

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 11, 2026**

**NEW ISSUE**  
**SERIAL BONDS**

**RATING: MOODY'S: "Aa3"**  
**(See "RATING" herein)**

*In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.*

**\$30,680,000\* GENERAL IMPROVEMENT BONDS**

**BOROUGH OF EAST RUTHERFORD  
IN THE COUNTY OF BERGEN, NEW JERSEY  
(Book-Entry Only) (Callable)**

**Dated: April 1, 2026**

**Due: April 1, as shown on the inside cover page**

The \$30,680,000\* General Improvement Bonds (the "Bonds") of the Borough of East Rutherford, in the County of Bergen, New Jersey (the "Borough"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof. See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on April 1 of each of the years set forth on the inside cover page, and interest on the Bonds is payable on each April 1 and October 1, commencing October 1, 2026 in each year until maturity or prior redemption. The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS – Prior Redemption" herein.

The Bonds are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

*The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about April 1, 2026.*

**ELECTRONIC BIDS VIA PARITY AND  
SEALED PROPOSALS WILL BE RECEIVED  
UNTIL 11:00 O'CLOCK A.M. ON MARCH 19, 2026  
AT ONE EVERETT PLACE  
EAST RUTHERFORD, NEW JERSEY 07073**

\*Preliminary, subject to change.

## MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS\*\*

<u>Year</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No**</u>
2027	1,100,000			
2028	1,200,000			
2029	1,300,000			
2030	1,400,000			
2031	1,500,000			
2032	1,550,000			
2033	1,600,000			
2034	1,600,000			
2035	1,600,000			
2036	1,600,000			
2037	1,600,000			
2038	1,600,000			
2039	1,600,000			
2040	1,600,000			
2041	1,600,000			
2042	1,630,000			
2043	1,650,000			
2044	1,650,000			
2045	1,650,000			
2046	1,650,000			

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\*Preliminary, subject to change.

\*\* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**BOROUGH OF EAST RUTHERFORD  
IN THE COUNTY OF BERGEN, NEW JERSEY**

**MAYOR**

Jeffrey J. Lahullier

**BOROUGH COUNCIL**

Daniel Alvarez  
George Cronk  
Jesse DeRosa  
Michael Lorusso  
Dennis Monks  
Antonio Segalini

**BOROUGH CLERK**

Danielle Lorenc

**CHIEF FINANCIAL OFFICER**

John M. Podesta

**BOROUGH ATTORNEY**

Aronsohn Weiner Salerno & Kaufman, P.C.  
Hackensack, New Jersey

**BOROUGH AUDITOR**

Garbarini & Co. P.C.  
River Edge, New Jersey

**BOND COUNSEL**

Rogut McCarthy LLC  
Cranford, New Jersey

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No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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**OFFICIAL STATEMENT  
OF THE BOROUGH OF EAST RUTHERFORD  
IN THE COUNTY OF BERGEN, NEW JERSEY  
RELATING TO**

**\$30,680,000\* GENERAL IMPROVEMENT BONDS**

**INTRODUCTION**

This Official Statement (the “Official Statement”) which includes the cover page and the appendices attached hereto, has been prepared by the Borough of East Rutherford (the “Borough”), in the County of Bergen (the “County”), State of New Jersey (the “State”) in connection with the sale and issuance of its \$30,680,000\* General Improvement Bonds (the “Bonds”) dated April 1, 2026. This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the Bonds.

This Preliminary Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriter and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the “final official statement” within the meaning of Rule 15c2-12.

**THE BONDS**

**General Description**

The Bonds will be dated and bear interest from April 1, 2026 and will mature on April 1 in the years and in the principal amounts as set forth on the inside cover page. Interest on the Bonds is payable on each April 1 and October 1, commencing October 1, 2026 (each, an “Interest Payment Date”), in each year until maturity or prior redemption at the respective interest rates set forth on the inside cover page of this Official Statement. Principal of and interest on the Bonds will be paid to The Depository Trust Company, Brooklyn, New York (“DTC”), acting as securities depository, by the Chief Financial Officer, as “Bond Registrar/Paying Agent”. Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the “Record Dates” for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds, in the aggregate principal amount of such maturity. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See “THE BONDS – Book-Entry Only System” herein.

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\*Preliminary, subject to change.

## **Book-Entry Only System**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

### **Prior Redemption**

The Bonds maturing on or before April 1, 2033 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 1, 2034 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 1, 2033, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

## **SECURITY AND SOURCE OF PAYMENT**

The Bonds are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

## **AUTHORIZATION FOR THE BONDS**

The Bonds are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law"). The Bonds also are authorized by various bond ordinances adopted by the Borough Council and by virtue of resolutions adopted by the Borough Council on February 17, 2026.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Borough.

## PURPOSE OF THE BONDS

The proceeds of the Bonds will be used to (i) currently refund \$25,530,990 of the Borough's \$26,330,000 Bond Anticipation Notes maturing on April 2, 2026 and (ii) provide \$5,149,010 to finance unfunded capital projects of the Borough. The projects to be funded by the sale are listed below:

Ord. No	Description	Amount
2019-14/2019-17	Various Improvements to Riggin Field	\$ 1,224,905
2019-16	Various Capital Improvements	1,755,707
2020-06	Various Capital Improvements	2,088,907
2021-04	Road Resurfacing	1,640,564
2021-05	Various Capital Improvements	692,980
2021-08	Acquisition of Property - 10 Morton Street	2,662,104
2021-09	Acquisition of Property - Lois Lane	504,642
2021-15	McKenzie Field Improvements	618,263
2022-03	Acq. of Property - Richard Outwater House	528,750
2022-07	Acq. of Various Capital Equip. for Fire Dept.	1,935,269
2022-10	Various Capital Improvements	2,064,959
2023-10	Supplemental Funding for Acq. of Lois Lane Property	95,000
2023-12	Various Capital Improvements	1,719,500
2023-13	Roadway Improvements	1,900,000
2024-07	Various Capital Improvements	860,700
2024-08	Acquisition of Fire Truck	1,092,500
2024-15	Roadway Improvements	1,900,000
2024-21	Acquisition of Property- 731 Lois Lane	1,064,000
2024-22	Environmental Remediation & Monitoring- 10 Lois Lane	475,000
2025-10	Supp. Funding For: Acq. of 10 Morton Street	2,700,000
2025-12	Various Public Improvements	2,623,000
2025-13	Acquisition of Real Property- 54 Morton Street	380,950
2025-21	Supp. Funding For Acq. of 54 Morton Street	152,300
		\$ 30,680,000

## NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

## MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not anticipate issuing any additional bonds or any tax anticipation notes during the remainder of 2026. The Borough may issue additional bond anticipation notes for new money borrowing, as needed, during the remainder of 2026.

**CERTAIN STATUTORY PROVISIONS FOR THE  
PROTECTION OF GENERAL OBLIGATION DEBT**

**Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

**The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough’s accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services’ “Requirements of Audit”, includes recommendations for improvement of the local units’ financial procedures and must be filed with the Director within eight months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

**Debt Limits**

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The average equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2025 (Unaudited) the statutory net debt as a percentage of average equalized valuation was 1.316%. As noted above, the statutory limit is 3.50%.

2025	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 32,119,000	\$ 32,119,000	\$ -
General Debt	42,874,105	4,020,000	38,854,105
Sewer Utility Debt	703,510	703,510	-
	\$ 75,696,615	\$ 36,842,510	\$ 38,854,105

**Exceptions to Debt Limits - Extensions of Credit**

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to

provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

### **Overlapping Debt**

The County debt, which overlaps the Borough, is not considered in the calculation of the debt limits of the Borough. It represents the debt outstanding at the County level for which the Borough will fund its portion of debt service through the normal payments of County taxes.

### **Short-Term Financing**

The Borough may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year’s principal payment for a bond issue.

### **School Debt (N.J.S.A. 18A:24-1 et seq.)**

New Jersey’s school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough’s school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

### **The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)**

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

### **Investment of Municipal Funds**

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above, or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 *et seq.*, or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

## MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

### **Limitations on Municipal Appropriations and Tax Levy**

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increases for 2011 to 2025, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and available "CAP" banks and without conducting a referendum to exceed the cap limits. The Borough's 2026 budget has not been introduced as of the date of this Official Statement.

### **Miscellaneous Revenues**

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

### **Real Estate Taxes**

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See “Assessment And Collection of Taxes – Tax Collection Procedure” herein for a brief discussion of Chapter 99.

### **Deferral of Current Expenses**

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year’s budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

### **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three months of the year to the previous years’ budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

### **Operation of Utilities**

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the “Current” or operating budget.

## **Fiscal Year**

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such change in the future.

## **Budget Process**

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 35% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

## **Capital Budget**

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing three years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

## **ASSESSMENT AND COLLECTION OF TAXES**

### **Tax Collection Procedure**

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, is 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. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The

purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

## **Tax Appeals**

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the Tax Court of New Jersey, for a further hearing. Further, an assessment in excess of \$1,000,000 can be appealed directly to the Tax Court of New Jersey. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three-to-five-year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three-year period - rather than within sixty days of the final judgment (the standard period for refunds). Further, pursuant to Assembly Bill No. 862, signed into law by Governor Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three-year period, with any excess after three years being paid immediately.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

## **Tax Opinions**

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the “adjusted financial statement income” of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see “TAX MATTERS – Additional Federal Income Tax Consequences” herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

## **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

## **Proposals for Tax Changes**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

## **STATEMENT OF LITIGATION**

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its bondholders. All of the Borough's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members). The Borough is also insured for liability in excess of the limits provided by the municipal joint insurance funds. Pending municipal real estate tax appeals are limited in number and, based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not materially or adversely impair the Borough's ability to pay its bondholders.

## **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Bonds, and such Bonds are authorized security for any and all public deposits.

## **FINANCIAL STATEMENTS**

Appendix "B" to this Official Statement contains the unaudited financial statements for the year ended December 31, 2025 and the audited financial statements of the Borough for the year ended December 31, 2024. The unaudited financial statements were compiled from the Borough's unaudited Annual Financial Statement for the year ended December 31, 2025. The audited financial data was provided by Garbarini & Co. P.C., River Edge, New Jersey (the "Auditor"), and is included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

## RATING

Moody's Investors Service (the "Rating Agency") has assigned a rating of "Aa3" to the Bonds.

The rating reflects only the view of the Rating Agency and an explanation of the significance of the rating may only be obtained from the Rating Agency at the following address: 7 World Trade Center, 250 Greenwich Street, New York, NY 10007. The Borough forwarded to the Rating Agency certain information and materials concerning the Bonds and the Borough. There can be no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of, the rating may have an adverse effect on the marketability or market price of the Bonds.

## UNDERWRITING

The Bonds have been purchased at a public sale from the Borough for resale by \_\_\_\_\_ (the "Underwriter").

## INFECTIOUS DISEASE OUTBREAK – COVID-19

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Borough have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Borough. The Borough cannot quantify any such impacts at this time.

The Plan, signed into law on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. For municipalities with populations less than 50,000, such as the Borough, the relief funds were distributed by the State. The relief funds were received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds was December 31, 2024, and to spend them is December 31, 2026. The Borough received the full amount of its relief funds in the amount of \$1,013,924 and utilized all of the relief funds to purchase a fire truck.

## DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

### Absence of Litigation

Upon delivery of the Bonds, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

### Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

### Certificates of Borough Officials

The original purchasers of the Bonds shall also receive a certificate, dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Borough in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Bonds, there has been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and a certificate, dated as of the date of delivery

of the Bonds and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their office, is being contested.

## SECONDARY MARKET DISCLOSURE

The Borough has agreed, pursuant to a resolution adopted on February 17, 2026, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Borough’s fiscal year (presently December 31), commencing with the report for the fiscal year ending December 31, 2025, provide or cause to be provided, annual financial information with respect to the Borough consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Borough and (ii) certain financial information and operating data consisting of information concerning the Borough’s debt, overlapping indebtedness, tax rate, levy and collection data, property valuation, budget and fund balance of the type contained in Appendix “A” hereof. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or

- governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
- (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
  - (15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Bondholders, if material; and
  - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

(C) Provide or cause to be provided, in a timely manner, notice of a failure of the Borough to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Borough reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Borough no longer remains an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel’s opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Borough has previously entered into continuing disclosure undertakings in accordance with Rule 15c2-12. In connection with such undertakings, the Borough failed to file, in a timely manner, (i) certain financial and operating data for the year ended December 31, 2020 and (ii) a component of its operating data, specifically, Sewer Utility levy and collection information for the years ended December 31, 2020 and 2021, which was later filed in the 2022 operating data report. The Borough also failed to file, in a timely manner, a Notice of Incurrence of a Financial Obligation for a Bond Anticipation Note dated April 6, 2022. Additionally, the Borough acknowledges that it previously failed to timely file late filing notices in connection with such late filings. Such financial information and notices of late filings and material event have been filed with the MSRB’s Electronic Municipal Market Access Dataport (“EMMA”) as of the date of this Official Statement. The Borough has appointed Garbarini & Co., P.C. CPAs, River Edge, New Jersey, to serve as continuing disclosure agent/dissemination agent to assist in the filing of certain information with EMMA as required under its obligations.

## **PREPARATION OF OFFICIAL STATEMENT**

The firm of Garbarini & Co. P.C., River-Edge, New Jersey, Certified Public Accountants, takes responsibility for the financial statements to the extent specified in the Accountant's Compilation Report and the Independent Auditor's Report.

The firm of Garbarini & Co. P.C., assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which Garbarini & Co. P.C., considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

All other information has been obtained from sources which the Borough considers to be reliable and the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

## **APPROVAL OF OFFICIAL STATEMENT**

Prior to the delivery of the Bonds, the Borough Council will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the Underwriter for its use in the sale, resale or distribution of the Bonds.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of East Rutherford, One Everett Place, East Rutherford, New Jersey, 07073, John M. Podesta, Chief Financial Officer, (201) 933-3444, ext. 263.

## **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough, the State or any of their agencies or authorities, since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Borough.

**BOROUGH OF EAST RUTHERFORD, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

By: /s/ \_\_\_\_\_  
John M. Podesta  
Chief Financial Officer

Dated: March \_\_, 2026

**APPENDIX A**  
**ECONOMIC AND DEMOGRAPHIC INFORMATION**  
**RELATING TO THE BOROUGH**

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**GENERAL INFORMATION  
ABOUT THE  
BOROUGH OF EAST RUTHERFORD, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

The following material presents certain economic and demographic information of the Borough of East Rutherford (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State").

**Form of Government**

The Borough incorporated in 1894, has a governing body consisting of a Mayor and a Borough Council, with all positions elected at-large on a partisan basis as part of the November general election. A Mayor is elected directly by the voters to a four-year term of office. The Borough Council is comprised of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year in a three-year cycle.

**Geographical Location and Area**

The Borough covers a land area of 3.7 square miles, and is a medium-sized residential area with a heavy industrial and commercial community. Its geographic makeup ideally separates its residential area from its other diversified areas. The Borough is situated 8 miles west of New York City and is located in the Southwestern part of Bergen County, New Jersey. The Borough is bounded by Rutherford, Secaucus, Carlstadt, Wallington, and the Passaic River.

**Utilities**

**Sanitation**

The Borough provides garbage collection for all homes on a semi-weekly basis through the Department of Public Works.

**Gas and Electric**

Gas and electric services are supplied by Public Service Electric and Gas Company (PSE&G), although the State has authorized competition within the supply side of energy. PSE&G remains responsible for the maintenance and upkeep of the infrastructure.

**Water**

Veolia North America provides water service.

**Public Facilities**

**Municipal Building**

The Municipal Building is located on 1 Everett Place in the Borough. The Borough's administrative offices are located in this building - Borough Clerk, Treasurer, Tax Collector, Tax Assessor and Mayor and Council Chambers.

**Municipal Court and Police Department**

The Municipal Court building is located in the same building as the Police Department at 117 Stanley Street.

**Building Department**

The Building Department is located at 312 Grove Street.

**GENERAL INFORMATION  
ABOUT THE  
BOROUGH OF EAST RUTHERFORD, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

**Public Facilities (cont'd)**

**Library**

The East Rutherford Memorial Library is located at 143 Boiling Springs Avenue. The Library provides free library services to Borough residents ranging from reference assistance, children's programs, audiovisual materials and periodicals.

**Public Safety**

The Borough has a police force of 43 active police officers. Education and specialized police training are encouraged. Complementing the regular force are 12 police reserves and 43 school crossing guards.

A 55-member volunteer fire department provides fire protection with 3 fire stations, 13 fire apparatus, 1 rescue truck and 1 ambulance. A mutual aid agreement is in effect with all surrounding municipalities. Free ambulance and rescue service to the public operates on a 24-hour a day basis.

**Building Permits**

<u>Year</u>	<u>Permit</u>	<u>Costs of Construction</u>
2025	336	\$ 37,918,544
2024	334	13,573,198
2023	305	24,770,949
2022	328	22,468,080
2021	342	33,853,299

**Education**

The Borough's school district is a Type II school district, an independent legal entity administered by a seven-member Board of Education elected by the voters of the school district. The school district is authorized by law to issue debt for school purposes upon vote of the electorate.

The District provides a full range of educational services for grade levels Pre-Kindergarten through Grade 8. These include both regular and special education programs. The school system consists of one elementary school and one middle school. Students in grades 9 through 12 attend the Henry P. Becton Regional High School.

<u>School Year</u>	<u>Enrollment</u>
2024-2025	788
2023-2024	764
2022-2023	746
2021-2022	839
2020-2021	842

Source: East Rutherford Board of Education

**GENERAL INFORMATION  
ABOUT THE  
BOROUGH OF EAST RUTHERFORD, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

**Transportation**

Most of the Borough residents are employed locally or in nearby communities while others commute to employment in New York City and other parts of the metropolitan area.

