

BOROUGH OF FORT LEE

**Financial Statements With
Supplementary Information**

**December 31, 2015
(With Independent Auditors' Report Thereon)**

BOROUGH OF FORT LEE

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of 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, 2015 and 2014, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

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
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2016 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

March 8, 2016

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 8,049,254	9,726,774
Change Fund	A-6	450	450
		<u>8,049,704</u>	<u>9,727,224</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	1,100,838	1,667,677
Property Acquired for Taxes -			
Assessed Valuation	A-10	8,220	8,220
Tax Title Liens	A-11	99,245	90,144
Revenue Accounts Receivable	A-12	77,017	110,208
Demolition Lien Receivable	A-13	2,350	2,350
Prepaid School Taxes	A-23	119	119
Interfunds Receivable:			
Escrow Trust	A-15	1,079	608
Redemption Trust	A-15	377	
Other Trust Fund	A-15	1	4
Payroll Account	A-15	32,994	
General Capital Fund	A-15	529,830	627
		<u>1,852,070</u>	<u>1,879,957</u>
Deferred Charges:			
Special Emergency	A-16	147,562	581,344
Deferred Charges - Overexpenditure of			
Appropriation Reserves and Appropriations	A-17	3,521	3,521
		<u>151,083</u>	<u>584,865</u>
		<u>10,052,857</u>	<u>12,192,046</u>
Federal and State Grant Fund:			
Due from Current Fund	A-5	578,737	458,079
Grants Receivable	A-25	101,430	100,430
		<u>680,167</u>	<u>558,509</u>
		<u>\$ 10,733,024</u>	<u>12,750,555</u>

See accompanying notes to financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	1,130,395	1,824,477
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	28,597	21,622
Interfund Payable:			
Federal and State Grant Fund	A-5	578,737	458,079
Police Activity Trust	A-15	216	231
Redemption Trust	A-15		39
Fort Lee Film Commission	A-15	6	20
Police Donation Trust	A-15	36	39
Police School Resource Trust	A-15	312	92
Senior Citizen Advisory Council Trust	A-15	72	84
Animal License Trust Fund	A-15	39	39
Unemployment Compensation Trust	A-15	6,888	
POAA Trust	A-15	794	72
Fire Prevention - Dedicated Penalties	A-15	35,272	4,673
Other Trust Fund	A-15		46
COAH Development Fees Trust	A-15	9	38,358
Encumbrances Payable	A-18	777,569	398,906
Prepaid Taxes	A-19	906,708	754,334
Tax Overpayments	A-20	210,041	131,134
Special Emergency Notes Payable	A-21	147,562	581,344
Various Reserves and Liabilities	A-22	380,555	320,685
County Taxes Payable	A-24	13,035	
		<u>4,216,843</u>	<u>4,534,274</u>
Reserve for Receivables	Contra	1,852,070	1,884,464
Fund Balance	A-1	<u>3,983,944</u>	<u>5,777,815</u>
		<u>10,052,857</u>	<u>12,196,553</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-26	293,012	314,875
Encumbrances Payable	A-26	1,170	
Due to General Capital Fund		82,961	82,961
Unappropriated Reserve for Grants	A-27	303,024	160,673
		<u>680,167</u>	<u>558,509</u>
		<u>\$ 10,733,024</u>	<u>12,755,062</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues and Other Income:		
Fund Balance Utilized	3,561,000	2,950,000
Miscellaneous Revenue Anticipated	7,606,226	7,300,740
Receipts from Delinquent Taxes	1,666,825	1,309,925
Receipts from Current Taxes	134,020,626	130,084,559
Non-Budget Revenue	1,266,333	1,986,922
Other Credits to Income:		
Liabilities canceled	109,895	80,391
Unexpended Balance of Appropriation Reserves	73,165	1,052,027
Interfunds Returned	1,371	22,197
	<u>148,305,441</u>	<u>144,786,761</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	28,536,115	27,796,219
Other Expenses	28,255,497	28,684,113
Capital Improvement Fund	150,000	200,000
Municipal Debt Service	7,340,176	7,239,562
Deferred Charges and Statutory Expenditures -		
Municipal	6,839,424	5,975,454
Local District School Tax	58,366,580	55,690,381
County Taxes including Added Taxes	16,106,988	15,004,918
Overexpenditure of Appropriation Reserves	39,413	3,521
Interfunds Advanced	562,897	
Other Refunds	164,311	68,725
Tax Appeal Refunds	176,910	87,018
	<u>146,538,311</u>	<u>140,749,911</u>
Total Expenditures		
Excess (Deficit) Revenue Over Expenditures	1,767,130	4,036,850
Adjustment to Income Before Fund Balance - Expenditures		
Included above Which are by Statute Deferred		
Charges to Budget of Succeeding Year		3,521
		<u>3,521</u>
Statutory Excess to Fund Balance	1,767,130	4,040,371
Fund Balance, January 1,	<u>5,777,814</u>	<u>4,687,443</u>
	7,544,944	8,727,814
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>3,561,000</u>	<u>2,950,000</u>
Fund Balance, December 31,	<u>\$ 3,983,944</u>	<u>5,777,814</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, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 3,561,000	3,561,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	100,000	109,242	9,242
Other	53,000	84,180	31,180
Fees and Permits	52,000	55,489	3,489
Fines and Costs:			
Municipal Court	1,357,264	1,462,940	105,676
Interest and Costs on Taxes	270,000	385,817	115,817
Interest on Investments and Deposits	6,221	20,114	13,893
Borough of Cliffside Park Sewer Services	394,000	316,383	(77,617)
Recreation Fees	88,000	80,769	(7,231)
Consolidated Municipal Property Tax Relief Aid	41,863	15,519	(26,344)
Energy Receipts Tax	1,729,329	1,755,673	26,344
Uniform Construction Code Fees	1,595,000	1,913,926	318,926
Elevator Inspection Fees	255,000	144,940	(110,060)
Communicable Diseases	200	200	
Recycling Tonnage	20,061	20,061	
Alcohol Education and Rehabilitation Fund	14,357	14,357	
Over the Limit Under Arrest	8,559	8,559	
Click it or Ticket	8,000	8,000	
Pedestrian Safety	26,200	26,200	
Body Armor Replacement Fund	11,232	11,232	
Hepatitis B	2,450	2,450	
Shared Services-Ridgefield	19,000	19,000	
Reserve for Payment of Debt	100,000	100,000	
LEA Rebate	64,000	62,327	(1,673)
General Capital Fund Balance	28,815	28,815	
Third Party Ambulance Billing	850,162	960,033	109,871
Total Miscellaneous Revenues	7,094,713	7,606,226	511,513

BOROUGH OF FORT LEE, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	1,300,000	1,666,825	366,825
Subtotal General Revenues	<u>11,955,713</u>	<u>12,834,051</u>	<u>878,338</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>61,396,058</u>	<u>342,143</u>
Budget Totals	73,009,628	74,230,109	1,220,481
Non-Budget Revenue		<u>1,266,333</u>	<u>1,266,333</u>
	<u>\$ 73,009,628</u>	<u>75,496,442</u>	<u>2,486,814</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 134,020,626
Allocated to School and County Taxes	<u>74,473,568</u>
Balance for Support of Municipal Budget Appropriations	59,547,058
Add : Appropriation - Reserve for Uncollected Taxes	<u>1,849,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 61,396,058</u>
Receipts from Delinquent Taxes	<u>1,666,825</u>
	<u>\$ 1,666,825</u>

BOROUGH OF FORT LEE, N.J.
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2015

Analysis of Non-budget Revenues

Mutual Aid Fire	43,826	
Voting	760	
Cable TV	64,723	
Hotel Tax	595,003	
Burial Fee	19,369	
Tax Sale	568	
Senior Citizens Lunch	32,460	
Old Deposits	64,440	
Verizon	176,548	
S Recs	22,383	
Inspection Fees	20,132	
Miscellaneous	22,588	
Parking Authority	99,946	
Defalcation Reimbursement	28,373	
In Lieu	56,206	
Tax Title Lien Premiums	3,100	
Internet Fee	15,908	
	<u>1,266,333</u>	\$ <u>1,266,333</u>
	Interfunds	3,100
	Cash Receipts	<u>1,263,233</u>
		\$ <u>1,266,333</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, 2015

	<u>2015</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>Carried</u>	<u>Over-</u> <u>Expenditure</u>
General Government:						
Administration:						
Salaries and Wages	\$ 353,476	403,961	403,961			
Other Expenses	238,300	292,682	292,682			
Purchasing						
Salaries and Wages	110,112	122,718	122,717	1		
Other Expenses	89,000	39,000	23,231	15,769		
Mayor and Council						
Salaries and Wages	93,742	93,742	93,742			
Other Expenses	67,275	80,563	80,562	1		
Borough Clerk						
Salaries and Wages	177,000	261,052	261,051	1		
Other Expenses	27,500	27,500	26,095	1,405		
Elections:						
Other Expenses	28,500	28,500	22,833	5,667		
Pay/ Data Processing:						
Salaries and Wages	66,388	74,298	74,298			
Other Expenses	4,250	5,434	5,433	1		
Financial Administration:						
Other Expenses	167,000	183,745	183,744	1		
Collection of Taxes						
Salaries and Wages	222,833	324,042	324,042			
Other Expenses	65,500	88,442	88,442			
Assessment of Taxes:						
Salaries and Wages	175,510	181,288	181,287	1		
Other Expenses	32,450	32,450	18,344	14,106		
Legal Services and Costs:						
Other Expenses	761,000	611,000	524,888	86,112		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015</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>Carried</u>	<u>Over-</u> <u>Expenditure</u>
Municipal Court:						
Salaries and Wages	709,558	764,062	764,061	1		
Other Expenses	145,450	194,975	194,974	1		
Engineering Services and Costs:						
Salaries and Wages	124,854	124,855	124,854	1		
Other Expenses	43,000	45,112	45,112			
Director of Economic Development						
Salaries and Wages	70,289	97,212	97,211	1		
Other Expenses	60,000	35,000	29,598	5,402		
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)						
Planning Board:						
Other Expenses	15,650	15,650	7,792	7,858		
Zoning Board of Adjustment:						
Other Expenses	19,850	24,457	24,456	1		
Rent Leveling Board:						
Salaries and Wages	43,891	50,141	50,140	1		
Other Expenses	2,000	2,000	288	1,712		
Insurance:						
Other Insurance Premiums	1,946,995	1,646,995	1,578,539	68,456		
Group Insurance Plans for Employees	8,217,120	8,685,172	8,637,778	47,394		
Group Insurance Plans for Employees - UCC	470,000					

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expenditure
Public Safety:						
Police:						
Salaries and Wages	15,179,795	15,375,596	15,356,434	19,162		
Other Expenses	740,500	740,500	698,391	42,109		
Equipment	10,000	10,000		10,000		
Department of Communications:						
Salaries and Wages	855,000	794,684	794,683	1		
Other Expenses	19,900	31,428	31,427	1		
Emergency Management:						
Salaries and Wages	104,000	105,048	105,048			
Other Expenses	18,150	18,150	13,405	4,745		
Aid to Volunteer Fire Companies	40,000	40,000	40,000			
Fire Prevention						
Salaries and Wages	714,000	812,264	812,263	1		
Other Expenses	33,000	33,000	31,867	1,133		
Fire Protection:						
Salaries and Wages	957,060	902,060	895,628	6,432		
Other Expenses	318,800	314,848	281,073	33,775		
Fort Lee Emergency Medical Technicians:						
Salaries and Wages	362,000	368,808	368,808			
Other Expenses	68,550	77,578	77,028	550		
Ambulance Corps:						
Salaries and Wages	365,000	325,000	289,492	35,508		
Other Expenses	97,500	99,234	94,233	5,001		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015</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>	<u>Over-</u> <u>Expenditure</u>
Public Works Function:						
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	1,970,485	2,092,423	2,092,423			
Other Expenses	225,500	271,997	271,996	1		
Garbage and Trash:						
Other Expenses	2,261,500	2,283,580	2,283,580			
Public Building and Grounds:						
Salaries and Wages	538,508	588,861	588,860	1		
Other Expenses	303,100	223,100	206,144	16,956		
Salaries and Wages	151,500	128,347	121,082	7,265		
Other Expenses	36,000	36,000	33,419	2,581		
General Services:						
Salaries and Wages	756,984	820,856	820,855	1		
Other Expenses	50,050	50,050	18,991	31,059		
Communications Repairs:						
Salaries and Wages	207,000	167,000	152,871	14,129		
Other Expenses	79,250	100,171	100,170	1		
Sanitation - Sewer System:						
Salaries and Wages	293,014	310,823	310,823			
Other Expenses	206,250	213,884	213,883	1		
Auto Repairs:						
Other Expenses	319,950	349,954	348,534	1,420		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Health and Welfare:						
Board of Health:						
Salaries and Wages	605,336	609,970	609,970			
Other Expenses	119,500	119,500	82,616	36,884		
Hepatitis B	6,500	6,500	6,000	500		
Administration of Public Assistance:						
Salaries and Wages	161,896	161,896	156,756	5,140		
Other Expenses	9,125	9,125	1,206	7,919		
Other Expenses	15,000	15,000	15,000			
Parks and Recreation Functions:						
Recreation and Education:						
Salaries and Wages	471,350	451,350	442,097	9,253		
Other Expenses	39,500	39,500	34,442	5,058		
Senior Citizens:						
Salaries and Wages	252,507	279,137	279,136	1		
Other Expenses	137,200	137,200	133,495	3,705		
Senior Citizens Special Services:						
Other Expenses	341,000	341,000	326,021	14,979		
Parks and Playgrounds:						
Salaries and Wages	610,800	610,800	609,430	1,370		
Other Expenses	74,300	77,914	77,914			
Community Center						
Salaries and Wages	123,305	179,822	179,822			
Other Expenses	150,500	120,500	102,426	18,074		
Community Center-Stage						
Salaries and Wages	75,000	5,000	1,418	3,582		
Other Expenses	500	500		500		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>2015</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>	<u>Over-</u> <u>Expenditure</u>
Other Common Unclassified						
Celebration of Public Events, Anniversary or						
Holiday - Other Expenses	95,000	125,702	125,701	1		
Salary & Wage Adjustment Program	300,000					
Cultural and Heritage Affairs						
Salaries and Wages	78,163	88,826	88,825	1		
Other Expenses	105,400	105,400	101,801	3,599		
Uniform Constuction Code Official						
Salaries and Wages	764,500	764,500	720,010	44,490		
Other Expenses	46,400	46,732	46,732			
Elevator Inspections						
Salaries and Wages	57,000	72,092	72,091	1		
UNCLASSIFIED:						
Utilities:						
Electricity	1,015,000	1,015,000	968,304	46,696		
Street Lighting	425,000	245,000	225,181	19,819		
Water	105,000	82,000	50,057	31,943		
Fuel Oil	25,000	25,000	16,835	8,165		
Telephone and Telegraph	365,000	282,680	281,251	1,429		
Gasoline	410,000	290,000	263,640	26,360		
Fire Hydrant Service	200,000	200,000	182,503	17,497		
Total Operations within "CAPS"	<u>49,015,621</u>	<u>48,728,938</u>	<u>47,936,246</u>	<u>792,692</u>		
Total Operations Including Contingent-within "CAPS"						
Detail:						
Salaries & Wages	28,101,856	28,512,534	28,366,189	146,345		
Other Expenses (Including Contingent)	20,913,765	20,216,404	19,570,057	646,347		
Total Operations within "CAPS"	<u>49,015,621</u>	<u>48,728,938</u>	<u>47,936,246</u>	<u>792,692</u>		

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expenditure
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"	7,264	7,264	7,264			
Overexpenditure of Capital Ordinance						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	1,400,000	1,503,096	1,503,096			
Public Employees' Retirement System	1,281,555	1,281,555	1,281,555			
Police and Firemen's Retirement System of NJ	3,311,553	3,534,553	3,534,553			
Unemployment Compensation Insurance	95,000	95,000	95,000			
DCRP	63,000	23,587	21,099	2,488		
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	6,158,372	6,445,055	6,442,567	2,488		
Total General Appropriations for Municipal Purposes within "CAPS"	55,173,993	55,173,993	54,378,813	795,180		
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority:						
Share of Costs	5,609,900	5,609,900	5,599,299			10,601
Englewood Sewer Treatment	30,000	30,000				30,000
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)						
Contribution	2,216,254	2,216,254	1,978,101			238,153
Fair Housing Act (P.L. 1985 Ch. 222 40A:40-45.3):						
Other Expenses	40,000	40,000	40,000			

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expenditure
2010 CAP Exception						
Health Benefits	32,880	32,880		32,880		
Total Other Operations - Excluded from "CAPS"	7,929,034	7,929,034	7,617,400	311,634		
Uniform Construction Code						
Appropriations Offset by Increased						
Fee Revenues (N.J.A.C. 5:23-4:17)	30,000	23,581		23,581		
Elevator Inspections						
Salaries and Wages	30,000	23,581		23,581		
Total Uniform Construction Code Appropriations						
Public and Private Programs Offset by Revenues						
Alcohol Education Rehabilitation Fund	14,357	14,357	14,357			
Shared Services Agreement - Ridgefield	19,000	19,000	19,000			
Body Armor Replacement Fund	11,232	11,232	11,232			
Communicable Diseases	200	200	200			
Over the Limit Under Arrest	8,559	8,559	8,559			
Recycling Tonnage	20,061	20,061	20,061			
Pedestrian Safety Grant	26,200	26,200	26,200			
Hepatitis B	2,450	2,450	2,450			
Click it or Ticket	8,000	8,000	8,000			
Total Public and Private Programs Offset by Revenues	110,059	110,059	110,059			

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expenditure
Total Operations-Excluded from "CAPS"	8,069,093	8,062,674	7,727,459	335,215		
Detail:						
Salaries and Wages	30,000	23,581		23,581		
Other Expenses	8,039,093	8,039,093	7,727,459	311,634		
Total:	8,069,093	8,062,674	7,727,459	335,215		
Capital Improvements-Excluded from "CAPS"	150,000	150,000	150,000			
Capital Improvement Fund	150,000	150,000	150,000			
Total Capital Improvements Excluded from "CAPS"	150,000	150,000	150,000			
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	5,359,000	5,359,000	5,359,000			
Interest on Bonds	1,896,000	1,896,000	1,896,000			
Interest on Notes	54,000	60,419	60,419			
Green Trust Loan Program						
Loan Repayments for Principal and Interest	24,760	24,760	24,757	3		
Total Municipal Debt Service-Excluded from "CAPS"	7,333,760	7,340,179	7,340,176	3		
DEFERRED CHARGES:						
Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)	433,782	433,782	433,782			
Total Deferred Charges - Municipal - Excluded from "CAPS"	433,782	433,782	433,782			
Total General Appropriations for						

BOROUGH OF FORT LEE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	2015 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over-Expenditure
Municipal Purposes Excluded from "CAPS"	15,986,635	15,986,635	15,651,417	335,215		
Subtotal General Appropriations	71,160,628	71,160,628	70,030,230	1,130,395		
Reserve for Uncollected Taxes	1,849,000	1,849,000	1,849,000			
Total General Appropriations	\$ 73,009,628	73,009,628	71,879,230	1,130,395		

Adopted Budget 72,899,569
 Added by N.J.S.A. 40A:4-87 110,059
\$ 73,009,628

Reserve for Uncollected Taxes 1,849,000
 Federal and State Grant Fund 110,059
 Encumbrances 777,569
 Deferred Charges 433,782
 Cash 68,708,820
\$ 71,879,230

See accompanying notes to the financial statements.

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assessment Trust Fund:			
Cash	B-2	7,444	7,444
Animal Trust Fund:			
Cash	B-2	6,709	9,797
Interfund - Due from Current Fund	B-6	39	39
		6,748	9,836
Unemployment Trust Fund:			
Cash	B-2	10,564	7,812
Interfund - Due from Current Fund	B-6	6,888	
		17,452	7,812
Other Trust Funds:			
Cash	B-2	10,332,855	10,614,461
Interfund - Due from Current Fund	B-6	36,717	43,654
		10,369,572	10,658,115
		\$ 10,401,216	10,683,207

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund:			
Reserve for Utility Deposits	B-3	\$ 6,466	6,466
Fund Balance	B-1	978	978
		<u>7,444</u>	<u>7,444</u>
Animal Trust Fund:			
Reserve for Animal Trust Fund Expenditures	B-4	<u>6,748</u>	<u>9,836</u>
Unemployment Trust Fund:			
Reserve for Expenditures	B-8	<u>17,452</u>	<u>7,812</u>
Other Trust Fund:			
Interfund - Due to Current Fund	B-6	1,457	612
Reserve for:			
Other Trust Deposits	B-7	<u>10,368,115</u>	<u>10,657,503</u>
		<u>10,369,572</u>	<u>10,658,115</u>
		<u>\$ 10,401,216</u>	<u>10,683,207</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, 2015

Balance - December 31, 2014	\$ <u>978</u>
Balance - December 31, 2015	\$ <u><u>978</u></u>

See accompanying notes to financial statements.

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BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2/C-3	5,078,418	4,315,784
Accounts Receivable:			
Miscellaneous	C-4	1,012,587	2,697,358
Grants	C-4	1,020,762	1,035,207
U.S. Department of Treasury - Equitable Share of Forfeited Funds	C-5		162,000
Interfunds Receivable:			
Federal and State Grant Fund	C-20	82,961	82,961
Over-Expenditure of Ord. 2011-21			7,264
Over-Expenditure of Ord. 2011-16		31,064	
Deferred Charges to Future Taxation:			
Funded	C-6	45,685,231	51,064,420
Unfunded	C-7	9,802,517	8,005,739
		<u>\$ 62,713,540</u>	<u>67,370,733</u>

BOROUGH OF FORT LEE, N.J.

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-8	45,472,000	50,831,000
Green Trust Loan Payable	C-9	213,231	233,420
Bond Anticipation Notes	C-10	7,974,000	3,960,222
Reserve for:			
Interest - Arbitrage	C-11	44,865	44,865
Encumbrances Payable	C-12	432,957	317,066
Payment of Debt	C-14	124,901	166,156
Contributions - Main			
Street Widening Project	C-15	1,567,059	1,567,059
Grants Receivable	C-18	1,205,894	180,745
Due to U.S. Department of Housing and Urban Development	C-13	37,168	37,168
Improvement Authorizations:			
Funded	C-16	1,598,787	5,643,583
Unfunded	C-16	3,403,306	4,358,115
Capital Improvement Fund	C-17	109,542	1,892
Interfund - Current Fund	C-20	529,830	627
Fund Balance	C-1		28,815
		<u>\$ 62,713,540</u>	<u>67,370,733</u>

There were \$1,828,517 and \$4,045,517 of Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 (Exhibit C-20).

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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Balance - January 1,	\$ 28,815	68,432
Increased by:		
Premium received on Note Sale		28,815
Cancelled Improvement Authorizations	<u>1,413,655</u>	<u> </u>
	1,413,655	28,815
	1,442,470	97,247
Decreased by:		
Appropriated to Finance Improvement Authorizations	1,413,655	
Utilized as budget revenue	<u>28,815</u>	<u>68,432</u>
	1,442,470	68,432
Balance - December 31, 2015	\$ <u> </u>	<u>28,815</u>

See accompanying notes to the financial statements.

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BOROUGH OF FORT LEE

Comparative Balance Sheet-Regulatory Basis

Public Assistance Fund

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash - Public Assistance	\$ <u>55,326</u>	<u>39,240</u>
	\$ <u><u>55,326</u></u>	<u><u>39,240</u></u>
 <u>Liabilities</u>		
Reserve for Public Assistance	\$ <u>55,326</u>	<u>39,240</u>
	\$ <u><u>55,326</u></u>	<u><u>39,240</u></u>

See accompanying notes to the financial statements.

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BOROUGH OF FORT LEE, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 53,018,284	53,018,284
Buildings	29,657,082	29,581,520
Machinery and Equipment	<u>17,683,668</u>	<u>17,023,249</u>
	<u>\$ 100,359,034</u>	<u>99,623,053</u>
Investment in Fixed Assets	<u>\$ 100,359,034</u>	<u>99,623,053</u>

See accompanying notes to financial statements.

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BOROUGH OF FORT LEE, N.J.
Comparative Balance Sheets-Regulatory Basis
Payroll Account
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash	\$ <u>81,284</u>	<u>2,755</u>
	\$ <u><u>81,284</u></u>	<u><u>2,755</u></u>
 <u>Liabilities</u>		
Interfund - Current Fund	\$ 32,994	
Withholdings Payable	<u>48,290</u>	<u>2,755</u>
	\$ <u><u>81,284</u></u>	<u><u>2,755</u></u>

See accompanying notes to the financial statements.

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BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with 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, 2015 and 2014
(continued)

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

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

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

The Borough has the following funds and account 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, 2015 and 2014
(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 11th day of the 11th 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, 2015 and 2014
(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 2015, the Governing Body approved \$110,059 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, 2015 and 2014
(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, 2015 and 2014
(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, 2015 and 2014
(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 required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

C. Recent Accounting Pronouncements, (continued)

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

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

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

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

C. Recent Accounting Pronouncements, (continued)

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

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

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

C. Recent Accounting Pronouncements, (continued)

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

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, 2015 and 2014
(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 certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS). (continued)

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

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ 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 compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS). (continued)

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

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

Defined Contribution Retirement Program

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

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

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

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

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Defined Contribution Retirement Program, (continued)

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.

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.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Contribution Requirements, (continued)

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$1,281,555	\$3,911,553	\$21,099
2014	1,145,730	2,590,967	16,183
2013	1,194,103	2,682,834	14,266

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements. The following pension information is as of June 30, 2014 which is the latest information available. This information is eighteen months prior to December 31, 2015. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end.

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

Public Employees Retirement System (PERS)

At December 31, 2015, the Borough had a liability of \$29,517,780 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the Borough's proportion was .15765742 percent, which was an increase of .00285521 percent from its proportion measured as of June 30, 2013.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2015, the Borough recognized pension expense of \$1,281,555. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$928,197	\$
Net difference between projected and actual earnings on pension plan investments		1,759,099
Changes in proportion and differences between Borough contributions and proportionate share of contributions	460,953	
Borough contributions subsequent to the measurement date	<u>1,367,945</u>	<u> </u>
Total	<u>\$2,757,095</u>	<u>\$1,759,099</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(269,150)
2017	(269,150)
2018	(269,150)
2019	170,625
Thereafter	75,075

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	\$19,111,986,111
Borough s Proportion	.1576574162%	.1548022055%

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	<u>2.50%</u>	5.35%
	<u>100.00%</u>	

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2014</u>		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
Borough's proportionate share of the pension liability	\$37,134,373	\$29,517,780	\$23,121,781

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the Borough had a liability of \$44,775,047 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the Borough's proportion was .3559487183 percent, which was an increase of .00687214440 percent from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Borough recognized pension expense of \$3,911,553. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$1,681,007	\$
Net difference between projected and actual earnings on pension plan investments		4,569,143
Changes in proportion and differences between Borough contributions and proportionate share of contributions	765,520	
Borough contributions subsequent to the measurement date	<u>2,902,559</u>	
Total	<u>\$5,349,086</u>	<u>\$4,569,143</u>

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(817,139)
2017	(817,139)
2018	(817,139)
2019	325,147
Thereafter	55,275

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$750,532,959	Not Available
Collective deferred inflows of resources	1,561,923,934	Not Available
Collective net pension liability	13,933,627,178	\$14,533,269,004
Borough's Proportion	.3559487183%	.3490765739%

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	3.95-8.62 Percent (based on age)
Thereafter	4.95-9.62 Percent (based on age)
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

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

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	<u>2.50%</u>	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

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

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>5.32%</u>	At Current Discount Rate <u>6.32%</u>	1% Increase <u>7.32%</u>
Borough's proportionate share of the pension liability	\$66,837,752	\$44,775,097	\$35,347,151

Pension Plan Fiduciary Net Position

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

NOTE 3. MUNICIPAL DEBT

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

	Balance Dec. 31, 2014	<u>Additions</u>	<u>Reductions</u>	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	\$50,831,000	\$	\$5,359,000	\$45,472,000	\$5,481,000
Green Trust Loan Payable	233,420		20,189	213,231	20,595
Compensated Absences Payable	<u>8,820,186</u>		<u>624,490</u>	<u>8,195,696</u>	
	<u>\$59,884,606</u>	<u>\$0</u>	<u>\$6,003,679</u>	<u>\$53,880,927</u>	<u>\$5,501,595</u>

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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>2015</u>	<u>2014</u>	<u>2013</u>
Issued - general - bonds, notes and loans	\$53,659,231	\$55,024,642	\$60,114,433
Authorized but not issued - general - bonds and notes	<u>1,828,517</u>	<u>4,045,517</u>	<u>31,130</u>
Bonds, notes and loans issued and authorized but not issued	55,487,748	59,070,159	60,145,563
Less deductions:			
Reserve for payment of debt	1,691,960	1,733,215	1,000,114
Pension refunding bonds issued	<u> </u>	<u> </u>	<u>2,145,000</u>
Net bonds and notes issued and authorized but not issued	<u>\$53,795,788</u>	<u>\$57,336,944</u>	<u>\$57,000,449</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .818%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$65,505,000	\$65,505,000	\$
General Debt	<u>55,487,748</u>	<u>1,691,960</u>	<u>53,795,788</u>
	<u>\$120,992,748</u>	<u>\$67,196,960</u>	<u>\$53,795,788</u>

Net debt of \$53,795,788 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,572,561,838 equals .818%.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

3-1/2% of equalized valuation basis (municipal)	\$230,039,664
Less net debt	<u>53,795,788</u>
Remaining Borrowing Power	<u>\$176,243,876</u>

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

Paid by Current Fund:

\$4,230,000, 1.60%-4.90% pension refunding bonds issued March 1, 2003, due through March 1, 2018	\$1,415,000
\$22,062,000, 2.00%-5.00% County-Guaranteed Pooled Bond Program issued May 10, 2010, due through February 15, 2025	20,312,000
\$7,595,000, 4.00% general improvement refunding bonds issued March 24, 2011, due through February 15, 2016	2,000,000
\$6,520,000, 2.00%-4.00% general improvement refunding bonds issued December 22, 2011, due through July 15, 2019	5,055,000
\$9,000,000, 3.00%-4.00% general obligation refunding bonds issued May 8, 2012, due through July 15, 2020	7,690,000
\$10,000,000, 2.00%-3.00% general improvement bonds issued July 23, 2013, due through August 1, 2027	<u>9,000,000</u>
	<u>\$45,472,000</u>

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>
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	5,852,585	4,950,000	902,585
2021-2025	17,750,399	15,623,000	2,127,399
2026-2027	<u>1,985,500</u>	<u>1,900,000</u>	<u>85,500</u>
	<u>\$54,320,460</u>	<u>\$45,472,000</u>	<u>\$8,848,460</u>

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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, 2015, the Borough had authorized but not issued debt as follows:

General Capital Fund	<u>\$1,828,517</u>
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NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

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

\$381,500 2004 loan due in semi-annual installments of \$8,041 to \$12,256 through June 15, 2025, interest at 2%	<u>\$213,231</u>
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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 November 24, 2015, the Borough issued bond anticipation notes in the amount of \$7,974,000 due on November 23, 2016 at a rate of .55%.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Valley National Bank	\$525,000	\$	\$525,000	\$0
Jeffries LLC, NY	3,435,222		3,435,222	0
PNC Bank, N.A.	<u>0</u>	<u>7,974,000</u>	<u></u>	<u>7,974,000</u>
	<u>\$3,960,222</u>	<u>\$7,974,000</u>	<u>\$3,960,222</u>	<u>\$7,974,000</u>

NOTE 6. FUND BALANCE APPROPRIATED

The fund balances at December 31, 2015 and 2014, which have been appropriated as revenue in the 2016 and 2015 budgets, are as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	<u>\$1,750,000</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 \$8,195,696 as of December 31, 2015. This amount is not reported either as an expenditure or liability.

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, 2015 and 2014, \$0 of the Borough's bank balance of \$24,158,343 and \$25,522,332, respectively, was exposed to custodial credit risk.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

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:

**In the Matter of the Application of the
Borough of Fort Lee for a Declaratory Judgment
Docket No.: BER-L-6289-15**

This is a Declaratory Judgment action. It was instituted by the Petitioner, Borough of Fort Lee ("Petitioner" or "Fort Lee"), in accordance with the Supreme Court' decision in In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the Council on Affordable Housing, 221 N.J. 1 (2015) ("*Mount Laurel IV*").

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 9. LITIGATION, (continued)

The purpose of the action is to obtain judgment from the court that Fort Lee is in compliance with its constitutional and statutory *Mount Laurel* affordable housing obligations. In accordance with *Mount Laurel IV*, Fort Lee has obtained an order of temporary immunity from exclusionary zoning, or “Builder’s Remedy” lawsuits. That immunity has been recently extended to March 31, 2016. We expect it to be further extended during the pendency of this case.

There are no other parties to the action except for Fair Share Housing Center, an affordable housing advocacy group who seeks no monetary or other damages and is participating in like lawsuits throughout the State to monitor municipal compliance with the affordable housing obligation.

The case is being managed by a court assigned Special Master who has issued a preliminary report favorable to Fort Lee and its efforts to address its affordable housing obligation. Fort Lee has provided additional information to the Special Master who will ultimately make a report and recommendation to the Court respecting Fort Lee’s petition for a Declaratory Judgment.

We currently await a further case management conference to address any additional issues the Court determines to be outstanding. Fort Lee is aggressively pursuing its application for a declaratory judgment.

Zaka, LLC, v. Borough of Fort Lee
Docket No. BER-L-10334-15

In this matter, plaintiff Zaka, LLC, the owner of a residential rental apartment building located at 1350 15th Street in Fort Lee, which is alleged to have 52 vacant or soon to be vacant units, seeks to invalidate the vacancy decontrol provision of Fort Lee rent leveling ordinance, or alternatively seeks to have the vacancy decontrol provision be interpreted to cover individual units within multi-unit apartment buildings. Plaintiff’s objective is to be able to de-regulate alleged market-rate rents on units that are currently rent regulated. A Declaratory Judgment is sought; no damages are demanded. Fort Lee has not sought insurance cover.

The complaint was filed on December 2, 2015. The answer, or a motion to dismiss, is due on March 18, 2016. We anticipate this date will be extended, by consent, in view of plaintiff’s new counsel’s recent letter indicating the possible/probable consolidation of this case and the lawsuit discussed in the following paragraph here. Fort Lee intends to contest the allegations based on past case law upholding the vacancy decontrol provision against similar challenges. A determination concerning the probability of a favorable or unfavorable outcome cannot be made at this time.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 9. LITIGATION, (continued)

**Zaka, LLC, v. Fort Lee Rent Leveling Board,
Borough of Fort Lee, and Simone Kasuda,
Rent Administrator of the Borough of Fort Lee
Docket No. BER-L-10818-15**

In this matter, plaintiff Zaka, LLC, the owner of a residential rental apartment building located at 1350 15th Street in Fort Lee, seeks declaratory relief and damages against defendants in relation to the amount of rent plaintiff may lawfully charge tenants within its building. Plaintiff alleges that defendants have interfered with its ability to charge market rents, which plaintiff contends it can permissibly increase under the law despite Fort Lee's rent leveling ordinance. Plaintiff seeks a Declaratory Judgment that any actions by defendants that have resulted in a reduction of rents at the building (i.e. less-than-market rate rents) are invalid; an injunction against defendants interfering with the rents charged at the building, an order permitting plaintiff to retroactively file certain registration documents; a Declaratory Judgment that the entire rent leveling ordinance is invalid; compensatory and consequential damages in the amount of the rents allegedly lost, or alternatively for the taking of the subject property without just compensation; punitive damages against individual Defendant Kasuda in the amount of \$350,000, or five times compensatory damages, whichever is greater; and attorneys fees and costs. Plaintiff's objective is to be able to charge alleged market-rate rents on units that are currently rent controlled.

The Complaint was filed on December 18, 2015. The answer, or, alternatively, a motion to dismiss, is due on March 10, 2016. Fort Lee's legal counsel was recently informed via letter from plaintiff's legal counsel that plaintiff intends to move to consolidate this lawsuit with the case discussed in the previous paragraph herein. It is anticipated that all due dates will be extended by consent. Fort Lee intends to contest the allegations based on established U.S. District Court and Third Circuit precedent upholding the Fort Lee rent leveling ordinance against similar challenges, and based on plaintiff's failure to join these claims with its first-filed suit concerning the same property (Docket No. BER-L-10334-15) as well as plaintiff's failure to exhaust administrative remedies. The SBJIF will be defending Fort Lee, the Fort Lee Rent Leveling Board, and Simone Kasuda, for Counts three and six of the Complaint (excluding the 'demand for an order restraining any such future conduct' contained in Count six) subject to the Reservation of Rights. David Pfund, Esq., of Pfund McDonnell, will be defending Counts three and six) on behalf of the SBJIF ("South Bergen Joint Insurance Fund"), and will be forwarding his invoices for service to the SBJIF for payment through the SBJIF. Punitive damages (as sought in Count 6) are excluded under Fort Lee's policy through the SBJIF, but Mr. Pfund will be providing a

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 9. LITIGATION, (continued)

courtesy defense as to the claim for punitive damages, unless Fort Lee directs otherwise. Fort Lee is being directly represented on Counts one, two, four and five (as well as the demand for the restraining order in Count six) by the Borough attorney and this law firm. All invoices for services to be provided by the Borough Attorney and this law firm for defense of the non-covered counts will be submitted to Fort Lee for payment. The Borough Attorney and this law firm will seek to dismiss this matter, or alternatively, seek to consolidate this matter with Zaka, LLC, v. Borough of Fort Lee, Docket No. BER-L-10334-15. A determination concerning the probability of a favorable or unfavorable outcome, of the amount of damages, or whether settlement can or should be achieved, cannot be made at this time.

**Onn Rapeika v. Borough of Fort Lee,
Fort Lee Police Department, Keith M. Bendul, T.J. Cullen,
Bryan Drumgoole, Officer Hernandez, Corban Cory Horton,
Francis Pantaleo, Eddie Young, Officer Tilton, Gregory Boylan,
Matthew Heinz, and Officer Does Nos. 1-30
Docket No. 2:15-CV-08949-JLL-JAD**

In this matter, plaintiff Onn Rapeika, seeks damages against defendants and an injunctive order for return of his property, in connection with, an alleged wrongful arrest, search and seizures. Plaintiff alleges that defendants arrested him without a valid warrant and improperly caused Plaintiff to be arrested and his property to be detained, searched, seized and/or lost.

Plaintiff seeks an injunctive order for return of his property; compensatory damages; punitive damages; and attorney's fees and costs in an amount to be determined at trial, but not less than \$8,000,000.

The Complaint was filed on December 29, 2015. Fort Lee intends to contest the allegations. The matter has been submitted to SBJIF and Fort Lee is awaiting written response from SBJIF as to whether it will be providing coverage for monetary claims. A determination concerning the probability of a favorable or unfavorable outcome, of the amount of damages, or whether settlement can or should be achieved, cannot be made at this time.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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** – Settled. Fort Lee entered into a settlement that 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 May 31, 2016. Fort Lee 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, 2015. 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, 2015.

