

**BOROUGH OF FORT LEE**

**Financial Statements With  
Supplementary Information**

**December 31, 2014  
(With Independent Auditors' Report Thereon)**

# BOROUGH OF FORT LEE

## Table of Contents

### Part I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>FINANCIAL STATEMENTS</u>	
	<u>Current Fund</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8
A-3	Statement of Expenditures - Regulatory Basis	11
	<u>Trust Funds</u>	
B	Comparative Balance Sheet - Regulatory Basis	21
B-1	Statement of Changes in Fund Balance - Regulatory Basis	23
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet - Regulatory Basis	24
C-1	Statement of Changes in Fund Balance - Regulatory Basis	26
	<u>Public Assistance Fund</u>	
E	Comparative Balance Sheet - Regulatory Basis	27
	<u>General Fixed Assets Account Group</u>	
F	Comparative Statement of General Fixed Assets - Regulatory Basis	28
	<u>Payroll Account</u>	
G	Comparative Balance Sheet - Regulatory Basis	29
	Notes to Financial Statements	30
	Supplementary Data	56

**BOROUGH OF FORT LEE**

**Table of Contents, (continued)**

**Part I, (continued)**

<u>Exhibit</u>		<u>Page</u>
<u>SUPPLEMENTARY INFORMATION</u>		
<u>Current Fund</u>		
A-4	Schedule of Cash - Collector-Treasurer	63
A-5	Schedule of Due from/(to) Federal and State Grant Fund	64
A-6	Schedule of Cash - Change Fund	65
A-7	Schedule of Cash - Petty Cash	65
A-8	Schedule of Amount Due to State of New Jersey for Senior Citizens' and Veterans' Deductions - Ch. 73 P.L. 1976	66
A-9	Schedule of Taxes Receivable and Analysis of Property Tax Levy	67
A-10	Schedule of Property Acquired for Taxes Assessed Valuation	68
A-11	Schedule of Tax Title Liens	68
A-12	Schedule of Revenue Accounts Receivable	69
A-13	Schedule of Demolition Lien Receivable	70
A-14	Schedule of Appropriation Reserves	71
A-15	Schedule of Interfunds	74
A-16	Schedule of Deferred Charges N.J.S.A. 40:4-53 Special Emergency	75
A-17	Schedule of Deferred Charges	76
A-18	Schedule of Encumbrances Payable	77
A-19	Schedule of Prepaid Taxes	77
A-20	Schedule of Tax Overpayments	78
A-21	Schedule of Special Emergency Notes	79
A-22	Schedule of Emergency Notes Payable	79
A-23	Schedule of Various Reserves	80
A-24	Schedule of (Prepaid) Local District School Tax Payable	81
A-25	Schedule of County Taxes Payable	81
A-26	Schedule of Grants Receivable	82
A-27	Schedule of Appropriated Reserves for Grants	83
A-28	Schedule of Unappropriated Reserves for Grants	85
<u>Trust Funds</u>		
B-2	Schedule of Cash	86
B-3	Analysis of Assessment Cash	87
B-4	Reserve for Animal Trust Fund Expenditures	87
B-5	Schedule of Due to State of New Jersey - Animal License Trust Fund	88
B-6	Schedule of Interfunds - Other Trust Funds	89
B-7	Schedule of Reserve for Other Trust Funds	90
B-8	Schedule of Reserve for Expenditures - Unemployment Trust Fund	91

**BOROUGH OF FORT LEE**

**Table of Contents, (continued)**

**Part I, (continued)**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	<u>General Capital Fund</u>	
C-2	Schedule of Cash	92
C-3	Analysis of Cash	93
C-4	Schedule of Grants and Contributions Receivable	96
C-5	Schedule of Due from U.S. Treasury - Equitable Share of Forfeited Funds	98
C-6	Schedule of Due from/(to) Redemption Trust Fund	98
C-7	Schedule of Deferred Charges to Future Taxation - Funded	99
C-8	Schedule of Deferred Charges to Future Taxation - Unfunded	100
C-9	Schedule of General Serial Bonds Payable	102
C-10	Schedule of Green Trust Loan	105
C-11	Schedule of Bond Anticipation Notes Payable	106
C-12	Schedule of Reserve for Interest - Arbitrage	107
C-13	Schedule of Encumbrances Payable	108
C-14	Schedule of Amount Due to the U.S. Department of Housing and Urban Development	108
C-15	Schedule of Reserve for Payment of Debt	109
C-16	Schedule of Reserve for Contributions - Main Street Widening Project	110
C-17	Schedule of Improvement Authorizations	111
C-18	Schedule of Capital Improvement Fund	114
C-19	Schedule of Reserves for Grants Receivable	114
C-20	Schedule of Interfunds	115
C-21	Schedule of Bonds and Notes Authorized But Not Issued	116
	<u>Public Assistance Fund</u>	
E-1	Schedule of Cash-Treasurer	118
E-2	Schedule of Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5	119
E-3	Schedule of Public Assistance Cash and Reconciliation	120
E-4	Schedule of Reserve for Public Assistance Expenditures	121
E-5	Schedule of Revenues - Cash Basis	122
E-6	Schedule of Expenditures - Cash Basis	123

**BOROUGH OF FORT LEE**

**Table of Contents, (continued)**

<u>Exhibit</u>	<u>Page</u>
<b><u>Part II</u></b>	
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	124
Summary Schedule of Prior Audit Findings	126
General Comments	127
Comments	130
Recommendations	131
Status of Prior Year Audit Findings/Recommendations	132
Acknowledgment	132

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2014 and 2013, 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, 2014, 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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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, 2014 and 2013, or changes in financial position for the years then ended.



Honorable Mayor and  
Members of the Borough Council  
Page 3.

***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, 2014 and 2013, 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, 2014 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 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 is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Honorable Mayor and  
Members of the Borough Council  
Page 4.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2015 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

June 4, 2015

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 9,726,774	8,997,429
Change Fund	A-6	450	450
		<u>9,727,224</u>	<u>8,997,879</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	1,667,677	1,316,071
Property Acquired for Taxes - Assessed Valuation	A-10	8,220	8,220
Tax Title Liens	A-11	94,651	90,144
Revenue Accounts Receivable	A-12	110,208	96,970
Demolition Lien Receivable	A-13	2,350	2,350
Prepaid School Taxes	A-24	119	119
Interfunds Receivable:			
Escrow Trust	A-15	608	749
Flexible Spending Escrow Account	A-15		13
Parks and Recreation Trust	A-15	4	
General Capital Fund	A-15	627	21,435
		<u>1,884,464</u>	<u>1,536,071</u>
Deferred Charges:			
Special Emergency	A-16	581,344	1,015,126
Emergency Appropriations	A-17		34,229
Deferred Charges - Overexpenditure of Appropriation Reserves	A-17	3,521	
		<u>584,865</u>	<u>1,049,355</u>
		<u>12,196,553</u>	<u>11,583,305</u>
Federal and State Grant Fund:			
Due from Current Fund	A-5	458,079	378,903
Grants Receivable	A-26	100,430	106,258
		<u>558,509</u>	<u>485,161</u>
		<u>\$ 12,755,062</u>	<u>12,068,466</u>

See accompanying notes to financial statements.

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	1,824,477	1,784,955
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	21,622	45,657
Interfund Payable:			
Federal and State Grant Fund	A-5	458,079	378,903
Police Activity Trust	A-15	231	
Redemption Trust	A-15	39	236,868
Fort Lee Film Commission	A-15	20	
Police Donation Trust	A-15	39	
Police School Resource Trust	A-15	92	
Senior Citizen Advisory Council Trust	A-15	84	
Animal License Trust Fund	A-15	39	
Unemployment Compensation Trust	A-15		6,632
POAA Trust	A-15	72	672
Fire Prevention - Dedicated Penalties	A-15	4,673	18,130
Other Trust Fund	A-15	46	408,127
COAH Development Fees Trust	A-15	38,358	80,014
Encumbrances Payable	A-18	398,906	266,648
Prepaid Taxes	A-19	754,334	707,110
Tax Overpayments	A-20	131,134	247,025
Special Emergency Notes Payable	A-21	581,344	1,015,126
Emergency Notes Payable	A-22		34,229
Various Reserves and Liabilities	A-23	320,685	91,718
Local School District Taxes Payable	A-24		
County Taxes Payable	A-25		37,977
		<u>4,534,274</u>	<u>5,359,791</u>
Reserve for Receivables	Contra	1,884,464	1,536,071
Fund Balance	A-1	<u>5,777,815</u>	<u>4,687,443</u>
		<u>12,196,553</u>	<u>11,583,305</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-27	314,875	336,325
Encumbrances Payable	A-27		6,023
Due to General Capital Fund		82,961	82,961
Unappropriated Reserve for Grants	A-28	160,673	59,852
		<u>558,509</u>	<u>485,161</u>
		<u>\$ 12,755,062</u>	<u>12,068,466</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues and Other Income:		
Fund Balance Utilized	2,950,000	2,900,000
Miscellaneous Revenue Anticipated	7,300,740	7,543,035
Receipts from Delinquent Taxes	1,309,925	1,441,345
Receipts from Current Taxes	130,084,559	127,645,653
Non-Budget Revenue	1,986,922	1,837,972
Other Credits to Income:		
Liabilities canceled	80,391	246,036
Unexpended Balance of Appropriation Reserves	1,052,027	970,372
Cancelled Grant Appropriations		357,321
Interfunds Returned	22,197	525
	<u>144,786,761</u>	<u>142,942,259</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	27,796,219	27,197,232
Other Expenses	28,684,113	28,200,511
Capital Improvement Fund	200,000	84,229
Municipal Debt Service	7,239,562	7,482,152
Deferred Charges and Statutory Expenditures -		
Municipal	5,975,454	6,928,662
Local District School Tax	55,690,381	54,174,586
County Taxes including Added Taxes	15,004,918	14,603,405
Overexpenditure of Appropriation Reserves	3,521	
Interfunds Advanced		258,207
Prepaid School Tax		119
Grant Receivables cancelled		29,132
Other Refunds	68,725	11,849
Tax Appeal Refunds	87,018	366,829
	<u>140,749,911</u>	<u>139,336,913</u>
Total Expenditures		
Excess (Deficit) Revenue Over Expenditures	4,036,850	3,605,346
Adjustment to Income Before Fund Balance - Expenditures		
Included above Which are by Statute Deferred		
Charges to Budget of Succeeding Year	3,521	34,229
	<u>4,040,371</u>	<u>3,639,575</u>
Statutory Excess to Fund Balance		
Fund Balance, January 1,	<u>4,687,443</u>	<u>3,947,868</u>
	8,727,814	7,587,443
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>2,950,000</u>	<u>2,900,000</u>
Fund Balance, December 31,	<u>\$ 5,777,814</u>	<u>4,687,443</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, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,950,000	2,950,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	100,000	101,376	1,376
Other	52,000	52,339	339
Fees and Permits	60,000	80,194	20,194
Fines and Costs:			
Municipal Court	1,200,000	1,391,831	191,831
Interest and Costs on Taxes	274,000	301,200	27,200
Interest on Investments and Deposits	915	9,030	8,115
Borough of Cliffside Park Sewer Services	475,000	394,883	(80,117)
Recreation Fees	73,000	88,417	15,417
Consolidated Municipal Property Tax Relief Aid	50,784	41,863	(8,921)
Energy Receipts Tax	1,720,408	1,729,329	8,921
Uniform Construction Code Fees	1,600,000	1,604,704	4,704
Elevator Inspection Fees	90,000	279,396	189,396
Clean Communities	54,579	54,579	
Body Armor Replacement Fund	8,513	8,513	
Reserve for Payment of Debt	100,000	100,000	
LEA Rebate	65,000	96,592	31,592
General Capital Fund Balance	68,432	68,432	
Third Party Ambulance Billing	779,000	898,062	119,062
	<u>6,771,631</u>	<u>7,300,740</u>	<u>529,109</u>
Total Miscellaneous Revenues			

BOROUGH OF FORT LEE, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Receipts from Delinquent Taxes	1,300,000	1,309,925	9,925
Subtotal General Revenues	<u>11,021,631</u>	<u>11,560,665</u>	<u>539,034</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>61,053,915</u>	<u>61,189,260</u>	<u>135,345</u>
Budget Totals	72,075,546	72,749,925	674,379
Non-Budget Revenue		<u>1,986,922</u>	<u>1,986,922</u>
	<u>\$ 72,075,546</u>	<u>74,736,847</u>	<u>2,661,301</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 130,084,559
Allocated to School and County Taxes	<u>70,695,299</u>
Balance for Support of Municipal Budget Appropriations	59,389,260
Add : Appropriation - Reserve for Uncollected Taxes	<u>1,800,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 61,189,260</u>
Receipts from Delinquent Taxes	1,309,925
Receipts from Tax Title Liens	<u>\$ 1,309,925</u>

## BOROUGH OF FORT LEE, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2014

Analysis of Non-budget Revenues

FEMA Reimbursement	\$	682,938	
Voting		760	
Cable TV Franchise Fees		94,635	
Hotel Tax		590,365	
In Lieu		68,077	
Burial Fees		18,239	
Tax Sale		1,032	
Senior Citizen Lunch		38,988	
Verizon		141,424	
S Recs		30,669	
Inspection Fees		5,505	
Internet Convenience Fee		16,096	
Offsets not Applied		42,784	
BCUA Connection Fee		2,617	
Refund Senior Citizen Deductions		3,750	
Medicare		70,100	
NJ Department of Labor Refund		56,730	
JIF Dividend		116,882	
Miscellaneous		5,331	
			\$ <u>1,986,922</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, 2014

	<u>2014</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>
General Government:					
Administration:					
Salaries and Wages	\$ 334,050	381,532	381,531	1	
Other Expenses	227,300	262,538	259,851	2,687	
Purchasing					
Salaries and Wages	108,207	112,755	112,754	1	
Other Expenses	85,100	91,793	91,793		
Mayor and Council					
Salaries and Wages	93,742	93,742	92,780	962	
Other Expenses	67,275	67,275	32,660	4,615	30,000
Borough Clerk					
Salaries and Wages	316,000	329,766	329,766		
Other Expenses	27,500	38,399	38,398	1	
Elections:					
Other Expenses	28,500	26,500	26,158	342	
Pay/ Data Processing:					
Salaries and Wages	62,163	68,048	68,047	1	
Other Expenses	8,000	8,000	3,864	4,136	
Financial Administration:					
Other Expenses	167,000	167,000	130,929	6,071	30,000
Collection of Taxes					
Salaries and Wages	394,866	402,453	402,453		
Other Expenses	62,500	73,491	73,491		
Assessment of Taxes:					
Salaries and Wages	172,569	177,733	177,733		
Other Expenses	31,850	38,275	38,275		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

	Current Fund				Unexpended
	2014	Budget after	Paid or	Reserved	Balance
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u></u>	<u>Canceled</u>
		<u>and Transfer</u>			
	Year Ended December 31, 2014				
Legal Services and Costs:					
Other Expenses	738,500	781,872	781,872		
Municipal Court:					
Salaries and Wages	737,800	736,178	695,301	40,877	
Other Expenses	145,450	147,072	146,916	156	
Engineering Services and Costs:					
Salaries and Wages	126,406	126,406	122,406	4,000	
Other Expenses	49,500	83,370	83,370		
Director of Economic Development					
Salaries and Wages	70,750	72,552	72,552		
Other Expenses	65,000	40,000	39,572	428	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Other Expenses	15,650	15,650	11,550	4,100	
Zoning Board of Adjustment:					
Other Expenses	19,850	19,850	18,988	862	
Rent Leveling Board:					
Salaries and Wages	46,147	46,147	45,646	501	
Other Expenses	2,850	2,850	1,562	1,288	
Insurance:					
Other Insurance Premiums	2,127,000	2,127,000	2,111,301	15,699	
Group Insurance Plans for Employees	7,917,000	8,180,166	8,137,991	42,175	
Group Insurance Plans for Employees - UCC	436,000	172,834		172,834	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 <u>Budget</u>	Budget after Modification and <u>Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Public Safety:					
Police:					
Salaries and Wages	15,197,575	15,051,230	14,915,256	135,974	
Other Expenses	740,500	700,500	688,010	12,490	
Equipment	10,000	10,000		10,000	
Department of Communications:					
Salaries and Wages	846,300	786,300	780,395	5,905	
Other Expenses	20,600	20,600	11,702	8,898	
Emergency Management:					
Salaries and Wages	101,900	103,667	103,667		
Other Expenses	20,650	20,650	19,400	1,250	
Aid to Volunteer Fire Companies	40,000	40,000	40,000		
Fire Prevention					
Salaries and Wages	699,652	799,812	799,811	1	
Other Expenses	33,050	33,401	33,400	1	
Fire Protection:					
Salaries and Wages	935,000	935,000	864,538	20,462	50,000
Other Expenses	318,800	318,800	311,349	7,451	
Fort Lee Emergency Medical Technicians:					
Salaries and Wages	354,703	354,703	354,254	449	
Other Expenses	68,950	48,950	47,135	1,815	
Ambulance Corps:					
Salaries and Wages	365,000	301,752	293,831	7,921	
Other Expenses	98,000	88,000	84,561	3,439	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public Works Function:					
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,921,830	2,088,397	2,085,145	3,252	
Other Expenses	225,800	229,790	229,790		
Garbage and Trash:					
Other Expenses	2,575,500	2,575,500	2,127,246	448,254	
Public Building and Grounds:					
Salaries and Wages	552,632	555,925	555,924	1	
Other Expenses	452,100	352,100	314,566	37,534	
General Services:					
Salaries and Wages	589,822	661,826	661,825	1	
Other Expenses	45,600	74,022	74,021	1	
Communications Repairs:					
Salaries and Wages	202,740	219,023	219,023		
Other Expenses	45,450	45,450	41,739	3,711	
Sanitation - Sewer System:					
Salaries and Wages	264,937	291,772	291,771	1	
Other Expenses	206,250	206,250	178,425	27,825	
Auto Repairs:					
Other Expenses	323,600	343,375	343,375		
Health and Welfare:					
Board of Health:					
Salaries and Wages	592,000	605,921	605,921		
Other Expenses	119,600	119,600	102,977	16,623	
Hepatitis B	6,500	6,500	6,000	500	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

	Current Fund				Unexpended
	2014	Budget after	Paid or	Reserved	Balance
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>and Transfer</u>	<u>and Canceled</u>
Administration of Public Assistance:					
Salaries and Wages	149,212	149,212	144,106	5,106	
Other Expenses	3,225	3,225	1,441	1,784	
Other Expenses	15,000	15,000	15,000		
Parks and Recreation Functions:					
Recreation and Education:					
Salaries and Wages	466,833	466,833	439,993	6,840	20,000
Other Expenses	39,600	39,600	34,218	5,382	
Senior Citizens:					
Salaries and Wages	256,076	265,835	265,835		
Other Expenses	136,450	133,592	116,386	17,206	
Senior Citizens Special Services:					
Other Expenses	341,000	341,000	304,677	6,323	30,000
Parks and Playgrounds:					
Salaries and Wages	592,000	617,349	617,348	1	
Other Expenses	73,600	74,890	74,889	1	
Community Center					
Salaries and Wages	197,652	197,652	186,586	11,066	
Other Expenses	156,750	156,750	149,783	6,967	
Other Common Unclassified					
Celebration of Public Events, Anniversary or					
Holiday - Other Expenses	95,000	120,646	120,646		
Salary & Wage Adjustment Program	400,000				
Cultural and Heritage Affairs					
Salaries and Wages	76,630	80,168	80,168		
Other Expenses	105,400	109,386	109,075	311	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Uniform Constuction Code Official					
Salaries and Wages	710,451	715,027	715,027		
Other Expenses	46,400	43,400	42,408	992	
Elevator Inspections					
Salaries and Wages	57,000	71,503	71,503		
UNCLASSIFIED:					
Utilities:					
Electricity	1,015,000	1,015,000	822,541	192,459	
Street Lighting	425,000	425,000	327,903	97,097	
Water	75,000	102,704	102,704		
Fuel Oil	22,000	25,838	25,837	1	
Telephone and Telegraph	350,000	364,296	364,296		
Gasoline	400,000	409,808	409,808		
Fire Hydrant Service	200,000	200,000	131,120	68,880	
Total Operations within "CAPS"	49,064,845	49,023,777	47,387,865	1,475,912	160,000
Total Operations Including Contingent-within "CAPS"	49,064,845	49,023,777	47,387,865	1,475,912	160,000
Detail:					
Salaries & Wages	27,992,645	27,866,219	27,552,896	243,323	70,900
Other Expenses (Including Contingent)	21,072,200	21,157,558	19,834,969	1,232,589	90,000
	49,064,845	49,023,777	47,387,865	1,475,912	160,000

(E) Deferred Charges and Statutory Expenditures-  
Municipal within "CAPS"  
Prior Year Bills

6,564 6,564 1

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
<b>STATUTORY EXPENDITURES:</b>					
Contribution to:					
Social Security System (O.A.S.I.)	1,400,000	1,400,000	1,351,621	3,379	45,000
Public Employees' Retirement System	1,293,542	1,293,542	1,145,730	147,812	
Police and Firemen's Retirement System of NJ	2,722,827	2,722,827	2,590,967	131,860	
Unemployment Compensation Insurance	95,000	111,510	111,510		
DCRP	63,000	63,000	16,183	1,817	45,000
	<u>5,580,933</u>	<u>5,597,443</u>	<u>5,222,574</u>	<u>284,869</u>	<u>90,000</u>
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	<u>54,645,778</u>	<u>54,621,220</u>	<u>52,610,439</u>	<u>1,760,781</u>	<u>250,000</u>
Total General Appropriations for Municipal Purposes within "CAPS"					
Operations - Excluded from "CAPS"					
Bergen County Utilities Authority:					
Share of Costs	5,292,500	5,292,500	5,292,290	210	
Englewood Sewer Treatment	30,000	30,000		30,000	
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)					
Contribution	2,136,405	2,136,405	2,132,919	3,486	
Fair Housing Act (P.L. 1985 Ch. 222 40A:40-45.3):					
Other Expenses	40,000	64,558	64,558		
	<u>7,498,905</u>	<u>7,523,463</u>	<u>7,489,767</u>	<u>33,696</u>	
Total Other Operations - Excluded from "CAPS"					

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
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					
Total Uniform Construction Code Appropriations	30,000	30,000		30,000	
Public and Private Programs Offset by Revenues					
Body Armor					
Other Expenses	8,513	8,513	8,513		
Clean Communities Act	54,579	54,579	54,579		
Total Public and Private Programs Offset by Revenues	63,092	63,092	63,092		
Total Operations-Excluded from "CAPS"	7,591,997	7,616,555	7,552,859	63,696	
Detail:					
Salaries and Wages	30,000	30,000		30,000	
Other Expenses	7,561,997	7,586,555	7,552,859	33,696	
Total:	7,591,997	7,616,555	7,552,859	63,696	

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

	Current Fund				Unexpended
	2014	Budget after	Paid or	Reserved	Balance
	Budget	Modification	Charged		Canceled
		and Transfer			
Year Ended December 31, 2014					
Capital Improvements-Excluded from "CAPS"					
Down Payments on Improvements					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements Excluded from "CAPS"	200,000	200,000	200,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	5,070,000	5,070,000	5,070,000		
Interest on Bonds	2,250,000	2,250,000	2,120,350		129,650
Interest on Notes	25,000	25,000	24,455		545
Green Trust Loan Program					
Loan Repayments for Principal and Interest	24,760	24,760	24,757		3
Total Municipal Debt Service-Excluded from "CAPS"	7,369,760	7,369,760	7,239,562		130,198
DEFERRED CHARGES:					
Emergency Authorization	34,229	34,229	34,229		
Special Emergency Authorization -					
5 Years (N.J.S. 40A:4-55)	433,782	433,782	433,782		
Total Deferred Charges - Municipal -	468,011	468,011	468,011		
Excluded from "CAPS"					

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>15,629,768</u>	<u>15,654,326</u>	<u>15,460,432</u>	<u>63,696</u>	<u>130,198</u>
Subtotal General Appropriations	70,275,546	70,275,546	68,070,871	1,824,477	380,198
Reserve for Uncollected Taxes	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>		
Total General Appropriations	<u>\$ 72,075,546</u>	<u>\$ 72,075,546</u>	<u>\$ 69,870,871</u>	<u>\$ 1,824,477</u>	<u>\$ 380,198</u>

Adopted Budget 72,012,454  
 Added by N.J.S.A. 40A:4-87 63,092  
 \$ 72,075,546

Reserve for Uncollected Taxes 1,800,000  
 Federal and State Grant Fund 63,092  
 Encumbrances 398,906  
 Deferred Charges 468,011  
 Cash 67,140,862  
\$ 69,870,871

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Assessment Trust Fund:			
Cash	B-2	<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Cash	B-2	9,797	5,436
Due from Current Fund	B-6	<u>39</u>	<u>          </u>
		<u>9,836</u>	<u>5,436</u>
Unemployment Trust Fund:			
Cash	B-2	7,812	27,455
Interfund - Due from Current Fund	B-6	<u>          </u>	<u>6,632</u>
		<u>7,812</u>	<u>34,087</u>
Other Trust Funds:			
Cash	B-2	10,614,461	10,046,699
Interfund - Due from Current Fund	B-6	<u>43,654</u>	<u>743,811</u>
		<u>10,658,115</u>	<u>10,790,510</u>
		<u>\$ 10,683,207</u>	<u>10,837,477</u>

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</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>9,836</u>	<u>5,436</u>
Unemployment Trust Fund:			
Reserve for Expenditures	B-8	<u>7,812</u>	<u>34,087</u>
Other Trust Fund:			
Interfund - Due to Capital Fund	B-6		100,000
Interfund - Due to Current Fund	B-6	612	762
Reserve for:			
Other Trust Deposits	B-7	<u>10,657,503</u>	<u>10,689,748</u>
		<u>10,658,115</u>	<u>10,790,510</u>
		<u>\$ 10,683,207</u>	<u>10,837,477</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, 2014**

Balance - December 31, 2013 \$ 978

Balance - December 31, 2014 \$ 978

See accompanying notes to financial statements.

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	C-2/C-3	4,315,784	6,559,066
Accounts Receivable:			
Miscellaneous	C-4	2,697,358	697,358
Grants	C-4	1,035,207	1,017,604
U.S. Department of Treasury - Equitable Share of Forfeited Funds	C-5	162,000	
Interfunds Receivable:			
Redemption Trust Fund	C-6		100,000
Federal and State Grant Fund	C-20	82,961	82,961
Over-Expenditure of Ord. 2011-21		7,264	
Deferred Charges to Future Taxation:			
Funded	C-7	51,064,420	56,154,211
Unfunded	C-8	8,005,739	3,991,352
		<u>\$ 67,370,733</u>	<u>68,602,552</u>

## BOROUGH OF FORT LEE, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-9	50,831,000	55,901,000
Green Trust Loan Payable	C-10	233,420	253,211
Bond Anticipation Notes	C-11	3,960,222	3,960,222
Reserve for:			
Interest - Arbitrage	C-12	44,865	44,865
Encumbrances Payable	C-13	317,066	440,099
Payment of Debt	C-15	166,156	183,055
Contributions - Main			
Street Widening Project	C-16	1,567,059	817,059
Grants Receivable	C-19	180,745	
Due to U.S. Department of Housing and Urban Development	C-14	37,168	37,168
Improvement Authorizations:			
Funded	C-17	5,643,583	5,443,691
Unfunded	C-17	4,358,115	1,432,315
Capital Improvement Fund	C-18	1,892	
Interfund - Current Fund	C-20	627	21,435
Fund Balance	C-1	28,815	68,432
		<u>\$ 67,370,733</u>	<u>68,602,552</u>

There were \$31,130 and \$4,045,517 of Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2014 (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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Balance - January 1,	\$ 68,432	34,317
Increased by:		
Premium received on Note Sale	28,815	21,458
Premium received on Bond Sale	<u>          </u>	<u>46,974</u>
	28,815	68,432
	97,247	102,749
Decreased by:		
Utilized as budget revenue	<u>68,432</u>	<u>34,317</u>
Balance - December 31, 2014	<u>\$ 28,815</u>	<u>68,432</u>

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE

Comparative Balance Sheet-Regulatory Basis

Public Assistance Fund

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash - Public Assistance	\$ <u>39,240</u>	<u>26,595</u>
	\$ <u><u>39,240</u></u>	<u><u>26,595</u></u>
 <u>Liabilities</u>		
Reserve for Public Assistance	\$ <u>39,240</u>	<u>26,595</u>
	\$ <u><u>39,240</u></u>	<u><u>26,595</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 53,018,284	53,018,284
Buildings	29,581,520	29,543,378
Machinery and Equipment	<u>17,023,249</u>	<u>16,301,598</u>
	<u>\$ 99,623,053</u>	<u>98,863,260</u>
 Investment in Fixed Assets	 <u>\$ 99,623,053</u>	 <u>98,863,260</u>

See accompanying notes to financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash	\$ <u>2,755</u>	<u>3,472</u>
	\$ <u><u>2,755</u></u>	<u><u>3,472</u></u>
<u>Liabilities</u>		
Withholdings Payable	\$ <u>2,755</u>	<u>3,472</u>
	\$ <u><u>2,755</u></u>	<u><u>3,472</u></u>

See accompanying notes to the financial statements.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**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, 2014 and 2013**  
**(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.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

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, 2014 and 2013**  
**(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 the 11<sup>th</sup> day of the 11<sup>th</sup> month in the current year taxes are levied, 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, 2014 and 2013**  
**(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 2014, the Governing Body approved \$63,092 in additional grant revenues and appropriations in accordance with N.J.S.A. 40A:4-87. In addition, the Mayor and Council approved several budget transfers.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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. Recent Accounting Pronouncements

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

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

C. Recent Accounting Pronouncements, (continued)

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

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

D. 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, 2014 and 2013**  
**(continued)**

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

Description of Systems, (continued)

*Public Employees' Retirement System (PERS)*

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

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

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

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013**  
**(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, 2014	\$1,145,730	\$2,590,967
December 31, 2013	1,194,103	2,682,834
December 31, 2012	1,211,808	2,755,496

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

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

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

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

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

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

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

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

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014	\$16,183
December 31, 2013	14,266
December 31, 2012	15,372

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</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	\$55,901,000	\$	\$5,070,000	\$50,831,000	\$5,359,000
Green Trust Loan Payable	253,211		19,791	233,420	20,189
Compensated Absences Payable	<u>9,141,988</u>	<u>360,717</u>	<u>682,519</u>	<u>8,820,186</u>	<u>                    </u>
	<u>\$65,296,199</u>	<u>\$360,717</u>	<u>\$5,772,310</u>	<u>\$59,884,606</u>	<u>\$5,379,189</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>2014</u>	<u>2013</u>	<u>2012</u>
Issued - general - bonds, notes and loans	\$55,024,642	\$60,114,433	\$59,854,169
Authorized but not issued - general - bonds and notes	<u>4,045,517</u>	<u>31,130</u>	<u>7,330,415</u>
Bonds, notes and loans issued and authorized but not issued	59,070,159	60,145,563	67,184,584
Less deductions:			
Reserve for payment of debt	1,733,215	1,000,114	1,030,588
Pension refunding bonds issued	<u>                    </u>	<u>2,145,000</u>	<u>2,385,000</u>
Net bonds and notes issued and authorized but not issued	<u>\$57,336,944</u>	<u>\$57,000,449</u>	<u>\$63,768,996</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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 .884%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$66,190,000	\$66,190,000	\$ -0-
General Debt	<u>59,070,159</u>	<u>1,733,215</u>	<u>57,336,944</u>
	<u>\$125,260,159</u>	<u>\$67,923,215</u>	<u>\$57,336,944</u>

Net debt of \$57,336,944 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,485,014,737 equals .884%.

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

3-1/2% of equalized valuation basis (municipal)	\$226,975,516
Less net debt	<u>57,336,944</u>
Remaining Borrowing Power	<u>\$169,638,572</u>

The Borough's long-term debt consisted of the following at December 31, 2014:

Paid by Current Fund:

\$4,230,000, 1.60%-4.90% pension refunding bonds issued March 1, 2003, due through March 1, 2018	\$1,800,000
\$22,062,000, 2.00%-5.00% County-Guaranteed Pooled Bond Program issued May 10, 2010, due through February 15, 2025	20,911,000
\$7,595,000, 4.00% general improvement refunding bonds issued March 24, 2011, due through February 15, 2016	3,980,000
\$6,520,000, 2.00%-4.00% general improvement refunding bonds issued December 22, 2011, due through July 15, 2019	5,740,000
\$9,000,000, 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>9,500,000</u>
	<u>\$50,831,000</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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>
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	7,160,260	6,015,000	1,145,260
2020-2024	20,276,859	17,388,000	2,888,859
2025-2027	<u>5,311,625</u>	<u>5,085,000</u>	<u>226,625</u>
	<u>\$61,572,703</u>	<u>\$50,831,000</u>	<u>\$10,741,703</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, 2014, the Borough had authorized but not issued debt as follows:

General Capital Fund	<u>\$4,045,517</u>
----------------------	--------------------

**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>\$233,420</u>
--	------------------

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014, the Borough issued bond anticipation notes in the amount of \$525,000 due on July 10, 2015 at a rate of .89% and additional bond anticipation notes in the amount of \$3,435,222 were issued on November 26, 2014 and are due on November 25, 2015 at a rate of 1.25%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2014.

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

**NOTE 6. FUND BALANCE APPROPRIATED**

The fund balances at December 31, 2014 and 2013, which have been appropriated as revenue in the 2014 and 2015 budgets, are as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	<u>\$3,561,000</u>	<u>\$2,950,000</u>

**NOTE 7. ACCRUED SICK AND VACATION BENEFITS**

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$8,820,186 as of December 31, 2014. This amount is not reported either as an expenditure or liability.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(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, 2014 and 2013, \$0- of the Borough's bank balance of \$25,522,332 and \$26,199,069, respectively, 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, 2014 and 2013**  
**(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. By way of background, 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, as noted above, is awaiting action by COAH.

On March 10, 2015 the New Jersey Supreme Court issued its decision upon a different application by FSHC to enforce litigants' rights and provide a judicial remedy due to the failure of the Council on Affordable Housing (COAH) to adopt valid Third Round Rules governing the municipal Mt. Laurel affordable housing obligation. The Court granted the application and provided that the courts would accept Mt. Laurel cases. In doing so, it "dissolved" the "exhaustion of administrative remedies" requirement under the Fair Housing Act, (that no exclusionary zoning cases may proceed if a town is before COAH). The court provided however that municipalities will first have a limited period of time to develop valid housing plans.

Municipalities who had been "participating" before COAH, but had not yet received substantive certification from that agency, such as the Borough, may file declaratory judgment actions seeking approval of a housing plan and immunity from builders remedy challenges. Such action will be filed on behalf of the Borough prior to July 8, 2015. By filing a declaratory judgment action, the Borough will trigger the jurisdiction of the courts and seek an order of temporary immunity from any builders remedy lawsuits.

Based upon our review of the facts, relevant law and the recent Court ruling, 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 review process provided by the Court. During the interim period, construction by both Redevelopers has continued.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

**Tax Appeals**

**CHI 2200 FLETCHER AVENUE**

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

**Pending Tax Years: 2009, 2010, 2011, 2012, 2013, 2014 & 2015**

- (a) **Nature of the litigation** – Property tax appeal for tax years 2009 through 2015. For the relevant tax years, the Borough's potential exposure was approximately \$3,236,625, plus interest. The property tax assessment for the property that is the subject of this appeal was litigated in a prior year (2005) by the former owner (9W Office Building, LLC) and a judgment rendered by the Tax Court.
- (b) **Progress of Case to Date** – The Borough entered into a settlement that merely requires the Borough to pay plaintiff \$849,902, without interest, for Tax Years 2009 to 2014, and withdraw its 2009 tax appeal, in exchange for the 2015 assessment to be set at \$33,000,000 and obviate the need for trial costs. The refund will be paid on a date that will be determined after consultation with the Borough's Auditor and Business Administrator. The Borough will bond for the money to fund the settlement in whole or in part.

The Borough has a substantial amount of additional pending tax appeal cases outstanding as of December 31, 2014. Some of these cases involve large assessments and there is substantial exposure for some of the matters.

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2014.

	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2014</u>
Land	\$53,018,284	\$	\$	\$53,018,284
Building and Building Improvements	29,543,378	38,142		29,581,520
Machinery and Equipment	<u>16,301,598</u>	<u>800,851</u>	<u>79,200</u>	<u>17,023,249</u>
	<u>\$98,863,260</u>	<u>\$838,993</u>	<u>\$79,200</u>	<u>\$99,623,053</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2014 consist of the following:

\$627	Due to the Current Fund from the General Capital Fund for 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.
608	Due to the Current Fund from the Escrow Trust for interest earned due the Borough.
4,673	Due to the Dedicated Penalties Trust from the Current Fund for penalties deposited in error.
39	Due to the Redemption Trust Fund from the Current Fund to reimburse bank service charges less the accumulation of interest earnings.
46	Due to the Other Trust Fund from the Current Fund to reimburse bank service charges less current year interest earned.
38,358	Due to the COAH Trust from the Current Fund for current year development fees collected but not turned over to the Trust Account.
458,079	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
72	Due to the Parking Offenses Adjudication Trust Fund from the Current Fund to reimburse bank service charges.
231	Due to the Police Activities Trust Fund from the Current Fund to reimburse for bank service charges incurred.
20	Due to the Fort Lee Film Commission from the Current Fund to reimburse for bank service charges incurred.
39	Due to the Police Donation Trust Fund from the Current Fund to reimburse for bank service charges incurred.
92	Due to the Police School Resource Trust Fund from the Current Fund to reimburse for bank service charges incurred.
4	Due to the Current Fund from the Parks and Recreation Trust Fund for the balance of current year interest earnings.
84	Due to the Senior Citizen Advisory Council Trust Fund from the Current Fund to reimburse for bank service charges incurred.
<u>39</u>	Due to the Animal License Trust Fund from the Current Fund to reimburse for bank service charges incurred.
<u>\$585,972</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, 2014 and 2013**  
**(continued)**

**NOTE 12. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014 the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2013</u>	2015 Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - N.J.S.A. 40A:4-53	\$581,344	\$433,782	\$147,562
Over-expenditure of Appropriation Reserves	<u>3,521</u>	<u>          </u>	<u>3,521</u>
Total Current Fund	<u>584,865</u>	<u>433,782</u>	<u>151,083</u>
General Capital Fund:			
Over-expenditure of Improvement Authorization 2011-21	<u>7,264</u>	<u>7,264</u>	<u>          </u>
Total General Capital Fund	<u>7,264</u>	<u>7,264</u>	<u>          </u>
Total Deferred Charges	<u>\$592,129</u>	<u>\$441,046</u>	<u>\$151,083</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 2014 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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

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

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

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

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

**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:

	Balance <u>Dec 31, 2014</u>	Balance <u>Dec 31, 2013</u>
Prepaid Taxes	<u>\$754,334</u>	<u>\$707,110</u>
Cash Liability for Taxes Collected in Advance	<u>\$754,334</u>	<u>\$707,110</u>

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

**NOTE 15. POSTEMPLOYMENT HEALTHCARE PLAN**

**Postemployment Benefits Other Than Pensions**

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

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

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2014, and the related information for the plan, are as follows:

January 1, 2013 - Net OPEB Obligation (Initial) (NOO)	\$48,080,663
Annual OPEB Costs (AOC)*	11,714,694
Contribution from Borough	<u>(3,111,821)</u>
December 31, 2013 - Net OPEB Obligation (NOO)	<u>\$56,683,536</u>

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

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

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 Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB 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
2014	11,715.0	.207	56,684.0

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll</u>
	(Dollars in Thousands)					
01/01/13	\$-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.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

**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.

**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”.

**BOROUGH OF FORT LEE**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(continued)**

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

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 June 4, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

**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 (to 8/15/14)	Councilwomen		
Peter Suh (from 8/21/14)	Councilman		
Michael Sargenti	Councilman		
Joseph L. Cervieri, Jr.	Councilman		
Alfred Restaino Jr.	Administrator		
Joseph Iannaconi Jr.	Tax Collector/Treasurer/CFO	\$ 1,000,000	(A)
Neil Grant	Borough Clerk		
Evelyn Rosario (9/22/14-12/31/14)	Deputy 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 Bond - \$950,000)

**BOROUGH OF FORT LEE**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax rate	<u>2.161</u>	<u>2.123</u>	<u>2.052</u>
Apportionment of tax rate:			
Municipal	0.966	0.956	0.930
Library	0.035	0.035	0.034
School	0.913	0.892	0.862
County	<u>0.247</u>	<u>0.240</u>	<u>0.226</u>

Assessed Value

2014	\$ 6,096,841,913
2013	6,077,635,363
2012	6,086,093,646

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>
2014	\$ 131,752,756	130,084,559	98.73%
2013	129,364,143	127,645,653	98.67%
2012	125,261,259	122,737,625	97.99%

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>
2014	\$ 1,667,677	94,651	1,762,328	1.34%
2013	1,316,071	90,144	1,406,215	1.09%
2012	1,468,811	92,555	1,561,366	1.25%

**BOROUGH OF FORT LEE**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2014 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>
2014	\$	8,220
2013		8,220
2012		8,220

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2014	\$	5,777,815	3,561,000
	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

BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

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	
Federal and State Grant Fund: U.S. Department of Transportation National Highway Traffic Safety Administration	Pedestrian Safety Enforcement	20.609	16,000	1/1/2010	12/31/2010					*	
		20.609	13,000	1/1/2011	12/31/2011	\$				15,722	
	Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	4,800	7/1/2012	6/30/2013						*
		20.616	4,400	7/1/2013	6/30/2014						*
	Drive Sober or Get Pulled Over	20.616	4,159	7/1/2014	6/30/2014		8,559				*
		20.616	4,000	7/1/2013	6/30/2014						*
	Occupant Protection Grant	20.616	4,000	7/1/2014	6/30/2015		4,000				*
		16.607	576	1/1/2002	12/31/2002						*
	U.S. Department of Justice	Bulletproof Vest Partnership Program		20,592	1/1/2003	12/31/2003					*
				6,468	1/1/2006	12/31/2006					*
			3,723	1/1/2007	12/31/2007					*	
Health and Senior Services	Title III - Older Americans Act	93.045	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					95,534	
			69,950	1/1/2013	12/31/2013		5,828				46,989
Current Fund: Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Hurricane Sandy - DR 4086		69,950	1/1/2014	12/31/2014		63,990			*	
			11,758	1/1/2003	12/31/2003					*	
		<i>Total State and Federal Grant Fund</i>					82,377			*	
		<i>Total Current Fund</i>					682,938			*	
										1,200,255	

BOROUGH OF FORT LEE

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

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										
			72,168	1/1/2006	12/31/2006					*
		14.218								*
		14.218	100,000	7/1/2011	6/30/2012		83,101	83,101		*
		14.218	100,000	3/1/2012	2/28/2013					*
		14.218	90,000	7/1/2013	6/30/2014				96,584	*
<b>U.S. Department of Environmental Protection</b>										
Sewer Outflow Abatement										
Upgrades, Ord. 2010-23										
		66.202	485,000							*
<b>U.S. Department of Energy</b>										
Preparation of an Energy Efficiency Strategy/										
Implement the Strategy - Ord. 2011-16										
		81.128	155,100				8,892		100	*
<b>U.S. Department of Justice</b>										
Community Oriented Policing Services -										
Law Enforcement Technology Grant										
		16.710	280,590	12/26/2007	12/25/2010					*
		97.073	109,620		Ordinance 2005-27					*
<i>Total General Capital Fund</i>										
							91,993	83,101	96,684	*
<b>Public Assistance Trust Fund:</b>										
Department of Health, Education and Welfare										
		96.006	30,868	1/1/2014	12/31/2014		30,868	30,868		*
<i>Total Public Assistance Trust Fund</i>										
							30,868	30,868		*
<b>Total Federal Grants</b>										
							\$ 888,176	113,969	96,684	*

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2014**

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Grant Period From	Grant Period To	Cash Received	Grant Expenditures	Cancelled	MEMO				
									Cumulative Total Expenditures				
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	\$			*	4,612			
		4900-752-178810-62	7,586	1/1/2003	12/31/2003				*	-			
		4900-752-178810-63	9,095	1/1/2004	12/31/2004				*	5,832			
		4900-752-178810-64	4,775	1/1/2005	12/31/2005				*	-			
		4900-752-042-4900-001-V42Y	14,228	1/1/2008	12/31/2008				*	-			
		4900-752-042-4900-001-V42Y	23,050	1/1/2009	12/31/2009				*	-			
		4900-752-042-4900-001-V42Y	9,866	1/1/2009	12/31/2009				*	6,534			
		4900-752-042-4900-001-V42Y	24,670	1/1/2012	12/31/2012				*	-			
		4900-752-001	20,061	1/1/2014	12/31/2014				*	-			
		4900-765-042-4900-004-V42Y	32,164	1/1/2006	12/31/2006				*	31,765			
Clean Communities	4900-765-042-4900-004-V42Y	34,518	1/1/2007	12/31/2007				*	17,488				
	4900-765-042-4900-004-V42Y	3,471	1/1/2007	12/31/2007				*	-				
	4900-765-042-4900-004-V42Y	39,841	1/1/2008	12/31/2008				*	34,316				
	4900-765-042-4900-004-V42Y	51,120	1/1/2009	12/31/2009				*	37,391				
	4900-765-042-4900-004-V42Y	50,341	1/1/2011	12/31/2011				*	49,304				
	4900-765-004	58,206	1/1/2013	12/31/2013				*	43,265				
	4900-765-004	54,579	1/1/2014	12/31/2014				*	51,831				
	4230-100-046-4750-241	4,342	1/1/2001	12/31/2001				*	3,349				
	Division of Motor Vehicles	Drunk Driving Enforcement Fund	9735-760-098-Y900-001-X100	1,660	1/1/2008	12/31/2008				*	-		
			9735-760-098-Y900-001-X100	3,017	1/1/2009	12/31/2009				*	-		
9735-760-098-Y900-001-X100			3,318	1/1/2010	12/31/2010				*	-			
9735-760-098-Y900-001-X100			701	1/1/2011	12/31/2011				*	-			
9735-760-001			2,698	1/1/2012	12/31/2012				*	-			
9735-760-001			3,309	1/1/2013	12/31/2013				*	-			
9735-760-001			11,048	1/1/2014	12/31/2014				*	-			
1160-100-066-1160-112-YHTS			18,850	1/1/2008	12/31/2008				*	16,000			
1160-100-066-1160-112-YHTS			14,000	1/1/2009	12/31/2009				*	-			
1160-100-131-12			5,000	1/1/2012	12/31/2012				*	3,000			
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-131-13	7,600	1/1/2013	12/31/2013				*	5,346			
		1160-100-131	14,200	1/1/2013	12/31/2013				*	-			
		1160-100-131	12,000	1/1/2014	12/31/2014				*	-			
		12,000					12,000		*	-			
		4230-100-241	4,119	1/1/2012	12/31/2012				*	-			
		4230-100-241		1/1/2013	12/31/2013				*	-			
		4230-100-241		1/1/2014	12/31/2014			1,224	*	-			
		4230-100-476	200	1/1/2013	12/31/2013				*	-			
		1020-718-066-1020-001-YCJS	3,162	1/1/2009	12/31/2009				*	-			
		1020-718-066-1020-001-YCJS	8,227	1/1/2010	12/31/2010				*	-			
Division of Epidemiology/Communicable Diseases	Hepatitis B Vaccines	1020-718-066-1020-001-YCJS	8,083	1/1/2011	12/31/2011				*	-			
		1020-718-066-1020-001-YCJS	8,206	1/1/2012	12/31/2012				*	-			
		1020-718-001	11,232	1/1/2013	12/31/2013				*	-			
		1020-718-001	8,513	1/1/2014	12/31/2014			8,513	*	-			
		Office of the Attorney General Dept. of Law and Public Safety	Non-Ionizing Radiation	Body Armor	1020-718-066-1020-001-YCJS	3,162	1/1/2009	12/31/2009			*	-	
					1020-718-066-1020-001-YCJS	8,227	1/1/2010	12/31/2010				*	-
					1020-718-066-1020-001-YCJS	8,083	1/1/2011	12/31/2011				*	-
					1020-718-066-1020-001-YCJS	8,206	1/1/2012	12/31/2012				*	-
					1020-718-001	11,232	1/1/2013	12/31/2013				*	-
					1020-718-001	8,513	1/1/2014	12/31/2014			8,513	*	-

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards  
For the Year Ended December 31, 2014

Name of State Agency or Department Bergen County Pass Through Grants	State Program	State Program / Account No.	Total Grant Award	Grant Period		Cash Received	Grant Expenditures	Cancelled	MEMO Cumulative Total Expenditures
				From	To				
Municipal Alliance			17,500	1/1/2008	12/31/2008				17,500
			16,765	1/1/2009	12/31/2009				16,765
			15,759	1/1/2010	12/31/2010	1,182			15,759
<i>Total State and Federal Grant Fund</i>						87,364	84,127		362,057
<i>General Capital Fund:</i>									
Department of Transportation									
Highway Planning and Construction									
Local Municipal Aid									
		Whiteman Street Roadway Improvements	149,000	1/1/2014	12/31/2014	90,255	110,017		110,017
<i>Total General Capital Fund</i>									
			80,465	1/1/2014	12/31/2014	80,465	80,465		80,465
<i>Total Public Assistance Trust Fund</i>									
<i>Total State Financial Assistance</i>									
<i>Other Financial Assistance:</i>									
South Bergen Municipal Joint Insurance Fund									
			25,000	1/1/2012	12/31/2012				24,778
Municipal Alliance - Local Match									
			3,940	1/1/2010	12/31/2010				-
Municipal Recycling Assistance Program									
			15,011	1/1/2003	12/31/2003				10,325
			9,800	1/1/2007	12/31/2007				-
Giving Back Fund FBO Ben Roethlisberger									
			6,500	1/1/2013	12/31/2013		415		6,438
NJLM Educational Foundation									
			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	54,250		24,592	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			100,000
		Inwood Terrace Park Improvements, Ord. 2014-8	32,000	6/9/2013	12/19/2014				
<i>Total Other Financial Assistance</i>									
						154,250	415	24,592	260,083
<i>Total State Grants and Other Financial Assistance</i>						412,334	275,024	24,592	812,622

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

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2014

		Current Fund
Balance - December 31, 2013	\$	8,997,429
Increased by Receipts:		
Due to Federal and State Grant Fund	\$	169,741
Miscellaneous Revenue Not Anticipated		1,986,922
Tax Overpayments		163,292
Petty Cash		1,300
Special Emergency Note		581,344
Due to State - Senior Citizen and Veteran Deductions		162,965
Taxes Receivable		130,500,374
Tax Title Liens		
Revenue Accounts Receivable		7,237,648
Interfunds		65,065
Prepaid Taxes		754,334
Various Cash Liabilities and Reserves		246,431
		<u>141,869,416</u>
		150,866,845
Decreased by Disbursements:		
Current Year Budget Appropriations	67,140,862	
Petty Cash	1,300	
Tax Overpayments	225,478	
Interfunds	749,619	
Due from Federal and State Grant Fund	90,565	
Special Emergency Note	1,015,126	
Emergency Notes	34,229	
Tax Appeal Refunds	87,018	
Revenue Refunds	68,724	
Various Cash Liabilities and Reserves	80,377	
Appropriation Reserves	913,497	
Local District School Taxes	55,690,381	
County Taxes Payable	15,042,895	
		<u>141,140,071</u>
Balance - December 31, 2014	\$	<u><u>9,726,774</u></u>

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

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

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013		\$	(378,903)
Decreased by:			
Prior year encumbrances paid	\$	6,023	
Cash disbursements		<u>84,542</u>	
			<u>90,565</u>
			(288,338)
Increased by:			
Grants received - unappropriated	\$	100,821	
Grants received - appropriated		<u>68,920</u>	
			<u>169,741</u>
Balance - December 31, 2014		\$	<u><u>(458,079)</u></u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>450</u>
Balance - December 31, 2014	\$ <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, 2014**

Increased by:	
Petty Cash Advanced	\$ <u>1,300</u>
Decreased by:	
Returned to Treasurer	\$ <u><u>1,300</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, 2014

Balance - December 31, 2013		\$	45,657
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>162,965</u>
			208,622
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	100,000	
Veterans' Deductions Per Tax Billing		85,000	
Senior Citizens' and Veterans' Allowed		<u>2,000</u>	
			<u>187,000</u>
Balance - December 31, 2014		\$	<u><u>21,622</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
				2013	2014				
2013	\$ 1,316,071				1,309,925			6,146	
	1,316,071				1,309,925			6,146	
2014		131,752,756	182,640	707,110	129,190,449	187,000	4,507	178,653	1,667,677
	\$ 1,316,071	131,752,756	182,640	707,110	130,500,374	187,000	4,507	184,799	1,667,677

Cash Receipts 130,500,374  
\$ 130,500,374

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 131,752,756
Added Tax (R.S. 54:4-63.1 et seq.)	182,640
	<u>\$ 131,935,396</u>
Tax Levy:	
Local District School Tax	\$ 55,690,381
County Tax	\$ 14,984,042
Added County Taxes	20,876
	<u>15,004,918</u>
	70,695,299
Local Tax for Municipal Purposes	\$ 61,053,915
Additional Taxes	186,182
	<u>61,240,097</u>
	<u>\$ 131,935,396</u>

Exhibit A-10

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

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

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>8,220</u>
Balance - December 31, 2014	\$ <u><u>8,220</u></u>

Exhibit A-11

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ 90,144
Increased by:	
Transfer from 2014 Taxes	<u>4,507</u>
Balance - December 31, 2014	\$ <u><u>94,651</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2014**

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Clerk:				
Licenses:				
Alcoholic beverages		101,376	101,376	
Other		52,339	52,339	
Fees and Permits		80,194	80,194	
Municipal Court :				
Fines and Costs	96,970	1,405,069	1,391,831	110,208
Interest and Costs on Taxes		301,200	301,200	
Interest on Investments and Deposits		9,030	9,030	
Consolidated Municipal Property Tax				
Relief Aid		41,863	41,863	
Energy Receipts Tax		1,729,329	1,729,329	
Uniform Construction Code Fees		1,604,704	1,604,704	
Elevator Inspection Fees		279,396	279,396	
Recreation Fees		88,417	88,417	
Borough of Cliffside Park Sewer Services		394,883	394,883	
Reserve for Payment of Debt		100,000	100,000	
LEA Rebate		96,592	96,592	
General Capital Fund Balance		68,432	68,432	
Third Party Ambulance Billing		898,062	898,062	
	<u>\$ 96,970</u>	<u>7,250,886</u>	<u>7,237,648</u>	<u>110,208</u>
			Cash <u>7,237,648</u>	
			<u>\$ 7,237,648</u>	

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

**Schedule of Demolition Lien Receivable**

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>2,350</u>
Balance - December 31, 2014	\$ <u><u>2,350</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>	Overexpenditure of <u>Appropriation</u>
Salaries and Wages Within "CAPS":					
Administration	\$ 1	1		1	
Purchasing	1	1		1	
Borough Clerk	1	1		1	
Collection of Taxes	1	1		1	
Director of Economic Development	1	1		1	
Road Repairs and Maintenance	1	1		1	
Public Buildings and Grounds	47,965	47,965		47,965	
General Services	20,209	20,209		20,209	
Sanitary Sewer System	1	1		1	
Board of Health	1	1		1	
Public Assistance	1	1		1	
Municipal Court	29,940	29,940		29,940	
Engineering	1	1		1	
Ambulance	2,622	2,622		2,622	
Police	25,559	25,559		25,559	
Department of Communications	18,949	18,949		18,949	
Emergency Management	1	1		1	
Salary and Wage Adjustment Program	55,953	55,953		55,953	
Cultural and Heritage Affairs	1	1		1	
Recreation and Education	6,135	6,135		6,135	
Parks and Playgrounds	1	1		1	
Community Center	8,097	8,097		8,097	
Uniform Construction Code Official	1	1		1	
Emergency Medical Technicians	1,218	1,218		1,218	
Fire Protection	36,142	36,142		36,142	
<b>Total Salaries and Wages Within "CAPS"</b>	<b>252,803</b>	<b>252,803</b>		<b>252,803</b>	
Other Expenses Within "CAPS":					
Administration	107,459	26,572	13,900	12,672	
Purchasing	5,402	11,203	2,620	8,583	
Mayor and Council	20,938	24,116	3,574	20,542	
Borough Clerk	1,344	2,105	1,160	945	
Elections	2,590	2,590		2,590	
Personnel and Data Processing	215	566	566		
Financial Administration	16,161	42,344	29,393	12,951	
Collection of Taxes	6,911	7,158	5,010	2,148	
Assessment of Taxes	4,603	4,828	330	4,498	
Legal	94,343	95,869	57,272	38,597	
Municipal Court	41	11,642	10,912	730	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>	Overexpenditure of <u>Appropriation</u>
Engineering Services and Costs	489	8,090	11,611		3,521
Dir. Economic Development	200	2,429	2,296	133	
Planning Board	11,985	13,235	1,250	11,985	
Zoning Board of Adjustment	4,277	4,795	830	3,965	
Public Buildings and Grounds	1,582	20,850	20,850		
Rent Leveling Board	1,437	1,598	161	1,437	
Other Insurance Premiums	84,957	84,957		84,957	
Group Insurance Plans for Employees	116,726	91,726		91,726	
Fire Prevention	8	7,853	7,852	1	
Emergency Management Services	7,842	8,037	3,014	5,023	
Fire Protection	16,299	39,576	39,376	200	
Police	79,017	119,680	51,340	68,340	
Department of Communications	1	1,759	1,289	470	
Emergency Medical Technicians	25,646	33,518	15,406	18,112	
Ambulance Corps	929	3,882	3,528	354	
Road Repairs and Maintenance	14,505	48,705	45,193	3,512	
Sanitation - Sewer System	348	9,116	9,116		
Public Assistance	34	565	564	1	
Recreation and Education	4,039	4,039	(115)	4,154	
Parks and Playgrounds	1,426	1,581	230	1,351	
General Services	730	6,285	6,242	43	
Community Center	36,959	38,174	5,487	32,687	
Communications Repair	17,230	18,953	12,079	6,874	
Auto Repairs	3,564	39,138	35,859	3,279	
Garbage and Trash	135,837	212,600	212,600		
Senior Citizen's Special Services	47,414	47,561	21,159	26,402	
Senior Citizens	12,603	19,597	19,469	128	
Celebration of Public Events	767	9,390	9,389	1	
Cultural and Heritage Affairs	1	1,960	1,959	1	
Board of Health	4,198	6,407	3,399	3,008	
Board of Health Hepatitis B	370	370		370	
Construction Code Official	13,226	15,290	2,355	12,935	
Electricity	3,090	76,423	76,422	1	
Gasoline	41,289	62,833	42,174	20,659	
Fuel Oil	656	4,620	4,620		
Telephone	1,346	16,295	16,294	1	

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and Encumbrances	Paid	Balance Lapsed	Overexpenditure of Appropriation
Street Lighting	179,803	82,509	37,083	45,426	
Fire Hydrant Service	234	234		234	
Water	35,856	35,856	1,109	34,747	
<b>Total Other expenses Within "CAPS"</b>	<u>1,166,927</u>	<u>1,429,479</u>	<u>846,227</u>	<u>586,773</u>	<u>3,521</u>
Deferred Charges and Statutory Expenditures Within "CAPS":					
Unemployment	62,699	62,699	59,682	3,017	
DCRP	47,734	47,734		47,734	
Social Security System (O.A.S.I)	44,674	48,046	5,780	42,266	
Public Employees Retirement System	1	1		1	
Consolidated Police and Firemen's Pension Fur	1	1		1	
<b>Total Deferred Charges and Statutory Expenditures Within "CAPS"</b>	<u>155,109</u>	<u>158,481</u>	<u>65,462</u>	<u>93,019</u>	
<b>Total Reserves Within "CAPS"</b>	<u>1,574,839</u>	<u>1,840,763</u>	<u>911,689</u>	<u>932,595</u>	<u>3,521</u>
Other Expenses Excluded From "CAPS":					
Englewood Sewer Treatment	30,000	30,000		30,000	
Maintenance of Free Public Library	89,599	89,599	89,599		
Fair Housing Act	7,555	8,279	1,808	6,471	
Bergen County Utilities Authority: Share Cost	1	1			
<b>Public and Private Programs Offset by Revenues:</b>					
EECBG Grant	82,961	82,961		82,961	
<b>Total Other Expenses Excluded from "CAPS"</b>	<u>210,116</u>	<u>210,840</u>	<u>91,407</u>	<u>119,432</u>	
<b>Total Reserves Excluded from "CAPS"</b>	<u>210,116</u>	<u>210,840</u>	<u>91,407</u>	<u>119,432</u>	
<b>Total Reserves</b>	<u>\$ 1,784,955</u>	<u>2,051,603</u>	<u>1,003,096</u>	<u>1,052,027</u>	<u>3,521</u>

Appropriation Reserves 1,784,955  
 Encumbrances 266,648  
\$ 2,051,603

Cash Disbursements 913,497  
 Due to Library 89,599  
\$ 1,003,096

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2014

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>
Other Trust:				
Escrow Trust	\$ 749	608	749	608
Police Activity Trust			231	(231)
Redemption Trust	(236,868)	236,901	72	(39)
Fire Prevention - Dedicated Penalties	(18,130)	18,130	4,673	(4,673)
Other Trust Fund	(408,127)	408,145	64	(46)
COAH Development Fees	(80,014)	80,014	38,358	(38,358)
POAA Trust	(672)	672	72	(72)
Flexible Spending Escrow Account	13		13	
Fort Lee Film Commission			20	(20)
Police Donation Trust			39	(39)
Police School Resource Trust			92	(92)
Parks and Recreation Trust		33	29	4
Senior Citizen Advisory Council Trust			84	(84)
Unemployment Trust Fund	(6,632)	6,632		
Animal License Trust Fund			39	(39)
General Capital Fund	21,435	627	21,435	627
	<u>\$ (548,012)</u>	<u>751,762</u>	<u>65,970</u>	<u>(42,454)</u>
<u>Analysis</u>				
Due to Current Fund	\$ 22,197	1,268	22,226	1,239
Due from Current Fund	(750,443)	750,494	43,744	(43,693)
	<u>\$ (728,246)</u>	<u>751,762</u>	<u>65,970</u>	<u>(42,454)</u>
Interest on Investments \$ 2,143				
Reimbursement of Bank Charges 905				
Receipts 42,868				
Interfunds Returned - Cash Receipts 22,197				
Disbursements <u>749,619</u>				
		<u>\$ 751,762</u>	<u>65,970</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, 2014**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Reduced in 2014</u>	<u>Balance, Dec. 31, 2014</u>
Dec. 20, 2012	Contractually Required Severance Liabilities	368,908	73,782	295,126	73,782	221,344
Dec. 19, 2010	Contractually Required Severance Liabilities	1,800,000	360,000	720,000	360,000	360,000
		<u>\$ 2,168,908</u>	<u>433,782</u>	<u>1,015,126</u>	<u>433,782</u>	<u>581,344</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	Decreased by: Budget <u>Appropriation</u>	Balance, Dec. 31, <u>2014</u>
Emergency Authorizations:	\$			
Down payments on Improvements	34,229		34,229	
Overexpenditure of Appropriation Reserves	<u>                    </u>	<u>3,521</u>	<u>                    </u>	<u>3,521</u>
	<u>\$ 34,229</u>	<u>3,521</u>	<u>34,229</u>	<u>3,521</u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	266,648
Increased by:		
Transfer from Current Appropriations		398,906
		665,554
Decreased by:		
Transferred to Appropriation Reserves		266,648
Balance - December 31, 2014	\$	398,906

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	707,110
Increased by:		
Receipts - Prepaid 2015 Taxes		754,334
		1,461,444
Decreased by:		
Applied to 2014 Taxes		707,110
Balance - December 31, 2014	\$	754,334

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

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013		\$	247,025
Increased by:			
Transfer from Tax Collections			<u>163,292</u>
			410,317
Decreased by:			
Cancelled to Operations	\$	53,705	
Cash Disbursed		<u>225,478</u>	
			<u>279,183</u>
Balance - December 31, 2014		\$	<u><u>131,134</u></u>

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

**Schedule of Special Emergency Notes**

**Current Fund**

**Year ended December 31, 2014**

<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, Dec. 31, 2014</u>
Severance Liabilities	Dec. 28, 2012	Nov. 26, 2014	Nov. 25, 2015	1.25%	\$ 295,126	221,344	295,126	221,344
Severance Liabilities	Dec. 30, 2010	Jul. 10, 2014	Jul. 10, 2015	0.89%	720,000	360,000	720,000	360,000
					\$ 1,015,126	581,344	1,015,126	581,344

**Schedule of Emergency Notes Payable**

**Current Fund**

**Year ended December 31, 2014**

<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, Dec. 31, 2014</u>
Down payments on Imps.	Nov. 27, 2013	Nov. 27, 2013	Nov. 26, 2014	1.00%	\$ 34,229		34,229	
					\$ 34,229		34,229	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Various Reserves and Liabilities

## Current Fund

Year Ended December 31, 2014

<u>Reserve for:</u>	Balance, Dec. 31, 2013	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2014
Environmental Committee	\$ 269			269
Sale of Municipal Assets	6,619	7,461		14,080
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	89,599	26,686	89,599
Marriage License/Domestic Partner Registration				
Fees Payable	1,525	4,650	4,700	1,475
Burial Permits Payable	20			20
DCA Fees Payable	34,471	53,324	75,677	12,118
Due to Developers	1,201			1,201
Improvements	4,757			4,757
Due to Special Improvement District		162,466		162,466
Due to Municipal Court		18,530		18,530
Miscellaneous	3,870			3,870
	<u>\$ 91,718</u>	<u>336,030</u>	<u>107,063</u>	<u>320,685</u>
		Cash Receipts		65,435
		Cash Receipts - Overpayment of Revenue		18,530
		Special Improvement District Taxes Collected		162,466
		Liability Cancelled	26,686	
		Remaining 2013 Budget Appropriation	89,599	
		Cash Disbursements	<u>80,377</u>	
		<u>\$ 336,030</u>	<u>107,063</u>	

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

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

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	(119)
Increased by:		
Levy School Year - July 1, 2014 to June 30, 2015		<u>55,690,381</u>
		55,690,262
Decreased by:		
Payments		<u>55,690,381</u>
Balance - December 31, 2014	\$	<u><u>(119)</u></u>

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	37,977
Increased by:		
Levy	\$	14,984,042
Added and Omitted Taxes		<u>20,876</u>
		<u>15,004,918</u>
		15,042,895
Decreased by:		
Payments	\$	<u><u>15,042,895</u></u>

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

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2014**

<u>Grant</u>	Balance, Dec. 31, 2013	Budget Revenue	<u>Received</u>	Balance, Dec. 31, 2014
USDA (2003)	\$ 8,818			8,818
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 (2013)	5,828		5,828	
Municipal Alliance (2008)	8,817			8,817
Municipal Alliance (2009)	11,778			11,778
Municipal Alliance (2010)	3,620			3,620
Clean Communities		54,579	54,579	
Body Armor Replacement Fund		8,513	8,513	
	<u>\$ 106,258</u>	<u>63,092</u>	<u>68,920</u>	<u>100,430</u>
		Cash Receipts	<u>68,920</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Transfer From 2014 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2014</u>
Recycling Tonnage Grant	\$ 6,091			6,091
Drunk Driving Enforcement Fund	1,495			1,495
BCUA Recycling Grant	4,686			4,686
Recycling Tonnage Grant	7,586			7,586
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
Clean Communities	399			399
Clean Communities	17,035			17,035
Clean Communities	1,098			1,098
Municipal Recycling Assistance	9,800			9,800
Pedestrian Safety Grant	2,850			2,850
Recycling Tonnage Grant	14,228			14,228
Alcohol Education Rehabilitation	1,660			1,660
Body Armor Replacement Fund	1,833			1,833
Body Armor Replacement Fund	8,227			8,227
Clean Communities	1,024			1,024
Municipal Alliance	8,610		1,182	7,428
Municipal Alliance - Match	3,940			3,940
Alcohol Education and Rehabilitation	3,017			3,017
Clean Communities	13,729			13,729
Pedestrian Safety Grant	14,000			14,000
Clean Communities	1,037			1,037
Recycling Tonnage Grant	3,332			3,332
Joint Insurance Fund - Police Accreditation Program	222			222
Pedestrian Safety Enforcement	13,278			13,278
Alcohol Education and Rehabilitation	4,019			4,019
Body Armor Replacement Fund	8,083			8,083
Alcohol Education and Rehabilitation	7,780			7,780
Recycling Tonnage Grant	47,720			47,720
Pedestrian Safety Grant	10,600		8,346	2,254
Title III - Older Americans Act	22,661			22,661
Alcohol Impaired Driving Countermeasures Incentive Grant	4,800			4,800
Hepatitis B Vaccines	4,119			4,119

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Transfer From 2014 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2014</u>
Giving Back Fund - Purchase of K9	477		415	62
NJLM Educational Foundation	5,000			5,000
Clean Communities	34,286		22,768	11,518
Body Armor Replacement Fund	8,206			8,206
Body Armor Replacement Fund		8,513		8,513
Clean Communities		54,579	51,831	2,748
	<u>\$ 336,325</u>	<u>63,092</u>	<u>84,542</u>	<u>314,875</u>
			Cash Disbursements <u>84,542</u>	
			\$ <u>84,542</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2014</u>
Recycling Tonnage Grant	\$ 20,061		20,061
Body Armor - State	11,232		11,232
Pedestrian Safety	14,200	12,000	26,200
Division of Epidemiology -			
Communicable Diseases	200		200
Hepatitis Inoculation Fund		1,224	1,224
Clean Communities			
Title III - Older Americans		63,990	63,990
Hepatitis B	2,450		2,450
Alcohol Impaired Driving Countermeasures -			
Over the Limit Under Arrest	4,400	8,559	12,959
National Priority Safety Programs -			
Occupant Protection Grant	4,000	4,000	8,000
Alcohol Education and Rehabilitation	3,309	11,048	14,357
	<u>\$ 59,852</u>	<u>100,821</u>	<u>160,673</u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2014

	Assessment Trust Fund	Animal Trust Fund	Unemployment Trust Fund	Other Trust Fund
Balance - December 31, 2013	\$ <u>7,444</u>	<u>5,436</u>	<u>27,455</u>	<u>10,046,699</u>
Increase by Receipts:				
Due from Board of Health		5,445		
Due to State		893		
Interfunds			6,632	743,811
Other Trust Funds				4,904,440
Payroll Deductions			33,716	
Interest Earned on Investments			9	692
Total Receipts		<u>6,338</u>	<u>40,357</u>	<u>5,648,943</u>
	<u>7,444</u>	<u>11,774</u>	<u>67,812</u>	<u>15,695,642</u>
Decreased by Disbursements:				
Reserve for Animal License Expenditures		1,045		
Due to State		893		
Interfunds		39		101,657
Other Trust Funds				4,979,524
Unemployment Expenditures			60,000	
Total Disbursements		<u>1,977</u>	<u>60,000</u>	<u>5,081,181</u>
Balance - December 31, 2014	\$ <u><u>7,444</u></u>	<u><u>9,797</u></u>	<u><u>7,812</u></u>	<u><u>10,614,461</u></u>

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

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2014**

Reserve for Utility Deposits	\$ 6,466
Fund Balance	<u>978</u>
Balance - December 31, 2014	<u><u>\$ 7,444</u></u>

**Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ 5,436
Increased by:	
Dog License Fees Collected	\$ 4,858
Cat License Fees Collected	347
Late Fees	<u>240</u>
	<u>5,445</u>
	10,881
Decreased by:	
Expenditures R.S. 4:19-15.11	<u>1,045</u>
Balance - December 31, 2014	<u><u>\$ 9,836</u></u>

Animal Licenses Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 5,190
2013	<u>5,401</u>
	<u><u>\$ 10,591</u></u>

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

**Due to State of New Jersey**

**Animal License Trust Fund**

**Year Ended December 31, 2014**

Increased by:		
Fees Collected	\$	<u>893</u>
Decreased by:		
Paid to State of New Jersey	\$	<u><u>893</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Interfunds

## Trust Funds

Year Ended December 31, 2014

	Due from/(to) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>
Current Fund:				
Other Trust Fund:				
Escrow Trust	\$ (749)	749	608	(608)
Redemption Trust	236,868	72	236,901	39
POAA Trust	672	72	672	72
Police Activity Trust - County		87		87
Police Activity Trust - Treasury		72		72
Police Activity Trust - Justice		72		72
Other Trust Fund	408,127	64	408,145	46
Fire Prevention Dedicated Penalties	18,130	4,673	18,130	4,673
Flexible Spending Escrow Account	(13)	13		
Fort Lee Film Commission		20		20
Police Donation Trust		39		39
Police School Resource Trust		92		92
Senior Citizen Advisory		84		84
Parks and Recreation		29	33	(4)
COAH Development Fees	80,014	38,358	80,014	38,358
Unemployment Trust Fund	6,632		6,632	
Animal License Trust Fund		39		39
Total Current Fund	<u>749,681</u>	<u>44,535</u>	<u>751,135</u>	<u>43,081</u>
Capital Fund:				
Redemption Trust Fund	<u>(100,000)</u>	<u>100,000</u>		
	<u>(100,000)</u>	<u>100,000</u>		
Total All Funds	<u>\$ 649,681</u>	<u>144,535</u>	<u>751,135</u>	<u>43,081</u>
Due from	750,443	43,744	750,494	43,693
Due (to)	<u>(100,762)</u>	<u>100,791</u>	<u>641</u>	<u>(612)</u>
	<u>\$ 649,681</u>	<u>144,535</u>	<u>751,135</u>	<u>43,081</u>
Due from Current - Deposit Errors		42,839		
Interest earned on Investments			692	
Due from Current - Bank Service Charges		905		
Cash Receipts			750,443	
Cash Disbursements		<u>100,791</u>		
		<u>\$ 144,535</u>	<u>751,135</u>	

## BOROUGH OF FORT LEE, N.J.

## Schedule of Reserve for Other Trust Funds

## Trust Funds

## Year Ended December 31, 2014

	Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2014</u>
Reserve for:				
Escrow Deposits	\$ 611,762	2,956,946	621,335	2,947,373
Disability Insurance	81			81
Police Activities - Justice	318,894	57,842	124,244	252,492
Police Activities - County	207			207
Police Activities - Treasury	2,112,712	235,873	659,967	1,688,618
Police Activities - Asset Management	696			696
Parks and Recreation	25,295	40,789	46,032	20,052
Tax Title Lien Premiums	545,800	951,700	265,000	1,232,500
Tax Title Redemptions	1,306	383,334	383,334	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	7,286	3,001	8,241	2,046
Police Donations	2,018			2,018
Senior Citizen Advisory Council	69,066	28,333	32,452	64,947
COAH Development Fees	6,116,731	238,380	2,787,753	3,567,358
Multiple Dwelling Fees	91,856	42		91,898
Historic Film Commission	530	11,203	9,752	1,981
Litigation Escrow	106,947			106,947
Fire Prevention-Dedicated Penalties	50,994	11,301	30,511	31,784
POAA Trust	137,359	8,786		146,145
Recycling Trust	19,473	6,808		26,281
Flexible Spending Account Escrow	5,143	12,941	10,903	7,181
	<u>\$ 10,689,748</u>	<u>4,947,279</u>	<u>4,979,524</u>	<u>10,657,503</u>
		Cash	4,904,440	4,979,524
		Due from Current Fund	42,839	
		\$	<u>4,947,279</u>	<u>4,979,524</u>

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

**Schedule of Reserve for Expenditures**

**Unemployment Trust Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013		\$	34,087
Increased by:			
Payroll Deductions - Receipts	\$	33,716	
Interest on Investments		<u>9</u>	
			<u>33,725</u>
			67,812
Decreased by:			
Unemployment Claims Paid			<u>60,000</u>
Balance - December 31, 2014		\$	<u><u>7,812</u></u>

## BOROUGH OF FORT LEE, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	6,559,066
Increased by Receipts:			
Premium on Note Sale	\$	28,815	
Grants Receivable		253,397	
Capital Improvement Fund		200,000	
Reserve for Payment of Debt		83,101	
Reserve for Main Street Widening		750,000	
Interfund - Due from Redemption Trust Fund		100,000	
Interfund - Current Fund		627	
			<u>1,415,940</u>
			7,975,006
Decreased by Disbursements:			
Improvement Authorizations		3,021,992	
Encumbrances		440,099	
Over-expenditure of Ord. 2011-21		7,264	
Due to Current Fund -			
Interfund		21,435	
Reserve for payment of debt		100,000	
Fund Balance		68,432	
			<u>3,659,222</u>
Balance - December 31, 2014		\$	<u><u>4,315,784</u></u>

## BOROUGH OF FORT LEE, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Fund Balance	C-1	28,815
Various Receivables	C-4	(3,732,565)
Over-Expenditure of Ord. 2011-21		(7,264)
Interfund - Police Confiscated Trust Fund	C-5	(162,000)
Reserve for Interest - Arbitrage	C-12	44,865
Reserve for Contributions-Main Street Widening	C-16	1,567,059
Reserve for Payment of Debt	C-15	166,156
Due to US Department of Housing and Urban Development	C-14	37,168
Capital Improvement Fund	C-18	1,892
Reserve for Grants Receivable	C-19	180,745
Interfund - Current Fund	C-20	627
Interfund - Federal and State Grant Fund	C-20	(82,961)
Encumbrances payable	C-13	317,066

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</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	3,185
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, 2014

05-27	Firefighter Safety Program Equipment	13,481
06-5	Rehabilitation of the Richard Nest Senior Citizens' Center Kitchen	493
06-6	Improvements to Inwood Terrace Park	102,129
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	253,198
07-09	Wireless Public Safety Communications Network	833,031
07-30	Various Capital Improvements	470,564
07-47	Installation of Solar Panels	188,729
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	132,500
09-22	Acquisition of Law Enforcement Equipment	242
09-24	Various Capital Improvements	150,404
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	141,129
10-23	Combined sewer outflow abatement upgrades	237,201
10-24	Various Capital Improvements	149,706
11-14	Various Capital Improvements	279,175
11-18	Refunding Bond Ordinance	(915)
11-21	Various Capital Improvements	(250)
12-19	Imps. to Brinkerhoff Avenue, Section 2	454
12-21	Various Capital Improvements	319,533
12-35	Imps. to Inwood Terrace Park Playground	7,833
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	13,632
13-20	Various Capital Improvements	614,613
13-25/14-26	Acquisition of 1363 Inwood Terrace and relocation of furnishings and imp. to the property	(47,050)
14-7	Replacement of a Generator	789
14-8	Inwood Terrace Park Improvements	(38,517)
14-9	Whiteman Street Roadway Improvements	(46,746)

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

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2014**

14-35	Construction, Architect & Design costs of Theatre/Museum in the eastern portion of Redevelopment Area 5	(73,167)
14-36	ADA Construction Improvements	12,604
14-38	Various Capital Improvements	(78,891)
14-43	Main Street Force & Streetscape Revitalization	<u>1,921,985</u>
		\$ <u><u>4,315,784</u></u>

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

**Schedule of Grants and Contributions Receivable**

**General Capital Fund**

**Year Ended December 31, 2014**

	Balance Dec. 31, 2013	Grant/ Contribution Awards	Decreased by	Balance Dec. 31, 2014
<u>Miscellaneous:</u>				
Bank	\$ 142			142
Bergen County	302,000			302,000
Bergen County - Ord. 03-32: Anderson and Columbia Avenue Drainage Bypass	208,000			208,000
Borough of Cliffside Park	10,000			10,000
Palisades Interstate Park Commission	177,216			177,216
Ord. 2014-43: Main Street Force & Streetscape Revitalization		2,000,000		2,000,000
<b>Total Miscellaneous Contributions Receivable</b>	<b>697,358</b>	<b>2,000,000</b>		<b>2,697,358</b>
<u>Community Development Block Grant</u>				
Prior Year	3,537			3,537
Ord. 10-20: Various Street Improvements	100,000			100,000
Ord. 2014-7: Generator Replacement at Senior Center		90,000		90,000
<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. 2014-9: Whiteman Street Roadway Improvements		149,000	90,255	58,745
<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, 2014**

	Balance Dec. 31, 2013	Grant/ Contribution Awards	Decreased by	Balance Dec. 31, 2014
<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	8,892		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	178,842	32,000	154,250	24,592
Ord. 2014-8: Inwood Terrace Park Improvements				32,000
Total Grants Receivable	<u>1,017,604</u>	<u>271,000</u>	<u>253,397</u>	<u>1,035,207</u>
	<u>\$ 1,714,962</u>	<u>2,271,000</u>	<u>253,397</u>	<u>3,732,565</u>

Cash Receipts 253,397  
\$ 253,397

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

**Schedule of Due from U.S. Treasury - Equitable Share of Forfeited Funds**

**General Capital Fund**

**Year Ended December 31, 2014**

Increased by:	
Appropriated in Ord. 2014-43	\$ <u>162,000</u>
Balance - December 31, 2014	\$ <u><u>162,000</u></u>

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

**General Capital Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>100,000</u>
Decreased by:	
Cash Receipts	\$ <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, 2014**

Balance - December 31, 2013		\$	56,154,211
Decreased by:			
Current Year Budget Appropriations:			
Serial Bonds	\$	5,070,000	
Green Trust Loan		<u>19,791</u>	
			<u>5,089,791</u>
Balance - December 31, 2014		\$	<u><u>51,064,420</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**General Capital Fund**  
**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Balance	2014	Decreased	Balance	Analysis of Balance - Dec. 31, 2014	
		Dec. 31, 2013	Authorizations		Dec. 31, 2014	Financed by	Unexpended
		\$				Anticipation	Improvement
						Notes	Authorization
	<u>General Improvements:</u>						
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
04-27	Acquisition of Real Property (95 Main St.)	500			500		500
04-30	Various Capital Improvements	100			100		100
04-45	Acquisition of a Fire Truck	1,272			1,272		1,272
05-27	Firefighter Safety Program Equipment	607			607		607
06-39	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	755			755		755
07-30	Various Capital Improvements	6,012			6,012		6,012
07-47	Installation of Solar Panels	389			389		389
08-16	Acquisition of Mini Buses	4,750			4,750		4,750
11-14	Various Capital Improvements	575			575		575
11-18	Refunding Bond Ordinance	915			915		915
11-21	Various Capital Improvements	250			250		250
12-21	Various Capital Improvements	350			350		350
12-43	Acquisition of Land - 4851/5	525,000			525,000	525,000	
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	2,430			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	
2014-7	Replacement of Generator	238,095	238,095		238,095		238,095
2014-8	Inwood Terrace Park Improvements	119,047	119,047		119,047		119,047
2014-9	Whiteman Street Roadway Improvements	225,000	225,000	90,255	134,745		87,999
2014-26	Supplemental to 2013-25: Acquisition of additional furnishings and improvements to the Building and Fire Prevention Departments	47,500	47,500		47,500		47,500

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

**General Capital Fund**

**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Decreased	Balance Dec. 31, 2014	Analysis of Balance - Dec. 31, 2014		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
2014-35	Construction, Architect & Design Costs of Theatre/ Museum in the eastern portion of Redevelopment Area 5	100,000	100,000		100,000		73,167	26,833
2014-36	ADA Construction Improvements	240,000	240,000		240,000			240,000
2014-38	Various Capital Improvements	95,000	95,000		95,000		78,891	16,109
2014-43	Main Street Force & Revitalization	3,040,000	3,040,000		3,040,000			3,040,000
		<u>\$ 3,991,352</u>	<u>4,104,642</u>	<u>90,255</u>	<u>8,005,739</u>	<u>3,960,222</u>	<u>302,015</u>	<u>3,743,502</u>

Grant proceeds applied from unappropriated state grant \$ 90,255  
90,255

Improvement Authorizations-Unfunded \$ 4,358,115

Less: Unexpended Proceeds of  
 Bond Anticipation Notes

Ord. 13-20 614,613

\$ 3,743,502

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
Pension Refunding Bonds	Mar. 1, 2003	4,230,000	3/1/2015	385,000	4.80%	2,145,000	345,000	1,800,000
			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, 2005	16,115,000			4.00%	1,150,000	1,150,000	
County - Guaranteed Pooled Bond Program Series 2010	May 10, 2010	22,062,000	2/15/15	599,000	5.00%	21,461,000	550,000	20,911,000
			2/15/16	601,000	3.00%			
			2/15/17	2,056,000	3.00%			
			2/15/18	650,000	4.00%			
			2/15/18	1,637,000	3.00%			
			2/15/19	2,105,000	5.00%			
			2/15/20	1,445,000	4.00%			
			2/15/20	570,000	5.00%			
			2/15/21	2,104,000	5.00%			
			2/15/22	2,193,000	5.25%			
			2/15/23	2,286,000	5.25%			
2/15/24	2,380,000	5.00%						
2/15/25	2,285,000	5.00%						
General Improvement Refunding Bonds	March 24, 2011	7,595,000	2/15/15	1,980,000	4.00%	5,840,000	1,860,000	3,980,000
			2/15/16	2,000,000	4.00%			

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
General Obligation Refunding Bonds	Dec. 22, 2011	6,520,000	7/15/15	685,000	3.00%	6,405,000	665,000	5,740,000
			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, 2014

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
General Improvement Bonds	July 23, 2013	10,000,000	8/1/15	500,000	2.00%	10,000,000	500,000	9,500,000
			8/1/16	500,000	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%			

\$ 55,901,000      5,070,000      50,831,000

Budget Appropriation      5,070,000  
 \$ 5,070,000

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

**Schedule of Green Trust Loan**

**General Capital Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ 253,211
Decreased by:	
Green Trust Loans Paid by Current Year	
Budget Appropriations	<u>19,791</u>
Balance - December 31, 2014	<u><u>\$ 233,420</u></u>
	<u>Analysis of Balance</u>
Van Fleet Park/Community Center, Ord. 03-13	<u><u>233,420</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Increased	Decreased	Balance Dec. 31, 2014
						Dec. 31, 2013				
2012-43	Acquisition of Land	Jul. 10, 2013	Jul. 10, 2014	Jul. 10, 2015	0.89%	\$ 525,000		525,000		525,000
2013-20	Various Capital Improvements	Nov. 27, 2013	Nov. 26, 2014	Nov. 25, 2014	1.25%	1,673,318		1,673,318		1,673,318
2013-25	Various Capital Improvements	Nov. 27, 2013	Nov. 26, 2014	Nov. 25, 2014	1.25%	1,761,904		1,761,904		1,761,904
						\$ 3,960,222		3,960,222		3,960,222
								3,960,222		3,960,222
								3,960,222		3,960,222
								3,960,222		3,960,222

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

**Schedule of Reserve for Interest - Arbitrage**

**General Capital Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>44,865</u>
Balance - December 31, 2014	\$ <u><u>44,865</u></u>

**BOROUGH OF FORT LEE, N.J.**  
**Schedule of Encumbrances Payable**  
**General Capital Fund**  
**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	440,099
Increased by:		
Charged to Improvement Authorizations		<u>317,066</u>
		757,165
Decreased by:		
Payments		<u>440,099</u>
Balance - December 31, 2014	\$	<u><u>317,066</u></u>

**Schedule of Amount due to the U.S. Department**  
**of Housing and Urban Development**  
**General Capital Fund**  
**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	<u>37,168</u>
Balance - December 31, 2014	\$	<u><u>37,168</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 183,055
Increased by:	
Grants Received	<u>83,101</u>
	266,156
Decreased by:	
Utilized as Budget Revenue	<u>100,000</u>
Balance - December 31, 2014	<u><u>\$ 166,156</u></u>

<u>Analysis of Balance</u>	
Ord. 2013-20 - Notes	83,101
Ord. 2011-21 - Bonds	<u>83,055</u>
	<u><u>\$ 166,156</u></u>

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

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

**General Capital Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>817,059</u>
Increased by:	
Contributions received:	
Port Authority of NY/NJ	<u>750,000</u>
Balance - December 31, 2014	\$ <u><u>1,567,059</u></u>

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

**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
			Funded	Unfunded			Funded	Unfunded
<b>General Improvements:</b>								
00-36	Streetscape and sewer improvements	\$ 1,300,000	12,792				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	65,012				65,012	
03-24	Various Capital Improvements	1,978,000	721			(2,464)	3,185	
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 Streetscape	250,000	215				215	
04-27/06-36/07-31	Acquisition of Real Property (95 Main Street)	2,250,000	71,510	500			71,510	500
		400,000						
		800,000						
04-30	Various Capital Improvements		4,033	100			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	102,129				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						
		2,000,000	260,298			7,100	253,198	
06-44	Various Capital Improvements							

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
			Funded	Unfunded			Funded	Unfunded
07-09	Wireless Public Safety Communications Network	5,500,000	1,086,701			253,670	833,031	
07-30	Various Capital Improvements	2,110,000	818,188	6,012		347,624	470,564	6,012
07-47	Installation of Solar Panels	1,550,000	190,020	388		1,290	188,730	388
08-16	Acquisition of Mini-Buses	165,000		2,260				2,260
08-17	Refunding Bonds	6,850,000						
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		66,577		132,500	
09-22	Acquisition of Law Enforcement Equipment	280,590	242				242	
09-24	Various Capital Improvements	2,300,000	149,536		(868)		150,404	
09-35	Acquisition of Firefighting Equipment	225,000	4,659				4,659	
10-04	Acquisition of Fire Truck and related equipment	900,000	9				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	141,129				141,129	
10-23	Combined sewer outflow abatement upgrades	900,000	238,276				237,201	
10-24	Various Capital Improvements	2,390,000	166,211		1,075		149,706	
11-14	Various Capital Improvements	1,928,500	398,209	575	16,505		279,175	575
11-21	Various Capital Improvements	375,000	383	250	633			
12-05	Refunding Bond Ordinance	10,500,000						
12-19	Imps. to Brinkerhoff Avenue, Section 2	180,500	14		(440)		454	
12-21	Various Capital Improvements	2,693,000	1,166,093	350	846,560		319,533	350
12-35	Imps. to Inwood Terrace Park Playground	71,700	7,833				7,833	
12-43	Acquisition of Land - 4851/5	2,050,000		40,281	40,281			

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

**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
			Funded	Unfunded			Funded	Unfunded
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	357,684	93,072	2,430		79,440	13,632	2,430
13-20	Various Capital Improvements	1,757,000		1,290,044		675,431		614,613
13-25/14-26	Acquisition of 1363 Inwood Terrace and relocation of furnishings and improvements to the property	1,850,000		88,254	50,000	137,804		450
2014-7	Replacement of Generator	250,000			250,000	11,116	789	238,095
2014-8	Inwood Terrace Park Improvements	125,000			125,000	44,470		80,530
2014-9	Whiteman St. Roadway Improvements	225,000			225,000	137,001		87,999
2014-35	Construction, Architect & Design costs of Theatre/Museum in the eastern portion of Redevelopment Area 5	100,000			100,000	73,167		26,833
2014-36	ADA Construction Improvements	252,750			252,750	146	12,604	240,000
2014-38	Various Capital Improvements	100,000			100,000	83,891		16,109
2014-43	Main Street Force & Streetscape Revitalization	5,362,000			5,362,000	400,915	1,921,985	3,040,000
			\$ 5,443,691	1,432,315	6,464,750	3,339,058	5,643,583	4,358,115

Duc from Police Confiscated Trust Fund \$	162,000
Developer's Contributions	2,000,000
Capital Improvement Fund	198,108
Deferred Charges to Future Taxation - Unfunded	4,104,642
	<u>\$ 6,464,750</u>
Cash \$	3,021,992
Encumbrances	317,966
	<u>\$ 3,339,058</u>

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

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2014**

Increased by:	
Budget Appropriation	\$ 200,000
Decreased by:	
Appropriated to Finance Improvement Authorizations	198,108
	<hr/>
Balance - December 31, 2014	\$ <u>1,892</u>

**Schedule of Reserve for Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2014**

Increased by:	
Grant Awards not Appropriated	\$ 271,000
Decreased by:	
Grants Received	90,255
	<hr/>
Balance - December 31, 2014	\$ <u>180,745</u>

Analysis of Balance

CDBG - Ord. 2014-7	90,000
Open Space - Ord. 2014-8	32,000
Department of Transportation - Ord. 2014-9	58,745
	<hr/>
	\$ <u>180,745</u>

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

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ 61,526
Increased by:	
Cash Disbursements	<u>21,435</u>
	82,961
Decreased by:	
Interest on Investments	<u>627</u>
Balance - December 31, 2014	<u><u>\$ 82,334</u></u>

<u>Analysis of Balance</u>	
Due to Current fund	(627)
Due from Federal and State Grant Fund	<u>82,961</u>
	<u><u>\$ 82,334</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance	2014	Balance
		Dec. 31, 2013	Authorizations	Dec. 31, 2014
			Decreased	
<u>General improvements:</u>				
88-12	Various Improvements	\$ 3,619		3,619
93-12	Self-Insurance Fund	2,970		2,970
94-35	Refund of Taxes	136		136
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
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
11-14	Various Capital Improvements	575		575
11-18	Refunding Bond Ordinance	915		915
11-21	Various Capital Improvements	250		250
12-21	Various Capital Improvements	350		350
13-06	Imps. to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	2,430		2,430
2014-7	Replacement of a Generator (Amend 2013-20)		238,095	238,095
2014-8	Inwood Terrace Park Improvements		119,047	119,047

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
<u>General improvements:</u>					
2014-9	Whiteman Street Roadway Improvements		225,000	90,255	134,745
2014-26	Supplemental to 2013-25: Acquisition of additional furnishings and improvements for the Building and Fire Prevention Departments		47,500		47,500
2014-35	Construction, Architect & Design Costs of Theatre/Museum in the eastern portion of Redevelopment Area 5		100,000		100,000
2014-36	ADA Construction Improvements		240,000		240,000
2014-38	Various Capital Improvements		95,000		95,000
2014-43	Main Street Force & Revitalization		3,040,000		3,040,000
		\$ 31,130	4,104,642	90,255	4,045,517
	2014 Improvement Authorizations		4,104,642		
	Grant monies received - Applied			90,255	
				\$ 90,255	

**BOROUGH OF FORT LEE**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2014**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2013	\$ 26,595	26,595	
Increased by Receipts:			
State Aid	75,075		75,075
Supplemental Security Income	30,868		30,868
Budget Appropriations	15,000	15,000	
Refunds of Assistance	450		450
Donations	24,287	24,287	
Interest Earned	6	6	
	<u>145,686</u>	<u>39,293</u>	<u>106,393</u>
	<u>172,281</u>	<u>65,888</u>	<u>106,393</u>
Decreased by Disbursements:			
Public Assistance - 2014	107,113	26,648	80,465
State of New Jersey - Refund of State Aid, zero-balance account	25,928		25,928
	<u>133,041</u>	<u>26,648</u>	<u>106,393</u>
Balance - December 31, 2014	<u>39,240</u>	<u>39,240</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, 2014

Balance - December 31, 2014			\$	39,240
Increased by:				
State Aid		\$	21,437	
Donations			9,385	
Interest Earned on Investments			<u>1</u>	
				<u>30,823</u>
				70,063
Decreased by:				
Public Assistance - 2015			21,437	
Non reimbursable expenses			<u>1,851</u>	
				<u>23,288</u>
Balance - March 31, 2015			\$	<u><u>46,775</u></u>
Reconciliation - March 31, 2015		<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
		<u>Account</u>	<u>Account</u>	
Balance on Deposit per Bank Statement:				
Checking	\$	41,939		41,939
Savings		<u>5,586</u>		<u>5,586</u>
		47,525		47,525
Add: Deposits in Transit - Due from State of New Jersey - zero balance account			5,300	5,300
Less: Outstanding Checks		<u>750</u>	<u>5,300</u>	<u>6,050</u>
Balance - March 31, 2015	\$	<u><u>46,775</u></u>	<u><u>          </u></u>	<u><u>46,775</u></u>

## BOROUGH OF FORT LEE

## Schedule of Public Assistance Cash and Reconciliation

## Public Assistance Fund

Year Ended December 31, 2014

Balance - December 31, 2013			\$	26,595
Increased by:				
State Aid	\$	75,075		
Supplemental Security Income		30,868		
Budget Appropriations		15,000		
Refunds of Assistance		450		
Donations		24,287		
Interest Earned on Investments		6		
				<u>145,686</u>
				172,281
<u>Decreased by:</u>				
Public Assistance 2014		80,465		
Non-Reimbursable Assistance		26,648		
State of New Jersey - Refund of State Aid, Zero-Balance Account		<u>25,928</u>		
				<u>133,041</u>
Balance - December 31, 2014			\$	<u>39,240</u>
<u>Reconciliation - December 31, 2014</u>	<u>PATF I</u>	<u>PATF II</u>		<u>Total</u>
	<u>Account</u>	<u>Account</u>		
Balance on Deposit per Bank Statement:				
Checking	\$	34,506		34,506
Savings		<u>5,584</u>		<u>5,584</u>
		40,090		40,090
Add: Deposits in Transit - Due from State of New Jersey - zero balance account			6,218	6,218
Less: Outstanding Checks		<u>850</u>	<u>6,218</u>	<u>7,068</u>
Balance - December 31, 2014	\$	<u>39,240</u>		<u>39,240</u>

## BOROUGH OF FORT LEE

## Schedule of Reserve for Public Assistance Expenditures

## Public Assistance Fund

Year Ended December 31, 2014

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2013	\$ 26,595	26,595	
Increased by:			
State Aid	75,075		75,075
Supplemental Security Income	30,868		30,868
Refunds of Assistance	450		450
Budget Appropriations	15,000	15,000	
Donations	24,287	24,287	
Interest Earned	6	6	
	<u>145,686</u>	<u>39,293</u>	<u>106,393</u>
	<u>172,281</u>	<u>65,888</u>	<u>106,393</u>
Decreased by:			
Public Assistance - 2014	107,113	26,648	80,465
State of New Jersey - Refund of State Aid, Zero-Balance Account	<u>25,928</u>		<u>25,928</u>
	<u>133,041</u>	<u>26,648</u>	<u>106,393</u>
Balance - December 31, 2014	\$ <u><u>39,240</u></u>	<u><u>39,240</u></u>	

**BOROUGH OF FORT LEE**  
**Schedule of Revenues - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	\$ 75,075		75,075
Less: Refunds to the State			
Net State Aid Payments	<u>75,075</u>		<u>75,075</u>
Supplemental Security Income State/Municipal Refund	30,868		30,868
Budget Appropriation	15,000	15,000	
Refunds of Assistance	450		450
Interest Earned	<u>6</u>	<u>6</u>	
Total Revenues (P.A.T.F.)	<u>121,399</u>	<u>15,006</u>	<u>106,393</u>
Donations	<u>24,287</u>	<u>24,287</u>	
Total Receipts	<u>\$ 145,686</u>	<u>39,293</u>	<u>106,393</u>

**BOROUGH OF FORT LEE**  
**Schedule of Expenditures - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	\$ 43,316		43,316
Temporary Rental Assistance	20,954		20,954
Emergency Assistance	15,121		15,121
Work-Related Expenses	1,074		1,074
Total Payments Reported	<u>80,465</u>		<u>80,465</u>
Petty Cash	26,648	26,648	
State of New Jersey -			
Refund of State Aid, Zero-balance account	25,928		25,928
	<u>52,576</u>	<u>26,648</u>	<u>25,928</u>
Total Disbursements (P.A.T.F.)	<u>\$ 133,041</u>	<u>26,648</u>	<u>106,393</u>

**BOROUGH OF FORT LEE**

**PART II**

**LETTERS ON INTERNAL CONTROL AND COMPLIANCE**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT 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, 2014 and the related notes to the financial statements, and have issued our report thereon dated June 4, 2015 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. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

June 4, 2015



**BOROUGH OF FORT LEE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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:

- Roof Replacement at 309 Main Street
- Construction of an Emergency Vehicle Garage for the Police Department
- Roadway Improvements to Whiteman St.
- Upgrades to the Lower Main Street Pumping Station and Force Main
- Leaf Removal Services
- Generator for Recreation Department
- Conversion Services for Various Vehicles for the Police Department
- Masonry Upgrades to Borough Hall
- Animal Control Services
- Replacement of Window to Borough Hall

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

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

Our examination of expenditures did reveal individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

The governing body on January 2, 2014 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 2, 2014, 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>
2014	4
2013	4
2012	7

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.

## 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. \* 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.
3. \*Grant awards are being reprogrammed to new improvement authorizations while the existing ordinance funded by those grants remains on the books.
4. \*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
5. There are stale dated outstanding checks in the Public Assistance Trust Fund II account.
6. Many of the Borough's Trust Funds are incurring substantial bank service charges on a monthly basis.

#### Public Assistance

1. \*Monthly assistance checks are not included in the monthly bill list provided to the Mayor and Council for approval.
2. There was an instance in which the amount of interim assistance granted did not agree to the amount of Supplemental Security Income recouped.

#### 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, 2014.
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, and complaints eligible for warrant.
3. Bail receipt books encompassing 775 receipts were unaccounted for.
4. Bail disbursements are not always posted to the system in a timely manner.

#### 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. \*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.
3. \*Stricter oversight over grant awards be maintained to ensure that duplicate funding sources are not being utilized for improvement authorizations.
4. All certificates of availability of funds documenting professional service contracts stipulate the budget line to be charged.
5. Stale outstanding checks in the Public Assistance II Trust Fund be cancelled via resolution of the Mayor and Council.
6. Finance officials take steps to mitigate the monthly service charges being incurred by the Borough's Trust Accounts.

#### Public Assistance

1. \*Monthly assistance checks be included (with only case numbers listed) on the monthly bill list for approval of Mayor and Council.
2. Greater care be taken when performing recoupment calculations for Supplemental Security Income Awards.

#### 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, 2014.
2. \*That greater effort be made to ensure that all complaints are processed in a timely manner and that those tickets assigned over 180 days be recalled and either destroyed or reassigned.
3. That court personnel maintain greater oversight of receipt books.
4. All bail disbursements be made in a timely manner.

#### 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

June 4, 2015