The Borough has excellent transportation and communication facilities, and is a short distance from the Lincoln Tunnel, Holland Tunnel, and the George Washington Bridge. The commuting time to those places through Consolidated Rail Corp., and bus line service is approximately one-half hour.

The major vehicular traffic arteries serving the Borough are New Jersey State Highways 17, 20, 21, 3, the Garden State Parkway, the New Jersey Turnpike, and U.S. 80.

**Retirement Systems**

All full-time permanent or qualified Borough employees who began employment after 1954 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Borough is enrolled in the Public Employees' Retirement System and the Police and Firemen's Retirement System. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Borough's share of pension costs is based upon the annual billings received from the State.

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
TOGETHER WITH  
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

**Employment and Unemployment Comparisons**

For the years 2020 to 2024, the New Jersey Department of Labor reported the following annual average employment information for the Borough of East Rutherford, the County of Bergen and the State of New Jersey:

*Borough of East Rutherford*

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
2024	6,353	6,096	257	4.0%
2023	6,188	5,920	268	4.3%
2022	6,079	5,833	246	4.0%
2021	5,932	5,527	405	6.8%
2020	5,921	5,377	544	9.2%

*County of Bergen*

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
2024	541,844	521,596	20,248	3.7%
2023	536,776	517,682	19,094	3.6%
2022	519,799	502,401	17,398	3.3%
2021	499,794	468,726	31,068	6.2%
2020	494,538	449,149	45,389	9.2%

*State of New Jersey*

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor and Workforce Development, Labor Planning and Analysis, Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics.

**Population Estimates from US Census Bureau**

*Borough of East Rutherford*

April 1, 2020 .....	10,022
Population Estimates (as of July 01)	
2024.....	10,624
2023.....	10,421
2022 .....	10,397
2021 .....	9,963
2020 .....	10,022

*County of Bergen*

April 1, 2020 .....	955,732
Population Estimates (as of July 01)	
2024.....	978,641
2023.....	957,736
2022 .....	952,997
2021 .....	954,879
2020 .....	955,732

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
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**Per Capita Income Estimate from US Census Bureau**

*County of Bergen*

Per capita income in last 12 months (in 2024 dollars)	\$63,735
Median Household income (in 2024 dollars)	\$124,884

**American Dream Project**

The American Dream super-regional mall and entertainment complex (the “American Dream Project”) is located in the Borough. It was partially financed with proceeds from the \$800,000,000 Public Finance Authority Limited Obligation PILOT Revenue Bonds (American Dream @ Meadowlands Project), Series 2017, issued June 29, 2017 (the “American Dream Bonds”). The American Dream Bonds are secured primarily by the balance of the quarterly payments in lieu of taxes (“Pilots”) made by the American Dream Project developer after a fixed portion of the Pilots are first paid to the Borough. The Borough has no obligation of any kind to pay debt service on the American Dream Bonds or any other financing undertaken in connection with the American Dream Project.

**Major Real Property Taxpayers**

<u>Taxpayers</u>	2025 <u>Assessed Valuation</u>
1) Federal Reserve Bank of NY	\$ 221,810,800
2) Waterside Gardens at Brick LLC	106,656,900
3) One Met Center LLC	95,000,000
4) Central and Oak Multi Family LLC	63,073,000
5) 201 Railroad Avenue LLC	53,499,600
6) Liberty Terrace at E. Rutherford, LLC	43,531,200
7) Honeywell International Inc.	39,917,700
8) Brancasons	39,189,700
9) ML Plaza Owner, LLC Hilton	37,427,000
10) 450 Murray Hill Corp.	34,200,000

Source: Tax Assessor Office, Borough of East Rutherford

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
TOGETHER WITH  
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

**Net Assessed and Equalized Property Valuations**

<b><u>Classification</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Apartment	\$ 415,213,500	\$ 386,687,100	\$ 361,364,600	\$ 335,805,600	\$ 259,625,400
Residential	999,712,800	948,246,900	915,253,400	842,373,300	789,556,700
Commercial	618,180,100	587,419,100	569,966,200	543,194,800	517,837,700
Industrial	934,005,300	875,951,200	860,270,700	802,330,500	763,106,500
Vacant Land	19,327,700	21,215,100	19,837,100	28,824,500	42,150,500
Subtotal	<u>2,986,439,400</u>	<u>2,819,519,400</u>	<u>2,726,692,000</u>	<u>2,552,528,700</u>	<u>2,372,276,800</u>
Public Utilities	4,681,347	4,694,817	4,674,455	4,589,279	4,531,110
Total	<u>\$ 2,991,120,747</u>	<u>\$ 2,824,214,217</u>	<u>\$ 2,731,366,455</u>	<u>\$ 2,557,117,979</u>	<u>\$ 2,376,807,910</u>

**Comparative Schedule of Tax Rate Information**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>1.609</u>	<u>1.621</u>	<u>1.623</u>	<u>1.751</u>	<u>1.797</u>

**Apportionment of Tax Rate**

Municipal	0.445	0.446	0.446	0.495	0.521
County	0.238	0.239	0.236	0.256	0.267
Local School	0.690	0.693	0.683	0.713	0.734
Regional High School	0.236	0.243	0.258	0.287	0.275

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
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**Comparative Schedule of Tax Levy Information**

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Apportionment of of Tax Levy</u>					
Municipal	\$ 12,338,093	\$ 11,638,082	\$ 11,351,105	\$ 11,768,400	\$ 11,526,920
Library	1,005,666	974,576	873,026	911,055	871,302
County	6,802,586	6,437,838	6,154,134	6,282,089	6,194,394
County Open Space	303,319	290,220	270,549	259,016	251,994
Local School	20,629,111	19,551,634	18,641,217	18,227,376	17,427,917
Regional School	7,069,442	6,883,938	7,037,371	7,346,474	6,531,742
Total	<u>\$ 48,148,218</u>	<u>\$ 45,776,288</u>	<u>\$ 44,327,403</u>	<u>\$ 44,794,410</u>	<u>\$ 42,804,269</u>

**Comparisons of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy*</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2025 (Unaudited)	\$48,387,432	\$47,811,429	98.80%
2024	45,899,862	45,186,419	98.45%
2023	44,359,795	44,330,986	99.94%
2022	45,008,482	44,460,527	98.78%
2021	43,292,465	42,958,193	99.23%

\* Tax Levy includes Added and Omitted Taxes and Penalties Assessed

DESCRIPTION OF  
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CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

**Delinquent Taxes and Tax Title Liens**

December Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total	Percentage of Tax Levy
2025 (Unaudited)	\$530,091	\$232,988	\$ 763,079	1.58%
2024	505,938	599,352	1,105,290	2.41%
2023	481,615	202,895	684,510	1.54%
2022	456,656	225,814	682,470	1.52%
2021	440,389	284,369	724,758	1.67%

**Comparison of Assessed Valuation and Tax Rates**

<u>Year</u>	<u>Net Taxable Value</u>	<u>Tax Rate</u>	<u>Real Property Assessed Valuation Percentage of True Value</u>
2025	\$ 2,991,120,747	1.609	99.45%
2024	2,824,214,217	1.621	98.23%
2023	2,731,366,455	1.623	101.98%
2022	2,557,117,979	1.751	95.36%
2021	2,376,807,910	1.797	95.18%

**Property Acquired by Tax Title Lien Liquidation**

<u>Year</u>	<u>Amount</u>
2025 (Unaudited)	\$ 636,900
2024	636,900
2023	636,900
2022	636,900
2021	636,900

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
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**Current Fund Balances and Amounts Utilized in Succeeding Year's Budget**

<u>Year</u>	<u>Balance December 31</u>	<u>Amount Utilized in Succeeding Year's Budget</u>
2025 (Unaudited)	\$ 5,007,961	*
2024	5,835,239	\$ 3,900,000
2023	6,782,085	3,100,000
2022	6,331,195	2,855,000
2021	5,557,834	2,827,000

\* Budget Not Introduced

**Summary of Borough of East Rutherford's Current Fund Budgets  
(As Adopted)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>					
Surplus Anticipated	\$3,900,000	\$ 3,100,000	\$ 2,855,000	\$ 2,827,000	\$ 2,066,500
Miscellaneous Revenues	15,476,717	15,293,605	14,454,105	14,195,570	12,754,025
Receipts from Delinquent Taxes	309,260	225,135	279,267	427,172	525,000
Amount to be Raised by Taxation for Municipal Purposes	13,343,759	12,612,659	12,224,132	12,679,455	12,398,222
	<u>\$ 33,029,737</u>	<u>\$ 31,231,399</u>	<u>\$ 29,812,503</u>	<u>\$ 30,129,197</u>	<u>\$ 27,743,747</u>
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Expenditures</b>					
Salaries and Wages	\$12,628,338	\$ 11,816,137	\$ 11,215,200	\$ 10,748,800	\$ 10,192,300
Other Expenses	11,781,428	11,444,458	10,632,995	11,167,167	9,373,970
Deferred Charges and Statutory Expenditures	3,524,863	3,449,680	3,482,425	2,924,300	2,881,030
Capital Improvement Fund	257,500	207,500	387,000	292,050	223,500
Municipal Debt Service	4,088,108	4,048,624	3,532,883	4,646,881	4,532,947
Reserve for Uncollected Taxes	749,500	265,000	562,000	350,000	540,000
	<u>\$ 33,029,737</u>	<u>\$ 31,231,399</u>	<u>\$ 29,812,503</u>	<u>\$ 30,129,197</u>	<u>\$ 27,743,747</u>

Source: Borough of East Rutherford 2025-2021 Budgets as adopted.

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
TOGETHER WITH  
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Summary of Municipal Debt

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 37,725,095	\$ 35,161,013	\$ 31,466,993
Sewer Utility:			
Bonds, Notes and Loans	703,303	765,896	825,373
Debt Issued	<u>38,428,398</u>	<u>35,926,909</u>	<u>32,292,366</u>
Authorized but not Issued:			
General:			
Bonds and Notes	5,149,010	5,392,388	6,470,909
Sewer Utility:			
Bonds and Notes	207	207	207
	<u>5,149,217</u>	<u>5,392,595</u>	<u>6,471,116</u>
Less Deductions	<u>4,723,510</u>	<u>5,126,103</u>	<u>7,276,434</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 38,854,105</u>	<u>\$ 36,193,401</u>	<u>\$ 31,487,048</u>

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
TOGETHER WITH  
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Summary of Municipal Debt

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>
School Debt	\$ 32,119,000	\$ 33,654,000	\$ 35,159,000
General Debt	42,874,105	40,553,401	37,937,902
Sewer Utility Debt	<u>703,510</u>	<u>766,103</u>	<u>825,580</u>
Gross Debt	75,696,615	74,973,504	73,922,482
Deductions:			
School Debt	(32,119,000)	(33,654,000)	(35,159,000)
General Debt	(4,020,000)	(4,360,000)	(6,450,854)
Sewer Utility Debt	<u>(703,510)</u>	<u>(766,103)</u>	<u>(825,580)</u>
Net Debt	<u>\$ 38,854,105</u>	<u>\$ 36,193,401</u>	<u>\$ 31,487,048</u>
Statutory Net Debt as Percentage	1.316% (a)	1.271% (b)	1.145% (c)

(a) December 31, 2025 Net Debt of \$38,854,105 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,951,744,527 = 1.316%.

(b) December 31, 2024 Net Debt of \$36,193,401 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,848,619,044 = 1.271%.

(c) December 31, 2023 Net Debt of \$31,487,048 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,750,062,281 = 1.145%.

DESCRIPTION OF  
THE BOROUGH OF EAST RUTHERFORD  
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**Overlapping Debt (Unaudited)**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share</u></b>
County <sup>1</sup>	\$1,770,600,392	1.111%	\$19,671,370
Bergen County Utilities Authority <sup>2</sup>	76,458,986	2.278%	<u>1,741,905</u>
Net Indirect Debt			\$21,413,275
Net Direct Debt			<u>38,854,105</u>
Total Net Direct and Indirect Debt			<b><u>\$60,267,380</u></b>

<sup>1</sup> The County of Bergen has \$1,770,600,392 (unaudited) in gross permanent and temporary debt at December 31, 2025. The Borough's net share is obtained by dividing the Borough's 2025 equalized valuation \$2,923,868,612 by the County's 2025 equalized valuation \$263,228,963,188.

Source: Bergen County Annual Debt Statement – Gross Debt

<sup>2</sup> Overlapping debt was computed based upon Authority billing to the Municipality for 2024.

**Debt Limit as of December 31, 2025**

Average Equalized Valuation Basis (2023, 2024, 2025)	\$2,951,744,527
Permitted Debt Limitation (3 1/2%)	103,311,054
Less: Net Debt as of December 31, 2025	<u>38,854,105</u>
Remaining Borrowing Power	<u>\$64,456,949</u>
Percentage of Net Debt to Average Equalized Valuation	1.316%

**Debt Statistics as of December 31, 2025**

Overall Debt (Gross and Overlapping Debt) Per Capita based on 2020 population of 10,022	\$9,670
Gross Debt Per Capita based on 2020 population of 10,022	\$7,553
Net Debt Per Capita based on 2020 population of 10,022	\$3,877

**APPENDIX B**  
**FINANCIAL STATEMENTS OF THE BOROUGH**

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BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

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**GARBARINI & CO., P.C.**  
**Certified Public Accountants**

Registered Municipal Accountants  
Licensed Public School Accountants

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Ho-Ho-Kus, NJ 07423  
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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

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

Management is responsible for the accompanying financial statements of the Borough of East Rutherford, New Jersey (the "Borough") which comprise the balance sheet - regulatory basis, of each fund and General Fixed Assets as of December 31, 2025, and the statement of operations and changes in fund balance-regulatory basis, statement of revenues-regulatory basis and statement of appropriations-regulatory basis, of the Current Fund & Sewer Utility Fund, which collectively comprise the Borough's basic financial statements. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the December 31, 2025 financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

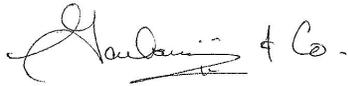
The financial statements are prepared in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The December 31, 2024 financial statements were audited by our firm, and we expressed an unmodified opinion on them in accordance with the financial reporting provisions of the Division as described above in our report dated June 9, 2025, which is available on the Borough's website and also on <https://emma.msrb.org/>.

Management has elected to omit all the disclosures ordinarily included in financial statements prepared in accordance with the financial reporting provisions of the Division. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's assets, liabilities, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C.  
Certified Public Accountants

River Edge, New Jersey  
February 10, 2026

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

	At December 31,	
	(Unaudited) 2025	(Audited) 2024
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current Assets:		
Cash - Treasurer	\$ 9,446,421.70	\$ 9,776,465.52
Cash - Petty Change Funds	200.00	200.00
Cash - Change and Petty Cash Funds	750.00	750.00
	<u>9,447,371.70</u>	<u>9,777,415.52</u>
 Due from State of NJ- Senior Citizens & Veterans Deductions	 <u>4,929.30</u>	 <u>4,679.30</u>
 Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	232,988.11	599,352.21
Tax Title Liens	530,091.02	505,938.32
Property Acquired for Taxes - Assessed Value	636,900.00	636,900.00
Revenue Accounts Receivable	21,982.88	2,213.37
Due to Animal License Fund		1,447.20
Due from Grant Fund	15,144.12	
	<u>1,437,106.13</u>	<u>1,745,851.10</u>
 Deferred Charges- Emergency Authorization	 3,000.00	
Deferred Charges- Special Emergency Authorization	<u>180,000.00</u>	<u>240,000.00</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 11,072,407.13</u>	 <u>\$ 11,767,945.92</u>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

	At December 31,	
	(Unaudited) 2025	(Audited) 2024
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Liabilities:		
Encumbrance Payable	\$ 193,315.61	\$ 288,968.19
Appropriation Reserves	1,204,355.23	1,515,332.52
Accounts Payable	358.27	358.27
Reserve for Municipal Relief Funds		-
Tax Overpayments	113,580.84	14,514.70
Prepaid Taxes	1,366,056.88	380,935.21
County Taxes - Added	37,783.52	10,890.25
Due to State of New Jersey- Marriage License Fees	400.00	750.00
Reserve for Tax Appeals	1,416,886.45	1,663,434.34
Special Emergency Note Payable	180,000.00	240,000.00
Reserve for Storm Water Mapping	47,767.75	71,672.75
Due to Outside Lienholder	66,696.55	
Due to Animal License Fund	138.60	
	4,627,339.70	4,186,856.23
Reserve for Receivables and Other Assets	1,437,106.13	1,745,851.10
Fund Balance	5,007,961.30	5,835,238.59
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b>\$ 11,072,407.13</b>	<b>\$ 11,767,945.92</b>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
- REGULATORY BASIS**

	At December 31,	
	(Unaudited) 2025	(Audited) 2024
	<u>2025</u>	<u>2024</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,900,000.00	\$ 3,100,000.00
Miscellaneous Revenue Anticipated	16,307,678.41	16,171,067.28
Receipts from Delinquent Taxes	599,082.91	187,169.29
Receipts from Current Taxes	47,811,429.15	45,186,419.29
Non-Budget Revenues	305,523.66	525,944.04
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	605,430.49	740,754.54
Unexpended Budget Appropriations	2,501.82	602.50
Regional / Local School /County Tax Adjustment		0.52
Cancelled Tax Overpayments	3,887.99	-
Statutory Excess Animal License Fund	3,847.40	5,070.20
PY Senior & Veterans Adjustment	250.00	
Interfunds Returned		
Total Revenue and Other Income Realized	<u>69,539,631.83</u>	<u>65,917,027.66</u>
Expenditures:		
Budget and Emergency Appropriations	32,283,236.66	30,966,398.79
County Taxes	7,068,122.04	6,728,057.86
County Share of Added and Omitted Taxes	37,783.52	10,890.25
Local District School Tax	20,090,372.50	19,096,425.50
Regional School Tax	6,976,690.00	6,960,654.50
Regional / Local School /County Tax Adjustment	7.48	
Senior Citizens & Veterans Prior Year Adjustment		
Interfund Advanced	13,696.92	1,447.20
Total Expenditures	<u>66,469,909.12</u>	<u>63,763,874.10</u>
Excess in Revenues	3,069,722.71	2,153,153.56
Adjustments to Income Before Fund Balance		
Expenditures Included Above Which are by Statute	3,000.00	
Deferred to Budget of Succeeding Year		
Statutory Excess to Fund Balance	<u>3,072,722.71</u>	<u>2,153,153.56</u>
Fund Balance January 1	<u>5,835,238.59</u>	<u>6,782,085.03</u>
	8,907,961.30	8,935,238.59
Decreased by:		
Utilization as Anticipated Revenues	<u>3,900,000.00</u>	<u>3,100,000.00</u>
Fund Balance December 31	<u>\$ 5,007,961.30</u>	<u>\$ 5,835,238.59</u>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF REVENUES - REGULATORY BASIS

