

BOROUGH OF RIVER EDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2012

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**BOROUGH OF RIVER EDGE
BERGEN COUNTY, NEW JERSEY**

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of River Edge, as of December 31, 2012 and 2011, and the related statements 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 Current Fund for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the Borough of River Edge on the basis of financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 the State of New Jersey for municipal government entities.

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 requirement that the Borough of River Edge prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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, 2012 and 2011, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 14 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2012 and 2011. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 54 percent and 50 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2012 and 2011.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of River Edge as of December 31, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2012 in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Required Supplementary Information

The Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

Other Information

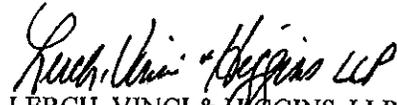
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of River Edge as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, schedule of expenditures of state financial assistance as required by NJ OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of River Edge.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 15, 2013 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.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
July 15, 2013

BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

ASSETS	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REGULAR FUND			
Cash	A-4	\$ 2,312,627	\$ 2,556,933
Cash - Change Funds	A-5	<u>250</u>	<u>250</u>
		<u>2,312,877</u>	<u>2,557,183</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	382,645	441,934
Tax Title Liens	A-9	101,857	41,160
Revenue Accounts Receivable	A-10	<u>7,337</u>	<u>11,085</u>
		<u>491,839</u>	<u>494,179</u>
Deferred Charges			
Emergency Authorizations	A-11	278,000	174,000
Special Emergency Authorizations	A-12	<u>148,272</u>	<u>183,788</u>
		<u>426,272</u>	<u>357,788</u>
Total Regular Fund		<u>3,230,988</u>	<u>3,409,150</u>
GRANT FUND			
Federal and State Grant Fund			
Grants Receivable	A-23	40,212	46,510
Due from Current Fund	A-26	<u>72,696</u>	<u>74,164</u>
Total Grant Fund		<u>112,908</u>	<u>120,674</u>
Total Current Fund Assets		<u>\$ 3,343,896</u>	<u>\$ 3,529,824</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
REGULAR FUND			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 599,270	\$ 475,650
Encumbrances Payable	A-14	444,909	588,559
Accounts Payable	A-15	184,240	199,983
Prepaid Taxes	A-16	209,995	184,416
Tax Overpayments	A-17	2,168	3,438
Due to State of NJ Senior Cit. and Vet. Ded.	A-7	9,599	8,561
Due to Grant Fund	A-26	72,696	74,164
Regional School Tax Payable	A-19	-	473,858
Special Emergency Note Payable	A-21	139,000	174,000
Miscellaneous Reserves	A-22	24,894	25,338
		<u>1,686,771</u>	<u>2,207,967</u>
Reserve for Receivables	A	491,839	494,179
Fund Balance	A-1	<u>1,052,378</u>	<u>707,004</u>
Total Regular Fund		<u>3,230,988</u>	<u>3,409,150</u>
GRANT FUND			
Federal and State Grant Fund			
Appropriated Reserve for Grants	A-24	112,408	120,674
Unappropriated Reserve for Grants	A-25	<u>500</u>	<u>-</u>
Total Grant Fund		<u>112,908</u>	<u>120,674</u>
Total Current Fund Liabilities, Reserves and Fund Balance		<u>\$ 3,343,896</u>	<u>\$ 3,529,824</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 425,000	\$ 1,178,250
Miscellaneous Revenue Anticipated	A-2	1,841,827	1,933,019
Receipts from Delinquent Taxes	A-2	416,118	404,564
Receipts from Current Taxes	A-2	43,615,325	43,099,624
Non-Budget Revenue	A-2	195,267	103,389
Other Credits to Income			
Cancelled Outstanding Checks	A-4	1,453	1,644
Cancellation of Appropriation Reserves for Grants	A-1		247
Unexpended Balance of Appropriation Reserves	A-13	289,855	212,533
Cancelled Miscellaneous Reserves	A-22	545	
Cancelled Tax Overpayments	A-17	11	
Cancelled Accounts Payable	A-15	48,957	66,397
		<u>46,834,358</u>	<u>46,999,667</u>
Total Income			
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	5,853,496	5,751,831
Other Expenses	A-3	5,259,923	5,519,256
Capital Improvements	A-3	56,263	40,410
Municipal Debt Service	A-3	1,346,313	1,375,729
Deferred Charges and Statutory Expenditures-Municipal	A-3	1,510,339	1,882,228
Local District School Tax	A-18	14,357,035	14,221,961
Regional High School Tax	A-19	14,276,833	13,890,239
Municipal Open Space Tax	B	-	163,991
County Taxes	A-20	3,518,861	3,831,187
Prior Year Senior Citizen Deductions Disallowed	A-8	662	750
Refund/Adjustment of Prior Year Revenue	A-4	164,559	47,102
		<u>46,344,284</u>	<u>46,724,684</u>
Total Expenditures			
Excess in Revenue		490,074	274,983
Adjustment to Income Before Fund Balance - Expenditures			
Included Above Which are by Statute Deferred Charges			
to Budget of Succeeding Year	A-11,A-12	280,300	351,100
Statutory Excess to Fund Balance		770,374	626,083
Fund Balance, January 1	A	707,004	1,259,171
		1,477,378	1,885,254
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	425,000	1,178,250
Fund Balance, December 31	A	<u>\$ 1,052,378</u>	<u>\$ 707,004</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Reference	2012 Budget	Added by N.J.S.A. 40A:4-87	Realized in 2012	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 425,000	-	\$ 425,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	12,000		15,050	\$ 3,050
Fees and Permits	A-2, A-10	45,000		62,813	17,813
Municipal Court	A-10	100,850		122,155	21,305
Interest and Cost on Taxes	A-10	80,000		102,943	22,943
Interest on Investments & Deposits	A-10	2,150		597	(1,553)
Parking Lot Fees	A-10	15,000		26,711	11,711
Energy Receipts Tax	A-10	1,022,888		1,022,888	
Consolidated Municipal Property Tax Relief Aid	A-10	34,105		34,105	
Garden State Preservation Trust	A-10	13,722		13,722	
Uniform Construction Code Fees	A-10	190,000		174,114	(15,886)
County of Bergen - Snow Removal	A-10	1,520		3,120	1,600
Uniform Fire Safety Act	A-10	8,000		9,665	1,665
Cable Television Fees	A-10	138,245		138,245	
Reserve for Sale of Assets	A-22	10,000		10,000	
Police Outside Duty	A-10	35,000		16,728	(18,272)
Body Armor	A-25		\$ 2,339	2,339	
State and Local Coop. Housing	A-23,A-25	32	3,719	3,751	
Senior Bus Driver	A-23		10,000	10,000	
Senior Dispatchers	A-23		2,000	2,000	
Senior Activities	A-23		2,000	2,000	
Recycling Tonnage Grant	A-25		16,623	16,623	
Municipal Alliance on Alcoholism & Drug Abuse	A-23	10,356		10,356	
Clean Communities	A-23,A-25	400	15,643	16,043	
Drunk Driving Enforcement Fund	A-25		3,144	3,144	
Non-Public Nursing Services	A-25		12,203	12,203	
Alcohol Education and Rehabilitation	A-25		917	917	
Drive Sober or Get Pulled Over	A-23		4,400	4,400	
Sustainable Jersey Small Grant	A-25		2,000	2,000	
Bullet Proof Vest Partnership Grant	A-23		2,165	2,165	
Memorial Bench - Donation	A-10		1,000	1,000	
Environmental Protection Commission - Donation	A-10	-	30	30	-
Total Miscellaneous Revenues		<u>1,719,268</u>	<u>78,183</u>	<u>1,841,827</u>	<u>44,376</u>
Receipts from Delinquent Taxes	A-8	<u>375,000</u>	-	<u>416,118</u>	<u>41,118</u>
Amount to be Raised by Taxes for Support of Municipal Budget					
Municipal Operations		11,145,294		11,281,415	136,121
Free Public Library		594,023	-	594,023	-
	A-2	<u>11,739,317</u>	-	<u>11,875,438</u>	<u>136,121</u>
Total General Revenues	A-3	<u>\$14,258,585</u>	<u>\$ 78,183</u>	<u>14,558,383</u>	<u>\$ 221,615</u>
Non-Budget Revenue	A-2			<u>195,267</u>	
				<u>\$ 14,753,650</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 43,615,325
Allocated to School, County and Taxes	A-18,A-19,A-20	<u>32,312,072</u>
 Balance for Support of Municipal Budget Appropriations		 11,303,253
 Add Reserve for Uncollected Taxes	 A-3	 <u>572,185</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 11,875,438</u>
 Fees and Permits		
Borough Clerk	A-10	\$ 34,892
Fire Prevention	A-10	12,038
Police	A-10	4,011
Board of Health	A-10	<u>11,872</u>
	A-2	<u>\$ 62,813</u>
 Analysis of Non-Budget Revenue		
Board of Adjustment		\$ 1,700
Planning Board		700
Copies		22
Property Owner List Assessor		150
Swim Club Lease and Sewer Maintenance		500
Tax Collector Printout and Searches		150
Rent from Borough Property		1,802
Police Outside Duty - PY Revenue		9,191
Crossing Guard Refund		7,016
Polling Places		320
Trust Assessment Interest		6
BCUA Connection Sewer Fee		166
DMV Inspection Fines		350
FEMA-Snowstorm/Hurricane Irene		122,318
Insurance Reimbursements		37,928
2% Administration Senior and Vets		2,258
Workmens Comp. Refund - PY		1,584
LOSAP Reimbursement		5,040
Fuel Refund - PY		1,571
Vendor Refund		1,146
Miscellaneous		<u>1,349</u>
	A-2,A-4	<u>\$ 195,267</u>

BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	\$ 19,584	\$ 19,584	\$ 19,540	\$ 44	
Other Expenses	9,012	9,012	9,003	9	
Mayor and Council					
Salaries and Wages	29,000	29,000	28,847	153	
Other Expenses	2,740	2,740	2,637	103	
Municipal Clerk					
Salaries and Wages	128,235	126,235	124,463	1,772	
Other Expenses	42,725	46,125	45,805	320	
Other Expenses - Codification of Ordinances		2,300	2,300		
Financial Administration					
Salaries and Wages	272,404	267,404	264,219	3,185	
Other Expenses					
Audit Services	23,000	23,000	23,000		
Other Expenses - Miscellaneous	31,232	30,632	26,412	4,220	
Tax Assessment Administration					
Salaries and Wages	37,481	31,281	30,218	1,063	
Other Expenses	4,145	4,145	4,024	121	
Economic Development					
Other Expenses	5	5		5	
Revenue Administration					
Salaries and Wages	61,753	58,553	49,234	9,319	
Other Expenses	20,019	19,019	16,635	2,384	
Legal Services					
Other Expenses	140,000	129,000	116,442	12,558	
Engineering Services					
Other Expenses	60,000	71,500	64,643	6,857	
Historical Sites Office					
Other Expenses	350				
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	10,644	10,644	10,147	497	
Other Expenses	2,300	1,000	749	251	
Zoning Board of Adjustment					
Other Expenses	2,300	1,800	474	1,326	
Recycling					
Salaries and Wages	179,849	164,849	141,124	23,725	
Other Expenses	5,976	5,976	5,889	87	
Public Information					
Other Expenses	4,200	3,003	2,174	829	
INSURANCE					
Liability Insurance	201,630	203,630	201,584	2,046	
Workers Compensation Insurance	196,531	196,531	194,403	2,128	
Employee Group Health	789,122	789,122	628,464	160,658	
Health Benefit Waiver	10,000	10,000	9,977	23	
MUNICIPAL COURT					
Salaries and Wages	98,027	98,027	96,562	1,465	
Other Expenses	12,445	10,445	8,254	2,191	
Public Defender					
Other Expenses	1,840	340	340		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

