

**BOROUGH OF FORT LEE**

**Financial Statements With  
Supplementary Information**

**December 31, 2013  
(With Independent Auditors' Report Thereon)**

**BOROUGH OF FORT LEE**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Fort Lee in the County of Bergen, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

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



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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Fort Lee as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fort Lee's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

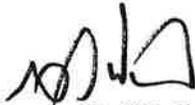
The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2014 on our consideration of the Borough of Fort Lee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Fort Lee's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

April 21, 2014



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

**Current Fund**

**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 8,997,429	10,434,438
Change Fund	A-6	450	450
Petty Cash	A-7		
		<u>8,997,879</u>	<u>10,434,888</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	1,316,071	1,468,811
Property Acquired for Taxes - Assessed Valuation	A-10	8,220	8,220
Tax Title Liens	A-11	90,144	92,555
Revenue Accounts Receivable	A-12	96,970	99,604
Demolition Lien Receivable	A-13	2,350	2,350
Prepaid School Taxes	A-24	119	
Due from:			
Escrow Trust	A-15	749	525
Flexible Spending Escrow Account	A-15	13	13
General Capital Fund	A-15	21,435	
		<u>1,536,071</u>	<u>1,672,078</u>
Deferred Charges:			
Special Emergency	A-16	1,015,126	1,448,908
Emergency Appropriations	A-17	34,229	1,000,000
		<u>1,049,355</u>	<u>2,448,908</u>
		<u>11,583,305</u>	<u>14,555,874</u>
Federal and State Grant Fund:			
Due from Current Fund	A-5	378,903	650,930
Grants Receivable	A-26	106,258	142,447
		<u>485,161</u>	<u>793,377</u>
		<u>\$ 12,068,466</u>	<u>15,349,251</u>

See accompanying notes to financial statements.

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

**Current Fund**

**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	1,784,955	1,538,272
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	45,657	72,612
Due to:			
Federal and State Grant Fund	A-5	378,903	650,930
Redemption Trust	A-15	236,868	12,074
Unemployment Compensation Trust	A-15	6,632	
POAA Trust	A-15	672	
Fire Prevention - Dedicated Penalties	A-15	18,130	11,305
Other Trust Fund	A-15	408,127	100,151
COAH Development Fees Trust	A-15	80,014	56,040
General Capital Fund	A-15		368,980
Encumbrances Payable	A-18	266,648	281,892
Prepaid Taxes	A-19	707,110	680,372
Tax Overpayments	A-20	247,025	362,135
Special Emergency Note Payable	A-21	1,015,126	1,448,908
Emergency Notes Payable	A-22	34,229	1,000,000
Various Reserves	A-23	91,718	74,627
Local School District Taxes Payable	A-24		2,236,371
County Taxes Payable	A-25	37,977	41,259
		<u>5,359,791</u>	<u>8,935,928</u>
Reserve for Receivables	Contra	1,536,071	1,672,078
Fund Balance	A-1	4,687,443	3,947,868
		<u>11,583,305</u>	<u>14,555,874</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-27	336,325	579,603
Encumbrances Payable	A-27	6,023	1,094
Due to General Capital Fund		82,961	82,961
Unappropriated Reserve for Grants	A-28	59,852	129,719
		<u>485,161</u>	<u>793,377</u>
		<u>\$ 12,068,466</u>	<u>15,349,251</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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Revenues and Other Income:</b>		
Fund Balance Utilized	2,900,000	2,400,000
Miscellaneous Revenue Anticipated	7,543,035	8,448,854
Receipts from Delinquent Taxes	1,441,345	1,232,583
Receipts from Current Taxes	127,645,653	122,737,625
Non-Budget Revenue	1,837,972	1,299,479
Other Credits to Income:		
Liabilities canceled	246,036	73,483
Unexpended Balance of Appropriation Reserves	970,372	550,676
Cancelled Grant Appropriations	357,321	23,050
Interfunds Returned	525	14,736
	<u>142,942,259</u>	<u>136,780,486</u>
<b>Total Revenues and Other Income</b>		
<b>Expenditures:</b>		
<b>Budget and Emergency Appropriations:</b>		
<b>Operations:</b>		
Salaries and Wages	27,197,232	26,459,855
Other Expenses	28,200,511	28,154,211
Capital Improvement Fund	84,229	50,000
Municipal Debt Service	7,482,152	7,498,236
Deferred Charges and Statutory Expenditures -		
Municipal	6,928,662	5,770,457
Local District School Tax	54,174,586	52,463,270
County Taxes including Added Taxes	14,603,405	13,731,198
Interfunds Advanced	258,207	
Prepaid School Tax	119	
Grant Receivables cancelled	29,132	
Other Refunds	11,849	40,330
Tax Appeal Refunds	366,829	454,674
	<u>139,336,913</u>	<u>134,622,231</u>
<b>Total Expenditures</b>		
Excess (Deficit) Revenue Over Expenditures	3,605,346	2,158,255
Adjustment to Income Before Fund Balance - Expenditures		
Included above Which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>34,229</u>	<u>1,368,908</u>
Statutory Excess to Fund Balance	3,639,575	3,527,163
Fund Balance, January 1,	<u>3,947,868</u>	<u>2,820,705</u>
	7,587,443	6,347,868
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>2,900,000</u>	<u>2,400,000</u>
Fund Balance, December 31,	<u>\$ 4,687,443</u>	<u>3,947,868</u>

See accompanying notes to the financial statements.

## BOROUGH OF FORT LEE, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,900,000	2,900,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	100,000	101,207	1,207
Other	52,000	60,267	8,267
Fees and Permits	73,000	81,595	8,595
Fines and Costs:			
Municipal Court	1,300,000	1,204,376	(95,624)
Interest and Costs on Taxes	274,000	368,316	94,316
Interest on Investments and Deposits	1,900	916	(984)
Borough of Cliffside Park Sewer Services	395,000	479,971	84,971
Recreation Fees	73,000	71,076	(1,924)
Consolidated Municipal Property Tax Relief Aid	50,784	50,784	
Energy Receipts Tax	1,720,408	1,720,408	
Uniform Construction Code Fees	1,600,000	2,003,798	403,798
Elevator Inspection Fees	90,000	4,576	(85,424)
Recycling Tonnage Grant	47,720	47,720	
Alcohol Education and Rehabilitation	7,780	7,780	
Clean Communities	107,782	107,782	
Pedestrian Safety Enforcement	12,600	12,600	
Body Armor Replacement Fund	8,206	8,206	
Alcohol Impaired Driving Countermeasures			
Incentive Grants	4,800	4,800	
Hepatitis B	4,119	4,119	
EECBG Grant	82,961		(82,961)
Bergen County Title III - Older American Act	69,950	69,950	
Port Authority Contribution - Purchase of Buses	123,420	123,420	
NJLM Educational Foundation - Sustainable NJ Grant	5,000	5,000	
Ben Roethlisberger Foundation			
Giving Back Fund - Purchase of K-9	6,500	6,500	
Reserve for Payment of Debt	113,529	113,529	
LEA Rebate	65,000	70,242	
General Capital Fund Balance	34,317	34,317	
Third Party Ambulance Billing	850,000	779,780	(70,220)
Total Miscellaneous Revenues	7,273,776	7,543,035	264,017

## BOROUGH OF FORT LEE, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	1,458,000	1,441,345	(16,655)
Subtotal General Revenues	<u>11,631,776</u>	<u>11,884,380</u>	<u>247,362</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>60,289,544</u>	<u>60,667,662</u>	<u>378,118</u>
Budget Totals	71,921,320	72,552,042	625,480
Non-Budget Revenue	<u>                    </u>	<u>1,837,972</u>	<u>1,837,972</u>
	<u>\$ 71,921,320</u>	<u>74,390,014</u>	<u>2,463,452</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 127,645,653
Allocated to School and County Taxes	<u>68,777,991</u>
Balance for Support of Municipal Budget Appropriations	58,867,662
Add : Appropriation - Reserve for Uncollected Taxes	<u>1,800,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 60,667,662</u>
Receipts from Delinquent Taxes	1,434,505
Receipts from Tax Title Liens	6,840
	<u>\$ 1,441,345</u>

## BOROUGH OF FORT LEE, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2013

Analysis of Non-budget Revenues

FEMA Reimbursement	\$	392,934
Tax Searches		40
Voting		1,520
Cable TV Franchise Fees		89,822
Hotel Tax		577,075
In Lieu		68,689
Burial Fees		19,027
Tax Sale		893
Senior Citizen Lunch		35,025
Verizon		111,833
S Recs		33,360
Void Checks		15,756
Internet Convenience Fee		12,493
Offsets not Applied		25,196
BCUA Connection Fee		15,831
Refund Senior Citizen Deductions		14,300
Medicare		6,494
Redeposits		157,386
Mutual Aid Fire		40,736
Medical assistance fee		57,415
Miscellaneous		162,147
		<u>1,837,972</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, 2013

	2013 <u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance <u>Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 314,905	388,049	388,048	1	
Other Expenses	240,300	240,300	132,841	107,459	
Purchasing					
Salaries and Wages	106,500	114,218	114,217	1	
Other Expenses	85,100	85,100	79,698	5,402	
Mayor and Council					
Salaries and Wages	93,742	93,742	93,742		
Other Expenses	66,275	66,275	45,337	20,938	
Borough Clerk					
Salaries and Wages	208,250	213,752	213,751	1	
Other Expenses	28,625	28,625	27,281	1,344	
Elections:					
Other Expenses	28,500	28,500	25,910	2,590	
Pay/Data Processing:					
Salaries and Wages	62,000	71,603	71,603		
Other Expenses	7,000	7,000	6,785	215	
Financial Administration:					
Other Expenses	167,000	167,000	150,839	16,161	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>2013</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>
Collection of Taxes					
Salaries and Wages	334,500	362,056	362,055	1	
Other Expenses	65,750	65,750	58,839	6,911	
Assessment of Taxes:					
Salaries and Wages	168,950	176,248	176,248		
Other Expenses	38,550	38,550	33,947	4,603	
Legal Services and Costs:					
Other Expenses	667,500	667,500	573,157	94,343	
Municipal Court:					
Salaries and Wages	730,000	730,000	700,060	29,940	
Other Expenses	133,900	136,500	136,459	41	
Engineering Services and Costs:					
Salaries and Wages	121,000	122,007	122,006	1	
Other Expenses	49,300	52,800	52,311	489	
Director of Economic Development					
Salaries and Wages	69,800	71,289	71,288	1	
Other Expenses	55,000	63,500	63,300	200	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Other Expenses	20,800	20,800	8,815	11,985	
Zoning Board of Adjustment:					
Other Expenses	19,650	19,650	15,373	4,277	
Rent Leveling Board:					
Salaries and Wages	42,500	44,436	44,436		
Other Expenses	2,850	2,850	1,413	1,437	

## BOROUGH OF FORT LEE, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	<u>2013 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Insurance:					
Other Insurance Premiums	2,088,397	2,088,397	2,003,440	84,957	
Group Insurance Plans for Employees	8,116,200	8,116,200	7,999,474	116,726	
Group Insurance Plans for Employees - UCC	436,000	436,000	436,000		
Public Safety:					
Police:					
Salaries and Wages	14,961,350	14,861,350	14,835,791	25,559	
Other Expenses	707,550	707,550	628,533	79,017	
Department of Communications:					
Salaries and Wages	840,800	840,800	821,851	18,949	
Other Expenses	20,100	20,428	20,427	1	
Emergency Management:					
Salaries and Wages	99,500	101,143	101,142	1	
Other Expenses	20,500	20,500	12,658	7,842	
Aid to Volunteer Fire Companies	40,000	40,000	40,000		
Fire Prevention					
Salaries and Wages	634,500	665,431	665,431		
Other Expenses	31,050	32,650	32,642	8	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Fire Protection:					
Salaries and Wages	915,000	864,928	828,786	36,142	
Other Expenses	311,800	311,800	295,501	16,299	
Fort Lee Emergency Medical Technicians:					
Salaries and Wages	347,800	347,800	346,582	1,218	
Other Expenses	74,200	74,200	48,554	25,646	
Ambulance Corps:					
Salaries and Wages	353,000	353,000	350,378	2,622	
Other Expenses	95,500	105,500	104,571	929	
Public Works Function:					
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,863,900	1,865,669	1,865,668	1	
Other Expenses	188,700	188,700	174,195	14,505	
Garbage and Trash:					
Other Expenses	2,326,500	2,326,500	2,190,663	135,837	
Public Building and Grounds:					
Salaries and Wages	584,000	584,000	536,035	47,965	
Other Expenses	406,700	431,700	430,118	1,582	
General Services:					
Salaries and Wages	677,081	677,081	656,872	20,209	
Other Expenses	33,450	33,450	32,720	730	
Communications Repairs:					
Salaries and Wages	201,500	204,641	204,641		
Other Expenses	45,450	45,450	28,220	17,230	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Sanitation - Sewer System:					
Salaries and Wages	241,500	250,590	250,589	1	
Other Expenses	181,450	184,450	184,102	348	
Auto Repairs:					
Other Expenses	290,500	340,500	336,936	3,564	
Health and Welfare:					
Board of Health:					
Salaries and Wages	641,600	683,648	683,647	1	
Other Expenses	104,800	104,800	100,602	4,198	
Brd of Hlth-Hepts	6,500	6,500	6,130	370	
Administration of Public Assistance:					
Salaries and Wages	131,580	135,203	135,202	1	
Other Expenses	2,950	3,850	3,816	34	
Other Expenses	15,000	15,000	15,000		
Parks and Recreation Functions:					
Recreation and Education:					
Salaries and Wages	452,205	431,855	425,720	6,135	
Other Expenses	39,200	39,200	35,161	4,039	