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 3,900,000.00	\$ 3,900,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	27,000.00	27,153.00	153.00
Other	80,000.00	69,150.26	(10,849.74)
Fees and Permits - Other	125,000.00	181,508.53	56,508.53
Fines and Costs - Municipal Court	400,000.00	435,650.03	35,650.03
Interest and Costs on Taxes	75,000.00	156,783.27	81,783.27
Interest on Investments and Deposits	500,000.00	601,008.05	101,008.05
Cable Franchise Fees	85,421.44	85,421.44	-
Payment in Lieu Taxes from N.J. Sports and Exposition Authority	9,600,000.00	10,103,191.18	503,191.18
Payment in Lieu Taxes from Bergen County Housing Authority	38,000.00	38,711.28	711.28
Recycling Income	10,000.00	10,517.86	517.86
Rental - Library	120,000.00	120,000.00	-
Lease - Becton Regional	110,000.00	125,000.00	15,000.00
Hotel Tax	950,000.00	876,606.59	(73,393.41)
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)	1,507,756.00	1,507,755.88	(0.12)
American Dream PILOT	500,000.00	500,000.00	-
Uniform Construction Code Fees	275,000.00	419,328.00	144,328.00
Interlocal Service Agreement- Building Department	214,513.92	214,513.92	-
Grants			-
Safe and Secure Communities Program Grant	45,150.00	45,150.00	-
Reserves - Grant			-
Parking Offense Adjudication Act	2,212.00	2,212.00	-
NJ Body Armor Grant			-
Police Drive Sober Grant	7,000.00	7,000.00	-
Recycling Tonnage	90.00	90.00	-
Chapter 159:			
Clean Communities Program	25,144.75	25,144.75	-
Community Energy Plan Grant	10,000.00	10,000.00	-
Drive Sober Grant (Labor Day)	7,000.00	7,000.00	-
Recycling Tonnage Grant	28,151.67	28,151.67	-
Pedestrian Safety Grant	40,000.00	40,000.00	-
Community Garden Grant	2,000.00	2,000.00	-
Police Distracted Driving Grant	8,750.00	8,750.00	-
Uniform Fire Safety Act	126,439.85	102,793.08	(23,646.77)
Payment in Lieu of Taxes- Timex Center	200,000.00	200,000.00	-
Payment in Lieu of Taxes- N.J. Meadowlands Commission	6,708.30	6,708.30	-
Reserve for Payments of Bonds and Notes	172,351.86	172,351.86	-
Premium Ban/Bond	178,027.46	178,027.46	-
Total Miscellaneous Revenues	<u>15,476,717.25</u>	<u>16,307,678.41</u>	<u>830,961.16</u>
Receipts from Delinquent Taxes	309,260.29	599,082.91	289,822.62
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	<u>13,343,759.12</u>	<u>14,387,961.09</u>	<u>1,044,201.97</u>
Budget Totals	<u>\$ 33,029,736.66</u>	<u>35,194,722.41</u>	<u>\$ 2,164,985.75</u>
Non-Budget Revenues		<u>305,523.66</u>	
		<u>\$ 35,500,246.07</u>	

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

**STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

Allocation of 2025 Current Tax Collection:	
Revenue from Collections	\$ 47,811,429.15
Allocated to:	
School and County Taxes	34,172,968.06
Balance for Support of Municipal Appropriation	13,638,461.09
Add: Appropriation "Reserve for Uncollected Taxes"	749,500.00
	\$ 14,387,961.09
Receipts from Delinquent Taxes:	
Tax Title Liens Collected	\$ -
Delinquent Taxes	599,082.91
	\$ 599,082.91
Miscellaneous Revenues:	
Current Fund	\$ 16,132,179.99
Due from Grant Fund - Anticipated Revenue	175,498.42
	\$ 16,307,678.41
Non-Budget Revenues:	
South Bergen Insurance Damage Reimbursements- Turf Field	\$ 6,631.19
Towing Fees	26,280.00
Auction Proceeds- Sale of Vehicles, Ambulance, Trucks and Equipment	227,490.94
DMV Inspection Fees	3,950.00
Municipal Court Forfeited Bail	1,764.97
Refunds	479.22
Bergen County Polling Rental	80.00
Senior & Veteran Deduction 2% Admin Fee	485.00
Scraped DPW Truck	973.60
Foreclosed Properties Tax Sale Premiums	28,300.00
Current Fund Prior Year Void Stale Checks	8,152.49
Developers Escrow Prior Year Void Stale Checks	936.25
	\$ 305,523.66

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS - WITHIN "CAPS"</b>							
<i>GENERAL GOVERNMENT</i>							
Administrative & Executive:							
Municipal Clerk							
Salaries and Wages	\$ 317,000.00	\$ -	\$ 317,000.00	\$ 313,306.94	\$ 3,693.06	\$ -	\$ -
Other Expenses	31,000.00	-	31,000.00	18,621.56	12,378.44		
Other Expenses - Code Publishing	12,000.00	-	12,000.00	6,350.00	5,650.00		
Mayor and Council							
Salaries and Wages	37,000.00	-	37,000.00	36,999.56	0.44		
Other Expenses	18,500.00	-	18,500.00	9,844.48	8,655.52		
Borough Administrator							
Salaries and Wages		-			-		
Elections - Other Expenses							
	14,000.00	-	14,000.00	8,216.07	5,783.93		
Financial Administration							
Salaries and Wages	144,000.00	-	144,000.00	140,889.85	3,110.15		
Other Expenses		-					
Annual Audit	54,500.00	-	54,500.00	-	54,500.00		
Miscellaneous - Other Expenditures	165,000.00	-	163,000.00	113,959.48	49,040.52		
Grant Writer:							
Other Expenses	52,000.00	-	52,000.00	42,750.00	9,250.00		
Purchasing							
Salaries and Wages	2,500.00	-	2,500.00	2,499.90	0.10		
Assessment of Taxes							
Salaries and Wages	69,000.00	-	69,000.00	67,037.30	1,962.70		
Other Expenses	42,000.00	-	42,000.00	32,567.10	9,432.90		
Ordinance Enforcement - Salaries and Wages							
	30,000.00	-	26,000.00	25,000.04	999.96		
Redevelopment Agency							
Other Expenses (R.S. 40:550-1)	10,000.00	-	5,000.00	-	5,000.00		
Collection of Taxes							
Salaries and Wages	100,000.00	-	100,000.00	98,361.05	1,638.95		
Other Expenses	11,600.00	-	14,600.00	13,686.11	913.89		
Management Information Systems							
Other Expenses	79,000.00	-	89,000.00	85,774.23	3,225.77		

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
 CURRENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Legal Services and Costs							
Other Expenses	\$ 700,000.00	\$ -	\$ 700,000.00	\$ 688,801.38	\$ 11,198.62	\$ -	\$ -
					-		
Tax Appeals							
Professional Fees	109,600.00	-	109,600.00	78,075.00	31,525.00		
Engineering Services and Costs							
Other Expenses	160,000.00	-	170,000.00	142,945.51	27,054.49		
Public Building and Grounds							
Other Expenses	210,000.00	-	265,000.00	246,746.78	18,253.22		
Contracted Service	460,000.00	-	435,000.00	409,984.39	25,015.61		
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board - Salaries & Wages	13,000.00	-	13,000.00	12,940.08	59.92		
Planning Board - Other Expenses	24,200.00	-	24,200.00	21,828.42	2,371.58		
Zoning Board of Adjustment							
Salaries and Wages	13,000.00	-	13,000.00	12,939.91	60.09		
Other Expenses	24,200.00	-	24,200.00	18,935.44	5,264.56		
Municipal Court							
Salaries and Wages	267,000.00	-	257,000.00	239,460.80	17,539.20		
Other Expenses	78,000.00	-	78,000.00	62,785.31	15,214.69		

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Unemployment Compensation	\$ 85,000.00	\$ -	\$ 85,000.00	\$ 85,000.00	\$ -	\$ -	\$ -
Insurance:							
Liability	524,745.00	-	499,745.00	495,623.11	4,121.89		
Workman's Compensation	500,000.00	-	500,000.00	498,310.00	1,690.00		
Employee Group Insurance	2,756,830.00	-	2,696,830.00	2,498,180.29	198,649.71		
Health Benefit Waiver	15,000.00	-	15,000.00	14,807.10	192.90		
Self - Insurance Eye Care	27,000.00	-	27,000.00	21,623.44	5,376.56		
Rent Control Board							
Salaries and Wages	1,700.00	-	1,700.00	1,699.88	0.12		
<b>TOTAL GENERAL GOVERNMENT</b>	<b>7,158,375.00</b>	<b>-</b>	<b>7,105,375.00</b>	<b>6,566,550.51</b>	<b>538,824.49</b>	<b>-</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>							
Fire							
Salaries & Wages- Stipend	50,000.00	-	52,800.00	38,430.78	14,369.22		
Other Expenses							
Clothing Allowance	107,500.00	-	92,500.00	89,775.00	2,725.00		
Gear Maintenance	121,000.00	-	161,000.00	131,986.10	29,013.90		
Lease Vehicle / Equipment	50,000.00	-	49,000.00	48,466.01	533.99		
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	78,000.00	-	79,000.00	78,431.91	568.09		
Other Salaries - Inspectors	55,000.00	-	55,000.00	37,655.00	17,345.00		
Other Expenses	35,000.00	-	35,000.00	28,999.46	6,000.54		
Police							
Salaries and Wages	6,940,000.00	-	6,883,000.00	6,850,225.39	32,774.61		
Overtime	325,000.00	-	290,000.00	276,892.93	13,107.07		
Sick pay	135,100.00	-	135,100.00	135,076.00	24.00		
Other expenses	217,500.00	-	259,500.00	253,656.80	5,843.20		
Police Cars Leasing Expense/Purchase	75,000.00	-	65,200.00	65,113.73	86.27		

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED		Lapsed	Overexpenditure
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved		
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Special Police							
Salaries and Wages	\$ 350,000.00	\$ -	\$ 358,000.00	\$ 356,647.49	\$ 1,352.51	\$ -	\$ -
Other Expenses	1,300.00	-	300.00	279.71	20.29		
Traffic Lights - Other Expenses	18,000.00	-	18,000.00	8,970.68	9,029.32		
Traffic Control							
Salaries and Wages	522,000.00	-	547,000.00	539,337.76	7,662.24		
Other Expenses	500.00	-	500.00	-	500.00		
First Aid Organization							
Other Expenses	7,000.00	-	7,000.00	2,536.45	4,463.55		
Emergency Management Services							
Salaries and Wages	10,000.00	-	11,000.00	10,531.75	468.25		
Other Expenses	8,000.00	-	4,000.00	49.99	3,950.01		
First Responder							
Salaries and Wages	69,000.00	-	61,000.00	54,891.11	6,108.89		
Towing Director							
Salaries and Wages	10,600.00	-	10,600.00	9,999.86	600.14		
<b>TOTAL PUBLIC SAFETY</b>	<b>9,185,500.00</b>	<b>-</b>	<b>9,174,500.00</b>	<b>9,017,953.91</b>	<b>156,546.09</b>	<b>-</b>	<b>-</b>
<b>STREETS AND ROADS:</b>							
Road Repairs and Maintenance							
Salaries and Wages	1,465,000.00	-	1,465,000.00	1,450,218.40	14,781.60		
Other Expenses	75,000.00	-	100,000.00	87,854.77	12,145.23		
Recycling Costs	70,000.00	-	50,000.00	27,409.02	22,590.98		
Leased Vehicles	190,000.00	-	190,000.00	189,859.08	140.92		
<b>TOTAL STREETS AND ROADS</b>	<b>1,800,000.00</b>	<b>-</b>	<b>1,805,000.00</b>	<b>1,755,341.27</b>	<b>49,658.73</b>	<b>-</b>	<b>-</b>
<b>HEALTH AND WELFARE:</b>							
Board of Health							
Other Expenses	89,000.00	-	89,000.00	71,710.90	17,289.10		
<b>TOTAL HEALTH AND WELFARE</b>	<b>89,000.00</b>	<b>-</b>	<b>89,000.00</b>	<b>71,710.90</b>	<b>17,289.10</b>	<b>-</b>	<b>-</b>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED		Lapsed	Overexpenditure
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved		
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>RECREATION AND EDUCATION</i>							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	\$ 142,000.00	\$ -	\$ 147,000.00	\$ 145,867.18	\$ 1,132.82	\$ -	\$ -
Other Expenses	110,000.00	-	110,000.00	101,135.28	8,864.72		
Celebration of Public Events, Anniversary or Holiday							
Other Expenses	94,000.00	-	94,000.00	85,101.84	8,898.16		
Senior Citizens							
Salaries and Wages	117,000.00	-	117,000.00	107,927.90	9,072.10		
Other Expenses	18,500.00	-	18,500.00	18,058.37	441.63		
<b>TOTAL RECREATION AND EDUCATION</b>	<b>481,500.00</b>	<b>-</b>	<b>486,500.00</b>	<b>458,090.57</b>	<b>28,409.43</b>	<b>-</b>	<b>-</b>
<i>SANITATION</i>							
Garbage & Trash Removal							
Salaries and Wages	956,000.00	-	926,000.00	915,092.52	10,907.48		
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	500,000.00	-	500,000.00	394,187.74	105,812.26		
<b>TOTAL SANITATION</b>	<b>1,456,000.00</b>	<b>-</b>	<b>1,426,000.00</b>	<b>1,309,280.26</b>	<b>116,719.74</b>	<b>-</b>	<b>-</b>
<i>STATE UNIFORM CONSTRUCTION CODE</i>							
Salaries and Wages							
Construction Code Official	52,400.00	-	52,400.00	51,899.10	500.90		
Sub-Code Officials							
Plumbing Inspector		-			-		
Fire Inspector	20,000.00	-	21,500.00	21,070.44	429.56		
Electrical Inspector	18,500.00	-	19,000.00	18,841.94	158.06		
Other Salaries	116,100.00	-	113,100.00	94,965.29	18,134.71		
Building Sub-Code Official	24,000.00	-	24,000.00	23,605.04	394.96		
Other Expenses	17,000.00	-	17,000.00	12,376.31	4,623.69		
<b>TOTAL STATE UNIFORM CONST. CODE</b>	<b>248,000.00</b>	<b>-</b>	<b>247,000.00</b>	<b>222,758.12</b>	<b>24,241.88</b>	<b>-</b>	<b>-</b>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>UNCLASSIFIED:</i>							
Utilities							
Street Lighting	\$ 350,000.00	\$ -	\$ 360,000.00	\$ 329,676.23	\$ 30,323.77	\$ -	\$ -
Gasoline	205,000.00	-	185,000.00	135,381.74	49,618.26		
Electricity	270,000.00	-	285,000.00	231,377.39	53,622.61		
Telephone	326,000.00	-	376,000.00	349,692.01	26,307.99		
Water	55,000.00	-	57,000.00	52,625.94	4,374.06		
Fire Hydrant Services	143,000.00	-	143,000.00	141,091.94	1,908.06		
Purchase of Postage	40,000.00	-	25,000.00	21,639.52	3,360.48		
Vehicle Maintenance							
Salaries and Wages	122,000.00	-	125,000.00	122,138.34	2,861.66		
Other Expenses	260,000.00	-	270,000.00	256,689.48	13,310.52		
	<u>1,771,000.00</u>	<u>-</u>	<u>1,826,000.00</u>	<u>1,640,312.59</u>	<u>185,687.41</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>22,189,375.00</u>	<u>-</u>	<u>22,159,375.00</u>	<u>21,041,998.13</u>	<u>1,117,376.87</u>	<u>-</u>	<u>-</u>
<i>Contingent</i>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>	<u>1,057.60</u>	<u>942.40</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<u>22,191,375.00</u>	<u>-</u>	<u>22,161,375.00</u>	<u>21,043,055.73</u>	<u>1,118,319.27</u>	<u>-</u>	<u>-</u>
<i>Detail:</i>							
<i>Salaries and Wages</i>	12,571,900.00	-	12,571,900.00	12,252,450.66	319,449.34	-	-
<i>Other Expenses (Including Contingent)</i>	9,619,475.00	-	9,589,475.00	8,790,605.07	798,869.93	-	-

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>DEFERRED CHARGES:</i>							
<i>STATUTORY EXPENDITURES:</i>							
Contributions to:							
Public Employees Retirement System	\$ 656,877.93	\$ -	\$ 656,877.93	\$ 629,858.31	\$ 27,019.62	\$ -	\$ -
Social Security System (O.A.S.I.)	500,000.00	-	530,000.00	518,404.04	11,595.96	-	-
Police and Firemen Retirement System of N.J.	2,197,401.00	-	2,197,401.00	2,197,401.00	-	-	-
Defined Contribution Retirement Program Contributions	17,000.00	-	17,000.00	17,000.00	-	-	-
Early Retirement Incentive Program	93,584.00	-	93,584.00	93,584.00	-	-	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"</b>	<b>3,464,862.93</b>	<b>-</b>	<b>3,494,862.93</b>	<b>3,456,247.35</b>	<b>38,615.58</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>25,656,237.93</b>	<b>-</b>	<b>25,656,237.93</b>	<b>24,499,303.08</b>	<b>1,156,934.85</b>	<b>-</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
Maintenance of Free Public Library Ch. 82, PL 1985	1,005,666.28	-	1,005,666.28	958,245.90	47,420.38	-	-
Appropriation CAP Relief LFN#2023-04:							
General Liability Insurance	10,255.00	-	10,255.00	10,255.00	-	-	-
Employee Group Health Insurance (Out of CAPs)	326,170.00	-	326,170.00	326,170.00	-	-	-
Interlocal Service Agreements- Building Department	214,513.92	-	214,513.92	214,513.92	-	-	-
	1,556,605.20	-	1,556,605.20	1,509,184.82	47,420.38	-	-

