

REPORT OF AUDIT
BOROUGH OF RIVER EDGE
COUNTY OF BERGEN
DECEMBER 31, 2019

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BOROUGH OF RIVER EDGE

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BOROUGH OF RIVER EDGE

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

July 9, 2020

The Honorable Mayor and
Members of the Borough Council
Borough of River Edge
River Edge, New Jersey 07661

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of River Edge in the County of Bergen, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

The Length of Service Awards Program of the Borough of River Edge has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of River Edge as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 12 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,982,391.37 and \$1,635,099.87 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of River Edge’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

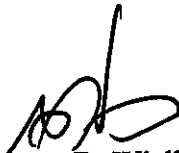
The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied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

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

The Honorable Mayor and
Members of the Borough Council
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2020 on our consideration of the Borough of River Edge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of River Edge's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 9, 2020

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 9,095,265.82	7,894,819.48
Change Fund	A-7	400.00	
		<u>9,095,665.82</u>	<u>7,894,819.48</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	285,126.67	315,713.36
Tax Title Liens Receivable	A-10	150,738.81	136,242.58
Revenue Accounts Receivable	A-11	12,516.43	9,885.71
Interfund Receivables:			
General Capital Fund	A-12		200.00
		<u>448,381.91</u>	<u>462,041.65</u>
Deferred Charges:			
Emergency Authorizations	A-13		95,185.00
Special Emergency Authorizations	A-14	7,680.00	8,520.00
		<u>7,680.00</u>	<u>103,705.00</u>
		<u>9,551,727.73</u>	<u>8,460,566.13</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-5	77,614.83	63,774.39
Grants Receivable	A-15	46,034.37	44,876.00
		<u>123,649.20</u>	<u>108,650.39</u>
Total Assets		\$ <u>9,675,376.93</u>	<u>8,569,216.52</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	\$ 878,643.84	806,713.90
Encumbrances Payable	A-17	742,643.26	448,505.52
Prepaid Taxes	A-18	211,696.12	195,991.32
Due to State of NJ Senior Cit. and Vet. Ded.	A-19	9,598.24	9,848.24
Interfund - Grant Fund	A	77,614.83	63,774.39
Other Trust Fund	A-12	894.93	
Accounts Payable	A-24	117,463.86	230,319.64
Reserve for:			
Codification of Ordinance	A-24	3,601.45	3,448.41
Sale of Municipal Assets	A-24	38,182.16	48,182.16
Tax Appeals Pending	A-24	503,591.98	534,214.81
		<u>2,583,930.67</u>	<u>2,340,998.39</u>
Reserve for Receivables	Contra	448,381.91	462,041.65
Fund Balance	A-1	<u>6,519,415.15</u>	<u>5,657,526.09</u>
		<u>9,551,727.73</u>	<u>8,460,566.13</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-25	112,770.77	108,650.39
Unappropriated Reserve for Grants	A-26	10,878.43	
		<u>123,649.20</u>	<u>108,650.39</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 9,675,376.93</u>	<u>8,569,216.52</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 975,000.00	839,857.00
Miscellaneous Revenue Anticipated	A-2	2,199,422.58	2,166,877.92
Receipts from Delinquent Taxes	A-2	315,427.83	305,225.07
Receipts from Current Taxes	A-2	50,751,943.85	49,203,682.63
Non-Budget Revenue	A-2	76,106.61	181,390.35
Other Credits to Income:			
Cancellation of Appropriated Reserves for Grants	A-25	3,161.81	318.65
Statutory Excess in Animal Control Trust	A-12	365.69	
Unexpended Balance of Appropriation Reserves	A-16	586,739.22	393,691.66
Cancelled - Accounts Payable	A-24	166,162.29	82,034.01
Interfunds Returned	A-12	200.00	
Total Revenues and Other Income		<u>55,074,529.88</u>	<u>53,173,077.29</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	7,040,711.00	6,819,576.00
Other Expenses	A-3	5,808,497.85	5,486,388.96
Capital Improvements	A-3	106,716.00	112,451.00
Municipal Debt Service	A-3	1,522,948.05	1,542,265.79
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,666,109.08	1,538,122.75
Refund/Adjustment of Prior Year Revenue	A-4	19,430.44	
Cancellation of Federal and State Grants Receivable	A-15	3,161.81	318.65
Local District School Tax	A-20	16,750,503.00	16,446,125.00
Regional High School Tax	A-21	15,638,168.50	15,399,760.00
Municipal Open Space Taxes	A-22	146,666.56	146,271.19
County Taxes including Added Taxes	A-23	4,536,728.53	4,351,560.37
Prior Year Tax Appeals Pending including Interest			3,233.58
Interfund Advances			200.00
Total Expenditures		<u>53,239,640.82</u>	<u>51,846,273.29</u>

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Excess (Deficit) Revenue Over Expenditures		1,834,889.06	1,326,804.00
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-13, A-14	<u>2,000.00</u>	<u>98,485.00</u>
Statutory Excess to Fund Balance		1,836,889.06	1,425,289.00
Fund Balance, January 1,	A	<u>5,657,526.09</u>	<u>5,072,094.09</u>
		7,494,415.15	6,497,383.09
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>975,000.00</u>	<u>839,857.00</u>
Fund Balance, December 31,	A	<u>\$ 6,519,415.15</u>	<u>5,657,526.09</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 975,000.00	975,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	15,000.00	15,550.00	550.00
Fees and Permits				
Other	A-2	55,000.00	66,493.79	11,493.79
Fines and Costs:				
Municipal Court	A-11	90,000.00	151,515.98	61,515.98
Interest and Costs on Taxes	A-8	90,000.00	97,488.16	7,488.16
Interest on Investments	A-11	130,001.05	190,878.50	60,877.45
Parking Lot Fees	A-11	30,000.00	31,024.00	1,024.00
Energy Receipts Tax	A-11	1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-11	13,722.00	13,722.00	
Uniform Construction Code Fees	A-11	195,000.00	200,376.00	5,376.00
Interlocal Municipal Service Agreements				
County of Bergen - Snow Removal	A-11	6,765.00	6,765.00	
Public and Private Revenues:				
Recycling Tonnage Grant	A-15	10,217.64	10,217.64	
Alcohol Education and Rehabilitation Fund	A-15	884.12	884.12	
Clean Communities Program	A-15	23,245.50	23,245.50	
Municipal Alliance on Alcoholism & Drug Abuse	A-15	9,876.00	9,876.00	
Bergen Cty Reg SWAT Team	A-15	1,500.00	1,500.00	
Recycling Enhancement Program	A-15	2,745.00	2,745.00	
Nursing Services for Public School	A-15	12,892.00	12,892.00	
Body Armor Replacement Grant	A-15	2,774.97	2,774.97	
Cooperative Housing Inspection Grant	A-15	5,915.00	5,915.00	
Bulletproof Vest Partnership	A-15	2,415.61	2,415.61	
Donation Police	A-15	500.00	500.00	
Sustainable Jersey Grant	A-15	2,000.00	2,000.00	
Other Special Items:				
Uniform Fire Safety Act	A-11	10,000.00	13,611.33	3,611.33
Cable Television Fees	A-11	151,653.44	151,653.44	
Reserve for Sale of Assets	A-24	10,000.00	10,000.00	
Police Outside Duty	A-11	95,000.00	118,385.54	23,385.54
Total Miscellaneous Revenues	A-1	2,024,100.33	2,199,422.58	175,322.25
Receipts from Delinquent Taxes	A-1/A-2	235,000.00	315,427.83	80,427.83
Subtotal General Revenues		3,234,100.33	3,489,850.41	255,750.08
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		12,858,380.00	13,317,711.16	459,331.16
Minimum Library Tax		613,984.00	613,984.00	
Total Amount to be Raised by Taxes for Support of Budget	A-2	13,472,364.00	13,931,695.16	459,331.16

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
(cont.)				
Budget Totals		16,706,464.33	17,421,545.57	715,081.24
Non-Budget Revenue	A-1/A-2		76,106.61	76,106.61
		<u>\$ 16,706,464.33</u>	<u>17,497,652.18</u>	<u>791,187.85</u>
Adopted Budget	A-3	16,656,945.10		
Appropriated by N.J.S. 40A:4-87	A-3	49,519.23		
		<u>16,706,464.33</u>		

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1,A-9	\$ 50,751,943.85
Allocated to School, Municipal Open Space and County Taxes	A-9	<u>37,381,179.09</u>
Balance for Support of Municipal Budget Appropriations		13,370,764.76
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>560,930.40</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,931,695.16</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-9	<u>\$ 315,427.83</u>
	A-2	<u>\$ 315,427.83</u>
Fees and Permits - Other:		
Clerk	A-11	\$ 39,705.00
Police	A-11	4,148.79
Board of Health	A-11	10,571.00
Fire	A-11	<u>12,069.00</u>
	A-2	<u>\$ 66,493.79</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenue Accounts Receivable			
Planning Board	A-11	\$	10.00
Board of Adjustment	A-11		4,800.00
Tax Collector	A-11		856.80
Tax Assessor	A-11		200.00
Borough Clerk	A-11		309.40
Rental of Borough Property	A-11		5,402.00
Interest on Assessments		\$	2.88
Reimbursement of Prior Year Expenditures			1,783.91
Police Outside Duty Prior Year Revenue			26,959.95
Administrative Fee Senior Citizen & Veteran Report			1,344.19
Court/Police Restitution			122.00
NJ Division of Motor Vehicles Inspection Fines			940.00
JIF Insurance Dividend			16,400.00
Commodity Resale Fuel Refund Prior Year			3,157.38
Miscellaneous / Contra			13,818.10
	A-4		<u>64,528.41</u>
	A-2	\$	<u><u>76,106.61</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