## BOROUGH OF FORT LEE, N.J.

## Statement of Expenditures - Regulatory Basis

	Current Fund		Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
	2013 Budget					
Year Ended December 31, 2013						
Senior Citizens:						
Salaries and Wages	212,000	212,000	212,000	212,000		
Other Expenses	136,950	136,950	136,950	124,347	12,603	
Senior Citizens Special Services:						
Other Expenses	341,000	341,000	341,000	293,586	47,414	
Parks and Playgrounds:						
Salaries and Wages	574,000	574,128	574,128	574,127	1	
Other Expenses	56,850	76,850	76,850	75,424	1,426	
Community Center						
Salaries and Wages	182,012	182,012	182,012	173,915	8,097	
Other Expenses	156,200	156,200	156,200	119,241	36,959	
Other Common Unclassified						
Celebration of Public Events, Anniversary or Holiday - Other Expenses	95,000	97,500	97,500	96,733	767	
Salary & Wage Adjustment Program	300,000	55,953	55,953		55,953	
Cultural and Heritage Affairs						
Salaries and Wages	75,128	80,596	80,596	80,595	1	
Other Expenses	98,825	100,932	100,932	100,931	1	
Uniform Constuction Code Official						
Salaries and Wages	687,000	697,953	697,953	697,952	1	
Other Expenses	46,400	46,400	46,400	33,174	13,226	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Elevator Inspections	40,101	40,101	40,101		
Salaries and Wages					
UNCLASSIFIED:					
Utilities:					
Electricity	1,010,000	1,030,000	1,026,910	3,090	
Street Lighting	425,000	425,000	245,197	179,803	
Water	75,000	75,000	39,144	35,856	
Fuel Oil	22,000	22,000	21,344	656	
Telephone and Telegraph	350,000	360,000	358,654	1,346	
Gasoline	400,000	400,000	358,711	41,289	
Fire Hydrant Service	195,000	199,000	198,766	234	
Total Operations within "CAPS"	47,934,526	47,928,139	46,508,409	1,419,730	
Total Operations Including Contingent-within "CAPS"	47,934,526	47,928,139	46,508,409	1,419,730	
Detail:					
Salaries & Wages	27,267,704	27,097,282	26,844,479	252,803	
Other Expenses (Including Contingent)	20,666,822	20,830,857	19,663,930	1,166,927	
	47,934,526	47,928,139	46,508,409	1,419,730	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 <u>Budget</u>	-Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS" Prior Year Bills	88,971	88,971	88,941		30
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	1,372,000	1,372,000	1,327,326	44,674	
Public Employees' Retirement System	1,194,089	1,194,104	1,194,103	1	
Police and Firemen's Retirement System of NJ	2,676,463	2,682,835	2,682,834	1	
Unemployment Compensation Insurance	95,000	95,000	32,301	62,699	
DCRP	62,000	62,000	14,266	47,734	
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	5,488,523	5,494,910	5,339,771	155,109	30
Total General Appropriations for Municipal Purposes within "CAPS"	53,423,049	53,423,049	51,848,180	1,574,839	30

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations - Excluded from "CAPS"					
Bergen County Utilities Authority:					
Share of Costs	4,748,566	4,748,566	4,748,565	1	
Englewood Sewer Treatment	30,000	30,000		30,000	
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985) Contribution	2,140,200	2,140,200	2,050,601	89,599	
Fair Housing Act (P.L. 1985 Ch. 222 40A:40-45.3): Other Expenses	40,000	40,000	32,445	7,555	
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>6,958,766</b>	<b>6,958,766</b>	<b>6,831,611</b>	<b>127,155</b>	
Uniform Construction Code					
Appropriations Offset by Increased					
Fee Revenues (N.J.A.C. 5:23-4:17)	30,000	30,000	30,000		
Elevator Inspections					
Salaries and Wages	30,000	30,000	30,000		
<b>Total Uniform Construction Code Appropriations</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>		



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

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2013**

	<u>2013 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations-Excluded from "CAPS"	7,469,604	7,469,604	7,259,488	210,116	
Detail:					
Salaries and Wages	99,950	99,950	99,950		
Other Expenses	7,363,154	7,363,154	7,153,038	210,116	
Total:	7,463,104	7,463,104	7,252,988	210,116	
Capital Improvements-Excluded from "CAPS"					
Down Payments on Improvements		34,229	34,229		
Capital Improvement Fund	50,000	50,000	50,000		
Total Capital Improvements Excluded from "CAPS"	50,000	84,229	84,229		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	5,301,000	5,301,000	5,301,000		243,438
Interest on Bonds	2,313,125	2,313,125	2,069,687		19,291
Interest on Notes	106,000	106,000	86,709		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	24,760	24,760	24,756		4
Total Municipal Debt Service-Excluded from "CAPS"	7,744,885	7,744,885	7,482,152		262,733

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	2013 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)	1,000,000	1,000,000	1,000,000		
Special Emergency Authorization - 3 Years (N.J.S. 40A:4-55.1 & 40A:55.13)	433,782	433,782	433,782		
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,433,782	1,433,782	1,433,782		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	16,698,271	16,732,500	16,259,651	210,116	262,733
Subtotal General Appropriations	70,121,320	70,155,549	68,107,831	1,784,955	262,763
Reserve for Uncollected Taxes	1,800,000	1,800,000	1,800,000		
Total General Appropriations	71,921,320	71,955,549	69,907,831	1,784,955	262,763
Adopted Budget		71,728,194			
Chapter 159's		193,126			
Emergency Appropriation		34,229			
		\$ 71,955,549			
Reserve for Uncollected Taxes			1,800,000		
Federal and State Grant Fund			397,877		
Encumbrances			266,648		
Deferred Charges			1,433,782		
Cash			66,009,524		
			\$ 69,907,831		

See accompanying notes to the financial statements.

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

**Comparative Balance Sheet-Regulatory Basis**

**Trust Funds**

**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Assessment Trust Fund:			
Cash	B-2	<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Cash	B-2	<u>5,436</u>	<u>4,104</u>
Unemployment Trust Fund:			
Cash	B-2	27,455	1,423
Interfund - Due from Current Fund	B-6	<u>6,632</u>	<u>          </u>
		<u>34,087</u>	<u>1,423</u>
Other Trust Funds:			
Cash	B-2	10,046,699	6,826,859
Interfund - Due from Current Fund	B-6	<u>743,811</u>	<u>179,570</u>
		<u>10,790,510</u>	<u>7,006,429</u>
		<u>\$ 10,837,477</u>	<u>7,019,400</u>

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## Trust Funds

December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Assessment Trust Fund:			
Reserve for Utility Deposits	B-3	\$ 6,466	6,466
Fund Balance	B-1	<u>978</u>	<u>978</u>
		<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Reserve for Animal Trust Fund Expenditures	B-4	<u>5,436</u>	<u>4,104</u>
Unemployment Trust Fund:			
Reserve for Expenditures	B-8	<u>34,087</u>	<u>1,423</u>
Other Trust Fund:			
Interfund - Due to Capital Fund	B-6	100,000	245,982
Interfund - Due to Current Fund	B-6	762	538
Reserve for:			
Other Trust Deposits	B-7	<u>10,689,748</u>	<u>6,759,909</u>
		<u>10,790,510</u>	<u>7,006,429</u>
		<u>\$ 10,837,477</u>	<u>7,019,400</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, 2013**

Balance - December 31, 2012 \$ 978

Balance - December 31, 2013 \$ 978

See accompanying notes to financial statements.

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2/C-3	6,559,066	6,334,599
Accounts Receivable:			
Miscellaneous	C-4	697,358	697,358
Grants	C-4	1,017,604	939,230
Interfund Receivables -			
Community Development Trust Fund	C-5		145,982
Redemption Trust Fund	C-6	100,000	100,000
Federal and State Grant Fund	C-20	82,961	82,961
Current Fund	C-20		368,980
Deferred Charges to Future Taxation:			
Funded	C-7	56,154,211	51,484,169
Unfunded	C-8	3,991,352	15,700,415
		<u>\$ 68,602,552</u>	<u>75,853,694</u>

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-9	55,901,000	51,202,000
Green Trust Loan Payable	C-10	253,211	282,169
Bond Anticipation Notes	C-11	3,960,222	8,370,000
Encumbrances Payable	C-13	440,099	927,417
Reserve for:			
Interest - Arbitrage	C-12	44,865	44,865
Payment of Debt	C-15	183,055	213,529
Contributions - Main			
Street Widening Project	C-16	817,059	817,059
Due to U.S. Department of Housing and Urban Development	C-14	37,168	37,168
Improvement Authorizations:			
Funded	C-17	5,443,691	3,718,963
Unfunded	C-17	1,432,315	10,109,716
Capital Improvement Fund	C-18		96,491
Interfund - Current Fund	C-20	21,435	
Fund Balance	C-1	68,432	34,317
		<u>\$ 68,602,552</u>	<u>75,853,694</u>

There were \$31,130 and \$7,330,415 of Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2012 (Exhibit C-21).

See accompanying notes to the financial statements.

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

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

**General Capital Fund**

**Year Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Balance - January 1,	\$ 34,317	53,448
Increased by:		
Premium received on Note Sale	21,458	34,317
Premium received on Bond Sale	<u>46,974</u>	<u>          </u>
	68,432	34,317
	102,749	87,765
Decreased by:		
Utilized as budget revenue	<u>34,317</u>	<u>53,448</u>
Balance - December 31, 2013	<u>\$ 68,432</u>	<u>34,317</u>

See accompanying notes to the financial statements.

**BOROUGH OF FORT LEE**  
**Comparative Balance Sheet-Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash - Public Assistance	\$ <u>26,595</u>	<u>28,509</u>
	\$ <u><u>26,595</u></u>	<u><u>28,509</u></u>
 <u>Liabilities</u>		
Reserve for Public Assistance	\$ <u>26,595</u>	<u>28,509</u>
	\$ <u><u>26,595</u></u>	<u><u>28,509</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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 53,018,284	53,018,284
Buildings	29,543,378	29,543,378
Machinery and Equipment	<u>16,301,598</u>	<u>15,931,927</u>
	<u>\$ 98,863,260</u>	<u>98,493,589</u>
Investment in Fixed Assets	<u>\$ 98,863,260</u>	<u>98,493,589</u>

See accompanying notes to financial statements.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

**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, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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 2013, the Governing Body approved \$193,126 in additional grant revenues and appropriations in accordance with N.J.S.A. 40A:4-87 and \$34,229 in emergency appropriations for down payments on improvements. In addition, the Mayor and Council approved several budget transfers.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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 1/7<sup>th</sup> of the required amount, beginning in fiscal year 2012.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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, 2013 and 2012**  
**(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, 2013	\$1,194,103	\$2,682,834
December 31, 2012	1,211,808	2,755,496
December 31, 2011	1,150,466	3,244,590

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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 waive participation in the DCRP for that office or position. The waiver is irrevocable.

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

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, 2013 and 2012**  
**(continued)**

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

The Borough's contribution to the DCRP for each year were as follows:

<u>Year</u>	<u>Amount</u>
December 31, 2013	\$14,266
December 31, 2012	15,372
December 31, 2011	6,987

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2013 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2011</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	\$51,202,000	\$10,000,000	\$5,301,000	\$55,901,000	\$5,070,000
Green Trust Loan Payable	282,169		28,958	253,211	19,791
Compensated Absences Payable	<u>8,934,374</u>	<u>957,420</u>	<u>749,806</u>	<u>9,141,988</u>	<u>837,247</u>
	<u>\$60,418,543</u>	<u>\$10,957,420</u>	<u>\$6,079,764</u>	<u>\$65,296,199</u>	<u>\$5,927,038</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>2013</u>	<u>2012</u>	<u>2011</u>
Issued - general - bonds, notes and loans	\$60,114,433	\$59,854,169	\$62,230,631
Authorized but not issued - general - bonds and notes	<u>31,130</u>	<u>7,330,415</u>	<u>4,198,535</u>
Bonds, notes and loans issued and authorized but not issued	60,145,563	67,184,584	66,429,166
Less deductions:			
Reserve for payment of debt	1,000,114	1,030,588	963,041
Pension refunding bonds issued	<u>2,145,000</u>	<u>2,385,000</u>	<u>2,735,000</u>
Net bonds and notes issued and authorized but not issued	<u>\$57,000,449</u>	<u>\$63,768,996</u>	<u>\$62,731,125</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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 .896%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$17,015,000	\$17,015,000	\$ -0-
General Debt	<u>60,145,563</u>	<u>3,145,114</u>	<u>57,000,449</u>
	<u>\$77,160,563</u>	<u>\$20,160,114</u>	<u>\$57,000,449</u>

Net debt of \$57,000,449 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,357,962,781 equals .896%.

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

3-1/2% of equalized valuation basis (municipal)	\$222,528,697
Less net debt	<u>57,000,449</u>
Remaining Borrowing Power	<u>\$165,528,248</u>

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

Paid by Current Fund:

\$4,230,000, 1.60%-4.90% pension refunding bonds issued March 1, 2003, due through March 1, 2018	\$2,145,000
\$16,115,000, 3.00%-4.00% general serial bonds issued July 15, 2005, due through July 15, 2014	1,150,000
\$22,062,000, 2.00%-5.00% County-Guaranteed Pooled Bond Program issued May 10, 2010, due through February 15, 2025	21,461,000
\$7,595,000, 4.00% general improvement refunding bonds issued March 24, 2011, due through February 15, 2016	5,840,000
\$6,520,000, 2.00%-4.00% general improvement refunding bonds issued December 22, 2011, due through July 15, 2019	6,405,000
\$8,900,000, 3.00%-4.00% general obligation refunding bonds issued May 8, 2012, due through July 15, 2020	8,900,000
\$10,000,000, 2.00%-3.00% general improvement bonds issued July 23, 2013, due through August 1, 2027	<u>10,000,000</u>
	<u>\$55,901,000</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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>
2014	\$7,166,526	\$5,070,000	\$2,096,526
2015	7,252,243	5,359,000	1,893,243
2016	7,184,256	5,481,000	1,703,256
2017	7,141,880	5,616,000	1,525,880
2018	7,245,580	5,887,000	1,358,580
2019-2023	23,872,369	20,123,000	3,749,369
2024-2027	<u>8,876,375</u>	<u>8,365,000</u>	<u>511,375</u>
	<u>\$68,739,229</u>	<u>\$55,901,000</u>	<u>\$12,838,229</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, 2013, the Borough had authorized but not issued debt as follows:

General Capital Fund	<u>\$31,130</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>\$253,211</u>
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**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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 July 10, 2013, the Borough issued bond anticipation notes in the amount of \$525,000 due on July 10, 2014 at a rate of .92% and additional bond anticipation notes in the amount of \$3,435,222 were issued on November 27, 2013 and are due on November 26, 2014 at a rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2013.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Valley National Bank	\$ -0-	\$525,000	\$	\$525,000
TD Securities LLC	<u>8,370,000</u>	<u>3,435,222</u>	<u>8,370,000</u>	<u>3,435,222</u>
	<u>\$8,370,000</u>	<u>\$3,960,222</u>	<u>\$8,370,000</u>	<u>\$3,960,222</u>

**NOTE 6. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2013, which has been appropriated as revenue in the 2014 budget is as follows:

Current Fund	<u>\$2,950,000</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 \$9,141,988 as of December 31, 2013. This amount is not reported either as an expenditure or liability.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(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, 2013, \$-0- of the Borough's bank balance of \$26,215,560 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, 2013 and 2012**  
**(continued)**

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

**Fort Lee Borough/Bergen County  
Motion of Fair Share Housing Center, Inc. to Invalidate Fort Lee Redevelopment  
Plan and Impose Scarce Resource Restraint  
Council on Affordable Housing Docket No.: 13-2331**

This matter is currently pending before the State of New Jersey Council on Affordable Housing (“COAH”), and arises from a motion that an entity known as the Fair Share Housing Center, Inc. (“FSHC”) filed with COAH. To place this matter and FSHC’s motion in proper context, some background information is necessary.

FSHC is a non-profit organization that “is dedicated to the provision of a realistic opportunity for the construction” of low and moderate income housing throughout the State of New Jersey, pursuant to a New Jersey legal doctrine known as the Mount Laurel Doctrine, and pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. As noted above, Tucker is the designated redeveloper of the parcel within Redevelopment Area 5 known as the West Parcel. An entity known as Fort Lee Redevelopment Associates, LLC (“FLRA”) is the designated redeveloper of the parcel within Redevelopment Area 5 that is known as the East Parcel.

After FLRA and Tucker received development approvals from the Borough Planning Board for their respective redevelopment projects, FSHC filed two separate lawsuits purportedly challenging the approvals. Specifically, FSHC filed a complaint in the Bergen County Superior Court on May 29, 2012, naming FLRA, the Borough, the Borough Planning Board, and COAH as defendants (the “FLRA Lawsuit”). FSHC filed another complaint in the Bergen County Superior Court on July 30, 2012, naming TDC, the Borough, the Borough Planning Board, and COAH as defendants (the “TDC Lawsuit”).

Though both of the lawsuits were brought under the guise of a challenge to FLRA’s and Tucker’s Planning Board approvals, FSHC was, in reality, mounting of a broad-based attack upon the Housing Element and Fair Share Plan (the “Plan”) adopted by the Borough to address its affordable housing obligations under the Mount Laurel Doctrine and the Fair Housing Act. However, because the Borough had petitioned COAH for substantive certification of its Plan, and because FSHC has filed objections to the Plan with COAH, FSHC was required – as a matter of law – to exhaust its administrative remedies in COAH, before it can seek judicial relief.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

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

Consequently, the defendants in the FLRA Lawsuit and the TDC Lawsuit filed motions to dismiss those lawsuits, on the grounds that FSHC must first exhaust its administrative remedies in COAH. COAH filed briefs in support of these motions.

Finding that FSHC was indeed required to exhaust its administrative remedies in COAH before it can seek judicial relief, the Bergen County Superior Court entered two separate Orders dismissing these lawsuits without prejudice. The Court dismissed the FLRA Lawsuit by Order dated August 7, 2012. The Court dismissed the TDC Lawsuit by Order dated September 28, 2012.

In light of the foregoing, on or about January 14, 2013, FSHC filed its present motion with COAH. Through this motion, FSHC seeks: (1) To invalidate the Redevelopment Plan that the Borough has adopted for Redevelopment Area 5; (2) To invalidate the Redevelopment Agreements between the Borough and FLRA and between the Borough and Tucker, concerning Redevelopment Area 5; (3) To invalidate the preliminary and final site plan approvals granted to FLRA and Tucker; and (4) The imposition of a scarce resource restraint, wherein FSHC seeks to restrain the further development of land within the Borough.

The matter has been briefed, and is awaiting action by COAH. Based upon our review of the facts and relevant law, we believe that it is more likely than not that FSHC's motion will be denied, and that the issues raised by FSHC's motion will be resolved within the mediation and review process provided by COAH's administrative rules. During the interim period, construction by both Redevelopers has continued. FLRA has constructed, skinned and is doing interior construction on Phase I of its Project, a 47 story residential tower. Tucker is pouring foundations on Phase I of its Project. Because of the nature of the relief that FSHC seeks, it is not possible to provide an estimate or range of any potential loss.

**Tax Appeals**

The Borough has a substantial amount of pending tax appeal cases outstanding as of December 31, 2013. Some of these cases involve large assessments and there is substantial exposure for some of the matters and certainly in the aggregate.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2013.

	Balance December 31, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Land	\$53,018,284	\$	\$	\$53,018,284
Building and Building Improvements	29,543,378			29,543,378
Machinery and Equipment	<u>15,931,927</u>	<u>577,101</u>	<u>207,430</u>	<u>16,301,598</u>
	<u>\$98,493,589</u>	<u>\$577,101</u>	<u>\$207,430</u>	<u>\$98,863,260</u>

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2013 consist of the following:

\$21,435	Due to the Current Fund from the General Capital Fund for grant receipts deposited in error less charges to improvement authorizations to reimburse expenses made by Current Fund in error and the balance of current year interest earnings.
82,961	Due to the General Capital Fund from the Federal and State Grant Fund for grant receipts deposited in error.
749	Due to the Current Fund from the Escrow Trust for interest earned due the Borough.
18,130	Due to the Dedicated Penalties Trust from the Current Fund for penalties deposited in error.
236,868	Due to the Redemption Trust Fund from the Current Fund for premium refunds made in error to refund tax appeal refunds made in error less the accumulation of interest earnings.
13	Due to the Current Fund from the Flexible Spending Trust for interest earnings and employee contributions advanced.
408,127	Due to the Other Trust Fund from the Current Fund to correct a deposit error less current year interest earned.
80,014	Due to the COAH Trust from the Current Fund for current and prior year development fees collected but not turned over to the Trust Account.
378,903	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
100,000	Due to the General Capital Fund from the Redemption Trust to correct a deposit error.
672	Due to the Parking Offenses Adjudication Trust Fund from the Current Fund for municipal court fees deposited in error.
<u>6,632</u>	Due to the Unemployment Trust Fund from the Current Fund for employee payroll deductions deposited in error.
<u>\$1,334,504</u>	

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

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

**NOTE 12. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013 the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2013</u>	2014 Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - N.J.S.A. 40A:4-53	\$1,015,126	\$433,782	\$581,344
Emergency Authorizations	<u>34,229</u>	<u>34,229</u>	<u>-0-</u>
	<u>\$1,049,355</u>	<u>\$468,011</u>	<u>\$581,344</u>

**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 2013 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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

**NOTE 13. RISK MANAGEMENT, (continued)**

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.

**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, 2013</u>	<u>Balance</u> <u>Dec 31, 2012</u>
Prepaid Taxes	<u>\$707,110</u>	<u>\$680,372</u>
Cash Liability for Taxes Collected in Advance	<u>\$707,110</u>	<u>\$680,372</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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

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

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, 2013, and the related information for the plan, are as follows:

January 1, 2013 - Net OPEB Obligation (Initial) (NOO)	\$39,855,000
Annual OPEB Costs (AOC)*	11,714,694
Contribution from Borough	<u>(3,489,031)</u>
December 31, 2013 - Net OPEB Obligation (NOO)	<u>\$48,080,663</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 FY2013 were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
	(Dollars in Thousands)		
2010	10,786.0	33.1%	\$32,555.0
2011	10,786.0	26.9	40,082.5
2012	10,786.0	22.5	47,864.5
2013	11,715.0	.244	48,081.0

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

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

Valuation Date	Actuarial Value of Assets OPEB Cost	Actuarial accrued Liability - Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funde d Ratio	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
(Dollars in Thousands)						
01/01/13	\$-0-	\$143,094.3	\$143,094.3	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, 2013) is \$176,255,156 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

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, 2013) is \$143,094,299 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 2013 Fiscal Year Normal Cost is \$3,428,899 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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**  
**(continued)**

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

**Demographic Assumptions**

Data was provided by the Borough of Fort Lee as of January 1, 2013. 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 4.5%.

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 8.5% 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 8.5%, decreasing to a 5.0% long-term trend rate after fourteen years.

**NOTE 16. SUBSEQUENT EVENT**

The Borough has evaluated subsequent events through April 21, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**BOROUGH OF FORT LEE**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax rate	2.123	2.052	1.988
Apportionment of tax rate:			
Municipal	0.956	0.930	0.905
Library	0.035	0.034	0.035
School	0.892	0.862	0.829
County	0.240	0.226	0.219

Assessed Value

2013	\$ 6,077,635,363
2012	6,086,093,646
2011	6,122,598,259

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>
2013	\$ 129,364,143	127,645,653	98.67%
2012	125,261,259	122,737,625	97.99%
2011	121,801,241	120,381,505	98.83%

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>
2013	\$ 1,316,071	90,144	1,406,215	1.09%
2012	1,468,811	92,555	1,561,366	1.25%
2011	1,231,515	90,067	1,321,582	1.09%

**BOROUGH OF FORT LEE**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2013 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>
2013	\$	8,220
2012		8,220
2011		8,220

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding year
Current Fund	2013	\$	4,687,443	2,950,000
	2012		3,947,868	2,900,000
	2011		2,820,705	2,400,000
	2010		2,686,378	2,250,557
	2009		2,243,091	1,950,000

## 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		
Ila Kasofsky	Council President		
Armand Pohan	Councilman		
Harvey Sohmer	Councilman		
Jan Goldberg	Councilwoman		
Michael Sargenti	Councilman		
Joseph L. Cervieri, Jr.	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, N.J.**  
**Schedule of Cash - Collector-Treasurer**

**Current Fund**

**Year Ended December 31, 2013**

		<u>Current Fund</u>
Balance - December 31, 2012	\$	10,434,438
Increased by Receipts:		
Due to Federal and State Grant Fund	\$	335,067
Miscellaneous Revenue Not Anticipated		1,837,972
Tax Overpayments		247,025
Petty Cash		1,800
Special Emergency Note		1,015,126
Emergency Notes		34,229
Due to State - Senior Citizen and Veteran Deductions		180,795
Taxes Receivable		128,192,036
Tax Title Liens		6,840
Revenue Accounts Receivable		7,143,952
Interfunds		409,283
Prepaid Taxes		707,110
Various Cash Liabilities and Reserves		76,372
		<u>140,187,607</u>
		150,622,045
Decreased by Disbursements:		
Current Year Budget Appropriations	66,009,524	
Petty Cash	1,800	
Tax Overpayments	116,099	
Interfunds	464,466	
Due from Federal and State Grant Fund	278,905	
Special Emergency Note	1,448,908	
Emergency Notes	1,000,000	
Tax Appeal Refunds	366,829	
Revenue Refunds	11,849	
Various Cash Liabilities and Reserves	59,281	
Appropriation Reserves	849,792	
Local District School Taxes	56,411,076	
County Taxes Payable	14,606,087	
		<u>141,624,616</u>
Balance - December 31, 2013	\$	<u>8,997,429</u>

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

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

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012		\$	(650,930)
Decreased by:			
Prior year encumbrances paid	\$	1,094	
Cash disbursements		277,811	
Grant balance cancellations		<u>357,321</u>	
			<u>636,226</u>
			(14,704)
Increased by:			
Grants received - unappropriated	\$	59,852	
Grants received - appropriated		275,215	
Grant receivables cancelled		<u>29,132</u>	
			<u>364,199</u>
Balance - December 31, 2013		\$	<u><u>(378,903)</u></u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>450</u>
Balance - December 31, 2013	\$ <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, 2013**

Increased by:	
Petty Cash Advanced	\$ <u>1,800</u>
Decreased by:	
Returned to Treasurer	\$ <u><u>1,800</u></u>

<u>Authorized Petty Cash</u>	
Tax Collector	500
Recreation	200
Community Center	300
Police	500
Board of Health	<u>300</u>
	\$ <u><u>1,800</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, 2013**

Balance - December 31, 2012		\$	72,612
Increased by:			
Senior Citizens' Deductions Disallowed	\$	750	
State Share of Senior Citizens and Veteran Deductions Received in Cash		<u>180,795</u>	
			<u>181,545</u>
			254,157
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	43,750	
Veterans' Deductions Per Tax Billing		163,500	
Senior Citizens' and Veterans' Allowed		<u>1,250</u>	
			<u>208,500</u>
Balance - December 31, 2013		\$	<u><u>45,657</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2013

Year	Balance, Dec. 31, 2012	Levy	Added Taxes	2012 Collected	2013 Collected	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2013
2012	\$ 1,468,811				1,434,505			34,306	
	1,468,811				1,434,505			34,306	
2013		129,028,202	335,941	680,372	126,757,531	207,750	4,429	397,990	1,316,071
	\$ 1,468,811	129,028,202	335,941	680,372	128,192,036	207,750	4,429	432,296	1,316,071

Overpayments Applied

Cash Receipts	128,192,036
	<u>\$ 128,192,036</u>

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 129,028,202
Added Tax (R.S. 54:4-63.1 et seq.)	<u>335,941</u>
	\$ 129,364,143

Tax Levy:	
Local District School Tax	\$ 54,174,586
County Tax	\$ 14,562,146
Added County Taxes	<u>41,259</u>
	14,603,405
	68,777,991

Local Tax for Municipal Purposes	\$ 60,289,544
Additional Taxes	<u>296,608</u>
	60,586,152
	\$ 129,364,143

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

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

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>8,220</u>
Balance - December 31, 2013	\$ <u><u>8,220</u></u>

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 92,555
Increased by:	
Transfer from 2013 Taxes	<u>4,429</u>
	96,984
Decreased by:	
Redeemed	5,451
Assigned to Outside Lien Holder	<u>1,389</u>
	<u>6,840</u>
Balance - December 31, 2013	\$ <u><u>90,144</u></u>

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

**Current Fund**

**Year Ended December 31, 2013**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Clerk:				
Licenses:				
Alcoholic beverages		101,207	101,207	
Other		60,267	60,267	
Fees and Permits		81,595	81,595	
Municipal Court :				
Fines and Costs	99,604	1,201,742	1,204,376	96,970
Interest and Costs on Taxes		368,316	368,316	
Interest on Investments and Deposits		916	916	
Consolidated Municipal Property Tax				
Relief Aid		50,784	50,784	
Energy Receipts Tax		1,720,408	1,720,408	
Uniform Construction Code Fees		2,003,798	2,003,798	
Elevator Inspection Fees		4,576	4,576	
Recreation Fees		71,076	71,076	
Borough of Cliffside Park Sewer Services		479,971	479,971	
Reserve for Payment of Debt		113,529	113,529	
LEA Rebate		70,242	70,242	
General Capital Fund Balance		34,317	34,317	
Third Party Ambulance Billing		779,780	779,780	
	<u>99,604</u>	<u>7,142,524</u>	<u>7,145,158</u>	<u>96,970</u>
			Interest on Investments 1,206	
			Cash 7,143,952	
			<u>\$ 7,143,952</u>	

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

**Schedule of Demolition Lien Receivable**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>2,350</u>
Balance - December 31, 2013	\$ <u><u>2,350</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administration	\$			
Purchasing	1	1		1
Borough Clerk	1	1		1
Payroll/Data Processing	1	1		1
Rent Leveling Board	999	999		999
Sanitary Sewer System	33,934	33,934		33,934
Board of Health	1	1		1
Municipal Court	48,204	48,204		48,204
Engineering	630	630		630
Ambulance	1	1		1
Police	1	1		1
Department of Communications	54,588	54,588		54,588
Emergency Management	1	1		1
Communications repair	1,961	1,961		1,961
Recreation and Education	920	920		920
Senior Citizens	2,170	2,170		2,170
Parks and Playgrounds	7,075	7,075		7,075
Community Center	7,295	7,295		7,295
Uniform Construction Code Official	380	966	966	
Emergency Medical Technicians	2,419	2,419		2,419
Fire Protection	79,389	79,389		79,389
Total Salaries and Wages Within "CAPS"	<u>239,971</u>	<u>240,557</u>	<u>966</u>	<u>239,591</u>
Other Expenses Within "CAPS":				
Administration	53,041	53,715	644	53,071
Purchasing	1,022	6,421	2,643	3,778
Mayor and Council	244	744	(9,500)	10,244
Borough Clerk	1,921	2,517	1,832	685
Elections	1	1		1
Personnel and Data Processing	401	1,101	701	400
Financial Administration	13,123	50,145	37,387	12,758
Collection of Taxes	137	2,108	2,108	
Assessment of Taxes	9,991	10,096	105	9,991
Legal	194,414	194,670	57,145	137,525
Municipal Court	1	8,644	8,314	330

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Engineering Services and Costs	7,136	7,136	3,744	3,392
Dir. Economic Development	6,626	7,452	2,480	4,972
Planning Board	6,854	7,795	941	6,854
Zoning Board of Adjustment	6,244	6,244	333	5,911
Public Buildings and Grounds	1	22,769	22,709	60
Rent Leveling Board	1,439	1,439		1,439
Other Insurance Premiums	3,568	3,568		3,568
Group Insurance Plans for Employees	393,204	244,375	12,749	231,626
Fire Prevention	1,183	2,619	2,435	184
Emergency Management Services	1	206	206	
Fire Protection	11,409	27,491	14,128	13,363
Police	842	108,702	107,677	1,025
Department of Communications	2,340	2,780	543	2,237
Emergency Medical Technicians	13,188	15,187	5,493	9,694
Ambulance Corps	16,395	17,167	2,370	14,797
Road Repairs and Maintenance	61,541	69,842	13,038	56,804
Sanitation - Sewer System		4,034	4,033	1
Public Assistance	227	295	69	226
Recreation and Education	4,622	5,851	1,397	4,454
Parks and Playgrounds		315	315	
General Services	4,848	7,257	5,667	1,590
Community Center	15,124	15,769	6,844	8,925
Holiday - Other Expenses	14,877	19,662	14,141	5,521
Communications Repair	5,310	9,234	8,145	1,089
Auto Repairs	17,747	53,967	51,855	2,112
Garbage and Trash	162,946	216,943	216,942	1
Senior Citizen's Special Services	41,843	43,660	15,462	28,198
Senior Citizens	1,298	11,105	11,104	1
Cultural and Heritage Affairs	1,248	8,198	8,198	
Board of Health	6,282	8,523	3,984	4,539
Board of Health Hepatitis B	480	480	30	450
Construction Code Official	14,849	15,504	799	14,705
Electricity	338	2,203	2,202	1
Gasoline	12,647	28,841	23,570	5,271
Fuel Oil	5,583	5,583	2,851	2,732
Telephone	969	969		969

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, 2012	Balance after Transfers and Encumbrances	Paid	Balance Lapsed
Street Lighting	62,926	62,926	46,330	16,596
Fire Hydrant Service	14,985	14,985		14,985
Water	983	983		983
Hurricane Sandy	59,639	108,507	108,478	29
Total Other expenses Within "CAPS"	<u>1,256,038</u>	<u>1,520,728</u>	<u>822,641</u>	<u>698,087</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Unemployment	64	64		64
DCRP	1,628			
Social Security System (O.A.S.I)	9,117	10,745	8,457	2,288
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>10,809</u>	<u>10,809</u>	<u>8,457</u>	<u>2,352</u>
Total Reserves Within "CAPS"	<u>1,506,818</u>	<u>1,772,094</u>	<u>832,064</u>	<u>940,030</u>
Salaries and Wages Excluded from "CAPS"				
Uniform Construction Code:				
Elevator Inspections	341	341		341
Other Expenses Excluded From "CAPS":				
Englewood Sewer Treatment	30,000	30,000		30,000
Maintenance of Free Public Library		15,322	15,321	1
Fair Housing Act	1,113	2,407	2,407	
Total Other Expenses Excluded from "CAPS"	<u>31,454</u>	<u>48,070</u>	<u>17,728</u>	<u>30,342</u>
Total Reserves Excluded from "CAPS"	<u>31,454</u>	<u>48,070</u>	<u>17,728</u>	<u>30,342</u>
Total Reserves	<u>\$ 1,538,272</u>	<u>1,820,164</u>	<u>849,792</u>	<u>970,372</u>

Appropriation Reserves	1,538,272
Encumbrances	281,892
	<u>\$ 1,820,164</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2013

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2013</u>
Other Trust:				
Escrow Trust	\$ 525	421	197	749
Redemption Trust	(12,074)	11,227	236,021	(236,868)
Fire Prevention - Dedicated Penalties	(11,305)		6,825	(18,130)
Other Trust Fund	(100,151)	57	308,033	(408,127)
COAH Development Fees	(56,040)		23,974	(80,014)
POAA Trust			672	(672)
Flexible Spending Escrow Account	13			13
Unemployment Trust Fund			6,632	(6,632)
General Capital Fund	<u>(368,980)</u>	<u>453,562</u>	<u>63,147</u>	<u>21,435</u>
	<u>\$ (548,012)</u>	<u>465,267</u>	<u>645,501</u>	<u>(728,246)</u>
<u>Analysis</u>				
Due to Current Fund	\$ 538	21,856	197	22,197
Due from Current Fund	<u>(548,550)</u>	<u>443,411</u>	<u>645,304</u>	<u>(750,443)</u>
	<u>\$ (548,012)</u>	<u>465,267</u>	<u>645,501</u>	<u>(728,246)</u>
Interest on Investments	\$	801	243	
Reimbursement of Expenses paid			12,153	
Receipts			409,283	
Interfunds Advanced - Tax Appeal Refunds paid from				
Redemption trust in error			223,822	
Disbursements		<u>464,466</u>		
		<u>\$ 465,267</u>	<u>645,501</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, 2013

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Reduced</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>in 2013</u>	<u>Dec. 31,</u>
			<u>Authorized</u>	<u>2012</u>		<u>2013</u>
Dec. 20, 2012	Contractually Required Severance Liabilities	368,908	73,782	368,908	73,782	295,126
Dec. 19, 2010	Contractually Required Severance Liabilities	1,440,000	360,000	1,080,000	360,000	720,000
		<u>\$ 1,808,908</u>	<u>433,782</u>	<u>1,448,908</u>	<u>433,782</u>	<u>1,015,126</u>

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

**Schedule of Deferred Charges**

**Current Fund**

**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	<u>Increased</u>	Decreased by: Budget <u>Appropriation</u>	Balance, Dec. 31, <u>2013</u>
Emergency Authorizations:	\$			
Hurricane Sandy	500,000		500,000	
Police Salaries/Wages - Overtime	500,000		500,000	
Down payments on Improvements		<u>34,229</u>		<u>34,229</u>
	<u>\$ 1,000,000</u>	<u>34,229</u>	<u>1,000,000</u>	<u>34,229</u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	281,892
Increased by:		
Transfer from Current Appropriations		<u>266,648</u>
		548,540
Decreased by:		
Transferred to Appropriation Reserves		<u>281,892</u>
Balance - December 31, 2013	\$	<u><u>266,648</u></u>

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	680,372
Increased by:		
Receipts - Prepaid 2014 Taxes		<u>707,110</u>
		1,387,482
Decreased by:		
Applied to 2013 Taxes		<u>680,372</u>
Balance - December 31, 2013	\$	<u><u>707,110</u></u>

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

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012		\$	362,135
Increased by:			
Transfer from Tax Collections			<u>247,025</u>
			609,160
Decreased by:			
Cancelled to Operations	\$	246,036	
Cash Disbursed		<u>116,099</u>	
			<u>362,135</u>
Balance - December 31, 2013		\$	<u><u>247,025</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Special Emergency Notes

Current Fund

Year ended December 31, 2013

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec.31, 2012	Issued	Payments	Balance, Dec.31, 2013
Severance Liabilities	Dec. 28, 2012	Nov. 27, 2013	Nov. 26, 2014	1.00%	\$ 368,908	295,126	368,908	295,126
Severance Liabilities	Dec. 30, 2010	Jul. 10, 2013	Jul. 10, 2014	0.92%	1,080,000	720,000	1,080,000	720,000
					\$ 1,448,908	1,015,126	1,448,908	1,015,126

Exhibit A-22

Schedule of Emergency Notes Payable

Current Fund

Year ended December 31, 2013

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec.31, 2012	Issued	Payments	Balance, Dec.31, 2013
Down payments on Imps.	Nov. 27, 2013	Nov. 27, 2013	Nov. 26, 2014	1.00%	\$	34,229		34,229
Hurricane Sandy	Dec. 14, 2012	Dec. 14, 2012	Aug. 15, 2013	1.25%	500,000		500,000	
Police - Overtime	Dec. 14, 2012	Dec. 14, 2012	Aug. 15, 2013	1.25%	500,000		500,000	
					\$ 1,000,000	34,229	1,000,000	34,229

## BOROUGH OF FORT LEE, N.J.

## Schedule of Various Reserves

## Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2013</u>
<u>Reserve for:</u>				
Environmental Committee	\$ 269			269
Sale of Municipal Assets	2,044	4,575		6,619
Reserve for Police Communications System	1,762			1,762
Reserve for Payment of Debt - Ord. 96-26	10,538			10,538
Due to Library	26,686			26,686
Marriage License/Domestic Partner Registration				
Fees Payable	1,275	5,075	4,825	1,525
Burial Permits Payable	20			20
DCA Fees Payable	22,205	66,722	54,456	34,471
Due to Developers	1,201			1,201
Improvements	4,757			4,757
Miscellaneous	3,870			3,870
	<u>\$ 74,627</u>	<u>76,372</u>	<u>59,281</u>	<u>91,718</u>
		Cash Receipts	76,372	
		Cash Disbursements	59,281	
		\$	<u>76,372</u>	<u>59,281</u>

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

**Schedule of (Prepaid) Local District School Tax Payable**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 2,236,371
Increased by:	
Levy School Year - July 1, 2013 to June 30, 2014	<u>54,174,586</u>
	56,410,957
Decreased by:	
Payments	<u>56,411,076</u>
Balance - December 31, 2013	<u><u>\$ (119)</u></u>

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 41,259
Increased by:	
Levy	\$ 14,562,146
Added and Omitted Taxes	<u>41,259</u>
	<u>14,603,405</u>
	14,644,664
Decreased by:	
Payments	<u>14,606,687</u>
Balance - December 31, 2013	<u><u>\$ 37,977</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

## Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, 2012	Budget <u>Revenue</u>	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, 2013
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 (2012)	5,828		5,828		
Title III - Older Americans Act (2013)		69,950	64,122		5,828
Municipal Alliance (2008)	8,817				8,817
Municipal Alliance (2009)	11,778				11,778
Municipal Alliance (2010)	10,677		7,057		3,620
NJ Department of Transportation - Linwood Avenue Improvements	1,568			1,568	
Public Health Priority Funding	10,823			10,823	
Stationhouse Adjustment Program	16,441			16,441	
Purchase of Bus - Port Authority Contribution		123,420	123,420		
Alcohol Education and Rehabilitation		7,780	7,780		
Clean Communities		49,576	49,576		
Recycling Tonnage Grant		47,720	47,720		
Over the Limit Under Arrest		4,800	4,800		
Pedestrian Safety Enforcement		12,600	12,600		
Body Armor Replacement Fund		8,206	8,206		
Hepatitis B Vaccines		4,119	4,119		
Giving Back Fund - Purchase of K9		6,500	6,500		
NJLM Educational Foundation		5,000	5,000		
Clean Communities		58,206	58,206		
	<u>\$ 142,447</u>	<u>397,877</u>	<u>404,934</u>	<u>29,132</u>	<u>106,258</u>
			Cash Receipts \$ 275,215		
			Unappropriated Reserves <u>129,719</u>		
			<u>\$ 404,934</u>		

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, 2012	Transfer From 2013 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2013
Body Armor - 2001	\$ 9,816			9,816	
Body Armor - 2000	8,708			8,708	
Body Armor - 2002	9,198			9,198	
Title III - Older Americans Act	444			444	
Recycling Tonnage Grant	6,091				6,091
Traffic Grant	6,720			6,720	
Pedestrian Safety Grant	3,760			3,760	
Pedestrian Safety Grant - 2003	9,743			9,743	
Domestic Violence Grant	3,000			3,000	
Drunk Driving Enforcement Fund	2,087		592		1,495
Public Health Priority Funding - 2003	8,762			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	
Recycling Tonnage Grant	7,586				7,586
Emergency Management	2,406			2,406	
Public Health Priority Funding	5,212			5,212	
Domestic Violence Grant	67			67	
COPS More	4,015			4,015	
Bulletproof Vest Partnership Program	576				576
Bulletproof Vest Partnership Program	20,592				20,592
Bulletproof Vest Partnership Program	6,468				6,468
Bulletproof Vest Partnership Program	3,723				3,723
Recycling Tonnage Grant	3,263				3,263
Recycling Tonnage Grant	4,775				4,775
Click it or Ticket	1			1	
Public Health Priority Funding	12,090			12,090	
Stormwater Grant	11,354			11,354	
Clean Communities	399				399
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, 2013

<u>Grant</u>	Balance, Dec. 31, <u>2012</u>	Transfer From 2013 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2013</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
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			15,794	2,850
Recycling Tonnage Grant	14,228				14,228
Public Health Priority Funding	3,674			3,674	
Alcohol Education Rehabilitation	1,660				1,660
Justice Assistance Grant (JAG)	1,037			1,037	
Body Armor Replacement Fund	10,641			10,641	
Body Armor Replacement Fund	3,162			1,329	1,833
Body Armor Replacement Fund	8,227				8,227
Stormwater Grant	5,155			5,155	
NJ CMB Tobacco	3,720			3,720	
Infrastructure Preparedness	1,500			1,500	
Clean Communities	5,525		4,501		1,024
Municipal Alliance	21,423		12,813		8,610
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, 2013

<u>Grant</u>	Balance, Dec. 31, 2012	Transfer From 2013 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2013
Traffic Safety	2,000			2,000	
Alcohol Education and Rehabilitation Over the Limit Under Arrest	3,017				3,017
Clean Communities	3,900		3,900		
Pedestrian Safety Grant	13,729				13,729
Clean Communities	14,000				14,000
Clean Communities	1,037				1,037
NJ Department of Transportation - Linwood Avenue Improvements	1,657			1,657	
Recycling Tonnage Grant	3,332				3,332
Joint Insurance Fund - Police Accreditation Program	379		157		222
Pedestrian Safety Enforcement	21,779		8,501		13,278
Clean Communities	634		634		
Alcohol Education and Rehabilitation	4,019				4,019
Body Armor Replacement Fund	17,818			9,735	8,083
Over the Limit Under Arrest	3,650			3,650	
H1N1	9,946			9,946	
Drive Sober or Get Pulled Over	4,400		508	3,892	
Alcohol Education and Rehabilitation		7,780			7,780
Recycling Tonnage Grant		47,720			47,720
Pedestrian Safety Grant		12,600	2,000		10,600
Title III - Older Americans Act		69,950	47,289		22,661
Alcohol Impaired Driving Countermeasures Incentive Grant		4,800			4,800
Hepatitis B Vaccines		4,119			4,119
Clean Communities		49,576	49,576		
Purchase of Bus - Port Authority Contribution		123,420	123,420		
Giving Back Fund - Purchase of K9		6,500	6,023		477
NJLM Educational Foundation		5,000			5,000
Clean Communities		58,206	23,920		34,286
Body Armor Replacement Fund		8,206			8,206
	<u>\$ 579,603</u>	<u>397,877</u>	<u>283,834</u>	<u>357,321</u>	<u>336,325</u>

Encumbrances	\$ 6,023
Cash Disbursements	277,811
	<u>\$ 283,834</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	Balance, Dec. 31, <u>2012</u>	Cash <u>Received</u>	Transfer To 2013 <u>Budget</u>	Balance, Dec. 31, <u>2013</u>
Recycling Tonnage Grant	\$ 47,720	20,061	47,720	20,061
Body Armor - State	8,206	11,232	8,206	11,232
Pedestrian Safety	12,600	14,200	12,600	14,200
Division of Epidemiology - Communicable Diseases		200		200
Clean Communities	49,576		49,576	
Hepatitis B	4,119	2,450	4,119	2,450
Alcohol Impaired Driving Countermeasures - Over the Limit Under Arrest	4,800	4,400	4,800	4,400
National Priority Safety Programs - Occupant Protection Grant		4,000		4,000
Alcohol Education and Rehabilitation	<u>2,698</u>	<u>3,309</u>	<u>2,698</u>	<u>3,309</u>
	<u>\$ 129,719</u>	<u>59,852</u>	<u>129,719</u>	<u>59,852</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2013

	Assessment Trust Fund	Animal Trust Fund	Unemployment Trust Fund	Other Trust Fund
Balance - December 31, 2012	\$ 7,444	4,104	1,423	6,826,859
Increase by Receipts:				
Due from Board of Health		5,189		
Due to State		874		
Interfunds				11,284
Other Trust Funds				7,160,332
Payroll Deductions			26,032	
Interest Earned on Investments		1		421
Total Receipts		6,064	26,032	7,172,037
	7,444	10,168	27,455	13,998,896
Decreased by Disbursements:				
Reserve for Animal License Expenditures		3,858		
Due to State		874		
Interfunds				678,080
Other Trust Funds				3,274,117
Total Disbursements		4,732		3,952,197
Balance - December 31, 2013	\$ 7,444	5,436	27,455	10,046,699

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

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2013**

Reserve for Utility Deposits	\$ 6,466
Fund Balance	<u>978</u>
Balance - December 31, 2013	<u><u>\$ 7,444</u></u>

**Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 4,104
Increased by:	
Dog License Fees Collected	\$ 4,646
Cat License Fees Collected	343
Late Fees	200
Interest earned	<u>1</u>
	<u>5,190</u>
	9,294
Decreased by:	
Expenditures R.S. 4:19-15.11	<u>3,858</u>
Balance - December 31, 2013	<u><u>\$ 5,436</u></u>

Animal Licenses Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 4,595
2012	<u>5,401</u>
	<u><u>\$ 9,996</u></u>

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

**Due to State of New Jersey**

**Animal License Trust Fund**

**Year Ended December 31, 2013**

Increased by:  
Fees Collected \$ 874

Decreased by:  
Paid to State of New Jersey \$ 874

## BOROUGH OF FORT LEE, N.J.

## Schedule of Interfunds

## Other Trust Funds

Year Ended December 31, 2013

	Due from/(to) Balance <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2013</u>
Current Fund:				
Escrow Trust	\$ (525)	197	421	(749)
Redemption Trust	12,074	236,021	11,227	236,868
POAA Trust		672		672
Other Trust Fund	100,151	308,033	57	408,127
Fire Prevention Dedicated Penalties	11,305	6,825		18,130
Flexible Spending Escrow Account	(13)			(13)
Unemployment Trust Fund		6,632		6,632
COAH Development Fees	56,040	23,974		80,014
Total Current Fund	<u>179,032</u>	<u>582,354</u>	<u>11,705</u>	<u>749,681</u>
Capital Fund:				
Redemption Trust Fund	(100,000)			(100,000)
Community Development	(145,982)	145,982		(100,000)
	<u>(245,982)</u>	<u>145,982</u>		<u>(100,000)</u>
Total All Funds	<u>\$ (66,950)</u>	<u>728,336</u>	<u>11,705</u>	<u>649,681</u>
Due from	179,570	582,157	11,284	750,443
Due (to)	<u>(246,520)</u>	<u>146,179</u>	<u>421</u>	<u>(100,762)</u>
	<u>\$ (66,950)</u>	<u>728,336</u>	<u>11,705</u>	<u>649,681</u>
Due from Current - Deposit Errors		50,256		
Interest earned on Investments			421	
Cash Receipts			11,284	
Cash Disbursements		<u>678,080</u>		
		<u>\$ 728,336</u>	<u>11,705</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Reserve for Other Trust Funds

## Trust Funds

Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2013</u>
Reserve for:				
Escrow Deposits	\$ 611,561	812,200	811,999	611,762
Disability Insurance	81			81
Police Activities - Justice	385,669	37	66,812	318,894
Police Activities - County	207			207
Police Activities - Treasury	432,686	2,012,205	332,179	2,112,712
Police Activities - Asset Management	696			696
Parks and Recreation	24,066	44,385	43,156	25,295
Tax Title Lien Premiums	609,400	459,900	523,500	545,800
Tax Title Redemptions	870	855,641	855,205	1,306
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	3,023			3,023
Donation - Fire Command Vehicle	30,433			30,433
Film Shoot Proceeds	17,391			17,391
Confiscated Funds	27,115			27,115
Performance Bond		50,000		50,000
Police School Resource	14,329	4,001	11,044	7,286
Police Donations	1,918	100		2,018
Senior Citizen Advisory Council	68,177	32,249	31,360	69,066
COAH Development Fees	3,809,371	2,876,545	569,185	6,116,731
Multiple Dwelling Fees	91,815	41		91,856
Historic Film Commission	1,618	7,778	8,866	530
Litigation Escrow	106,947			106,947
Fire Prevention-Dedicated Penalties	33,406	17,588		50,994
POAA Trust	128,980	8,383	4	137,359
Recycling Trust	12,141	7,385	53	19,473
Flexible Spending Account Escrow	10,379	15,518	20,754	5,143
	<u>\$ 6,759,909</u>	<u>7,203,956</u>	<u>3,274,117</u>	<u>10,689,748</u>
		Cash 7,160,332	3,274,117	
		Due from Current Fund 43,624		
		<u>\$ 7,203,956</u>	<u>3,274,117</u>	

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

**Schedule of Reserve for Expenditures**

**Unemployment Trust Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012		\$	1,423
Increased by:			
Payroll Deductions due from Current Fund	\$	6,632	
Payroll Deductions - Receipts		<u>26,032</u>	
			<u>32,664</u>
Balance - December 31, 2013		\$	<u><u>34,087</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012		\$	6,334,599
Increased by Receipts:			
Premium on Note Sale	\$	21,458	
Premium on Bond Sale		46,974	
Grants Receivable		37,321	
Bond Anticipation Note Proceeds		3,960,222	
Bond Sale Proceeds		10,000,000	
Capital Improvement Fund		50,000	
Reserve for Payment of Debt		83,055	
Down Payments on Improvements		34,229	
Interfund - Community Development Trust Fund		145,982	
Interfund - Current Fund		389,277	
			<u>14,768,518</u>
			21,103,117
Decreased by Disbursements:			
Improvement Authorizations		5,098,788	
Encumbrances		927,417	
Bond Anticipation Notes		8,370,000	
Due to Current Fund -			
Reserve for payment of debt		113,529	
Fund Balance		34,317	
			<u>14,544,051</u>
Balance - December 31, 2013		\$	<u><u>6,559,066</u></u>

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

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Fund Balance	C-1	68,432
Various Receivables	C-4	(1,714,962)
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	183,055
Due to US Department of Housing and Urban Development	C-14	37,168
Interfund - Current Fund	C-20	21,435
Interfund - Federal and State Grant Fund	C-20	(82,961)
Encumbrances payable	C-13	440,099

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	12,792
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	65,012
03-24	Various Capital Improvements	721
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, 2013

05-27	Firefighter Safety Program Equipment	13,480
06-5	Rehabilitation of the Richard Nest Senior Citizens' Center Kitchen	493
06-6	Improvements to Inwood Terrace Park	102,129
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	1,086,701
07-30	Various Capital Improvements	818,188
07-47	Installation of Solar Panels	190,019
08-16	Acquisition of Mini Buses	(2,490)
08-29	Improvements to Constitution Park	1,524
08-35	Various Road Improvements	795
09-11	Abbott Blvd Pedestrian Pathway Project	199,077
09-22	Acquisition of Law Enforcement Equipment	242
09-24	Various Capital Improvements	149,536
09-35	Acquisition of Firefighting Equipment	4,659
10-04	Acquisition of a Fire Truck and related equipment	9
10-06	North Avenue and 8th Street Project	57,515
10-20	Roadway Imps., to Stillwell Avenue, 8th and 11th Sts.	100,000
10-21	Roadway Imps. To Myrtle Avenue	5,808
10-22	William T. Birch Park Improvements	141,130
10-23	Combined sewer outflow abatement upgrades	238,276
10-24	Various Capital Improvements	166,211
11-14	Various Capital Improvements	398,209
11-18	Refunding Bond Ordinance	(915)
11-21	Various Capital Improvements	383
12-19	Imps. to Brinkerhoff Avenue, Section 2	14
12-21	Various Capital Improvements	1,166,093
12-35	Imps. to Inwood Terrace Park Playground	7,833
12-43	Acquisition of Land - 4851/5	40,281
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	93,072
13-20	Various Capital Improvements	1,290,044
13-25	Acquisition of 1363 Inwood Terrace and relocation of furnishings and imp. to the property	88,254
		\$ 6,559,066

BOROUGH OF FORT LEE, N.J.  
Schedule of Grants and Contributions Receivable

General Capital Fund

Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	Grant Awards	Decreased by	Balance <u>Dec. 31, 2013</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	<u>177,216</u>			<u>177,216</u>
Total Miscellaneous Contributions Receivable	<u>697,358</u>			<u>697,358</u>
<u>Community Development Block Grant</u>				
Prior Year	3,537			3,537
Ord. 10-20: 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 Imps. to Myrtle Ave.	19,499			19,499
Ord. 12-19: Imps. to Brinkerhoff Ave., Sec. 2	<u>37,321</u>		37,321	<u>37,321</u>
<u>U.S. Department of Justice</u>				
Ord. 09-22: Law Enforcement Equipment	42			42
<u>U.S. Department of Homeland Security</u>				
Ord. 05-27: Firefighter Safety Equipment	4,124			4,124

BOROUGH OF FORT LEE, N.J.

Schedule of Grants and Contributions Receivable

General Capital Fund

Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	Grant Awards	Decreased by	Balance <u>Dec. 31, 2013</u>
<u>U.S. Department of Environmental Protection</u>				
Ord. 10-23: Sewer Outflow Abatement Upgrades	317,695			317,695
<u>U.S. Department of Energy</u>				
Ord. 11-16: Preparation/Implementation of an Energy Efficiency Strategy	72,039		63,147	8,892
<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
Ord. 12-35: Imps. to Inwood Terrace Park Plygd.	34,700			34,700
Ord. 13-06: Rehabilitation of Tennis Courts at William T. Birch Park and Basketball Courts at 500 Stillwell Avenue		<u>178,842</u>		<u>178,842</u>
Total Grants Receivable	<u>939,230</u>	<u>178,842</u>	<u>100,468</u>	<u>1,017,604</u>
	<u>\$ 1,636,588</u>	<u>178,842</u>	<u>100,468</u>	<u>1,714,962</u>

Due from Current Fund	63,147
Cash Receipts	<u>37,321</u>
	<u>\$ 100,468</u>

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>145,982</u>
Decreased by:	
Cash Receipts	\$ <u><u>145,982</u></u>

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

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>100,000</u>
Balance - December 31, 2013	\$ <u><u>100,000</u></u>

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012		\$	51,484,169
Increased by:			
General Improvement Bonds Issued			<u>10,000,000</u>
			61,484,169
Decreased by:			
Current Year Budget Appropriations:			
Serial Bonds	\$	5,301,000	
Green Trust Loan		<u>28,958</u>	
			<u>5,329,958</u>
Balance - December 31, 2013		\$	<u><u>56,154,211</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance		2013 Authorizations	Decreased	Balance Dec. 31, 2013	Analysis of Balance - Dec. 31, 2013		Unexpended Improvement Authorization
		Dec. 31, 2012	2013				Financed by Bond Anticipation Notes	Expenditures	
	General Improvements:	\$							
88-12	Various Improvements	3,619				3,619		3,619	
93-12	Self Insurance Claims	2,970				2,970		2,970	
94-35	Improvements to Main St./Palisades Ave.	136				136		136	
01-40	Construction of Library	4,750				4,750		4,750	
02-34	Municipal Parking Lot Improvements	500				500		500	
02-35	Streetscape Imps. - Various Streets	250				250		250	
03-24	Various Capital Improvements	100		100		500			500
04-27	Acquisition of Real Property (95 Main St.)	500				100			100
04-30	Various Capital Improvements	100				1,272		1,272	
04-45	Acquisition of a Fire Truck	607				607		607	
05-27	Firefighter Safety Program Equipment					755		491	264
06-39	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	755				6,012		6,012	6,012
07-30	Various Capital Improvements	6,012				389		389	388
07-47	Installation of Solar Panels	389				4,750		4,750	2,260
08-16	Acquisition of Mini Buses	4,750							
08-17	Refunding Bonds	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	
10-24	Various Capital Improvements	2,270,500						2,270,500	
10-28	Refunding Bond Ordinance	1,155,000						1,155,000	
11-14	Various Capital Improvements	1,832,075						1,831,500	575
11-18	Refunding Bond Ordinance	980,000						979,085	250
11-21	Various Capital Improvements	356,250						356,000	
12-05	Refunding Bond Ordinance	1,500,000						1,500,000	
12-19	Imps. to Brinkerhoff Avenue, Section 2	34,000						34,000	
12-21	Various Capital Improvements	2,558,350						2,558,000	350
12-35	Imps. To Inwood Terrace Park Playground	35,150						35,150	
12-43	Acquisition of Land - 4851/5	1,952,380						1,427,380	
						525,000		525,000	

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance		Decreased	Balance Dec. 31, 2013	Analysis of Balance - Dec. 31, 2013	
		Dec. 31, 2012	2013 Authorizations			Financed by Bond Anticipation Notes	Expenditures
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue		169,900	167,470	2,430		2,430
13-20	Various Capital Improvements		1,673,318		1,673,318	1,673,318	
13-25	Acquisition of 1363 Inwood Terrace and relocation of furnishings and improvements to the property		1,761,904		1,761,904	1,761,904	
		\$ 15,700,415	3,605,122	15,314,185	3,991,352	3,960,222	17,394
			Cancelled	5,314,185			
	Transferred to Deferred Charges - Funded - General Improvement Bonds Issued		10,000,000				
			\$ 15,314,185				
						Improvement Authorizations-Unfunded	\$ 1,432,315
						Less: Unexpended Proceeds of Bond Anticipation Notes	
						Ord. 12-43	40,281
						Ord. 13-20	1,290,044
						Ord. 13-25	88,254
							1,418,579
							\$ 13,736

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013	
			Date	Amount						
Pension Refunding Bonds	Mar. 1, 2003	4,230,000	3/1/2014	345,000	4.75%	2,455,000		310,000	2,145,000	
			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	7/15/2013	500,000	4.00%	500,000		500,000		
General Obligation Bonds	July 15, 2005	16,115,000	7/15/2014	1,150,000	4.00%	2,250,000		1,100,000	1,150,000	
General Improvement Refunding Bonds	Jan. 29, 2009	5,170,000	2/1/2013	1,285,000	3.00%	1,285,000		1,285,000		
County -Guaranteed Pooled Bond Program Series 2010	May 10, 2010	22,062,000	2/15/14	550,000	4.00%	21,812,000			351,000	21,461,000
			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%								

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of General Serial Bonds Payable**

**General Capital Fund**

Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount					
General Improvement Refunding Bonds	March 24, 2011	7,595,000	2/15/14	435,000	4.00%	7,595,000		1,755,000	5,840,000
			2/15/14	1,425,000	5.00%				
			2/15/15	1,980,000	4.00%				
			2/15/16	2,000,000	4.00%				
General Obligation Refunding Bonds	Dec. 22, 2011	6,520,000	7/15/14	665,000	3.00%	6,405,000			6,405,000
			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%							
General Obligation Refunding Bonds	May 8, 2012	9,000,000	7/15/15	1,210,000	3.00%	8,900,000			8,900,000
			7/15/16	1,250,000	3.00%				
			7/15/17	1,285,000	3.00%				
			7/15/18	330,000	3.00%				
			7/15/18	995,000	4.00%				
7/15/19	1,370,000	4.00%							
7/15/20	2,460,000	4.00%							

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount					
General Improvement Bonds	July 23, 2013	10,000,000	8/1/14	500,000	2.00%		10,000,000		10,000,000
			8/1/15	500,000	2.00%				
			8/1/16	800,000	2.00%				
			8/1/17	800,000	2.00%				
			8/1/18	475,000	2.00%				
			8/1/19	475,000	2.00%				
			8/1/20	475,000	2.00%				
			8/1/21	775,000	2.25%				
			8/1/22	900,000	2.50%				
			8/1/23	900,000	3.00%				
			8/1/24	900,000	3.00%				
			8/1/25	900,000	3.00%				
			8/1/26	950,000	3.00%				
		8/1/27	950,000	3.00%					
						\$ 51,202,000	10,000,000	5,301,000	\$ 55,901,000

Budget Appropriation \$ 5,301,000

\$ 5,301,000

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

**Schedule of Green Trust Loan**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 282,169
Decreased by:	
Green Trust Loans Paid by Current Year	
Budget Appropriations	<u>28,958</u>
Balance - December 31, 2013	<u>\$ 253,211</u>
	<u>Analysis of Balance</u>
Van Fleet Park/Community Center, Ord. 03-13	<u>253,211</u>



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

**Schedule of Reserve for Interest - Arbitrage**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>44,865</u>
Balance - December 31, 2013	\$ <u><u>44,865</u></u>

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

**Schedule of Encumbrances Payable**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 927,417
Increased by:	
Charged to Improvement Authorizations	<u>440,099</u>
	1,367,516
Decreased by:	
Payments	<u>927,417</u>
Balance - December 31, 2013	<u>\$ 440,099</u>

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

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>37,168</u>
Balance - December 31, 2013	<u>\$ 37,168</u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year Ended December 31, 2013**

Balance - December 31, 2012	\$	213,529
Increased by:		
Grants Received		83,055
		296,584
Decreased by:		
Utilized as Budget Revenue		113,529
Balance - December 31, 2013	\$	183,055
<u>Analysis of Balance</u>		
Ord. 2011-21 - Bonds		\$ 183,055

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ <u>817,059</u>
Balance - December 31, 2013	\$ <u><u>817,059</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2013	
			Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>									
00-36	Streetscape and sewer improvements	\$ 1,300,000	13,592	800			800	12,792	
01-22/2-11	Storm Water/Sewer Improvement	600,000	7					7	
02-41	Various Capital Improvements	2,000,000	2,788					2,788	
03-13/06-28	Construction of a Community Center and Sports Fields	13,500,000	77,752					65,012	
03-24	Various Capital Improvements	1,978,000	3,051	100		100		721	
03-32	Anderson and Columbia Ave. Drainage Bypass	208,000	12,444					12,444	
03-34	Installation of a Traffic Light	125,000	14,696					14,696	
04-21	Downtown Pedestrian Imp. Project: Phase IIA	250,000	215					215	
04-27/06-36/07-31	Streetscape Acquisition of Real Property (95 Main Street)	2,250,000	71,510	500				71,510	500
		400,000							
		800,000							
04-30	Various Capital Improvements		4,033					4,033	100
04-31	Downtown Pedestrian Imp. Project: Phase IIA								
	Streetscape	400,000	30					30	
05-7	Acquisition of Property - 4601/10	525,000	3,733					3,733	
05-21	Various Capital Improvements	1,746,750	2,550					2,550	
05-27	Firefighter Safety Program Equipment	121,800	13,481	607				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				669	102,129	
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							
06-44	Various Capital Improvements	2,000,000	260,298					260,298	
07-09	Wireless Public Safety Communications Network	5,500,000	1,217,209				130,508	1,086,701	
07-30	Various Capital Improvements	2,110,000	854,890	6,012			36,702	818,188	6,012

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2013	
			Funded	Unfunded				Funded	Unfunded
07-47	Installation of Solar Panels	1,550,000	195,315	388			5,295	190,020	388
08-16	Acquisition of Mini-Buses	165,000		2,260					2,260
08-17	Refunding Bonds	6,850,000		1,680,000		1,680,000			
08-29	Imps. to Constitution Park	110,000	1,524					1,524	
08-35	Various Road Improvements	320,000	795					795	
09-11	Abbott Blvd Pedestrian Pathway Project	200,000	199,077					199,077	
09-22	Acquisition of Law Enforcement Equipment	280,590	242					242	
09-24	Various Capital Improvements	2,300,000	193,192				43,656	149,536	
09-35	Acquisition of Firefighting Equipment	225,000	4,659				25,644	4,659	
10-04	Acquisition of Fire Truck and related equipment	900,000		25,653				9	
10-06	North Avenue and 8th Street Project	245,000	57,515					57,515	
10-20	Roadway Imps. to Stillwell Avenue, 8th and 11th Sts.	100,000	100,000					100,000	
10-21	Roadway Improvements to Myrtle Avenue	200,000	5,808					5,808	
10-22	William T. Birch Park Improvements	200,000	52,236				6,107	141,129	
10-23	Combined sewer outflow abatement upgrades	900,000		95,000			(8,885)	238,276	
10-24	Various Capital Improvements	2,390,000		121,535			(44,676)	166,211	
10-28	Refunding Bond Ordinance	8,750,000		1,155,000		1,155,000			
11-14	Various Capital Improvements	1,928,500		529,981			131,197	398,209	575
11-16	Preparation/Implementation of an energy efficiency strategy	155,100	71,895				71,895		
11-18	Refunding Bond Ordinance	7,500,000		979,085		979,085			
11-21	Various Capital Improvements	375,000		81,258			80,625	383	250
12-05	Refunding Bond Ordinance	10,500,000		1,500,000		1,500,000			
12-19	Imps. to Brinkerhoff Avenue, Section 2	180,500		356			342	14	
12-21	Various Capital Improvements	2,693,000		1,714,696			548,253	1,166,093	350
12-35	Imps. to Inwood Terrace Park Playground	71,700	36,550				63,867	7,833	
12-43	Acquisition of Land - 4851/5	2,050,000	93,120				2,005,219		40,281

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Canceled	Paid or Charged	Balance Dec. 31, 2013	
			Funded	Unfunded				Funded	Unfunded
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	357,684			357,684		262,182	93,072	2,430
13-20	Various Capital Improvements	1,757,000			1,757,000		466,956		1,290,044
13-25	Acquisition of 1363 Inwood Terrace and relocation of furnishings and improvements to the property	1,850,000			1,850,000		1,761,746		88,254
			\$ 3,718,963	10,109,716	3,964,684	5,314,185	5,603,172	5,443,691	1,432,315
	Bergen County Open Space Trust Fund \$				178,842				
	Down Payments on Improvements				34,229				
	Capital Improvement Fund				146,491				
	Deferred Charges to Future Taxation - Unfunded				3,605,122				
			\$	3,964,684					
							Cash \$	5,098,788	
							Due to Current Fund - Charges to 2011-16	64,283	
							Encumbrances	440,099	
									\$ 5,603,172

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

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	\$ 96,491
Increased by:	
Budget Appropriation	<u>50,000</u>
	146,491
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>\$ 146,491</u>

**Schedule of Down Payments on Improvements**

**General Capital Fund**

**Year Ended December 31, 2013**

Increased by:	
Budget Appropriation	<u>\$ 34,229</u>
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>\$ 34,229</u>

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

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012		\$	451,941
Increased by:			
Grant receipts received in Current			<u>63,147</u>
			515,088
Decreased by:			
Charges to Ordinance 2011-16	\$	64,285	
Cash Receipts		388,981	
Interest on Investments		<u>296</u>	
			<u>453,562</u>
Balance - December 31, 2013		\$	<u><u>61,526</u></u>
			<u>Analysis of Balance</u>
			Due to Current fund (21,435)
			Due from Federal and State Grant Fund <u>82,961</u>
		\$	<u><u>61,526</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance	2013	Balance
		Dec. 31, 2012	Authorizations	Dec. 31, 2013
			Decreased	
	General improvements:			
88-12	Various Improvements	\$ 3,619		3,619
93-12	Self-Insurance Fund	2,970		2,970
94-35	Refund of Taxes	136		136
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
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	1,272		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
07-30	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	
10-28	Refunding Bond Ordinance	1,155,000	1,155,000	
11-14	Various Capital Improvements	575		575
11-18	Refunding Bond Ordinance	980,000	979,085	
11-21	Various Capital Improvements	250		250
12-05	Refunding Bond Ordinance	1,500,000	1,500,000	
12-19	Imps. To Brinkerhoff Avenue, Sec. 2			

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance	2013	Balance
		Dec. 31, 2012	Authorizations	Dec. 31, 2013
	<u>General improvements:</u>			
12-21	Various Capital Improvements	350		350
12-35	Imps. to Inwood Terrace Park Playground	35,150		35,150
12-43	Acquisition of Land - 4851/5	1,952,380		1,952,380
13-06	Imps. to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue		169,900	2,430
13-20	Various Capital Improvements		1,673,318	
13-25	Various Capital Improvements		1,761,904	
		\$ 7,330,415	3,605,122	10,904,407
				31,130
	2013 Improvement Authorizations		3,605,122	
			Cancelled	5,314,185
			Bond Anticipation Notes Issued	3,960,222
			Bond Sale	1,630,000
				\$ 10,904,407

## BOROUGH OF FORT LEE

## Schedule of Cash-Treasurer

## Public Assistance Fund

Year Ended December 31, 2013

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2012	\$ 28,509	28,509	
Increased by Receipts:			
State Aid	99,495		99,495
Supplemental Security Income	2,543		2,543
Budget Appropriations	15,000	15,000	
Prior Year Void Checks	25	25	
Refunds of Assistance	17,475		17,475
Donations	6,770	6,770	
Interest Earned	28	28	
	<u>141,336</u>	<u>21,823</u>	<u>119,513</u>
	<u>169,845</u>	<u>50,332</u>	<u>119,513</u>
Decreased by Disbursements:			
Public Assistance - 2013	125,097	23,737	101,360
State of New Jersey - Refund of State Aid, zero-balance account	18,153		18,153
	<u>143,250</u>	<u>23,737</u>	<u>119,513</u>
Balance - December 31, 2013	<u>26,595</u>	<u>26,595</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, 2013**

Balance - December 31, 2013			\$	26,595
Increased by:				
State Aid	\$	13,333		
Budget Appropriation		<u>20,717</u>		
				<u>34,050</u>
				60,645
Decreased by:				
Public Assistance - 2014		13,333		
Non reimbursable expenses		<u>1,579</u>		
				<u>14,912</u>
Balance - February 28, 2014			\$	<u>45,733</u>
Reconciliation - February 28, 2014		<u>PATF I</u>		<u>PATF II</u>
		<u>Account</u>		<u>Account</u>
Balance on Deposit per Bank Statement:				<u>Total</u>
Checking	\$	5,579		5,579
Savings		<u>40,154</u>		<u>40,154</u>
		45,733		45,733
Less: Outstanding Checks		<u>          </u>		<u>          </u>
Balance - February 28, 2014	\$	<u>45,733</u>		<u>45,733</u>

**BOROUGH OF FORT LEE**

**Schedule of Public Assistance Cash and Reconciliation**

**Public Assistance Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012			\$	28,509
Increased by:				
State Aid	\$	99,495		
Supplemental Security Income		2,543		
Budget Appropriations		15,000		
Prior Year Void Checks		25		
Refunds of Assistance		17,475		
Donations		6,770		
Interest Earned on Investments		28		
		<u>          </u>		141,336
				<u>169,845</u>
Decreased by:				
Public Assistance 2013		125,097		
State of New Jersey - Refund of State Aid, Zero-Balance Account		<u>18,153</u>		
				<u>143,250</u>
Balance - December 31, 2013			\$	<u>26,595</u>
<u>Reconciliation - December 31, 2013</u>				
		<u>PATF I</u>		<u>PATF II</u>
		<u>Account</u>		<u>Account</u>
				<u>Total</u>
Balance on Deposit per Bank Statement:				
Checking	\$	26,595		26,595
Savings		<u>26,595</u>		<u>26,595</u>
Add: Deposits in Transit - Due from State of New Jersey - zero balance account				2,411
				<u>2,411</u>
Less: Outstanding Checks				<u>2,411</u>
Balance - December 31, 2013	\$	<u>26,595</u>		<u>26,595</u>

## BOROUGH OF FORT LEE

## Schedule of Reserve for Public Assistance Expenditures

## Public Assistance Fund

Year Ended December 31, 2013

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2012	\$ 28,509	28,509	
Increased by:			
State Aid	99,495		99,495
Supplemental Security Income	2,543		2,543
Refunds of Assistance	17,475		17,475
Budget Appropriations	15,000	15,000	
Prior Year Void Checks	25	25	
Donations	6,770	6,770	
Interest Earned	28	28	
	<u>141,336</u>	<u>21,823</u>	<u>119,513</u>
	<u>169,845</u>	<u>50,332</u>	<u>119,513</u>
Decreased by:			
Public Assistance - 2013	125,097	23,737	101,360
State of New Jersey - Refund of State Aid, Zero-Balance Account	<u>18,153</u>		<u>18,153</u>
	<u>143,250</u>	<u>23,737</u>	<u>119,513</u>
Balance - December 31, 2013	<u>\$ 26,595</u>	<u>26,595</u>	

**BOROUGH OF FORT LEE**  
**Schedule of Revenues - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2013**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	\$ 99,495		99,495
Less: Refunds to the State			
Net State Aid Payments	<u>99,495</u>	<u>          </u>	<u>99,495</u>
Supplemental Security Income			
State/Municipal Refund	2,543		2,543
Client Refund			
Budget Appropriation	15,000	15,000	
Refunds of Assistance	17,475		17,475
Prior Year Void Checks	25	25	
Interest Earned	<u>28</u>	<u>28</u>	
Total Revenues (P.A.T.F.)	<u>134,566</u>	<u>15,053</u>	<u>119,513</u>
Donations	<u>6,770</u>	<u>6,770</u>	
Total Receipts	<u>\$ 141,336</u>	<u>21,823</u>	<u>119,513</u>

**BOROUGH OF FORT LEE**

**PART II**

**LETTERS ON INTERNAL CONTROL AND COMPLIANCE**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

## BOROUGH OF FORT LEE

## Schedule of Expenditures - Cash Basis

## Public Assistance Fund

Year Ended December 31, 2013

	<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	\$ 51,752		51,752
Temporary Rental Assistance	34,117		34,117
Emergency Assistance	14,821		14,821
Work-Related Expenses	70		70
Transportation	600		600
Total Payments Reported	<u>101,360</u>		<u>101,360</u>
Petty Cash	23,737	23,737	
State of New Jersey -			
Refund of State Aid, Zero-balance account	18,153		18,153
	<u>41,890</u>	<u>23,737</u>	<u>18,153</u>
Total Disbursements (P.A.T.F.)	<u>\$ 143,250</u>	<u>23,737</u>	<u>119,513</u>

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Fort Lee in the County of Bergen as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated April 21, 2014 which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

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

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

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

### **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*.

However, 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.

### **Purpose of this Report**

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



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

April 21, 2014



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

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Borough of Fort Lee in the County of Bergen compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013. The Borough of Fort Lee's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Borough of Fort Lee's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the



types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Fort Lee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the Borough of Fort Lee's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, the Borough of Fort Lee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

### **Report on Internal Control Over Compliance**

Management of the Borough of Fort Lee is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Fort Lee's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fort Lee's internal control over compliance.

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

Honorable Mayor and  
Members of the Borough Council  
Page 3.

Our consideration of the internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

April 21, 2014



BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award	Grant Period		To	Cash Received	Expenditures	Cancelled	MEMO Cumulative Total Expenditures	
				From	To						
Federal and State Grant Fund: Department of Housing and Urban Development Pass Through Funds: U.S. Department of Environmental Protection	Municipal Stormwater Regulation Program	66.605	5,155	1/1/2007	12/31/2007	\$			(5,155)		
		(WQ05-044)	5,155	1/1/2008	12/31/2008				(5,155)		
U.S. Department of Transportation National Highway Traffic Safety Administration	Pedestrian Safety Enforcement Pedestrian Safety Enforcement Alcohol Impaired Driving Countermeasures Incentive Grants Alcohol Impaired Driving Countermeasures Incentive Grants Drive Sober or Get Pulled Over	20.609	16,000	1/1/2010	12/31/2010			8,501		15,722	
		20.609	13,000	1/1/2011	12/31/2011				(3,650)		
		20.601	3,650	1/1/2011	12/31/2011						
		20.601	4,800	7/1/2012	6/30/2013				508	(3,892)	
			4,400	7/1/2012	6/30/2014			4,400			
			4,400	7/1/2013	6/30/2014			4,000			
Federal Highway Administration	Highway Planning and Construction - Linwood Avenue Improvements	20.205	150,000	1/1/2011	12/31/2011				(90)	148,343	
U.S. Department of Justice	Office of Juvenile Justice and Delinquency Program - Station House Adjustment Grant	16.340	39,644	9/30/2008	3/31/2009			2,878		34,299	
		16.804	11,924	1/1/2009	12/31/2009				(1,037)	2,669	
Health and Senior Services	Edward Byrne Memorial Justice Assistance Grant - Local Solicitation - ARRA COPS More Bulletproof Vest Partnership Program Title III - Older Americans Act	16.710	59,963	1/1/2004	12/31/2004				(4,015)	55,948	
		16.607	576	1/1/2002	12/31/2002						
			20,592	1/1/2003	12/31/2003						
			6,468	1/1/2006	12/31/2006						
			3,723	1/1/2007	12/31/2007						
		93.045	69,228	1/1/2003	12/31/2003				(444)	68,784	
			95,534	1/1/2007	12/31/2007					95,534	
			95,534	1/1/2008	12/31/2008					95,534	
			95,534	1/1/2009	12/31/2009					69,950	
			69,950	1/1/2012	12/31/2012			5,828			46,989
	69,950	1/1/2013	12/31/2013			64,122					
	USDA		11,758	1/1/2003	12/31/2003				(11,758)		
<i>Total State and Federal Grant Fund</i>											
							78,350	56,298	(32,318)		
Current Fund: Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hurricane Sandy - DR 4086			1,200,255	10/30/2012			392,934	1,200,255		1,200,255	
		97,036					392,934	1,200,255		1,200,255	
<i>Total Current Fund</i>											

BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award	From	Grant Period	To	Cash Received	Expenditures	Cancelled	MEMO
										Cumulative Total Expenditures
<b>General Capital Fund:</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					
210-155-742-49-63	Imps. To Whiteman St., Beverly Hills Rd, Jerome Ave.	14.218	100,000	7/1/2011	6/30/2012					13,529
210-235-741-49-13	Barrier Free Curb Cuts	14.218	100,000	3/1/2012	2/28/2013		83,055			
U.S. Department of Environmental Protection										
	Sewer Outflow Abatement Upgrades, Ord. 2010-23	66.202	485,000							167,307
U.S. Department of Energy										
	Preparation of an Energy Efficiency Strategy/Implement the Strategy - Ord. 2011-16	81.128	155,100				63,147	72,139		155,100
U.S. Department of Transportation										
Federal Highway Administration										
	Highway Planning and Construction - North Avenue and 8th Street Imps. 2010-6	20.205	175,000							117,485
	Roadway Imps to Myrtle Ave., 2010-21	20.205	200,000							180,851
	Abbott Blvd Pedestrian Pathway Infrastructure Project - Ord. 2009-11	20.205	184,000							146,500
	Brinkerhoff Avenue, Sec. 2 - Ord. 2012-19	20.205	146,500				37,321			
	Whiteman Street Improvements	20.205	149,000							
U.S. Department of Justice										
	Community Oriented Policing Services - Law Enforcement Technology Grant 2008CKWX0490	16.710	280,590	12/26/2007	12/23/2010					280,348
	Homeland Security Grant	97.073	109,620		Ordinance 2005-27					107,712
<i>Total General Capital Fund</i>										
							100,468	155,194		
Public Assistance Trust Fund:										
Department of Health, Education and Welfare										
	Supplemental Security Income	96.006					2,543	2,543		2,543
<i>Total Public Assistance Trust Fund</i>										
							2,543	2,543		
<b>Total Federal Grants</b>										
							\$ 574,295	1,414,290	(32,213)	

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

A - Accounts Receivable of \$5,828, appropriated reserve of \$22,961.

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2013**

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Grant Period		Balance Dec. 31 2012	Cash Received	Grant Expenditures	Cancelled	MEMO Cumulative Total Expenditures
				From	To					
State and Federal Grant Fund: Department of Environmental Protection and Energy Solid Waste Administration	Recycling Tonnage Grant	4900-752-178810-61	10,703	1/1/2001	12/31/2001	6,091				4,612
		4900-752-178810-62	7,586	1/1/2003	12/31/2003	7,586				5,832
		4900-752-178810-63	9,095	1/1/2004	12/31/2004	3,263				5,832
		4900-752-178810-64	4,775	1/1/2005	12/31/2005	4,775				55
		4900-752-042-4900-001-V42Y	6,702	1/1/2006	12/31/2006	6,647	(6,647)			(6,666)
		4900-752-042-4900-001-V42Y	6,666	1/1/2007	12/31/2007	6,666				
		4900-752-042-4900-001-V42Y	14,228	1/1/2008	12/31/2008	14,228				
		4900-752-042-4900-001-V42Y	23,050	1/1/2009	12/31/2009	23,050				
		4900-752-042-4900-001-V42Y	9,866	1/1/2009	12/31/2009	3,332				
		4900-752-042-4900-001-V42Y	24,670	1/1/2012	12/31/2012	24,670				
		4900-752-001	20,061	1/1/2014	12/31/2014		20,061			
		4900-765-042-4900-004-V42Y	32,164	1/1/2006	12/31/2006	399				
		4900-765-042-4900-004-V42Y	34,518	1/1/2007	12/31/2007	16,525				
		4900-765-042-4900-004-V42Y	3,471	1/1/2007	12/31/2007	1,608		4,501		
4900-765-042-4900-004-V42Y	39,841	1/1/2008	12/31/2008	5,525						
4900-765-042-4900-004-V42Y	51,120	1/1/2009	12/31/2009	13,729						
4900-765-042-4900-004-V42Y	53,248	1/1/2010	12/31/2010	634		634				
4900-765-042-4900-004-V42Y	50,341	1/1/2011	12/31/2011	1,037						
4900-765-004	49,576	1/1/2012	12/31/2012	49,576		49,576				
4900-765-004	58,206	1/1/2013	12/31/2013			58,206				
Clean Communities	NJ Stormwater Regulation Grant	4900-765-004	15,464	1/1/2004	12/31/2004	11,354			(11,354)	4,110
		4900-765-004	15,464	1/1/2005	12/31/2005	15,068			(15,068)	396
Department of Community Affairs	NJ Playground	1200-100-066-1200-845-YEMR	5,000	1/1/2002	12/31/2002	4,251			(4,251)	749
		1200-100-066-1200-845-YEMR	2,406	1/1/2004	12/31/2004	2,406			(2,406)	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	4230-100-046-4750-241	4,342	1/1/2001	12/31/2001	2,087		592	(2,785)	3,349
		6400-100-078-6400	11,783	1/1/2007	12/31/2007	2,785				8,998
Alcohol Education and Rehabilitation	Alcohol Education and Rehabilitation	9735-760-060000-60	398	1/1/2005	12/31/2005	398			(398)	
		9735-760-098-Y900-001-X100	3,890	1/1/2007	12/31/2007	3,890			(3,890)	
Division of Highway Traffic Safety	Pedestrian Safety	9735-760-098-Y900-001-X100	1,660	1/1/2008	12/31/2008	1,660				
		9735-760-098-Y900-001-X100	3,017	1/1/2009	12/31/2009	3,017				
Division of Highway Traffic Safety	Pedestrian Safety	9735-760-098-Y900-001-X100	3,318	1/1/2010	12/31/2010	3,318				
		9735-760-098-Y900-001-X100	701	1/1/2011	12/31/2011	701				
Division of Highway Traffic Safety	Pedestrian Safety	9735-760-001	2,698	1/1/2012	12/31/2012	2,698				
		9735-760-001	14,200	1/1/2013	12/31/2013		5,082			3,309
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-066-1160-112-YHTS	5,760	1/1/2001	12/31/2001	3,760			(3,760)	2,006
		1160-100-066-1160-112-YHTS	16,000	1/1/2002	12/31/2002	9,743			(9,743)	6,257
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-066-1160-112-YHTS	16,967	1/1/2005	12/31/2005	4,032			(4,032)	12,935
		1160-100-066-1160-112-YHTS	18,850	1/1/2008	12/31/2008	18,644			(18,644)	
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-066-1160-112-YHTS	14,000	1/1/2009	12/31/2009	14,000				
		1160-100-131-12	5,000	1/1/2012	12/31/2012	5,000				
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-131-13	7,600	1/1/2013	12/31/2013	7,600				
		1160-100-131	14,200	1/1/2013	12/31/2013		14,200			2,000

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2013**

Name of State Agency or Department (continued)	State Program/Account No.	Total Grant Award	Grant Period		Balance Dec. 31 2012	Cash Received	Grant Expenditures	Cancelled	MEMO Cumulative Total Expenditures
			From	To					
Division of Highway Traffic Safety, (continued)	PT06-03-11-02	3,800	1/1/2006	12/31/2006	3,800		(3,800)		
		2,240	1/1/2001	12/31/2001	2,240		(2,240)		
		4,480	1/1/2001	12/31/2001	4,480		(4,480)		
		2,000	1/1/2009	12/31/2009	2,000		(2,000)		
Traffic Safety	1160-100-066-1160-036-YHTS-6020						(3,294)	1,606	
Traffic Safety		4,900	1/1/2007	12/31/2007	3,294		(1)	8,319	
You Drink You Drive You Lose	1160-100-066-1160-057-YHTS	8,320	1/1/2004	12/31/2004	1		(3,200)		
	1160-100-066-1160-116-YHTS	3,200	1/1/2006	12/31/2006	3,200				
Click It/Ticket	OP06-45-05-101								
Click It/Ticket	1160-100-066-1160-057-YHTS	9,600	1/1/2008	12/31/2008	3,900				
Over the Limit	1160-100-066-1160-057-YHTS	5,600	1/1/2009	12/31/2009		3,900			
Public Health Priority Funding		13,354	1/1/2002	12/31/2002	8,762		(8,762)	4,592	
		13,868	1/1/2003	12/31/2003	5,212		(5,212)	8,656	
		13,090	1/1/2004	12/31/2004	12,090		(12,090)	1,000	
		9,886	1/1/2005	12/31/2005	7,741		(7,741)	2,145	
		12,162	1/1/2006	12/31/2006	1,021		(1,021)	11,141	
		13,674	1/1/2007	12/31/2007	173		(3,674)	13,501	
		15,080	1/1/2008	12/31/2008	3,674		(8,856)	16,439	
		18,408	1/1/2010	12/31/2010	(8,856)				
Department of Health and Senior Services		4,119	1/1/2012	12/31/2012	4,119	2,450			
	4230-100-241		1/1/2013	12/31/2013		200			
Division of Epidemiology/Communicable Diseases		200	1/1/2013	12/31/2013			(3,000)		
Hepatitis B Vaccines		3,000	1/1/2001	12/31/2001	3,000		(67)		
Non-Ionizing Radiation	4230-100-476	67	1/1/2002	12/31/2002			(2,220)		
Domestic Violence Grant		2,220	1/1/2002	12/31/2002	2,220		(2,040)		
		2,040	1/1/2005	12/31/2005	2,040				
State of NJ Smoking Prevention		1,660	1/1/2005	12/31/2005	1,660		(1,660)		
State of NJ Smoking Prevention		440	1/1/2006	12/31/2006	440		(440)		
Comprehensive Tobacco Control	4230-100-046-4754-414-1002	2,820	1/1/2007	12/31/2007	2,820		(3,720)		
	4230-100-046-4754-414-1002	2,160	1/1/2008	12/31/2008	3,720				
Infrastructure Preparedness Grant	4230-100-046-4E01-360-1002	1,500	1/1/2008	12/31/2008	1,500		(1,500)		
Office of the Attorney General		8,708	1/1/2000	12/31/2000	8,708		(8,708)		
Department of Law and Public Safety		9,816	1/1/2001	12/31/2001	9,816		(9,816)		
Body Armor		9,198	1/1/2002	12/31/2002	9,198		(9,198)		
		16,838	1/1/2003	12/31/2003	16,838		(16,838)		
		9,735	1/1/2004	12/31/2004	9,735		(9,735)		
		9,616	1/1/2004	12/31/2004	9,616		(9,616)		
		10,081	1/1/2006	12/31/2006	10,081		(10,081)		
		11,925	1/1/2007	12/31/2007	11,925		(11,925)		
		10,641	1/1/2008	12/31/2008	10,641		(10,641)		

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2013**

Name of State Agency or Department of Law and Public Safety (continued)	State Program/Account No.	Total Grant Award	Grant Period		Balance Dec., 31 2012	Cash Received	Grant Expenditures	Cancelled (1,329)	MEMO Cumulative Total Expenditures
			From	To					
Office of the Attorney General Department of Law and Public Safety (continued)	1020-718-066-1020-001-YCIS	3,162	1/1/2009	12/31/2009	3,162	-	-	-	-
	1020-718-066-1020-001-YCIS	8,227	1/1/2010	12/31/2010	8,227	-	-	-	-
	1020-718-066-1020-001-YCIS	8,083	1/1/2011	12/31/2011	8,083	-	-	-	-
	1020-718-001	8,206	1/1/2012	12/31/2012	8,206	11,232	-	-	-
Bergen County Pass Through Grants	1020-718-001	11,232	1/1/2013	12/31/2013	-	-	-	-	-
	Municipal Alliance	17,500	1/1/2004	12/31/2004	2,726	2,726	-	-	17,500
		17,500	1/1/2008	12/31/2008	(6,500)	2,317	-	-	17,500
		16,765	1/1/2009	12/31/2009	(6,575)	5,703	-	-	16,765
	15,759	1/1/2010	12/31/2010	-	7,057	2,067	-	15,759	
Office of Information Technology/ Emergency Telecommunications Svc Enhanced 911 General Assistance Grant		34,355	1/1/2006	12/31/2006	22,952	-	(22,952)	-	11,403
<b>Total State and Federal Grant Fund</b>					<b>517,410</b>	<b>121,797</b>	<b>97,936</b>	<b>(273,932)</b>	<b>515,933</b>
Public Assistance Trust Fund: Department of Human Services	7500-150-158010-60	101,360	1/1/2013	12/31/2013	-	101,360	-	-	101,360
<b>Total Public Assistance Trust Fund</b>					<b>-</b>	<b>101,360</b>	<b>101,360</b>	<b>(273,932)</b>	<b>617,293</b>
<b>Total State Financial Assistance</b>					<b>\$ 517,410</b>	<b>223,157</b>	<b>199,296</b>	<b>(273,932)</b>	<b>617,293</b>
<b>Other Financial Assistance:</b>									
South Bergen Municipal Joint Insurance Fund	Police Accreditation Grant	25,000	1/1/2012	12/31/2012	379	-	157	-	24,778
NJ Health Officers Association - HINI Mini Grant		10,000	1/1/2011	12/31/2011	9,946	-	(9,946)	-	-
Municipal Alliance - Local Match		3,940	1/1/2010	12/31/2010	3,940	-	-	-	-
Bergen County Emergency Management		3,000	1/1/2005	12/31/2005	3,000	-	(3,000)	-	-
Municipal Recycling Assistance Program		15,011	1/1/2003	12/31/2003	4,686	-	-	-	10,325
		9,800	1/1/2007	12/31/2007	9,800	-	-	-	2,027
		11,021	1/1/2007	12/31/2007	8,994	-	(8,994)	-	-
Giving Back Fund FBO Ben Roethlisberger	Donation - K-9 Purchase	6,500	1/1/2013	12/31/2013	-	6,500	6,023	-	6,023
Port Authority of New York/New Jersey		123,420	1/1/2013	12/31/2013	-	123,420	123,420	-	123,420
NJLJ Educational Foundation	Small Grants Program	10,000	1/1/2013	5/31/2015	-	5,000	-	-	-
Bergen County Open Space		34,700							34,700
Inwood Terrace Park Rubber Surface Playground		78,842	7/23/2010	10/21/2011					78,842
Rehabilitation of Tennis Courts @ William T. Birch Park and Basketball Courts, Ord. 2013-6		100,000	8/1/2007	9/30/2008					100,000
<b>Total Other Financial Assistance</b>					<b>40,745</b>	<b>134,920</b>	<b>343,142</b>	<b>(21,940)</b>	<b>380,115</b>
<b>Total State Grants and Other Financial Assistance</b>					<b>\$ 558,155</b>	<b>358,077</b>	<b>542,438</b>	<b>(295,872)</b>	<b>997,408</b>

Total State Grants and Other Financial Assistance  
 Note: This schedule is not subject to an audit in accordance with N.J. OMB Circular 04-04

**BOROUGH OF FORT LEE**  
**NOTES TO THE SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Federal and State Grant Fund	\$56,298	\$97,936	\$129,600	\$283,834
Current Fund	1,200,255			1,200,255
General Capital Fund	155,194		213,542	368,736
Public Assistance Trust Fund	<u>2,543</u>	<u>101,360</u>	<u>          </u>	<u>103,903</u>
	<u>\$1,414,290</u>	<u>\$199,296</u>	<u>\$343,142</u>	<u>\$1,956,728</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

**BOROUGH OF FORT LEE  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2013, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Federal score Number/ State Account Number</u>	<u>Total</u>
Dept. Of Environmental Protection Green Trust Loan Program	0219-03-061	<u>\$253,211</u>

**BOROUGH OF FORT LEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:

Internal control over financial reporting:

Adverse-GAAP: Unmodified - regulatory basis

1. Material weakness(es) identified?

\_\_\_\_\_ yes        X   no

2. Were significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes        X   no

Noncompliance material to general-purpose financial statements noted?

\_\_\_\_\_ yes        X   no

**Federal Awards Section**

Dollar threshold used to determine type A programs:

\$ 300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        X   no

Type of auditors' report on compliance for major programs:

unmodified

Internal Control over compliance:

1. Material weakness(es) identified?

\_\_\_\_\_ yes        X   no

2. Were significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes        X   no

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section 510(a))?

\_\_\_\_\_ yes        X   no

Identification of major programs:

**SCORE Number(s)**

97.036

**Name of Federal Program or Cluster**

U.S. Department of Homeland Security - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**BOROUGH OF FORT LEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(continued)**

*Section I - Summary of Auditor's Results, (continued)*

**State Awards Section**

N/A

**BOROUGH OF FORT LEE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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:

- (2) 2012 Adult Passenger Mini Buses
- Ambulance
- Resurfacing of Basketball and Tennis Courts at William T. Birch Park
- 2013 Road Resurfacing Program

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.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 3, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, the provisions of NJSA 54:4-67 direct that the governing body of each municipality may **fix the rate of interest** to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent, and may further provide that no interest shall be charged if on payment of any installment is made within the tenth calendar day following the date upon which the same became payable; and ;

**BOROUGH OF FORT LEE**  
**GENERAL COMMENTS, (CONTINUED)**

WHEREAS, NJSA 54:4-67 further provides that the rate of interest so fixed shall not exceed eight (8%) on the first one thousand five hundred dollars (\$1,500) of the delinquency and eighteen percent (18%) per annum on any amount in excess of one thousand five hundred dollars (\$1,500),

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Fort Lee do hereby fix, in accordance with the provisions of NJSA 54:4-67 the rate of interest to be charged for the non-payment of taxes or assessments at eight (8%) per annum on the first one thousand five hundred dollars (\$1,500) of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500) of the delinquency, provided, however, that no interest shall be charged if payment of any installation is made within the tenth calendar day following the date upon which the same became payable.

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 4, 2013, and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2013	4
2012	7
2011	8

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

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## BOROUGH OF FORT LEE, N.J.

### COMMENTS

#### Tax Collector/Finance Department

1. \*There are old grant and miscellaneous receivables in the 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. \* 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.
4. \*There are various trust fund reserves for which there is not an approved dedication by rider:
  - a. Multiple Dwellings
  - b. Senior Citizen Advisory Council
  - c. Police School Resource Account
5. \*Prior year inter-fund balances between the Redemption Trust Accounts and the General Capital Fund and various Trust accounts and the Current Fund were not liquidated prior to the close of the current audit year.
6. \*Grant awards are being reprogrammed to new improvement authorizations while the existing ordinance funded by those grants remains on the books.
7. A certificate of availability of funds for the purchase of (2) Elkhart Coach Transit buses could not be located for review.
8. Certificates of availability of funds for professional services contracts did not stipulate which budget lines will be charged for the contract expenditures as required by N.J.A.C. 5:30-5.4
9. There are stale dated outstanding checks in both the Developer's Escrow Trust Fund and Public Assistance Trust Fund II accounts.

#### Purchasing/Accounts Payable Department

1. \*Goods/services were ordered prior to being encumbered.
2. \*Informal quotes were not obtained for all purchases in excess of 15% of the bid as required by N.J.S.A. 40A:11-6.1(a).
  - a. Speaker and Audio Equipment for the Community Center
  - b. Infinity Coemar Spotlights for the Community Center
  - c. Storm Drain and Manhole Installation
3. \*Purchase orders and/or approval vouchers are not being prepared and approved for the payment of monthly utility and health insurance bills.
4. The acquisition and installation of a Baldor Standby Diesel Generator for Borough Hall was not put out to bid in accordance with the Local Public Contracts Law.
5. Completed bid documents for the acquisition of (2) Elkhart Coach Transit buses was not available for audit review.

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

**COMMENTS, (cont.)**

Public Assistance

1. There are a substantial amount of stale dated outstanding checks in the Public Assistance Trust Fund II account.
2. Monthly assistance checks are not included in the monthly bill list provided to the Mayor and Council for approval.

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, 2013.
2. A review of the Court's December Management report revealed that there is an excessive amount of tickets in the following categories: Assigned over 180 days, issued not assigned, complaints eligible for warrant and complaints eligible for DSUS.
3. Not all bail receipts are being deposited in a timely manner.

Fire Sub-Code

1. \*Fees charged for plan reviews are not being consistently charged in accordance with approved fee ordinances.

Building Department

1. Not all affordable housing fees collected and deposited were in agreement with the fees levied per the Tax Assessor's office.

Fire Department

1. \*The Fire Department is accepting donations and paying for normal operating expenses through a Fire Chief's account opened under the borough's tax identification number without the knowledge of the mayor and council or chief financial officer.
2. \*The Fire Department is utilizing credit cards to pay for normal operating expenses that should be initiated through the borough's purchase order system.

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

**COMMENTS, (cont.)**

Recreation Department

1. There are instances in which fees collected for various recreation sponsored programs are being held and remitted to the vendor upon the commencement of the program rather than the monies being deposited and the vendor being paid through the Borough's purchase order system.

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

**RECOMMENDATIONS**

Tax Collector/Finance Department

1. \*The old grant and miscellaneous receivables in the General Capital Fund 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. \*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 and Community Center.
4. \*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.
5. \*All inter-fund balances be liquidated prior to the close of the year.
6. \*Stricter oversight over grant awards be maintained to ensure that duplicate funding sources are not being utilized for improvement authorizations.
7. Certificate of availability of funds for all contracts be prepared and made available for audit review.
8. All certificates of availability of funds documenting professional service contracts stipulate the budget line to be charged.
9. Stale outstanding checks in both the Developer's Escrow Trust Fund and the Public Assistance II Trust Fund be cancelled via resolution of the Mayor and Council.

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## BOROUGH OF FORT LEE

### RECOMMENDATIONS, (cont.)

#### 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.
3. \*Purchase orders or approval vouchers for monthly utility and health insurance bills be prepared and submitted for the necessary approvals prior to payment.
4. All contracts anticipated to exceed the bid threshold of \$36,000 be put out to public bid as required by the Local Public Contracts Law.
5. All bid documents be made available for audit review.

#### Public Assistance

1. A listing of old, stale dated outstanding checks be presented via resolution to Mayor and Council for cancellation.
2. Monthly assistance checks be included (with only case numbers listed) on the monthly bill list for approval of Mayor and Council.

#### 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, 2013.
2. \*That greater effort be made to ensure that all tickets and complaints are processed in a timely manner, that all tickets be assigned prior to issuance and that those tickets assigned over 180 days be recalled and either destroyed or reassigned.
3. All bail related deposits be made within 48 hours of receipt.

#### Fire Sub-Code

1. \*Fees charged for plan reviews be charged in accordance with established and approved fee ordinances.

#### Building Department

1. All affordable housing fees collected be in agreement with the Tax Assessor's calculations.

**BOROUGH OF FORT LEE**

**RECOMMENDATIONS, (cont.)**

Fire Department

1. \*The Fire Department apply for and establish themselves as a 501(C)(3) organization for the purposes of accepting charitable donations and that all operating expenses be initiated through the borough's purchase order system.
2. \*The use of credit cards be discontinued and all purchases be initiated through the creation of a requisition and purchase order in accordance with Borough purchasing policies and procedures.

Recreation Department

1. All program fees collected be deposited by the Borough and all vendors contracted for recreation programs be paid through the Borough's purchase order system.

**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. Wielkocz  
Registered Municipal Accountant  
No. CR00413



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

April 21, 2014