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS EXCLUDED FROM "CAPS" (Continued)</b>							
<i>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i>							
Police Safe & Secure Grant	\$ 45,150.00	\$ -	\$ 45,150.00	\$ 45,150.00	\$ -	\$ -	\$ -
Police Safe & Secure Grant -Municipal Share	11,287.50	-	11,287.50	11,287.50	-	-	-
Reserves - Grant							
Parking Offense Adjudication Act	2,212.00	-	2,212.00	2,212.00	-	-	-
Recycling Tonnage Grant	90.00	-	90.00	90.00	-	-	-
Police Drive Sober Grant	7,000.00		7,000.00	7,000.00	-	-	-
Chapter 159:							
Clean Communities Program	25,144.75		25,144.75	25,144.75			
Community Energy Plan Grant	10,000.00		10,000.00	10,000.00			
Drive Sober Grant (Labor Day)	7,000.00		7,000.00	7,000.00			
Recycling Tonnage Grant	28,151.67		28,151.67	28,151.67			
Pedestrian Safety Grant	40,000.00		40,000.00	40,000.00			
Community Garden Grant	2,000.00		2,000.00	2,000.00			
Police Distracted Driving Grant	8,750.00		8,750.00	8,750.00			
<b>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>	<b>186,785.92</b>	<b>-</b>	<b>186,785.92</b>	<b>186,785.92</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,743,391.12</b>	<b>-</b>	<b>1,743,391.12</b>	<b>1,695,970.74</b>	<b>47,420.38</b>	<b>-</b>	<b>-</b>
<i>Detail:</i>							
Salaries and Wages	56,437.50	-	56,437.50	56,437.50	-	-	-
Other Expenses	1,686,953.62	-	1,686,953.62	1,639,533.24	47,420.38	-	-
<i>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</i>							
Down Payments on Improvements	-				-		
Capital Improvement Fund	157,500.00	3,000.00	160,500.00	160,500.00	-		
Building and Grounds Improvements/Equipment	100,000.00		100,000.00	100,000.00	-		
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>257,500.00</b>	<b>3,000.00</b>	<b>260,500.00</b>	<b>160,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS			EXPENDED			Overexpenditure
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	
<b>MUNICIPAL DEBT-EXCLUDED FROM "CAPS"</b>							
Payment of Bond Principal	\$ 2,222,406.60	\$ -	\$ 2,222,406.60	\$ 2,222,406.60	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes and Capital Notes	344,421.00	-	344,421.00	344,421.00	-	-	-
Interest on Bonds	534,941.00	-	534,941.00	534,939.19	-	1.81	-
Interest on Notes	913,325.00	-	913,325.00	913,325.00	-	-	-
Emergency Note Interest	10,530.67	-	10,530.67	10,530.67	-	-	-
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	59,983.34	-	59,983.34	59,983.33	-	0.01	-
Bergen County Improvement Authority- Adm. Fee	2,500.00	-	2,500.00	-	-	2,500.00	-
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>4,088,107.61</b>		<b>4,088,107.61</b>	<b>4,085,605.79</b>	<b>-</b>	<b>2,501.82</b>	
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>							
Special Emergency- Storm Water Mapping	60,000.00	-	60,000.00	60,000.00	-	-	-
	60,000.00	-	60,000.00	60,000.00	-	-	-
Use of Local Schools (N.J.S.A.40:48-17.1 & 17.3)	475,000.00	-	475,000.00	475,000.00	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>	<b>6,623,998.73</b>	<b>3,000.00</b>	<b>6,626,998.73</b>	<b>6,477,076.53</b>	<b>47,420.38</b>	<b>2,501.82</b>	<b>-</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>32,280,236.66</b>	<b>3,000.00</b>	<b>32,283,236.66</b>	<b>30,976,379.61</b>	<b>1,204,355.23</b>	<b>2,501.82</b>	<b>-</b>
<i>Reserve for Uncollected Taxes</i>	749,500.00	-	749,500.00	749,500.00	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 33,029,736.66</b>	<b>\$ 3,000.00</b>	<b>\$ 33,032,736.66</b>	<b>\$ 31,725,879.61</b>	<b>\$ 1,204,355.23</b>	<b>\$ 2,501.82</b>	<b>\$ -</b>
Budget as Adopted	\$ 33,029,736.66						
Emergency Authorization	3,000.00						
	<b>\$ 33,032,736.66</b>						

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

	At December 31,	
	(Unaudited) 2025	(Audited) 2024
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Other Trust Fund		
Cash	\$ 4,171,017.61	\$ 2,267,830.82
Police Off Duty Receivable		
Due from Current Fund		-
	<u>4,171,017.61</u>	<u>2,267,830.82</u>
Developer's Escrow Fund		
Cash	690,561.35	476,400.71
	<u>690,561.35</u>	<u>476,400.71</u>
Animal License Fund		
Cash	8,383.80	9,831.00
Due from Current Fund	138.60	
	<u>8,522.40</u>	<u>9,831.00</u>
Unemployment Fund		
Cash	79,854.42	164,780.92
	<u>79,854.42</u>	<u>164,780.92</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,949,955.78</u>	<u>\$ 2,918,843.45</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>		
Other Trust		
Special Reserves	\$ 2,485,293.18	\$ 2,073,677.76
Reserve for DEA Confiscated Funds	1,331,659.14	163,755.96
Police Off-Duty Payable	354,065.29	30,397.10
	<u>4,171,017.61</u>	<u>2,267,830.82</u>
Developers Escrow		
Reserve for Escrow Fees	690,561.35	476,400.71
	<u>690,561.35</u>	<u>476,400.71</u>
Animal License Fund		
Due to State of NJ		4.20
Due to Current Fund		1,447.20
Reserve for Dog Fund Expenditures	8,522.40	8,379.60
	<u>8,522.40</u>	<u>9,831.00</u>
Unemployment Fund		
Fund Reserve	79,854.42	164,780.92
	<u>79,854.42</u>	<u>164,780.92</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>	<u>\$ 4,949,955.78</u>	<u>\$ 2,918,843.45</u>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
 CAPITAL FUND  
 DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	(UNAUDITED) 2025	(AUDITED) 2024
<b>ASSETS</b>		
Cash - Treasurer	\$ 216,537.41	\$ 2,690,247.53
Grants Receivable	237,392.59	261,493.86
Due From Superior Court Environmental Remediation	1,358,000.00	1,358,000.00
Deferred Charges to Future Taxation:		
Funded	11,395,095.26	13,671,013.23
Unfunded	31,479,010.00	26,882,388.00
<b>TOTAL ASSETS</b>	<u>\$ 44,686,035.26</u>	<u>\$ 44,863,142.62</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>		
General Serial Bonds	\$ 11,111,697.50	\$ 13,334,104.08
Bond Anticipation Note Payable	26,330,000.00	21,490,000.00
State Loan Payable	283,397.76	336,909.15
Encumbrance Payable	1,109,586.99	1,768,728.04
Improvement Authorizations:		
Funded	101,877.80	690,265.96
Unfunded	4,262,059.46	4,653,511.17
Reserve for Payment of Bonds and Notes	940,463.58	2,003,921.17
Reserve for Grants- Receivable	237,392.59	261,493.86
Premium on BAN/ Bond Sale	231,666.98	178,027.46
Reserve for Environmental Remediation		1,946.36
Reserve for Improvements	66,907.23	
Capital Improvement Fund	402.63	133,652.63
Fund Balance	10,582.74	10,582.74
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>	<u>\$ 44,686,035.26</u>	<u>\$ 44,863,142.62</u>

There were bonds and notes authorized but not issued on December 31, 2025 and 2024 in the amount of \$5,149,010 and \$5,392,388 respectively. (Exhibit C-16).

STATEMENT OF FUND BALANCE

	EXHIBIT C-1
Balance December 31, 2024	\$ 10,582.74
Increased by:	
Canceled Improvement Authorizations	<u>10,582.74</u>
Decreased by:	
Fund Improvement Authorizations	<u>10,582.74</u>
Balance December 31, 2025	<u>\$ 10,582.74</u>

See Independent Accountant's Compilation Report.



BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES  
IN OPERATING FUND BALANCE - REGULATORY BASIS**

	At December 31,	
	(UNAUDITED) 2024	(AUDITED) 2023
	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Utility Operating Surplus	\$ 120,000.00	\$ 310,827.30
User Charges and Fees	1,724,894.04	1,441,031.48
Delinquent User Charges	365,020.67	328,279.28
Giants Training Facility Agreement	32,091.93	9,843.45
Meadowlands Stadium Agreement	138,250.19	148,193.30
American Dream Agreement	444,842.85	396,880.22
Miscellaneous Revenues	185,094.78	163,787.99
	<u>3,010,194.46</u>	<u>2,798,843.02</u>
Other Credits to Income:		
Appropriations Lapsed	0.10	0.03
Appropriation Reserves Lapsed	57,836.65	64,445.01
	<u>3,068,031.21</u>	<u>2,863,288.06</u>
Less: Budget Appropriations	<u>2,575,000.00</u>	<u>2,680,827.30</u>
Excess/(Deficit) in Revenues	493,031.21	182,460.76
Fund Balance - Operating - January 1	<u>1,370,893.77</u>	<u>1,499,260.31</u>
Less: Fund Balance Utilized	<u>120,000.00</u>	<u>310,827.30</u>
Fund Balance - Operating - December 31	<u>\$ 1,743,924.98</u>	<u>\$ 1,370,893.77</u>

See Independent Accountant's Compilation Report.

**BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 120,000.00	\$ 120,000.00	\$ -
User Charges and Fees	1,440,000.00	1,724,894.04	284,894.04
Delinquent User Charges	278,000.00	365,020.67	87,020.67
Giants Training Facility Agreement	30,000.00	32,091.93	2,091.93
Meadowlands Stadium Agreement	138,000.00	138,250.19	250.19
Miscellaneous Income & Hook-up Fees	125,000.00	185,094.78	60,094.78
American Dream Agreement	444,000.00	444,842.85	842.85
	\$ 2,575,000.00	\$ 3,010,194.46	\$ 435,194.46
	D-3	D-1	

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 Appropriations		Expended			(Overexpenditure)
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed	
Operating						
Salaries and Wages	\$ 190,000.00	\$ 196,000.00	\$ 195,322.45	\$ 677.55	\$ -	\$ -
Other Expenses	2,228,361.45	2,223,761.45	2,167,439.17	56,322.28	-	-
Health Benefits	43,000.00	43,000.00	43,000.00	-	-	-
Total Operating Expenditures	<u>2,461,361.45</u>	<u>2,462,761.45</u>	<u>2,405,761.62</u>	<u>56,999.83</u>	<u>-</u>	<u>-</u>
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Statutory Expenditures:						
Contributions to:						
Social Security System	15,000.00	13,600.00	13,549.96	50.04	-	-
Deficit in Operations				-	-	-
Total Deferred Charges & Statutory Expenditures	<u>15,000.00</u>	<u>13,600.00</u>	<u>13,549.96</u>	<u>50.04</u>	<u>-</u>	<u>-</u>
Debt Service						
Bond Principal	62,593.50	62,593.50	62,593.40		0.10	
Bond Interest	36,045.05	36,045.05	36,045.05		-	
					-	
	<u>98,638.55</u>	<u>98,638.55</u>	<u>98,638.45</u>	<u>-</u>	<u>0.10</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 2,575,000.00</u>	<u>\$ 2,575,000.00</u>	<u>\$ 2,517,950.03</u>	<u>\$ 57,049.87</u>	<u>\$ 0.10</u>	<u>\$ -</u>
	D-1,2	D-1,2	Below	D	D-1	D

See Independent Accountant's Compilation Report.

**BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

	At December 31,	
	(UNAUDITED) 2025	(AUDITED) 2024
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 968,557.51
Grants Receivable	57,652.00	122,249.00
	<u>57,652.00</u>	<u>122,249.00</u>
<b>TOTAL ASSETS</b>	<u>\$ 57,652.00</u>	<u>\$ 1,090,806.51</u>
 <b>LIABILITIES AND RESERVES</b>		
Appropriated Reserve	\$ 28,677.88	\$ 111,657.11
Due from Current Fund	15,144.12	
Encumbrance Payable	10,246.00	976,847.40
Unappropriated Reserve	3,584.00	2,302.00
	<u>3,584.00</u>	<u>2,302.00</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<u>\$ 57,652.00</u>	<u>\$ 1,090,806.51</u>

See Independent Accountant's Compilation Report.

BOROUGH OF EAST RUTHERFORD  
 GENERAL FIXED ASSETS FUND  
 DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS GROUP OF ACCOUNTS - REGULATORY BASIS**

	At December 31,	
	(UNAUDITED)	(AUDITED)
	2025	2024
<b>GENERAL FIXED ASSETS</b>		
Land (as per assessed valuation)	\$ 50,902,200	\$ 48,549,900
Buildings (as per assessed valuation)	21,237,100	18,848,200
* Machinery and Equipment	18,220,542	18,220,542
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>90,359,842</b>	<b>85,618,642</b>
 <b>LIABILITIES AND RESERVES</b>		
Investments in General Fixed Assets	90,359,842	85,618,642
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>\$ 90,359,842</b>	<b>\$ 85,618,642</b>

\* Not updated as of date of compilation

See Independent Accountant's Compilation Report.  
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**BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024 AND 2023**

BOROUGH OF EAST RUTHERFORD  
BERGEN COUNTY, NEW JERSEY

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**GARBARINI & CO., P.C.**  
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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Regulatory Financial Statements**

**Opinions on Regulatory Basis Financial Statements**

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of East Rutherford, in the County of Bergen, State of New Jersey (the “Borough”), as of December 31, 2024 and 2023, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis and comparative statement of general fixed assets group of accounts – regulatory basis for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the Borough as of December 31, 2024 and 2023, and each fund’s respective operations and changes in financial position and fund balance – regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

**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 and Unmodified Opinions” section of our audit report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2024 and 2023, or the changes in financial position for the years then ended.

**Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. Our responsibilities under those standards and requirements are further described in the “Auditors’ Responsibility for the Audit of the Financial Statements” section of our report. We are required to be independent of the Borough of East Rutherford, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our adverse and unmodified audit opinions.

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

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirement of the State of New Jersey for municipal government entities. The effect on financial statements of the variances between the regulatory accounting practices and GAAP, although not reasonably determinable, are presumed to be material.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis (the “financial statements”) in accordance with the financial reporting provisions of the Division. 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting**

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplementary schedules and the audit comments and recommendations listed in the table of contents are presented for the purpose of additional analysis as required by the Division and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject 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 information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

## Report on Supplementary Information as Required by the Uniform Guidance and NJ OMB Circular 15-08

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*; and NJ OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and related notes to the schedules of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards, state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards, state financial assistance, and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2025 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

June 9, 2025  
River Edge, New Jersey

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

	Reference	At December 31,	
		2024	2023
<b>ASSETS</b>			
Current Assets:			
Cash - Treasurer	A-4	\$ 9,776,465.52	\$ 10,934,053.26
Cash - Petty Change Funds	A-5	200.00	200.00
Cash - Change and Petty Cash Funds	A-6	750.00	750.00
		9,777,415.52	10,935,003.26
Due from State of NJ- Senior Citizens & Veterans Deductions	A-8	4,679.30	4,129.30
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	599,352.21	202,895.23
Tax Title Liens	A-10	505,938.32	481,615.21
Property Acquired for Taxes - Assessed Value	A-9	636,900.00	636,900.00
Revenue Accounts Receivable	A-11	2,213.37	6,874.57
Due from Animal License Fund	B	1,447.20	
	Contra	1,745,851.10	1,328,285.01
Deferred Charges- Special Emergency Authorization	A-22	240,000.00	300,000.00
<b>TOTAL ASSETS</b>		<b>\$ 11,767,945.92</b>	<b>\$ 12,567,417.57</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

A

	Reference	At December 31,	
		2024	2023
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities:			
Encumbrance Payable	A-20	\$ 288,968.19	\$ 225,688.97
Appropriation Reserves	A-3,13	1,515,332.52	1,622,542.60
Accounts Payable	A-12	358.27	358.27
Reserve for Municipal Relief Funds	A-4		155,414.05
Tax Overpayments	A-15	14,514.70	14,511.37
Prepaid Taxes	A-16	380,935.21	455,667.62
County Taxes - Added	A-17	10,890.25	1,361.31
Due to State of New Jersey- Marriage License Fees	A-14	750.00	375.00
Reserve for Tax Appeals	A-21	1,663,434.34	1,563,434.34
Special Emergency Note Payable	A-22	240,000.00	300,000.00
Reserve for Storm Water Mapping	A-23	71,672.75	117,694.00
		4,186,856.23	4,457,047.53
 Reserve for Receivables and Other Assets	 Contra	 1,745,851.10	 1,328,285.01
 Fund Balance	 A-1	 5,835,238.59	 6,782,085.03
		\$ 11,767,945.92	\$ 12,567,417.57
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>			

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
- REGULATORY BASIS**

A-1

	Reference	At December 31,	
		2024	2023
<b>Revenue and Other Income Realized:</b>			
Fund Balance Utilized	A-2	\$ 3,100,000.00	\$ 2,855,000.00
Miscellaneous Revenue Anticipated	A-2	16,171,067.28	15,495,038.87
Receipts from Delinquent Taxes	A-2	187,169.29	224,166.08
Receipts from Current Taxes	A-2	45,186,419.29	44,106,820.26
Non-Budget Revenues	A-2	525,944.04	898,794.47
<b>Other Credits to Income:</b>			
Unexpended Balance of Appropriation Reserves	A-13	740,754.54	1,077,009.55
Unexpended Budget Appropriations	A-3	602.50	4,827.50
Regional / Local School /County Tax Adjustment	A-17,19	0.52	4.50
Cancelled Tax Overpayments	A-15	-	0.01
Statutory Excess Animal License Fund	B	5,070.20	3,464.80
Interfunds Returned			
Total Revenue and Other Income Realized		65,917,027.66	64,665,126.04
<b>Expenditures:</b>			
Budget and Emergency Appropriations	A-3	30,966,398.79	29,306,573.40
County Taxes	A-17	6,728,057.86	6,424,683.24
County Share of Added and Omitted Taxes	A-17	10,890.25	1,361.31
Cancelled County Taxes	A-17	-	-
Local District School Tax	A-18	19,096,425.50	18,434,296.50
Regional School Tax	A-19	6,960,654.50	7,191,922.50
Regional / Local School /County Tax Adjustment	A-19		0.06
Senior Citizens & Veterans Prior Year Adjustment	A-7		398.63
Interfund Advanced		1,447.20	
Total Expenditures		63,763,874.10	61,359,235.64
Excess in Revenues		2,153,153.56	3,305,890.40
<b>Adjustments to Income Before Fund Balance</b>			
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	A-3	2,153,153.56	3,305,890.40
Statutory Excess to Fund Balance			
Fund Balance January 1	A	6,782,085.03	6,331,194.63
		8,935,238.59	9,637,085.03
<b>Decreased by:</b>			
Utilization as Anticipated Revenues		3,100,000.00	2,855,000.00
Fund Balance December 31	A	\$ 5,835,238.59	\$ 6,782,085.03

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

**STATEMENT OF REVENUES - REGULATORY BASIS**

A-2

	Reference	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated		\$ 3,100,000.00	\$ 3,100,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		27,000.00	27,031.68	31.68
Other		85,000.00	95,213.98	10,213.98
Fees and Permits - Other		60,000.00	151,011.10	91,011.10
Fines and Costs - Municipal Court		325,000.00	418,232.68	93,232.68
Interest and Costs on Taxes		58,000.00	81,010.17	23,010.17
Interest on Investments and Deposits		500,000.00	813,790.22	313,790.22
Cable Franchise Fees		90,528.84	90,528.84	-
Payment in Lieu Taxes from N.J. Sports and Exposition Authority		9,300,000.00	9,613,020.56	313,020.56
Payment in Lieu Taxes from Bergen County Housing Authority		34,000.00	38,319.35	4,319.35
Recycling Income		10,000.00	12,734.71	2,734.71
Rental - Library		110,000.00	110,000.00	-
Lease - Becton Regional		110,000.00	110,000.00	-
Hotel Tax		1,000,000.00	985,283.29	(14,716.71)
Energy Receipt Taxes (P.L. 1997, Chapters 162 & 167)		1,507,756.00	1,507,755.88	(0.12)
American Dream PILOT		500,000.00	500,000.00	-
Reserve for State Aid		155,414.05	155,414.05	-
Uniform Construction Code Fees		250,000.00	293,852.74	43,852.74
Interlocal Service Agreement- Building Department		208,949.17	208,949.17	-
Grants				
Safe and Secure Communities Program Grant		45,150.00	45,150.00	-
Reserves - Grant				
Parking Offense Adjudication Act		2,242.00	2,242.00	-
NJ Body Armor Grant		3,315.48	3,315.48	-
Body Worn Camera Grant		89,674.00	89,674.00	-
Police Drive Sober Grant				
Recycling Tonnage		21,564.41	21,564.41	-
Chapter 159:				
Clean Communities Program		25,352.22	25,352.22	-
Storm Water Assistance Grant				
Police Distracted Driver Grant		31,360.00	31,360.00	-
Drive Sober Grant		7,000.00	7,000.00	-
NJ Body Armor Grant		3,923.21	3,923.21	-
Police Click it or Ticket Grant		7,000.00	7,000.00	-
Uniform Fire Safety Act		113,067.63	110,029.76	(3,037.87)
Payment in Lieu of Taxes- Timex Center		225,000.00	225,000.00	-
Payment in Lieu of Taxes- N.J. Meadowlands Commission		6,708.30	6,708.30	-
Reserve for Payments of Bonds and Notes		317,967.41	317,967.41	-
Premium Ban/Bond		62,632.07	62,632.07	-
Total Miscellaneous Revenues	A-1, Next Page	<u>15,293,604.79</u>	<u>16,171,067.28</u>	<u>877,462.49</u>
Receipts from Delinquent Taxes	A-1, Next Page	225,135.48	187,169.29	(37,966.19)
Amount to be Raised by Taxes for Support of Municipal Budget Including Uncollected Taxes	A-7, Next Page	<u>12,612,658.52</u>	<u>12,276,899.18</u>	<u>(335,759.34)</u>
Budget Totals	A-3	<u>\$ 31,231,398.79</u>	31,735,135.75	<u>\$ 503,736.96</u>
Non-Budget Revenues	A-1,4, Next Page		<u>525,944.04</u>	
			<u>\$ 32,261,079.79</u>	

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

**STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

A-2

	Reference	
Allocation of 2024 Current Tax Collection:		
Revenue from Collections	A-1	\$ 45,186,419.29
Allocated to:		
School and County Taxes	A-17,18,19	33,174,520.11
Balance for Support of Municipal Appropriation		<u>12,011,899.18</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>265,000.00</u>
	Previous Pg.	<u>\$ 12,276,899.18</u>
Receipts from Delinquent Taxes:		
Tax Title Liens Collected	A-10	\$ -
Delinquent Taxes	A-1	187,169.29
	Previous Pg.	<u>\$ 187,169.29</u>
Miscellaneous Revenues:		
Current Fund	A-4	\$ 15,779,071.91
Applied Reserve for Municipal Relief Funds	A	155,414.05
Due from Grant Fund - Anticipated Revenue	E-2	<u>236,581.32</u>
	Previous Pg.	<u>\$ 16,171,067.28</u>
Non-Budget Revenues:		
South Bergen Insurance Damage Reimbursements		\$ 28,469.92
Towing Fees		22,375.00
Auction Proceeds		462,923.45
DMV Inspection Fees		9,850.00
Municipal Court Forfeited Bail		1,488.00
Refunds		62.47
Bergen County Polling Rental		240.00
Senior & Veteran Deduction 2% Admin Fee		534.00
Bank Adjustments		1.20
		<u>525,944.04</u>
	A-1,4	<u>\$ 525,944.04</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS - WITHIN "CAPS"</b>							
<i>GENERAL GOVERNMENT</i>							
Administrative & Executive:							
Municipal Clerk							
Salaries and Wages	\$ 310,000.00	\$ -	\$ 305,000.00	\$ 296,734.37	\$ 8,265.63	\$ -	\$ -
Other Expenses	27,000.00	-	27,000.00	14,805.05	12,194.95	-	-
Other Expenses - Code Publishing	12,000.00	-	12,000.00	5,754.00	6,246.00	-	-
Mayor and Council							
Salaries and Wages	37,000.00	-	37,000.00	36,614.76	385.24	-	-
Other Expenses	18,500.00	-	18,500.00	9,052.87	9,447.13	-	-
Borough Administrator							
Salaries and Wages	-	-	-	-	-	-	-
Elections - Other Expenses							
	14,000.00	-	14,000.00	7,889.11	6,110.89	-	-
Financial Administration							
Salaries and Wages	135,000.00	-	135,100.00	134,463.89	636.11	-	-
Other Expenses							
Annual Audit	54,000.00	-	54,000.00	7,500.00	46,500.00	-	-
Miscellaneous - Other Expenditures	124,500.00	-	124,500.00	99,188.47	25,311.53	-	-
Grant Writer:							
Other Expenses	42,000.00	-	42,000.00	35,000.00	7,000.00	-	-
Purchasing							
Salaries and Wages	2,500.00	-	2,500.00	2,499.90	0.10	-	-
Assessment of Taxes							
Salaries and Wages	68,000.00	-	66,000.00	61,660.68	4,339.32	-	-
Other Expenses	42,000.00	-	42,000.00	32,628.09	9,371.91	-	-
Ordinance Enforcement - Salaries and Wages							
	30,000.00	-	27,000.00	25,000.04	1,999.96	-	-
Redevelopment Agency							
Other Expenses (R.S. 40:550-1)	10,000.00	-	10,000.00	1,600.56	8,399.44	-	-
Collection of Taxes							
Salaries and Wages	98,000.00	-	98,000.00	95,238.99	2,761.01	-	-
Other Expenses	9,800.00	-	9,800.00	7,044.83	2,755.17	-	-
Management Information Systems							
Other Expenses	79,000.00	-	84,000.00	79,878.40	4,121.60	-	-

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Legal Services and Costs							
Other Expenses	\$ 700,000.00	\$ -	\$ 700,000.00	\$ 577,251.67	\$ 122,748.33	\$ -	\$ -
Tax Appeals							
Professional Fees	79,600.00	-	79,600.00	62,450.00	17,150.00	-	-
Engineering Services and Costs							
Other Expenses	150,000.00	-	175,000.00	110,491.38	64,508.62	-	-
Public Building and Grounds							
Other Expenses	210,000.00	-	325,000.00	298,085.70	26,914.30	-	-
Contracted Service	400,000.00	-	440,000.00	420,229.55	19,770.45	-	-
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board - Salaries & Wages	12,000.00	-	12,000.00	11,859.80	140.20	-	-
Planning Board - Other Expenses	23,000.00	-	23,000.00	20,283.28	2,716.72	-	-
Zoning Board of Adjustment							
Salaries and Wages	12,000.00	-	12,000.00	11,859.54	140.46	-	-
Other Expenses	23,000.00	-	23,000.00	19,694.15	3,305.85	-	-
Municipal Court							
Salaries and Wages	252,000.00	-	253,000.00	251,485.99	1,514.01	-	-
Other Expenses	75,000.00	-	75,000.00	63,449.34	11,550.66	-	-

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Unemployment Compensation	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -	\$ -	\$ -
Insurance:							
Liability	455,400.00	-	455,400.00	429,398.72	26,001.28	-	-
Workman's Compensation	476,100.00	-	476,100.00	474,010.00	2,090.00	-	-
Employee Group Insurance	2,820,677.00	-	2,545,076.97	2,312,335.38	232,741.59	-	-
Health Benefit Waiver	10,000.00	-	10,000.00	6,538.20	3,461.80	-	-
Self - Insurance Eye Care	27,000.00	-	27,000.00	18,951.24	8,048.76	-	-
Rent Control Board							
Salaries and Wages	1,700.00	-	1,700.00	1,699.88	0.12	-	-
					-		
<b>TOTAL GENERAL GOVERNMENT</b>	<b>6,900,777.00</b>	<b>-</b>	<b>6,801,276.97</b>	<b>6,102,627.83</b>	<b>698,649.14</b>	<b>-</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>							
Fire							
Salaries & Wages- Stipend	50,000.00	-	53,000.00	37,279.53	15,720.47	-	-
Other Expenses							
Clothing Allowance	114,200.00	-	99,200.00	88,075.00	11,125.00	-	-
Gear Maintenance	107,000.00	-	122,000.00	117,490.12	4,509.88	-	-
Lease Vehicle / Equipment	40,000.00	-	40,000.00	15,125.43	24,874.57	-	-
Fire Prevention and Life Safety							
Salaries and Wages							
Fire Official	75,000.00	-	77,000.00	75,343.55	1,656.45	-	-
Other Salaries - Inspectors	55,000.00	-	53,000.00	36,136.78	16,863.22	-	-
Other Expenses	26,400.00	-	26,400.00	25,880.49	519.51	-	-
Police							
Salaries and Wages	6,338,000.00	-	6,338,000.00	6,313,659.22	24,340.78	-	-
Overtime	375,000.00	-	375,000.00	359,919.60	15,080.40	-	-
Sick pay	130,000.00	-	130,000.00	124,568.49	5,431.51	-	-
Other expenses	230,000.00	-	250,000.00	240,319.59	9,680.41	-	-
Police Cars Leasing Expense/Purchase	120,000.00	-	116,000.00	115,403.73	596.27	-	-

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
Special Police							
Salaries and Wages	\$ 255,000.00	\$ -	\$ 380,000.00	\$ 349,770.90	\$ 30,229.10	\$ -	\$ -
Other Expenses	1,300.00	-	1,300.00		1,300.00	-	-
Traffic Lights - Other Expenses	17,000.00	-	17,000.00	15,547.48	1,452.52	-	-
Traffic Control							
Salaries and Wages	480,000.00	-	535,000.00	517,570.99	17,429.01	-	-
Other Expenses	500.00	-	500.00		500.00	-	-
First Aid Organization							
Other Expenses	17,000.00	-	17,000.00	1,437.00	15,563.00	-	-
Emergency Management Services							
Salaries and Wages	9,500.00	-	10,500.00	10,118.76	381.24	-	-
Other Expenses	8,000.00	-	7,000.00	33.00	6,967.00	-	-
First Responder							
Salaries and Wages	69,000.00	-	69,000.00	52,089.99	16,910.01	-	-
Towing Director							
Salaries and Wages	10,200.00	-	10,200.00	9,999.86	200.14	-	-
<b>TOTAL PUBLIC SAFETY</b>	<b>8,528,100.00</b>	<b>-</b>	<b>8,727,100.00</b>	<b>8,505,769.51</b>	<b>221,330.49</b>	<b>-</b>	<b>-</b>
<b>STREETS AND ROADS:</b>							
Road Repairs and Maintenance							
Salaries and Wages	1,450,000.00	-	1,330,000.00	1,254,712.82	75,287.18	-	-
Other Expenses	75,000.00	-	100,000.00	75,899.92	24,100.08	-	-
Recycling Costs	70,000.00	-	70,000.00	46,777.97	23,222.03	-	-
Leased Vehicles	190,000.00	-	190,000.00	189,859.08	140.92	-	-
<b>TOTAL STREETS AND ROADS</b>	<b>1,785,000.00</b>	<b>-</b>	<b>1,690,000.00</b>	<b>1,567,249.79</b>	<b>122,750.21</b>	<b>-</b>	<b>-</b>
<b>HEALTH AND WELFARE:</b>							
Board of Health							
Other Expenses	89,000.00	-	89,000.00	73,846.30	15,153.70	-	-
<b>TOTAL HEALTH AND WELFARE</b>	<b>89,000.00</b>	<b>-</b>	<b>89,000.00</b>	<b>73,846.30</b>	<b>15,153.70</b>	<b>-</b>	<b>-</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<b>RECREATION AND EDUCATION</b>							
Board of Recreation Commission (R.S.4061-1 et. seq.)							
Salaries and Wages	\$ 117,000.00	\$ -	\$ 142,000.00	\$ 141,654.32	\$ 345.68	\$ -	\$ -
Other Expenses	86,200.00	-	91,200.00	85,600.02	5,599.98	-	-
Celebration of Public Events, Anniversary or Holiday							
Other Expenses	56,500.00	-	91,500.00	78,272.25	13,227.75	-	-
Senior Citizens							
Salaries and Wages	110,000.00	-	110,000.00	89,660.26	20,339.74	-	-
Other Expenses	15,000.00	-	16,000.00	15,627.50	372.50	-	-
<b>TOTAL RECREATION AND EDUCATION</b>	<b>384,700.00</b>	<b>-</b>	<b>450,700.00</b>	<b>410,814.35</b>	<b>39,885.65</b>	<b>-</b>	<b>-</b>
<b>SANITATION</b>							
Garbage & Trash Removal							
Salaries and Wages	943,000.00	-	898,000.00	851,424.71	46,575.29	-	-
Dumping Fees - Bergen County							
Sanitary Landfill - Contractual	490,000.00	-	490,000.00	450,983.80	39,016.20	-	-
<b>TOTAL SANITATION</b>	<b>1,433,000.00</b>	<b>-</b>	<b>1,388,000.00</b>	<b>1,302,408.51</b>	<b>85,591.49</b>	<b>-</b>	<b>-</b>
<b>STATE UNIFORM CONSTRUCTION CODE</b>							
Salaries and Wages							
Construction Code Official	51,400.00	-	52,400.00	52,360.27	39.73	-	-
Sub-Code Officials							
Plumbing Inspector		-					
Fire Inspector	20,000.00	-	22,000.00	20,750.58	1,249.42	-	-
Electrical Inspector	18,500.00	-	19,000.00	18,841.94	158.06	-	-
Other Salaries	108,800.00	-	101,800.00	90,737.79	11,062.21	-	-
Building Sub-Code Official	24,000.00	-	24,000.00	23,623.08	376.92	-	-
Other Expenses	15,000.00	-	15,000.00	12,879.93	2,120.07	-	-
<b>TOTAL STATE UNIFORM CONST. CODE</b>	<b>237,700.00</b>	<b>-</b>	<b>234,200.00</b>	<b>219,193.59</b>	<b>15,006.41</b>	<b>-</b>	<b>-</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<i>UNCLASSIFIED:</i>							
<i>Utilities</i>							
Street Lighting	\$ 350,000.00	\$ -	\$ 335,000.00	\$ 298,809.16	\$ 36,190.84	\$ -	\$ -
Gasoline	205,000.00	-	205,000.00	144,591.46	60,408.54	-	-
Electricity	270,000.00	-	225,000.00	157,540.80	67,459.20	-	-
Telephone	284,000.00	-	316,000.00	313,919.47	2,080.53	-	-
Water	55,000.00	-	55,000.00	45,283.64	9,716.36	-	-
Fire Hydrant Services	143,000.00	-	143,000.00	135,094.73	7,905.27	-	-
Purchase of Postage	40,000.00	-	40,000.00	31,047.62	8,952.38	-	-
<i>Vehicle Maintenance</i>							
Salaries and Wages	112,100.00	-	127,100.00	123,174.64	3,925.36	-	-
Other Expenses	290,000.00	-	271,000.00	226,429.91	44,570.09	-	-
	<u>1,749,100.00</u>	<u>-</u>	<u>1,717,100.00</u>	<u>1,475,891.43</u>	<u>241,208.57</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>21,107,377.00</u>	<u>-</u>	<u>21,097,376.97</u>	<u>19,657,801.31</u>	<u>1,439,575.66</u>	<u>-</u>	<u>-</u>
<i>Contingent</i>							
	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>	<u>300.00</u>	<u>1,700.00</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<u>21,109,377.00</u>	<u>-</u>	<u>21,099,376.97</u>	<u>19,658,101.31</u>	<u>1,441,275.66</u>	<u>-</u>	<u>-</u>
<i>Detail:</i>							
Salaries and Wages	11,759,700.00	-	11,806,300.00	11,445,236.39	361,063.61	-	-
Other Expenses (Including Contingent)	9,349,677.00	-	9,293,076.97	8,212,864.92	1,080,212.05	-	-

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS WITHIN "CAPS" (Cont'd)</b>							
<b>DEFERRED CHARGES:</b>							
Prior Year Bills:							
All Hands Fire Equipment- Fire Dept.	\$ 13,196.47	\$ -	\$ 13,196.47	\$ 13,196.47	\$ -	\$ -	\$ -
Environmental Climate Control- DPW	4,236.83	-	4,236.83	4,236.83	-	-	-
Witmer Public Safety Group	389.75	-	389.75	389.75	-	-	-
<b>STATUTORY EXPENDITURES:</b>							
Contributions to:							
Public Employees Retirement System	566,126.00	-	566,126.00	541,610.54	24,515.46	-	-
Social Security System (O.A.S.I.)	475,000.00	-	485,000.00	468,467.30	16,532.70	-	-
Police and Firemen Retirement System of N.J.	2,176,653.00	-	2,176,653.00	2,176,653.00	-	-	-
Defined Contribution Retirement Program Contributions	15,000.00	-	15,000.00	15,000.00	-	-	-
Early Retirement Incentive Program	91,078.00	-	91,078.00	91,078.00	-	-	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPEND. -MUNICIPAL WITHIN "CAPS"</b>	3,341,680.05	-	3,351,680.05	3,310,631.89	41,048.16	-	-
<b>CASH DEFICIT OF PRECEDING YEAR</b>	-	-	-	-	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	24,451,057.05	-	24,451,057.02	22,968,733.20	1,482,323.82	-	-
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
Maintenance of Free Public Library Ch. 82, PL 1985	974,576.48	-	974,576.48	941,567.78	33,008.70	-	-
Tax Appeals Reserve	100,000.00	-	100,000.00	100,000.00	-	-	-
Appropriation CAP Relief LFN#2023-04:							
Solid Waste Collection	-	-	-	-	-	-	-
PERS	-	-	-	-	-	-	-
PFRS	-	-	-	-	-	-	-
Gas/Diesel	-	-	-	-	-	-	-
General Liability Insurance	51,600.00	-	51,600.00	51,600.00	-	-	-
Workers Compensation	7,900.00	-	7,900.00	7,900.00	-	-	-
Employee Group Health Insurance (Out of CAPs)	85,323.00	-	85,323.00	85,323.00	-	-	-
Interlocal Service Agreements- Building Department	208,949.17	-	208,949.17	208,949.17	-	-	-
	1,428,348.65	-	1,428,348.65	1,395,339.95	33,008.70	-	-

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>OPERATIONS EXCLUDED FROM "CAPS" (Continued)</b>							
<i>PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</i>							
Police Safe & Secure Grant	\$ 45,150.00	\$ -	\$ 45,150.00	\$ 45,150.00	\$ -	\$ -	\$ -
Police Safe & Secure Grant -Municipal Share	11,287.50	-	11,287.50	11,287.50	-	-	-
Reserves - Grant							
Parking Offense Adjudication Act	2,242.00	-	2,242.00	2,242.00	-	-	-
NJ Body Armor Grant	3,315.48	-	3,315.48	3,315.48	-	-	-
Recycling Tonnage Grant	21,564.41	-	21,564.41	21,564.41	-	-	-
Body Worn Camera Grant	89,674.00	-	89,674.00	89,674.00	-	-	-
Chapter 159:							
Police Click It or Ticket Grant	7,000.00	-	7,000.00	7,000.00	-	-	-
Drive Sober Grant	7,000.00	-	7,000.00	7,000.00	-	-	-
Distracted Driving Grant	31,360.00	-	31,360.00	31,360.00	-	-	-
Clean Communities Grant	25,352.22	-	25,352.22	25,352.22	-	-	-
NJ Body Armor Grant	3,923.21	-	3,923.21	3,923.21	-	-	-
<b>TOTAL PUBLIC AND PRIV. PROGRAMS OFFSET BY REVENUES</b>	<b>247,868.82</b>	<b>-</b>	<b>247,868.82</b>	<b>247,868.82</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,676,217.47</b>	<b>-</b>	<b>1,676,217.47</b>	<b>1,643,208.77</b>	<b>33,008.70</b>	<b>-</b>	<b>-</b>
<i>Detail:</i>							
<i>Salaries and Wages</i>	56,437.50	-	56,437.50	56,437.50	-	-	-
<i>Other Expenses</i>	1,619,779.97	-	1,619,779.97	1,586,771.27	33,008.70	-	-
<i>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</i>							
Down Payments on Improvements	-	-	-	-	-	-	-
Capital Improvement Fund	207,500.00	-	207,500.00	207,500.00	-	-	-
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>207,500.00</b>	<b>-</b>	<b>207,500.00</b>	<b>207,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

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	2024 APPROPRIATIONS			EXPENDED			
	Budget	Emergency Appropriations	Budget After Modification	Paid or Charged	Reserved	Lapsed	Overexpenditure
<b>MUNICIPAL DEBT-EXCLUDED FROM "CAPS"</b>							
Payment of Bond Principal	\$ 2,245,522.88	\$ -	\$ 2,245,522.90	\$ 2,245,522.90	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes and Capital Notes	430,721.00	-	430,721.00	430,721.00	-	-	-
Interest on Bonds	639,357.04	-	639,357.05	639,357.05	-	-	-
Interest on Notes	658,665.00	-	658,665.00	658,665.00	-	-	-
Emergency Note Interest	11,875.00	-	11,875.00	11,875.00	-	-	-
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	59,983.35	-	59,983.35	59,983.35	-	-	-
Bergen County Improvement Authority- Adm. Fee	2,500.00	-	2,500.00	1,897.50	-	602.50	-
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>4,048,624.27</b>	<b>-</b>	<b>4,048,624.30</b>	<b>4,048,021.80</b>	<b>-</b>	<b>602.50</b>	<b>-</b>
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>							
Special Emergency- Storm Water Mapping	60,000.00	-	60,000.00	60,000.00	-	-	-
Funding of Ordinance 2019-10	48,000.00	-	48,000.00	48,000.00	-	-	-
	108,000.00	-	108,000.00	108,000.00	-	-	-
Use of Local Schools (N.J.S.A.40:48-17.1 & 17.3)	475,000.00	-	475,000.00	475,000.00	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"</b>	<b>6,515,341.74</b>	<b>-</b>	<b>6,515,341.77</b>	<b>6,481,730.57</b>	<b>33,008.70</b>	<b>602.50</b>	<b>-</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>30,966,398.79</b>	<b>-</b>	<b>30,966,398.79</b>	<b>29,450,463.77</b>	<b>1,515,332.52</b>	<b>602.50</b>	<b>-</b>
<i>Reserve for Uncollected Taxes</i>	265,000.00	-	265,000.00	265,000.00	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 31,231,398.79</b>	<b>\$ -</b>	<b>\$ 31,231,398.79</b>	<b>\$ 29,715,463.77</b>	<b>\$ 1,515,332.52</b>	<b>\$ 602.50</b>	<b>\$ -</b>
Reference	A-2	A-1		Below	A	A-1	
Reference							
Disbursements	A-4			\$ 29,901,550.78			
Budget Offsets	A-4			(1,147,924.02)			
Reserve for Uncollected Taxes	A-2			265,000.00			
Encumbrance Payable	A-20			288,968.19			
Due to Grant Fund	E-4			247,868.82			
Storm Water Mapping Reserve	A			60,000.00			
Tax Appeal Reserve	A-21			100,000.00			
				<b>\$ 29,715,463.77</b>			

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
TRUST FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**B**

	Reference	At December 31,	
		2024	2023
<b>ASSETS</b>			
Other Trust Fund			
Cash	B-1	\$ 2,267,830.82	\$ 2,475,345.94
Police Off Duty Receivable	B-10		
Due from Current Fund		-	-
		2,267,830.82	2,475,345.94
Developer's Escrow Fund			
Cash	B-1	476,400.71	418,616.33
		476,400.71	418,616.33
Dog License Fund			
Cash	B-1	9,831.00	9,093.80
		9,831.00	9,093.80
Unemployment Fund			
Cash	B-1	164,780.92	246,949.76
		164,780.92	246,949.76
<b>TOTAL ASSETS</b>		<b>\$ 2,918,843.45</b>	<b>\$ 3,150,005.83</b>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Other Trust			
Special Reserves	B-8	\$ 2,073,677.76	\$ 1,843,893.15
Reserve for DEA Confiscated Funds	B-9	163,755.96	452,042.00
Police Off-Duty Payable	B-10	30,397.10	179,410.79
		2,267,830.82	2,475,345.94
Developers Escrow			
Reserve for Escrow Fees	B-5	476,400.71	418,616.33
		476,400.71	418,616.33
Dog License Fund			
Due to State of NJ	B-3	4.20	-
Due to Current Fund	A, B-4	1,447.20	
Reserve for Dog Fund Expenditures	B-6	8,379.60	9,093.80
		9,831.00	9,093.80
Unemployment Fund			
Fund Reserve	B-2	164,780.92	246,949.76
		164,780.92	246,949.76
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<b>\$ 2,918,843.45</b>	<b>\$ 3,150,005.83</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
CAPITAL FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

C

	Reference	At December 31,	
		2024	2023
<b>ASSETS</b>			
Cash - Treasurer	C-2,3	\$ 2,690,247.53	\$ 1,474,196.20
Grants Receivable	C-18	261,493.86	261,493.86
Due From Superior Court Environmental Remediation	C-11	1,358,000.00	1,358,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	13,671,013.25	15,968,993.13
Unfunded	C-6	26,882,388.00	21,968,909.00
<b>TOTAL ASSETS</b>		<u>\$ 44,863,142.64</u>	<u>\$ 41,031,592.19</u>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 13,334,104.10	\$ 15,579,626.98
Bond Anticipation Note Payable	C-15	21,490,000.00	15,498,000.00
State Loan Payable	C-12	336,909.15	389,366.15
Encumbrance Payable	C-7	1,768,728.04	1,896,893.85
Improvement Authorizations:			
Funded	C-9	690,265.96	709,107.58
Unfunded	C-9	4,653,511.17	3,693,093.41
Reserve for Payment of Bonds and Notes	C-14	2,003,921.17	1,750,854.10
Reserve for Grants- Receivable	C-17	261,493.86	261,493.86
Premium on BAN/ Bond Sale	C-10	178,027.46	62,632.07
Reserve for Environmental Remediation	C-11	1,946.36	953,851.00
Capital Improvement Fund	C-8	133,652.63	209,952.63
Fund Balance	C-1	10,582.74	26,720.56
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u>\$ 44,863,142.64</u>	<u>\$ 41,031,592.19</u>

There were bonds and notes authorized but not issued on December 31, 2024 and 2023 in the amount of \$5,392,388 and \$6,470,909 respectively. (Exhibit C-16).

**STATEMENT OF FUND BALANCE**

C-1

	Reference	
Balance December 31, 2023	C	\$ 26,720.56
Increased by:		
Canceled Improvement Authorizations	C-9	93,862.18
		<u>120,582.74</u>
Decreased by:		
Fund Improvement Authorizations	C-6,16	110,000.00
Balance December 31, 2024	C	<u>\$ 10,582.74</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

**D**

	Reference	At December 31,	
		2024	2023
<b>ASSETS</b>			
Operating Fund:			
Cash	D-4	\$ 1,496,193.86	\$ 2,019,665.82
Escrow Trust Cash	D-4, D-15	-	-
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-5, Contra	356,811.80	313,338.10
Sewer Lien Receivable	D-9, Contra	-	2,058.75
Deficit in Operations	D-1	-	-
Total Operating Fund		1,853,005.66	2,335,062.67
Capital Fund:			
Cash	D-4	728,131.41	728,131.41
Fixed Capital	D-8	4,550,908.69	4,550,908.69
Fixed Capital Authorized and Uncompleted	D-8	1,100,000.00	1,100,000.00
Due from Utility Operating Fund	D-7	-	-
Total Capital Fund		6,379,040.10	6,379,040.10
<b>TOTAL ASSETS</b>		<b>\$ 8,232,045.76</b>	<b>\$ 8,714,102.77</b>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,13	\$ 87,682.34	\$ 361,144.93
Encumbrance Payable	D-3,13	746.22	-
Accrued Interest	D-17	17,136.03	18,455.00
Due to Utility Capital Fund	D-7	-	-
Sewer Charge Overpayment	D-6	19,735.50	20,805.58
Sewer Prepaid Payments	D-15	-	120,000.00
Reserve for Receivables	Contra	356,811.80	315,396.85
Fund Balance	D-1	1,370,893.77	1,499,260.31
Total Operating Fund		1,853,005.66	2,335,062.67
Capital Fund:			
Serial Bond Payable	D-18	765,896.07	825,373.19
Improvement Authorizations			
Funded	D-10	518,762.93	518,762.93
Unfunded	D-10	-	-
Capital Improvement Fund	D-11	209,575.48	209,575.48
Reserve for Deferred Amortization	D-12	1,663,164.17	1,603,687.05
Amortization Reserve	D-12	3,221,641.45	3,221,641.45
Total Capital Fund		6,379,040.10	6,379,040.10
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<b>\$ 8,232,045.76</b>	<b>\$ 8,714,102.77</b>

There were bonds and notes authorized but not issued as of December 31, 2024 and December 31, 2023 in the amount of \$207 and \$207 respectively. (Schedule D-16)

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES  
IN OPERATING FUND BALANCE - REGULATORY BASIS**

D-1

	Reference	At December 31,	
		2024	2023
Revenue and Other Income Realized			
Utility Operating Surplus	D-2	\$ 310,827.30	\$ 514,325.35
User Charges and Fees	D-2,4	1,441,031.48	1,622,245.97
Delinquent User Charges	D-2	328,279.28	327,049.27
Giants Training Facility Agreement	D-2,4	9,843.45	-
Meadowlands Stadium Agreement	D-2,4	148,193.30	148,606.20
American Dream Agreement	D-2,4	396,880.22	200,000.00
Miscellaneous Revenues	D-2,4	163,787.99	146,056.40
	D-2	2,798,843.02	2,958,283.19
Other Credits to Income:			
Appropriations Lapsed	D-3	0.03	0.01
Appropriation Reserves Lapsed	D-13	64,445.01	56,312.35
		2,863,288.06	3,014,595.55
Less: Budget Appropriations	D-3	2,680,827.30	2,624,325.35
Excess/(Deficit) in Revenues		182,460.76	390,270.20
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D		
Deficit in Operations	D		
Fund Balance - Operating - January 1	D	1,499,260.31	1,623,315.46
Less: Fund Balance Utilized	D-2	310,827.30	514,325.35
Fund Balance - Operating - December 31	D	\$ 1,370,893.77	\$ 1,499,260.31

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

**STATEMENT OF REVENUES - REGULATORY BASIS**

**D-2**

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 310,827.30	\$ 310,827.30	\$ -
User Charges and Fees	D-1,Below	1,600,000.00	1,441,031.48	(158,968.52)
Delinquent User Charges	D-4,5	300,000.00	328,279.28	28,279.28
Giants Training Facility Agreement	D-1,4,5	30,000.00	9,843.45	(20,156.55)
Meadowlands Stadium Agreement	D-1,4,5	140,000.00	148,193.30	8,193.30
Miscellaneous Income & Hook-up Fees	D-1,4	100,000.00	163,787.99	63,787.99
American Dream Agreement	D-1,4	200,000.00	396,880.22	196,880.22
		\$ 2,680,827.30	\$ 2,798,843.02	\$ 118,015.72
		D-3	D-1, Below	
User Charges & Fees	D-4,5		\$ 2,329,422.06	
Interest Income Sewer & Sewer Capital	D-4		96,933.37	
Sewer Interest	D-4		61,660.29	
Surplus Anticipated	D-1		310,827.30	
	Above		\$ 2,798,843.02	

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

D-3

	2024 Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed	(Overexpenditure)
Operating						
Salaries and Wages	\$ 186,500.00	\$ 189,500.00	\$ 188,331.50	\$ 1,168.50	\$ -	\$ -
Other Expenses	2,337,862.23	2,336,862.23	2,250,471.68	86,390.55	-	-
Health Benefits	43,000.00	43,000.00	43,000.00	-	-	-
Total Operating Expenditures	<u>2,567,362.23</u>	<u>2,569,362.23</u>	<u>2,481,803.18</u>	<u>87,559.05</u>	<u>-</u>	<u>-</u>
Capital Improvement Fund	-	-	-	-	-	-
Deferred Charges & Statutory Expenditures						
Statutory Expenditures:						
Contributions to:						
Social Security System	15,000.00	13,000.00	12,876.71	123.29	-	-
Deficit in Operations	-	-	-	-	-	-
Total Deferred Charges & Statutory Expenditures	<u>15,000.00</u>	<u>13,000.00</u>	<u>12,876.71</u>	<u>123.29</u>	<u>-</u>	<u>-</u>
Debt Service						
Bond Principal	59,477.12	59,477.12	59,477.10	-	0.02	-
Bond Interest	38,987.95	38,987.95	38,987.94	-	0.01	-
	<u>98,465.07</u>	<u>98,465.07</u>	<u>98,465.04</u>	<u>-</u>	<u>0.03</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 2,680,827.30</u>	<u>\$ 2,680,827.30</u>	<u>\$ 2,593,144.93</u>	<u>\$ 87,682.34</u>	<u>\$ 0.03</u>	<u>\$ -</u>
Reference	D-1,2	D-1,2	Below	D	D-1	D
Disbursed			D-4	\$ 2,593,717.68		
Accrued Interest			D-17	(1,318.97)		
Encumbrance Payable			D	746.22		
			Above	<u>\$ 2,593,144.93</u>		

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
GRANT FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

E

	Reference	At December 31,	
		2024	2023
<b>ASSETS</b>			
Cash	E-1	\$ 968,557.51	\$ 923,824.66
Grants Receivable	E-3	122,249.00	42,400.00
<b>TOTAL ASSETS</b>		<b>\$ 1,090,806.51</b>	<b>\$ 966,224.66</b>
 <b>LIABILITIES AND RESERVES</b>			
Appropriated Reserve	E-4	\$ 111,657.11	\$ 83,746.70
Due from Current Fund	E-2	-	-
Encumbrance Payable	E-6	976,847.40	876,920.48
Unappropriated Reserve	E-5	2,302.00	5,557.48
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>\$ 1,090,806.51</b>	<b>\$ 966,224.66</b>

BOROUGH OF EAST RUTHERFORD  
GENERAL FIXED ASSETS FUND  
DECEMBER 31, 2024 AND 2023

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS GROUP OF ACCOUNTS - REGULATORY BASIS**

**F**

	At December 31,	
	2024	2023
<b>GENERAL FIXED ASSETS</b>		
* Land (as per assessed valuation)	\$ 48,549,900.00	\$ 48,193,400.00
* Buildings (as per assessed valuation)	18,848,200.00	18,848,200.00
Machinery and Equipment	18,220,542.00	18,311,423.00
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 85,618,642.00</b>	<b>\$ 85,353,023.00</b>
 <b>LIABILITIES AND RESERVES</b>		
Investments in General Fixed Assets	\$ 85,618,642.00	\$ 85,353,023.00
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>\$ 85,618,642.00</b>	<b>\$ 85,353,023.00</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**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 East Rutherford (the "Borough") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Service, 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 operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not issue 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 municipal library, volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

**B. *Fund Accounting***

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

Current Fund - resources and expenditures for governmental operations of a general nature.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division regulates the accounting for these funds.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities other than those acquired in the Current Fund.

Sewer Utility Fund - receipt and disbursement of funds for sewer utility operations.

Grant Fund - receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (Continued)

*C. Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

All governmental funds, proprietary funds and expendable trust funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

A modified accrual basis of accounting is followed by the Borough. Under this method of accounting, revenues, except for State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal Revenue Sharing funds and other Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with offsetting reserves on the statement of financial position of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual that are due to the municipality are recorded as receivables with offsetting reserves and are recorded as revenue when received.

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 Borough's financial statements. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Utility Rents - Utility charges are based on prior year's actual water consumption. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the statement of financial position of the Borough's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual and to be reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement 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 Division per N.J.S.A. 40A:4 et seq. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation, which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division (Chapter 159).

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

Trust Funds  
General Capital Fund  
Sewer Capital Fund

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

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.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

1. **Summary of Significant Accounting Policies (Continued)**

*C. Measurement Focus and Basis of Accounting*

Appropriation Reserves - 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 as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - 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.

Self-Insurance Contributions - Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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 cost 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 statements of financial position.

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

Incurred but Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place, but the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims, which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from these estimates.

General Fixed Assets - N.J.A.C. 5:30-5.6 accounting for governmental fixed assets continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensure that property records are maintained accurately to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property, and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

1. **Summary of Significant Accounting Policies (Continued)**

*C. Measurement Focus and Basis of Accounting (Continued)*

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.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund when such property was acquired and fully reserved.

*D. Basic Financial Statements*

The GASB Codification also defines the financial statements of a governmental unit to be presented 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.

2. **Cash and Cash Equivalents**

**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, 2024 and 2023, \$0 of the Borough's bank balance of \$18,583,716.84 and \$20,052,679.78 was exposed to custodial credit risk, respectively.

3. **Investments**

**Interest 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 allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of; 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.

As of December 31, 2024 and 2023, the Borough had no investments.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**4. Municipal Debt**

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 fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2024, the Borough had bond anticipation notes outstanding for the General Capital Fund. Reference to schedule C-16 and D-19 will show the annual interest rates for each note if applicable.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance
Bank of New York Mellon - @ 4.250%	\$ 15,498,000	\$ 6,422,721	\$ 430,721	\$ 21,490,000
Yield 3.37%- Moody's Rating MIG1				-
	\$ 15,498,000	\$ 6,422,721	\$ 430,721	\$ 21,490,000

Summary of Long-Term Debt

Long-term debt as of December 31, 2024 consisted of bonds, loans, compensated absences and capital leases.

	Balance Dec. 31, 2023	Additions	Reductions	Balance Dec. 31, 2024	Due in One Year
Bonds Payable - General	\$ 15,579,626.93	\$ -	\$ 2,245,522.88	\$ 13,334,104.05	\$ 2,222,406.50
Bonds Payable - Sewer Utility	825,373.19		59,477.12	765,896.07	62,593.50
Loan Payable - General	389,366.15		52,457.00	336,909.15	53,511.39
Capital Leases	885,899.54	94,800.00	240,621.29	740,078.25	274,977.63
Compensated Absences (i)	951,841.83	172,216.45		1,124,058.28	
	\$ 18,632,107.64	\$ 267,016.45	\$ 2,598,078.29	\$ 16,301,045.80	\$ 2,613,489.02

(i) The regulatory basis of accounting in New Jersey does not recognize accumulated absences as a long-term debt.

Long-term debt as of December 31, 2023 consisted of bonds, loans, compensated absences and capital leases.

	Balance Dec. 31, 2022	Additions	Reductions	Balance Dec. 31, 2023	Due in One Year
Bonds Payable - General	\$ 17,792,704.48	\$ -	\$ 2,213,077.55	\$ 15,579,626.93	\$ 2,245,522.88
Bonds Payable - Sewer Utility	882,295.69		56,922.50	825,373.19	59,477.12
Loan Payable - General	440,789.53		51,423.38	389,366.15	52,457.00
Capital Leases	910,133.86	217,397.47	241,631.79	885,899.54	240,621.29
Compensated Absences (i)	1,037,617.78		85,775.95	951,841.83	
	\$ 21,063,541.34	\$ 217,397.47	\$ 2,648,831.17	\$ 18,632,107.64	\$ 2,598,078.29

(i) The regulatory basis of accounting in New Jersey does not recognize accumulated absences as a long-term debt.

As of December 31, 2024 and December 31, 2023, all outstanding bonds are included in the general capital fund and sewer utility fund. Interest and principal reductions were included in the current and sewer utility operating budget of the Borough.

**BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**4. Municipal Debt (Continued)**

Summary of Long-Term Debt (Continued):

The Borough's long-term debt consisted of the following at December 31, 2024

<i>General Obligation Bonds</i>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>\$5,112,000</b> - 2014 Bonds, due in annual installments of \$301,870.27-02/01/24, interest rate 5.00% (Bond was refunded 10/20/21)	\$ -	\$ 301,870.27
<b>\$11,175,000</b> - 2014 Bonds, due in annual installments of \$1,150,000-06/15/24, \$1,100,000-06/15/25, interest rate 2019-2025 variable from 4.00% to 5.00%	1,100,000.00	2,250,000.00
<b>\$6,735,000</b> - 2017 Tax Appeal Refunding Bonds, due in annual installments of \$340,000-12/01/24-12/01/25, \$335,000-12/01/2026-12/01/2027, \$1,675,000-12/01/32-12/01/37, interest rate variable from 4.00% to 5.00%	<u>4,360,000.00</u>	<u>4,700,000.00</u>
<b>\$7,480,000</b> - 2018 BCIA County Guaranteed Governmental Revenue Bonds, due in annual installments of \$399,217-06/15/24, \$421,152-06/15/25, \$443,087-06/15/26, \$465,022-06/15/27, \$486,957-06/15/28, \$508,892-06/15/29, \$535,214-06/15/30, \$561,536-06/15/31, \$592,245-06/15/32, \$622,954-06/15/23, \$653,828-06/15/34 interest rate 5.00%	<u>5,290,887.00</u>	<u>5,690,104.00</u>
<b>\$2,761,370</b> - 2021 BCIA County Guaranteed Governmental Revenue Bonds, Series 2021 Taxable Advanced Refunding, due in annual installments of \$54,435.61-02/15/24, \$361,254.50-02/15/25, \$355,203.19-02/15/26, \$366,203.19-02/15/27, \$371,151.88-02/15/28, \$366,203.19-02/15/29, \$376,100.57-02/15/30, \$376,100.57-02/15/31 interest rate variable from .433% to 2.071%.	2,583,217.10	2,637,652.71
Subtotal	<u>\$ 13,334,104.10</u>	<u>\$ 15,579,626.98</u>
 <i>State Loan Payable</i>		
<b>\$179,070.15</b> - due on annual installments, at a 2% interest rate	118,274.19	126,914.05
<b>\$100,000</b> - due in annual installments, at a 2.00% interest rate	32,234.62	37,725.74
<b>\$435,553</b> - due in semi-annual installments, at a 2.00% interest rate	39,826.94	65,725.35
<b>\$250,000</b> - due in semi-annual installments, at a 2.00% interest rate	<u>146,573.40</u>	<u>159,001.01</u>
Subtotal	<u>336,909.15</u>	<u>389,366.15</u>
 <u><i>Sewer Utility Capital:</i></u>		
<i>Bond Payable</i>		
<b>\$53,000</b> - 2014 Bonds, due in annual installments of \$3,129.73-2/01/24; interest rate 5.00%		3,129.73
<b>\$1,045,000</b> - 2018 BCIA County Guaranteed Governmental Revenue Bonds, due in annual installments of \$55,783-06/15/24, \$58,848-06/15/25, \$61,913-06/15/26, \$64,978-06/15/27, \$68,043-06/15/28, \$71,108-06/15/29, \$74,786-6/15/30, \$78,464-06/15/31, \$82,755-06/15/32, \$87,046-06/15/23, \$91,172-06/15/34 interest rate 5.00%	<u>739,113.00</u>	<u>794,896.00</u>
<b>\$28,630.17</b> - 2021 BCIA County Guaranteed Governmental Revenue Bonds, Series 2021 Taxable Advanced Refunding, due in annual installments of \$564.39-02/15/24, \$3,745.50-02/15/25, \$3,796.81-02/15/26, \$3,796.81-02/15/27, \$3,848.12-02/15/28, \$3,796.81-02/15/29, \$3,899.43-02/15/30, \$3,899.43-02/15/31 interest rate variable from .433% to 2.071%.	26,783.07	27,347.46
Total	<u>765,896.07</u>	<u>825,373.19</u>
Total	<u>\$ 14,436,909.32</u>	<u>\$ 16,794,366.32</u>

Moody's investor service maintains an Aa3 issuer rating and Aa3 debt rating on the Borough's outstanding general obligation bonds.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

4. **Municipal Debt (Continued)**

Summary of Long-Term Debt (Continued):

Summary of Statutory Municipal Debt

Statutory municipal debt consisted of outstanding bonds, notes and loans as well as bonds and notes authorized but not issued.

	2024	2023	2022
Issued:			
General:			
Bonds, Notes and Loans	\$ 35,161,013.25	\$ 31,466,993.13	\$ 30,616,361.01
Sewer Utility:			
Bonds, Notes and Loans	765,896.07	825,373.19	882,295.69
Debt Issued	<u>35,926,909.32</u>	<u>32,292,366.32</u>	<u>31,498,656.70</u>
Authorized but not Issued:			
General:			
Bonds and Notes	5,392,388.00	6,470,909.00	5,976,950.00
Sewer Utility:			
Bonds and Notes	207.00	207.00	207.00
	<u>5,392,595.00</u>	<u>6,471,116.00</u>	<u>5,977,157.00</u>
Less Deductions	<u>5,126,103.09</u>	<u>7,276,434.29</u>	<u>5,040,000.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 36,193,401.23</u>	<u>\$ 31,487,048.03</u>	<u>\$ 32,435,813.70</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 1.271% as of December 31, 2024 and 1.145% as of December 31, 2023.

2024	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 33,654,000.00	\$ 33,654,000.00	\$ -
General Debt	40,553,401.25	4,360,000.00	36,193,401.25
Sewer Utility Debt	766,103.09	766,103.09	-
	<u>\$ 74,973,504.34</u>	<u>\$ 38,780,103.09</u>	<u>\$ 36,193,401.25</u>

Net Debt of \$36,193,401.25 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,848,619,044 = 1.271%.

2023	Gross Debt Issued and Authorized	Deductions	Net Debt
School Debt	\$ 35,159,000.00	\$ 35,159,000.00	\$ -
General Debt	37,937,902.13	6,450,854.10	31,487,048.03
Sewer Utility Debt	825,580.19	825,580.19	-
	<u>\$ 73,922,482.32</u>	<u>\$ 42,435,434.29</u>	<u>\$ 31,487,048.03</u>

Net Debt of \$31,487,048.03 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,750,062,281 = 1.145%.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**4. Municipal Debt (Continued)**

Summary of Long-Term Debt (Continued):

Calculation of "Self-Liquidating Purpose". Sewer Utility	2024	2023
Surplus Anticipated	\$ 310,827.30	\$ 514,325.35
Cash Receipts from Fees, Rents or Other Charges	2,552,460.76	2,500,270.20
Deductions:		
Operating and Maintenance Cost	2,569,362.23	2,414,000.00
Deferred Charges & Statutory Expenditures	13,000.00	111,554.80
Debt Service	98,465.07	98,770.55
	2,680,827.30	2,624,325.35
Excess (Deficit) in Revenue	182,460.76	390,270.20
Smaller of deficit in revenue or utility debt service capitalized at 5%	-	-
Gross Sewer System Debt	766,103.07	825,580.19
Less Above:		
Total Deduction	(766,103.07)	(825,580.19)
 <u>Borrowing Power Under N. J.S.A. 40A:2- As Amended</u>		
3 1/2% of Equalized Valuation Basis (Municipal)	\$ 99,701,666.54	\$ 96,392,179.84
Net Debt	36,193,401.23	31,487,048.03
Remaining Borrowing Power	\$ 63,508,265.31	\$ 64,905,131.81

Overlapping Debt

County of Bergen (1) – Borough’s share (1.232%)	\$ 20,807,689
Bergen County Utilities Authority (2)	<u>3,705,573</u>
Total Overlapping Debt	\$24,513,262

- (1) The County of Bergen has \$1,688,935,829 in gross long-term and temporary debt. The Borough’s net share is obtained by dividing the Borough’s equalized valuation \$3,017,001,868 by the County’s equalized valuation \$244,789,177,466.
- (2) Overlapping debt was computed based upon municipal billing to the Authority for 2023.

**5. Capital Leases Payable**

On March 7, 2023, the Borough entered into a lease agreement with Municipal Capital Finance for (3) 2023 Chevy Tahoes for 4 years with annual payments of \$43,236.64 to be used by the Police Department. The fair market value of the vehicles are \$156,952.47.

On May 24, 2023, the Borough entered into a lease agreement with Ford Motor Credit for a 2023 Ford Explorer for 3 years with annual payments of \$21,877.09 to be used by the Police Department. The fair market value of the vehicle is \$60,445.00.

On December 1, 2022, the Borough entered into a lease agreement with Dailmer Truck Financial for (3) 2023 Western Star DPW Trucks for 5 years with annual payments of \$189,859.08 to be used by the DPW. The fair market value of the vehicles are \$805,270.34.

On July 8, 2021, the Borough entered into a lease agreement with Municipal Capital Finance for (3) 2021 Chevy Tahoes for 5 years with annual payments of \$39,215.16 to be used by the Police Department. The fair market value of the vehicles are \$177,138.75.

On December 10, 2024, the Borough entered into a lease agreement with ROC Leasing LLC for a 2024 Chevrolet Tahoe Command Vehicle for 5 years with annual payments of \$22,322.04 to be used by the Fire Department. The fair market value of the vehicle is \$94,800.

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BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**5. Capital Leases Payable (Continued)**

Total payments for the leases amounted to \$ 240,621.29 and \$294,188.76 in 2024 and 2023, respectively. These lease-purchase agreements include a \$1.00 buyout at the end of the lease periods; the assets will become Borough property.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 274,977.63	\$ 41,533.17	\$ 316,510.80
2026	227,158.19	28,259.57	255,417.76
2027	197,676.33	14,504.79	212,181.12
2028	19,436.65	2,885.39	22,322.04
2029	20,829.45	1,492.59	22,322.04
	<u>\$ 740,078.25</u>	<u>\$ 88,675.51</u>	<u>\$ 828,753.76</u>

**6. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2024, deferred charges of \$300,000 were shown on the statement of financial position of Current Fund for Special Emergency Authorization and \$0 deferred charges reported on the Sewer Utility Fund.

**7. Local District School Taxes**

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute.

	<u>Local School District Tax</u>		<u>Regional High School Tax</u>	
	<u>Balance December 31,</u>		<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance of Tax	\$ 9,775,817.00	\$ 9,320,608.50	\$ 3,441,969.00	\$ 3,518,685.50
Deferred	<u>9,775,817.00</u>	<u>9,320,608.50</u>	<u>3,441,969.00</u>	<u>3,518,685.50</u>
Taxes Payable/(Prepaid)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**8. Property Tax Calendar**

The Borough's property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sales were held on October 24, 2024 for 2023 taxes and tentative for October 19, 2023 for 2022 taxes.