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Borough of River Edge , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Government:						
General Administration						
Salaries and Wages	\$	191,686.00	204,686.00	204,561.18	124.82	
Other Expenses		37,554.00	37,554.00	11,694.39	25,859.61	
Mayor and Council						
Salaries and Wages		29,000.00	29,000.00	27,333.28	1,666.72	
Other Expenses		12,245.00	12,245.00	6,705.03	5,539.97	
Municipal Clerk						
Salaries and Wages		136,158.00	136,458.00	136,432.51	25.49	
Other Expenses		64,080.00	63,780.00	53,853.36	9,926.64	
Codification of Ordinances (Emergency \$2,000.00)			2,000.00	2,000.00		
Financial Administration						
Salaries and Wages		354,984.00	338,034.00	252,094.14	85,939.86	
Other Expenses						
Audit Services		30,500.01	30,500.01	30,500.00	0.01	
Other Expenses - Miscellaneous		75,547.00	75,547.00	59,777.20	15,769.80	
Tax Assessment Administration						
Salaries and Wages		42,920.00	42,920.00	33,867.04	9,052.96	
Other Expenses		4,800.00	4,800.00	39.30	4,760.70	
Economic Development						
Other Expenses		7,000.00				
Revenue Administration						
Salaries and Wages		68,048.00	68,048.00	48,751.92	19,296.08	
Other Expenses		20,519.00	20,519.00	6,740.03	13,778.97	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Legal Services & Costs						
Other Expenses		130,000.00	130,000.00	121,780.60	8,219.40	
Municipal Court						
Salaries and Wages		122,223.00	122,223.00	104,848.06	17,374.94	
Other Expenses		12,445.00	12,445.00	9,665.06	2,779.94	
Public Defender						
Other Expenses		3,275.00	3,275.00	1,877.00	1,398.00	
Engineering Services and Costs						
Other Expenses		85,000.00	85,000.00	79,780.00	5,220.00	
Historical Sites Office						
Other Expenses		5,350.00	5,350.00	1,776.25	3,573.75	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		25,324.00	25,324.00	23,881.19	1,442.81	
Other Expenses		7,000.00	7,000.00	5,329.57	1,670.43	
Recycling						
Salaries and Wages		141,280.00	108,280.00	34,900.67	73,379.33	
Other Expenses		5.00	5.00		5.00	
Public Information						
Other Expenses		25,000.00	19,500.00	11,125.57	8,374.43	
Code Enforcement and Administration						
Other Code Enforcement Functions						
Salaries and Wages		38,893.00	38,893.00	33,449.06	5,443.94	
Other Expenses		16,057.00	16,057.00	9,883.08	6,173.92	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Insurance						
Liability Insurance		258,848.00	263,848.00	263,505.47	342.53	
Worker's Compensation		193,229.00	193,229.00	193,229.00		
Group Insurance Plan for Employees		845,000.00	845,000.00	678,547.44	166,452.56	
Health Benefit Waiver		25,000.00	25,000.00	22,407.34	2,592.66	
Public Safety:						
Fire						
Salaries and Wages		2,738.00	8,238.00	6,666.86	1,571.14	
Other Expenses		141,650.00	143,150.00	143,023.33	126.67	
Uniform Fire Safety Act (P.L. 1983,C.383)						
Salaries and Wages		29,764.00	29,764.00	29,748.08	15.92	
Other Expenses		3,050.00	3,050.00	2,024.96	1,025.04	
Police						
Salaries and Wages		3,442,017.00	3,492,017.00	3,466,681.22	25,335.78	
Other Expenses		126,225.00	126,225.00	118,378.49	7,846.51	
Emergency Management Services						
Salaries and Wages		13,872.00	13,872.00	13,324.52	547.48	
Other Expenses		9,350.00	9,350.00	7,967.70	1,382.30	
Municipal Prosecutor						
Salaries and Wages		11,200.00	11,200.00	9,755.00	1,445.00	
Other Expenses		200.00	200.00		200.00	
Streets and Roads:						
Public Works Repairs and Maintenance						
Salaries and Wages		984,803.00	990,803.00	990,576.24	226.76	
Other Expenses		95,750.00	95,750.00	92,544.80	3,205.20	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Other Public Works Functions						
Other Expenses		12,375.00	12,375.00	10,182.00	2,193.00	
Shade Tree Commission (N.J.S.A. 40:64-1)						
Other Expenses		37,750.00	37,750.00	37,247.08	502.92	
Buildings and Grounds						
Salaries and Wages		55,057.00	58,557.00	58,345.90	211.10	
Other Expense		170,728.00	170,728.00	150,224.37	20,503.63	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages		175,013.00	175,013.00	162,623.64	12,389.36	
Other Expenses		114,525.00	119,915.00	112,980.00	6,935.00	
Community Services Act						
Other Expenses		24,280.00	24,280.00	24,280.00		
Sanitation:						
Garbage and Trash Removal						
Contractual (P.L. 1987 C.74)		322,000.00	322,000.00	317,635.42	4,364.58	
Other Expenses - Multifamily (P.L. 2000, C.26)		186,500.00	156,500.00	121,806.34	34,693.66	
Parking Lot Maintenance						
Other Expenses		6,700.00	6,700.00	5,113.50	1,586.50	
Sewer System						
Salaries and Wages		53,910.00	53,910.00	50,621.00	3,289.00	
Other Expenses		14,640.00	9,250.00	9,057.50	192.50	
Sanitation Landfill - Bergen County						
Contractual		253,000.00	253,000.00	222,532.49	30,467.51	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Health and Welfare:						
Public Health Services						
Salaries and Wages		54,695.00	54,695.00	40,566.02	14,128.98	
Other Expenses - Contractual		20,298.00	25,789.00	18,477.50	7,311.50	
Other Expenses - Miscellaneous		25,789.00	20,298.00	20,298.00		
Animal Welfare						
Other Expenses		15,902.00	15,902.00	15,748.40	153.60	
Board of Health (PEOSHA, N.J.S.A. 34:6A-25 et seq.)H.B.V.						
Other Expenses		100.00	100.00		100.00	
Fire (N.J., PEOSHA, N.J.A.C. 12:100-10)						
Other Expenses		100.00	100.00		100.00	
Celebration of Public Events						
Other Expenses		150.00	150.00	150.00		
Recreation & Education:						
Recreation Commission RS. 40:12-1						
Salaries and Wages		64,771.00	64,821.00	64,801.08	19.92	
Other Expenses		14,550.00	11,550.00	9,702.13	1,847.87	
Maintenance of Parks						
Salaries and Wages		190,123.00	203,123.00	202,350.58	772.42	
Other Expenses		4,700.00	4,700.00	4,700.00		
Aid to Senior Citizen Program (40:48-9.4)						
Other Expenses		27,500.00	27,500.00	26,068.72	1,431.28	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Other Common Operating Functions:						
Worker and Community Right to Know Act (P.L. 1983 C.315)						
Administrative and Executive						
Other Expenses		900.00	900.00	900.00		
Bus						
Salaries and Wages		45,391.00	40,391.00	34,239.85	6,151.15	
Other Expenses		250.00	250.00		250.00	
Accumulated Absences (N.J.A.C. 5:30-15)		5.00	5.00	5.00		
State Uniform Construction Code:						
Construction Code Officials						
Salaries and Wages		162,909.00	165,309.00	165,218.28	90.72	
Other Expenses		3,550.00	4,050.00	3,559.97	490.03	
Unclassified:						
Telephone		60,000.00	60,000.00	55,796.02	4,203.98	
Fire Hydrant Service		129,000.00	129,000.00	128,058.62	941.38	
Water		27,000.00	27,000.00	21,443.83	5,556.17	
Petroleum Products		87,726.00	87,726.00	73,893.10	13,832.90	
Electricity and Natural Gas		250,000.00	250,000.00	189,696.25	60,303.75	
Total Operations within "CAPS"		10,481,476.01	10,483,476.01	9,709,348.53	774,127.48	
Contingent		5.00	5.00		5.00	
Total Operations Including Contingent within "CAPS"		10,481,481.01	10,483,481.01	9,709,348.53	774,132.48	
Detail:						
Salaries and Wages	A-1	6,461,784.00	6,500,584.00	6,218,049.66	282,534.34	
Other Expenses	A-1	4,019,697.01	3,982,897.01	3,491,298.87	491,598.14	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		391,545.00	391,545.00	391,545.00		
Social Security System (O.A.S.I.)		320,500.00	320,500.00	285,641.40	34,858.60	
Police and Firemen's Retirement System		761,135.00	761,135.00	761,135.00		
Unemployment Compensation Insurance		19,000.00	19,000.00	19,000.00		
Defined Contribution Retirement Program		11,000.00	11,000.00	11,000.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,503,180.00	1,503,180.00	1,468,321.40	34,858.60	
Total General Appropriations for Municipal Purposes within "CAPS"		11,984,661.01	11,986,661.01	11,177,669.93	808,991.08	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)					17,754.35	
Salaries and Wages		511,565.00	511,565.00	493,810.65		
Other Expenses		138,260.00	138,260.00	138,260.00		
Hackensack/Paramus Sewer Charges						
Contractual		210,930.00	210,930.00	210,930.00		
Bergen County Utilities Authority						
Service Charges Contractual						
Operation and Maintenance		862,264.96	862,264.96	862,182.00	82.96	
Debt Service		286,735.04	286,735.04	286,735.04		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Recycling Tax (P.L.2007, C.311)		13,000.00	13,000.00	10,531.59	2,468.41	
Other Expenses						
NJPEDS Stormwater Permit (N.J.S.A. 40A:45.3(cc))						
General Administration						
Salaries and Wages		3,253.00	3,253.00	3,253.00		
Other Expenses		1,600.00	1,600.00		1,600.00	
Municipal Clerk						
Salaries and Wages		274.00	274.00	274.00		
Other Expenses		400.00	400.00		400.00	
Legal Services & Costs						
Other Expenses		1,200.00	1,200.00		1,200.00	
Public Information						
Other Expenses		2,000.00	2,000.00	436.50	1,563.50	
Other Code Enforcement Functions						
Salaries and Wages		14.00	14.00	14.00		
Police						
Salaries and Wages		38.00	38.00	38.00		
Public Works Repair and Maintenance						
Salaries and Wages		8,206.00	8,206.00	8,206.00		
Other Expenses		9,500.00	9,500.00	9,495.69	4.31	
Sewer System						
Other Expenses		3,000.00	3,000.00	3,000.00		
Public Health Services						
Salaries and Wages		12.00	12.00	12.00		
Engineering						
Other Expenses		5,000.00	5,000.00	5,000.00		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, c.388)		45,900.00	45,900.00	45,900.00		
Other Expenses - Fire		26,520.00	26,520.00	26,520.00		
Other Expenses - First Aid Organization						
Implementation of 911 System (N.J.S.A. 40A:4-45.3 (cc))						
Police Communications		19,809.00	19,809.00	15,478.69	4,330.31	
Other Expenses						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)		18,000.00	18,000.00	17,711.99	288.01	
Electricity		1,400.00	1,400.00	1,018.98	381.02	
Telephone		3,000.00	3,000.00	943.16	2,056.84	
Natural Gas		7,500.00	7,500.00	4,405.26	3,094.74	
Water		30,454.00	30,454.00		30,454.00	
Employee Group Health		39,765.00	39,765.00	35,998.57	3,766.43	
Social Security		12,573.00	12,573.00	12,573.00		
Liability Insurance		9,350.00	9,350.00	9,350.00		
Workers Compensation Insurance		10,000.00	10,000.00	9,797.12	202.88	
Health Benefit Waiver						
Interlocal Municipal Service Agreements						
County of Bergen Snow Removal		6,765.00	6,765.00	6,765.00		
Salary and Wages						
Public and Private Programs Offset by Revenues						
State and Local Cooperative Housing		5,915.00	5,915.00	5,915.00		
Inspection Program		10,217.64	10,217.64	10,217.64		
Recycling Tonnage Grant		23,245.50	23,245.50	23,245.50		
Clean Communities Grant						

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Nursing Services for Nonpublic Schools		12,892.00	12,892.00	12,892.00		
Municipal Alliance on Alcoholism & Drug Abuse						
State Share		9,876.00	9,876.00	9,876.00		
Local Share		2,469.00	2,469.00	2,469.00		
Alcohol Education and Rehabilitation		884.12	884.12	884.12		
Bulletproof Vest Partnership		2,415.61	2,415.61	2,415.61		
Recycling Enhancement Grant		2,745.00	2,745.00	2,745.00		
Bergen Cty Reg SWAT Team		1,500.00	1,500.00	1,500.00		
Body Armor Grant		2,774.97	2,774.97	2,774.97		
Sustainable Jersey Grant		2,000.00	2,000.00	2,000.00		
Donations to Police Department		500.00	500.00	500.00		
Matching Funds for Grants		5.00	5.00		5.00	
Total Operations - Excluded from "CAPS"		2,365,727.84	2,365,727.84	2,296,075.08	69,652.76	
Detail:						
Salaries & Wages	A-1	540,127.00	540,127.00	522,169.77	17,957.23	
Other Expenses	A-1	1,825,600.84	1,825,600.84	1,773,905.31	51,695.53	
Capital Improvements:						
Capital Improvement Fund		106,716.00	106,716.00	106,716.00		
Total Capital Improvements Excluded from "CAPS"	A-1	106,716.00	106,716.00	106,716.00		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Debt Service:						
Payment of Bond Principal		1,314,000.00	1,314,000.00	1,314,000.00		
Interest on Bonds		191,000.00	191,000.00	189,971.50		1,028.50
NJ EIT Loan						
Principal		19,000.00	19,000.00	18,163.12		836.88
Interest		1,500.00	1,500.00	813.43		686.57
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,525,500.00	1,525,500.00	1,522,948.05		2,551.95
Deferred Charges:						
Emergency Authorization		95,185.00	95,185.00	95,185.00		
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)		2,840.00	2,840.00	2,840.00		
Deferred Charges to Future Taxation - Unfunded						
Ord 1794 Resurface 5th Avenue (Sec. I)		6,000.00	6,000.00	6,000.00		
Ord 1822 River Dell Middle School Project		38,779.08	38,779.08	38,779.08		
Ord 1835 Resurface 5th Ave (Sec 3)		20,125.00	20,125.00	20,125.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	162,929.08	162,929.08	162,929.08		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,160,872.92	4,160,872.92	4,088,668.21	69,652.76	2,551.95
Subtotal General Appropriations		16,145,533.93	16,147,533.93	15,266,338.14	878,643.84	2,551.95

