

REPORT OF AUDIT
BOROUGH OF RIVER EDGE
COUNTY OF BERGEN
DECEMBER 31, 2020

BOROUGH OF RIVER EDGE

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BOROUGH OF RIVER EDGE

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020



WIELKOTZ & COMPANY ^{LLC}

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INDEPENDENT AUDITOR'S REPORT

July 22, 2021

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of River Edge in the County of Bergen, as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of River Edge as of December 31, 2020 and 2019, or changes in financial position for the years then ended.



Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 12 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$2,367,919.84 and \$1,982,391.37 for 2020 and 2019, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

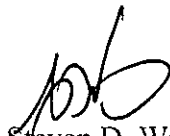
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



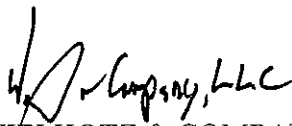
The Honorable Mayor and
Members of the Borough Council
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2021 on our consideration of the Borough of River Edge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of River Edge's internal control over financial reporting and compliance.



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



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

July 22, 2021

Borough of River Edge , N.J.

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Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 9,940,758.03	9,095,265.82
Change Fund	A-7	400.00	400.00
		<u>9,941,158.03</u>	<u>9,095,665.82</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	332,720.46	285,126.67
Tax Title Liens Receivable	A-10	165,661.41	150,738.81
Revenue Accounts Receivable	A-11	2,937.17	12,516.43
Interfund Receivables:			
Assessment Trust Fund	A-12	0.81	
Animal License Fund	A-12	1,296.00	
		<u>502,615.85</u>	<u>448,381.91</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	5,440.00	7,680.00
		<u>5,440.00</u>	<u>7,680.00</u>
		<u>10,449,213.88</u>	<u>9,551,727.73</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-5	103,302.93	77,614.83
Grants Receivable	A-14	26,556.18	46,034.37
		<u>129,859.11</u>	<u>123,649.20</u>
Total Assets		<u>\$ 10,579,072.99</u>	<u>9,675,376.93</u>

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

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 1,205,127.53	878,643.84
Encumbrances Payable	A-16	339,247.04	742,643.26
Prepaid Taxes	A-17	431,137.31	211,696.12
Due to State of NJ Senior Cit. and Vet. Ded.	A-18	9,098.24	9,598.24
County Taxes Payable	A-22	10,873.77	
Interfund - Grant Fund	A	103,302.93	77,614.83
Other Trust Fund	A-12		894.93
Accounts Payable	A-23	208,687.63	117,463.86
Due to Library	A-23	659.98	
Reserve for:			
Codification of Ordinance	A-23	1,827.45	3,601.45
Sale of Municipal Assets	A-23	39,200.59	38,182.16
Tax Appeals Pending	A-23	494,020.30	503,591.98
		<u>2,843,182.77</u>	<u>2,583,930.67</u>
Reserve for Receivables	Contra	502,615.85	448,381.91
Fund Balance	A-1	<u>7,103,415.26</u>	<u>6,519,415.15</u>
		<u>10,449,213.88</u>	<u>9,551,727.73</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	93,199.00	112,770.77
Unappropriated Reserve for Grants	A-25	36,660.11	10,878.43
		<u>129,859.11</u>	<u>123,649.20</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 10,579,072.99</u>	<u>9,675,376.93</u>

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

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 1,012,500.00	975,000.00
Miscellaneous Revenue Anticipated	A-2	1,945,226.19	2,199,422.58
Receipts from Delinquent Taxes	A-2	254,083.77	315,427.83
Receipts from Current Taxes	A-2	52,570,011.07	50,751,943.85
Non-Budget Revenue	A-2	50,821.97	76,106.61
Other Credits to Income:			
Cancellation of Appropriated Reserves for Grants			3,161.81
Statutory Excess in Animal Control Trust	A-12	1,274.96	365.69
Unexpended Balance of Appropriation Reserves	A-15	675,186.53	586,739.22
Cancelled - Accounts Payable			166,162.29
Interfunds Returned			200.00
Total Revenues and Other Income		<u>56,509,104.49</u>	<u>55,074,529.88</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	7,225,840.65	7,040,711.00
Other Expenses	A-3	6,144,624.34	5,808,497.85
Capital Improvements	A-3	439,219.00	106,716.00
Municipal Debt Service	A-3	1,175,008.33	1,522,948.05
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,561,397.65	1,666,109.08
Refund/Adjustment of Prior Year Revenue			19,430.44
Cancellation of Federal and State Grants Receivable			3,161.81
Local District School Tax	A-19	17,067,721.00	16,750,503.00
Regional High School Tax	A-20	16,302,663.50	15,638,168.50
Municipal Open Space Taxes	A-21	148,457.92	146,666.56
County Taxes including Added Taxes	A-22	4,846,375.18	4,536,728.53
Interfund Advances	A-12	1,296.81	
Total Expenditures		<u>54,912,604.38</u>	<u>53,239,640.82</u>

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Excess (Deficit) Revenue Over Expenditures		1,596,500.11	1,834,889.06
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>2,000.00</u>
Statutory Excess to Fund Balance		1,596,500.11	1,836,889.06
Fund Balance, January 1,	A	<u>6,519,415.15</u>	<u>5,657,526.09</u>
		8,115,915.26	7,494,415.15
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>1,012,500.00</u>	<u>975,000.00</u>
Fund Balance, December 31,	A	<u>\$ 7,103,415.26</u>	<u>6,519,415.15</u>

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

Borough of River Edge , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,012,500.00	1,012,500.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	15,000.00	15,050.00	50.00
Fees and Permits				
Other	A-2	55,000.00	62,810.19	7,810.19
Fines and Costs:				
Municipal Court	A-11	85,000.00	60,118.53	(24,881.47)
Interest and Costs on Taxes	A-8	90,000.00	86,629.79	(3,370.21)
Interest on Investments	A-11	85,000.00	57,717.96	(27,282.04)
Parking Lot Fees	A-11	30,000.00	13,992.00	(16,008.00)
Energy Receipts Tax	A-11	1,056,993.00	1,056,992.99	(0.01)
Garden State Preservation Trust	A-11	13,722.00	13,722.00	
Uniform Construction Code Fees	A-11	195,000.00	211,268.00	16,268.00
Interlocal Municipal Service Agreements				
County of Bergen - Snow Removal	A-11	6,765.00	880.00	(5,885.00)
Public and Private Revenues:				
Recycling Tonnage Grant	A-14	10,510.43	10,510.43	
Municipal Alliance on Alcoholism & Drug Abuse	A-14	9,876.00	9,876.00	
Body Armor Replacement Grant	A-14	2,598.35	2,598.35	
Cooperative Housing Inspection Grant	A-14	944.00	944.00	
Community Development Block Grant	A-14	59,000.00	59,000.00	
Other Special Items:				
Uniform Fire Safety Act	A-11	10,000.00	12,762.43	2,762.43
Cable Television Fees	A-11	151,653.44	146,917.41	(4,736.03)
Reserve for Sale of Assets	A-23	10,000.00	14,938.75	4,938.75
Police Outside Duty	A-11	95,000.00	108,497.36	13,497.36
Total Miscellaneous Revenues	A-1	1,982,062.22	1,945,226.19	(36,836.03)
Receipts from Delinquent Taxes	A-1/A-2	285,126.00	254,083.77	(31,042.23)
Subtotal General Revenues		3,279,688.22	3,211,809.96	(67,878.26)
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		13,185,685.72	13,436,845.27	251,159.55
Minimum Library Tax		642,638.10	642,638.10	
Total Amount to be Raised by Taxes for Support of Budget	A-2	13,828,323.82	14,079,483.37	251,159.55
Budget Totals		17,108,012.04	17,291,293.33	183,281.29
Non-Budget Revenue	A-1/A-2		50,821.97	50,821.97
		\$ 17,108,012.04	17,342,115.30	234,103.26
Adopted Budget	A-3	16,656,945.10		
Appropriated by N.J.S. 40A:4-87	A-3	451,066.94		
		17,108,012.04		

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

Borough of River Edge , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1,A-9	\$ 52,570,011.07
Allocated to School, Municipal Open Space and County Taxes	A-9	<u>39,051,458.10</u>
Balance for Support of Municipal Budget Appropriations		13,518,552.97
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>560,930.40</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,079,483.37</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-9	\$ <u>254,083.77</u>
	A-2	<u>\$ 254,083.77</u>
Fees and Permits - Other:		
Clerk	A-11	\$ 34,385.00
Police	A-11	2,620.19
Board of Health	A-11	12,602.00
Fire	A-11	<u>13,203.00</u>
	A-2	<u>\$ 62,810.19</u>

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

Borough of River Edge , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenue Accounts Receivable			
Planning Board	A-11	\$	7,900.00
Tax Collector	A-11		120.00
Tax Assessor	A-11		350.00
Borough Clerk	A-11		15.00
Rental of Borough Property	A-11		6,202.00
Reimbursement of Prior Year Expenditures		\$	17,665.37
Administrative Fee Senior Citizen & Veteran Report			1,239.07
NJ Division of Motor Vehicles Inspection Fines			75.00
Commodity Resale Fuel Refund Prior Year			3,753.86
Miscellaneous / Contra			<u>13,501.67</u>
	A-4		<u>36,234.97</u>
	A-2	\$	<u><u>50,821.97</u></u>

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

Borough of River Edge, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Ref.	General Appropriations		Budget	Paid or	Reserved	Unexpended Balance Cancelled
		Budget	Modification	After	Charged		
Operations - within "CAPS"							
General Government:							
General Administration							
Salaries and Wages	\$	140,000.00	148,500.00	148,346.08	153.92		
Other Expenses		44,249.00	54,249.00	46,762.14	7,486.86		
Mayor and Council							
Salaries and Wages		29,000.00	29,000.00	28,781.81	218.19		
Other Expenses		12,245.00	12,245.00	1,829.60	10,415.40		
Municipal Clerk							
Salaries and Wages		139,802.86	139,802.86	139,782.56	20.30		
Other Expenses		62,783.00	62,783.00	53,589.49	9,193.51		
Financial Administration							
Salaries and Wages		218,923.89	218,923.89	216,370.43	2,553.46		
Other Expenses							
Audit Services							
Other Expenses - Miscellaneous		34,000.00	34,000.00	34,000.00			
		97,750.00	97,750.00	79,026.87	18,723.13		
Revenue Administration							
Salaries and Wages		53,888.60	53,888.60	34,729.51	19,159.09		
Other Expenses		20,519.00	20,519.00	16,740.60	3,778.40		
Tax Assessment Administration							
Salaries and Wages		43,778.40	43,778.40	27,404.28	16,374.12		
Other Expenses		8,225.00	8,225.00	6,922.60	1,302.40		
Public Information							
Other Expenses		38,395.00	38,395.00	30,596.56	7,798.44		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Legal Services & Costs						
Other Expenses		132,000.00	137,000.00	123,000.00	14,000.00	
Engineering Services and Costs						
Other Expenses		132,800.00	136,800.00	136,800.00		
Economic Development						
Other Expenses		6,000.00	6,000.00	4,900.00	1,100.00	
Historical Sites Office						
Other Expenses		6,650.00	6,650.00	810.25	5,839.75	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		25,830.48	30,330.48	30,044.98	285.50	
Other Expenses		7,600.00	11,600.00	2,467.18	9,132.82	
Code Enforcement and Administration						
Other Code Enforcement Functions						
Salaries and Wages		33,048.51	33,048.51	29,141.69	3,906.82	
Other Expenses		900.00	900.00	429.98	470.02	
Insurance						
Liability Insurance		260,859.00	260,859.00	248,508.00	12,351.00	
Worker's Compensation		202,896.00	202,896.00	202,896.00		
Group Insurance Plan for Employees		769,231.87	717,231.87	525,055.18	192,176.69	
Health Benefit Waiver		30,000.00	30,000.00	28,749.36	1,250.64	
Public Safety:						
Police						
Salaries and Wages		3,647,234.94	3,777,234.94	3,696,536.54	80,698.40	
Other Expenses		128,119.58	128,119.58	119,721.86	8,397.72	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Emergency Management Services						
Salaries and Wages		14,149.44	22,149.44	22,056.23	93.21	
Other Expenses		7,575.00	7,575.00	7,471.18	103.82	
Fire						
Salaries and Wages		65,792.76	65,792.76	62,075.79	3,716.97	
Other Expenses		85,015.00	85,015.00	74,174.10	10,840.90	
Other Expenses (P.E.O.S.H.A.)		100.00	100.00		100.00	
Uniform Fire Safety Act (P.L. 1983,C.383)						
Salaries and Wages		30,359.28	30,359.28	27,421.61	2,937.67	
Other Expenses		3,050.00	3,050.00	1,749.74	1,300.26	
Municipal Prosecutor						
Salaries and Wages		11,200.00	11,200.00	10,349.92	850.08	
Other Expenses		200.00	200.00		200.00	
Public Works:						
Streets and Roads Maintenance						
Salaries and Wages		1,038,729.93	928,729.93	890,333.48	38,396.45	
Other Expenses		96,800.00	96,800.00	68,582.62	28,217.38	
Shade Tree Commission (N.J.S.A. 40:64-1)						
Other Expenses		37,750.00	37,750.00	37,567.59	182.41	
Other Public Works Functions						
Other Expenses		13,275.00	13,275.00	12,968.23	306.77	
Parking Lot Maintenance						
Other Expenses		9,000.00	9,000.00	8,172.44	827.56	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Garbage and Trash Removal						
Contractual (P.L. 1987 C.74)		322,000.00	322,000.00	316,541.64	5,458.36	
Other Expenses - Multifamily (P.L. 2000, C.26)		188,200.00	188,200.00	72,748.28	115,451.72	
Recycling						
Salaries and Wages		128,044.34	128,044.34	105,809.48	22,234.86	
Other Expenses		9,605.00	9,605.00	7,879.75	1,725.25	
Buildings and Grounds						
Salaries and Wages		56,158.14	106,158.14	104,084.85	2,073.29	
Other Expense		170,728.00	170,728.00	156,300.12	14,427.88	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages		179,214.33	192,214.33	188,732.85	3,481.48	
Other Expenses		127,875.00	127,875.00	127,348.39	526.61	
Community Services Act						
Other Expenses		24,280.00	24,280.00	24,280.00		
Sewer System						
Salaries and Wages		54,988.20	9,988.20	5,733.30	4,254.90	
Other Expenses		17,350.00	17,350.00	4,550.00	12,800.00	
Health and Welfare:						
Public Health Services						
Salaries and Wages		52,289.82	68,289.82	49,755.56	18,534.26	
Other Expenses - Contractual		20,298.00	20,298.00	20,298.00		
Other Expenses - Miscellaneous		25,789.00	25,789.00	13,221.96	12,567.04	
Other Expenses (P.E.O.S.H.A.)		100.00	100.00		100.00	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Worker and Community Right to Know Act (P.L. 1983 C.315)							
Administrative and Executive							
Other Expenses			900.00	900.00		900.00	
Bus							
Salaries and Wages			46,298.82	21,298.82	10,194.66	11,104.16	
Other Expenses			250.00	250.00		250.00	
Animal Control Services							
Other Expenses			16,783.20	16,783.20	16,783.20		
Aid to Senior Citizen Program (40:48-9.4)							
Other Expenses			32,790.00	32,790.00	7,727.78	25,062.22	
Recreation & Education:							
Recreation Commission RS. 40:12-1							
Salaries and Wages			71,066.42	81,066.42	54,185.59	26,880.83	
Other Expenses			18,635.00	18,635.00	11,808.73	6,826.27	
Maintenance of Parks							
Salaries and Wages			193,868.10	208,868.10	206,010.17	2,857.93	
Other Expenses			41,250.00	41,250.00	29,834.95	11,415.05	
Landfill:							
Sanitation Landfill - Bergen County							
Contractual			258,000.00	258,000.00	212,863.85	45,136.15	
Municipal Court							
Salaries and Wages			118,390.36	98,390.36	91,346.58	7,043.78	
Other Expenses			14,035.00	14,035.00	5,896.51	8,138.49	
Public Defender							
Other Expenses			3,275.00	3,275.00	2,000.00	1,275.00	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
State Uniform Construction Code:						
Construction Code Officials						
Salaries and Wages		152,248.26	167,748.26	166,192.31	1,555.95	
Other Expenses		44,950.00	44,950.00	38,846.25	6,103.75	
Unclassified:						
Accumulated Absences (N.J.A.C. 5:30-15)		5.00	16,005.00		16,005.00	
Celebration of Public Events						
Other Expenses		11,000.00	11,000.00	5,917.39	5,082.61	
Salary & Wage Adjustment		5,000.00	5,000.00		5,000.00	
Utilities						
Telephone		60,000.00	60,000.00	52,394.75	7,605.25	
Fire Hydrant Service		131,000.00	131,000.00	128,872.92	2,127.08	
Water		27,000.00	27,000.00	25,576.75	1,423.25	
Petroleum Products		107,500.00	107,500.00	52,611.65	54,888.35	
Electricity and Natural Gas		270,000.00	270,000.00	257,109.55	12,890.45	
Total Operations within "CAPS"		10,740,891.53	10,798,391.53	9,810,324.25	988,067.28	
Contingent		64,000.00	64,000.00	55,903.15	8,096.85	
Total Operations Including Contingent within "CAPS"		10,804,891.53	10,862,391.53	9,866,227.40	996,164.13	
Detail:						
Salaries and Wages	A-1	6,579,310.88	6,665,810.88	6,374,169.62	291,641.26	
Other Expenses	A-1	4,225,580.65	4,196,580.65	3,492,057.78	704,522.87	

Borough of River Edge , N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Appropriations						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		384,377.00	384,377.00	384,377.00		
Social Security System (O.A.S.I.)		361,000.00	301,000.00	291,508.90	9,491.10	
Police and Firemen's Retirement System		765,529.00	765,529.00	765,529.00		
Unemployment Compensation Insurance		20,000.00	20,000.00	20,000.00		
Defined Contribution Retirement Program		11,000.00	13,500.00	13,354.18	145.82	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,541,906.00	1,484,406.00	1,474,769.08	9,636.92	
Total General Appropriations for Municipal Purposes within "CAPS"		12,346,797.53	12,346,797.53	11,340,996.48	1,005,801.05	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)						
Salaries and Wages		531,467.77	531,467.77	519,358.32	12,109.45	
Other Expenses		143,260.00	143,260.00	139,250.00	4,010.00	
Hackensack/Paramus Sewer Charges						
Contractual		225,695.10	225,695.10	189,016.70	36,678.40	
Bergen County Utilities Authority						
Service Charges Contractual		892,354.52	892,354.52	892,354.52		
Operation and Maintenance		345,698.25	345,698.25	345,698.25		
Debt Service						

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Recycling Tax (P.L.2007, C.311)		13,500.00	13,500.00	9,839.22	3,660.78	
Other Expenses						
NJPEDS Stormwater Permit (N.J.S.A. 40A:45.3(cc))						
General Administration		3,253.00	3,253.00		3,253.00	
Salaries and Wages		1,600.00	1,600.00		1,600.00	
Other Expenses						
Municipal Clerk		274.00	274.00		274.00	
Salaries and Wages		400.00	400.00		400.00	
Other Expenses						
Legal Services & Costs						
Other Expenses		1,200.00	1,200.00		1,200.00	
Public Information						
Other Expenses		2,000.00	2,000.00		2,000.00	
Other Code Enforcement Functions						
Salaries and Wages		14.00	14.00		14.00	
Police						
Salaries and Wages		38.00	38.00		38.00	
Public Works Repair and Maintenance						
Salaries and Wages		8,206.00	8,206.00		8,206.00	
Other Expenses		9,500.00	9,500.00	9,394.62	105.38	
Sewer System						
Other Expenses		3,000.00	3,000.00	3,000.00		
Public Health Services						
Salaries and Wages		12.00	12.00		12.00	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Engineering						
Other Expenses		5,000.00	5,000.00		5,000.00	
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, c.388)						
Other Expenses - Fire		45,900.00	45,900.00		45,900.00	
Other Expenses - First Aid Organization		26,520.00	26,520.00		26,520.00	
Implementation of 911 System (N.J.S.A. 40A:4-45.3 (cc))						
Police Communications						
Other Expenses		19,809.00	19,809.00	17,141.57	2,667.43	
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)						
Electricity		24,000.00	24,000.00	3,767.01	20,232.99	
Telephone		1,400.00	1,400.00	901.26	498.74	
Natural Gas		2,000.00	2,000.00	900.36	1,099.64	
Water		6,000.00	6,000.00	3,450.33	2,549.67	
Employee Group Health		30,454.04	30,454.04	30,454.04		
Social Security		39,765.00	39,765.00	39,765.00		
Liability Insurance		12,573.00	12,573.00		12,573.00	
Workers Compensation Insurance		11,017.00	11,017.00	9,058.00	1,959.00	
Health Benefit Waiver		10,000.00	10,000.00	10,000.00		
Interlocal Municipal Service Agreements						
County of Bergen Snow Removal						
Salary and Wages		6,765.00	6,765.00		6,765.00	

Borough of River Edge , N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public and Private Programs Offset by Revenues						
State and Local Cooperative Housing						
Inspection Program		944.00	944.00	944.00		
Recycling Tonnage Grant		10,510.43	10,510.43	10,510.43		
Municipal Alliance on Alcoholism & Drug Abuse						
State Share		9,876.00	9,876.00	9,876.00		
Local Share		2,469.00	2,469.00	2,469.00		
Bergen County Community Development		59,000.00	59,000.00	59,000.00		
Body Armor Grant		2,598.35	2,598.35	2,598.35		
Total Operations - Excluded from "CAPS"		2,508,073.46	2,508,073.46	2,308,746.98	199,326.48	
Detail:						
Salaries & Wages	A-1	560,029.77	560,029.77	529,358.32	30,671.45	
Other Expenses	A-1	1,948,043.69	1,948,043.69	1,779,388.66	168,655.03	
Capital Improvements:						
Capital Improvement Fund		439,219.00	439,219.00	439,219.00		
Total Capital Improvements Excluded from "CAPS"	A-1	439,219.00	439,219.00	439,219.00		

Borough of River Edge , N.J.
Statement of Expenditures - Regulatory Basis
Current Fund
Year Ended December 31, 2020

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Debt Service:						
Payment of Bond Principal		985,000.00	985,000.00	985,000.00		
Interest on Bonds		153,000.00	153,000.00	152,575.00		425.00
Interest on Notes		38,000.00	38,000.00	37,433.33		566.67
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,176,000.00	1,176,000.00	1,175,008.33		991.67
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)		2,240.00	2,240.00	2,240.00		
Deferred Charges to Future Taxation - Unfunded						
Ord 1835 Resurface 5th Ave (Sec 3)		8,489.76	8,489.76	8,489.76		
Ord 1865 Resurface 5th Ave (Sec 4)		32,761.89	32,761.89	32,761.89		
Ord 17-12 Various Improvements		11,000.00	11,000.00	11,000.00		
Ord 17-19 Acquisition of Radio Equipment		22,500.00	22,500.00	22,500.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	76,991.65	76,991.65	76,991.65		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,200,284.11	4,200,284.11	3,999,965.96	199,326.48	991.67

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Subtotal General Appropriations		16,547,081.64	16,547,081.64	15,340,962.44	1,205,127.53	991.67
Reserve for Uncollected Taxes		560,930.40	560,930.40	560,930.40		
Total General Appropriations	\$	17,108,012.04	17,108,012.04	15,901,892.84	1,205,127.53	991.67
Adopted Budget	A-2	\$	17,049,012.04		A	
Appropriated by N.J.S. 40A:4-87	A-2		59,000.00			
		\$	17,108,012.04			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2	\$		560,930.40		
Cash Disbursed	A-4			14,914,077.62		
Deferred Charges - Special Emergency Authorization	A-13			2,240.00		
Encumbrances Payable	A-16			339,247.04		
Matching Funds for Grants	A-4/A-24			2,469.00		
Reserve for Grants	A-24			82,928.78		
		\$		15,901,892.84		

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

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-2	\$ 366.69	270.37
Assessments Receivable	B-4	95.51	191.02
		<u>462.20</u>	<u>461.39</u>
Animal License Fund:			
Cash - Treasurer	B-2	9,224.80	7,380.20
		<u>9,224.80</u>	<u>7,380.20</u>
Other Trust Funds:			
Cash - Treasurer	B-2	1,860,532.69	1,718,072.91
Due from Current Fund	B-6		894.93
		<u>1,860,532.69</u>	<u>1,718,967.84</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-2	2,314,879.84	1,907,931.37
Contributions Receivable	B-5	53,040.00	74,460.00
		<u>2,367,919.84</u>	<u>1,982,391.37</u>
Total Assets		\$ <u>4,238,139.53</u>	<u>3,709,200.80</u>

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

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

<u>Liabilities, Reserves & Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Assessment Fund:			
Due to Current Fund	B-6	\$ 0.81	
Fund Balance	B-1	461.39	461.39
		<u>462.20</u>	<u>461.39</u>
Animal License Fund:			
Due to Current Fund	B-6	1,296.00	
Reserve for Dog Fund Expenditures	B-7	7,928.80	7,376.60
Due to State of New Jersey	B-8		3.60
		<u>9,224.80</u>	<u>7,380.20</u>
Other Trust Fund:			
Other Trust Funds	B-9	1,305,831.75	1,205,299.21
Reserve for:			
Self Insurance Fund (Commission)	B-10	148,166.85	75,538.83
Unemployment Insurance Trust Fund	B-10	33,733.93	9,403.05
Recreation Commission	B-11	130,732.46	124,395.50
Payroll Deductions Payable	B-12	242,067.70	304,331.25
		<u>1,860,532.69</u>	<u>1,718,967.84</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-13	<u>2,367,919.84</u>	<u>1,982,391.37</u>
Total Liabilities, Reserves & Fund Balance		\$ <u>4,238,139.53</u>	<u>3,709,200.80</u>

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

Borough of River Edge , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Assessment Trust Fund

For the Years Ended December 31, 2020 and 2019

		<u>2020</u>	<u>2019</u>
Balance - December 31, 2019	<u>Ref.</u> B	\$ <u>461.39</u>	<u>461.39</u>
Balance - December 31, 2020	B/B-3	\$ <u>461.39</u>	<u>461.39</u>

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

Borough of River Edge , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 4,201,858.34	1,804,315.27
Various Receivables	C-4	2,081,281.55	1,631,030.00
Deferred Charges to Future Taxation:			
Funded	C-6	11,005,000.00	6,385,000.00
Unfunded	C-7	<u>2,625,473.06</u>	<u>6,466,568.65</u>
		<u>19,913,612.95</u>	<u>16,286,913.92</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	11,005,000.00	6,385,000.00
Bond Anticipation Notes	C-9		2,246,000.00
Improvement Authorizations:			
Funded	C-10	4,858,137.81	1,835,491.22
Unfunded	C-10	2,236,313.68	4,202,683.18
Capital Improvement Fund	C-11	15,328.03	9,133.03
Reserve for Receivables	C-12	1,666,376.55	1,533,000.00
Fund Balance	C-1	<u>132,456.88</u>	<u>75,606.49</u>
		<u>\$ 19,913,612.95</u>	<u>16,286,913.92</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2020 and 2019 of \$2,625,473.06 and \$4,220,568.65 respectively per Exhibit C-13.

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

Borough of River Edge , N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Balance - December 31, 2019	C	\$ 75,606.49	72,665.97
Increased by:			
Premium on Sale of Bond Anticipation Notes			11,795.00
Premium on Sale of Bonds	C-2	56,850.39	
Funded Improvement Authorizations Cancelled			36,145.52
		<u>132,456.88</u>	<u>120,606.49</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations			45,000.00
Balance - December 31, 2020	C/C-3	\$ <u>132,456.88</u>	<u>75,606.49</u>

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

GENERAL FIXED ASSET ACCOUNT GROUP

Exhibit D

Borough of River Edge, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets:</u>		
Land	\$ 4,798,358.73	4,798,358.73
Buildings and Building Improvements	5,383,345.57	5,383,345.57
Improvements - Other than Buildings	1,344,399.53	1,344,399.53
Machinery and Equipment	10,106,456.84	9,847,453.13
	<u>21,632,560.67</u>	<u>21,373,556.96</u>
Investment in General Fixed Assets	\$ <u>21,632,560.67</u>	<u>21,373,556.96</u>

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

BOROUGH OF RIVER EDGE, N. J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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

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

The Borough has the following funds and account groups:

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

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

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

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

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Basis of Accounting

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Basis of Accounting, (continued)

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

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

General Capital Fund
Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2020, the Borough Council increased the original budget by \$59,000.00 for additional grants received by the Borough. In addition, several budget transfers were approved by the governing body.

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Basis of Accounting, (continued)

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

For the year ended December 31, 2020, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

C. Basic Financial Statements

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020 and 2019, \$0- of the Borough's bank balance of \$16,778,481.11 and \$13,147,759.16, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Unaudited Investments

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2020 and 2019 amounted to \$2,314,879.84 and \$1,907,931.37, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Growth	\$1,613,329.25	\$1,257,283.78
Fixed Income	233,473.86	195,480.51
Income	195,031.08	195,613.38
Growth and Income	74,959.49	74,258.09
All Others	<u>198,086.16</u>	<u>185,295.64</u>
Total	<u>\$2,314,879.84</u>	<u>\$1,907,931.40</u>

NOTE 3: MUNICIPAL DEBT

Long-term debt as of December 31, 2020 consisted of the following:

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$6,385,000.00	\$5,605,000.00	\$985,000.00	\$11,005,000.00	\$1,270,000.00
Other Liabilities: Compensated Absences Payable	<u>356,965.70</u>	<u>172,696.67</u>	<u>54,899.65</u>	<u>474,762.72</u>	<u> </u>
	<u>\$6,741,965.70</u>	<u>\$5,777,696.67</u>	<u>\$1,039,899.65</u>	<u>\$11,479,762.72</u>	<u>\$1,270,000.00</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

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

The Borough's debt is summarized as follows:

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$11,005,000.00	\$8,631,000.00	\$7,699,000.00
Loans			18,728.18
Total Issued	<u>11,005,000.00</u>	<u>8,631,000.00</u>	<u>7,717,728.18</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>2,625,473.06</u>	<u>4,220,568.65</u>	<u>4,839,705.73</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$13,630,473.06</u>	<u>\$12,851,568.65</u>	<u>\$12,557,433.91</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .715%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$13,205,000.00	\$13,205,000.00	\$0.00
Regional High School District	1,865,732.10	1,865,732.10	0.00
General Debt	<u>13,630,473.06</u>		<u>13,630,473.06</u>
	<u>\$28,701,205.16</u>	<u>\$15,070,732.10</u>	<u>\$13,630,473.06</u>

Net Debt \$13,630,473.06 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,905,357,432.33 = .715%.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

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

3 ½% of Equalized Valuation Basis (Municipal)	\$66,687,510.13
Net Debt	<u>13,630,473.06</u>
Remaining Borrowing Power	<u><u>\$53,057,037.07</u></u>

The Borough's bonded debt consisted of the following at December 31, 2020:

Paid by Current Fund:	<u>Amount Outstanding</u>
General Improvement Bonds - \$2,955,000.00 issued December 15, 2007 due through December 15, 2022 with variable interest rates of 3.625% to 4.00%	\$390,000.00
General Improvement Bonds - \$2,970,000.00 issued November 15, 2013 due through November 15, 2023 with variable interest rates of 1.00% to 2.50%	1,050,000.00
General Improvement Bonds - \$4,900,000.00 issued November 1, 2017 due through November 1, 2029 with variable interest rates of 2.125% to 2.50%	3,960,000.00
General Improvement Bonds - \$5,605,000.00 issued October 15, 2020 due through October 15, 2031 with variable interest rates of .05% to 2.00%	<u>5,605,000.00</u>
	<u><u>\$11,005,000.00</u></u>

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

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

	<u>General</u>		
Calendar			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$1,270,000.00	\$200,075.00	\$1,470,075.00
2022	1,300,000.00	174,907.50	1,474,907.50
2023	1,290,000.00	148,850.00	1,438,850.00
2024	990,000.00	130,500.00	1,120,500.00
2025	990,000.00	120,875.00	1,110,875.00
2026-2030	4,595,000.00	329,425.00	4,924,425.00
2031	<u>570,000.00</u>	<u>11,400.00</u>	<u>581,400.00</u>
	<u><u>\$11,005,000.00</u></u>	<u><u>\$1,116,032.50</u></u>	<u><u>\$12,121,032.50</u></u>

At December 31, 2020, the Borough had authorized but not issued debt of \$2,625,473.06.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 4: BOND ANTICIPATION NOTES

Bond Anticipation Notes

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2020, the Borough did not have any outstanding bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Oppenheimer & Co.	<u>\$2,246,000.00</u>	<u>\$</u>	<u>\$2,246,000.00</u>	<u>\$0.00</u>

NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2020</u>	<u>2020 Budget Appropriation</u>	<u>Balance to Succeeding Budget</u>
Current Fund:			
Special Emergency Authorizations	<u>\$5,440.00</u>	<u>\$2,240.00</u>	<u>\$3,200.00</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6: DEFERRED SCHOOL TAXES

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

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

	<u>December 31, 2020</u>	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,588,747.00	\$8,412,454.00
Deferred	<u>8,588,747.00</u>	<u>8,412,454.00</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>
	<u>December 31, 2019</u>	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,424,752.00	\$7,890,209.00
Deferred	<u>8,424,752.00</u>	<u>7,890,209.00</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

NOTE 7: PENSION PLANS

Description of Plans:

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7: PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7: PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2020	\$383,405.00	\$765,529.00	\$13,354.18
2019	390,374.00	761,135.00	11,000.00
2018	361,583.00	626,840.00	8,800.00

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough had a liability of \$6,153,594.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .0377350121 percent, which was a decrease of .0016811344 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$383,405.00. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$112,047	\$21,762
Changes of assumptions	199,630	2,576,568
Net difference between projected and actual earnings on pension plan investments	210,335	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>117,799</u>	<u>305,141</u>
Total	<u>\$639,811</u>	<u>\$2,903,471</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(772,163)
2022	(703,978)
2023	(402,306)
2024	(162,686)
2025	(35,185)

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	0.0377350121%	0.0394161465%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$7,807,261	\$6,153,594	\$4,839,859

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Borough had a liability of \$10,106,026.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .0782120297 percent, which was an increase of .002453779 percent from its proportion measured as of June 30, 2019.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2020, the Borough recognized pension expense of \$765,529.00. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference in actual and expected experience	\$101,886	\$36,269
Changes of assumptions	25,432	2,709,365
Net difference between projected and actual earnings on pension plan investments	592,564	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>905,640</u>	<u>246,179</u>
Total	<u>\$1,625,522</u>	<u>\$2,991,813</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(945,349)
2022	(637,996)
2023	(259,733)
2024	(98,118)
2025	(84,557)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	0.0782120297%	0.0778537387%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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

Mortality Rates

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates, (continued)

annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	<u>June 30, 2020</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$15,524,595	\$10,106,026	\$8,476,582

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,568,409 and \$1,464,482, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$177,748 and \$170,161, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$120,688 and \$98,676, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

Special Funding Situation PFRS

The following other post employment benefit information is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 9: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020 and 2019 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2019</u>
Current Fund	<u>\$1,062,500.00</u>	<u>\$1,012,500.00</u>

NOTE 10: FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2020.

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2020</u>
Land	\$4,798,358.73	\$	\$	\$4,798,358.73
Buildings	5,383,345.57			5,383,345.57
Improvements-Other than Buildings	1,344,399.53			1,344,399.53
Machinery and Equipment	<u>9,847,453.13</u>	<u>326,248.51</u>	<u>67,244.80</u>	<u>10,106,456.84</u>
	<u>\$21,373,556.96</u>	<u>\$326,248.51</u>	<u>\$67,244.80</u>	<u>\$21,632,560.67</u>

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

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

It is estimated that the current cost of such unpaid compensation would approximate \$474,762.72 and \$356,965.70 at December 31, 2020 and 2019, respectively. These amounts are not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of River Edge's budget operating expenditures in the year in which it is used.

As of December 31, 2020 and 2019, the Borough has reserved in the Other Trust Fund \$79,464.15 and \$57,005.00, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 12: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2020 consist of the following:

\$1,296.00	Due to Current Fund from Animal License Trust for statutory excess and interest earned.
0.81	Due to Current Fund from Assessment Trust for interest earned.
<u>103,302.93</u>	Due to the State and Federal Grant Fund from the Current Fund for Grant receipts deposited in the Current Fund.
<u>\$104,599.74</u>	

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

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

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 14: RISK MANAGEMENT

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

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

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

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

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

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

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

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 14: RISK MANAGEMENT, (continued)

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

Year Ended <u>Dec. 31,</u>	Interest Earnings/ Borough <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2020	\$20,022.74	\$17,090.18	\$12,782.04	\$33,733.93
2019	19,251.97	16,027.94	45,886.36	9,403.05
2018	17,094.29	16,154.35	32,459.97	20,009.50

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

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

NOTE 15: TAXES COLLECTED IN ADVANCE

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

	Balance <u>Dec 31, 2020</u>	Balance <u>Dec 31, 2019</u>
Prepaid Taxes	<u>\$431,137.31</u>	<u>\$211,696.12</u>
Cash Liability for Taxes Collected in Advance	<u>\$431,137.31</u>	<u>\$211,696.12</u>

BOROUGH OF RIVER EDGE, N.J.
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES

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

NOTE 17: OTHER MATTERS

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of River Edge. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

In addition, during 2020 revenues of the Borough were not materially affected.

NOTE 18. SUBSEQUENT EVENT

The Borough has evaluated subsequent events through July 22, 2021, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of River Edge is \$1,196,884.92 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate:	<u>3.570</u>	<u>3.468</u>	<u>3.395</u>	<u>3.362</u>	<u>3.286</u>
Apportionment of Tax Rate:					
Municipal	.890	.877	.846	.846	.832
Municipal Library	.043	.042	.041	.039	.038
Municipal Open Space	.010	.010	.010	.010	.010
County	.314	.296	.286	.284	.283
County Open Space	.013	.012	.012	.010	.003
Local School	1.164	1.154	1.138	1.121	1.097
Regional High School	1.136	1.077	1.062	1.052	1.023

Assessed Valuation:

2020	\$1,481,252,463.00
2019	1,466,088,576.00
2018	1,459,042,122.00
2017	1,455,318,219.00
2016	1,452,389,603.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2020	\$52,999,441.63	\$52,570,011.07	99.18%
2019	51,108,007.00	50,751,943.85	99.30
2018	49,654,283.13	49,268,354.32	99.22
2017	49,016,059.14	48,641,815.07	99.24
2016	47,826,445.72	47,463,619.60	99.24

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Taxes and Liens</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Current Year	\$332,720.46	\$284,876.67	\$315,713.36	\$305,347.53	\$294,082.98
Prior Years		250.00			
Tax Title Liens	<u>165,661.41</u>	<u>150,738.81</u>	<u>136,242.58</u>	<u>122,051.46</u>	<u>107,998.29</u>
Totals	<u>\$498,381.87</u>	<u>\$435,865.48</u>	<u>\$451,955.94</u>	<u>\$427,398.99</u>	<u>\$402,081.27</u>
Percentage of each Years Tax Levy	.94%	.85%	.91%	.87%	.84%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

There was no property sold or acquired during the year.

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

<u>Year</u>	<u>Amount</u>
2020	None
2019	None
2018	None
2017	None
2016	None

COMPARATIVE SCHEDULE OF FUND BALANCE

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$7,103,415.26	\$1,062,500.00
2019	6,519,415.15	1,012,500.00
2018	5,657,526.09	975,000.00
2017	5,072,094.09	839,857.00
2016	3,860,466.91	425,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Thomas Papaleo	Mayor	
Dario Chinigo	Council President	
Ellen Busteed	Councilwoman	
Joseph Gautier	Councilman	
Michele Kaufman	Councilwoman	
Lissa Montisano-Koen	Councilwoman	
Christopher Battaglia	Chief Finance Officer	(A)
Raymond Poerio	Administrator to 09/28/20	
Kevin Galland	Interim Administrator from 09/28/20	
Stephanie Evans	Borough Clerk	
Maureen Murphy	Tax Collector to 03/23/20	(A)
Gomattie Birnbaum	Accounts Supervisor, Certifying Officer, Tax Collector from 04/01/20	(A)
Thomas M. Sarlo	Borough Attorney	
Robert Costa	Borough Engineer	
James Anzevino	Assessor	
Bruce L. Safro, Esq	Magistrate	(A)
Noreen Patoray	Court Administrator	(A)
Thomas Cariddi	Chief of Police	

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

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

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Pass-Through Entity ID Number	C.F.D.A. Account No.	Grant Year	Total Grant Award Amount	Balance Jan. 1, 2020	Receipts	Expended	Balance Dec. 31, 2020	Memo Cumulative Total Expenditures
Federal Grantor/Pass-Through Grantor/Program									
Federal and State Grant Fund									
U.S. Department of H.U.D.									
Pass Through County of Bergen:									
Community Development Block Grant:									
Curb Replacement		14.218	2020	59,000.00		58,996.00	58,996.00		58,996.00
						58,996.00			*
U.S. Department of Justice									
Bulletproof Vest Partnership Program		16.607	2019	2,415.61			1,675.82	(1,675.82)	1,675.82
							1,675.82	(1,675.82)	*
						58,996.00	60,671.82	(1,675.82)	*
Total Federal and State Grant Fund									*
General Capital Fund									
U.S. Department of H.U.D.									
Pass Through County of Bergen:									
Community Development Block Grant:									
Road Resurfacing		14.218	2020	180,000.00					
									*
U.S. Department of Transportation:									
Pass Through NJ Department of									
Transportation:		20.205							*
Safe Routes to Schools - Ordinance #1837			2015	315,000.00					*
Tran. Alternatives Program - Kinderkamack									*
Road Ordinance #1836			2015	800,000.00			1,025.00	(1,025.00)	1,025.00
							1,025.00	(1,025.00)	*
								(1,025.00)	*
Total General Capital Fund									*
Total Federal Awards						58,996.00	61,696.82	(2,700.82)	*

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH THE UNIFORM GUIDANCE.

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2020

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2020	Receipts	Expended	Balance Dec. 31, 2020	Memo	
								Cumulative Total Expenditures	
<u>Federal and State Grant Fund</u>									
<u>NJ Department of Law and Public Safety:</u>									
Body Armor Replacement	066-1020-718-001	2020	2,598.36		2,598.36		2,598.36	*	
		2019	2,774.97	2,774.97		2,774.97		*	
		2017	2,347.94	905.61		905.61		*	
								*	
				<u>3,680.58</u>	<u>2,598.36</u>	<u>3,680.58</u>	<u>2,598.36</u>	*	
<u>NJ Department of Environmental Protection:</u>									
Clean Communities Program	4900-765-004	2020	19,607.44		19,607.44		19,607.44	*	
		2019	21,745.50	21,745.50		21,111.02	634.48	*	
		2018	20,484.45	977.81		977.81		*	
				<u>22,723.31</u>	<u>19,607.44</u>	<u>22,088.83</u>	<u>20,241.92</u>	*	
								*	
Recycling Tonnage Grant	4910-100-224	2020	10,510.43	10,510.43		2,603.17	7,907.26	*	
		2019	10,217.64	30.78		30.78			
				<u>10,541.21</u>		<u>2,633.95</u>	<u>7,907.26</u>	*	
								*	
Community Stewardship Incentive	4870-100-074	2017	30,000.00	(29,627.00)	25,311.60	373.00	(4,688.40)	*	
									*
								30,000.00	

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2020

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2020	Receipts	Expended	Balance Dec. 31, 2020	Memo Cumulative Total Expenditures
NJ Division of Highway Traffic Safety: Drunk Driving Enforcement Fund	6400-100-078	2018	6,478.60	6,478.60			6,478.60	*
		2016	8,096.44	3,495.47		525.87	2,969.60	*
				9,974.07		525.87	9,448.20	*
NJ Department of Health: Alcohol Education Rehabilitation	9735-760-001	2020	1,333.66		1,333.66		1,333.66	*
		2019	884.12	884.12			884.12	*
		2018	292.93	292.93			292.93	*
		2017	965.10	965.10			965.10	*
		2016	966.90	966.90			966.90	*
		2015	1,237.60	1,237.60			1,237.60	*
		2014	708.96	708.96			708.96	*
		2013	1,002.72	1,002.72			1,002.72	*
		2012	917.00	917.00			917.00	*
		2011	647.00	647.00			647.00	*
		2010	603.28	603.28			603.28	*
		2009	232.05	232.05			232.05	*
		prior	9,000.68	1,305.69		490.00	815.69	*
				9,763.35	1,333.66	490.00	10,607.01	*

FOR THE YEAR ENDED DECEMBER 31, 2020

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BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2020

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2020	Receipts	Expended	Balance Dec. 31, 2020	Memo Cumulative Total Expenditures
Council on Alcoholism and Drug Abuse: Pass Through County of Bergen Municipal Drug Alliance		2020	9,876.00		1,850.00		1,850.00	*
		2019	9,876.00	(1,683.30)	2,196.59	1,050.00	(536.71)	*
				(1,683.30)	4,046.59	1,050.00	1,313.29	*
								*
Total Federal and State Grant Fund				73,145.83	67,692.65	43,447.73	97,390.75	*
								*
<u>General Capital Fund</u>								*
								*
NJ Department of Transportation:								*
Highway Planning and Construction	078-6320-480							*
Bogert Rd - section 3 & 4		2020	427,000.00			308,628.52	(308,628.52)	*
Bogert Rd		2018	218,000.00		93,623.45	142,990.65	(49,367.20)	*
Howland Ave		2018	200,000.00		200,000.00	200,000.00		*
					293,623.45	651,619.17	(357,995.72)	*
Total General Capital Fund					293,623.45	651,619.17	(357,995.72)	*
								*
Total State Awards				73,145.83	361,316.10	695,066.90	(260,604.97)	*

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

Borough of River Edge , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2019	A	\$	9,095,265.82
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	36,234.97	
Interfund - Grant Fund	A-5	130,657.65	
Petty Cash Returned	A-6	1,800.00	
Tax Collector Receipts	A-8	53,067,712.40	
Revenue Accounts Receivable	A-11	1,775,315.87	
Interfunds	A-12	500.00	
Due From State - Senior Citizen and Veteran Deductions	A-18	61,953.42	
Various Cash Liabilities and Reserves	A-23	<u>136,273.32</u>	
			<u>55,210,447.63</u>
			<u>64,305,713.45</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	14,914,077.62	
Matching Funds for Grants	A-3	2,469.00	
Interfund - Grant Fund	A-5	104,969.55	
Petty Cash	A-6	1,800.00	
Interfunds	A-12	1,416.78	
Appropriation Reserves	A-15	837,644.80	
Local District School Taxes	A-19	17,067,721.00	
Regional High School Taxes	A-20	16,302,663.50	
Municipal Open Space Taxes	A-21	148,457.92	
County Taxes Payable	A-22	4,835,501.41	
Various Cash Liabilities and Reserves	A-23	<u>148,233.84</u>	
			<u>54,364,955.42</u>
Balance - December 31, 2020	A	\$	<u><u>9,940,758.03</u></u>

Borough of River Edge , N.J.

Schedule of Interfund - Current Fund

Federal and State Grant Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Balance - December 31, 2019	A	\$	77,614.83
Increased by:			
Grants Receivable	A-4/A-14	91,528.54	
Matching Funds for Grants	A-4/24	2,469.00	
Unappropriated Reserve for Grants	A-4/25	<u>36,660.11</u>	
			<u>130,657.65</u>
			208,272.48
Decreased by:			
Appropriated Reserve for Grants	A-4/24	<u>104,969.55</u>	
			<u>104,969.55</u>
Balance - December 31, 2020	A	\$	<u><u>103,302.93</u></u>

Exhibit A-6**Borough of River Edge , N.J.****Schedule of Petty Cash****Current Fund****Year Ended December 31, 2020**

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

Exhibit A-7**Schedule of Cash - Change Fund****Current Fund****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	A	\$ <u>400.00</u>
Balance - December 31, 2020	A	\$ <u>400.00</u>

Borough of River Edge , N.J.

Schedule of Cash - Tax Collector

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Increased by:		
Interest and Cost on Taxes	A-2	\$ 86,629.79
Taxes Receivable	A-9	52,549,945.30
Prepaid Taxes	A-17	<u>431,137.31</u>
		\$ <u>53,067,712.40</u>
Decreased by:		
Deposited to Treasurer's Account	A-4	\$ <u>53,067,712.40</u>

Borough of River Edge, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

		Current Fund		Year Ended December 31, 2020		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	(Adjusted)/ Cancelled	Balance, Dec. 31, 2020
Year	Balance, Dec. 31, 2019	Original Levy	Added Taxes	2019	Collected 2020				
prior	\$ 285,126.67		5,451.74		255,130.35	(1,046.58)		36,494.64	
	285,126.67		5,451.74		255,130.35	(1,046.58)		36,494.64	
2020		52,880,712.92	118,728.71	211,696.12	52,294,814.95	63,500.00	14,922.60	81,787.50	332,720.46
	\$ 285,126.67	52,880,712.92	124,180.45	211,696.12	52,549,945.30	62,453.42	14,922.60	118,282.14	332,720.46
	A			A-2/A-17	A-2/A-8	A-2/A-18	A-10		A

Analysis of Tax Levy

Tax yield:		Ref.
General Property Tax	\$ 52,727,375.57	
Public Utility Tax	153,337.35	
Added Tax (R.S. 54:4-63.1 et seq.)	118,728.71	
	\$ 52,999,441.63	
Tax Levy:		
Local District School Tax	A-19	\$ 17,231,716.00
Regional High School Tax	A-20	16,824,909.00
Municipal Open Space Tax	A-21	148,457.92
County Tax - General	A-22	\$ 4,640,408.18
County Tax - Open Space	A-22	195,093.23
Added County Taxes	A-22	10,873.77
		4,846,375.18
	A-2	39,051,458.10
Local Tax for Municipal Purposes	A-2	13,828,323.82
Additional Taxes		119,659.71
		13,947,983.53
		\$ 52,999,441.63

Borough of River Edge , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	A	\$ 150,738.81
Increased by:		
Transfer from Taxes Receivable	A-9	<u>14,922.60</u>
Balance - December 31, 2020	A	<u><u>\$ 165,661.41</u></u>

Borough of River Edge , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	15,050.00	15,050.00	
Fees and Permits	A-2		34,385.00	34,385.00	
Parking Lot Fees	A-2		13,992.00	13,992.00	
Miscellaneous Revenue	A-2		15.00	15.00	
Board of Health:					
Fees and Permits	A-2		12,602.00	12,602.00	
Fire Prevention Bureau:					
Fees and Permits	A-2		13,203.00	13,203.00	
Uniform Fire Safety Act (Life Hazard Use)	A-2		12,762.43	12,762.43	
Police Department:					
Fees and Permits	A-2		2,620.19	2,620.19	
Police Outside Duty	A-2		108,497.36	108,497.36	
Tax Department:					
Miscellaneous Revenue	A-2		120.00	120.00	
Tax Assessor:					
Miscellaneous Revenue	A-2		350.00	350.00	
Planning Board					
Miscellaneous Revenue	A-2		7,900.00	7,900.00	
Municipal Court :					
Fines and Costs	A-2	12,516.43	50,539.27	60,118.53	2,937.17
Uniform Construction Code:					
Fees and Permits	A-2		211,268.00	211,268.00	
Energy Receipts Tax	A-2		1,056,992.99	1,056,992.99	
Garden State Preservation Trust	A-2		13,722.00	13,722.00	
Rental of Borough Property	A-2		6,202.00	6,202.00	
Interest on Investments and Deposits	A-2		57,717.96	57,717.96	
County of Bergen Snow Removal	A-2		880.00	880.00	
Cable Television Fees	A-2		146,917.41	146,917.41	
		\$	<u>12,516.43</u>	<u>1,775,315.87</u>	<u>2,937.17</u>
			A	A-4	A

Borough of River Edge , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2020

<u>Fund</u>	Due From/(To) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2020</u>
Assessment Trust Fund	\$	0.81		0.81
Animal License Fund		1,296.00		1,296.00
Other Trust Fund	<u>(894.93)</u>	<u>500.00</u>	<u>1,394.93</u>	
	<u>\$ (894.93)</u>	<u>1,796.81</u>	<u>1,394.93</u>	<u>1,296.81</u>
<u>Analysis</u>				
Due to Current Fund	A/A-1			1,296.81
Due from Current Fund	A	<u>(894.93)</u>		
		<u>(894.93)</u>		<u>1,296.81</u>
<u>Ref.</u>				
Stat. Excess in Animal Control Trust	A-1	\$ 1,274.96		
Cash Disbursed	A-4	21.85	1,394.93	
Cash Received	A-4	<u>500.00</u>		
		<u>\$ 1,796.81</u>	<u>1,394.93</u>	

Borough of River Edge, N.J.

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

Current Fund

Year Ended December 31, 2020

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of net amount Authorized</u>	<u>Balance, Dec. 31, 2019</u>	<u>Reduced in 2020</u>	<u>Balance, Dec. 31, 2020</u>
2/16/2016	Codification of Ordinances	2,500.00	500.00	1,000.00	500.00	500.00
2/7/2017	Codification of Ordinances	3,400.00	680.00	2,040.00	680.00	1,360.00
3/26/2018	Codification of Ordinances	3,300.00	660.00	2,640.00	660.00	1,980.00
2/11/2019	Codification of Ordinances	2,000.00	400.00	2,000.00	400.00	1,600.00
		<u>\$ 11,200.00</u>	<u>2,240.00</u>	<u>7,680.00</u>	<u>2,240.00</u>	<u>5,440.00</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>

Borough of River Edge, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	Budget Revenue	Received	Balance, Dec. 31, 2020
Federal Grants:				
Community Development Grant	\$	59,000.00	58,996.00	4.00
Bulletproof Vest Partnership Grant	2,415.61			2,415.61
	<u>2,415.61</u>	<u>59,000.00</u>	<u>58,996.00</u>	<u>2,419.61</u>
State Grants:				
Municipal Alliance	13,618.76	9,876.00	4,046.59	19,448.17
Recycling Tonnage Grant		10,510.43	10,510.43	
Body Armor Replacement Fund		2,598.35	2,598.35	
Cooperative Housing Inspection Grant		944.00	944.00	
Community Stewardship Incentive Program	30,000.00		25,311.60	4,688.40
	<u>43,618.76</u>	<u>23,928.78</u>	<u>43,410.97</u>	<u>24,136.57</u>
	\$	82,928.78	102,406.97	26,556.18
	<u>A</u>	<u>A-2</u>		<u>A</u>

Ref.

Transfer from Unappropriated Reserve for Grants
Receipts

\$ 10,878.43
91,528.54
\$ 102,406.97

A-25
A-5

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Administrative and Executive				
General Administration	\$ 124.82	124.82		124.82
Mayor and Council	1,666.72	1,666.72		1,666.72
Municipal Clerk	25.49	25.49		25.49
Financial Administration	85,939.86	17,239.86		17,239.86
Tax Assessment Administration	9,052.96	9,052.96		9,052.96
Revenue Administration	19,296.08	19,296.08		19,296.08
Municipal Court	17,374.94	5,574.94		5,574.94
Planning Board	1,442.81	1,442.81		1,442.81
Recycling	73,379.33	17,379.33		17,379.33
Other Code Enforcement Functions	5,443.94	5,443.94		5,443.94
Health Benefit Waiver	2,592.66	2,592.66		2,592.66
Police	25,335.78	115,335.78	80,000.00	35,335.78
Fire	1,571.14	64,571.14		64,571.14
Uniform Fire Safety Act	15.92	15.92		15.92
Emergency Management	547.48	547.48		547.48
Municipal Prosecutor	1,445.00	1,445.00		1,445.00
Public Works Repair and Maintenance	226.76	30,226.76		30,226.76
Building and Grounds	211.10	211.10		211.10
Vehicle Maintenance	12,389.36	12,389.36		12,389.36
Sewer Systems	3,289.00	3,289.00		3,289.00
Public Health Services	14,128.98	14,128.98		14,128.98
Recreation Commission	19.92	19.92		19.92
Maintenance of Parks	772.42	772.42		772.42
Bus	6,151.15	6,151.15		6,151.15
Construction Code Officials	90.72	90.72		90.72
Total Salaries and Wages Within "CAPS"	<u>282,534.34</u>	<u>329,034.34</u>	<u>80,000.00</u>	<u>249,034.34</u>
Other Expenses Within "CAPS":				
Administrative and Executive				
General Administration	25,859.61	28,221.12	925.01	27,296.11
Mayor and Council	5,539.97	5,539.97		5,539.97
Municipal Clerk	9,926.64	12,007.18	3,411.66	8,595.52
Audit	0.01	33,715.01	33,715.00	0.01
Financial Administration	15,769.80	20,323.71	10,859.50	9,464.21
Revenue Administration	13,778.97	10,649.62	385.65	10,263.97
Tax Assessment Administration	4,760.70	4,760.70		4,760.70
Legal Services and Costs	8,219.40	58,241.82	33,813.98	24,427.84
Municipal Court	2,779.94	3,189.94	874.25	2,315.69
Public Defender	1,398.00	1,398.00		1,398.00

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Engineering Services & Costs	5,220.00	72,285.00	68,592.50	3,692.50
Historic Sites Office	3,573.75	3,573.75		3,573.75
Planning Board	1,670.43	1,859.24	198.81	1,660.43
Recycling	5.00	5.00		5.00
Public Information	8,374.43	8,374.43		8,374.43
Other Code Enforcement Functions	6,173.92	7,361.42	2,747.50	4,613.92
Liability Insurance	342.53	25,170.47		25,170.47
Group Insurance Plan for Employees	166,452.56	187,162.40	171,419.68	15,742.72
Police	7,846.51	27,969.97	19,554.05	8,415.92
Emergency Management Services	1,382.30	2,862.30	1,578.01	1,284.29
Fire	126.67	8,025.83	7,097.96	927.87
Uniform Fire Safety Act	1,025.04	1,560.04	292.00	1,268.04
Municipal Prosecutor	200.00	200.00		200.00
Public Works Repair and Maintenance	3,205.20	5,300.38	3,173.81	2,126.57
Other Public Works Functions	2,193.00	2,193.00		2,193.00
Shade Tree Commission	502.92	13,219.04	12,716.12	502.92
Community Services Act		24,280.00	15,207.00	9,073.00
Garbage & Trash Removal - Contractual	4,364.58	4,364.58		4,364.58
Garbage & Trash Removal - Multi Family	34,693.66	65,193.66	64,983.46	210.20
Parking Lot Maintenance	1,586.50	1,586.50		1,586.50
Public Buildings and Grounds	20,503.63	60,144.27	23,056.07	37,088.20
Vehicle Maintenance	6,935.00	15,165.94	7,456.21	7,709.73
Sewer System	192.50	2,042.50	1,850.00	192.50
Sanitation Landfill - BCUA Contractual	30,467.51	30,467.51	15,717.55	14,749.96
Public Health Services -Contractual	7,311.50	7,571.50	260.00	7,311.50
Animal Welfare	153.60	153.60		153.60
Board of Health PEOSHA	100.00	100.00		100.00
Fire PEOSHA	100.00	100.00		100.00
Recreation Commission	1,847.87	2,559.16	711.29	1,847.87
Aid to Senior Citizen Program	1,431.28	7,531.28	7,523.94	7.34
Bus	250.00	250.00		250.00
Construction Code Officials	490.03	490.03		490.03
Electricity and Natural Gas	60,303.75	60,303.75	57,889.25	2,414.50
Telephone	4,203.98	6,903.98	6,886.22	17.76
Petroleum Products	13,832.90	20,594.60	16,884.78	3,709.82
Fire Hydrant Service	941.38	941.38		941.38
Water	5,556.17	5,556.17	583.51	4,972.66
Contingent	5.00	5.00		5.00
Total Other expenses Within "CAPS"	<u>491,598.14</u>	<u>861,474.75</u>	<u>590,364.77</u>	<u>271,109.98</u>

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Page 3 of 4

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System		10,000.00		10,000.00
Police and Firemen's Retirement System		30,000.00		30,000.00
Social Security System (O.A.S.I.)	34,858.60	34,858.60	2,245.71	32,612.89
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>34,858.60</u>	<u>74,858.60</u>	<u>2,245.71</u>	<u>72,612.89</u>
Total Reserves Within "CAPS"	<u>808,991.08</u>	<u>1,265,367.69</u>	<u>672,610.48</u>	<u>592,757.21</u>
Salaries & Wages Excluded From "CAPS":				
Maintenance of Free Public Library	17,754.35	13,154.35		13,154.35
Health Benefit Waiver	<u>202.88</u>	<u>202.88</u>		<u>202.88</u>
Total Salary & Wages Excluded From "CAPS"	<u>17,957.23</u>	<u>13,357.23</u>		<u>13,357.23</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utilities Authority				
Service Charges - Contractual	82.96	82.96		82.96
Hackensack / Paramus Sewer Charge		210,330.00	205,930.00	4,400.00
Recycling Tax	2,468.41	2,468.41	743.85	1,724.56
Emergency Services Volunteer Length of Service Award Program - Fire		45,900.00	38,760.00	7,140.00
Emergency Services Volunteer Length of Service Award Program - First Aid Squad		26,520.00	18,360.00	8,160.00
NJPEDS Stormwater Permit :				
General Administration	1,600.00	1,600.00		1,600.00
Municipal Clerk	400.00	400.00		400.00
Legal Services and Costs	1,200.00	1,200.00		1,200.00
Public Information	1,563.50	1,563.50		1,563.50
Public Works Repair and Maintenance	4.31	400.61	396.30	4.31
Engineering		2,460.00	2,460.00	
Maintenance of Free Public Library				
Social Security	3,766.43	3,766.43		3,766.43
Electricity	288.01	4,888.01	4,820.62	67.39
Telephone and Telegraph	381.02	381.02	88.61	292.41
Natural Gas	2,056.84	2,056.84	496.23	1,560.61
Water	3,094.74	3,094.74	444.13	2,650.61
Employee Group Health	30,454.00	30,454.00		30,454.00

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Police Communications - 911 Services	4,330.31	4,990.66	990.35	4,000.31
Matching Funds for Grants	<u>5.00</u>	<u>5.00</u>		<u>5.00</u>
Total Other Expenses Excluded from "CAPS"	<u>51,695.53</u>	<u>342,562.18</u>	<u>273,490.09</u>	<u>69,072.09</u>
Total Reserves Excluded from "CAPS"	<u>69,652.76</u>	<u>355,919.41</u>	<u>273,490.09</u>	<u>82,429.32</u>
Total Reserves	\$ <u>878,643.84</u>	<u>1,621,287.10</u>	<u>946,100.57</u>	<u>675,186.53</u>
	A			A-1
	<u>Ref.</u>			
Appropriation Reserve	Above	\$ 878,643.84		
Prior Year Encumbrances	A-16	<u>742,643.26</u>		
		\$ <u>1,621,287.10</u>		
Transfer to Accounts Payable	A-23		\$ 108,455.77	
Disbursed	A-4		<u>837,644.80</u>	
			\$ <u>946,100.57</u>	

Exhibit A-16**Borough of River Edge , N.J.****Schedule of Encumbrances Payable****Current Fund****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	A	\$ 742,643.26
Increased by:		
Transfer from Current Appropriations	A-3	<u>339,247.04</u>
		1,081,890.30
Decreased by:		
Transfer to Appropriation Reserves	A-15	<u>742,643.26</u>
Balance - December 31, 2020	A	\$ <u><u>339,247.04</u></u>

Exhibit A-17**Schedule of Prepaid Taxes****Current Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	A	\$ 211,696.12
Increased by:		
Receipts - Prepaid 2021 Taxes	A-8	<u>431,137.31</u>
		642,833.43
Decreased by:		
Applied to 2020 Taxes	A-9	<u>211,696.12</u>
Balance - December 31, 2020	A	\$ <u><u>431,137.31</u></u>

Borough of River Edge , N.J.

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

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	A	\$ 9,598.24
Increased by:		
State Share of Senior Citizens and Veteran		
Deductions Received in Cash	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">61,953.42</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		71,551.66
Decreased by:		
Senior Citizens' Deductions Per Tax Billing		\$ 5,000.00
Veterans' Deductions Per Tax Billing		58,000.00
Senior Citizens' and Veterans' Allowed		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">500.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		63,500.00
Less:		
Senior Citizens' and Veterans' Disallowed - Prior		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">1,046.58</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
	A-9	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">62,453.42</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
Balance - December 31, 2020	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 9,098.24</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

Borough of River Edge , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Balance - December 31, 2019			
School Tax Deferred		<u>8,424,752.00</u>	8,424,752.00
Increased by:			
Levy School Year - July 1, 2020			
to June 30, 2021	A-9	<u>17,231,716.00</u>	25,656,468.00
Decreased by:			
Payments	A-4	<u>17,067,721.00</u>	
Balance - December 31, 2020			
School Tax Deferred		<u>8,588,747.00</u>	<u>8,588,747.00</u>
2020 Liability for Local School District Tax			
Tax Paid			17,067,721.00
Less: Tax Payable - Dec. 31, 2019			<u> </u>
Amount Charged to 2020 Operations	A-1	<u>17,067,721.00</u>	<u>17,067,721.00</u>

Borough of River Edge , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Balance - December 31, 2019			
School Tax Deferred		<u>7,890,209.00</u>	7,890,209.00
Increased by:			
Levy School Year - July 1, 2020			
to June 30, 2021	A-9	<u>16,824,909.00</u>	
			<u>24,715,118.00</u>
Decreased by:			
Payments	A-4	<u>16,302,663.50</u>	
Balance - December 31, 2020			
School Tax Deferred		<u>8,412,454.50</u>	<u>8,412,454.50</u>
2020 Liability for Regional High School Tax			
Tax Paid			16,302,663.50
Less: Tax Payable - Dec. 31, 2019			<u> </u>
Amount Charged to 2020 Operations	A-1		<u>16,302,663.50</u>

Borough of River Edge , N.J.

Schedule of Municipal Open Space Taxes Payable

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Increased by:			
Levy - Original	A-1/A-9	148,125.25	
Added and Omitted Taxes	A-1/A-9	<u>332.67</u>	
			<u>148,457.92</u>
Decreased by:			
Payments	A-4		<u>148,457.92</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Increased by:			
Levy - General	A-1/A-9	4,640,408.18	
Levy - Open Space	A-1/A-9	195,093.23	
Added and Omitted Taxes	A-1/A-9	<u>10,873.77</u>	
			4,846,375.18
Decreased by:			
Payments	A-4		<u>4,835,501.41</u>
Balance - December 31, 2020	A		<u>10,873.77</u>

Borough of River Edge , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2020

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2019	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2020
<u>Liabilities:</u>				
Tax Overpayments	\$	100,504.34	100,504.34	
Accounts Payable	117,463.86	108,455.77	17,232.00	208,687.63
Due to State of N.J. - Const. Code Surcharge		10,828.00	10,828.00	
Due to State of N.J. - Marriage License Fees		725.00	725.00	
Due to Library		3,344.80	2,684.82	659.98
<u>Reserves for:</u>				
Codification of Ordinance	3,601.45		1,774.00	1,827.45
Sale of Municipal Assets	38,182.16	15,957.18	14,938.75	39,200.59
Maintenance of Free Public Library		4,914.00	4,914.00	
Tax Appeals Pending	503,591.98		9,571.68	494,020.30
	<u>\$ 662,839.45</u>	<u>244,729.09</u>	<u>163,172.59</u>	<u>744,395.95</u>
	A			A
	<u>Ref.</u>			
Applied to Current Year Revenue	A-2		14,938.75	
Receipts	A-4	136,273.32		
Disbursed	A-4		148,233.84	
Transfer from Appropriation Reserves	A-15	108,455.77		
		<u>244,729.09</u>	<u>163,172.59</u>	

Borough of River Edge , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer From 2020 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2020</u>
Local Grants:				
Police Department Donation	\$ 500.00			500.00
Bergen County Regional SWAT	1,500.00			1,500.00
Municipal Alliance	2,469.00	2,469.00	850.00	4,088.00
	<u>4,469.00</u>	<u>2,469.00</u>	<u>850.00</u>	<u>6,088.00</u>
Federal Grants:				
Community Development Grant Block Grant		59,000.00	58,996.00	4.00
Bullet Proof Vest Partnership Grant	2,415.61		1,675.82	739.79
	<u>2,415.61</u>	<u>59,000.00</u>	<u>60,671.82</u>	<u>743.79</u>
State Grants:				
Body Armor Replacement Grant	3,680.58	2,598.35	3,680.58	2,598.35
Drunk Driving Enforcement Fund	9,974.07		525.87	9,448.20
Clean Communities Grant	22,723.31		22,088.83	634.48
Cooperative Housing Inspection Grant	11,319.00	944.00	1,132.00	11,131.00
Nursing Services for Nonpublic Schools	24,466.55		11,473.50	12,993.05
Municipal Alliance	11,935.46	9,876.00	1,050.00	20,761.46
Public Health Priority Funding Act	11,620.06			11,620.06
Alcohol Education and Rehabilitation Fund	9,763.35		490.00	9,273.35
Recycling Tonnage Grant	30.78	10,510.43	2,633.95	7,907.26
Community Stewardship Incentive Program	373.00		373.00	
	<u>105,886.16</u>	<u>23,928.78</u>	<u>43,447.73</u>	<u>86,367.21</u>
	\$ <u>112,770.77</u>	<u>85,397.78</u>	<u>104,969.55</u>	<u>93,199.00</u>
	A			A
	<u>Ref.</u>			
Transfer from Budget Appropriations	A-3	82,928.78		
Matching Funds for Grants	A-3	2,469.00		
Disbursement	A-5		104,969.55	
		<u>85,397.78</u>	<u>104,969.55</u>	

Borough of River Edge , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer To 2020 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2020</u>
Local Grants:				
Bergen County Regional SWAT	\$ <u> </u>	<u> </u>	1,500.00	1,500.00
	<u> </u>	<u> </u>	1,500.00	1,500.00
State Grants:				
Body Armor Replacement Grant			0.01	0.01
Clean Communities Grant			19,607.44	19,607.44
Nursing Services for Nonpublic Schools			13,639.00	13,639.00
Alcohol Education and Rehabilitation Fund			1,333.66	1,333.66
Recycling Tonnage Grant	10,510.43	10,510.43		
Cooperative Housing Inspection Grant	368.00	368.00	580.00	580.00
	<u>10,878.43</u>	<u>10,878.43</u>	<u>35,160.11</u>	<u>35,160.11</u>
	\$ <u>10,878.43</u>	<u>10,878.43</u>	<u>36,660.11</u>	<u>36,660.11</u>
	A	A-14	A-5	A

Borough of River Edge , N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal License Fund</u>	<u>Other Trust Fund</u>	Unaudited Emergency Services Volunteer <u>LOSAP</u>
Balance - December 31, 2019	B	\$ 270.37	7,380.20	1,718,072.91	1,907,931.37
Increase by Receipts:					
Assessments Receivable	B-4	95.51			
LOSAP - Contributions Receivable	B-5				59,160.00
Interfund - Current Fund	B-6	0.81	21.04	1,394.93	
Dog License Fees	B-7		3,704.00		
Due State Dept. of Health	B-8		489.00		
Other Trust Funds	B-9			855,611.28	
Reserve for Insurance Funds	B-10			152,732.22	
Reserve for Recreation Commission	B-11			53,758.65	
Payroll Deductions	B-12			3,964,204.79	
LOSAP - Net Assets Available	B-13				414,889.28
Total Receipts		<u>96.32</u>	<u>4,214.04</u>	<u>5,027,701.87</u>	<u>474,049.28</u>
		<u>366.69</u>	<u>11,594.24</u>	<u>6,745,774.78</u>	<u>2,381,980.65</u>
Decreased by Disbursements:					
Interfund - Current Fund	B-6			500.00	
Reserve for Dog Expenditures	B-7		1,876.84		
Due State Dept. of Health	B-8		492.60		
Other Trust Funds	B-9			755,078.74	
Reserve for Insurance Funds	B-10			55,773.32	
Reserve for Recreation Commission	B-11			47,421.69	
Payroll Deductions	B-12			4,026,468.34	
LOSAP - Net Assets Available	B-13				67,100.81
Total Disbursements		<u></u>	<u>2,369.44</u>	<u>4,885,242.09</u>	<u>67,100.81</u>
Balance - December 31, 2020	B	\$ <u>366.69</u>	<u>9,224.80</u>	<u>1,860,532.69</u>	<u>2,314,879.84</u>

Borough of River Edge , N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Fund Balance	B-1	\$ <u>366.69</u>
		\$ <u><u>366.69</u></u>

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

Trust Funds					
Year Ended December 31, 2020					
<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Annual Install- ments</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
1865	Resurfacing of 5th Avenue (Section IV)	9/5/2017	5	191.02	95.51
				\$ 191.02	95.51
				<u>B</u>	<u>B-2</u>
					<u>B</u>

Borough of River Edge , N.J.

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

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	B	\$ 74,460.00
Increased by:		
Adjustment		(15,300.00)
Borough Contributions		<u>53,040.00</u>
	B-13	<u>37,740.00</u>
		112,200.00
Decreased by:		
Receipts	B-2	<u>59,160.00</u>
Balance - December 31, 2020	B	<u><u>\$ 53,040.00</u></u>

Borough of River Edge

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2020

	Due from/(to) Balance			Due from/(to) Balance
	<u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2020</u>
Assessment Trust	\$	0.81		(0.81)
Animal Control Trust Fund		1,296.00		(1,296.00)
Other Trust Fund	<u>894.93</u>	<u>500.00</u>	<u>1,394.93</u>	<u></u>
	<u>\$ 894.93</u>	<u>1,796.81</u>	<u>1,394.93</u>	<u>(1,296.81)</u>

	<u>Ref.</u>		
Cash Receipts-Assessment Trust	B-2	0.81	
Cash Receipts-Animal Control Trust	B-2	21.04	
Cash Receipts - Other Trust Fund	B-2		1,394.93
Statutory Excess	B-7	1,274.96	
Cash Disbursements-Other Trust Fund	B-2	<u>500.00</u>	<u></u>
		<u>1,796.81</u>	<u>1,394.93</u>

Borough of River Edge , N.J.

Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	B	\$ 7,376.60
Increased by:		
Dog License Fees - Borough Share		3,332.00
Cat License Fees - Borough Share		234.00
Late Fees		138.00
	B-2	<u>3,704.00</u>
		11,080.60
Decreased by:		
Expenditures	B-2	1,876.84
Statutory Excess to Current Fund	B-6	<u>1,274.96</u>
		<u>3,151.80</u>
Balance - December 31, 2020	B	\$ <u><u>7,928.80</u></u>

License Fees Collected

2019	4,129.20
2018	<u>3,799.60</u>
	<u><u>7,928.80</u></u>

Due to State Department of Health

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019		3.60
Increased by:		
State Dog License Fees:	B-2	\$ <u>489.00</u>
		492.60
Decreased by:		
Disbursed	B-2	\$ <u>492.60</u>
Balance - December 31, 2020		<u><u> </u></u>

Borough of River Edge , N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2020

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Developers' Escrow	\$ 77,048.14	27,643.10	45,542.30	59,148.94
Fire Prevention Penalties	1,623.00			1,623.00
Recycling	109,702.69	12,270.46	40,720.71	81,252.44
Vacancy Inspection	6.10	4,200.00	4,100.00	106.10
P.O.A.A.	3,237.52	102.00		3,339.52
Tax Sale Redemption		68,967.88	68,967.88	
Municipal Alliance	4,232.98		389.00	3,843.98
Street Opening Permits	2,000.00	500.00	500.00	2,000.00
Performance Bonds	352,640.00	8,000.00	33,940.00	326,700.00
Storm Recovery	87,430.26			87,430.26
Commodity Resale	3,120.06	3,581.51	3,753.86	2,947.71
Public Defender	725.00	924.00		1,649.00
Accumulated Absences	57,005.00	80,000.00	57,540.85	79,464.15
Municipal Open Space	266,774.40	148,457.92	157,330.30	257,902.02
September 11th Memorial Gardens	3,881.98			3,881.98
Police Outside Duty	7,695.00	238,029.81	219,028.56	26,696.25
Donations Beautification	3,978.42	1,000.00	700.00	4,278.42
Donations - Stigma Free	591.25			591.25
Tax Sale Premium		232,600.00	91,300.00	141,300.00
Donations Shade Tree Commission	31,518.78	5,375.00	6,718.00	30,175.78
Performance Bonds - Shade Tree	91,032.63	21,899.60	5,681.87	107,250.36
Senior / Community Center	8,687.75			8,687.75
Park & Field Maintenance	80,176.91	1,560.00	16,551.41	65,185.50
Donations Special Events	12,191.34	500.00	2,314.00	10,377.34
	<u>\$ 1,205,299.21</u>	<u>855,611.28</u>	<u>755,078.74</u>	<u>1,305,831.75</u>
	B	B-2	B-2	B

Borough of River Edge , N.J.

Schedule of Reserve for Insurance Funds

Trust Funds

Year Ended December 31, 2020

<u>Insurance Fund</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased by:</u>			<u>Paid or Billed</u>	<u>Balance Dec. 31, 2020</u>
		<u>Interest Earned</u>	<u>Payroll</u>	<u>Insurance Proceeds</u>		
				<u>Budget Appropriations</u>		
General Liability Self Insurance Fund	\$ 75,538.83			115,619.30	42,991.28	148,166.85
Unemployment Insurance Trust Fund	9,403.05	22.74	17,090.18	20,000.00	12,782.04	33,733.93
	<u>\$ 84,941.88</u>	<u>22.74</u>	<u>17,090.18</u>	<u>20,000.00</u>	<u>55,773.32</u>	<u>181,900.78</u>
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

Borough of River Edge , N.J.

Schedule of Reserve for Recreation Commission

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	B	\$ 124,395.50
Increased by:		
Receipts	B-2	<u>53,758.65</u>
		178,154.15
Decreased by:		
Disbursed	B-2	<u>47,421.69</u>
Balance - December 31, 2020	B	\$ <u><u>130,732.46</u></u>

Borough of River Edge , N.J.
Schedule of Payroll Deductions Payable
Trust Funds
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	B	\$ 304,331.25
Increased by:		
Receipts	B-2	<u>3,964,204.79</u> 4,268,536.04
Decreased by:		
Disbursed	B-2	<u>4,026,468.34</u>
Balance - December 31, 2020	B	\$ <u><u>242,067.70</u></u>
Health Benefits Contribution		241,803.93
Public Employees' Retirement System		265.13
Police and Firemen's Retirement System		<u>(1.36)</u>
		<u><u>242,067.70</u></u>

Borough of River Edge , N.J.

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

Trust Funds

Year Ended December 31, 2020

	<u>Ref.</u>		
Balance - December 31, 2019	B		\$ 1,982,391.37
Increased by:			
Borough Contributions	B-5	\$ 37,740.00	
Appreciation/(Loss)	B-2	<u>414,889.28</u>	
			<u>452,629.28</u>
			2,435,020.65
Decreased by:			
Withdrawals		64,000.81	
Administration Fee		<u>3,100.00</u>	
	B-2		<u>67,100.81</u>
Balance - December 31, 2020	B		<u><u>\$ 2,367,919.84</u></u>

Borough of River Edge , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2020

	<u>Ref.</u>		
Balance - December 31, 2019	C		\$ 1,804,315.27
Increased by Receipts:			
Premium on Sale of Bonds	C-1	\$ 56,850.39	
Various Grants Receivable	C-4	293,623.45	
Interfunds	C-5	4,161.48	
Deferred Charges to Future Taxation			
- Unfunded	C-7	336,220.14	
General Improvement Bonds	C-8	5,605,000.00	
Capital Improvement Fund	C-11	<u>439,219.00</u>	
			<u>6,735,074.46</u>
			8,539,389.73
Decreased by Disbursements:			
Interfunds	C-5	4,161.48	
Bond Anticipation Notes	C-9	2,246,000.00	
Improvement Authorizations	C-10	<u>2,087,369.91</u>	
			<u>4,337,531.39</u>
Balance - December 31, 2020	C, C-3		\$ <u><u>4,201,858.34</u></u>

Borough of River Edge , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Fund Balance	C-1	\$ 132,456.88
Due from Bergen County - Open Space Trust	C-4	(234,905.00)
Due from Bergen County - CDBG	C-4	(180,000.00)
Capital Improvement Fund	C-11	15,328.03

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1789	Various Public Improvements	3,111.64
1806/1825	Various Public Improvements & Acquisitions	16,903.78
1807	Acquisition of New or Replacement Equipment	7,753.17
1827	Purchase of Equipment and Improvement to Buildings and Grounds	3,288.39
1829	Various Public Improvements & Acquisitions	37,145.83
1830	Various Public Improvements & Acquisitions	29,594.52
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	597.70
1837	Undertaking of a School Safety Project	31,240.61
1844	Improvement of Borough Grounds	1,606.48
1856	Purchase of Equip. & Imp. Buildings & Grounds	4,143.58
1859	Various Public Improvements & Acquisitions	92,229.40
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	10,310.36
17-12	Various Public Improvements & Acquisitions	551,097.10
17-18	Acq. of New Information Technology Equipment	7,159.00
17-22	Various Improvements to Senior/Community Center	479,000.00
17-25	Various Improvements to Senior/Community Center	257,000.00
17-26	Storm and Sanitary Sewer Replacement	(20,823.12)
18-08	Purchase of Equipment	2,910.62
18-09	Purchase of Equipment, Improv of Boro Grounds	676.07
18-10	Various Public Improvements & Acquisitions	534,267.20
18-11	Supplemental Funding Senior Community Center	20,624.00
18-18	Replacement of Sidewalks & Curb Ramps	1,942.50
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	58,100.32
19-09	Purchase of Equipment	4,395.00
19-10	Purchase of Equipment	5,383.37
19-13	Various Public Improvements & Acquisitions	850,142.10
19-19	Purchase of Equipment, Improv of Boro Grounds	5,093.00
20-05	Various Public Improvements & Acquisitions	309,337.12
20-06	Various Public Improvements & Acquisitions	1,533,084.95
20-07	Improvement to Bogart Ave (Section 3 & 4)	(368,336.26)

C, C-2 \$ 4,201,858.34

Borough of River Edge , N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2020

	<u>Balance,</u> <u>Dec. 31, 2019</u>	<u>Grants</u> <u>Approved</u>	<u>Cash</u> <u>Received</u>	<u>Balance,</u> <u>Dec. 31, 2020</u>
<u>New Jersey Department of Transportation</u>				
Ord. 1836 - Trans. Alternatives Program - Kinderkamack Rd	800,000.00			800,000.00
Ord. 1837 - Safe Routes to School	315,000.00			315,000.00
Ord. 18-24 - Bogert Rd	218,000.00		93,623.45	124,376.55
Ord. 18-24 - Howland Ave	200,000.00		200,000.00	
Ord. 20-7 - Bogert Rd Sections 3 & 4		427,000.00		427,000.00
	<u>1,533,000.00</u>	<u>427,000.00</u>	<u>293,623.45</u>	<u>1,666,376.55</u>
				contra
<u>Bergen County Open Space Trust</u>				
Ord. 19-04 - Improvements to Various Parks	60,390.00			60,390.00
Ord. 19-14 - Reconstruct of Courts - Veteran's Memorial Park	37,640.00			37,640.00
Ord. 20-06 - Roosevelt Field Renovations		136,875.00		136,875.00
	<u>98,030.00</u>	<u>136,875.00</u>		<u>234,905.00</u>
<u>Bergen County Community Development:</u>				
Ord. 20-06 - Road Resurfacing of Reservoir Avenue		180,000.00		180,000.00
		<u>180,000.00</u>		<u>180,000.00</u>
	<u>1,631,030.00</u>	<u>743,875.00</u>	<u>293,623.45</u>	<u>2,081,281.55</u>
	C		C-2	C/C-3
	Ref.			
Improvement Authorizations	C-10	316,875.00		
Reserve for Receivables	C-12	<u>427,000.00</u>		
		<u>743,875.00</u>		

Borough of River Edge , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2020

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2019</u>	<u>Increases by</u>	<u>Decreased by</u>	Due From/(To) Balance <u>Dec. 31, 2020</u>
Current Fund	C		4,161.48	4,161.48	
			<u>4,161.48</u>	<u>4,161.48</u>	
		<u>Ref.</u>			
Cash Receipts	C-2		4,161.48		
Cash Disbursements	C-2			<u>4,161.48</u>	
			<u>4,161.48</u>	<u>4,161.48</u>	

Borough of River Edge , N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	C	\$ 6,385,000.00
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued	C-7	<u>5,605,000.00</u>
		11,990,000.00
Decreased by:		
Budget Appropriations to Pay Bonds	C-8	<u>985,000.00</u>
Balance - December 31, 2020	C	<u><u>\$ 11,005,000.00</u></u>

Borough of River Edge, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance, Dec. 31, 2019	2020 Authorizations	Authorizations Funded	Transferred to Deferred Taxation Funded	Analysis of Balance - Dec. 31, 2020		
						Balance, Dec. 31, 2020	Expended	Unexpended Improvement Authorization
<u>General Improvements:</u>								
1835	Resurfacing of 5th Avenue (Section 3)	\$ 8,489.76		8,489.76				
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	930,000.00			130,000.00	800,000.00		800,000.00
1837	School Safety Improvement Project	450,000.00			135,000.00	315,000.00		315,000.00
1865	Resurfacing of 5th Avenue (Section 4)	32,761.89		32,761.89				
17-12	Various Public Improvements & Acquisitions	11,000.00		11,000.00				
17-19	Acquisition of Radio Equipment	22,500.00		22,500.00				
17-26	Storm & Sanitary Sewer Replacement	285,000.00		261,468.49		23,531.51	20,823.12	2,708.39
18-10	Various Public Improvements	2,146,050.00			1,484,280.00	661,770.00		661,770.00
18-18	Replacement of Sidewalks & Curb Ramps	38,000.00			38,000.00			
18-20	Acquisition of Front End Loader	147,476.00			147,476.00			
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	698,000.00		293,623.45	280,000.00	124,376.55		124,376.55
19-13	Various Public Improvements & Acquisitions	1,697,291.00			1,697,291.00			
20-06	Various Public Improvements & Acquisitions		1,884,548.00		1,692,953.00	191,595.00		191,595.00
20-07	Improvement to Bogart Ave (Section 3 & 4)		509,200.00			509,200.00	368,336.26	140,863.74

Ref.

Funded by Budget Appropriation
Cash Receipts
Funded by Grant Proceeds

\$ 74,751.65
261,468.49
293,623.45
\$ 629,843.59

Borough of River Edge , N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
			Date	Amount					
General Improvement Bonds	12/15/2007	2,955,000.00	12-15-2021-22	195,000.00	3.75-4.00%	585,000.00		195,000.00	390,000.00
General Improvement Bonds	11/15/2013	2,970,000.00	11-15-2021	350,000.00	2.25%	1,400,000.00		350,000.00	1,050,000.00
			11-15-2022-23	350,000.00	2.50%				
General Improvement Bonds	11/1/2017	4,900,000.00	11-1-2021-26	440,000.00	2.125%	4,400,000.00		440,000.00	3,960,000.00
			11-1-2027	440,000.00	2.250%				
			11-1-2028	440,000.00	2.375%				
			11-1-2029	440,000.00	2.500%				
General Improvement Bonds	10/15/2020	5,605,000.00	10-15-2021	285,000.00	0.050%				5,605,000.00
			10-15-2022	315,000.00	0.050%				
			10-15-2023	500,000.00	0.050%				
			10-15-2024-25	550,000.00	.050%-1%				
			10-15-2026	555,000.00	1.500%				
			10-15-2027-31	570,000.00	2.000%		5,605,000.00		
						<u>\$ 6,385,000.00</u>	<u>5,605,000.00</u>	<u>985,000.00</u>	<u>11,005,000.00</u>
						<u>C</u>	<u>C-2</u>	<u>C-6</u>	<u>C</u>

Borough of River Edge, N.J.
Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	113,524.00	113,524.00	
17-26	Storm and Sanitary Sewer Replacement	285,000.00	285,000.00	
18-10	Various Public Improvements & Acquisitions	950,000.00	950,000.00	
18-20	Acquisition of Front End Loader	147,476.00	147,476.00	
19-13	Various Public Improvements & Acquisitions	750,000.00	750,000.00	
		<u>\$ 2,246,000.00</u>	<u>2,246,000.00</u>	
		C	C-2	C

Borough of River Edge, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance, Dec. 31, 2020	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>									
1789	Various Public Improvements	05/06/13	500,000.00	3,111.64				3,111.64	
1806/1825	Various Public Improvements & Acquisitions	04/21/14	1,330,000.00	16,903.78				16,903.78	
1807	Acquisition of New or Replacement Equipment	04/21/14	810,000.00	7,753.17				7,753.17	
1827	Purchase of Equipment and Improvement to Buildings and Grounds	04/20/15	40,000.00	3,288.39				3,288.39	
1829	Various Public Improvements & Acquisitions	05/04/15	840,000.00	37,145.83				37,145.83	
1830	Various Public Improvements & Acquisitions	05/04/15	543,000.00	29,594.52				29,594.52	
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	06/15/15	1,090,000.00		816,222.70		15,625.00	597.70	800,000.00
1837	School Safety Improvement Project	06/15/15	450,000.00		375,532.45		29,291.84	31,240.61	315,000.00
1844	Improvement of Borough Grounds	12/08/15	6,000.00	1,606.48				1,606.48	
1856	Purchase of Equip. & Imp. Buildings & Grounds	04/04/16	29,500.00	4,143.58				4,143.58	
1859	Various Public Improvements & Acquisitions	04/18/16	790,000.00	96,729.40			4,500.00	92,229.40	
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	04/03/17	20,000.00	10,310.36				10,310.36	
17-12	Various Public Improvements & Acquisitions	05/01/17	1,243,000.00	723,786.69	11,000.00		183,689.59	551,097.10	
17-18	Acq. of New Information Technology Equipment	06/20/17	12,000.00	12,000.00			4,841.00	7,159.00	
17-22	Various Improvements to Senior/Community Center	09/05/17	479,000.00	479,000.00				479,000.00	
17-25	Various Improvements to Senior/Community Center	11/20/17	257,000.00	257,000.00				257,000.00	2,708.39
17-26	Storm and Sanitary Sewer Replacement	11/20/17	300,000.00		2,708.39				
18-08	Purchase of Equipment	04/09/18	19,546.00	3,304.62			394.00	2,910.62	
18-09	Purchase of Equipment, Improv of Boro Grounds	04/09/18	20,000.00	676.07				676.07	
18-10	Various Public Improvements	04/23/18	2,259,000.00		1,204,063.71		8,026.51	534,267.20	661,770.00
18-11	Supplemental Funding Senior Community Center	05/29/18	20,624.00	20,624.00				20,624.00	
18-18	Replacement of Sidewalks & Curb Ramps	08/13/18	40,000.00		1,942.50			1,942.50	
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	11/19/18	698,000.00		675,416.50		492,939.63	58,100.32	124,376.55
19-04	Improvements to Various Parks	02/11/19	60,390.00	60,390.00			60,390.00		
19-09	Purchase of Equipment	04/22/19	20,000.00	12,874.68			8,479.68	4,395.00	
19-10	Purchase of Equipment	04/22/19	15,385.00	12,515.01			7,131.64	5,383.37	
19-13	Various Public Improvements & Acquisitions	05/28/19	1,787,395.00		1,115,796.93		265,654.83	850,142.10	

Borough of River Edge, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance, Dec. 31, 2020	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
19-14	Reconstruction of Courts - Veteran's Memorial Park	05/28/19	37,640.00	37,640.00			37,640.00	5,093.00	
19-19	Purchase of Equipment, Improv of Boro Grounds	09/09/19	25,000.00	5,093.00				309,337.12	
20-05	Various Public Improvements & Acquisitions					338,792.00	29,454.88		
20-06	Various Public Improvements & Acquisitions					2,295,655.00	570,975.05	1,533,084.95	191,595.00
20-07	Improvement to Bogart Ave (Section 3 & 4)					509,200.00	368,336.26		140,863.74
				<u>\$ 1,835,491.22</u>	<u>4,202,683.18</u>	<u>3,143,647.00</u>	<u>2,087,369.91</u>	<u>4,858,137.81</u>	<u>2,236,313.68</u>
				C	C		C-2	C	C
					Ref.				
					C-4	316,875.00			
					C-11	433,024.00			
					C-7	2,393,748.00			
					Deferred Charges to Future Taxation - Unfunded				
						<u>\$ 3,143,647.00</u>			

Borough of River Edge , N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance - December 31, 2019	C	\$ 9,133.03
Increased by:		
Budget Appropriation	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">439,219.00</div> <div style="border-top: 1px solid black; text-align: right;">448,352.03</div> </div>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">433,024.00</div> <div style="border-top: 1px solid black; text-align: right;">433,024.00</div> </div>
Balance - December 31, 2020	C/C-3	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 15,328.03</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">15,328.03</div> </div>

Borough of River Edge , N.J.

Schedule of Reserve for Receivables

General Capital Fund

Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 1,533,000.00
Increased by:		
Grant Awards	C-4	<u>427,000.00</u>
		1,960,000.00
Decreased by:		
Receipt	C-7	<u>293,623.45</u>
Balance, December 31, 2020	C	<u><u>\$ 1,666,376.55</u></u>

Borough of River Edge , N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance,	Increased	Decreased	Balance,
		Dec. 31, 2019			Dec. 31, 2020
General Improvements:					
1835	Resurfacing of 5th Avenue (Section 3)	\$ 8,489.76		8,489.76	
1836	Kinderkamack Rd. Regional Revitalization Project - Ph. 3	816,476.00		16,476.00	800,000.00
1837	School Safety Improvement Project	450,000.00		135,000.00	315,000.00
1865	Resurfacing of 5th Avenue (Section 4)	32,761.89		32,761.89	
17-12	Various Public Improvements & Acquisitions	11,000.00		11,000.00	
17-19	Acquisition of Radio Equipment	22,500.00		22,500.00	
17-26	Storm & Sanitary Sewer Replacement		23,531.51		23,531.51
18-10	Various Public Improvements	1,196,050.00		534,280.00	661,770.00
18-18	Replacement of Sidewalks & Curb Ramps	38,000.00		38,000.00	
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)	698,000.00		573,623.45	124,376.55
19-13	Various Public Improvements & Acquisitions	947,291.00		947,291.00	
20-06	Various Public Improvements & Acquisitions		1,884,548.00	1,692,953.00	191,595.00
20-07	Improvement to Bogart Ave (Section 3 & 4)		509,200.00		509,200.00
		\$ 4,220,568.65	2,417,279.51	4,012,375.10	2,625,473.06
		Footnote C			Footnote C

BOROUGH OF RIVER EDGE

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of River Edge in the County of Bergen as of and for the year ended December 31, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 22, 2021, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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

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


Compliance and Other Matters


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

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

Purpose of this Report

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


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


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

July 22, 2021



GENERAL COMMENTS

Contracts and Agreements

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

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010, the threshold was increased to \$26,000.00 and \$36,000.00 with a qualified purchasing agent. On July 1, 2015, the amount for a qualified purchasing agent was increased to \$40,000.00 and on July 1, 2020 this amount was increased to \$44,000.00.

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

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

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

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

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

- Flashing Beacon Assemblies
- Basketball Courts an In-Line Rink Reconstruction
- Curb Replacement Project
- Bogert Road Improvement Project
- ADA Curb/ Ramp Improvements
- Solid Waste Collection Services

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

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

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

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2020 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2020	6
2019	6
2018	6

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

Verification of Delinquent Taxes and Other Charges

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

The result of the test, which was made for the year ending December 31, 2020, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

COMMENTS

1. 1st quarter payroll taxes were not filed in a timely manner.
2. One eligible employee was not enrolled in the DCRP.

RECOMMENDATIONS

1. That all quarterly payroll taxes be filed in a timely manner.
2. That all eligible employees be enrolled in the DCRP.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

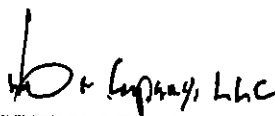
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,



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



WIELKOTZ & COMPANY, LLC
Certified Public Accountants