OPERATIONS - WITHIN "CAPS" (Continued)	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	\$ 2,993,705	\$ 3,095,282	\$ 3,006,367	\$ 88,915	
Other Expenses	98,175	98,175	97,369	806	
Office of Emergency Management					
Salaries and Wages	8,872	6,872	6,554	318	
Other Expenses	5,130	5,130	4,694	436	
Fire					
Salaries and Wages	2,365	2,765	2,488	277	
Other Expenses	61,325	61,325	61,276	49	
Uniform Fire Safety Act (Ch. 383 P.L. 1983)					
Salaries and Wages	22,129	24,329	22,800	1,529	
Other Expenses	3,500	2,710	2,659	51	
Municipal Prosecutor					
Salaries and Wages	6,359	6,359	6,010	349	
Other Expenses	200	200		200	
STREETS AND ROADS					
Public Works Repair & Maintenance					
Salaries and Wages	826,755	841,755	838,052	3,703	
Other Expenses	89,592	89,592	64,557	25,035	
Other Public Works Function					
Other Expenses	6,875	6,875	6,875		
Shade Tree					
Other Expenses	6,600	6,600	6,596	4	
Buildings and Grounds					
Salaries and Wages	23,841	23,841	23,804	37	
Other Expenses	93,551	93,901	76,046	17,855	
Vehicle Maintenance					
Salaries and Wages	159,810	159,810	156,931	2,879	
Other Expenses	95,100	95,100	91,201	3,899	
Solid Waste Collection					
Garbage and Trash Removal					
Contractual (P.L. 2000, C.26)	288,350	288,350	282,801	5,549	
Other Expenses - MultiFamily (P.L. 2000, C.26)	138,000	138,000	103,866	34,134	
Community Service Act					
Other Expenses	13,000	13,000	13,000		
Parking Lot Maintenance					
Other Expenses	5,700	5,700	5,680	20	
SANITATION FUNCTIONS					
Sewer System					
Salaries and Wages	5,113	5,113	4,697	416	
Other Expenses	7,200	22,200	21,961	239	
Sanitation Landfill - Bergen					
County Contractual	312,500	292,500	259,413	33,087	
HEALTH AND WELFARE FUNCTIONS					
Public Health Services					
Salaries and Wages	40,889	42,389	41,793	596	
Other Expenses - Contractual	15,590	16,140	16,100	40	
Other Expenses - Miscellaneous	19,383	18,623	17,686	937	
Administration of Social Services					
Salaries and Wages	3,807	3,807	3,807		
Other Expenses - Contractual	95	95		95	
Veterans (R.S. 40:48-2.15)					
Other Expenses	950	950	950		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
HEALTH AND WELFARE FUNCTIONS (Continued)					
Board of Health (P.E.O.S.H.A., N.J.S.A., 34:6A-25 et. Seq.)H.B.V.					
Other Expenses	\$ 100	\$ 100		\$ 100	
Fire (N.J., P.E.O.S.H.A., N.J.A.C., 12:100-10)					
Other Expenses	100	100		100	
Animal Welfare					
Other Expenses	10,000	10,000	\$ 10,000		
RECREATION AND EDUCATION					
Recreation Commission (40:12-1 et. Seq.)					
Salaries and Wages	51,194	52,194	51,073	1,121	
Other Expenses	4,950	4,950	4,895	55	
Maintenance of Parks					
Salaries and Wages	185,794	185,794	176,051	9,743	
Other Expenses	13,300	13,300	13,141	159	
Aid to Senior Citizen Program (40:48-9.4)					
Other Expenses	29,459	27,459	23,820	3,639	
UNCLASSIFIED FUNCTIONS					
Administrative & Executive					
Other Expenses	350	350	350		
Bus					
Salaries and Wages	37,060	16,583	9,151	7,432	
Other Expenses	350	350	70	280	
Accumulated Absence (N.J.A.C. 5:30-15)	5	5	5		
CODE ENFORCEMENT AND ADMINISTRATION					
Construction Official					
Salaries and Wages	115,146	109,146	107,823	1,323	
Other Expenses	2,450	2,450	2,184	266	
Other Code Enforcement Functions					
Salaries and Wages	19,652	20,152	19,172	980	
Other Expenses	275	275		275	
UTILITY EXPENSES AND BULK PURCHASES					
Telephone	55,300	55,300	50,439	4,861	
Fire Hydrant Service	134,800	134,800	134,776	24	
Water	19,650	19,650	16,714	2,936	
Petroleum Products	122,000	132,000	123,980	8,020	
Electricity and Natural Gas	308,312	298,312	229,267	69,045	-
Hurricane Sandy - Response and Recovery					
Salaries & Wages		35,000	34,103	897	
Other Expenses	-	100,000	95,318	4,682	-
Total Operations Within "CAPS"	<u>8,861,257</u>	<u>9,050,660</u>	<u>8,475,928</u>	<u>574,732</u>	<u>-</u>
Contingent	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
Total Operations Including Contingent - Within "CAPS"	<u>8,861,262</u>	<u>9,050,665</u>	<u>8,475,928</u>	<u>574,737</u>	<u>-</u>
Detail:					
Salaries & Wages	5,339,468	5,436,768	5,275,030	161,738	-
Other Expenses (Including Contingent)	<u>3,521,794</u>	<u>3,613,897</u>	<u>3,200,898</u>	<u>412,999</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
			<u>Reserved</u>
			<u>Balances Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)			
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"			
Statutory Charges			
Social Security System (O.A.S.I.)	\$ 241,518	\$ 241,518	\$ 234,954 \$ 6,564
Contribution to Public Employees' Retirement System	316,488	317,385	317,385
Consolidated Police and Firemen's Pension Fund	14,850	14,850	14,775 75
Police and Firemen's Retirement System of NJ	624,342	624,342	624,342
Unemployment Insurance	9,000	9,000	9,000
Defined Contribution Retirement Program	4,700	4,700	2,500 2,200
Judgements		80,000	80,000
Deferred Charges			
APWA, NJ Chapter			
Annual Meeting and Awards 2010	30	30	30 - -
Municipal Within "CAPS"	<u>1,210,928</u>	<u>1,291,825</u>	<u>1,282,986 8,839 -</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>10,072,190</u>	<u>10,342,490</u>	<u>9,758,914 583,576 -</u>
OPERATIONS - EXCLUDED FROM "CAPS"			
Haekensack/Paramus Sewer Charges Contractual (N.J.S.A. 40A:4-45.3(LL))	193,300	193,300	193,300
BCUA - Sewer Charges-Contractual (N.J.S.A. 40A:4-45.3(j))	1,005,800	1,005,800	1,005,767 33
Maintenance of Free Public Library (P.L. 1985, C.82 & 541)			
Salaries and Wages	372,311	382,311	379,050 3,261
Other Expenses	97,835	97,835	96,165 1,670
NJDEP Stormwater Permit (N.J.S.A. 40.A:45.3(cc))			
General Administration			
Salaries and Wages	2,812	2,812	2,812
Other Expenses	50	50	\$ 50
Municipal Clerk			
Salaries and Wages	240	240	240
Other Expenses	450	450	450
Legal Services			
Other Expenses	1,200	1,200	1,200
Public Information			
Other Expenses	1,000	1,000	338 662
Engineering			
Other Expenses	2,500	2,500	2,500
Other Code Enforcement Functions			
Salaries and Wages	16	16	16
Police			
Salaries and Wages	34	34	34

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Public Works Repair and Maintenance					
Salaries and Wages	\$ 7,584	\$ 7,584	\$ 7,584		
Other Expenses	6,200	6,200	6,200		
Sewer System					
Other Expenses	3,000	3,000	3,000		
Public Health Services					
Salaries and Wages	8	8	8		
Length of Service Award Program (LOSAP)					
Other Expenses - Fire	70,380	70,380	70,380		
Other Expenses - Fire Aid Organization	31,620	31,620	31,620		
Recycling Tax (P.L. 2007, C.311)					
Other Expenses	11,700	11,700	10,375	\$ 1,325	
Implementation of 911 System (N.J.S.A.) 40A:4-45.3					
Police Communications					
Other Expenses	18,460	18,460	14,496	3,964	
Maintenance of Free Public Library (P.L. 1985 C.82 & 541)					
Electricity	18,875	18,875	15,890	2,985	
Telephone & Telegraph	425	425	320	105	
Natural Gas	5,000	5,000	3,405	1,595	
Water	4,955	4,955	4,775	180	
Maintenance of Free Public Library (P.L. 1985 C.82 & 541) (Continued)					
Employee Group Health	57,074	57,074	57,074		
Social Security	28,482	28,482	27,936	546	
Liability Insurance	12,106	12,106	12,106		
Workers Compensation Insurance	8,658	8,658	8,658		
Health Benefit Waiver	2,000	2,000	2,000	-	-
Total Other Operations Excluded from "CAPS"	<u>1,964,075</u>	<u>1,974,075</u>	<u>1,956,049</u>	<u>15,664</u>	<u>\$ 2,362</u>
Shared Service Agreements					
County of Bergen					
Snow Removal - Salaries and Wages	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	-	-
Total Shared Service Agreements	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balances Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant		\$ 16,623	\$ 16,623		
Res. Alcohol Education Rehab Enforcement		917	917		
Municipal Alliance on Alcoholism and Drug Abuse Grant	\$ 10,356	10,356	10,356		
Nonpublic Nursing Services - Salaries and Wages		12,203	12,203		
Body Armor Grant		2,339	2,339		
Bulletproof Vest		2,165	2,165		
Coop Housing Inspection	32	3,751	3,751		
Community Development Block Grant:					
Senior Bus Driver - Salaries and Wages		10,000	10,000		
Senior Citizens Dispatcher		2,000	2,000		
Senior Citizens Activities		2,000	2,000		
Drunk Drive Enforcement Fund		3,144	3,144		
Clean Communities Grant	400	16,043	16,043		
NJ Sustainable Small Grant		2,000	2,000		
Drive Sober or Get Pulled Over		4,400	4,400		
Municipal Alliance - Local Match	550	550	550		
Donation Memorial Park Bench		1,000	1,000		
Donation Environmental Protection Commission	-	30	-	\$ 30	-
Total Public and Private Programs Offset by Revenues	11,338	89,521	89,491	30	-
Total Operations Excluded from "CAPS"	1,976,933	2,065,116	2,047,060	15,694	\$ 2,362
Detail:					
Salaries and Wages	384,525	416,728	413,467	3,261	-
Other Expenses	1,592,408	1,648,388	1,633,593	12,433	2,362
	<u>1,976,933</u>	<u>2,065,116</u>	<u>2,047,060</u>	<u>15,694</u>	<u>2,362</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	56,263	56,263	56,263	-	-
Total Capital Improvements Excluded from "CAPS"	56,263	56,263	56,263	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
			<u>Reserved</u>
			<u>Balances Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"			
Payment of Bond Principal	\$ 1,025,000	\$ 1,025,000	\$ 1,025,000
Payment of Bond Anticipation Notes and Capital Notes	4,500	4,500	\$ 4,500
Interest on Bonds	288,000	288,000	287,038
Interest on Notes	6,000	6,000	5,657
Environmental Infrastructure Trust/Fund Loans			
Loan Repayments for Principal and Interest	<u>39,000</u>	<u>39,000</u>	<u>28,618</u>
			<u>-</u>
			<u>10,382</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,362,500</u>	<u>1,362,500</u>	<u>1,346,313</u>
			<u>-</u>
			<u>16,187</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"			
Emergency Authorizations	174,000	174,000	174,000
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	37,816	37,816	37,816
Deferred Charges to Future Taxation - Unfunded Ord. No. 1507 - Kinderkamack Road Phase I	<u>6,698</u>	<u>6,698</u>	<u>6,698</u>
			<u>-</u>
			<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>218,514</u>	<u>218,514</u>	<u>218,514</u>
			<u>-</u>
			<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,614,210</u>	<u>3,702,393</u>	<u>3,668,150</u>
			<u>\$ 15,694</u>
			<u>18,549</u>
Subtotal General Appropriations	13,686,400	14,044,883	13,427,064
Reserve for Uncollected Taxes	<u>572,185</u>	<u>572,185</u>	<u>572,185</u>
			<u>-</u>
			<u>-</u>
Total General Appropriations	<u>\$ 14,258,585</u>	<u>\$ 14,617,068</u>	<u>\$ 13,999,249</u>
			<u>\$ 599,270</u>
			<u>\$ 18,549</u>

A

Reference

Budget as Adopted	A-2	\$ 14,258,585
Added by N.J.S 40A:4-87	A-2	78,183
Emergency Authorization	A-11	278,000
Special Emergency Authorization	A-12	<u>2,300</u>
		<u>\$ 14,617,068</u>
Cash Disbursements	A-4	\$ 12,679,548
Encumbrances Payable	A-14	444,909
Due to Grant Fund Appropriated Grant Reserves	A-24	88,491
Deferred Charges - Special Emergency Authorization	A-12	37,816
Deferred Charges - Emergency Authorizations	A-11	174,000
Reserve for Codification of Ordinances	A-22	2,300
Reserve for Uncollected Taxes	A-2	<u>572,185</u>
	A-3	<u>\$ 13,999,249</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011

ASSETS	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSESSMENT TRUST FUND			
Cash	B-2	\$ 161	\$ 161
Assessment Receivable	B-3	<u>2,066</u>	<u>1,309</u>
		<u>2,227</u>	<u>1,470</u>
ANIMAL CONTROL FUND			
Cash	B-2	<u>6,004</u>	<u>10,068</u>
OTHER TRUST FUND			
Cash	B-2	<u>773,876</u>	<u>751,522</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND			
(UNAUDITED)			
Investments	B	844,982	694,488
Contribution Receivable	B	<u>77,520</u>	<u>74,460</u>
		<u>922,502</u>	<u>768,948</u>
Total Assets		<u>\$ 1,704,609</u>	<u>\$ 1,532,008</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ASSESSMENT TRUST FUND			
Due to General Capital Fund	B-4	\$ 2,066	\$ 1,309
Fund Balance	B-1	<u>161</u>	<u>161</u>
		<u>2,227</u>	<u>1,470</u>
ANIMAL CONTROL FUND			
Reserve for Animal Control Expenditures	B-6	<u>6,004</u>	<u>10,068</u>
OTHER TRUST FUND			
Due to the State - Unemployment Insurance Claims	B-7	909	380
Escrow Deposits	B-8	34,423	66,737
Miscellaneous Reserves	B-9	459,175	351,159
Reserve for Unemployment Insurance Claims	B-10	32,056	39,106
Reserve for Payroll Deductions Payable	B-11	108,500	128,728
Reserve for Recreation	B-12	82,039	115,764
Reserve for Self Insurance	B-13	51,322	26,382
Reserve for Open Space Preservation	B-14	<u>5,452</u>	<u>23,266</u>
		<u>773,876</u>	<u>751,522</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for Length of Service Awards Program Benefits	B	<u>922,502</u>	<u>768,948</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,704,609</u>	<u>\$ 1,532,008</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF RIVER EDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1,	B	\$ <u>161</u>	\$ <u>161</u>
Balance, December 31,	B	\$ <u>161</u>	\$ <u>161</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2012 AND 2011**

ASSETS	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	C-2, C-3	\$ 342,023	\$ 1,122,207
Due from Assessment Trust Fund	B-4	2,066	1,309
Prospective Assessments Raised by Taxation	C-4		2,100
Deferred Charges to Future Taxation			
Funded	C-5	7,241,177	8,293,396
Unfunded	C-6	<u>2,599,519</u>	<u>1,898,735</u>
 Total Assets		 <u>\$ 10,184,785</u>	 <u>\$ 11,317,747</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	\$ 7,130,000	\$ 8,155,000
Environmental Infrastructure Trust Loan	C-7	111,177	138,396
Bond Anticipation Notes	C-9	500,000	1,000,000
Improvement Authorization			
Funded	C-10	656,325	882,615
Unfunded	C-10	842,142	556,474
Encumbrances Payable	C-11	911,676	550,677
Capital Improvement Fund	C-12	12,385	12,622
Reserve for Prospective Assessments Raised by Taxation	C-4		2,100
Fund Balance	C-1	<u>21,080</u>	<u>19,863</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 10,184,785</u>	 <u>\$ 11,317,747</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 of \$2,099,519 and \$1,449,699 respectively (Exhibit C-13).

BOROUGH OF RIVER EDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -
REGULATORY BASIS - GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$ 19,863	\$ 23,053
Increased by:			
Improvement Authorizations Cancelled	C-11	<u>1,217</u>	<u>8,000</u>
		21,080	31,053
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-1	<u>-</u>	<u>11,190</u>
Balance, December 31	C	<u>\$ 21,080</u>	<u>\$ 19,863</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF RIVER EDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Land	\$ 4,799,113	\$ 4,799,113
Buildings and Building Improvements	5,383,345	5,383,345
Machinery and Equipment	<u>9,708,594</u>	<u>9,586,798</u>
	<u>\$ 19,891,052</u>	<u>\$ 19,769,256</u>
 INVESTMENT IN GENERAL FIXED ASSETS	 <u>\$ 19,891,052</u>	 <u>\$ 19,769,256</u>

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Regulatory Basis of Accounting

The financial statements of the Borough of River Edge have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America, (GAAP). The 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.

B. Reporting Entity

The Borough of River Edge (the "Borough") was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department, volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

C. Measurement Focus, Basis of Accounting and Financial Statement 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. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

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

The Borough of River Edge follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax 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 (i.e., when they are both levied and available), 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 (i.e., when they are both measurable and available).

Grant and Similar Award 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Trust Fund
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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 2012 and 2011 the Borough Council increased the original budget by \$358,483 and \$453,008. The increases in 2012 were funded by additional aid allotted to the Borough in the amount of \$78,183 and emergency resolutions in the amount of \$280,300 for codification of ordinances, storm damage, sewer repairs, litigation and employee salaries. The increases in 2011 were funded by additional aid allotted to the Borough in the amount of \$101,908 and emergency resolutions in the amount of \$351,100 for storm damage, codification of ordinances and the reassessment of real property. In addition, the governing body approved several budget transfers during 2012 and 2011.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled 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, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

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

Appropriation Reserves – Appropriation reserves are recorded as liabilities and 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.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

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 for interfunds and, therefore, does not recognize income in the year liquidated.

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. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes - School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of River Edge has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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 sewerage and drainage systems are not capitalized.

Fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are recorded at estimated fair market value at the date of donation. Land is valued at estimated market value for assets in place prior to January 1, 1986.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

General Fixed Assets (Continued)

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in the government-wide financial statements.

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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

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

D. Financial Statements – Regulatory Basis

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

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Borough's deposits were \$3,434,941 and \$4,441,141 and bank and brokerage firm balances of the Borough's deposits amounted to \$3,931,937 and \$4,859,330, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2012</u>	<u>2011</u>
Insured	\$ 3,931,937	\$ 4,859,330

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 does have a formal policy for custodial credit risk. As of December 31, 2012 and 2011, the Borough's bank balances were not exposed to custodial credit risk.

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2012 and 2011, the Borough had the following investments:

Investment:	<u>Fair Value</u>	
	<u>(LOSAP) - Unaudited</u>	
	<u>2012</u>	<u>2011</u>
Lincoln Financial LOSAP Investment Fund	\$ 844,982	\$ 694,488

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2012 and 2011, \$844,982 and \$694,488 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP - Unaudited)	
	2012	2011
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 844,982	\$ 694,488

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2012 and 2011, the Borough’s investment in Lincoln Financial, a subsidiary of Lincoln National, was rated Baa2 by Moody’s Investors Service.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial LOSAP Investment Plan. These investments are 100% of the Borough’s total investments.

The fair value of the above-listed investments was provided by Lincoln Financial Group.

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2012 and 2011 consisted of the following:

	2012	2011
<u>Current</u>		
Property Taxes	\$ 382,645	\$ 441,934
Tax Title Liens	101,857	41,160
	\$ 484,502	\$ 483,094

In 2012 and 2011, the Borough collected \$416,118 and \$404,564 from delinquent taxes, which represented 86% and 93% of the prior year delinquent taxes receivable balance.

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund projects. 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 four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Bonds, Notes and Loans	\$ 7,741,177	\$ 9,293,396
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u> -</u>	<u> 550,964</u>
Net Debt Issued	7,741,177	8,742,432
Authorized But Not Issued		
General		
Bonds and Notes	<u> 2,099,519</u>	<u> 1,449,699</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 9,840,696</u>	<u>\$ 10,192,131</u>

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .56% and .56% at December 31, 2012 and 2011, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General Debt	\$ 9,840,696	\$ -	\$ 9,840,696
School Debt	<u> 27,205,546</u>	<u> 27,205,546</u>	<u> -</u>
Total	<u>\$ 37,046,242</u>	<u>\$ 27,205,546</u>	<u>\$ 9,840,696</u>

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt (Continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
2011			
General Debt	\$ 10,743,095	\$ 550,964	\$ 10,192,131
School Debt	<u>28,012,086</u>	<u>28,012,086</u>	<u>-</u>
Total	<u>\$ 38,755,181</u>	<u>\$ 28,563,050</u>	<u>\$ 10,192,131</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2012</u>	<u>2011</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 61,286,186 <u>9,840,696</u>	\$ 63,378,311 <u>10,192,131</u>
Remaining Borrowing Power	<u>\$ 51,445,490</u>	<u>\$ 53,186,180</u>

Long-Term Debt

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

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
\$2,981,000, 2002 Bonds, due in annual installments of \$300,000 to \$301,000 through August 1, 2016, interest at 4.00% to 4.250%	\$ 1,501,000	\$ 1,801,000
\$3,014,000, 2005 Bonds, due in annual installments of \$269,000 to \$270,000 through September 15, 2019, interest at 3.60%	1,889,000	2,159,000
\$2,955,000, 2007 Bonds, due in annual installments of \$195,000 to \$210,000 through December 15, 2022, interest at 3.625% to 4.00%	2,010,000	2,220,000
\$2,465,000, 2009 Bonds, due in annual installments of \$245,000 to \$260,000 through November 15, 2019, interest at 2.0% to 3.00%	<u>1,730,000</u>	<u>1,975,000</u>
	<u>\$ 7,130,000</u>	<u>\$ 8,155,000</u>

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

General Intergovernmental Loans Payable

The Borough has entered into a loan agreements with the New Jersey Environmental Infrastructure Trust for the financing relating to the Wastewater Treatment Plant. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
\$280,000, 1999 Trust Loan, due in annual installments of \$13,917 to \$18,728 through August 1, 2019, interest at 5.50% to 5.70%	\$ 105,160	\$ 118,138
\$190,284, 1999 Fund Loan, due in annual installments of \$6,017 to \$14,778 through August 1, 2013, interest free	<u>6,017</u>	<u>20,258</u>
	<u>\$ 111,177</u>	<u>\$ 138,396</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	General - Bonds		General - Loans		Total
	Principal	Interest	Principal	Interest	
2013	\$ 1,025,000	\$ 252,940	\$ 17,797	\$ 2,133	\$ 1,297,870
2014	1,025,000	218,708	11,260	1,895	1,256,863
2015	1,025,000	183,906	16,730	1,648	1,227,284
2016	1,025,000	147,812	15,936	1,194	1,189,942
2017	1,011,000	110,730	15,553	800	1,138,083
2018-2022	<u>2,019,000</u>	<u>169,038</u>	<u>33,901</u>	<u>739</u>	<u>2,222,678</u>
Total	<u>\$ 7,130,000</u>	<u>\$ 1,083,134</u>	<u>\$ 111,177</u>	<u>\$ 8,409</u>	<u>\$ 8,332,720</u>

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2012 and 2011 were as follows:

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
General Capital Fund					
Serial Bonds Payable	\$ 8,155,000		\$ 1,025,000	\$ 7,130,000	\$ 1,025,000
Loans Payable	<u>138,396</u>	<u>-</u>	<u>27,219</u>	<u>111,177</u>	<u>17,797</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,293,396</u>	<u>\$ -</u>	<u>\$ 1,052,219</u>	<u>\$ 7,241,177</u>	<u>\$ 1,042,797</u>
	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<u>2011</u>					
General Capital Fund					
Serial Bonds Payable	\$ 9,180,000		\$ 1,025,000	\$ 8,155,000	\$ 1,025,000
Loans Payable	<u>167,090</u>	<u>-</u>	<u>28,694</u>	<u>138,396</u>	<u>27,219</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,347,090</u>	<u>\$ -</u>	<u>\$ 1,053,694</u>	<u>\$ 8,293,396</u>	<u>\$ 1,052,219</u>

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2012 and 2011 was as follows:

Bond Anticipation Notes

General Capital Fund

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance December 31, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
Undertaking of Intersection Improvements and Installation	0.87%	2/16/2012	\$ 700,000		\$ 700,000	
Various Public Improvements and Acquisitions	1.78-1.89%	2/15/2013	<u>300,000</u>	<u>\$ 500,000</u>	<u>300,000</u>	<u>\$ 500,000</u>
Total General Capital Fund			<u>\$ 1,000,000</u>	<u>\$ 500,000</u>	<u>\$ 1,000,000</u>	<u>\$ 500,000</u>

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance December 31, 2010</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2011</u>
Undertaking of Intersection Improvements and Installation	0.87%	2/16/2012		\$ 700,000		\$ 700,000
Various Public Improvements and Acquisitions	0.87%	2/16/2012	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total General Capital Fund			<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2012 and 2011 as follows:

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

Current Fund

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2012</u>
Reassessment of Real Property	1.78%	2/15/2013	\$ 174,000	\$ 139,000	\$ 174,000	\$ 139,000
Total			\$ 174,000	\$ 139,000	\$ 174,000	\$ 139,000

<u>Purpose</u>			<u>Balance, December 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2011</u>
Reassessment of Real Property	2.65%	2/16/2012	-	\$ 174,000	-	\$ 174,000
Total			\$ -	\$ 174,000	\$ -	\$ 174,000

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2012 and 2011.

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2012</u>
<u>2012</u>					
Land	\$ 4,799,113				\$ 4,799,113
Buildings and Building Improvements	5,383,345				5,383,345
Machinery and Equipment	<u>9,586,798</u>	<u>\$ 232,192</u>	<u>\$ 110,396</u>	<u>\$ -</u>	<u>9,708,594</u>
	<u>\$ 19,769,256</u>	<u>\$ 232,192</u>	<u>\$ 110,396</u>	<u>\$ -</u>	<u>\$ 19,891,052</u>
	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2011</u>
<u>2011</u>					
Land	\$ 4,799,113				\$ 4,799,113
Buildings and Building Improvements	5,622,945		\$ 239,600		5,383,345
Machinery and Equipment	<u>9,166,172</u>	<u>\$ 411,396</u>	<u>1,614</u>	<u>\$ 10,844</u>	<u>9,586,798</u>
	<u>\$ 19,588,230</u>	<u>\$ 411,396</u>	<u>\$ 241,214</u>	<u>\$ 10,844</u>	<u>\$ 19,769,256</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2012</u>		<u>2011</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular Fund		\$ 72,696		\$ 74,164
Grant Fund	\$ 72,696		\$ 74,164	
Assessment Trust Fund		2,066		1,309
General Capital Fund	<u>2,066</u>	<u>-</u>	<u>1,309</u>	<u>-</u>
Total	<u>\$ 74,762</u>	<u>\$ 74,762</u>	<u>\$ 75,473</u>	<u>\$ 75,473</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

The Borough expects all interfund balances to be liquidated within one year.

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 765,106	\$ 425,000	\$ 523,216	\$ 425,000
Non-Cash Surplus	<u>287,272</u>	<u>-</u>	<u>183,788</u>	<u>-</u>
	<u>\$ 1,052,378</u>	<u>\$ 425,000</u>	<u>\$ 707,004</u>	<u>\$ 425,000</u>

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2012</u>			
Current Fund			
Emergency Authorizations	\$ 278,000	\$ 278,000	
Special Emergency Authorizations	<u>148,272</u>	<u>37,716</u>	<u>\$ 110,556</u>
Total	<u>\$ 426,272</u>	<u>\$ 315,716</u>	<u>\$ 110,556</u>

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2011</u>			
Current Fund			
Emergency Authorizations	\$ 174,000	\$ 174,000	
Special Emergency Authorizations	<u>183,788</u>	<u>37,816</u>	<u>\$ 145,972</u>
Total	<u>\$ 357,788</u>	<u>\$ 211,816</u>	<u>\$ 145,972</u>

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$590,700 and \$589,300 at December 31, 2012 and 2011, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2012 and 2011, the Borough has reserved in the Other Trust Fund \$3,970 and \$3,965, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Consolidated Police and Firemen's Pension fund (CPFPPF) – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, PERS and PFRS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included: (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent except for CPFPPF (2 percent); and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS).

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS and 10.0% for PFRS of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for CPFPE, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2012, 2011 and 2010, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>CPFPE</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2012	\$ 14,775	\$ 624,342	\$ 330,937	\$ 2,500
2011	12,512	683,588	342,667	
2010	13,390	594,255	263,749	

NOTE 11 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of River Edge is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

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

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 RISK MANAGEMENT (Continued)

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

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 unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 9,000	\$ 12,791	\$ 28,847	\$ 32,056
2011	47,000	12,215	39,457	39,106
2010	15,000	14,475	44,911	19,335

NOTE 12 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 13 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2012 and 2011, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 14 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED

The Borough of River Edge Length of Service Awards Program (the Plan) was created by a Borough ordinance adopted on May 7, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of River Edge approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of River Edge has contributed \$1,020 and \$1,020 for 2012 and 2011, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,020 and \$1,020 for 2012 and 2011, respectively for each eligible volunteer first aid squad members into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**BOROUGH OF RIVER EDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 14 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED

Reporting Requirements

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

NOTE 15 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31.

	<u>2012</u>		<u>2011</u>	
	<u>Regional</u> <u>High School</u>	<u>Local District</u> <u>School</u>	<u>Regional</u> <u>High School</u>	<u>Local District</u> <u>School</u>
Balance of Tax	\$ 7,168,966	\$ 6,774,148	\$ 7,581,724	\$ 6,675,905
Deferred Liability	<u>7,168,966</u>	<u>6,774,148</u>	<u>7,107,866</u>	<u>6,675,905</u>
Taxes Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,858</u>	<u>\$ -</u>

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
<u>2012</u>		
Howland Ave. Phase IV Roadway Improvement Project	\$145,551	2013
Cooperative Road Improvement Program	132,242	2013
Acquisition and Installation of Generator	169,417	2013
<u>2011</u>		
Howland Ave. and Kinderkamack Road	\$138,989	2012
Howland Ave. Road Improvement Project	149,886	2012

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

As of December 31, the Borough has other significant commitments as follows:

<u>2012</u>	<u>Purpose</u>	<u>Remaining Commitment</u>
	International Model/4400SBA Chassis	\$239,000

NOTE 17 CAPITAL LEASE AGREEMENT

The Borough entered into agreements for the leasing of police vehicles totaling \$51,719 under capital leases. The capital lease agreements are for a term of 3 years payable in advance. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at December 31, 2012.

<u>Years Ended December 31,</u>	<u>Amount</u>
2013	\$ 17,240
2014	<u>5,746</u>
Total	22,986
Less: Amounts representing Interest	<u>970</u>
Present value of Net Minimum Lease Payments	<u>\$ 22,016</u>

The Borough's capital lease activity for the years 2012 and 2011 was as follows:

	<u>2012</u>
Balance, January 1	\$ 37,385
Reductions	<u>15,369</u>
Balance, December 31	<u>\$ 22,016</u>
Due Within One Year	<u>\$ 16,341</u>

**BOROUGH OF RIVER EDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 18 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012. As of December 31, 2012, the Borough has not received any FEMA reimbursements relating to Hurricane Sandy.

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On February 15, 2013 the Borough issued Bond Anticipation Notes in the amount of \$500,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to The Township of South Brunswick at an interest rate of 1.35%. These notes dated February 15, 2013 will mature on November 15, 2013.

Debt Authorized

On May 6, 2013 the Borough adopted two (2) Bond Ordinances authorizing the issuance of \$807,500 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Special Emergency Notes

On February 15, 2013 the Borough authorized the Chief Financial Officer to issue \$104,000 of Special Emergency Notes to temporarily finance the Borough's property reassessment program. The Borough awarded the sale of said notes to PNC Bank at an interest rate of 1.72%. These notes dated February 15, 2013 will mature on February 14, 2014.

CURRENT FUND

BOROUGH OF RIVER EDGE
STATEMENT OF CURRENT CASH - COLLECTOR - TREASURER

Balance, December 31, 2011		\$ 2,556,933
Increased by Receipts:		
Taxes Receivable	\$ 43,734,527	
Revenue Accounts Receivable	1,743,886	
Non-Budget Revenue	195,267	
Cancelled Outstanding Checks	1,453	
Due from State of New Jersey - Veterans' and Senior Citizens Deductions	112,876	
Petty Cash Returned	1,800	
Grants Receivable	31,697	
Prepaid Taxes	209,995	
Tax Overpayments	156,652	
Unappropriated Reserves for Grants	57,088	
Miscellaneous Reserves	32,772	
Note Proceeds	<u>139,000</u>	
		<u>46,417,013</u>
		48,973,946
Decreased by Disbursements:		
2012 Budget Appropriations	12,679,548	
Petty Cash Advance	1,800	
Appropriation Reserves	184,351	
Encumbrances Payable	529,864	
Accounts Payable	26,925	
Tax Overpayments	157,911	
Local District School Tax Payable	14,357,035	
Regional School Taxes	14,750,691	
County Taxes Payable	3,518,861	
Appropriated Reserves for Grants	90,803	
Miscellaneous Reserves	24,971	
Notes Paid	174,000	
Refund of Prior Year Revenue	<u>164,559</u>	
		<u>46,661,319</u>
Balance, December 31, 2012		<u>\$ 2,312,627</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF CHANGE FUNDS**

	<u>Balance December 31, 2012</u>	<u>Balance December 31, 2011</u>
Board of Health	\$ 100	\$ 100
Municipal Court	<u>150</u>	<u>150</u>
	<u>\$ 250</u>	<u>\$ 250</u>

EXHIBIT A-6

STATEMENT OF PETTY CASH FUNDS

	<u>Advanced</u>	<u>Returned</u>
Finance Office	\$ 500	\$ 500
Police Department	300	300
Emergency Management	<u>1,000</u>	<u>1,000</u>
	<u>\$ 1,800</u>	<u>\$ 1,800</u>

EXHIBIT A-7

**STATEMENT OF DUE TO STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2011		\$ 8,561
Increased by:		
Received from State of NJ	\$ 112,876	
Senior Citizen and Veterans Deductions Disallowed By Tax Collector	500	
Senior Citizen and Veterans Deductions Disallowed By Tax Collector- Prior Year	<u>662</u>	
		<u>114,038</u>
		122,599
Decreased by:		
Senior Citizen Deductions Per Tax Duplicate	12,750	
Veterans Deductions Allowed Per Tax Duplicate	99,750	
Veterans Deductions Allowed By Tax Collector	<u>500</u>	
		<u>113,000</u>
Balance, December 31, 2012		<u>\$ 9,599</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2011	2012 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2011	2012	Senior Citizens' and Veterans' Deductions Allowed	Taxes Cancelled/ Remitted or Abated	Transferred to Tax Title Liens	Balance, December 31, 2012
2011	\$ 441,934		55	662	\$ 416,118			\$ 7,728	\$ 18,750	\$ 55
2012	-	\$ 44,064,046	13,213	500	\$ 184,416	\$ 43,318,409	\$ 113,000	45,215	34,129	382,590
	<u>\$ 441,934</u>	<u>\$ 44,064,046</u>	<u>\$ 13,268</u>	<u>\$ 1,162</u>	<u>\$ 184,416</u>	<u>\$ 43,734,527</u>	<u>\$ 113,000</u>	<u>\$ 52,943</u>	<u>\$ 52,879</u>	<u>\$ 382,645</u>

Analysis of 2012 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 44,064,046
Added and Omitted Taxes (R.S. 54:4-63.1 et seq.)	<u>13,213</u>
	<u>\$ 44,077,259</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 14,455,278
Regional High School Tax (Abstract)	14,337,933
County Taxes (Abstract)	\$ 3,477,496
County Open Space Taxes	40,304
County Taxes - Added & Omitted	<u>1,061</u>
	3,518,861
Local Tax for Municipal Purposes	11,145,294
Minimum Library Tax	594,023
Additional Taxes	<u>25,870</u>
	<u>11,765,187</u>
	<u>\$ 44,077,259</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2011		\$	41,160
Increased by:			
Transfers from Taxes Receivable		\$	52,879
Interest and Costs on Tax Sale			<u>7,818</u>
			<u>60,697</u>
Balance, December 31, 2012		\$	<u>101,857</u>

EXHIBIT A-10

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2011</u>	<u>Accrued</u>	Collected in 2012	Balance, December 31, <u>2012</u>
Clerk				
Licenses				
Alcoholic Beverage		\$ 15,050	\$ 15,050	
Fees and Permits		34,892	34,892	
Police				
Fees and Permits		4,011	4,011	
Board of Health				
Fees and Permits		11,872	11,872	
Fire Prevention				
Fees and Permits		12,038	12,038	
Construction Code Official				
Uniform Construction Code Fees		174,114	174,114	
Municipal Court				
Fees and Permits	\$ 11,085	118,407	122,155	\$ 7,337
Interest and Costs on Taxes		102,943	102,943	
Interest on Investments and Deposits		597	597	
Parking Lot Fees		26,711	26,711	
Cable Television Fees		138,245	138,245	
Energy Receipts Tax		1,022,888	1,022,888	
Consolidated Municipal Property Tax Relief Aid		34,105	34,105	
Garden State Preservation Trust		13,722	13,722	
Memorial Bench - Donation		1,000	1,000	
Environmental Protection Commission - Donation		30	30	
County of Bergen - Snow Removal		3,120	3,120	
Uniform Fire Safety Act		9,665	9,665	
Police Outside Duty	-	16,728	16,728	-
	<u>\$ 11,085</u>	<u>\$ 1,740,138</u>	<u>\$ 1,743,886</u>	<u>\$ 7,337</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS**

	Balance, December 31, <u>2011</u>	Added in 2012	Reduced in 2012	Balance, December 31, <u>2012</u>
Emergency Authorizations (40A:4-47)	\$ 174,000	\$ 278,000	\$ 174,000	\$ 278,000
	<u>\$ 174,000</u>	<u>\$ 278,000</u>	<u>\$ 174,000</u>	<u>\$ 278,000</u>

EXHIBIT A-12

**STATEMENT OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Date Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2011</u>	Added in 2012	Reduced in <u>2012</u>	Balance, December 31, <u>2012</u>
4/7/2008	Codification of Ordinances	\$ 3,100	\$ 620	\$ 1,140		\$ 620	\$ 520
3/2/2009	Codification of Ordinances	3,780	756	2,268		756	1,512
2/1/2010	Codification of Ordinances	4,100	820	3,280		820	2,460
2/7/2011	Codification of Ordinances	3,100	620	3,100		620	2,480
9/6/2011	Update Revaluation Program	174,000	34,800	174,000		35,000	139,000
2/6/2012	Codification of Ordinances	<u>2,300</u>	<u>460</u>	<u>-</u>	\$ 2,300	<u>-</u>	<u>2,300</u>
		<u>\$ 190,380</u>	<u>\$ 37,616</u>	<u>\$ 183,788</u>	<u>\$ 2,300</u>	<u>\$ 37,816</u>	<u>\$ 148,272</u>

**BOROUGH OF RIVER RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance, December 31, <u>2011</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES					
Municipal Clerk	\$ 280		\$ 280	\$ 41	\$ 239
Financial Administration	690		690		690
Tax Assessment Administration	546		546		546
Revenue Administration	1,511		1,511	1,374	137
Legal Services and Costs	10		10		10
Planning Board	1,033		1,033	730	303
Recycling	28		4,528	4,146	382
Code Enforcement and Administration					
Other Code Enforcement Functions	2,170		1,370	687	683
Fire	407		407	183	224
Uniform Fire Safety Act	428		628	606	22
Police	11,219		32,219	31,039	1,180
Emergency Management Svcs.	296		296		296
Prosecutor	259		559	510	49
Road Repairs and Maintenance	66,113		7,303	639	6,664
Vehicle Maintenance	27		27		27
Public Health Services	1,440		1,440	285	1,155
Recreation Commission	632		632		632
Municipal Court	1,488		1,488	745	743
Administration of Social Services	1		1		1
Maintenance of Parks	395		395		395
Bus	7,130		7,130	739	6,391
Construction Code Officials	20		20		20
Hurricane Irene - EO#73					
Public Works Repair and Maintenance	556		556		556
Police	2,030		2,030		2,030
Pre-Halloween Storm - EO#80	643		643		643
Maintenance of Free Public Library	6,428		7,128	7,123	5
OTHER EXPENSES					
General Administration	182	\$ 58	240		240
Mayor and Council	8	302	310		310
Municipal Clerk	131		1,741	1,731	10
Financial Administration	1,563		563		563
Tax Assessment Administration	1,941		1,941		1,941
Economic Development	5		5		5
Revenue Administration	2,709	200	909		909
Legal Services and Costs	5,839	124	10,963		10,963
Engineering	855	1,586	4,441		4,441
Historical Sites Office	100		100		100
Planning Board	1,489		689	12	677
Zoning Board of Adjustment	306		306		306
Public Information	2,060		2,060		2,060

**BOROUGH OF RIVER RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance, December 31, <u>2011</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Code Enforcement and Administration					
Other Code Enforcement Functions	\$ 2		\$ 2		\$ 2
Insurance					
Liability Insurance	755	\$ 1,330	2,085		2,085
Group Insurance Plan for Employees	174,108		174,108	\$ 115,298	58,810
Health Benefit Waiver	37		37		37
Public Defender	100		100		100
Fire Department	171		3,371	430	2,941
Uniform Fire Safety Act	621		621		621
Police Department	10	982	3,592		3,592
Emergency Management Svcs.	1,124		1,124		1,124
Prosecutor	350		350		350
Road Repairs and Maintenance	426		15,426	340	15,086
Shade Tree Commission	450	4,297	4,747		4,747
Buildings and Grounds	649		1,449	1,383	66
Vehicle Maintenance	4,504		4,504	1,034	3,470
Garbage and Trash Removal	23,566		23,566	23,433	133
Garbage and Trash Removal - Multi Family		1,126	1,126		1,126
Sewer	370		370		370
Sanitation Landfill - Bergen County					
Contractual		18,090	18,090		18,090
Public Health Services	399		999	969	30
Administration of Social Services	95		95		95
Veterans (R.S. 40:48-2.15)	475		475	475	
Board of Health (PEOSHA)- H.B.V.	100		100		100
Fire (PEOSHA)	100		100		100
Recreation Commission	538		538		538
Aid to Senior Citizen Program	5,241		5,241	2,484	2,757
Bus	263		263		263
Construction Code Officials	128		128		128
Telephone	2,415		2,415	2,331	84
Fire Hydrant Service	81		81		81
Water	1,621		1,621	1,621	-
Petroleum Products	2,690		5,190	5,029	161
Electricity and Natural Gas	68,077		68,077	29,557	38,520
Municipal Court	5,924		5,924		5,924
Contingent	5		5		5
Social Security System (O.A.S.I.)	3,076		3,076		3,076
Defined Contribution Retirement Program	360		360		360
Pension Deferral					
P.L. 2009, C.19	984		984		984
Interest on Deferred P.E.R.S. and P.F.R.S.	513		513		513
Employee Group Health	317		317		317

**BOROUGH OF RIVER RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance, December 31, <u>2011</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Length of Service Awards Program(LOSAP)					
Other Expense - Fire		\$ 22,440	\$ 22,440		\$ 22,440
Other Expense - Ambulance		8,160	8,160		8,160
Maintenance of Free Public Library	\$ 3,925		3,925		3,925
Hurricane Irene - EO#73	21,798		21,798	\$ 2,911	18,887
Pre-Halloween Storm - EO#80	13,280		13,280	108	13,172
Recycling Tax	4,658		4,658	1,935	2,723
NJPEDS Stormwater Permit					
Public Works Repair and Maintenance Implementation of 911 System - Police Communications	400		400		400
Maintenance of Free Public Library			1,027	480	547
Electricity	234		1,134	1,094	40
Telephone	132		2,232	2,130	102
Natural Gas	3,470		3,470	552	2,918
Water	306		306	306	-
Social Security	2,707		2,707		2,707
Health Benefit Waiver	500	-	500	-	500
	<u>\$ 475,650</u>	<u>\$ 58,695</u>	<u>\$ 534,345</u>	<u>\$ 244,490</u>	<u>\$ 289,855</u>
Cash Disbursements				\$ 184,351	
Transfer to Encumbrances Payable				<u>60,139</u>	
				<u>\$ 244,490</u>	

**BOROUGH OF RIVER EDGE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2011		\$ 588,559
Increased by:		
Charges to 2012 Appropriations		<u>444,909</u>
		1,033,468
Decreased by:		
Restored to Appropriation Reserves	\$ 58,695	
Cash Disbursements	<u>529,864</u>	
		<u>588,559</u>
Balance, December 31, 2012		<u>\$ 444,909</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2011		\$ 199,983
Increased by:		
Transferred from Appropriation Reserves		<u>60,139</u>
		260,122
Decreased by:		
Cash Disbursements	\$ 26,925	
Cancelled	<u>48,957</u>	
		<u>75,882</u>
Balance, December 31, 2012		<u>\$ 184,240</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2011		\$ 184,416
Increased by:		
2013 Taxes Collected		<u>209,995</u>
		394,411
Decreased by:		
Applied to 2012 Taxes Receivable		<u>184,416</u>
Balance, December 31, 2012		<u>\$ 209,995</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2011		\$ 3,438
Increased by:		
Overpayments in 2012		<u>156,652</u>
		160,090
Decreased by:		
Refunds	\$ 157,911	
Cancelled Tax Overpayments	<u>11</u>	
		<u>157,922</u>
Balance, December 31, 2012		<u>\$ 2,168</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX

Balance, December 31, 2011		
School Tax Deferred		\$ 6,675,905
Increased by:		
Levy, Calendar Year		<u>14,455,278</u>
		21,131,183
Decreased by:		
Cash Disbursements		<u>14,357,035</u>
Balance, December 31, 2012		
School Tax Deferred		<u>\$ 6,774,148</u>

STATEMENT OF REGIONAL HIGH SCHOOL TAX

Balance, December 31, 2011		
School Tax Deferred	\$ 7,107,866	
School Tax Payable	<u>473,858</u>	
		\$ 7,581,724
Increased by:		
Levy, Calendar Year		<u>14,337,933</u>
		21,919,657
Decreased by:		
Cash Disbursements		<u>14,750,691</u>
Balance, December 31, 2012		
School Tax Deferred		<u>\$ 7,168,966</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:			
2012 Tax Levy		\$ 3,477,496	
County Taxes		40,304	
County Open Space Preservation		1,061	
Added and Omitted Taxes		<u>1,061</u>	
			\$ 3,518,861
Decreased by:			
Payments			<u>\$ 3,518,861</u>

EXHIBIT A-21

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

Balance, December 31, 2011		\$ 174,000
Increased by:		
Cash Receipts		<u>139,000</u>
		313,000
Decreased by:		
Cash Disbursements		<u>174,000</u>
Balance, December 31, 2012		<u>\$ 139,000</u>

EXHIBIT A-22

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
Garden State Preservation Trust	\$ 13,722	\$ 13,722	\$ 13,722	\$ 13,722
Sale of Assets	11,155	11,675	11,658	11,172
Tax Appeals Pending		2,356	2,356	
Maintenance of Free Public Library		5,019	5,019	
Codification of Ordinances	461	2,300	2,761	-
	<u>\$ 25,338</u>	<u>\$ 35,072</u>	<u>\$ 35,516</u>	<u>\$ 24,894</u>
Cash Receipts		\$ 32,772		
2012 Budget Appropriation		<u>2,300</u>		
		<u>\$ 35,072</u>		
Cash Disbursements			\$ 24,971	
2012 Anticipated Revenue			10,000	
Cancelled Reserves			<u>545</u>	
			<u>\$ 35,516</u>	

**BOROUGH OF RIVER EDGE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	2012 Budget Revenue <u>Realized</u>	<u>Collected</u>	<u>Cancelled</u>	Balance, December 31, <u>2012</u>
Municipal Alliance on Alcoholism & Drug Abuse	\$ 6,800	\$ 10,356	\$ 8,635	\$ 4,162	\$ 4,359
Community Development Block Grant:					
Senior Bus Driver	8,413	10,000	12,941		5,472
Senior Bus Dispatcher		2,000	1,132		868
Senior Activities		2,000			2,000
ADA Improvements to Municipal Building	23,000				23,000
Community Forestry Program Grant	3,000		3,000		
Bulletproof Vest Partnership	5,297	2,165	2,949		4,513
Clean Communities Program		400	400		
Cooperative Housing Inspection Grant		32	32		
Drive Sober or Get Pulled Over	-	4,400	2,608	1,792	-
	<u>\$ 46,510</u>	<u>\$ 31,353</u>	<u>\$ 31,697</u>	<u>\$ 5,954</u>	<u>\$ 40,212</u>

EXHIBIT A-24

STATEMENT OF APPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2011</u>	Transferred from 2012 <u>Appropriations</u>	Cash <u>Disbursements</u>	<u>Cancelled</u>	Balance, December 31, <u>2012</u>
Body Armor	\$ 4,445	\$ 2,339	\$ 966		\$ 5,818
Drunk Driving Enforcement Fund	4,159	3,144	3,309		3,994
Clean Communities Program	743	16,043	16,325		461
Cooperative Housing Inspection Grant	2,309	3,751	4,441		1,619
Nursing Services for Nonpublic Schools	22,051	12,203	11,303		22,951
Municipal Alliance on Alcoholism & Drug Abuse	4,151	10,906	10,089	\$ 4,162	806
Alcohol Education and Rehabilitation Fund	4,448	917			5,365
Public Health Priority Funding	25,765		2,000		23,765
Community Development Block Grant:					
Senior Bus Driver	4,758	10,000	13,865		893
Senior Bus Dispatcher		2,000	1,895		105
Senior Activities		2,000	709		1,291
ADA Improvements to Municipal Building	23,000				23,000
Sustainable Jersey Small Grant		2,000			2,000
Drive Sober or Get Pulled Over		4,400	2,608	1,792	
Recycling Tonnage Grant	20,413	16,623	20,413		16,623
Bulletproof Vest Partnership	4,432	2,165	2,880	-	3,717
	<u>\$ 120,674</u>	<u>\$ 88,491</u>	<u>\$ 90,803</u>	<u>\$ 5,954</u>	<u>\$ 112,408</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS**

	Balance, December 31, <u>2011</u>	Cash <u>Receipts</u>	Realized in <u>Budget</u>	Balance, December 31, <u>2012</u>
Drunk Driving Enforcement		\$ 3,144	\$ 3,144	
Nursing Services for Nonpublic Schools		12,203	12,203	
Cooperative Housing Inspection		3,719	3,719	
Body Armor		2,339	2,339	
Recycling Tonnage		16,623	16,623	
Clean Communities		16,143	15,643	\$ 500
Alcohol Education and Rehabilitation Fund		917	917	
Sustainable Jersey Small Grant	-	2,000	2,000	-
	<u>\$ -</u>	<u>\$ 57,088</u>	<u>\$ 56,588</u>	<u>\$ 500</u>

**STATEMENT OF DUE TO GRANT FUND
CURRENT FUND**

EXHIBIT A-26

Balance, December 31, 2011		\$ 74,164
Increased by:		
Cash Receipts		
Grants Receivable	\$ 31,697	
Unappropriated Grant Reserves	<u>57,088</u>	
		\$ 88,785
Grants Receivable - Cancelled		5,954
2012 Appropriated Grants		<u>88,491</u>
		<u>183,230</u>
		257,394
Decreased by:		
2012 Anticipated Revenue		
Grants Receivable	31,353	
Unappropriated Grant Reserve	<u>56,588</u>	
		87,941
Cash Disbursements - Appropriated Grant Reserves		90,803
Appropriated Reserve for Grants - Cancelled		<u>5,954</u>
		<u>184,698</u>
Balance, December 31, 2012		<u>\$ 72,696</u>

TRUST FUNDS

**BOROUGH OF RIVER EDGE
STATEMENT OF CASH AND INVESTMENTS**

	<u>Assessment Trust</u>	<u>Animal Control</u>	<u>Other Trust</u>
Balance, December 31, 2011	\$ 161	\$ 10,068	\$ 751,522
Increased by Receipts:			
Animal Control Fees - Municipal	\$ 5,024		
Animal Control Fees - State	620		
Assessments Receivable	\$ 4,393		
Interest on Deposits			\$ 40
Developers Escrow			74,629
Miscellaneous Reserves			248,638
Budget Appropriation			14,000
Employee Payroll Deductions			7,057,905
Recreation Fees			123,893
Reserve for Insurance Funds			34,135
Employee Payroll Deductions - Unemployment	4,393	5,644	12,791
	<u>4,393</u>	<u>5,644</u>	<u>7,566,031</u>
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	4,554	15,712	8,317,553
Payments to General Capital Fund	9,088		
Payments to State of New Jersey	620		
Developers Escrow			106,943
Miscellaneous Reserves			140,622
Employee Payroll Deductions			7,078,133
Recreation			157,618
Reserve for Insurance Funds			14,195
Reserve for Open Space Preservation			17,848
Unemployment Claims			28,318
	<u>4,393</u>	<u>9,708</u>	<u>7,543,677</u>
Balance, December 31, 2012	\$ 161	\$ 6,004	\$ 773,876

**BOROUGH OF RIVER EDGE
STATEMENT OF ASSESSMENTS RECEIVABLE
ASSESSMENT TRUST FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Balance, December 31, 2011</u>	<u>Assessments Confirmed</u>	<u>Collected</u>	<u>Balance, December 31, 2012</u>	<u>Balance Pledged To Interfund</u>
1507	Kinderkamack Road North Improvement Project and Sidewalk Improvement	12/1/2010	5	\$ 1,309	\$ 437	\$ 872	\$ 872	\$ 872
1732	Resurface Howland Avenue	4/16/2012	5		\$ 584	77	77	77
1733	Construction/Reconstruction of Sidewalks	9/17/2012	5	-	4,489	3,372	1,117	1,117
				<u>\$ 1,309</u>	<u>\$ 5,150</u>	<u>\$ 4,393</u>	<u>\$ 2,066</u>	<u>\$ 2,066</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF DUE TO GENERAL CAPITAL FUND
ASSESSMENT TRUST FUND**

Balance, December 31, 2011		\$	1,309
Increased by:			
Assessments Confirmed for Ord #1732		\$	661
Assessments Confirmed for Ord #1733			<u>4,489</u>
			<u>5,150</u>
Decreased by:			
Payments to General Capital Fund			<u>6,459</u>
			<u>4,393</u>
Balance, December 31, 2012		\$	<u>2,066</u>

EXHIBIT B-5

**STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Increased by:			
Dog License Fees Collected in 2012		\$	<u>620</u>
Decreased by:			
Payments to State of New Jersey		\$	<u>620</u>

EXHIBIT B-6

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, December 31, 2011		\$	10,068
Increased by:			
Animal Control Fees Collected - Municipal			<u>5,024</u>
			15,092
Decreased by:			
Expenditures Under R.S. 4:19-15.11			<u>9,088</u>
Balance, December 31, 2012		\$	<u>6,004</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF DUE TO STATE OF NEW JERSEY
OTHER TRUST FUND**

Balance, December 31, 2011	\$ 380
Increased by:	
Unemployment Insurance Claims Due to State	<u>28,847</u>
	29,227
Decreased by:	
Payments to State of New Jersey	<u>28,318</u>
Balance, December 31, 2012	<u>\$ 909</u>

**STATEMENT OF DEVELOPERS ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, December 31, 2011	\$ 66,737
Increased by:	
Cash Receipts	<u>74,629</u>
	141,366
Decreased by:	
Cash Disbursements	<u>106,943</u>
Balance, December 31, 2012	<u>\$ 34,423</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance, December 31, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2012</u>
Fire Prevention Penalties	\$ 619		\$ 500	\$ 119
Recycling	191,558	\$ 61,927	30,727	222,758
Vacancy Inspection	881	2,340	2,420	801
POAA	3,386	344		3,730
Municipal Alliance	2,043	11,400	9,647	3,796
Street Opening Permits	2,140	2,100	1,100	3,140
Performance/Bid/Maintenance Bonds	52,544	15,180	11,670	56,054
Snow Removal	30,986			30,986
Commodity Resale	1,800	7,548	7,548	1,800
Public Defender	1,664	1,420	1,500	1,584
Accumulated Absences	3,965	5		3,970
September 11th Memorial Gardens	3,882			3,882
Police Outside Duty	1,350	54,059	55,409	
Donations-Beautification	10,022	1,240	923	10,339
Tax Sale Premium	12,400	28,000		40,400
Donations-Shade Tree Commission	4,688	10,006		14,694
CARE	832		705	127
Park and Field Maintenance	26,392	22,751	13,478	35,665
Unclaimed Money Police Dept.	7	-		7
Disposal of Forfeited Property		4,995	4,995	
Donations - Special Events	-	25,323	-	25,323
	<u>\$ 351,159</u>	<u>\$ 248,638</u>	<u>\$ 140,622</u>	<u>\$ 459,175</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS
OTHER TRUST FUND**

Balance, December 31, 2011		\$	39,106
Increased by:			
Interest on Deposits		\$	6
2012 Budget Appropriations			9,000
Employee Payroll Deductions			12,791
			<u>21,797</u>
			60,903
Decreased by:			
Unemployment Claims Due to State of New Jersey			<u>28,847</u>
Balance, December 31, 2012		\$	<u>32,056</u>

EXHIBIT B-11

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2011		\$	128,728
Increased by:			
Cash Receipts			<u>7,057,905</u>
			7,186,633
Decreased by:			
Cash Disbursements			<u>7,078,133</u>
Balance, December 31, 2012		\$	<u>108,500</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF RESERVE FOR RECREATION
OTHER TRUST FUND**

Balance, December 31, 2011	\$ 115,764
Increased by:	
Cash Receipts	<u>123,893</u>
	239,657
Decreased by:	
Cash Disbursements	<u>157,618</u>
Balance, December 31, 2012	<u>\$ 82,039</u>

EXHIBIT B-13

**STATEMENT OF RESERVE FOR SELF INSURANCE
OTHER TRUST FUND**

Balance, December 31, 2011	\$ 26,382
Increased by:	
Insurance Reimbursements	\$ 34,135
2012 Budget Appropriation	<u>5,000</u>
	<u>39,135</u>
	65,517
Decreased by:	
Cash Disbursements	<u>14,195</u>
Balance, December 31, 2012	<u>\$ 51,322</u>

EXHIBIT B-14

**STATEMENT OF RESERVE FOR OPEN SPACE PRESERVATION
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2011	\$ 23,266
Increased by:	
Interest on Investments and Deposits	<u>34</u>
	23,300
Decreased by:	
Cash Disbursements	<u>17,848</u>
Balance, December 31, 2012	<u>\$ 5,452</u>

GENERAL CAPITAL FUND

**BOROUGH OF RIVER EDGE
STATEMENT OF CASH - COLLECTOR - TREASURER**

Balance, December 31, 2011		\$ 1,122,207
Increased by Receipts:		
Grant Receipts	\$ 401,868	
Receipts from Assessment Trust Fund	4,393	
Bond Anticipation Notes Issued	200,000	
Budget Appropriation		
Capital Improvement Fund	56,263	
Deferred Charges Unfunded	<u>6,698</u>	
		<u>669,222</u>
		1,791,429
Decreased by Disbursements:		
Improvement Authorizations	688,743	
Contracts Payable	60,663	
Payment of Bond Anticipation Notes	<u>700,000</u>	
		<u>1,449,406</u>
Balance, December 31, 2012		<u>\$ 342,023</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF GENERAL CAPITAL CASH**

Balance,
December 31,
2012

Fund Balance	\$ 21,080
Capital Improvement Fund	12,385
Due from Assessment Trust Fund	(2,066)
Encumbrances Payable	911,676

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1458	Improvement Kinderkamack Road	93,057
1534/1720	Acquisition of Equip, Mach and Vehicles	6,449
1567	Purpose of Equip, Impvt. Of Boro Building and Grounds	570
1568/1730	Various Public Impvt&The acquisition of Public Property	102,023
1616	Various Public Improvements & Acquisitions	2,235
1654	Acquisition of Real Property For the Bogert Road Pocket Park	(315,132)
1656/1672/1680	Various Public Impvts.&Acq New Equip&Mach Communication Signal System Equip. New infor technology automotive vehicles	441,507
1687	Resurface Howland Avenue	(9,091)
1693	Various Public Improvements	(367,368)
1727	Purchase of Equip. Impvt of Borough Building and Grounds	10,484
1728/1744	Undertaking of Intersection Improvements & Installation	(10,913)
1729/1744	Various Public Improvements & Acquisitions	(165,826)
1731	Various Public Improvements & Acquisitions	49,863
1732	Resurface Howland Avenue	(52,503)
1733	Construction/Reconstruction of Sidewalks	(37,350)
1762	Various Public Improvements	(80,368)
1763	Various Public Improvements	(216,001)
1768	Resurface Howland Avenue	(52,688)
		<u>\$ 342,023</u>

BOROUGH OF RIVER EDGE
STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

<u>Ordinance Number</u>	<u>Improvement Authorization</u>	Balance, December 31, 2011	Assessments Confirmed	Balance, December 31, 2012
1733	Construction/Reconstruction of Sidewalks	\$ 2,100	\$ 2,100	-
		<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ -</u>

EXHIBIT C-5

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011	\$ 8,293,396
Decreased by:	
2012 Budget Appropriation	
Serial Bonds	\$ 1,025,000
NJEIT Loans	<u>27,219</u>
	<u>1,052,219</u>
Balance, December 31, 2012	<u>\$ 7,241,177</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord No.	Improvement Description	Balance, December 31, 2011	2012 Authorizations	Funded by Budget Appropriation	Assessments Confirmed	Grant Proceeds	Balance, December 31, 2012	Bond Anticipation Notes	Analysis of Balance	
									Expenditures	Unexpended Improvement Authorizations
1507	Kindersmack Road Improvement Project Phase I	\$ 6,698		\$ 6,698			\$ 345,000		\$ 315,132	\$ 29,868
1648/1654	Acquisition of Real Property for Bogert Road Park	345,000					100,000		9,091	100,000
1656/1672/1680	Various Improvements & Purchases	100,000			\$ 55,431		20,790		367,368	11,699
1687	Resurfacing of Howland Avenue	76,221					387,200		10,913	19,832
1693	Various Improvements & Purchases	387,200			124,859		24,177		165,826	13,264
1728/1744	Undertaking of Intersection Improvements & Various Public Improvements & Acquisitions	149,036					425,000	\$ 250,000		9,174
1729/1744	Various Public Improvements & Acquisitions	425,000					194,700	50,000		144,700
1731	Resurface Howland Avenue	194,700					59,924		52,303	7,421
1732	Construction/Reconstruction of Sidewalks	173,000		\$ 661	112,415		37,391		37,350	41
1733	Various Public Improvements	41,880		4,489			150,000		80,368	69,632
1762	Various Public Improvements		\$ 150,000				802,500	200,000	216,001	386,499
1763	Various Public Improvements		802,500				52,837		52,688	149
1768	Resurface Howland Avenue		162,000		109,163					
		<u>\$ 1,898,735</u>	<u>\$ 1,114,500</u>	<u>\$ 6,698</u>	<u>\$ 5,150</u>	<u>\$ 401,868</u>	<u>\$ 2,599,519</u>	<u>\$ 500,000</u>	<u>\$ 1,307,240</u>	<u>\$ 792,279</u>

Improvement Authorizations - Unfunded
Less: Unexpended Proceeds on Bond Anticipation Notes Issued
Ord. 1731

\$ 842,142
49,853

\$ 792,279

BOROUGH OF RIVER EDGE
STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Balance, December 31, 2011		\$ 138,396
Decreased by:		
2012 Budget Appropriation - NJEIT Trust	\$ 12,978	
2012 Budget Appropriation - NJEIT Loan	<u>14,241</u>	
		<u>27,219</u>
Balance, December 31, 2012		<u>\$ 111,177</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2012</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
General Improvement Bonds of 2002	8/1/2002	\$2,981,000	8/1/2013-14 8/1/2015 8/1/2016 8/1/2017	4.00% 4.125% 4.250% 4.250%	\$ 1,801,000	\$ 300,000	\$ 300,000	\$ 1,501,000
General Improvement Bonds of 2005	9/15/2005	3,014,000	9/15/2013-18 9/15/2019	3.60% 3.60%	2,159,000		270,000	1,889,000
General Improvement Bonds of 2007	12/15/2007	2,955,000	12/15/2013-16 12/15/2017-22	3.625-3.75% 3.75-4.00%	2,220,000		210,000	2,010,000
General Improvement Bonds of 2009	11/15/2009	2,465,000	11/15/2013 11/15/2014 11/15/2015 11/15/2016 11/15/2017-18 11/15/2019	2.00% 2.125% 2.50% 2.75% 3.00% 3.00%	1,975,000	-	245,000	1,730,000
					<u>\$ 8,155,000</u>	<u>\$ -</u>	<u>\$ 1,025,000</u>	<u>\$ 7,130,000</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Balance, December 31, 2011		2012 Authorizations		Balance, December 31, 2012					
		Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Cancelled Payables	Charged	Cancelled	Funded	Unfunded	
		\$ 90,884								\$ 93,057	
1458	Improvement Kinderkamaack Road										
1494	Various Public Improvements	8,425								6,449	
1534/1720	Acquisition of Equip, Mach and Vehicles	1,448								570	
1567	Purpose of Equip, Impvt. Of Boro Building and	118,246								102,023	
1568/1730	Various Public Impvts&The acquisition of Public										
1591	Const/Repair of the Wayne Sanitary Sewer Pump									633	
1613	Acquisition Of new Cenetrator 2008 Road	154,541								159,604	
1616	Various Public Improvements&Acquisition									48,956	
1654	Acquisition of Real Property For the Bogert Road									29,250	
1656/1672/1680	Various Public Impvts.&Acq			\$ 59,116						2,235	\$ 29,868
	New Equip&Mach Communication										
	Signal System Equip. New infor	490,603	100,000							441,507	100,000
1687	technology automotive vehicles		13,369							1,670	11,699
1692	Resurface Howland Avenue	1,184								4,316	
1693	Purchase of Equip. Impvt of Boro Building and									14,424	
1703	Various Public Improvements		25,332							39,000	19,832
1716	Purchase of Equip. Impvt of Boro Building and	4,057								4,000	
1727	Construction/Reconstruction and Impvts. Of the	11,364								1,380	10,484
1728/1744	Purchase of Equip. Impvt of Boro Building and		56,886							122,786	13,264
1729/1744	Undertaking of Intersection Improvements &		96,623							197,185	9,174
1731	Various Public Improvements & Acquisitions	1,863	194,700							2,000	194,563
1732	Various Public Improvements & Acquisitions		6,507							149,879	7,421
1733	Resurface Howland Avenue		3,941							3,900	41
1761	Construction/Reconstruction of Sidewalks									6,000	
1762	Purchase of Equipment					\$ 6,000				6,000	
1763	Various Public Improvements					8,000	\$ 150,000			88,368	69,632
1768	Various Public Improvements					42,500	802,500			458,501	386,499
	Resurface Howland Avenue						162,000			161,851	149
		<u>\$ 882,615</u>	<u>\$ 556,474</u>	<u>\$ 56,500</u>	<u>\$ 1,114,500</u>	<u>\$ 490,014</u>	<u>\$ 1,600,419</u>	<u>\$ 1,217</u>	<u>\$ 656,325</u>	<u>\$ 842,142</u>	

Encumbrances Payable \$ 911,676
Cash Disbursed 688,743

\$ 1,600,419

**BOROUGH OF RIVER EDGE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2011		\$ 550,677
Increased by:		
Charges to Improvement Authorizations		<u>911,676</u>
		1,462,353
Decreased by:		
Payments	\$ 60,663	
Cancelled Payables Restored to Improvement Authorizations	<u>490,014</u>	
		<u>550,677</u>
Balance, December 31, 2012		<u>\$ 911,676</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2011		\$ 12,622
Increased by:		
2012 Budget Appropriation		<u>56,263</u>
		68,885
Decreased by:		
Amount Appropriated to Finance Improvement Authorizations		<u>56,500</u>
Balance, December 31, 2012		<u>\$ 12,385</u>

**BOROUGH OF RIVER EDGE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance, December 31, 2011	2012 Improvement Authorizations	Notes Paid by Capital Cash	Funded By Assessment Confirmation	2012 Budget Appropriation	Grant Proceeds	Bond Anticipation Notes Issued	Balance, December 31, 2012
1507	Acquisition of Property	\$ 6,698				\$ 6,698			\$ 345,000
1648/1654	Acquisition of New Garbage Truck,	345,000							100,000
1656/1672	Improvement of Various Streets	100,000					\$ 55,431		20,790
1687	Various Capital Improvements	76,221							387,200
1693	Various Capital Improvements	387,200							24,177
1728/1744	Undertaking of Intersection Improvements &			\$ 149,036			124,859		175,000
1729/1744	Various Public Improvements & Acquisitions	175,000							144,700
1731	Various Public Improvements & Acquisitions	144,700							59,924
1732	Resurface Howland Avenue	173,000			\$ 661		112,415		37,391
1733	Construction/Reconstruction of Sidewalks	41,880			4,489				150,000
1762	Various Public Improvements		\$ 150,000					\$ 200,000	602,500
1763	Various Public Improvements		802,500						52,837
1768	Resurface Howland Avenue		162,000				109,163		
		\$ 1,449,699	\$ 1,114,500	\$ 149,036	\$ 5,150	\$ 6,698	\$ 401,868	\$ 200,000	\$ 2,099,519

**BOROUGH OF RIVER EDGE
BERGEN COUNTY, NEW JERSEY**

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2012

LERCH, VINCI & HIGGINS, LLP

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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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of River Edge as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Internal Control over Financial Reporting

Management of the Borough of River Edge is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, 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 opinion on the financial statements 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough'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.

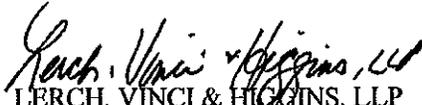
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of River Edge's financial statements are free from 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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We noted certain matters that we reported to management of the Borough of River Edge in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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 control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
July 15, 2013

**BOROUGH OF RIVER EDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012**

State Grant Program	Grant Number	Grant Year	Grant Award	2012 Grant Receipts	Balance, December 31, 2011	Revenue	Expended	Adjustment	Balance December 31, 2012	Cumulative Expenditures
Body Armor Grant	1020-718-066-1020-001	2012	\$ 2,339	\$ 2,339	\$ 2,339	\$ 2,339	\$ 966		\$ 2,339	2,003
		2011	2,289		2,289				2,289	
		2010	3,193		2,156				1,190	
Drunk Driving Enforcement Fund	6400-100-078-6400	2012	3,144	3,144	3,144	3,144	2,465		3,144	-
		2011	3,316		3,316		843		851	2,465
		2010	2,244		843				-	2,244
Alcohol Education & Rehabilitation	9735-760-098-Y900	2012	917	917	-	917			917	-
		2011	647		647				647	-
		2010	603		603				-	-
		2009	232		232				232	-
		Prior Years	9,004		2,966				2,966	6,038
Clean Communities	4900-765-042-4900	2012	16,043	16,643	16,043	15,582	743		461	15,582
		2011	15,905		743				-	15,905
Recycling Tonnage Grant	4900-752-042-4900	2012	16,623	16,623	16,623	20,414			16,623	-
		2011	20,414		20,414				-	20,414
Public Health Priority Funding	4220-150-021030-60	2010	1,425		1,425				1,425	-
		2009	2,240		2,240				2,240	-
		Prior Years	30,057		22,100		2,000		20,100	9,957
Municipal Alliance	N/A	2012	10,356	1,835	10,906	5,938	(4,162)		806	5,388
		2011	10,356	6,800	4,151	4,151			-	10,356
Non Public Nursing	100-034-5120-070	2012	12,203	12,203	12,203				12,203	-
		2011	12,575		12,575	1,827			10,748	1,827
		2010	13,178		9,476	9,476			-	13,178
Community Housing Inspection Grant	100-022-8010-020	2012	3,751	3,751	3,751	2,132			1,619	2,132
		2011	1,565		1,565	1,565			-	1,565
		2010	4,749		744	744			-	4,749
Bullet Proof Vest Partnership Grant	N/A	2012	2,165	2,165	2,165	2,879	4,432		5,718	2,879
Sustainable Jersey Small Grant	N/A	2012	2,000	2,000	-	-			2,000	-
N/A- Not Available										
					\$ 88,485	\$ 70,091	\$ 71,725	\$ 270	\$ 87,121	

The above schedule is not subject to an audit in accordance with NJ OMB Circular 04-04

See accompanying Notes to the Schedule of Expenditures of State Financial Assistance

**BOROUGH OF RIVER EDGE
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2012**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 140,719	\$ 70,091	\$ 210,810
General Capital Fund	<u>277,009</u>	<u>-</u>	<u>277,009</u>
	<u>\$ 417,728</u>	<u>\$ 70,091</u>	<u>\$ 487,819</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF RIVER EDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2012, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Total</u>
New Jersey Environmental Infrastructure Trust	<u>\$111,177</u>

**BOROUGH OF RIVER EDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I -- Summary of Auditor's Results

Financial Statement Section

A) Type of auditors' report issued:	<u>Qualified - Unaudited LOSAP Trust Fund Financial Statements</u>	
B) Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	_____ <u>X</u> no
C) Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> no

**BOROUGH OF RIVER EDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

There are none.

**BOROUGH OF RIVER EDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE.

CURRENT YEAR STATE AWARDS

NOT APPLICABLE.

**BOROUGH OF RIVER EDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

**BOROUGH OF RIVER EDGE
BERGEN COUNTY, NEW JERSEY**

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2012**

**BOROUGH OF RIVER EDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Anticipated Surplus	\$ 425,000	0.91 %	\$ 1,178,250	2.51 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,037,094	4.35	\$ 2,036,408	4.33
Collection of Delinquent Taxes and Tax Title Liens	416,118	0.89	404,564	0.86
Collection of Current Tax Levy	43,615,325	93.13	43,099,624	91.70
Other Credits to Income	<u>340,821</u>	<u>0.72</u>	<u>280,821</u>	<u>0.60</u>
Total Income	<u>46,834,358</u>	<u>100.00 %</u>	<u>46,999,667</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	14,026,334	30.27 %	14,569,454	31.18 %
County Taxes	3,518,861	7.59	3,831,187	8.20
Regional High School Taxes	14,276,833	30.81	13,890,239	29.73
Local School Taxes	14,357,035	30.98	14,221,961	30.44
Municipal Open Space Taxes	-	0.00	163,991	0.35
Other Expenditures	<u>165,221</u>	<u>0.36</u>	<u>47,852</u>	<u>0.10</u>
Total Expenditures	<u>46,344,284</u>	<u>100.00 %</u>	<u>46,724,684</u>	<u>100.00 %</u>
Excess of Revenues Over Expenditures	490,074		274,983	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>280,300</u>		<u>351,100</u>	
Statutory Excess to Fund Balance	770,374		626,083	
Fund Balance, January 1	<u>707,004</u>		<u>1,259,171</u>	
	1,477,378		1,885,254	
Less: Fund Balance Utilized	<u>425,000</u>		<u>1,178,250</u>	
Fund Balance, December 31	<u>\$ 1,052,378</u>		<u>\$ 707,004</u>	

**BOROUGH OF RIVER EDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010 (A)</u>
<u>Tax Rate</u>	<u>\$3.065</u>	<u>\$2.671</u>	<u>\$2.565</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.775	.649	.640
Municipal - Library	.041	.038	
Municipal – Open Space	-	.010	.010
County	.242	.231	.218
County – Open Space	.003	.003	.003
Local District School	1.006	.871	.864
Regional High School	.998	.869	.830

(A) Prior to 2011 the Municipal Library tax rate was included in the municipal portion of the tax rate.

Assessed Valuation

2012	<u>\$1,437,652,112</u>
2011	<u>\$1,635,094,514</u>
2010	<u>\$1,635,185,287</u>

Comparison of Tax Levies and Collection

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>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 44,077,259	\$ 43,615,325	98.95%
2011	43,794,495	43,099,624	98.41%
2010	42,043,281	41,535,285	98.79%

**BOROUGH OF RIVER EDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2012	\$ 382,645	\$ 101,857	\$ 484,502	1.10%
2011	441,934	41,160	483,094	1.10%
2010	407,747	25,936	433,683	1.03%

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2012	\$1,052,378	\$425,000
	2011	707,004	425,000
	2010	1,259,171	1,178,250
	2000	1,534,983	1,424,000
	2008	2,384,813	2,300,000

**BOROUGH OF RIVER EDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Sandy Moscaritolo	Mayor	
Paul Cordts	Council President	
Alphonse Bartelloni	Councilman	
Anthony Cappola	Councilman	
Edward Mignone	Councilman	
Kathleen Murphy	Councilwoman	
Thomas Papaleo	Councilman	
Alan P. Negreann	Administrator	
	Chief Financial Officer	(A)
Denise Dondiego	Borough Clerk	
Maureen Murphy	Tax Collector	(A)
	Tax Search Officer	
Sam Cereste, Esq.	Borough Attorney	
Robert Costa	Borough Engineer	
James Anzevino	Assessor	
Adrienne Capasso	Registrar of Vital Statistics	
Robert Byrnes	Construction Code Official	
Nicole Shrapar	Construction Control Person	
Lenard Herman	Plumbing Inspector	
Bruce L. Safro, Esq.	Magistrate	(A)
Noreen Patoray	Court Administrator	(A)
Carol Byrne	Deputy Court Administrator	(A)
Judy O'Connell	Deputy Borough Clerk	
Geeta Birnbaum	Accounts Supervisor	
Stephen Depken	Building Inspector	
Mark Skerbetz	Zoning Official	
Thomas Cariddi	Chief of Police	
Bobbi Conway	Recreation Director	
Alan Silverman	Fire Prevention Officer	

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

**BOROUGH OF RIVER EDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Prior Year Findings

Our audit noted that the Borough backs up their financial computer system on a daily basis. However, the back-up tapes are not tested to ensure that the financial data can be appropriately retrieved. The Borough entered into an agreement on May 30, 2013 for computer maintenance and backup services, therefore no recommendation is warranted.

Current Year Findings

Our audit revealed in certain instances, goods and/or services were ordered by the Police, DPW, Administration and Health Departments prior to the issuance of an approved purchase order. It is recommended that approved purchase orders are issued by the Police, DPW, Administration and Health Departments prior to the ordering of goods or services.

Our audit of various municipal departments revealed that prenumbered receipt tickets were not always issued by the Borough Clerk, Construction Code, Board of Health and Fire Prevention Departments for various license and permit revenues collected. It is recommended that prenumbered receipt tickets be issued in each instance for revenues collected by the Borough Clerk, Construction Code, Board of Health and Fire Prevention Departments.

Our audit revealed that the Borough can create a vendor as a "one-time vendor" which then omits the payment made from being reported in the vendor report history. As a result, there was a difference of approximately \$180,000 between the cash disbursement ledger and the vendor history. The Chief Financial Officer was subsequently able to reconcile these differences. Consideration be given to eliminate the utilization of one-time vendors in the purchasing database to ensure that all cash disbursements are properly reported in the vendor history report.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement."

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$36,000 and has appointed the Administrator as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

- Truck Chassis with Aerial and Chipper Body
- Public Safety Building Generator
- Howland Ave. Phase IV Roadway Project
- Voorhis Ave. Stormwater Project

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

**BOROUGH OF RIVER EDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of \$36,000 "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 NJS 40A:11-6.

Collection of Interest of Delinquent Taxes

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

The Governing Body on January 2, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

"BE IT RESOLVED, by the Borough Council of the Borough of River Edge that the Tax Collector is hereby authorized and directed to charge interest on delinquent taxes and assessments accounts as follows:

First 10 Days of Tax Payments	No Penalty
Thereafter, from the Due Date of Tax Payments for the 1st \$1,500	8%
Thereafter, the Balance in Excess of \$1,500	18%
Additional Penalty for Delinquency Over \$10,000 if not Paid Prior to end of Calendar Year	6%

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 5, 2012.

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

<u>Year</u>	<u>Number of Liens</u>
2012	4
2011	3
2010	2

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

APPRECIATION

We desire to express our appreciation to the Administrator and the other Borough staff who assisted us during the course of our audit.

**BOROUGH OF RIVER EDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

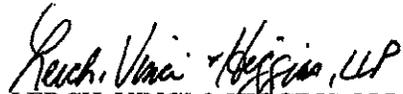
RECOMMENDATIONS

It is recommended that:

1. Approved purchase orders are issued by the Police, DPW, Administration and Health Departments prior to the ordering of goods or services.
2. Prenumbered receipt tickets be issued in each instance for revenues collected by the Borough Clerk, Construction Code, Board of Health and Fire Prevention Departments.
3. Consideration be given to eliminate the utilization of one-time vendors in the purchasing database to ensure that all cash disbursements are properly reported in the vendor history report.

The problems and weaknesses noted in our review 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 and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411