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Reserve for Uncollected Taxes		560,930.40	560,930.40	560,930.40		
Total General Appropriations	\$	16,706,464.33	16,708,464.33	15,827,268.54	878,643.84	2,551.95
					A	
Adopted Budget	A-2		\$ 16,656,945.10			
Special Emergency Authorization	A-14		2,000.00			
Appropriated by N.J.S. 40A:4-87	A-2		49,519.23			
			\$ 16,708,464.33			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2		\$	560,930.40		
Cash Disbursed	A-4			14,346,235.04		
Deferred Charges - Emergency Authorization	A-13			95,185.00		
Deferred Charges - Special Emergency Authorization	A-14			2,840.00		
Encumbrances Payable	A-17			742,643.26		
Reserve for Codification of Ordinances	A-24			2,000.00		
Matching Funds for Grants	A-4/A-25			2,469.00		
Reserve for Grants	A-25			74,965.84		
				\$ 15,827,268.54		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-2	\$ 270.37	461.39
Assessments Receivable	B-4	191.02	382.05
		<u>461.39</u>	<u>843.44</u>
Animal License Fund:			
Cash - Treasurer	B-2	7,380.20	6,737.61
		<u>7,380.20</u>	<u>6,737.61</u>
Other Trust Funds:			
Cash - Treasurer	B-2	1,718,072.91	2,227,142.53
Due from Current Fund	B-6	894.93	
		<u>1,718,967.84</u>	<u>2,227,142.53</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-2	1,907,931.37	1,562,679.87
Contributions Receivable	B-5	74,460.00	72,420.00
		<u>1,982,391.37</u>	<u>1,635,099.87</u>
Total Assets		\$ <u>3,709,200.80</u>	<u>3,869,823.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Fund:			
Due to General Capital Fund	B-7	\$	382.05
Fund Balance	B-1	461.39	461.39
		<u>461.39</u>	<u>843.44</u>
Animal License Fund:			
Reserve for Dog Fund Expenditures	B-8	7,376.60	6,737.61
Due to State of New Jersey	B-9	3.60	
		<u>7,380.20</u>	<u>6,737.61</u>
Other Trust Fund:			
Due to the State - Unemployment Claims	B-10		1,846.26
Developers' Escrow	B-11	77,048.14	122,257.78
Fire Prevention Penalties	B-11	1,623.00	1,623.00
Recycling	B-11	109,702.69	162,981.35
Vacancy Inspection	B-11	6.10	391.10
P.O.A.A.	B-11	3,237.52	2,859.52
Municipal Alliance	B-11	4,232.98	2,029.74
Street Opening Permits	B-11	2,000.00	1,500.00
Performance Bonds	B-11	352,640.00	781,912.00
Storm Recovery	B-11	87,430.26	101,928.99
Commodity Resale	B-11	3,120.06	1,800.00
Public Defender	B-11	725.00	1,175.00
Accumulated Absences	B-11	57,005.00	57,000.00
Municipal Open Space	B-11	266,774.40	201,602.04
September 11th Memorial Gardens	B-11	3,881.98	3,881.98
Donations Beautification	B-11	3,978.42	4,724.84
Stigma Free Initiative	B-11	591.25	
Tax Sale Premium	B-11		32,000.00
Donations for Shade Tree Commission	B-11	31,518.78	33,092.42
Performance Bonds - Shade Tree Commission	B-11	91,032.63	101,550.45
Senior / Community Center	B-11	8,687.75	20,756.93
Park & Field Maintenance	B-11	80,176.91	63,902.21
Donations Special Events	B-11	12,191.34	24,966.05
Reserve for:			
Self Insurance Fund (Commission)	B-12	75,538.83	61,982.35
Unemployment Insurance Trust Fund	B-12	9,403.05	20,009.50
Recreation Commission	B-13	124,395.50	123,083.90
Payroll Deductions Payable	B-14	304,331.25	296,285.12
		<u>1,718,967.84</u>	<u>2,227,142.53</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-15	1,982,391.37	1,635,099.87
Total Liabilities, Reserves & Fund Balance		\$ <u>3,709,200.80</u>	<u>3,869,823.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Assessment Trust Fund

For the Years Ended December 31, 2019 and 2018

		<u>2019</u>	<u>2018</u>
Balance - December 31, 2018	<u>Ref.</u> B	\$ <u>461.39</u>	<u>461.39</u>
Balance - December 31, 2019	B/B-3	\$ <u>461.39</u>	<u>461.39</u>

The accompanying "Notes to Financial Statements"
are an integral part of these Financial Statements.

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Borough of River Edge , N.J.
Comparative Balance Sheet - Regulatory Basis
General Capital Fund
December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 1,804,315.27	1,413,738.36
Various Receivables	C-4	1,631,030.00	1,704,500.00
Interfund - Assessment Trust Fund	C-5		382.05
Deferred Charges to Future Taxation:			
Funded	C-6	6,385,000.00	7,717,728.18
Unfunded	C-7	6,466,568.65	4,839,705.73
		<u>16,286,913.92</u>	<u>15,676,054.32</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	6,385,000.00	7,699,000.00
Environmental Infrastructure Trust / Loan	C-9		18,728.18
Bond Anticipation Notes	C-10	2,246,000.00	
Improvement Authorizations:			
Funded	C-11	1,835,491.22	2,414,749.09
Unfunded	C-11	4,202,683.18	3,929,805.05
Capital Improvement Fund	C-12	9,133.03	7,906.03
Reserve for Receivables	C-13	1,533,000.00	1,533,000.00
Interfund - Current Fund	C-5		200.00
Fund Balance	C-1	75,606.49	72,665.97
		<u>\$ 16,286,913.92</u>	<u>15,676,054.32</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2019 and 2018 of \$4,220,568.65 and \$4,839,705.73 respectively per Exhibit C-14.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of River Edge , N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Balance - December 31, 2018	C	\$ 72,665.97	92,665.97
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	11,795.00	
Funded Improvement Authorizations Cancelled	C-11	<u>36,145.52</u>	<u>20,624.00</u>
		120,606.49	113,289.97
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-11	<u>45,000.00</u>	<u>40,624.00</u>
Balance - December 31, 2019	C/C-3	<u>\$ 75,606.49</u>	<u>72,665.97</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

GENERAL FIXED ASSET ACCOUNT GROUP

Exhibit D

Borough of River Edge, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>General Fixed Assets:</u>		
Land	\$ 4,798,358.73	4,798,358.73
Buildings and Building Improvements	5,383,345.57	5,383,345.57
Improvements - Other than Buildings	1,344,399.53	1,344,399.53
Machinery and Equipment	<u>9,847,453.13</u>	<u>9,773,723.91</u>
	<u>21,373,556.96</u>	<u>21,299,827.74</u>
Investment in General Fixed Assets	\$ <u>21,373,556.96</u>	<u>21,299,827.74</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

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BOROUGH OF RIVER EDGE, N. J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of River Edge have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of River Edge (the "Borough") operates under a 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 prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library, Volunteer Fire Department and the Volunteer Ambulance Corps, which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

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

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the hauling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to be included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et seq. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

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 for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2019, the Borough Council increased the original budget by \$51,519.23. The increase was funded by \$49,519.23 of additional grants and donations allotted to the Borough and \$2,000.00 by a special emergency appropriation for codification of ordinances.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

General Fixed Assets - The Borough of River Edge has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except land which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019 and 2018, \$0- of the Borough's bank balance of \$7,165,674.17 and \$11,960,473.40, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2019 and 2018 amounted to \$1,907,931.37 and \$1,562,679.87, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Growth	\$1,257,283.78	\$978,686.50
Fixed Income	195,480.51	182,846.01
Income	195,613.38	169,276.97
Growth and Income	74,258.09	77,422.56
All Others	<u>185,295.61</u>	<u>154,447.83</u>
Total	<u>\$1,907,931.37</u>	<u>\$1,562,679.87</u>

NOTE 3: MUNICIPAL DEBT

Long-term debt as of December 31, 2019 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$7,699,000.00	\$	\$1,314,000.00	\$6,385,000.00	\$985,000.00
Other Liabilities:					
Compensated Absences Payable	816,338.00	105,154.56	564,526.86	356,965.70	
N.J. Environmental Infrastructure: Loan	<u>18,728.18</u>	<u> </u>	<u>18,728.18</u>	<u>0.00</u>	<u> </u>
	<u>\$8,534,066.18</u>	<u>\$105,154.56</u>	<u>\$1,897,255.04</u>	<u>\$6,741,965.70</u>	<u>\$985,000.00</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$8,631,000.00	\$7,699,000.00	\$8,999,000.00
Loans		<u>18,728.18</u>	<u>33,901.07</u>
Total Issued	<u>8,631,000.00</u>	<u>7,717,728.18</u>	<u>9,032,901.07</u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>4,220,568.65</u>	<u>4,839,705.73</u>	<u>2,084,904.54</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,851,568.65</u>	<u>\$12,557,433.91</u>	<u>\$11,117,805.61</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 .698%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$14,155,000.00	\$14,155,000.00	\$0.00
Regional High School District	3,068,270.10	3,068,270.10	0.00
General Debt	<u>12,851,568.65</u>		<u>12,851,568.65</u>
	<u>\$30,074,838.75</u>	<u>\$17,223,270.10</u>	<u>\$12,851,568.65</u>

Net Debt \$12,851,568.65 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended,
\$1,841,365,215.67 = .698%.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$64,447,782.55
Net Debt	<u>12,851,568.65</u>
Remaining Borrowing Power	<u><u>\$51,596,213.90</u></u>

The Borough's bonded debt consisted of the following at December 31, 2019:

	<u>Amount Outstanding</u>
Paid by Current Fund:	
General Improvement Bonds - \$2,955,000.00 issued December 15, 2007 due through December 15, 2022 with variable interest rates of 3.625% to 4.00%	\$585,000.00
General Improvement Bonds - \$2,970,000.00 issued November 15, 2013 due through November 15, 2023 with variable interest rates of 1.00% to 2.50%	1,400,000.00
General Improvement Bonds - \$4,900,000.00 issued November 1, 2017 due through November 1, 2029 with variable interest rates of 2.125% to 2.50%	<u>4,400,000.00</u>
	<u><u>\$6,385,000.00</u></u>

General Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the Borough.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST BONDED DEBT ISSUED AND OUTSTANDING

	<u>General</u>		
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$985,000.00	\$152,575.00	\$1,137,575.00
2021	985,000.00	128,425.00	1,113,425.00
2022	985,000.00	103,400.00	1,088,400.00
2023	790,000.00	77,500.00	867,500.00
2024	440,000.00	59,400.00	499,400.00
2025-2029	<u>2,200,000.00</u>	<u>154,550.00</u>	<u>2,354,550.00</u>
	<u><u>\$6,385,000.00</u></u>	<u><u>\$675,850.00</u></u>	<u><u>\$7,060,850.00</u></u>

At December 31, 2019, the Borough had authorized but not issued debt of \$4,220,568.65.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 4: BOND ANTICIPATION NOTES

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, 2019, the Borough had \$2,246,000.00 in outstanding bond anticipation notes maturing on October 20, 2020 at an interest rate of 2.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable: Oppenheimer & Co.	\$ <u> </u>	\$ <u>2,246,000.00</u>	\$ <u> </u>	\$ <u>2,246,000.00</u>

NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance to Succeeding Budget</u>
Current Fund:			
Special Emergency Authorizations	\$ <u>7,680.00</u>	\$ <u>2,240.00</u>	\$ <u>5,440.00</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 6: DEFERRED SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of River Edge has elected to defer school taxes as follows:

	December 31, 2019	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,424,752.00	\$7,890,209.00
Deferred	<u>8,424,752.00</u>	<u>7,890,209.00</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>
	December 31, 2018	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,257,889.00	\$7,747,959.50
Deferred	<u>8,257,889.00</u>	<u>7,747,959.50</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

NOTE 7: PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/GASB-notices.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years 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.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/GASB-notices.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of 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% (Tiers 1 and 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 benefits 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2019	\$390,374.00	\$761,135.00	\$11,000.00
2018	361,583.00	626,840.00	8,800.00
2017	339,434.00	583,036.00	8,800.00

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2019, the Borough had a liability of \$7,102,192.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .0394161465 percent, which was an increase of .0001698365 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$390,374.00. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$127,475.00	\$31,374.00
Changes of assumptions	709,180.00	2,465,148.00
Net difference between projected and actual earnings on pension plan investments		112,111.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>215,004.00</u>	<u>12,699.00</u>
Total	<u>\$1,051,659.00</u>	<u>\$2,621,332.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(205,079)
2021	(665,272)
2022	(594,049)
2023	(278,937)
2024	(28,641)

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Borough's Proportion	.0394161465%	0.03924631%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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. Post-retirement 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 based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2019</u>		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Borough's proportionate share of the pension liability	\$9,033,632	\$7,102,192	\$5,565,720

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Borough had a liability of \$9,274,633.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .0757866518 percent, which was a decrease of .0020670869 percent from its proportion measured as of June 30, 2018.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2019, the Borough recognized pension expense of \$761,135.00. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$78,290.00	\$58,719.00
Changes of assumptions	317,799.00	2,997,476.00
Net difference between projected and actual earnings on pension plan investments		125,668.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>886,636.00</u>	<u>472,946.00</u>
Total	<u>\$1,282,725.00</u>	<u>\$3,654,809.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(486,228)
2021	(1,020,671)
2022	(722,849)
2023	(356,315)
2024	(199,712)

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 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Borough's Proportion	.0757866518%	0.0778537387%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates, (continued)

annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree 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 generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Borough's proportionate share of the pension liability	\$14,515,370	\$9,274,633	\$7,613,720

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS 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 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. 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. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,464,482 and \$1,430,991, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$170,161 and \$169,499, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$98,676 and \$84,749, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Borough does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as described below:

Special Funding Situation PFRS

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred outflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$7,228,745 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$95,819.

NOTE 9: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	<u>\$1,012,500.00</u>	<u>\$975,000.00</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 10: FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2019.

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Land	\$4,798,358.73	\$	\$	\$4,798,358.73
Buildings	5,383,345.57			5,383,345.57
Improvements-Other than Buildings	1,344,399.53			1,344,399.53
Machinery and Equipment	<u>9,773,723.91</u>	<u>244,705.22</u>	<u>170,976.00</u>	<u>9,847,453.13</u>
	<u>\$21,299,827.74</u>	<u>\$244,705.22</u>	<u>\$170,976.00</u>	<u>\$21,373,556.96</u>

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

The Borough of River Edge permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. Additionally, employees who meet certain requirements are eligible to receive an annual payment as severance pay until the employee reaches the age sixty-five.

It is estimated that the current cost of such unpaid compensation would approximate \$356,965.70 and \$816,338.00 at December 31, 2019 and 2018, respectively. These amounts are not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of River Edge's budget operating expenditures in the year in which it is used.

As of December 31, 2019 and 2018, the Borough has reserved in the Other Trust Fund \$57,005.00 and \$57,000.00, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 12: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2019 consist of the following:

894.93	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
<u>77,614.83</u>	Due to the State and Federal Grant Fund from the Current Fund for Grant receipts deposited in the Current Fund.
<u>\$78,509.76</u>	

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 13: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP) - UNAUDITED

On March 6, 2003, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$1,000.00 to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 1289. In addition, the ordinance does not provide for prior years service credit. The amount of the LOSAP award cannot exceed \$1,000.00 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2019 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services. Since a review does not constitute an audit, the financial statements pertaining to the plan are presented as unaudited in this report as part of the Borough's trust fund.

NOTE 14: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2013 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of River Edge is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 14: RISK MANAGEMENT, (continued)

The Borough of River Edge is a member of the Bergen County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage up to \$100,000.00 for member municipalities. The Borough of River Edge pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of River Edge is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides excess insurance coverage for claims in excess of \$100,000.00 for general liability, automobile liability and workers' compensation. The MEL also provides insurance coverage for the following: employment practices liability, non-owned aircraft, public officials liability, directors and officers liability and faithful performance and employee dishonesty blanket bond (\$1,000,000.00 limit).

The JIF also provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, PERMA Risk Management Services.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 14: RISK MANAGEMENT, (continued)

Year Ended Dec. 31,	Interest Earnings/ Borough Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2019	\$19,251.97	\$16,027.94	\$45,886.36	\$9,403.05
2018	17,094.29	16,154.35	32,459.97	20,009.50
2017	18,003.76	16,191.76	36,952.04	19,220.83

The Borough of River Edge continues to carry commercial insurance coverage for all other risks of loss, including employee health, accident and flood insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Borough also maintains a self insurance fund to pay for small claims or claims which fall under the insurance deductible amount.

NOTE 15: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2019	Balance Dec 31, 2018
Prepaid Taxes	<u>\$211,696.12</u>	<u>\$195,991.32</u>
Cash Liability for Taxes Collected in Advance	<u>\$211,696.12</u>	<u>\$195,991.32</u>

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES

The Borough of River Edge is a defendant in certain lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance would be funded from future taxation.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 9, 2020, the date which the financial statements were available to be issued, and besides the item described below, no other items were noted for disclosure.

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of River Edge. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

SUPPLEMENTARY DATA

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate:	<u>3.468</u>	<u>3.395</u>	<u>3.362</u>	<u>3.286</u>	<u>3.217</u>
Apportionment of Tax Rate:					
Municipal	.877	.846	.846	.832	.820
Municipal Library	.042	.041	.039	.038	.038
Municipal Open Space	.010	.010	.010	.010	.010
County	.296	.286	.284	.283	.272
County Open Space	.012	.012	.010	.003	.003
Local School	1.154	1.138	1.121	1.097	1.075
Regional High School	1.077	1.062	1.052	1.023	.999

Assessed Valuation:

2019	\$1,466,088,576.00
2018	1,459,042,122.00
2017	1,455,318,219.00
2016	1,452,389,603.00
2015	1,442,542,931.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$51,108,007.00	\$50,751,943.85	99.30%
2018	49,654,283.13	49,268,354.32	99.22
2017	49,016,059.14	48,641,815.07	99.24
2016	47,826,445.72	47,463,619.60	99.24
2015	46,620,948.84	46,279,531.61	99.26

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the last five years. A comparison of the outstanding assessment and assessment title liens for the past five years is also shown.

<u>Taxes and Liens</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current Year	\$284,876.67	\$315,713.36	\$305,347.53	\$294,082.98	\$258,359.91
Prior Years	250.00				
Tax Title Liens	<u>150,738.81</u>	<u>136,242.58</u>	<u>122,051.46</u>	<u>107,998.29</u>	<u>94,262.82</u>
Totals	<u>\$435,865.48</u>	<u>\$451,955.94</u>	<u>\$427,398.99</u>	<u>\$402,081.27</u>	<u>\$352,622.73</u>
Percentage of each Years Tax Levy	.85%	.91%	.87%	.84%	.76%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

There was no property sold or acquired during the year.

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

<u>Year</u>	<u>Amount</u>
2019	None
2018	None
2017	None
2016	None
2015	None

COMPARATIVE SCHEDULE OF FUND BALANCE

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2019	\$6,519,415.15	\$1,012,500.00
2018	5,657,526.09	975,000.00
2017	5,072,094.09	839,857.00
2016	3,860,466.91	425,000.00
2015	3,493,975.25	425,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Edward Mignone	Mayor	
Ellen Busteed	Council President	
Dario Chinigo	Councilman	
Mary Davis	Councilwoman	
Joseph Gautier	Councilman	
Michele Kaufman	Councilwoman	
Thomas Papaleo	Councilman	
Alan P. Negreann	Administrator	
	Chief Finance Officer	(A)
Raymond Poerio	Administrator from 03/26/19	
Stephanie Evans	Borough Clerk	
Maureen Murphy	Tax Collector	(A)
	Tax Search Officer	
Thomas M. Sarlo	Borough Attorney	
Robert Costa	Borough Engineer	
James Anzevino	Assessor	
Bruce L. Safro, Esq	Magistrate	(A)
Noreen Patoray	Court Administrator	(A)
Gomattie Birnbaum	Accounts Supervisor, Certifying Officer	
Thomas Cariddi	Chief of Police	

(A) Coverage provided by the Municipal Excess Liability Joint Insurance Fund of up to \$1,000,000.00 per loss subject to a deductible of \$1,000.00.

Faithful Performance Blanket Bond in the amount of \$250,000.00 issued by Bergen County Municipal Joint Insurance Fund.

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BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

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BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2019	Receipts	Expended	Balance Dec. 31, 2019	Memo Cumulative Total Expenditures
NJ Division of Highway Traffic Safety: Drunk Driving Enforcement Fund	6400-100-078	2018	6,478.60	6,478.60			6,478.60	*
		2016	8,096.44	6,589.92		3,094.45	3,495.47	*
				13,068.52		3,094.45	9,974.07	*
NJ Department of Health: Alcohol Education Rehabilitation	9735-760-001	2019	884.12		884.12		884.12	*
		2018	292.93	292.93			292.93	*
		2017	965.10	965.10			965.10	*
		2016	966.90	966.90			966.90	*
		2015	1,237.60	1,237.60			1,237.60	*
		2014	708.96	708.96			708.96	*
		2013	1,002.72	1,002.72			1,002.72	*
		2012	917.00	917.00			917.00	*
		2011	647.00	647.00			647.00	*
		2010	603.28	603.28			603.28	*
		2009	232.05	232.05			232.05	*
		prior	9,000.68	1,305.69			1,305.69	*
				8,879.23	884.12		9,763.35	*
								7,694.99

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2019	Receipts	Expended	Balance Dec. 31, 2019	Memo Cumulative Total Expenditures
NJ Department of Human Services: Public Health Priority Funding	4220-150-021030-60	2010	1,425.00	1,425.00				*
		2009	2,240.00	2,240.00			1,425.00	*
		2008	2,150.00	2,150.00			2,240.00	*
		2007	2,160.00	2,160.00			2,150.00	*
		2006	2,050.00	2,050.00			2,160.00	*
		Prior	23,697.20	1,740.52		145.46	2,050.00	*
				11,765.52		145.46	1,595.06	22,102.14
NJ Department of Community Affairs: Cooperative Housing Inspection	8010-100-023	2019	6,283.00		6,283.00			*
		2018	8,681.00	6,973.00		1,569.00	6,283.00	*
				6,973.00	6,283.00	1,569.00	5,404.00	3,277.00
							11,687.00	*
NJ Department of Education Pass Through River Edge Brd. Of Ed. Nonpublic Nursing Services	100-034-5120-070	2019	12,892.00		12,892.00			*
		2018	13,204.00	13,204.00		1,629.45	12,892.00	*
		2017	13,195.00	13,195.00		13,195.00	11,574.55	1,629.45
		2016	13,260.00	90.63		90.63		13,195.00
				26,489.63	12,892.00	14,915.08	24,466.55	13,260.00
								*

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

		Pass-Through						Memo
State Grantor/Pass-Through	Entity ID	Grant	Program	Balance	Receipts	Expended	Balance	Cumulative
Grantor/Program	Number	Year	Amount	Jan. 1, 2019			Dec. 31, 2019	Total
								Expenditures
Council on Alcoholism and Drug Abuse:								
Pass Through County of Bergen		2019	9,876.00			1,683.30	(1,683.30)	1,683.30
Municipal Drug Alliance		2018	9,876.00	(2,229.86)	6,133.24	3,903.38		6,133.24
				(2,229.86)	6,133.24	5,586.68	(1,683.30)	
				61,305.39	71,440.90	59,600.46	73,145.83	
Total Federal and State Grant Fund								
General Capital Fund								
NJ Department of Transportation:								
Highway Planning and Construction	078-6320-480							
Bogert Rd		2018	218,000.00					
Howland Ave		2018	200,000.00					

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

Borough of River Edge , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2018	A	\$	7,894,819.48
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	64,528.41	
Interfund - Grant Fund	A-5	83,993.09	
Petty Cash Returned	A-6	1,800.00	
Tax Collector Receipts	A-8	51,113,105.05	
Revenue Accounts Receivable	A-11	2,028,546.78	
Interfunds	A-12	10,295.38	
Due From State - Senior Citizen and Veteran Deductions	A-19	67,209.59	
Various Cash Liabilities and Reserves	A-24	54,723.30	
			<u>53,424,201.60</u>
			<u>61,319,021.08</u>
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	19,430.44	
Current Year Budget Appropriations	A-3	14,346,235.04	
Matching Funds for Grants	A-3	2,469.00	
Interfund - Grant Fund	A-5	70,152.65	
Petty Cash	A-6	1,800.00	
Change Fund	A-7	400.00	
Interfunds	A-12	8,834.76	
Appropriation Reserves	A-16	582,077.27	
Local District School Taxes	A-20	16,750,503.00	
Regional High School Taxes	A-21	15,638,168.50	
Municipal Open Space Taxes	A-22	146,666.56	
County Taxes Payable	A-23	4,536,728.53	
Various Cash Liabilities and Reserves	A-24	120,289.51	
			<u>52,223,755.26</u>
Balance - December 31, 2019	A	\$	<u><u>9,095,265.82</u></u>

Borough of River Edge , N.J.

Schedule of Interfund - Current Fund

Federal and State Grant Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	A	\$	63,774.39
Increased by:			
Grants Receivable	A-4/A-15	70,645.66	
Grants Receivable - Cancelled	A-15	3,161.81	
Matching Funds for Grants	A-4/25	2,469.00	
Unappropriated Reserve for Grants	A-4/25	<u>10,878.43</u>	
			<u>87,154.90</u>
			150,929.29
Decreased by:			
Appropriated Reserve for Grants	A-4/25	70,152.65	
Appropriated Reserve for Grants - Cancelled	A-25	<u>3,161.81</u>	
			<u>73,314.46</u>
Balance - December 31, 2019	A	\$	<u><u>77,614.83</u></u>

Exhibit A-6**Borough of River Edge , N.J.****Schedule of Petty Cash****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Increased by:		
Cash Advanced	A-4	\$ <u>1,800.00</u>
Decreased by:		
Cash Returned	A-4	\$ <u>1,800.00</u>

Exhibit A-7**Schedule of Cash - Change Fund****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Increased by:		
Cash Advanced	A-4	\$ <u>400.00</u>
Balance - December 31, 2019		<u>400.00</u>

Borough of River Edge , N.J.

Schedule of Cash - Tax Collector

Current Fund

Year Ended December 31, 2019

Ref.

Increased by:

Interest and Cost on Taxes	A-2	\$	97,488.16
Taxes Receivable	A-9		50,803,920.77
Prepaid Taxes	A-18		<u>211,696.12</u>

\$ 51,113,105.05

Decreased by:

Deposited to Treasurer's Account	A-4	\$	<u>51,113,105.05</u>
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Borough of River Edge, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31, 2018	Original Levy	Added Taxes	Collected 2018	2019	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	(Adjusted)/ Cancelled	Balance, Dec. 31, 2019
2018	\$ 315,713.36				316,718.24	(1,290.41)		35.53	250.00
	315,713.36				316,718.24	(1,290.41)		35.53	250.00
2019		50,843,951.88	264,055.12	195,991.32	50,487,202.53	68,750.00	14,496.23	56,690.25	284,876.67
	\$ 315,713.36	50,843,951.88	264,055.12	195,991.32	50,803,920.77	67,459.59	14,496.23	56,725.78	285,126.67
	A			A-2/A-18	A-2/A-8	A-2/A-19	A-10		A

Analysis of Tax Levy

Tax yield:		Ref.
General Property Tax	\$ 50,690,119.13	
Public Utility Tax	153,832.75	
Added Tax (R.S. 54:4-63.1 et seq.)	264,055.12	
	<u>\$ 51,108,007.00</u>	
Tax Levy:		
Local District School Tax	A-20	\$ 16,917,366.00
Regional High School Tax	A-21	15,780,418.00
Municipal Open Space Tax	A-22	146,666.56
County Tax - General	A-23	\$ 4,327,906.43
County Tax - Open Space	A-23	185,385.44
Added County Taxes	A-23	<u>23,436.66</u>
		4,536,728.53
	A-2	<u>37,381,179.09</u>
Local Tax for Municipal Purposes		
Additional Taxes	A-2	13,472,364.00
		<u>254,463.91</u>
		13,726,827.91
		<u>\$ 51,108,007.00</u>

Borough of River Edge , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	A	\$ 136,242.58
Increased by:		
Transfer from Taxes Receivable	A-9	<u>14,496.23</u>
Balance - December 31, 2019	A	\$ <u><u>150,738.81</u></u>

Borough of River Edge , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	15,550.00	15,550.00	
Fees and Permits	A-2		39,705.00	39,705.00	
Parking Lot Fees	A-2		31,024.00	31,024.00	
Miscellaneous Revenue	A-2		309.40	309.40	
Board of Health:					
Fees and Permits	A-2		10,571.00	10,571.00	
Fire Prevention Bureau:					
Fees and Permits	A-2		12,069.00	12,069.00	
Uniform Fire Safety Act (Life Hazard Use)	A-2		13,611.33	13,611.33	
Police Department:					
Fees and Permits	A-2		4,148.79	4,148.79	
Police Outside Duty	A-2		118,385.54	118,385.54	
Tax Department:					
Miscellaneous Revenue	A-2		856.80	856.80	
Tax Assessor:					
Miscellaneous Revenue	A-2		200.00	200.00	
Planning Board					
Miscellaneous Revenue	A-2		10.00	10.00	
Board of Adjustment					
Miscellaneous Revenue	A-2		4,800.00	4,800.00	
Municipal Court :					
Fines and Costs	A-2	9,885.71	154,146.70	151,515.98	12,516.43
Uniform Construction Code:					
Fees and Permits	A-2		200,376.00	200,376.00	
Energy Receipts Tax	A-2		1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-2		13,722.00	13,722.00	
Rental of Borough Property	A-2		5,402.00	5,402.00	
Interest on Investments and Deposits	A-2		190,878.50	190,878.50	
County of Bergen Snow Removal	A-2		6,765.00	6,765.00	
Cable Television Fees	A-2		151,653.44	151,653.44	
		<u>\$ 9,885.71</u>	<u>2,031,177.50</u>	<u>2,028,546.78</u>	<u>12,516.43</u>
		A		A-4	A

Borough of River Edge , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2019

<u>Fund</u>	<u>Due From/(To)</u> <u>Balance</u> <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due From/(To)</u> <u>Balance</u> <u>Dec. 31, 2019</u>
Assessment Trust Fund	\$	10.51	10.51	
Animal License Fund		365.69	365.69	
Other Trust Fund		8,824.25	9,719.18	(894.93)
General Capital Fund	200.00		200.00	
	<u>\$ 200.00</u>	<u>9,200.45</u>	<u>10,295.38</u>	<u>(894.93)</u>

Analysis

Due to Current Fund	A/A-1	200.00		
Due from Current Fund	A			(894.93)
		<u>200.00</u>		<u>(894.93)</u>

Ref.

Stat. Excess in Animal Control Trust	A-1	\$ 365.69		
Cash Disbursed	A-4	8,834.76		
Cash Received	A-4		10,295.38	
		<u>\$ 9,200.45</u>	<u>10,295.38</u>	

Borough of River Edge , N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2019

	<u>Balance,</u> <u>Dec. 31,</u> <u>2018</u>	<u>Amount</u> <u>Resulting</u> <u>From 2019</u>	<u>Amount in</u> <u>2019</u> <u>Budget</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2019</u>
Emergency Authorizations	\$ 95,185.00		95,185.00	
	<u>\$ 95,185.00</u>		<u>95,185.00</u>	
	A	A-1, A-3	A-3	A

Borough of River Edge, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency

Current Fund

Year Ended December 31, 2019

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of net amount Authorized</u>	<u>Balance, Dec. 31, 2018</u>	<u>Amount Authorized in 2019</u>	<u>Reduced in 2019</u>	<u>Balance, Dec. 31, 2019</u>
2/8/2014	Codification of Ordinances	5,000.00	1,000.00	1,000.00		1,000.00	
2/16/2016	Codification of Ordinances	2,500.00	500.00	1,500.00		500.00	1,000.00
2/7/2017	Codification of Ordinances	3,400.00	680.00	2,720.00		680.00	2,040.00
3/26/2018	Codification of Ordinances	3,300.00	660.00	3,300.00		660.00	2,640.00
2/11/2019	Codification of Ordinances	2,000.00	400.00		2,000.00		2,000.00
		\$ 16,200.00	3,240.00	8,520.00	2,000.00	2,840.00	7,680.00
				A	A-1, A-3	A-3	A

Borough of River Edge, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

	<u>Grant</u>	<u>Balance, Dec. 31, 2018</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2019</u>
Local Grants:						
Police Department Donation	\$		500.00	500.00		
Sustainable Jersey			2,000.00	2,000.00		
Recycling Enhancement Grant			2,745.00	2,745.00		
Bergen County Regional SWAT			1,500.00	1,500.00		
Bergen County Clean Communities			1,500.00	1,500.00		
			8,245.00	8,245.00		
Federal Grants:						
Community Development Grants:						
Senior Activities		5,000.00	2,415.61	1,838.19	3,161.81	2,415.61
Bulletproof Vest Partnership Grant		5,000.00	2,415.61	1,838.19	3,161.81	2,415.61
State Grants:						
Municipal Alliance		9,876.00	9,876.00	6,133.24		13,618.76
Recycling Tonnage Grant			10,217.64	10,217.64		
Body Armor Replacement Fund			2,774.97	2,774.97		
Clean Communities Grant			21,745.50	21,745.50		
Nursing Services for Nonpublic Schools			12,892.00	12,892.00		
Alcohol Education and Rehabilitation Fund			884.12	884.12		
Cooperative Housing Inspection Grant			5,915.00	5,915.00		
Community Stewardship Incentive Program		30,000.00				30,000.00
		39,876.00	64,305.23	60,562.47		43,618.76
	\$	44,876.00	74,965.84	70,645.66	3,161.81	46,034.37
	A		A-2	A-5	A-1, A-5	A

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Page 1 of 4

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive				
Mayor and Council	\$ 86.19	86.19		86.19
Municipal Clerk	6,288.27	6,288.27	70.02	6,218.25
Financial Administration	13,219.54	13,219.54	1,887.85	11,331.69
Tax Assessment Administration	13,004.00	13,004.00		13,004.00
Municipal Court	3,360.14	3,360.14	1,773.44	1,586.70
Planning Board	3,934.63	3,934.63	1,347.42	2,587.21
Recycling	89,790.97	69,790.97	219.60	69,571.37
Other Code Enforcement Functions	8,009.40	5,509.40	1,200.56	4,308.84
Health Benefit Waiver	27,132.89	27,132.89		27,132.89
Police	38,797.07	38,797.07	34,344.41	4,452.66
Fire	1,129.08	629.08	210.06	419.02
Uniform Fire Safety Act	328.65	828.65	576.90	251.75
Emergency Management	957.29	957.29	46.68	910.61
Municipal Prosecutor	692.85	692.85		692.85
Public Works Repair and Maintenance	24,168.93	24,168.93	1,979.79	22,189.14
Building and Grounds	1,310.05	1,310.05		1,310.05
Vehicle Maintenance	7,046.84	7,046.84		7,046.84
Sewer Systems	1,189.88	1,189.88		1,189.88
Public Health Services	2,873.87	2,873.87	431.46	2,442.41
Recreation Commission	22,320.96	22,320.96		22,320.96
Maintenance of Parks	1,247.56	1,247.56		1,247.56
Bus	3,808.90	3,808.90	1,098.97	2,709.93
Construction Code Officials	2,130.24	2,130.24	709.12	1,421.12
Total Salaries and Wages Within "CAPS"	<u>272,828.20</u>	<u>250,328.20</u>	<u>45,896.28</u>	<u>204,431.92</u>
Other Expenses Within "CAPS":				
Administrative and Executive				
General Administration	898.55	1,782.05	588.00	1,194.05
Mayor and Council	1,908.30	2,034.75	240.45	1,794.30
Municipal Clerk	923.14	5,758.92	4,693.78	1,065.14
Audit		23,000.00	23,000.00	
Financial Administration	13,193.07	14,769.22	5,896.55	8,872.67
Revenue Administration	8,536.61	10,882.00	1,105.39	9,776.61
Tax Assessment Administration	1,944.46	1,944.46		1,944.46
Legal Services and Costs	15,250.00	95,161.66	39,411.66	55,750.00
Municipal Court	4,139.85	4,719.85	1,684.50	3,035.35
Public Defender	2,483.50	2,483.50		2,483.50
Engineering Services & Costs	768.75	56,759.75	24,181.00	32,578.75
Historic Sites Office	2,507.04	2,534.88		2,534.88
Planning Board	1,586.80	6,102.83	4,427.02	1,675.81

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Page 2 of 4

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Recycling	5.00	5.00		5.00
Public Information	4,634.76	17,284.76	9,930.00	7,354.76
Other Code Enforcement Functions	116.72	116.72		116.72
Liability Insurance	292.72	292.72		292.72
Group Insurance Plan for Employees	211,970.99	211,970.99	211,970.99	
Police	3,000.79	12,450.32	10,466.53	1,983.79
Emergency Management Services	3,006.25	3,082.27	76.02	3,006.25
Fire	874.30	4,009.71	1,989.41	2,020.30
Uniform Fire Safety Act	508.59	900.59	392.00	508.59
Municipal Prosecutor	200.00	200.00		200.00
Public Works Repair and Maintenance	1,284.96	7,466.22	6,217.26	1,248.96
Shade Tree Commission		10,424.00	7,240.06	3,183.94
Community Services Act		24,280.00	20,478.00	3,802.00
Garbage & Trash Removal - Contractual	700.00	700.00		700.00
Garbage & Trash Removal - Multi Family	19,902.23	71,037.04	69,863.05	1,173.99
Parking Lot Maintenance	204.40	204.40		204.40
Public Buildings and Grounds	6,821.39	17,654.29	9,944.90	7,709.39
Vehicle Maintenance	3,917.66	14,131.62	10,213.96	3,917.66
Sewer System	1,115.12	3,160.00	2,044.88	1,115.12
Sanitation Landfill - BCUA Contractual	46,277.68	46,277.68	27,933.44	18,344.24
Public Health Services	5,260.25	5,260.25		5,260.25
Public Health Services -Contractual	0.04	0.04		0.04
Animal Welfare	1,800.00	1,800.00		1,800.00
Board of Health PEOSHA	100.00	100.00		100.00
Fire PEOSHA	100.00	100.00		100.00
Celebration of Public Events	1,150.00	1,150.00	83.00	1,067.00
Recreation Commission	612.15	2,483.60	1,892.86	590.74
Maintenance of Parks	2,056.65	2,056.65		2,056.65
Aid to Senior Citizen Program	4,100.12	8,600.12	7,930.06	670.06
Bus	250.00	250.00		250.00
Construction Code Officials	1,257.84	2,333.09	1,075.25	1,257.84
Electricity and Natural Gas	9,926.81	30,768.88	27,266.64	3,502.24
Telephone	93.02	7,860.71	7,767.69	93.02
Petroleum Products	6,093.56	11,889.07	9,557.36	2,331.71
Fire Hydrant Service	6,486.23	6,486.23		6,486.23
Water	6,554.92	6,584.13	1,121.95	5,462.18
Contingent	5.00	5.00		5.00
Total Other expenses Within "CAPS"	404,820.22	761,309.97	550,683.66	210,626.31

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Page 3 of 4

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Public Employees' Retirement System	0.90	0.90		0.90
Social Security System (O.A.S.I.)	23,016.54	23,016.54		23,016.54
Total Deferred Charges and Statutory				
Expenditures Within "CAPS"	23,017.44	23,017.44		23,017.44
 Total Reserves Within "CAPS"	 700,665.86	 1,034,655.61	 596,579.94	 438,075.67
 Salaries & Wages Excluded From "CAPS":				
Maintenance of Free Public Library	22,875.99	22,875.99	8,511.15	14,364.84
Health Benefit Waiver	342.56	342.56		342.56
 Total Salary & Wages Excluded From "CAPS"	 23,218.55	 23,218.55	 8,511.15	 14,707.40
 Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	4,634.74	4,634.74		4,634.74
Bergen County Utilities Authority				
Service Charges - Contractual	0.60	0.60		0.60
Hackensack / Paramus Sewer Charge	7,569.42	27,369.42		27,369.42
Recycling Tax	3,948.42	3,948.42	1,321.98	2,626.44
Emergency Services Volunteer Length of				
Service Award Program - Fire		59,160.00	38,760.00	20,400.00
Emergency Services Volunteer Length of				
Service Award Program - First Aid Squad		30,600.00	19,380.00	11,220.00
NJPEDS Stormwater Permit :				
General Administration	50.00	50.00		50.00
Municipal Clerk	400.00	400.00		400.00
Legal Services and Costs	1,200.00	1,200.00		1,200.00
Public Information	1,822.00	1,822.00		1,822.00
Maintenance of Free Public Library				
Social Security	1,399.38	1,399.38		1,399.38
Electricity	148.91	3,695.23	2,121.41	1,573.82
Telephone and Telegraph	195.59	295.57	99.98	195.59
Natural Gas	1,647.11	1,898.10	348.71	1,549.39
Water	1,250.79	2,309.27	1,357.03	952.24
Employee Group Health	40,383.00	40,383.00		40,383.00
Liability Insurance	13,602.00	13,602.00		13,602.00
Police Communications - 911 Services	4,252.66	4,252.66		4,252.66

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Page 4 of 4

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Donations Memorial Park	319.87	319.87		319.87
Matching Funds for Grants	<u>5.00</u>	<u>5.00</u>		<u>5.00</u>
Total Other Expenses Excluded from "CAPS"	<u>82,829.49</u>	<u>197,345.26</u>	<u>63,389.11</u>	<u>133,956.15</u>
Total Reserves Excluded from "CAPS"	<u>106,048.04</u>	<u>220,563.81</u>	<u>71,900.26</u>	<u>148,663.55</u>
Total Reserves	\$ <u>806,713.90</u>	<u>1,255,219.42</u>	<u>668,480.20</u>	<u>586,739.22</u>
	A			A-1
	<u>Ref.</u>			
Appropriation Reserve	Above	\$ 806,713.90		
Prior Year Encumbrances	A-17	<u>448,505.52</u>		
		\$ <u>1,255,219.42</u>		
Transfer to Accounts Payable	A-24		\$ 86,402.93	
Disbursed	A-4		<u>582,077.27</u>	
			\$ <u>668,480.20</u>	

Exhibit A-17**Borough of River Edge , N.J.****Schedule of Encumbrances Payable****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	\$ 448,505.52
Increased by:		
Transfer from Current Appropriations	A-3	<u>742,643.26</u>
		1,191,148.78
Decreased by:		
Transfer to Appropriation		
Reserves	A-16	<u>448,505.52</u>
Balance - December 31, 2019	A	\$ <u><u>742,643.26</u></u>

Exhibit A-18**Schedule of Prepaid Taxes****Current Fund****Year Ended December 31, 2019**

Balance - December 31, 2018	A	\$ 195,991.32
Increased by:		
Receipts - Prepaid 2020 Taxes	A-8	<u>211,696.12</u>
		407,687.44
Decreased by:		
Applied to 2019 Taxes	A-9	<u>195,991.32</u>
Balance - December 31, 2019	A	\$ <u><u>211,696.12</u></u>

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	A	\$ 9,848.24
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>67,209.59</u> 77,057.83
Decreased by:		
Senior Citizens' Deductions Per Tax Billing		\$ 6,250.00
Veterans' Deductions Per Tax Billing		62,250.00
Senior Citizens' and Veterans' Allowed		<u>750.00</u> 69,250.00
Less:		
Senior Citizens' and Veterans' Disallowed - Prior		1,290.41
Senior Citizens' and Veterans' Disallowed - Current		<u>500.00</u>
	A-9	<u>67,459.59</u>
Balance - December 31, 2019	A	\$ <u><u>9,598.24</u></u>

Borough of River Edge , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018			
School Tax Deferred		<u>8,257,889.00</u>	8,257,889.00
Increased by:			
Levy School Year - July 1, 2019			
to June 30, 2020	A-9	<u>16,917,366.00</u>	
			25,175,255.00
Decreased by:			
Payments	A-4	<u>16,750,503.00</u>	
Balance - December 31, 2019			
School Tax Deferred		<u>8,424,752.00</u>	<u>8,424,752.00</u>
2019 Liability for Local School District Tax			
Tax Paid			16,750,503.00
Less: Tax Payable - Dec. 31, 2018			<u> </u>
Amount Charged to 2019 Operations	A-1	<u>16,750,503.00</u>	<u>16,750,503.00</u>

Borough of River Edge , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018			
School Tax Deferred		<u>7,747,959.50</u>	7,747,959.50
Increased by:			
Levy School Year - July 1, 2019			
to June 30, 2020	A-9	<u>15,780,418.00</u>	
			<u>23,528,377.50</u>
Decreased by:			
Payments	A-4	<u>15,638,168.50</u>	
Balance - December 31, 2019			
School Tax Deferred		<u>7,890,209.00</u>	<u>7,890,209.00</u>
2019 Liability for Regional High School Tax			
Tax Paid			15,638,168.50
Less: Tax Payable - Dec. 31, 2018			<u> </u>
Amount Charged to 2019 Operations	A-1	<u>15,638,168.50</u>	<u>15,638,168.50</u>

Borough of River Edge , N.J.

Schedule of Municipal Open Space Taxes Payable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Increased by:			
Levy - Original	A-1/A-9	145,904.21	
Added and Omitted Taxes	A-1/A-9	<u>762.35</u>	
			<u>146,666.56</u>
Decreased by:			
Payments	A-4		<u>146,666.56</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Increased by:			
Levy - General	A-1/A-9	4,327,906.43	
Levy - Open Space	A-1/A-9	185,385.44	
Added and Omitted Taxes	A-1/A-9	<u>23,436.66</u>	
			<u>4,536,728.53</u>
Decreased by:			
Payments	A-4		<u>4,536,728.53</u>

Borough of River Edge , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2019

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2018	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2019
<u>Liabilities:</u>				
Tax Overpayments	\$	49,754.30	49,754.30	
Accounts Payable	230,319.64	86,402.93	199,258.71	117,463.86
Due to State of N.J. - Const. Code Surcharge		9,701.00	9,701.00	
Due to State of N.J. - Marriage License Fees		675.00	675.00	
<u>Reserves for:</u>				
Codification of Ordinance	3,448.41	2,000.00	1,846.96	3,601.45
Sale of Municipal Assets	48,182.16		10,000.00	38,182.16
Maintenance of Free Public Library		4,969.00	4,969.00	
Tax Appeals Pending	534,214.81		30,622.83	503,591.98
	<u>\$ 816,165.02</u>	<u>153,502.23</u>	<u>306,827.80</u>	<u>662,839.45</u>
	A			A
	<u>Ref.</u>			
Cancelled - Accounts Payable	A-1		166,162.29	
Applied to Current Year Revenue	A-2		10,000.00	
Transfer from Current Year Appropriations	A-3	2,000.00		
Receipts	A-4	54,723.30		
Disbursed	A-4		120,289.51	
Transfer from Appropriation Reserves	A-16	86,402.93		
		<u>143,126.23</u>	<u>296,451.80</u>	

Borough of River Edge , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	Balance, Dec. 31, <u>2018</u>	Transfer From 2019 <u>Budget</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2019</u>
Local Grants:					
Police Department Donation		500.00			500.00
Sustainable Jersey		2,000.00	2,000.00		
Recycling Enhancement Grant		2,745.00	2,745.00		
Bergen County Regional SWAT		1,500.00			1,500.00
Bergen County Clean Communities		1,500.00	1,500.00		
Municipal Alliance	\$ 2,469.00	2,469.00	2,469.00		2,469.00
	<u>2,469.00</u>	<u>10,714.00</u>	<u>8,714.00</u>		<u>4,469.00</u>
Federal Grants:					
Community Development Grants:					
Senior Activities	5,000.00		1,838.19	3,161.81	
Bullet Proof Vest Partnership Grant		2,415.61			2,415.61
	<u>5,000.00</u>	<u>2,415.61</u>	<u>1,838.19</u>	<u>3,161.81</u>	<u>2,415.61</u>
State Grants:					
Body Armor Replacement Grant	5,070.01	2,774.97	4,164.40		3,680.58
Drunk Driving Enforcement Fund	13,068.52		3,094.45		9,974.07
Clean Communities Grant	19,382.56	21,745.50	18,404.75		22,723.31
Cooperative Housing Inspection Grant	6,973.00	5,915.00	1,569.00		11,319.00
Nursing Services for Nonpublic Schools	26,489.63	12,892.00	14,915.08		24,466.55
Municipal Alliance	7,646.14	9,876.00	5,586.68		11,935.46
Public Health Priority Funding Act	11,765.52		145.46		11,620.06
Alcohol Education and Rehabilitation Fund	8,879.23	884.12			9,763.35
Recycling Tonnage Grant	30.78	10,217.64	10,217.64		30.78
Community Stewardship Incentive Program	1,876.00		1,503.00		373.00
	<u>101,181.39</u>	<u>64,305.23</u>	<u>59,600.46</u>		<u>105,886.16</u>
	\$ <u>108,650.39</u>	<u>77,434.84</u>	<u>70,152.65</u>	<u>3,161.81</u>	<u>112,770.77</u>
	A			A-1, A-5	A
Transfer from Budget Appropriations	Ref. A-3	74,965.84			
Matching Funds for Grants	A-3	2,469.00			
Disbursement	A-5		70,152.65		
		<u>77,434.84</u>	<u>70,152.65</u>		

Borough of River Edge , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	<u>Received</u>	Balance, Dec. 31, <u>2019</u>
State Grants:		
Recycling Tonnage Grant	\$ 10,510.43	10,510.43
Cooperative Housing Inspection Grant	<u>368.00</u>	<u>368.00</u>
	\$ <u>10,878.43</u>	<u>10,878.43</u>
	A-5	A

Borough of River Edge , N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2019

	Ref.	Assessment Trust Fund	Animal License Fund	Other Trust Fund	Unaudited Emergency Services Volunteer LOSAP
Balance - December 31, 2018	B	\$ 461.39	6,737.61	2,227,142.53	1,562,679.87
Increase by Receipts:					
Assessments Receivable	B-4	191.03			
LOSAP - Contributions Receivable	B-5				56,100.00
Interfund - Current Fund	B-6	10.51		8,824.25	
Dog License Fees	B-8		4,129.20		
Due State Dept. of Health	B-9		532.80		
Other Trust Funds	B-11			591,761.58	
Reserve for Insurance Funds	B-12			57,560.14	
Reserve for Recreation Commission	B-13			141,525.89	
Payroll Deductions	B-14			8,526,802.07	
LOSAP - Net Assets Available	B-15				380,957.25
Total Receipts		<u>201.54</u>	<u>4,662.00</u>	<u>9,326,473.93</u>	<u>437,057.25</u>
		<u>662.93</u>	<u>11,399.61</u>	<u>11,553,616.46</u>	<u>1,999,737.12</u>
Decreased by Disbursements:					
Interfund - Current Fund	B-6	10.51		9,719.18	
Due to General Capital Fund	B-7	382.05			
Reserve for Dog Expenditures	B-8		3,490.21		
Due State Dept. of Health	B-9		529.20		
Due to State - Unemployment Claims	B-10			1,846.26	
Other Trust Funds	B-11			1,110,397.77	
Reserve for Insurance Funds	B-12			54,610.11	
Reserve for Recreation Commission	B-13			140,214.29	
Payroll Deductions	B-14			8,518,755.94	
LOSAP - Net Assets Available	B-15				91,805.75
Total Disbursements		<u>392.56</u>	<u>4,019.41</u>	<u>9,835,543.55</u>	<u>91,805.75</u>
Balance - December 31, 2019	B	\$ <u>270.37</u>	<u>7,380.20</u>	<u>1,718,072.91</u>	<u>1,907,931.37</u>

Borough of River Edge , N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Fund Balance	B-1	\$ <u>270.37</u>
		\$ <u><u>270.37</u></u>

Borough of River Edge , N.J.
Schedule of Assessments Receivable

Trust Funds

Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Annual Install- ments</u>	<u>Balance Dec. 31, 2018</u>	<u>Collected</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Pledged to</u>	
							<u>Capital Fund</u>	<u>Reserve</u>
1865	Resurfacing of 5th Avenue (Section IV)	9/5/2017	5	382.05	191.03	191.02	191.02	
				\$ 382.05	191.03	191.02	191.02	
				B	B-2, B-7	B	B	

Borough of River Edge , N.J.

Schedule of Emergency Services Volunteer Length
of Service Award Program - Contributions Receivable

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 72,420.00
Increased by:		
Adjustment		(16,320.00)
Borough Contributions		<u>74,460.00</u>
	B-15	<u>58,140.00</u>
		130,560.00
Decreased by:		
Receipts	B-2	<u>56,100.00</u>
Balance - December 31, 2019	B	\$ <u><u>74,460.00</u></u>

Borough of River Edge
Schedule of Interfund - Current Fund
Trust Funds
Year Ended December 31, 2019

	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Assessment Trust	\$	10.51	10.51	
Other Trust Fund		<u>9,719.18</u>	<u>8,824.25</u>	<u>894.93</u>
	\$	<u><u>9,729.69</u></u>	<u><u>8,834.76</u></u>	<u><u>894.93</u></u>

	<u>Ref.</u>		
Cash Receipts-Assessment Trust	B-2	10.51	
Cash Receipts - Other Trust Fund	B-2		8,824.25
Cash Disbursements-Assessment Trust	B-2		10.51
Cash Disbursements-Other Trust Fund	B-2	<u>9,719.18</u>	
		<u><u>9,729.69</u></u>	<u><u>8,834.76</u></u>

Borough of River Edge , N.J.

Schedule of Interfund - General Capital Fund

Trust Funds

Year Ended December 31, 2019

		<u>Ref.</u>	
Balance - December 31, 2018	- Due to	B	\$ 382.05
Decreased by:			
Disbursed		B-2, B-4	<u>382.05</u>
Balance - December 31, 2019		B	\$ <u><u> </u></u>

Borough of River Edge , N.J.

Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 6,737.61
Increased by:		
Dog License Fees - Borough Share		3,665.20
Cat License Fees - Borough Share		282.00
Replacement Fees		2.00
Late Fees		180.00
	B-2	<u>4,129.20</u>
		10,866.81
Decreased by:		
Expenditures		3,124.52
Statutory Excess to Current Fund		365.69
	B-2	<u>3,490.21</u>
Balance - December 31, 2019	B	\$ <u><u>7,376.60</u></u>

License Fees Collected

2018	3,799.60
2017	<u>3,577.00</u>
	<u><u>7,376.60</u></u>

Exhibit B-9

Due to State Department of Health

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Increased by:		
State Dog License Fees:	B-2	\$ 532.80
Decreased by:		
Disbursed	B-2	\$ <u>529.20</u>
Balance - December 31, 2019		<u><u>3.60</u></u>

Borough of River Edge , N.J.

Due to State - Unemployment Claims

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 1,846.26
Decreased by:		
Disbursed	B-2	<u>1,846.26</u>
Balance - December 31, 2019	B	\$ <u><u> </u></u>

Borough of River Edge , N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2019

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Developers' Escrow	\$ 122,257.78	31,112.34	76,321.98	77,048.14
Fire Prevention Penalties	1,623.00			1,623.00
Recycling	162,981.35	17,855.43	71,134.09	109,702.69
Vacancy Inspection	391.10	2,820.00	3,205.00	6.10
P.O.A.A.	2,859.52	378.00		3,237.52
Tax Sale Redemption		19,087.81	19,087.81	
Municipal Alliance	2,029.74	10,667.00	8,463.76	4,232.98
Street Opening Permits	1,500.00	500.00		2,000.00
Performance Bonds	781,912.00	1,000.00	430,272.00	352,640.00
Storm Recovery	101,928.99		14,498.73	87,430.26
Commodity Resale	1,800.00	1,320.06		3,120.06
Public Defender	1,175.00	1,150.00	1,600.00	725.00
Accumulated Absences	57,000.00	5.00		57,005.00
Municipal Open Space	201,602.04	146,666.56	81,494.20	266,774.40
September 11th Memorial Gardens	3,881.98			3,881.98
Police Outside Duty		320,759.94	313,064.94	7,695.00
Donations Beautification	4,724.84		746.42	3,978.42
Donations - Stigma Free		591.25		591.25
Tax Sale Premium	32,000.00		32,000.00	
Donations Shade Tree Commission	33,092.42	6,964.80	8,538.44	31,518.78
Performance Bonds - Shade Tree	101,550.45	3,614.40	14,132.22	91,032.63
Senior / Community Center	20,756.93		12,069.18	8,687.75
Park & Field Maintenance	63,902.21	16,412.99	138.29	80,176.91
Donations Special Events	24,966.05	10,856.00	23,630.71	12,191.34
	<u>\$ 1,723,935.40</u>	<u>591,761.58</u>	<u>1,110,397.77</u>	<u>1,205,299.21</u>
	B	B-2	B-2	B

Borough of River Edge, N.J.
Schedule of Reserve for Insurance Funds

Trust Funds

Year Ended December 31, 2019

<u>Insurance Fund</u>	<u>Balance Dec. 31, 2018</u>	<u>Increased by:</u>			<u>Paid or Billed</u>	<u>Balance Dec. 31, 2019</u>
		<u>Interest Earned</u>	<u>Payroll</u>	<u>Insurance Proceeds</u>		
General Liability Self Insurance Fund	\$ 61,982.35			22,280.23	8,723.75	75,538.83
Unemployment Insurance Trust Fund	20,009.50	251.97	16,027.94	19,000.00	45,886.36	9,403.05
	<u>\$ 81,991.85</u>	<u>251.97</u>	<u>16,027.94</u>	<u>22,280.23</u>	<u>54,610.11</u>	<u>84,941.88</u>
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

Borough of River Edge , N.J.

Schedule of Reserve for Recreation Commission

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 123,083.90
Increased by:		
Receipts	B-2	<u>141,525.89</u>
		264,609.79
Decreased by:		
Disbursed	B-2	<u>140,214.29</u>
Balance - December 31, 2019	B	\$ <u><u>124,395.50</u></u>

Borough of River Edge , N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2019

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Federal Withholding Tax	\$	765,507.86	765,507.86	
F.I.C.A. - Employee Share		321,301.87	321,301.87	
F.I.C.A. - Employer Share		321,302.47	321,302.47	
State Withholding Tax - NJ		256,674.66	256,674.66	
Unemployment Insurance		16,027.94	16,027.94	
Public Employees' Retirement System	24,804.22	272,154.90	273,064.84	23,894.28
Contributory Insurance	1,114.17	12,917.48	13,115.68	915.97
Defined Contribution Retirement Plan	2,528.69	31,205.90	31,174.44	2,560.15
Police and Firemen's Retirement System	25,088.72	288,300.62	287,838.64	25,550.70
Supplemental Annuity	279.83	2,891.76	2,892.00	279.59
Garnishes		34,460.98	34,460.98	
Employees' Union Dues - DPW		6,414.24	6,414.24	
Employees' Union Dues - PBA		18,190.00	18,190.00	
Deferred Compensation		135,339.68	135,339.68	
Employer Pension Contributions		1,152,680.00	1,152,680.00	
FSA Health Savings		15,277.20	15,277.20	
Health Benefits Contribution	242,469.49	251,130.56	242,469.49	251,130.56
Net Payroll including Direct Deposit		4,625,023.95	4,625,023.95	
	<u>\$ 296,285.12</u>	<u>8,526,802.07</u>	<u>8,518,755.94</u>	<u>304,331.25</u>
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

Borough of River Edge , N.J.

**Schedule of Emergency Services Volunteer Length
of Service Award Program - Net Assets Available for Benefits**

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	B	\$	1,635,099.87
Increased by:			
Borough Contributions	B-5	\$	58,140.00
Appreciation/(Loss)	B-2		<u>380,957.25</u>
			439,097.25
			<u>2,074,197.12</u>
Decreased by:			
Withdrawals			88,730.75
Administration Fee			<u>3,075.00</u>
	B-2		<u>91,805.75</u>
Balance - December 31, 2019	B	\$	<u><u>1,982,391.37</u></u>

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Borough of River Edge , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	C		\$ 1,413,738.36
Increased by Receipts:			
Premium on Sale of Bond Anticipation Notes	C-1	\$ 11,795.00	
Various Grants Receivable	C-4	156,898.73	
Interfunds	C-5	382.05	
Deferred Charges to Future Taxation			
- Unfunded	C-7	64,904.08	
Bond Anticipation Notes	C-10	2,246,000.00	
Capital Improvement Fund	C-11	<u>106,716.00</u>	
			<u>2,586,695.86</u>
			4,000,434.22
Decreased by Disbursements:			
Interfunds	C-5	200.00	
Improvement Authorizations	C-11	<u>2,195,918.95</u>	
			<u>2,196,118.95</u>
Balance - December 31, 2019	C, C-3		\$ <u><u>1,804,315.27</u></u>

Borough of River Edge , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Fund Balance	C-1	\$ 75,606.49
Due from Bergen County - Open Space Trust	C-4	(98,030.00)
Capital Improvement Fund	C-11	9,133.03

Improvement Authorizations:

OrdinanceNumberImprovement Description

1789	Various Public Improvements	3,111.64
1806/1825	Various Public Improvements & Acquisitions	16,903.78
1807	Acquisition of New or Replacement Equipment	7,753.17
1827	Purchase of Equipment and Improvement to Buildings and Grounds	3,288.39
1829	Various Public Improvements & Acquisitions	37,145.83
1830	Various Public Improvements & Acquisitions	29,594.52
1835	Resurfacing of 5th Avenue (Section 3)	(8,489.76)
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	(253.30)
1844	Improvement of Borough Grounds	1,606.48
1856	Purchase of Equip. & Imp. Buildings & Grounds	4,143.58
1859	Various Public Improvements & Acquisitions	96,729.40
1865	Resurfacing of 5th Avenue (Section 4)	(32,761.89)
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	10,310.36
17-12	Various Public Improvements & Acquisitions	723,786.69
17-18	Acq. of New Information Technology Equipment	12,000.00
17-19	Acquisition of Radio Equipment	(22,500.00)
17-22	Various Improvements to Senior/Community Center	479,000.00
17-25	Various Improvements to Senior/Community Center	257,000.00
17-26	Storm and Sanitary Sewer Replacement	2,708.39
18-08	Purchase of Equipment	3,304.62
18-09	Purchase of Equipment, Improv of Boro Grounds	676.07
18-10	Various Public Improvements & Acquisitions	8,013.71
18-11	Supplemental Funding Senior Community Center	20,624.00
18-18	Replacement of Sidewalks & Curb Ramps	(36,057.50)
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	(22,583.50)
19-04	Improvements to Various Parks	60,390.00
19-09	Purchase of Equipment	12,874.68
19-10	Purchase of Equipment	12,515.01
19-13	Various Public Improvements & Acquisitions	168,505.93
19-14	Reconstruction of Courts - Veteran's Memorial Park	37,640.00
19-19	Purchase of Equipment, Improv of Boro Grounds	5,093.00

C, C-2 \$ 1,804,315.27

Borough of River Edge, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2019

	<u>Balance, Dec. 31, 2018</u>	<u>Grants Approved</u>	<u>Cash Received</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2019</u>
<u>New Jersey Department of Transportation</u>					
Ord. 1836 - Trans. Alternatives Program - Kinderkamack Rd	800,000.00				800,000.00
Ord. 1837 - Safe Routes to School	315,000.00				315,000.00
Ord. 18-24 - Bogert Rd	218,000.00				218,000.00
Ord. 18-24 - Howland Ave	200,000.00				200,000.00
	<u>1,533,000.00</u>				<u>1,533,000.00</u>
					contra
<u>Bergen County Open Space Trust</u>					
Ord. 19-04 - Improvements to Various Parks		60,390.00			60,390.00
Ord. 19-14 - Reconstruct of Courts - Veteran's Memorial Park		37,640.00			37,640.00
		<u>98,030.00</u>			<u>98,030.00</u>
<u>Bergen County Community Development:</u>					
Ord. 18-23 - Road Resurfacing Various Locations (Phase IV)	171,500.00		156,898.73	14,601.27	
	<u>171,500.00</u>		<u>156,898.73</u>	<u>14,601.27</u>	
	1,704,500.00	98,030.00	156,898.73	14,601.27	1,631,030.00
	<u>C</u>	<u>C-11</u>	<u>C-2</u>	<u>C-11</u>	<u>C/C-3</u>

Borough of River Edge , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2019

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2018</u>	<u>Decreased by</u>	Due From/(To) Balance <u>Dec. 31, 2019</u>
Current Fund	C	(200.00)	200.00	
Assessment Trust	C	382.05	382.05	
		<u>182.05</u>	<u>582.05</u>	
		<u>Ref.</u>		
Cash Receipts	C-2	382.05		
Cash Disbursements	C-2	<u>200.00</u>		
			<u>582.05</u>	

Borough of River Edge , N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	C	\$	7,717,728.18
Decreased by:			
Budget Appropriations to Pay Bonds	C-8	1,314,000.00	
Canceled Loan Payable	C-9	565.06	
Budget Appropriations to Pay Environmental Infrastructure Trust Loan	C-9	<u>18,163.12</u>	
			<u>1,332,728.18</u>
Balance - December 31, 2019	C	\$	<u><u>6,385,000.00</u></u>

Borough of River Edge, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance, Dec. 31, 2018	2019 Authorizations	Authorizations Funded	Cancelled	Balance, Dec. 31, 2019	Analysis of Balance - Dec. 31, 2019		
							Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
General Improvements:									
1794	Resurface of Fifth Avenue	\$ 6,000.00		6,000.00					
1822	River Dell Middle School Safety Project	38,779.08		38,779.08				8,489.76	
1835	Resurfacing of 5th Avenue (Section 3)	28,614.76		20,125.00		8,489.76		253.30	816,222.70
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	930,000.00				930,000.00	113,524.00	74,467.55	375,532.45
1837	School Safety Improvement Project	450,000.00				450,000.00		32,761.89	
1865	Resurfacing of 5th Avenue (Section 4)	32,761.89				32,761.89			11,000.00
17-12	Various Public Improvements & Acquisitions	11,000.00				11,000.00		22,500.00	
17-19	Acquisition of Radio Equipment	23,500.00			1,000.00	22,500.00			
17-26	Storm & Sanitary Sewer Replacement	285,000.00				285,000.00	285,000.00		1,196,050.00
18-10	Various Public Improvements	2,146,050.00				2,146,050.00	950,000.00	36,057.50	1,942.50
18-18	Replacement of Sidewalks & Curb Ramps	38,000.00				38,000.00			
18-20	Acquisition of Front End Loader	152,000.00			4,524.00	147,476.00	147,476.00		
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	698,000.00				698,000.00		22,583.50	675,416.50
19-13	Various Public Improvements & Acquisitions		1,697,291.00			1,697,291.00	750,000.00		947,291.00
		\$ 4,839,705.73	1,697,291.00	64,904.08	5,524.00	6,466,568.65	2,246,000.00	197,113.50	4,023,455.15
		C	C-11/C-14	C-2/C-14	C-11	C			

Ref. C-11
Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond

Anticipation Notes - Ord. #
17-26 2,708.39
18-10 8,013.71
19-13 168,505.93
179,228.03

4,202,683.18
4,023,455.15

Borough of River Edge, N.J.
Schedule of General Serial Bonds Payable
General Capital Fund

Year Ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
			Date	Amount				
General Improvement Bonds	9/15/2005	\$ 3,014,000.00			3.60%	269,000.00	269,000.00	
General Improvement Bonds	12/15/2007	2,955,000.00	12-15-2020	195,000.00	3.75-4.00%	780,000.00	195,000.00	585,000.00
General Improvement Bonds	11/15/2009	2,465,000.00			3.00%	260,000.00	260,000.00	
General Improvement Bonds	11/15/2013	2,970,000.00	11-15-2020	350,000.00	2.00%			
			11-15-2021	350,000.00	2.25%			
			11-15-2022/23	350,000.00	2.50%	1,740,000.00	340,000.00	1,400,000.00
General Improvement Bonds	11/1/2017	4,900,000.00	11-1-2020/26	440,000.00	2.125%			
			11-1-2027	440,000.00	2.250%			
			11-1-2028	440,000.00	2.375%			
			11-1-2029	440,000.00	2.500%	4,650,000.00	250,000.00	4,400,000.00
						<u>\$ 7,699,000.00</u>	<u>1,314,000.00</u>	<u>6,385,000.00</u>
						<u>C</u>	<u>C-6</u>	<u>C</u>

Borough of River Edge , N.J.

Schedule of New Jersey Environmental Infrastructure Loan

General Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>Loan</u>
Balance - December 31, 2018	C	\$ 18,728.18	18,728.18
Decreased by:			
Canceled	C-6	565.06	565.06
Principal Paid	C-6	<u>18,163.12</u>	<u>18,163.12</u>
Balance - December 31, 2019	C	\$ <u> </u>	<u> </u>

Borough of River Edge, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Original Amount	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Increased	Balance, Dec. 31, 2019
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	113,524.00	12/20/19	12/20/19	10/20/20	2.00%	\$ 113,524.00	113,524.00
17-26	Storm and Sanitary Sewer Replacement	750,000.00	12/20/19	12/20/19	10/20/20	2.00%	285,000.00	285,000.00
18-10	Various Public Improvements & Acquisitions	410,000.00	12/20/19	12/20/19	10/20/20	2.00%	950,000.00	950,000.00
18-20	Acquisition of Front End Loader	340,000.00	12/20/19	12/20/19	10/20/20	2.00%	147,476.00	147,476.00
19-13	Various Public Improvements & Acquisitions	500,000.00	12/20/19	12/20/19	10/20/20	2.00%	750,000.00	750,000.00
							\$ 2,246,000.00	2,246,000.00
							C-2, C-14	C

Borough of River Edge, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2018		2019 Authorizations	Paid or Charged	Cancelled	Balance, Dec. 31, 2019		
		Date	Amount	Funded	Unfunded				Funded	Unfunded	
General Improvements:											
1763	Various Public Improvements	04/16/12	845,000.00	19,255.22				19,255.22			
1787	Various Public Improvements & Acquisitions	05/06/13	350,000.00	14,551.12				14,551.12			
1789	Various Public Improvements	05/06/13	500,000.00	103,111.64			100,000.00		3,111.64		
1806/1825	Various Public Improvements & Acquisitions	04/21/14	1,330,000.00	168,498.78			151,595.00		16,903.78		
1807	Acquisition of New or Replacement Equipment	04/21/14	810,000.00	7,753.17					7,753.17		
1827	Purchase of Equipment and Improvement to Buildings and Grounds	04/20/15	40,000.00	3,288.39					3,288.39		
1829	Various Public Improvements & Acquisitions	05/04/15	840,000.00	187,145.83			150,000.00		37,145.83		
1830	Various Public Improvements & Acquisitions	05/04/15	543,000.00	29,594.52					29,594.52		
1836	Kinderknack Rd. Regional Revitalization - Ph. 3	06/15/15	1,090,000.00		850,825.00		34,602.30			816,222.70	
1837	School Safety Improvement Project	06/15/15	450,000.00		450,000.00		74,467.55			375,532.45	
1844	Improvement of Borough Grounds	12/08/15	6,000.00	1,606.48					1,606.48		
1856	Purchase of Equip. & Imp. Buildings & Grounds	04/04/16	29,500.00	4,143.58					4,143.58		
1859	Various Public Improvements & Acquisitions	04/18/16	790,000.00	176,290.11			79,560.71		96,729.40		
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	04/03/17	20,000.00	10,310.36					10,310.36		
17-11	Purchase of Equipment	05/01/17	56,300.00	2,339.18				2,339.18			
17-12	Various Public Improvements & Acquisitions	05/01/17	1,243,000.00	737,309.89	11,000.00		13,523.20		723,786.69	11,000.00	
17-18	Acq. of New Information Technology Equipment	06/20/17	12,000.00	12,000.00				1,000.00			
17-19	Acquisition of Radio Equipment	08/15/17	24,700.00		1,000.00						
17-22	Various Improvements to Senior/Community Center	09/05/17	479,000.00	479,000.00					479,000.00		
17-25	Various Improvements to Senior/Community Center	11/20/17	257,000.00	257,000.00					257,000.00	2,708.39	
17-26	Storm and Sanitary Sewer Replacement	11/20/17	300,000.00		63,813.17		61,104.78				
18-08	Purchase of Equipment	04/09/18	19,546.00	6,750.75			3,446.13		3,304.62		
18-09	Purchase of Equipment, Improv of Boro Grounds	04/09/18	20,000.00	676.07					676.07		
18-10	Various Public Improvements	04/23/18	2,259,000.00		1,812,642.88		608,579.17		20,624.00	1,204,063.71	
18-11	Supplemental Funding Senior Community Center	05/29/18	20,624.00	20,624.00							
18-18	Replacement of Sidewalks & Curb Ramps	08/13/18	40,000.00	2,000.00	38,000.00		38,057.50		4,524.00	1,942.50	
18-20	Acquisition of Front End Loader	09/24/18	160,000.00		4,524.00			4,524.00			
18-23	Road Resurfacing - Rutgers & Oxford (Phase 4)	11/05/18	171,500.00	171,500.00			156,898.73		14,601.27		
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	11/19/18	698,000.00		698,000.00		22,583.50			675,416.50	

Borough of River Edge, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2018		2019 Authorizations	Paid or Charged	Cancelled	Balance, Dec. 31, 2019	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
19-04	Improvements to Various Parks	02/11/19	60,390.00			60,390.00				
19-09	Purchase of Equipment	04/22/19	20,000.00			20,000.00	7,125.32			12,874.68
19-10	Purchase of Equipment	04/22/19	15,385.00			15,385.00	2,869.99			12,515.01
19-13	Various Public Improvements & Acquisitions	05/28/19	1,787,395.00			1,787,395.00	671,598.07			1,115,796.93
19-14	Reconstruction of Courts - Veteran's Memorial Park	05/28/19	37,640.00			37,640.00				
19-19	Purchase of Equipment, Improv of Boro Grounds	09/09/19	25,000.00			25,000.00	19,907.00			5,093.00
				\$ 2,414,749.09	3,929,805.05	1,945,810.00	2,195,918.95	56,270.79	1,835,491.22	4,202,683.18
				C	C		C-2		C	C
				Ref.						
	Capital Surplus			C-1	\$	45,000.00		36,145.52		
	Community Development Block Grant			C-4		98,030.00		14,601.27		
	Capital Improvement Fund			C-11		105,489.00				
	Deferred Charges to Future Taxation - Unfunded			C-7/C-14		1,697,291.00		5,524.00		
						\$ 1,945,810.00		56,270.79		

Borough of River Edge , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	C	\$ 7,906.03
Increased by:		
Budget Appropriation	C-2	<u>106,716.00</u>
		114,622.03
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-11	<u>105,489.00</u>
Balance - December 31, 2019	C/C-3	\$ <u><u>9,133.03</u></u>

Borough of River Edge , N.J.
Schedule of Reserve for Receivables
General Capital Fund
Year Ended December 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ <u>1,533,000.00</u>
Balance, December 31, 2019	C	\$ <u>1,533,000.00</u>

Borough of River Edge, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance, Dec. 31, 2018	2019 Authorizations	Decreased	Cancelled	Balance, Dec. 31, 2019
<u>General Improvements:</u>						
1794	Resurface of Fifth Avenue	\$ 6,000.00		6,000.00		8,489.76
1822	River Dell Middle School Safety Project	38,779.08		38,779.08		816,476.00
1835	Resurfacing of 5th Avenue (Section 3)	28,614.76		20,125.00		450,000.00
1836	Kinderkamack Rd. Regional Revitalization Project - Ph. 3	930,000.00		113,524.00		32,761.89
1837	School Safety Improvement Project	450,000.00				11,000.00
1865	Resurfacing of 5th Avenue (Section 4)	32,761.89				22,500.00
17-12	Various Public Improvements & Acquisitions	11,000.00			1,000.00	1,196,050.00
17-19	Acquisition of Radio Equipment	23,500.00		285,000.00		38,000.00
17-26	Storm & Sanitary Sewer Replacement	285,000.00		950,000.00		
18-10	Various Public Improvements	2,146,050.00				
18-18	Replacement of Sidewalks & Curb Ramps	38,000.00		147,476.00	4,524.00	
18-20	Acquisition of Front End Loader	152,000.00				
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	698,000.00				698,000.00
19-13	Various Public Improvements & Acquisitions		1,697,291.00	750,000.00		947,291.00
		<u>\$ 4,839,705.73</u>	<u>1,697,291.00</u>	<u>2,310,904.08</u>	<u>5,524.00</u>	<u>4,220,568.65</u>
		Footnote C	C-7/C-11		C-7, C-11	Footnote C
			Ref.			
	Funded by Budget Appropriations		C-7	64,904.08		
	Bond Anticipation Notes Issued		C-10	2,246,000.00		
				2,310,904.08		

BOROUGH OF RIVER EDGE

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

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PAUL J. CUVA, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Borough Council
Borough of River Edge
River Edge, New Jersey 07070

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of River Edge in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated July 9, 2020, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of River Edge's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of River Edge in the accompanying comments and recommendations section of this report.

Purpose of this Report

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



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 9, 2020

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010, the threshold was increased to \$26,000.00 and \$36,000.00 with a qualified purchasing agent. On July 1, 2015, the amount for a qualified purchasing agent was increased to \$40,000.00

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500.00, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough increased the bid threshold to \$36,000.00 as allowed by law for having a qualified purchasing agent.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Solid Waste Collection Services
- Road Resurfacing Project
- Cleaning Services
- Community Center Project
- 2018 Municipal Aid Road Improvement Project

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

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

WHEREAS, N.J.S.A. 54:4-67 has been amended to add a definition of what constitutes a delinquency: "Delinquency means the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters or years. The Governing Body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to allow that the delinquency be calculated on the sum of all taxes from year-to-year and not be calculated on an individual year basis; and

WHEREAS, the Governing Body that desires to employ the end of year penalty for those accounts whose tax arrears, interest and municipal charges exceed \$10,000.00 in any fiscal year must do so by the adoption of an appropriate resolution.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the Borough of River Edge authorizes the Borough Tax Collector to implement the end of year penalty for those accounts which exceed \$10,000.00 in any fiscal year as well as any other statutory requirements contained in N.J.S.A. 54:4-67 as amended, effective January 1, 2015.

BE IT FURTHER RESOLVED by the Mayor and Council of the Borough of River Edge, County of Bergen, State of New Jersey, that taxes due the Borough of River Edge shall be payable on February 1st, May 1st, August 1st, and November 1st of every year, with a ten (10) day grace period, after which dates, if unpaid, they shall become delinquent; and

BE IT FURTHER RESOLVED, that from and after the respective dates herein before provided for taxes to become delinquent, the taxpayer on property assessed shall be subject to interest of eight per centum (8%) on the first \$1,500 of delinquent tax payments, and eighteen per centum (18%) on amounts over \$1,500. These rates will be applicable from quarterly due date to date payment is received and as the law provides.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 4, 2019 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2019	6
2018	6
2017	6

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2019, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

COMMENTS

- 1.* Political Disclosure forms were not received from all vendors required to submit them.

RECOMMENDATIONS

- 1.* That Political Disclosure forms be received from all vendors required to submit them.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior years' recommendations and corrective action was taken on all, however additional action is required for those recommendation denoted with an (*).

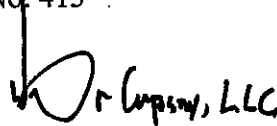
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants