED that any installment received after the expiration of the grace period shall bear interest from the due date.

## BOROUGH OF FORT LEE, N.J.

### COMMENTS

#### Tax Collector/Finance Department

1. \*There are old grant and miscellaneous receivables in the Federal and State Grant Fund and General Capital Fund.
2. \*Tax payments are not validated upon receipt therefore it is not possible to determine if receipts are being deposited within 48 hours as required.
3. \*There exists a substantial amount of appropriated grant reserves available for expenditure.
4. \* Not all petty cash accounts utilized by Borough departments have been approved by the Director in accordance with N.J.S.A. 40A:5-21.
5. \*There are various trust fund reserves for which there is not an approved dedication by rider:
  - a. Multiple Dwellings
  - b. Senior Citizen Computer Projects
  - c. Senior Citizen Advisory Council
  - d. COAH Development Fees
  - e. Police School Resource Account
  - f. Police Donation Account
  - g. Parking Offense Adjudication Account
  - h. Developer's Escrow
  - i. Unemployment Compensation Trust Fund
6. Prior year interfund balances were not liquidated prior to the close of the current audit year.

#### Purchasing Department

1. \*Goods/services were ordered prior to being encumbered.
2. Informal quotes were not obtained for all purchases that were above 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1(a).
  - a. Flags and flagpoles for 911 Memorial

#### Public Assistance

1. \*Supporting documentation for all Welfare Petty Cash disbursements was not, in some instances, available for review at the time of audit.

**BOROUGH OF FORT LEE, N.J.**

**COMMENTS, (cont.)**

**Municipal Court**

1. \*The analysis of open bail per the ATS/ACS report is not in agreement with the reconciled cash balance in the bail account as of December 31, 2011.
2. A review of the Court's December Management report revealed the following:
  - a. \*There are 382 complaints eligible for FTA over 14 days.
  - b. \*There are 477 complaints that are eligible for warrant.

**RECOMMENDATIONS**

**Tax Collector/Finance Department**

1. \*The old grant and miscellaneous receivables in the General Capital and Federal and State Grant Funds be investigated to see if collection is possible and cancelled if necessary.
2. \*That all tax receipts received be validated and deposited within 48 hours of receipt.
3. \*That greater effort be made to charge allowable grant expenditures to applicable appropriated grant reserves.
4. \*Petty cash accounts utilized by the following departments be submitted to the Division of Local Government Services for approval: Police, Recreation and Board of Health.
5. \*Any unauthorized reserves in the Trust Funds be reviewed and either a dedication by rider be prepared and submitted to the Division of Local Government Services for approval or cancelled to Current Fund if necessary.
6. All interfund balances be liquidated prior to the close of the year.

**Purchasing Department**

1. \*That an encumbrance be made prior to goods and services being ordered in accordance with Technical Accounting Directive #1.
2. Informal quotes should be obtained for all purchases over 15% of the bid threshold as required by Local Public Contracts Law.

**BOROUGH OF FORT LEE**

**RECOMMENDATIONS, (cont.)**

Public Assistance

1. \*Supporting Documentation for all Welfare Petty Cash disbursements be made available for review at the time of audit.

Municipal Court

1. \*That steps be taken to compare and agree the open bail as listed in the ATS/ACS report to that of the reconciled cash balance at December 31, 2011.
2. \*That greater effort be made to ensure that:
  - a. All complaints eligible for FTA over 14 days be investigated and processed accordingly.
  - b. That all complaints eligible for warrant be investigated and processed accordingly.

**BOROUGH OF FORT LEE**

**Status of Prior Year Audit Findings/Recommendation**

A review was performed on all prior year recommendations and corrective action was taken on all, except for the findings/recommendations marked with an "\*".

**Acknowledgment**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

June 6, 2012