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Land	\$53,018,284	\$	\$	\$53,018,284
Building and Building Improvements	29,581,520	75,562		29,657,082
Machinery and Equipment	<u>17,023,249</u>	<u>660,419</u>	_____	<u>17,683,668</u>
	<u>\$99,623,053</u>	<u>\$735,981</u>	<u>\$</u>	<u>\$100,359,034</u>

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 11. INTERFUND BALANCES AND ACTIVITY

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

\$529,830	Due to the Current Fund from the General Capital Fund to reimburse Current Fund for bond anticipation notes paid, deposit errors and the balance of current year interest earnings.
82,961	Due to the General Capital Fund from the Federal and State Grant Fund for grant receipts deposited in error.
1,079	Due to the Current Fund from the Escrow Trust for interest earned due the Borough.
35,272	Due to the Dedicated Penalties Trust from the Current Fund for penalties deposited in error.
377	Due from the Redemption Trust Fund to the Current Fund for premiums over five years old less bank services fees, deposit errors and interest earnings.
1	Due from the Other Trust Fund to the Current Fund to reimburse bank service charges less current year interest earned.
9	Due to the COAH Trust from the Current Fund to reimburse bank service charges.
578,737	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
794	Due to the Parking Offenses Adjudication Trust Fund from the Current Fund to reimburse bank service charges and for monies deposited in error.
216	Due to the Police Activities Trust Fund from the Current Fund to reimburse for bank service charges incurred.
6	Due to the Fort Lee Film Commission from the Current Fund to reimburse for bank service charges incurred.
36	Due to the Police Donation Trust Fund from the Current Fund to reimburse for bank service charges incurred.
312	Due to the Police School Resource Trust Fund from the Current Fund to reimburse for bank service charges incurred.
32,994	Due to the Current Fund from the Payroll Account for advances made in excess of that required to cover payroll.
72	Due to the Senior Citizen Advisory Council Trust Fund from the Current Fund to reimburse for bank service charges incurred.
39	Due to the Animal License Trust Fund from the Current Fund to reimburse for bank service charges incurred.
<u>6,888</u>	Due to the Unemployment Trust Fund from the Current Fund for employee deductions retained that were deposited in Current Fund in error.
<u>\$1,269,623</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, 2015 and 2014
(continued)

NOTE 12. DEFERRED CHARGES

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

	Balance December 31, <u>2015</u>	2016 Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - N.J.S.A. 40A:4-53	\$147,562	\$73,781	\$73,781
Over-expenditure of Appropriation Reserves	<u>3,521</u>	<u>3,521</u>	<u> </u>
Total Current Fund	<u>151,083</u>	<u>77,302</u>	<u>73,781</u>
General Capital Fund:			
Over-expenditure of Improvement Authorization 2011-16	<u>31,064</u>	<u>31,064</u>	<u> </u>
Total General Capital Fund	<u>31,064</u>	<u>31,064</u>	<u> </u>
Total Deferred Charges	<u>\$182,147</u>	<u>\$108,366</u>	<u>\$73,781</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 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of 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, 2015 and 2014
(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, 2015</u>	Balance <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$906,708</u>	<u>\$754,334</u>
Cash Liability for Taxes Collected in Advance	<u>\$906,708</u>	<u>\$754,334</u>

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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, 2015, and the related information for the plan, are as follows:

January 1, 2015 - Net OPEB Obligation (Initial) (NOO)	\$64,001,837
Annual OPEB Costs (AOC)*	12,565,268
Contribution from Borough**	<u>(4,766,431)</u>
December 31, 2015 - Net OPEB Obligation (NOO)	<u>\$71,800,674</u>

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

**Note: Estimate based upon expected claims for 2015.

BOROUGH OF FORT LEE
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(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 FY2015 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)			
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
2015	12,565.2	.175	71,801.0

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll</u>
(Dollars in Thousands)						
01/01/15	\$-0-	\$164,892.6	\$164,892.6	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, 2015) is \$202,108,194 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, 2015) is \$164,892,643 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, 2015 and 2014
(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 2015 Fiscal Year Normal Cost is \$3,218,668 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, 2015. 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, 2015 and 2014
(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 7.25% 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 12.5%, decreasing to a 5.0% long-term trend rate after fourteen years.

NOTE 16. SUBSEQUENT EVENT

The Borough has evaluated subsequent events through March 8, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

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BOROUGH OF FORT LEE

Supplementary data

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax rate	<u>2.202</u>	<u>2.161</u>	<u>2.123</u>
Apportionment of tax rate:			
Municipal	0.956	0.966	0.956
Library	0.036	0.035	0.035
School	0.948	0.913	0.892
County	<u>0.262</u>	<u>0.247</u>	<u>0.240</u>

Assessed Value

2015	\$ 6,155,908,261
2014	6,096,841,913
2013	6,077,635,363

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 135,649,417	134,020,626	98.80%
2014	131,752,756	130,084,559	98.73%
2013	129,364,143	127,645,653	98.67%

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>
2015	\$ 1,100,838	99,245	1,200,083	0.88%
2014	1,667,677	94,651	1,762,328	1.34%
2013	1,316,071	90,144	1,406,215	1.09%

BOROUGH OF FORT LEE

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2015 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>
2015	\$	8,220
2014		8,220
2013		8,220

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding year
Current Fund	2015	\$	3,983,944	1,750,000
	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

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		
Peter Suh	Councilman		
Michael Sargenti	Councilman		
Joseph L. Cervieri, Jr.	Councilman		
Alfred Restaino Jr.	Administrator		
Joseph Rutch	Tax Collector/Treasurer/CFO	\$ 1,000,000	(A)
Evelyn Rosario	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

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award	From	To	Grant Period	Cash Received	Expenditures	Adjustment/Cancelled	MEMO	
										Cumulative Total Expenditures	
U.S. Department of Transportation National Highway Traffic Safety Administration	Pedestrian Safety Enforcement	20.609	16,000	1/1/2010	12/31/2010					16,000	
		20.609	13,000	1/1/2011	12/31/2011		278	6,027		6,027	
	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						
		20.616	4,400	7/1/2014	6/30/2015				(4,159)		
		20.616	5,000	12/1/2014	1/1/2015				4,159		
	Occupant Protection Grant (Click It or Ticket)	20.616	4,000	7/1/2013	6/30/2014						
		20.616	4,000	7/1/2014	6/30/2015						
		20.616	4,000	7/1/2015	6/30/2016						
	U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	576	1/1/2007	12/31/2007					
			16.607	20,592	1/1/2003	12/31/2003					
			16.607	6,468	1/1/2006	12/31/2006					
			16.607	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
			93.045	95,534	1/1/2008	12/31/2008					95,534
93.045			95,534	1/1/2009	12/31/2009					95,534	
93.045			69,950	1/1/2013	12/31/2013					69,950	
93.045			69,950	1/1/2014	12/31/2014					69,950	
Department of the Interior, National Park Service	American Battlefield Protection Grant	15.926	13,000	8/1/2015	8/1/2017						
			11,758	1/1/2003	12/31/2003						
U.S. Department of Agriculture	USDA	<i>Total State and Federal Grant Fund</i>					79,632	6,305			
		<i>Total Current Fund</i>								1,200,255	

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2015

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	From	To	Cash Received	Grant Expenditures	MEMO Cumulative Total Expenditures		
									Grant Period	
Department of Environmental Protection and Energy Solid Waste Administration	Recycling Tonnage Grant	4900-752-178810-61	10,703	1/1/2001	12/31/2001		3,358	7,970		
		4900-752-178810-62	7,586	1/1/2003	12/31/2003		7,586	7,586		
		4900-752-178810-63	9,095	1/1/2004	12/31/2004		3,263	9,095		
		4900-752-178810-64	4,775	1/1/2005	12/31/2005		4,775	4,775		
		4900-752-042-4900-001-V42Y	14,228	1/1/2008	12/31/2008		14,228	14,228		
		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		3,332	9,866		
		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					
		4900-752-001	41,478	1/1/2015	12/31/2015	41,478				
		Division of Motor Vehicles	Clean Communities	4900-765-042-4900-004-V42Y	32,164	1/1/2006	12/31/2006		399	32,164
				4900-765-042-4900-004-V42Y	34,518	1/1/2007	12/31/2007		16,525	34,518
				4900-765-042-4900-004-V42Y	3,471	1/1/2007	12/31/2007		1,608	1,608
				4900-765-042-4900-004-V42Y	39,841	1/1/2008	12/31/2008		1,024	35,340
				4900-765-042-4900-004-V42Y	51,120	1/1/2009	12/31/2009		13,729	51,120
4900-765-042-4900-004-V42Y	50,341			1/1/2011	12/31/2011		1,037	50,341		
4900-765-004	58,206			1/1/2013	12/31/2013		11,518	54,783		
4900-765-004	54,579			1/1/2014	12/31/2014		2,748	54,579		
4900-765-004	66,394			1/1/2015	12/31/2015	66,394				
4230-100-046-4750-241	4,342			1/1/2001	12/31/2001		1,495	4,342		
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					
		9735-760-001	12,847	1/1/2015	12/31/2015	12,848				
		Division of Motor Vehicles	Alcohol Education and Rehabilitation	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					
9735-760-001	12,847			1/1/2015	12/31/2015	12,848				

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2015

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Grant Period		Cash Received	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Division of Highway Traffic Safety	Pedestrian Safety	1160-100-066-1160-112-YHTS	18,850	1/1/2008	12/31/2008			16,000
	Pedestrian Safety	1160-100-066-1160-112-YHTS	14,000	1/1/2009	12/31/2009			-
	Pedestrian Safety	1160-100-131-12	5,000	1/1/2012	12/31/2012			5,000
	Pedestrian Safety	1160-100-131-13	7,600	1/1/2013	12/31/2013		1,133	5,346
	Pedestrian Safety	1160-100-131	14,200	1/1/2013	12/31/2013			1,133
	Pedestrian Safety	1160-100-131	11,000	7/1/2014	6/30/2015			-
		1160-100-131	16,000	7/1/2015	6/30/2016	13,975		-
Division of Epidemiology/Communicable Diseases	Hepatitis B Vaccines	4230-100-241	4,119	1/1/2012	12/31/2012			-
	Hepatitis B Vaccines	4230-100-241	2,450	1/1/2013	12/31/2013			-
	Hepatitis B Vaccines	4230-100-241	1,224	1/1/2014	12/31/2014			-
	Hepatitis B Vaccines	4230-100-241	1,544	1/1/2015	12/31/2015	1,544		-
	Non-Ionizing Radiation	4230-100-476	200	1/1/2013	12/31/2013			-
Office of the Attorney General Dept. of Law and Public Safety	Body Armor	1020-718-066-1020-001-YCJS	3,162	1/1/2009	12/31/2009		1,833	3,162
	Body Armor	1020-718-066-1020-001-YCJS	8,227	1/1/2010	12/31/2010		8,227	8,227
	Body Armor	1020-718-066-1020-001-YCJS	8,083	1/1/2011	12/31/2011		1,154	1,154
	Body Armor	1020-718-001	8,206	1/1/2012	12/31/2012			-
	Body Armor	1020-718-001	11,232	1/1/2013	12/31/2013			-
	Body Armor	1020-781-001	8,513	1/1/2014	12/31/2014			-
Bergen County Pass Through Grants	Body Armor	1020-781-001	8,414	1/1/2015	12/31/2015	8,414		-
	Municipal Alliance		17,500	1/1/2008	12/31/2008			17,500
	Municipal Alliance		16,765	1/1/2009	12/31/2009			16,765
	Municipal Alliance		15,759	1/1/2010	12/31/2010		2,535	15,759
<i>Total State and Federal Grant Fund</i>						4,125		
						148,778	101,507	462,361
General Capital Fund: Department of Transportation Highway Planning and Construction Local Municipal Aid	Whiteman Street Roadway Improvements	13-480-078-6320-ALL-6010	149,000	1/1/2014	12/31/2014		38,983	149,000
	<i>Total General Capital Fund</i>						38,983	149,000
							38,983	149,000

BOROUGH OF FORT LEE

Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

Name of State Agency or Department of Public Assistance Trust Fund, Department of Human Services	State Program	State Program / Account No.	Total Grant Award	Grant Period		Cash Received	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
General Assistance		7500-150-158010-60	82,118	1/1/2015	12/31/2015	82,118	82,118	82,118
		<i>Total Public Assistance Trust Fund</i>				82,118	82,118	82,118
		<i>Total State Financial Assistance</i>			\$ 289,641	222,608		693,479
Other Financial Assistance:	South Bergen Municipal Joint Insurance Fund	Police Accreditation Grant	25,000	1/1/2012	12/31/2012			24,778
	Municipal Alliance - Local Match		3,940	1/1/2010	12/31/2010	3,940	3,940	
	Shared Services - Ridgely		19,000			18,000	19,000	19,000
	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	Donation - K-9 Purchase	6,500	1/1/2013	12/31/2013			6,438
	NJLM Educational Foundation	Small Grants Program	15,000	1/1/2013	5/31/2015	5,000		5,000
	Bergen County Open Space							
	Inwood Terrace Park Rubber Surface Playground	006-910-785-20-31	34,700					34,700
	Rehabilitation of Tennis Courts @ William T. Birch Park and Basketball Courts, Ord. 2013-6	OSTFMP-FIL-09-47 OST-FL-06	78,842 100,000	7/23/2010 8/1/2007	10/21/2011 9/30/2008			78,842 100,000
Inwood Terrace Park Improvements, Ord. 2014-8	006-910-785-20-31	32,000	6/9/2013	12/19/2014				
<i>Total State Grants and Other Financial Assistance</i>						23,000	22,940	279,083
						\$ 312,641	245,548	972,562

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, 2015

		<u>Current Fund</u>
Balance - December 31, 2014	\$	9,726,774
Increased by Receipts:		
Due to Federal and State Grant Fund	\$ 251,410	
Miscellaneous Revenue Not Anticipated	1,263,233	
Tax Overpayments	285,517	
Petty Cash	1,800	
Due to State - Senior Citizen and Veteran Deductions	177,225	
Taxes Receivable	134,721,409	
Revenue Accounts Receivable	7,493,043	
Interfunds	240,328	
Prepaid Taxes	906,708	
Special Emergency Note	147,562	
Various Cash Liabilities and Reserves	<u>487,998</u>	
		<u>145,976,233</u>
		155,703,007
Decreased by Disbursements:		
Current Year Budget Appropriations	68,708,820	
Petty Cash	1,800	
Tax Overpayments	55,257	
Interfunds	795,680	
Due from Federal and State Grant Fund	130,752	
Special Emergency Note	581,344	
Tax Appeal Refunds	176,910	
Revenue Refunds	164,311	
Various Cash Liabilities and Reserves	428,614	
Appropriation Reserves	2,149,732	
Local District School Taxes	58,366,580	
County Taxes Payable	<u>16,093,953</u>	
		<u>147,653,753</u>
Balance - December 31, 2015	\$	<u><u>8,049,254</u></u>

Exhibit A-5

BOROUGH OF FORT LEE, N.J.

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

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	(458,079)
Decreased by:			
Cash disbursements			<u>130,752</u>
			(327,327)
Increased by:			
Grants received - unappropriated	\$	233,410	
Grants received - appropriated		<u>18,000</u>	
			<u>251,410</u>
Balance - December 31, 2015	\$		<u><u>(578,737)</u></u>

Exhibit A-6

BOROUGH OF FORT LEE, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>450</u>
Balance - December 31, 2015	\$ <u><u>450</u></u>
<u>Analysis of Balance:</u>	
Municipal Court	400
Tax Collector	<u>50</u>
	\$ <u><u>450</u></u>

Exhibit A-7

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2015

Increased by:	
Petty Cash Advanced	\$ <u>1,800</u>
Decreased by:	
Returned to Treasurer	\$ <u><u>1,800</u></u>
	<u>Authorized Petty Cash</u>
	Tax Collector 500
	Recreation 200
	Community Center 300
	Police 500
	Board of Health 300
	\$ <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, 2015

Balance - December 31, 2014		\$	21,622
Increased by:			
Deductions Received in Cash			
State Share of Senior Citizens and Veteran	\$	177,225	
Senior Citizens' Deductions Disallowed		<u>250</u>	
			<u>177,475</u>
			199,097
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	31,250	
Veterans' Deductions Per Tax Billing		<u>139,250</u>	
			<u>170,500</u>
Balance - December 31, 2015		\$	<u><u>28,597</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Levy	Added Taxes	2014 Collected	2015 Collected	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
2014	\$ 1,667,677				1,666,825			852	
	<u>1,667,677</u>				<u>1,666,825</u>			<u>852</u>	
2015		135,553,100	96,317	754,334	133,096,042	170,250	4,594	523,359	1,100,838
	<u>\$ 1,667,677</u>	<u>135,553,100</u>	<u>96,317</u>	<u>754,334</u>	<u>134,762,867</u>	<u>170,250</u>	<u>4,594</u>	<u>524,211</u>	<u>1,100,838</u>

Cash Receipts 134,721,409
 Overpayments Applied 41,458
\$ 134,762,867

Analysis of Tax Levy

Tax yield:
 General Purpose Tax \$ 135,553,100
 Added Tax (R.S. 54:4-63.1 et seq.) 96,317
\$ 135,649,417

Tax Levy:
 Local District School Tax \$ 58,366,580
 County Tax \$ 16,093,953
 Added County Taxes 13,035
16,106,988
74,473,568

Local Tax for Municipal Purposes \$ 61,053,915
 Additional Taxes 121,934
61,175,849
\$ 135,649,417

Exhibit A-10

BOROUGH OF FORT LEE, N.J.

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

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>8,220</u>
Balance - December 31, 2015	\$ <u><u>8,220</u></u>

Exhibit A-11

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 94,651
Increased by:	
Transfer from 2015 Taxes	<u>4,594</u>
Balance - December 31, 2015	\$ <u><u>99,245</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Clerk:				
Licenses:				
Alcoholic beverages		109,242	109,242	
Other		84,180	84,180	
Fees and Permits		55,489	55,489	
Municipal Court :				
Fines and Costs	110,208	1,429,749	1,462,940	77,017
Interest and Costs on Taxes		385,817	385,817	
Interest on Investments and Deposits		20,114	20,114	
Consolidated Municipal Property Tax				
Relief Aid		15,519	15,519	
Energy Receipts Tax		1,755,673	1,755,673	
Uniform Construction Code Fees		1,913,926	1,913,926	
Elevator Inspection Fees		144,940	144,940	
Recreation Fees		80,769	80,769	
Borough of Cliffside Park Sewer Services		316,383	316,383	
Reserve for Payment of Debt		100,000	100,000	
LEA Rebate		62,327	62,327	
General Capital Fund Balance		28,815	28,815	
Third Party Ambulance Billing		960,033	960,033	
	<u>\$ 110,208</u>	<u>7,462,976</u>	<u>7,496,167</u>	<u>77,017</u>
			Interest on Investments 3,124	
			Cash 7,493,043	
			<u>\$ 7,496,167</u>	

BOROUGH OF FORT LEE, N.J.

Schedule of Demolition Lien Receivable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>2,350</u>
Balance - December 31, 2015	\$ <u><u>2,350</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administration	\$ 1	1		1
Purchasing	1	1		1
Mayor and Council	962	962		962
Personnel and Data Processing	1	1		1
Rent Leveling Board	501	501		501
Road Repairs and Maintenance	3,252	252		252
Public Buildings and Grounds	1	1		1
General Services	1	1		1
Sanitary Sewer System	1	1		1
Human Services		148		148
Public Assistance	5,106			
Municipal Court	40,877	677		677
Engineering Services and Costs	4,000	100		100
Ambulance Corps	7,921	1,858		1,858
Police	135,974	3,626		3,626
Department of Communications	5,905	905		905
Recreation and Education	6,840	6,840		6,840
Parks and Playgrounds	1	1		1
Community Center	11,066	66		66
Emergency Medical Technicians	449	449		449
Fire Protection	20,462	462		462
Fire Prevention	1	1		1
Total Salaries and Wages Within "CAPS"	243,323	16,854		16,854
Other Expenses Within "CAPS":				
Administration	2,687	12,826	9,675	3,151
Purchasing		5,574	2,501	3,073
Mayor and Council	4,615	3,741	3,175	566
Borough Clerk	1	2,252	1,999	253
Elections	342	342		342
Personnel and Data Processing	4,136	1,657	810	847
Financial Administration	6,071	31,412	30,124	1,288
Collection of Taxes		9,488	9,474	14
Assessment of Taxes		1,325	1,325	
Legal Services and Costs		82,208	73,540	8,668
Municipal Court	156	10,973	10,483	490
Engineering Services and Costs		3,952	3,813	139
Dir. Economic Development	428	7,800	7,799	1
Planning Board	4,100	700	600	100
Zoning Board of Adjustment	862	1,162	978	184
Public Buildings and Grounds	37,534	16,776	16,011	765
Mount Laurel Housing		2,576	2,576	
Rent Leveling Board	1,288	288		288
Other Insurance Premiums	15,699	525,049	525,049	
Group Insurance Plans for Employees	42,175	453	453	
Group Insurance Plans for Employees - UCC	172,834	2,834		2,834
Fire Prevention	1	1,828	1,828	
Emergency Management	1,250	5,236	4,096	1,140
Fire Protection	7,451	34,904	27,812	7,092
Police	12,490	107,188	102,692	4,496

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Police - Equipment	10,000			
Department of Communications	8,898	2,723	1,375	1,348
Emergency Medical Technicians	1,815	7,849	7,849	
Ambulance Corps	3,439	28,504	28,504	
Road Repairs and Maintenance		17,821	17,290	531
Sanitation - Sewer System	27,825	18,342	18,049	293
Public Assistance	1,784			
Recreation and Education	5,382	804	466	338
Parks and Playgrounds	1	910	909	1
General Services	1	20,755	20,736	19
Community Center	6,967	31,932	30,171	1,761
Communications Repair	3,711	11,628	10,959	669
Auto Repairs		47,432	45,966	1,466
Garbage and Trash	448,254	227,509	227,197	312
Senior Citizen's Special Services	6,323	20,906	20,903	3
Senior Citizens	17,206	22,211	22,210	1
Celebration of Public Events		20,190	20,189	1
Cultural and Heritage Affairs	311	3,493	2,779	714
Board of Health	16,623	14,550	14,152	398
Board of Health Hepatitis B	500	500		500
Human Services		784		784
Construction Code Official	992	5,565	5,564	1
Electricity	192,459	178,031	175,756	2,275
Gasoline		33,801	33,801	
Fuel Oil	1	5,521	5,521	
Telephone		15,385	15,385	
Street Lighting	97,097	37,097	36,773	324
Fire Hydrant Service	68,880	49,880	49,799	81
Water		30,397	30,397	
Total Other expenses Within "CAPS"	1,232,589	1,727,064	1,679,513	47,551
Deferred Charges and Statutory Expenditures Within "CAPS":				
Prior Year Bills	1	1		1
Contributions to:				
DCRP	1,817	1,817		1,817
Social Security System (O.A.S.I.)	3,379	3,379	815	2,564
Public Employees Retirement System	147,812	147,812	147,812	
Police and Firemen's Retirement System of NJ	131,860	231,860	229,188	2,672
Total Deferred Charges and Statutory Expenditures Within "CAPS"	284,869	384,869	377,815	7,054
Total Reserves Within "CAPS"	1,760,781	2,128,787	2,057,328	71,459
Salaries and Wages Excluded from "CAPS"				
Uniform Construction Code:				
Elevator Inspections	30,000	1,496		1,496
Other Expenses Excluded From "CAPS":				
Englewood Sewer Treatment	30,000	92,404	92,404	

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid	Balance Lapsed
Maintenance of Free Public Library	3,486	486	486	
Bergen County Utilities Authority: Share Cost	210	210		210
Total Other Expenses Excluded from "CAPS"	63,696	94,596	92,890	1,706
Total Reserves Excluded from "CAPS"	63,696	94,596	92,890	1,706
Total Reserves	\$ 1,824,477	2,223,383	2,150,218	73,165

Appropriation Reserves	1,824,477
Encumbrances	398,906
\$	<u>2,223,383</u>

Cash Disbursements	2,149,732
Due to Library	486
\$	<u>2,150,218</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>
Other Trust:				
Escrow Trust	\$ 608	603	132	1,079
Police Activity Trust	(231)	231	216	(216)
Redemption Trust	(39)	3,250	2,834	377
Fire Prevention - Dedicated Penalties	(4,673)	4,673	35,272	(35,272)
Other Trust Fund	(46)	119	72	1
COAH Development Fees	(38,358)	38,358	9	(9)
POAA Trust	(72)	72	794	(794)
Fort Lee Film Commission	(20)	20	6	(6)
Police Donation Trust	(39)	39	36	(36)
Police School Resource Trust	(92)	92	312	(312)
Parks and Recreation Trust	4		4	
Senior Citizen Advisory Council Trust	(84)	84	72	(72)
Unemployment Trust Fund			6,888	(6,888)
Animal License Trust Fund	(39)	39	39	(39)
General Capital Fund	627	529,830	627	529,830
Payroll Account		226,987	193,993	32,994
	<u>\$ (42,454)</u>	<u>804,397</u>	<u>241,306</u>	<u>520,637</u>
Analysis				
Due to Current Fund	\$ 1,239	757,798	194,756	564,281
Due from Current Fund	<u>(43,693)</u>	<u>46,599</u>	<u>46,550</u>	<u>(43,644)</u>
	<u>\$ (42,454)</u>	<u>804,397</u>	<u>241,306</u>	<u>520,637</u>
Interest on Investments		1,092		
Reimbursement of Bank Charges			978	
Tax Title Lien Premiums		3,100		
Reimbursement for Bus Shelter		4,525		
Receipts			238,957	
Interfunds Returned - Cash Receipts			1,371	
Disbursements		<u>795,680</u>		
		<u>\$ 804,397</u>	<u>241,306</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, 2015

<u>Date</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>	<u>Reduced</u> <u>in 2015</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2015</u>
Dec. 20, 2012	Contractually Required Severance Liabilities	368,908	73,782	221,344	73,782	147,562
Dec. 19, 2010	Contractually Required Severance Liabilities	1,800,000	360,000	360,000	360,000	
		<u>\$ 2,168,908</u>	<u>433,782</u>	<u>581,344</u>	<u>433,782</u>	<u>147,562</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	Balance, Dec. 31, <u>2015</u>
Over-Expenditures			
Appropriation Reserves	\$ 3,521		3,521
	<hr/>	<hr/>	<hr/>
	<u>\$ 3,521</u>	<u><hr/></u>	<u>3,521</u>

Exhibit A-18

BOROUGH OF FORT LEE, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 398,906
Increased by:	
Transfer from Current Appropriations	<u>777,569</u>
	1,176,475
Decreased by:	
Transferred to Appropriation Reserves	<u>398,906</u>
Balance - December 31, 2015	<u><u>\$ 777,569</u></u>

Exhibit A-19

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 754,334
Increased by:	
Receipts - Prepaid 2016 Taxes	<u>906,708</u>
	1,661,042
Decreased by:	
Applied to 2015 Taxes	<u>754,334</u>
Balance - December 31, 2015	<u><u>\$ 906,708</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	131,134
Increased by:			
Transfer from Tax Collections			<u>285,517</u>
			416,651
Decreased by:			
Cancelled to Operations	\$	109,895	
Overpayments Applied		41,458	
Cash Disbursed		<u>55,257</u>	
			<u>206,610</u>
Balance - December 31, 2015		\$	<u><u>210,041</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Special Emergency Notes

Current Fund

Year ended December 31, 2015

<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, 2014</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, Dec. 31, 2015</u>
Severance Liabilities	Dec. 28, 2012	Nov. 24, 2015	Nov. 23, 2016	0.55%	221,344	147,562	221,344	147,562
Severance Liabilities	Dec. 30, 2010	Jul. 10, 2014	Jul. 10, 2015	0.89%	360,000		360,000	
				\$	<u>581,344</u>	<u>147,562</u>	<u>581,344</u>	<u>147,562</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Various Reserves and Liabilities

Current Fund

Year Ended December 31, 2015

<u>Reserve for:</u>	Balance, Dec. 31, 2014	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2015
Environmental Committee	\$ 269			269
Sale of Municipal Assets	14,080	11,329		25,409
Reserve for Police Communications System	1,762			1,762
Reserve for Payment of Debt - Ord. 96-26	10,538			10,538
Due to Library	89,599	486		90,085
Marriage License/Domestic Partner Registration				
Fees Payable	1,475	5,025	5,050	1,450
Burial Permits Payable	20			20
DCA Fees Payable	12,118	81,518	59,297	34,339
Due to Developers	1,201			1,201
Improvements	4,757			4,757
Due to Special Improvement District	162,466	325,126	364,267	123,325
Due to Municipal Court	18,530			18,530
Reserve for Recreational Activities		65,000		65,000
Miscellaneous	3,870			3,870
	<u>\$ 320,685</u>	<u>488,484</u>	<u>428,614</u>	<u>380,555</u>
		Cash Receipts	162,872	
		Special Improvement District Taxes Collected	325,126	
		Remaining 2015 Budget Appropriation	486	
		Cash Disbursements	<u>428,614</u>	
		<u>\$ 488,484</u>	<u>428,614</u>	

BOROUGH OF FORT LEE, N.J.

Schedule of (Prepaid) Local District School Tax Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ (119)
Increased by:	
Levy School Year - July 1, 2015 to June 30, 2016	<u>58,366,580</u>
	58,366,461
Decreased by:	
Payments	<u>58,366,580</u>
Balance - December 31, 2015	<u><u>\$ (119)</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2015

Increased by:		
Levy	\$ 16,093,953	
Added and Omitted Taxes	<u>13,035</u>	
		<u>16,106,988</u>
		16,106,988
Decreased by:		
Payments		<u>16,093,953</u>
Balance - December 31, 2015	\$	<u><u>13,035</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	<u>Budget Revenue</u>	<u>Received</u>	Balance, Dec. 31, 2015
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
Municipal Alliance (2008)	8,817			8,817
Municipal Alliance (2009)	11,778			11,778
Municipal Alliance (2010)	3,620			3,620
Alcohol Education and Rehabilitation Fund		14,357	14,357	
Recycling Tonnage		20,061	20,061	
Body Armor Replacement Fund		11,232	11,232	
Click it or Ticket		8,000	8,000	
Pedestrian Safety Grant		26,200	26,200	
Over the Limit Under Arrest		8,559	8,559	
Communicable Diseases		200	200	
Hepatitis B		2,450	2,450	
Shared Services - Ridgefield		19,000	18,000	1,000
	<u>\$ 100,430</u>	<u>110,059</u>	<u>109,059</u>	<u>101,430</u>
		Cash Receipts	18,000	
		Unappropriated Reserves	91,059	
		<u>\$</u>	<u>109,059</u>	

BOROUGH OF FORT LEE, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Transfer From 2015 Budget	<u>Expended</u>	Balance, Dec. 31, 2015
Recycling Tonnage Grant	\$ 6,091		3,358	2,733
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	7,428		2,535	4,893
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		6,305	6,973
Alcohol Education and Rehabilitation	4,019			4,019
Body Armor Replacement Fund	8,083		1,154	6,929
Alcohol Education and Rehabilitation	7,780			7,780
Recycling Tonnage Grant	47,720			47,720
Pedestrian Safety Grant	2,254			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, 2015

<u>Grant</u>	Balance, Dec. 31, <u>2014</u>	Transfer From 2015 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2015</u>
Giving Back Fund - Purchase of K9	62			62
NJLM Educational Foundation	5,000			5,000
Clean Communities	11,518		11,518	
Body Armor Replacement Fund	8,206			8,206
Body Armor Replacement Fund	8,513			8,513
Clean Communities	2,748		2,748	
Over the Limit Under Arrest		959		959
Shared Services - Ridgefield		19,000	19,000	
Alcohol Education Rehabilitation		14,357		14,357
Body Armor Replacement Fund		11,232	1,170	10,062
Division of Epidemiology -				
Communicable Diseases		200		200
Hepatitis B Vaccines		2,450		2,450
Over the Limit Under Arrest		3,200		3,200
Over the Limit Under Arrest		4,400		4,400
Recycling Tonnage Grant		20,061		20,061
Pedestrian Safety Grant		26,200	1,133	25,067
Click it or Ticket		8,000		8,000
	<u>\$ 314,875</u>	<u>110,059</u>	<u>131,922</u>	<u>293,012</u>

Encumbrances \$	1,170
Cash Disbursements	<u>130,752</u>
	<u>\$ 131,922</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Cash Received	Transfer To 2015 Budget	Balance, Dec. 31, 2015
Recycling Tonnage Grant	\$ 20,061	41,478	20,061	41,478
Body Armor - State	11,232	8,414	11,232	8,414
Pedestrian Safety	26,200	13,975	26,200	13,975
Division of Epidemiology -				
Communicable Diseases	200		200	
Hepatitis Innoculation Fund	1,224			1,224
Clean Communities				
Title III - Older Americans	63,990	71,061		135,051
Hepatitis B	2,450	1,544	2,450	1,544
Alcohol Impaired Driving Countermeasures -				
Over the Limit Under Arrest	12,959		8,559	4,400
National Priority Safety Programs -				
Occupant Protection Grant	8,000		8,000	
Alcohol Education and Rehabilitation	14,357	12,848	14,357	12,848
Alcohol Impaired Driving Countermeasures -				
Drive Sober or Get Pulled Over - Labor Day Crackdown		4,200		4,200
Municipal Alliance		4,125		4,125
Clean Communities		66,394		66,394
Click it or Ticket		4,000		4,000
Sustainable NJ		5,000		5,000
U.S. Department of the Interior -				
Battlefield Protection Grant		371		371
	<u>\$ 160,673</u>	<u>233,410</u>	<u>91,059</u>	<u>303,024</u>

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BOROUGH OF FORT LEE, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	Assessment Trust Fund	Animal Trust Fund	Unemployment Trust Fund	Other Trust Fund
Balance - December 31, 2014	\$ 7,444	9,797	7,812	10,614,461
Increase by Receipts:				
Due from Board of Health		4,368		
Due to State		721		
Interfunds		39		44,441
Other Trust Funds				4,611,671
Payroll Deductions			6,866	
Interest Earned on Investments			27	
Total Receipts		5,128	6,893	4,656,112
	7,444	14,925	14,705	15,270,573
Decreased by Disbursements:				
Reserve for Animal License Expenditures		7,456		
Due to State		721		
Interfunds		39		3,705
Other Trust Funds				4,934,013
Unemployment Expenditures			4,141	
Total Disbursements		8,216	4,141	4,937,718
Balance - December 31, 2015	\$ 7,444	6,709	10,564	10,332,855

Exhibit B-3

BOROUGH OF FORT LEE, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>7,444</u>
Balance - December 31, 2015	\$ <u><u>7,444</u></u>

Exhibit B-4

Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 9,836
Increased by:	
Dog License Fees Collected	\$ 3,986
Cat License Fees Collected	342
Late Fees	<u>40</u>
	<u>4,368</u>
	14,204
Decreased by:	
Expenditures R.S. 4:19-15.11	<u>7,456</u>
Balance - December 31, 2015	\$ <u><u>6,748</u></u>

Animal Licenses Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 5,401
2014	<u>5,445</u>
	\$ <u><u>10,846</u></u>

BOROUGH OF FORT LEE, N.J.

Due to State of New Jersey

Animal License Trust Fund

Year Ended December 31, 2015

Increased by:

Fees Collected

\$ 721

Decreased by:

Paid to State of New Jersey

\$ 721

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2015

	Due from/(to) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2015</u>
Current Fund:				
Other Trust Fund:				
Escrow Trust	\$ (608)	132	603	(1,079)
Redemption Trust	39	2,834	3,250	(377)
POAA Trust	72	794	72	794
Police Activity Trust - County	87	90	87	90
Police Activity Trust - Treasury	72	90	72	90
Police Activity Trust - Justice	72	36	72	36
Other Trust Fund	46	72	119	(1)
Fire Prevention Dedicated Penalties	4,673	35,272	4,673	35,272
Fort Lee Film Commission	20	6	20	6
Police Donation Trust	39	36	39	36
Police School Resource Trust	92	312	92	312
Senior Citizen Advisory	84	72	84	72
Parks and Recreation	(4)	4		
COAH Development Fees	38,358	9	38,358	9
Unemployment Trust Fund		6,888		6,888
Animal License Trust Fund	39	39	39	39
Total Current Fund	<u>\$ 43,081</u>	<u>46,686</u>	<u>47,580</u>	<u>42,187</u>
Due from	43,693	46,550	46,599	43,644
Due (to)	<u>(612)</u>	<u>136</u>	<u>981</u>	<u>(1,457)</u>
	<u>\$ 43,081</u>	<u>46,686</u>	<u>47,580</u>	<u>42,187</u>
Due from Current - Deposit Errors		42,942		
Due to Current Fund - Premiums			3,100	
Interest earned on Investments			787	
Due from Current - Bank Service Charges		978		
Cash Receipts			43,693	
Cash Disbursements		<u>2,766</u>		
		<u>\$ 46,686</u>	<u>47,580</u>	

BOROUGH OF FORT LEE, N.J.

Schedule of Reserve for Other Trust Funds

Trust Funds

Year Ended December 31, 2015

	Balance Dec. 31, 2014	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, 2015
Reserve for:				
Escrow Deposits	\$ 2,947,373	2,370,979	3,083,986	2,234,366
Disability Insurance	81			81
Police Activities - Justice	252,492	348,196	11,000	589,688
Police Activities - County	207			207
Police Activities - Treasury	1,688,618	198,071	771,589	1,115,100
Police Activities - Asset Management	696			696
Parks and Recreation	20,052	56,702	55,379	21,375
Tax Title Lien Premiums	1,232,500	371,200	429,400	1,174,300
Tax Title Redemptions	1,306	501,012	501,012	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	2,046	1,201	846	2,401
Police Donations	2,018	600		2,618
Senior Citizen Advisory Council	64,947	27,677	20,694	71,930
COAH Development Fees	3,567,358	394,009	28,813	3,932,554
Multiple Dwelling Fees	91,898	41		91,939
Historic Film Commission	1,981	17,319	16,478	2,822
Litigation Escrow	106,947			106,947
Fire Prevention-Dedicated Penalties	31,784	35,203		66,987
POAA Trust	146,145	9,117		155,262
Recycling Trust	26,281	2,056	30	28,307
Flexible Spending Account Escrow	7,181	21,340	17,886	10,635
Fire Prevention Recycling Donation		3,004		3,004
Parking Improvement Program		289,998		289,998
	<u>\$ 10,657,503</u>	<u>4,647,725</u>	<u>4,937,113</u>	<u>10,368,115</u>

Cash	4,611,671	4,934,013
Due from Current Fund	36,054	3,100
	<u>\$ 4,647,725</u>	<u>4,937,113</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Reserve for Expenditures

Unemployment Trust Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	7,812
Increased by:			
Payroll Deductions - Receipts	\$	6,866	
Payroll Deductions - Due from Current		6,888	
Interest on Investments		<u>27</u>	
			<u>13,781</u>
			21,593
Decreased by:			
Unemployment Claims Paid			<u>4,141</u>
Balance - December 31, 2015		\$	<u><u>17,452</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	4,315,784
Increased by Receipts:			
Bond Anticipation Notes	\$	4,013,778	
Grants and Contributions Receivable		2,252,678	
Capital Improvement Fund		150,000	
Deferred Charge - Overexpenditure of Ordinance		7,264	
Reserve for Main Street Widening			
Interfund - Current Fund		529,830	
			<u>6,953,550</u>
			11,269,334
Decreased by Disbursements:			
Improvement Authorizations		5,713,344	
Encumbrances		317,066	
Over-expenditure of Ord. 2011-16		31,064	
Due to Current Fund -			
Interfund		627	
Reserve for payment of debt		100,000	
Fund Balance		28,815	
			<u>6,190,916</u>
Balance - December 31, 2015		\$	<u><u>5,078,418</u></u>

BOROUGH OF FORT LEE, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Various Receivables	C-4	(2,033,349)
Over-Expenditure of Ord. 2011-16	C-2	(31,064)
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	124,901
Due to US Department of Housing and Urban Development	C-14	37,168
Capital Improvement Fund	C-18	109,542
Reserve for Grants Receivable	C-19	1,205,894
Interfund - Current Fund	C-20	529,830
Interfund - Federal and State Grant Fund	C-20	(82,961)
Encumbrances payable	C-13	432,957

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)
01-40	Construction of Library	(4,750)
02-34	Municipal Parking Lot Improvements	(500)
02-35	Streetscape Imps. - Various Streets	(250)
04-45	Acquisition of a Fire Truck	(1,272)
06-39/07-32	Acquisition of Property (2005 Hoyt Ave., 153 Main St. 33-35 Main Street)	(491)
07-09	Wireless Public Safety Communications Network	17,416
07-30	Various Capital Improvements	500
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	13,500
09-22	Acquisition of Law Enforcement Equipment	242
09-24	Various Capital Improvements	33,035

BOROUGH OF FORT LEE, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

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	229,618
10-24	Various Capital Improvements	134,904
11-14	Various Capital Improvements	39,332
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	22,800
12-35	Imps. to Inwood Terrace Park Playground	2,130
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	10,782
13-25/14-26	Acquisition of 1363 Inwood Terrace and relocation of furnishings and imp. to the property	296
14-7	Replacement of a Generator	11,504
14-8	Inwood Terrace Park Improvements	25,555
14-9	Whiteman Street Roadway Improvements	60,665
14-35	Construction, Architect & Design costs of Theatre/Museum in the eastern portion of Redevelopment Area 5	1,633
14-36	ADA Construction Improvements	196,580
14-38	Various Capital Improvements	14,260
14-43	Main Street Force & Streetscape Revitalization	1,740,572
2015-13	Various Equipment and Improvements	771,035
2015-23	Various Capital Improvements	11,600
2015-24	Various Capital Improvements	(458,633)
		<u>\$ 5,078,418</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Grants and Contributions Receivable

General Capital Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Grant/ Contribution Awards	Decreased by	Balance Dec. 31, 2015
<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		195,555	12,445
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	
Ord. 2015-23: Reconstruction of Lower Main Street		1,000,000		1,000,000
Total Miscellaneous Contributions Receivable	<u>2,697,358</u>	<u>1,000,000</u>	<u>2,684,771</u>	<u>1,012,587</u>
<u>Community Development Block Grant</u>				
Prior Year	3,537		3,537	
Ord. 10-20: Various Street Improvements	100,000			100,000
Generator Replacement at Senior Center	90,000			90,000
Imps. to Old Bergen Boulevard		83,894		83,894
<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	58,745		58,745	
<u>U.S. Department of Justice</u>				
Ord. 09-22: Law Enforcement Equipment				42

BOROUGH OF FORT LEE, N.J.

Schedule of Grants and Contributions Receivable

General Capital Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Grant/ Contribution Awards	Decreased by	Balance Dec. 31, 2015
<u>U.S. Department of Homeland Security</u>				
Ord. 05-27: Firefighter Safety Equipment	4,124		4,124	
<u>U.S. Department of Environmental Protection</u>				
Ord. 10-23: Sewer Outflow Abatement Upgrades	317,695			317,695
<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 P/gyd.	34,700		31,933	2,767
Ord. 13-06: Rehabilitation of Tennis Courts at William T. Birch Park and Basketball Courts at 500 Stillwell Avenue	24,592			24,592
Ord. 2014-8: Inwood Terrace Park Improvements	32,000			32,000
Total Grants Receivable	1,035,207	83,894	98,339	1,020,762
	\$ 3,732,565	1,083,894	2,783,110	2,033,349

Cancelled via Resolution 692,432
Cash Receipts 2,090,678
\$ 2,783,110

Exhibit C-5

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, 2015

Balance - December 31, 2014	\$ <u>162,000</u>
Decreased by:	
Cash Receipts	\$ <u><u>162,000</u></u>

BOROUGH OF FORT LEE, N.J.

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

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	51,064,420
Decreased by:			
Current Year Budget Appropriations:			
Serial Bonds	\$	5,359,000	
Green Trust Loan		<u>20,189</u>	
			<u>5,379,189</u>
Balance - December 31, 2015		\$	<u><u>45,685,231</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased	Balance Dec. 31, 2015	Analysis of Balance - Dec. 31, 2015		
						Financed by	Expenditures	Unexpended Improvement Authorization
		\$				Bond Anticipation Notes		
88-12	General improvements:	3,619			3,619		3,619	
93-12	Various Improvements	2,970			2,970		2,970	
94-35	Self Insurance Claims	136			136		136	
01-40	Improvements to Main St./Palisades Ave.	4,750			4,750		4,750	
02-34	Construction of Library	500			500		500	
02-35	Municipal Parking Lot Improvements	250			250		250	
04-27	Streetscape Imps. - Various Streets	500		500				
04-30	Acquisition of Real Property (95 Main St.)	100		100				
04-45	Various Capital Improvements	1,272		607	1,272		1,272	
05-27	Acquisition of a Fire Truck	607						
06-39	Firefighter Safety Program Equipment							
	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	755		264	491		491	
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		4,750	2,260
11-14	Various Capital Improvements	575			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		
2014-8	Inwood Terrace Park Improvements	119,047			119,047	119,047		
2014-9	Whiteman Street Roadway Improvements	134,745			134,745	134,745		
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		

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

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance		Decreased	Balance Dec. 31, 2015	Analysis of Balance - Dec. 31, 2015	
		Dec. 31, 2014	2015 Authorizations			Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
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		608
2015-23	Various Capital Improvements		1,234,650		1,234,650		1,234,650
2015-24	Various Capital Improvements		570,000		570,000		111,367
		<u>\$ 8,005,739</u>	<u>1,804,650</u>	<u>7,872</u>	<u>9,802,517</u>	<u>7,974,000</u>	<u>1,352,241</u>
			Cancelled \$ <u>7,872</u>				
			\$ <u>7,872</u>				
						Improvement Authorizations-Unfunded	\$ <u>3,403,306</u>
						Less: Unexpended Proceeds of Bond Anticipation Notes	
						Ord. 2014-26	296
						Ord. 2014-07	11,504
						Ord. 2014-08	25,555
						Ord. 2014-09	60,665
						Ord. 2014-35	1,633
						Ord. 2014-36	196,580
						Ord. 2014-38	14,260
						Ord. 2014-43	1,740,572
							<u>2,051,065</u>
							\$ <u>1,352,241</u>

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

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
Pension Refunding Bonds	Mar. 1, 2003	4,230,000	3/1/2016	425,000	4.85%	1,800,000	385,000	1,415,000
			3/1/2017	470,000	4.90%			
			3/1/2018	520,000	4.90%			
County - Guaranteed Pooled Bond Program Series 2010	May 10, 2010	22,062,000	2/15/16	601,000	3.00%	20,911,000	599,000	20,312,000
			2/15/17	2,056,000	3.00%			
			2/15/18	650,000	4.00%			
			2/15/18	1,637,000	3.00%			
			2/15/19	2,105,000	5.00%			
			2/15/20	1,445,000	4.00%			
			2/15/20	570,000	5.00%			
			2/15/21	2,104,000	5.00%			
			2/15/22	2,193,000	5.25%			
			2/15/23	2,286,000	5.25%			
2/15/24	2,380,000	5.00%						
2/15/25	2,285,000	5.00%						

BOROUGH OF FORT LEE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
General Improvement Refunding Bonds	March 24, 2011	7,595,000	2/15/16	2,000,000	4.00%	3,980,000	1,980,000	2,000,000
General Obligation Refunding Bonds	Dec. 22, 2011	6,520,000	7/15/16	705,000	4.00%	5,740,000	685,000	5,055,000
			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	7/15/16	1,250,000	3.00%	8,900,000	1,210,000	7,690,000
			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, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
General Improvement Bonds	July 23, 2013	10,000,000	8/1/16	500,000	2.00%	9,500,000	500,000	9,000,000
			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%				
						<u>\$ 50,831,000</u>	<u>5,359,000</u>	<u>45,472,000</u>

Budget Appropriation 5,359,000
\$ 5,359,000

BOROUGH OF FORT LEE, N.J.

Schedule of Green Trust Loan

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 233,420
Decreased by:	
Green Trust Loans Paid by Current Year	
Budget Appropriations	<u>20,189</u>
Balance - December 31, 2015	<u><u>\$ 213,231</u></u>
	<u>Analysis of Balance</u>
Van Fleet Park/Community Center, Ord. 03-13	<u><u>213,231</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2015
						Dec. 31, 2014	Increased		
2012-43	Acquisition of Land	Jul. 10, 2013	Nov. 25, 2015	Nov. 26, 2016	0.55%	\$ 525,000	525,000	525,000	525,000
2013-20	Various Capital Improvements	Nov. 27, 2013	Nov. 25, 2015	Nov. 26, 2016	0.55%	1,673,318	1,673,318	1,673,318	1,673,318
2013-25	Various Capital Improvements	Nov. 27, 2013	Nov. 25, 2015	Nov. 26, 2016	0.55%	1,761,904	1,761,904	1,761,904	1,761,904
2014-07	Replacement of Generator (Amend 2013-20)	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	238,095	238,095	238,095	238,095
2014-08	Inwood Terrace Park Improvements	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	119,047	119,047	119,047	119,047
2014-09	Whiteman Street Roadway Improvements	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	134,744	134,744	134,744	134,744
2014-26	Supplemental to 2013-25: Acquisition of additional furnishings and improvements for Building and Fire Prevention departments	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	47,500	47,500	47,500	47,500
2014-35	Construction, Architect & Design Costs of Theatre/Museum in the eastern portion of Redevelopment Area No. 5	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	100,000	100,000	100,000	100,000
2014-36	ADA Construction Improvements	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	240,000	240,000	240,000	240,000
2014-38	Various Capital Improvements	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	95,000	95,000	95,000	95,000
2014-43	Main Street Force & Streetscape Revitalizati	Nov. 25, 2015	Nov. 25, 2015	Nov. 26, 2016	0.55%	3,039,392	3,039,392	3,039,392	3,039,392
						\$ 3,960,222	7,974,000	3,960,222	7,974,000
						Cash	4,013,778		
						Renewed	3,960,222	3,960,222	
						\$	7,974,000	3,960,222	
									\$ 7,974,000

BOROUGH OF FORT LEE, N.J.
Schedule of Reserve for Interest - Arbitrage
General Capital Fund
Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>44,865</u>
Balance - December 31, 2015	\$ <u><u>44,865</u></u>

Exhibit C-12

BOROUGH OF FORT LEE, N.J.
Schedule of Encumbrances Payable
General Capital Fund
Year Ended December 31, 2015

Balance - December 31, 2014	\$ 317,066
Increased by:	
Charged to Improvement Authorizations	<u>432,957</u>
	750,023
Decreased by:	
Payments	<u>317,066</u>
Balance - December 31, 2015	\$ <u><u>432,957</u></u>

Exhibit C-13

Schedule of Amount due to the U.S. Department
of Housing and Urban Development
General Capital Fund
Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>37,168</u>
Balance - December 31, 2015	\$ <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, 2015

Balance - December 31, 2014	\$ 166,156
Increased by:	
Grants Received	<u>58,745</u>
	224,901
Decreased by:	
Utilized as Budget Revenue	<u>100,000</u>
Balance - December 31, 2015	<u><u>\$ 124,901</u></u>
	<u><u>Analysis of Balance</u></u>
	Ord. 2013-20 - Notes 66,156
	Ord. 2014-09 - Notes <u>58,745</u>
	<u><u>\$ 124,901</u></u>

BOROUGH OF FORT LEE, N.J.

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

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ <u>1,567,059</u>
Balance - December 31, 2015	\$ <u><u>1,567,059</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2015	
			Funded	Unfunded				Funded	Unfunded
	General Improvements:								
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	3,185				(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			(72,010)		
		800,000	4,033	100			(4,133)		
04-30	Various Capital Improvements	400,000	30				(30)		
04-31	Downtown Pedestrian Imp. Project: Phase IIA Streetscape	525,000	3,733				(3,733)		
05-7	Acquisition of Property - 4601/10	1,746,750	2,550				(2,550)		
05-21	Various Capital Improvements	121,800	13,481	607			(14,088)		
05-27	Firefighter Safety Program Equipment	250,000	493				(493)		
06-5	Rehabilitation of the Richard Nest Senior Citizens' Center Kitchen	275,000	102,129				(102,129)		
06-6	Improvements to Inwood Terrace Park	500,000	51,465				(51,465)		
06-15	Environmental Engineering and related services in connection with the combined sewer outflow	5,500,000		264			(264)		
06-39/07-32	Acquisition of property (2005 Hoyt Ave., 153 Main St., 33-35 Main Street)	400,000							
		2,000,000	253,198				(253,198)		
06-44	Various Capital Improvements	5,500,000	833,031				(833,033)		17,416
07-09	Wireless Public Safety Communications Network	2,110,000	470,564	6,012			(500)		500
07-30	Various Capital Improvements						(476,576)		

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2015	
			Funded	Unfunded				Funded	Unfunded
07-47	Installation of Solar Panels	1,550,000	188,730	388					
08-16	Acquisition of Mini-Buses	165,000		2,260					
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	132,500		119,000			13,500	
09-22	Acquisition of Law Enforcement Equipment	280,590	242					242	
09-24	Various Capital Improvements	2,300,000	150,404		117,369			33,035	
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	237,201					229,618	
10-24	Various Capital Improvements	2,390,000	149,706			7,583		39,332	575
11-14	Various Capital Improvements	1,928,500	279,175	575		14,802		454	
12-19	Imps. to Brinkerhoff Avenue, Section 2	180,500	454			239,843		22,800	
12-21	Various Capital Improvements	2,693,000	319,533	350		296,733		2,130	350
12-35	Imps. to Inwood Terrace Park Playground	71,700	7,833			5,703			
12-43	Acquisition of Land - 4851/5	2,050,000							
							(189,118)		2,260

BOROUGH OF FORT LEE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2015		
			Funded	Unfunded				Funded	Unfunded	
13-06	Improvements to Tennis and Basketball Courts at William T. Birch Park and 500 Stillwell Avenue	357,684	13,632	2,430		2,850		10,782	2,430	
13-20	Various Capital Improvements	1,757,000		614,613		614,613				
13-25/14-26	Acquisition of 1363 Inwood Terrace and relocation of furnishings and improvements to the property	1,850,000		450		154			296	
2014-7	Replacement of Generator	250,000	789	238,095		227,380			11,504	
2014-8	Inwood Terrace Park Improvements	125,000		80,530		54,975			25,555	
2014-9	Whiteman St. Roadway Improvements	225,000		87,999		27,333			60,666	
2014-35	Construction, Architect & Design costs of Theatre/Museum in the eastern portion of Redevelopment Area 5	100,000		26,833		25,200			1,633	
2014-36	ADA Construction Improvements	252,750	12,604	240,000		56,024			196,580	
2014-38	Various Capital Improvements	100,000		16,109		1,849			14,260	
2014-43	Main Street Force & Streetscape Revitalization	5,362,000	1,921,985	3,040,000		3,220,805			1,741,180	
2015-13	Various Equipment and Improvements	1,413,655			1,413,655	642,620		771,035		
2015-23	Various Capital Improvements	1,247,000			1,247,000	750		11,600	1,234,650	
2015-24	Various Capital Improvements	600,000			600,000	488,633			111,367	
			<u>\$ 5,643,583</u>	<u>4,358,115</u>	<u>3,260,655</u>	<u>6,146,301</u>		<u>(2,113,959)</u>	<u>1,598,787</u>	<u>3,403,306</u>

Capital Surplus \$	1,413,655
Capital Improvement Fund	42,350
Deferred Charges to Future Taxation - Unfunded	1,804,650
	<u>\$ 3,260,655</u>

Cash \$	5,713,344
Encumbrances	432,957
	<u>\$ 6,146,301</u>

BOROUGH OF FORT LEE, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$	1,892
Increased by:		
Budget Appropriation		<u>150,000</u>
		151,892
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>42,350</u>
Balance - December 31, 2015	\$	<u><u>109,542</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	\$ 180,745
Increased by:	
Grant Awards/Contributions not Appropriated	<u>1,083,894</u>
	1,264,639
Decreased by:	
Grants Received	<u>58,745</u>
Balance - December 31, 2015	<u><u>\$ 1,205,894</u></u>

Analysis of Balance

CDBG - Imps. To Old Bergen Boulevard	83,894
CDBG - Senior Center Generator	90,000
Open Space - Ord. 2014-8	32,000
Contribution from Bergen County - Ord. 2015-23	<u>1,000,000</u>
	<u><u>\$ 1,205,894</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	82,334
Increased by:			
Cash Disbursements			<u>627</u>
			82,961
Decreased by:			
Reimburse Bond Anticipation Note			
Paid by Current Fund	\$	525,000	
Cash Receipts		4,525	
Interest on Investments		<u>305</u>	
			<u>529,830</u>
Balance - December 31, 2015		\$	<u><u>(446,869)</u></u>

<u>Analysis of Balance</u>			
			(529,830)
	Due to Current fund		
	Due from Federal and State Grant Fund		<u>82,961</u>
		\$	<u><u>(446,869)</u></u>

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased	Balance Dec. 31, 2015
<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		264	491
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	

BOROUGH OF FORT LEE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance	2015	Decreased	Balance
		Dec. 31, 2014	Authorizations		Dec. 31, 2015
<u>General improvements:</u>					
2014-8	Inwood Terrace Park Improvements	119,047		119,047	
2014-9	Whiteman Street Roadway Improvements	134,745		134,744	1
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	1,234,650	3,039,392	608
2015-23	Various Capital Improvements		570,000		1,234,650
2015-24	Various Capital Improvements				570,000
		\$ 4,045,517	1,804,650	4,021,650	1,828,517
	2015 Improvement Authorizations		1,804,650		
	Bond Anticipation Notes Issued			4,013,778	
	Cancelled via Resolution			7,872	
				\$ 4,021,650	

BOROUGH OF FORT LEE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2014	\$ 39,240	39,240	0
Increased by Receipts:			
State Aid	81,518		81,518
Supplemental Security Income	2,100		2,100
Budget Appropriations	15,000	15,000	
Prior Year Void Checks	750	750	
Refunds of Assistance	12,043		12,043
Donations	21,509	21,509	
Interest Earned	6	6	
	<u>132,926</u>	<u>37,265</u>	<u>95,661</u>
	<u>172,166</u>	<u>76,505</u>	<u>95,661</u>
Decreased by Disbursements:			
Public Assistance - 2015	103,297	21,179	82,118
State of New Jersey - Refund of State Aid, zero-balance account	13,543		13,543
	<u>116,840</u>	<u>21,179</u>	<u>95,661</u>
Balance - December 31, 2015	<u><u>55,326</u></u>	<u><u>55,326</u></u>	<u><u>0</u></u>

BOROUGH OF FORT LEE

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

Public Assistance Fund

Year Ended December 31, 2015

Balance - December 31, 2015			\$	55,326
Increased by:				
State Aid	\$	13,620		
Donations				
Interest Earned on Investments				
				<u>13,620</u>
				68,946
Decreased by:				
Public Assistance - 2016		4,289		
Non reimbursable expenses				
				<u>4,289</u>
Balance - February 29, 2016			\$	<u><u>64,657</u></u>
Reconciliation - February 29, 2016	<u>PATF I</u>	<u>PATF II</u>		<u>Total</u>
	<u>Account</u>	<u>Account</u>		
Balance on Deposit per Bank Statement:				
Checking	\$	59,405		59,405
Savings		<u>5,591</u>		<u>5,591</u>
		64,996		64,996
Add: Deposits in Transit - Due from State of New Jersey - zero balance account				
Less: Outstanding Checks		<u>339</u>		<u>339</u>
Balance - February 29, 2016	\$	<u><u>64,657</u></u>		<u><u>64,657</u></u>

BOROUGH OF FORT LEE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2015

Balance - December 31, 2014		\$	39,240
Increased by:			
State Aid	\$	81,518	
Supplemental Security Income		2,100	
Budget Appropriations		15,000	
Prior Year Void Checks		750	
Refunds of Assistance		12,043	
Donations		21,509	
Interest Earned on Investments		6	
			<u>132,926</u>
			172,166
<u>Decreased by:</u>			
Public Assistance 2015		82,118	
Non-Reimbursable Assistance		21,179	
State of New Jersey - Refund of State Aid, Zero-Balance Account		<u>13,543</u>	
			<u>116,840</u>
Balance - December 31, 2015		\$	<u><u>55,326</u></u>

<u>Reconciliation - December 31, 2015</u>	<u>PATF I Account</u>	<u>PATF II Account</u>	<u>Total</u>
Balance on Deposit per Bank Statement:			
Checking	\$ 49,776		49,776
Savings	<u>5,590</u>		<u>5,590</u>
	55,366		55,366
Add: Deposits in Transit - Due from State of New Jersey - zero balance account		2,314	2,314
Less: Outstanding Checks	<u>40</u>	<u>2,314</u>	<u>2,354</u>
Balance - December 31, 2015	\$ <u><u>55,326</u></u>		<u><u>55,326</u></u>

BOROUGH OF FORT LEE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2014	\$ 39,240	39,240	
Increased by:			
State Aid	81,518		81,518
Supplemental Security Income	2,100		2,100
Refunds of Assistance	12,043		12,043
Budget Appropriations	15,000	15,000	
Prior Year Void Checks	750	750	
Donations	21,509	21,509	
Interest Earned	6	6	
	<u>132,926</u>	<u>37,265</u>	<u>95,661</u>
	<u>172,166</u>	<u>76,505</u>	<u>95,661</u>
Decreased by:			
Public Assistance - 2015	82,118		82,118
Non Reimbursable Assistance	21,379	21,379	
State of New Jersey - Refund of State Aid, Zero-Balance Account	13,543		13,543
	<u>117,040</u>	<u>21,379</u>	<u>95,661</u>
Balance - December 31, 2015	<u>\$ 55,126</u>	<u>55,126</u>	

BOROUGH OF FORT LEE
Schedule of Revenues - Cash Basis
Public Assistance Fund
Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	\$ 81,518		81,518
Less: Refunds to the State			
Net State Aid Payments	<u>81,518</u>		<u>81,518</u>
Supplemental Security Income			
State/Municipal Refund	2,100		2,100
Budget Appropriation	15,000	15,000	
Refunds of Assistance	12,043		12,043
Prior Year Void Checks	750	750	
Interest Earned	<u>6</u>	<u>6</u>	
Total Revenues (P.A.T.F.)	<u>111,417</u>	<u>15,756</u>	<u>95,661</u>
Donations	<u>21,509</u>	<u>21,509</u>	
Total Receipts	<u>\$ 132,926</u>	<u>37,265</u>	<u>95,661</u>

BOROUGH OF FORT LEE
Schedule of Expenditures - Cash Basis
Public Assistance Fund
Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	\$ 42,044		42,044
Temporary Rental Assistance	29,976		29,976
Emergency Assistance	8,756		8,756
Work-Related Expenses	666		666
Transportation	676		676
Total Payments Reported	<u>82,118</u>		<u>82,118</u>
Non-Reimbursable Assistance	21,179	21,179	
State of New Jersey -			
Refund of State Aid, Zero-balance account	13,543		13,543
	<u>34,722</u>	<u>21,179</u>	<u>13,543</u>
Total Disbursements (P.A.T.F.)	<u>\$ 116,840</u>	<u>21,179</u>	<u>95,661</u>

BOROUGH OF FORT LEE

PART II

LETTERS ON INTERNAL CONTROL AND COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Fort Lee in the County of Bergen as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated March 8, 2016 which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of 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
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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

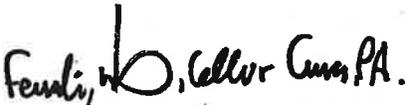
As part of obtaining reasonable assurance about whether the Borough of Fort Lee's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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.


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Registered Municipal Accountant
No. CR00413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
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March 8, 2016

**BOROUGH OF FORT LEE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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.

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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. On July 1, 2015, this amount was increased to \$40,000.

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:

- Animal Control Services and Feral Cat Re-Location Services
- Roadway Improvements to Lower Main Street/Hudson Terrace
- Ambulance Billing Collection Service
- Installation of Emergency Generators at the Senior Center

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 1, 2015 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 ;

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),**

BOROUGH OF FORT LEE
GENERAL COMMENTS, (CONTINUED)

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 4, 2015, 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>
2015	4
2014	4
2013	4

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. * 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.
2. *Certificates of availability of funds for professional services contracts did not stipulate which budget lines will be charged for contract expenditures as required by N.J.A.C. 5:30-5.4
3. *There are stale dated outstanding checks in the Public Assistance Trust Fund II account.
4. *Many of the Borough's Trust funds are incurring substantial bank service charges on a monthly basis.
5. Improvement Authorization 2011-16 was over-expended in the amount of \$31,064.
6. There were instances in which the portion of employees' unemployment deductions to be retained in the Trust Fund were erroneously deposited into the Current fund and in some instances utilized as a budget offset.
7. The Borough opened a new escrow bank account and the interest earnings are not being split between Developer and Borough as required per N.J.S.A 40:55D-53.1, 40A:4-45.28.
8. Tax payments received in the Tax Collector's office are not validated upon receipt.

Borough Clerk

1. Minutes were not prepared and presented to the Mayor and Council for approval in a timely manner.

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 amount of SSI income recouped.

BOROUGH OF FORT LEE, N.J.

COMMENTS, (cont.)

Municipal Court

1. *The analysis of open bail per the ATS/ACS report is not in agreement with the reconciled cash balance in the bail account as of December 31, 2015.
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 tickets issued but not assigned.
3. The court has not identified the surcharge fees required to be deposited in a separate reserve and utilized for the purchase of video recording equipment for police vehicles and/or body cameras in accordance with N.J.S.A. 40A:14-118.1

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.

Police Department

1. There were instances in which certain cash receipts were not included in the Police Department's accounting records.
2. The department is not turning over processed bail documentation on a timely basis.

BOROUGH OF FORT LEE, N.J.

RECOMMENDATIONS

Tax Collector/Finance Department

1. *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.
2. *All certificates of availability of funds documenting professional service contracts stipulate the budget line to be charged.
3. *Stale outstanding checks in the Public Assistance II Trust Fund be cancelled via resolution of the Mayor and Council.
4. *Finance officials take steps to mitigate the monthly service charges being incurred by the Borough's Trust Accounts.
5. Improvement Authorization balances be periodically reviewed and compared to audit balances to ensure they are in agreement and to ensure there are funds available to spend.
6. The employee's share of unemployment deductions retained under the Benefit Reimbursement Method be accounted for in the established Trust Fund.
7. All escrow deposits be accounted for in accordance with N.J.S.A. 40:55D-53.1 and N.J.S.A. 40A:4-45.28.
8. Tax payments received in the tax collector's office be validated upon receipt.

Borough Clerk

1. All minutes be prepared and presented to the Mayor and Council in a timely fashion.

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.

BOROUGH OF FORT LEE

RECOMMENDATIONS, (cont.)

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, 2015.
2. *Policies be implemented to ensure that all tickets be assigned prior to issuance and that those tickets assigned over 180 days be recalled and either destroyed or reassigned.
3. Procedures be established to compile the municipal share of surcharges collected to be designated for the purchase of mobile video recording systems for patrol cars or body cameras in accordance with N.J.S.A. 40A:14-118.1.

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.

Police Department

1. All cash receipts received by the Police Department be recorded in the Department's accounting records.
2. Procedures be implemented to ensure that all documentation concerning bail postings be forwarded to the Municipal Court in a more timely manner.

BOROUGH OF FORT LEE

Status of Prior Year Audit Findings/Recommendation

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

Acknowledgment

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

Respectfully submitted,



Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
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March 8, 2016