**9. Taxes Collected in Advance**

Taxes collected in advance, and the amounts set forth as cash liabilities in the financial statements are as follows:

	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Prepaid Taxes	\$ 380,935.21	\$ 455,667.62

**10. Interfund Receivables and Payables**

Interfund Receivables and Payables at December 31, 2024 and 2023 were as follows:

<u>Fund Type</u>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$ 1,447.20	\$ -	\$ -	\$ -
Trust Funds		1,447.20		
Grant Fund				
Total Interfund Receivables and Payable	<u>\$ 1,447.20</u>	<u>\$ 1,447.20</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**11. Retirement Plans**

*Description of Plans*

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). Those systems are sponsored and administered by the State of New Jersey and are considered 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. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625 or can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Summary of Significant Accounting Policies -PERS and PFRS*

GASB 68, Accounting and Financial Reporting for Pensions, is effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 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 67 and 68.*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regard to GASB 68 is for disclosure purposes only.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The 2024 calculations for GASB 68 were not yet available when the audit was issued.

*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 retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. 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 or other state or local jurisdiction.

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

At June 30, 2023, the Borough has disclosed a liability of \$ 6,135,289 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023. At June 30, 2023, the Borough's proportion was .04235798%.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
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**11. Retirement Plans (Continued):**

*Public Employees' Retirement System (PERS)*

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

For the year ended December 31, 2024, the Borough recognized pension expense of \$ 525,602, as measured on June 30, 2023. At June 30, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2023	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflow of</u>
	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 58,661	\$ 25,079
Changes of assumptions	13,478	371,825
Net difference between projected and actual earnings on pension plan investments	28,254	
Changes in proportion and differences between Borough and proportionate share of contributions	185,102	21,081
Borough contributions subsequent to the measurement date		
 Total	 <u>\$ 285,495</u>	 <u>\$ 417,985</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
2024	\$	(323,920)
2025		(180,800)
2026		252,656
2027		(45,215)
2028		769
Total	<u>\$</u>	<u>(296,511)</u>

*Changes in Proportion*-The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, and 5.21 years for the years for the 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	<u>6/30/2023</u>
Collective deferred outflows of resources	\$ 1,080,204,730
Collective deferred inflows of resources	1,780,216,457
Collective net pension liability (Non-State-Local Group)	14,606,489,066
Borough's portion of net pension liability	6,135,289
Borough's proportion %	0.0423579838%

*Actuarial assumptions.* The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% based on years of service
Investment Rate of Return:	7.00%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
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DECEMBER 31, 2024 AND 2023

**11. Retirement Plans (Continued):**

*Public Employees' Retirement System (PERS)*

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the PUB-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2023) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-US Developed Market Equity	12.75%	9.22%
International Small CAP Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	8.00%	8.58%
Real Estate	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
US Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

*Discount rate.* The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**11. Retirement Plans (Continued):**

*Public Employees' Retirement System (PERS)*

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>June 30, 2023</u> <u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 7,986,841	\$ 6,135,289	\$ 4,559,374

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*PERS Vesting and Benefit Provisions* - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. 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 the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

The Police and Firemen's 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.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

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

At June 30, 2023, the Borough has disclosed a liability of \$18,065,915 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2023. At June 30, 2023, the District's proportion was .16351046 %.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**11. Retirement Plans (Continued):**

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

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

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2023 was \$3,328,855.

For the year ended December 31, 2024, the Borough recognized pension expense of \$2,277,927.00, as measured on June 30, 2023. At June 30, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2023	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 773,546	\$ 861,584
Changes of assumptions	38,993	1,219,882
Net difference projected and actual earnings on pension plan investments	920,063	
Changes in proportion and differences between Borough's and proportionate share of contributions	1,274,516	484,588
Borough contributions subsequent to the measurement date		
<b>Total</b>	<b>\$ 3,007,118</b>	<b>\$ 2,566,054</b>

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:
2024	\$ (703,063)
2025	(674,713)
2026	1,085,545
2027	(93,365)
2028	33,324
Thereafter	3,408
	<b>\$ (348,864)</b>

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.16, 6.22, 6.17, 5.90, and 5.92 years for the years for the 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	6/30/2023
Collective deferred outflows of resources	\$ 1,753,080,638
Collective deferred inflows of resources	1,966,439,601
Collective net pension liability (Non-State-Local Group)	13,084,649,602
Borough's portion of net pension liability	18,065,915
Borough's portion of net pension liability	0.1635105500%

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**11. Retirement Plans (Continued):**

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

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

*Actuarial assumptions.* The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25% – 16.25% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the PubS-2010 amount weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, postretirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability retirement rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2023) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-US Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	8.00%	8.58%
Real Estate	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
US Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

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BOROUGH OF EAST RUTHERFORD  
 NOTES TO FINANCIAL STATEMENTS  
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**11. Retirement Plans (Continued):**

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023, respectively. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	June 30, 2023 <u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00)</u>
Borough's proportionate share of the net pension liability	\$ 25,171,689	\$ 18,065,915	\$ 12,148,503

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*PFRS Vesting and Benefit Provisions* - The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
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**11. Retirement Plans (Continued):**

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

*Funding Policy*

The contribution policy is set by the laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by the State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees’ annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased in over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough’s contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2024	\$ 566,126.00	\$ 2,176,653.00
2023	525,602.00	2,277,927.00
2022	480,456.41	1,859,781.00
2021	448,410.72	1,765,158.00

**12. Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial.

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contributions for eligible members’ life insurance and disability coverage under DCRP.

**13. Employee Deferred Compensation Plan**

The Borough maintains a Deferred Compensation Plan (the “Plan”) in accordance with IRC Section 457 and State of NJ Deferred Revenue Regulation. Employees of the Borough are eligible to participate in the Plan. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the Plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is reported in our Review of the Employee Deferred Compensation financial statements for December 31, 2024 and 2023.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institutes of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented unaudited in this report as part of the Borough’s Trust Fund.

**14. Post-Employment Benefits**

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

**State Health Benefit Program Fund- Local Government Retired (the Plan) (including Prescription Drug Program Fund) -** N.J.S.A. 43 :3c-24 established a separate trust fund for certain non-State participating employers to provide funding for State Health Benefit Program coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. For additional information about the Plan, please refer to the State Division of Pensions and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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BOROUGH OF EAST RUTHERFORD  
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**14. Post-Employment Benefits (Continued):**

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

In accordance with Chapter 330, P.L. I 997, which is codified in N.J.S.A. 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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 of the above Fund. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Measurement Focus and Basis of Accounting**

The financial statements of the OPEB plan are prepared in accordance with U.S. GAAP, principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of June 30, 2023, the most recent measurement date available, the State had \$15,006,539,477 unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$3,489,093,208 for state non-employer active and retired members, \$11,517,446,269 for local participating employer active and retired members.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
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 DECEMBER 31, 2024 AND 2023

**14. Post-Employment Benefits (Continued):**

**Funded Status and Funding Progress (Continued):**

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2023 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Plan Membership and Contributing Employers**

At June 30, 2024, the OPEB plan membership and contributing employers consisted of the following:

<u>Local Government Retired</u>	<u>June 30, 2024</u>
Active Plan Members	60,691
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>28,899</u>
Total Plan Members	89,590
 Contributing Employers	 555

**Post-Retirement Medical Benefits Contribution**

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024 and 2023, were \$537,790.50 and \$398,860.81, respectively, which equaled the required contributions for each year. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of East Rutherford on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund –Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**14. Post-Employment Benefits (Continued):**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued):**

At December 31, 2023, the Borough reported a liability of \$17,272,977 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at December 31, 2023 to the total OPEB liability for the State Health Benefit Program Fund- Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023, the Borough's proportionate share was .115103 percent.

For the year ended December 31, 2023 the Plan has determined the Borough's OPEB expense/adjustment of \$ 483,170 based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$537,790.50 at December 31, 2024, measured at June 30, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following resources:

	June 30, 2023	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflow of</u>
	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 796,541.00	\$ 4,690,776.00
Changes of assumptions	2,237,499	4,882,518
Net difference projected and actual earnings on OPEB plan investments		2,850
Changes in proportion and differences between Borough's and proportionate share of contributions	8,166,721	2,373,232
Borough contributions subsequent to the measurement date		
<b>Total</b>	<b>\$ 11,200,761</b>	<b>\$ 11,949,376</b>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	Year Ended June 30:
2024	\$ (1,959,609)
2025	(1,605,043)
2026	(868,301)
2027	(407,029)
2028	(821,605)
Thereafter	(880,518)
<b>Total</b>	<b>\$ (6,542,105)</b>

***Changes in Proportion***

The previous amounts do not include employer specific deferred outflows and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining useful life of all plan members, which is 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**14. Post-Employment Benefits (Continued):**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

***Actuarial Assumptions***

The Borough's total OPEB liability reported for the year ended December 31, 2024 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan he member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Salary Increases\*:

PERS-Rate for all future years	2.75-6.55%
PFRS- Rate for all future years	3.25-16.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from central year using Scale MP-2021.

\*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

***Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend is initially 6.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***Discount rate***

The discount rate used to measure the total pension liability was 3.65% as of June 30, 2023. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**14. Post-Employment Benefits (Continued):**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

*Sensitivity of Net OPEB Liability to Changes in the Discounts Rate*

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2023 calculated using the discount rate of 3.65%, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount</u>		
	June 30, 2023		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Borough's proportionate share of the net OPEB liability	\$ 20,007,613	\$ 17,272,977	\$ 15,073,384

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2023 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current</u>		
	<u>Discount</u>		
	Health Cost Trend Rates- June 30, 2023		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
Borough's proportionate share of the net OPEB liability	\$ 14,679,998	\$ 17,272,977	\$ 20,592,783

***Special Funding Situation***

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2023 (measured at June 30, 2023), the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$2,126,637 at June 30, 2023. For the year ended December 31, 2024 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is (\$385,601). At December 31, 2024, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the Borough was .060951 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**14. Post-Employment Benefits (Continued):**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Investment Valuation:** Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**15. Risk Management**

The purpose of the South Bergen Municipal Joint Insurance Fund is to administer employee life, health, property and liability, worker's compensation, unemployment, and disability insurance programs of the Borough on a cost - reimbursement basis. This fund accounts for the risk-financing activities of the Borough but does not constitute a transfer of risk from the Borough. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The fund continues to provide broader coverage than the conventional insurance market at a lower premium. According to the Borough's insurance manager, Professional Insurance Associates, Inc., the fund actuary has reported that all funds of which the Borough is a member are financially sound. The Borough has contracted with the State of New Jersey sponsored health coverage for its employees.

**16. Compensated Absences**

The Borough's policy to compensate police officers for unused sick time amounted to \$124,568.49 in 2024 and was paid in 2024, and \$115,151.84 in 2023 paid in 2023, respectively. Other Borough employees are permitted to accrue unused 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 total cost of accumulated absence is \$ 1,124,058.28 for 2024 and \$951,841.83 for 2023.

**17. Contingent Liabilities**

***Litigation***

The Borough is a defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

***Pending Tax Appeals***

Various tax appeal cases were pending in the tax court at December 31, 2024 and 2023. The amounts claimed have not been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. Funding of any ultimate liability would be provided for in succeeding years' budget, fund balance or property tax refunding bond ordinances.

***Federal and State Awards***

The Municipality participates in several federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

See Independent Auditor's Report.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**17. Contingent Liabilities (Continued):**

*Health Insurance Waiver*

The Borough offers health insurance waivers in an amount of the lesser of \$5,000 or the actual net insurance cost to employees that can show that coverage is provided by a spouse or other means. In 2024 the Borough had 2 employees that received the health insurance waiver incentive and were paid a total of \$6,538.20.

**18. GASB 77: Tax Abatements**

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality. The Borough has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need of improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Borough's tax abatement agreements for the year ended December 31, 2024.

		<u>2024</u>			
Project Name	Type of Project	PILOT Billing	Assessed Value	Taxes if Billed In Full	Tax Abatement
Bergen County Senior Housing	Aff. Housing	\$ 38,319.35	\$ 22,200,900.00	\$ 359,876.59	\$ 321,557.24
NJ Sports & Exposition Authority	Comm./Indust.	9,613,020.56	1,343,492,400.00	21,778,011.80	12,164,991.24
NJ Meadowlands Comm/HMDC	Other	6,708.30	749,300.00	12,146.15	5,437.85
American Dream	Comm./Indust.	500,000.00	3,314,999,800.00	53,736,146.76	53,236,146.76
Timex Center	Comm./Indust.	225,000.00	110,000,000.00	1,783,100.00	1,558,100.00
		\$ 10,383,048.21		\$ 77,669,281.30	\$ 67,286,233.09

		<u>2023</u>			
Project Name	Type of Project	PILOT Billing	Assessed Value	Taxes if Billed In Full	Tax Abatement
Bergen County Senior Housing	Aff. Housing	\$ 34,020.39	\$ 21,590,500.00	\$ 350,413.82	\$ 316,393.43
NJ Sports & Exposition Authority	Comm./Indust.	9,308,754.58	1,374,080,000.00	22,301,318.40	12,992,563.82
NJ Meadowlands Comm/HMDC	Other	6,708.30	749,300.00	12,161.14	5,452.84
American Dream	Comm./Indust.	500,000.00	3,145,913,100.00	51,058,169.61	50,558,169.61
Timex Center	Comm./Indust.	225,000.00	110,000,000.00	1,785,300.00	1,560,300.00
		\$ 10,074,483.27		\$ 75,507,362.97	\$ 65,432,879.70

**19. Federal Arbitrage Regulations**

Municipalities are subject to Section 148 of the Internal Revenue Service (IRS) as it pertains to the "arbitrage rebate" on all tax-exempt obligations. Under 1986 TRA, the IRS required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for the purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. Excess earnings may be required to be rebated to the IRS. The Bond Counsel should be engaged to calculate the estimated arbitrage earnings due to the IRS, if any.

BOROUGH OF EAST RUTHERFORD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**20. Liquidity, Management Plans and Intentions**

Due to the COVID-19 Pandemic, the Borough had to adjust its operations in 2023 and 2024 to continue to provide services to taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2024. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some additional costs incurred related to public health. On March 11, 2021 President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer, or broadband infrastructure. The amount of federal aid available to the Borough of East Rutherford is \$1,013,924, which will be available until December 31, 2024. The first installment of half the amount was received during 2021 and the remainder was received during 2022. Additionally, the Borough prepared and balanced the 2024 budget and considered the potential impact the Pandemic could have on Borough operations. Management believes that the fund balance available as of December 31, 2024, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough's financial needs for one year from the date of issuance of this report.

**21. Subsequent Events**

The Borough has evaluated subsequent events through June 9, 2025, which is the date the financial statements were available to be issued.

The Borough adopted its 2025 budget on May 20, 2025.

During 2025 through the date of our audit, the Borough adopted the following Bond Ordinances:

Ordinance number 2025-10 for Acquisition of Property in the amount of \$2,700,000.

Bond anticipation notes were renewed in the amount of \$ 22,630,000 on April 3, 2025 with an interest rate of 4.00 % and premium of \$231,126.98- effective interest rate of 2.9758%. Moody's rating assigned to this issue was MIG 1.

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**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

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STEVEN L. ROGUT  
THOMAS J. BACE †  
JOSHUA A. CUCUZZELLA

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† ALSO ADMITTED IN FL AND DC

## APPENDIX C

[Proposed Form of Bond Counsel Opinion]

April \_\_, 2026

Borough Council  
Borough of East Rutherford  
County of Bergen, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$30,680,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Borough of East Rutherford, in the County of Bergen, a municipal corporation of the State of New Jersey (the "Borough"). The Bonds are dated April 1, 2026 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each April 1 and October 1, commencing October 1, 2026 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on April 1 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$1,100,000	%	2037	\$1,600,000	%
2028	1,200,000		2038	1,600,000	
2029	1,300,000		2039	1,600,000	
2030	1,400,000		2040	1,600,000	
2031	1,500,000		2041	1,600,000	
2032	1,550,000		2042	1,630,000	
2033	1,600,000		2043	1,650,000	
2034	1,600,000		2044	1,650,000	
2035	1,600,000		2045	1,650,000	
2036	1,600,000		2046	1,650,000	

The Bonds maturing on or before April 1, 2033 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 1, 2034 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 1, 2033, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to twenty-three bond ordinances adopted by the Borough Council of the Borough on July 16, 2019 (Ord. No. 2019-14, as amended by Ord. No. 2019-17 adopted November 12, 2019), August 20, 2019 (Ord. No. 2019-16), July 21, 2020 (Ord. No. 2020-06), June 15, 2021 (two ordinances: Ord. Nos. 2021-04 and 2021-05), July 27, 2021 (two ordinances: Ord. Nos. 2021-08 and 2021-09), October 19, 2021 (Ord. No. 2021-15), March 15, 2022 (Ord. No. 2022-03), May 17, 2022 (Ord. No. 2022-07), June 21, 2022 (Ord. No. 2022-10), April 25, 2023 (Ord. No. 2023-10), May 16, 2023 (two ordinances: Ord. Nos. 2023-12 and 2023-13), June 18, 2024 (two ordinances: Ord. Nos. 2024-07 and 2024-08), August 20, 2024 (Ord. No. 2024-15), December 17, 2024 (two ordinances: Ord. Nos. 2024-21 and 2024-22), April 30, 2025 (Ord. No. 2025-10), June 17, 2025 (two ordinances: Ord. Nos. 2025-12 and 2025-13) and December 16, 2025 (Ord. No. 2025-21) and resolutions adopted by the Borough Council of the Borough on February 17, 2026.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such

requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Bonds, or (ii) other documents of

the Borough delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC