

**REPORT OF AUDIT**  
**BOROUGH OF RIVER EDGE**  
**COUNTY OF BERGEN**  
**DECEMBER 31, 2015**

**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, 2015**

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## INDEPENDENT AUDITOR'S REPORT

June 22, 2016

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, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



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

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

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, 2015 and 2014, or changes in financial position for the years then ended.



The Honorable Mayor and  
Members of the Borough Council  
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***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 13 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,285,487.70 and \$1,210,302.83 for 2015 and 2014, 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 balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of 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  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2016 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.



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Registered Municipal Accountant  
No. 413



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Certified Public Accountants  
Pompton Lakes, New Jersey

June 22, 2016



## Borough of River Edge , N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ <u>5,085,674.97</u>	<u>4,108,754.51</u>
		<u>5,085,674.97</u>	<u>4,108,754.51</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	258,359.91	366,608.09
Tax Title Liens Receivable	A-10	94,262.82	181,837.83
Revenue Accounts Receivable	A-11	<u>10,603.12</u>	<u>15,006.79</u>
		<u>363,225.85</u>	<u>563,452.71</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	<u>41,340.00</u>	<u>79,840.00</u>
		<u>41,340.00</u>	<u>79,840.00</u>
		<u>5,490,240.82</u>	<u>4,752,047.22</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-5	49,295.55	60,581.08
Grants Receivable	A-14	<u>92,906.14</u>	<u>31,685.95</u>
		<u>142,201.69</u>	<u>92,267.03</u>
Total Assets		\$ <u><u>5,632,442.51</u></u>	<u><u>4,844,314.25</u></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, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 724,125.01	810,102.36
Encumbrances Payable	A-16	452,912.15	310,916.72
Prepaid Taxes	A-17	190,930.33	195,980.83
Due from State of NJ Senior Cit. and Vet. Ded.	A-18	9,098.24	10,348.24
Interfund - Grant Fund	A	49,295.55	60,581.08
Tax Overpayments	A-23	0.01	
Accounts Payable	A-23	111,190.85	167,223.86
Special Emergency Note Payable	A-23	34,000.00	69,000.00
Due to FEMA	A-23		4,694.00
Reserve for:			
Codification of Ordinance	A-23	3,012.02	3,012.02
Sale of Municipal Assets	A-23	58,475.56	39,438.12
		<u>1,633,039.72</u>	<u>1,671,297.23</u>
Reserve for Receivables	Contra	363,225.85	563,452.71
Fund Balance	A-1	<u>3,493,975.25</u>	<u>2,517,297.28</u>
		<u>5,490,240.82</u>	<u>4,752,047.22</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	142,201.69	73,617.25
Unappropriated Reserve for Grants	A-25	18,649.78	18,649.78
		<u>142,201.69</u>	<u>92,267.03</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 5,632,442.51</u>	<u>4,844,314.25</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, 2015 and 2014**

	Ref.	2015	2014
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 425,000.00	425,000.00
Miscellaneous Revenue Anticipated	A-2	2,114,762.63	2,075,735.45
Receipts from Delinquent Taxes	A-2	461,002.20	375,884.14
Receipts from Current Taxes	A-2	46,279,531.61	45,958,694.09
Non-Budget Revenue	A-2	100,041.40	54,633.92
Other Credits to Income:			
State Dated Checks Voided			660.42
Cancellation of Appropriated Reserves for Grants	A-24	1,311.55	1,457.70
Unexpended Balance of Appropriation Reserves	A-15	331,656.21	191,600.23
Cancelled - Accounts Payable	A-23	79,245.16	41,759.48
Refund Prior Year Expenditure			500.88
		<u>49,792,550.76</u>	<u>49,125,926.31</u>
Total Revenues and Other Income			
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	6,108,612.00	5,941,778.00
Other Expenses	A-3	5,608,775.64	5,304,579.98
Capital Improvements	A-3	82,513.00	103,841.00
Municipal Debt Service	A-3	1,466,505.21	1,498,613.05
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,386,226.44	1,352,984.47
Refund/Adjustment of Prior Year Revenue	A-4	34,239.45	114,923.09
Correction for Change Fund			250.00
Cancellation of Federal and State Grants Receivable	A-14	1,311.55	1,457.70
Local District School Tax	A-19	14,925,975.00	14,875,483.00
Regional High School Tax	A-20	14,651,435.50	14,625,333.00
Municipal Open Space Taxes	A-21	144,955.67	144,160.60
County Taxes including Added Taxes	A-22	3,980,323.33	3,924,577.72
		<u>48,390,872.79</u>	<u>47,887,981.61</u>
Excess Total Expenditures		1,401,677.97	1,237,944.70
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>5,000.00</u>
Statutory Excess to Fund Balance		1,401,677.97	1,242,944.70
Fund Balance, January 1,	A	<u>2,517,297.28</u>	<u>1,699,352.58</u>
		3,918,975.25	2,942,297.28
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>425,000.00</u>	<u>425,000.00</u>
Fund Balance, December 31,	A	<u>\$ 3,493,975.25</u>	<u>2,517,297.28</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

Page 1 of 3

## Current Fund

Year Ended December 31, 2015

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 425,000.00	425,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	15,050.00	15,550.00	500.00
Fees and Permits				
Other	A-2	73,000.00	60,065.85	(12,934.15)
Fines and Costs:				
Municipal Court	A-11	115,000.00	146,260.51	31,260.51
Interest and Costs on Taxes	A-8	100,000.00	135,541.04	35,541.04
Interest on Investments	A-11	750.58	1,203.02	452.44
Parking Lot Fees	A-11	26,500.00	30,595.00	4,095.00
Energy Receipts Tax	A-11	1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-11	13,722.00	13,722.00	
Uniform Construction Code Fees	A-11	216,500.00	202,254.00	(14,246.00)
Special Items of General Revenue Anticipated				
With Prior written Consent of Director of				
Local Government Services:				
Interlocal Municipal Service Agreements				
County of Bergen - Snow Removal	A-11	14,460.00	14,460.00	
Public and Private Revenues:				
Recycling Tonnage Grant	A-14	18,501.78	18,501.78	
Drunk Driving Enforcement Fund	A-14	3,792.46	3,792.46	
Alcohol Education and Rehabilitation Fund	A-14	1,237.60	1,237.60	
Clean Communities Program	A-14	21,464.29	21,464.29	
Municipal Alliance on Alcoholism & Drug Abuse	A-14	19,752.00	19,752.00	
Nursing Services for Public School	A-14	13,793.40	13,793.40	
Body Armor Replacement Grant	A-14	2,436.47	2,436.47	
Certified Local Govt Historical Grant	A-14	19,382.00	19,382.00	
Community Development - Senior Bus Driver	A-14	13,500.00	13,500.00	
Community Development - Senior Activities	A-14	1,800.00	1,800.00	
FEMA - Hazard Mitigation Grant	A-14	50,000.00	50,000.00	
FEMA - Assistance to Firefighters Grant	A-14	4,694.00	4,694.00	
Cooperative Housing Inspection Grant	A-14	1,016.00	1,016.00	
Donation Memorial Park Bench Program	A-11	4,500.00	4,500.00	
Donation Police	A-11	63.64	63.64	
Other Special Items:				
Uniform Fire Safety Act	A-11	10,000.00	10,095.80	95.80
Cable Television Fees	A-11	153,296.56	153,296.56	
Reserve for Sale of Assets	A-23	5,000.00	5,000.00	
Police Outside Duty	A-11	50,000.00	93,792.21	43,792.21
Total Miscellaneous Revenues	A-1	2,026,205.78	2,114,762.63	88,556.85
Receipts from Delinquent Taxes	A-1/A-2	340,000.00	461,002.20	121,002.20
Subtotal General Revenues		2,791,205.78	3,000,764.83	209,559.05
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		11,837,962.00	12,211,974.31	374,012.31
Minimum Library Tax		546,761.00	546,761.00	
Total Amount to be Raised by Taxes for Support of Budget	A-2	12,384,723.00	12,758,735.31	374,012.31
Budget Totals		15,175,928.78	15,759,500.14	583,571.36
Non-Budget Revenue	A-1/A-2		100,041.40	100,041.40
		\$ 15,175,928.78	15,859,541.54	683,612.76
Adopted Budget	A-3	15,050,902.92		
Appropriated by N.J.S. 40A:4-87	A-3	125,025.86		
		15,175,928.78		

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, 2015**

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1,A-8	\$ 46,279,531.61
Allocated to School, Municipal Open Space and County Taxes	A-9	<u>34,035,098.00</u>
Balance for Support of Municipal Budget Appropriations		12,244,433.61
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>514,301.70</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,758,735.31</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-9	\$ 359,980.13
Tax Title Liens	A-10	<u>101,022.07</u>
	A-2	<u>\$ 461,002.20</u>
Fees and Permits - Other:		
Clerk	A-11	\$ 32,512.25
Police	A-11	2,081.60
Board of Health	A-11	10,590.00
Fire	A-11	<u>14,882.00</u>
	A-2	<u>\$ 60,065.85</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, 2015**

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Revenue Accounts Receivable		
Planning Board	A-11	\$ 3,500.00
Board of Adjustment	A-11	1,840.00
Tax Collector	A-11	141.40
Tax Assessor	A-11	358.20
Rental of Borough Property	A-11	4,501.00
Farmers Market	\$	2,540.00
Crossing Guard Refunds		8,697.68
Board of Ed. / Polling Place / Election Refund		320.00
Swim Club Lease and Sewer Maintenance		500.00
Police Outside Duty Prior Year Revenue		53,662.50
Bergen County Utilities Authority Connection Fee		797.54
Administrative Fee Senior Citizen & Veteran Report		1,760.84
NJ Division of Motor Vehicles Inspection Fines		675.00
Commodity Resale Fuel Refund Prior Year		2,199.37
Miscellaneous / Contra		<u>18,547.87</u>
	A-4	<u>89,700.80</u>
	A-2	<u>\$ 100,041.40</u>

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Government:						
General Administration						
Salaries and Wages	\$	20,936.00	20,936.00	20,936.00		
Other Expenses		23,292.00	22,092.00	21,414.95	677.05	
Mayor and Council						
Salaries and Wages		29,000.00	29,000.00	28,540.23	459.77	
Other Expenses		9,410.00	8,410.00	5,742.25	2,667.75	
Municipal Clerk						
Salaries and Wages		117,137.00	117,137.00	115,086.96	2,050.04	
Other Expenses		47,220.00	50,220.00	48,282.96	1,937.04	
Financial Administration						
Salaries and Wages		294,481.00	293,481.00	279,951.97	13,529.03	
Other Expenses						
Audit Services		23,000.00	23,000.00	23,000.00		
Other Expenses - Miscellaneous		32,990.00	32,990.00	29,340.41	3,649.59	
Tax Assessment Administration						
Salaries and Wages		39,780.00	37,780.00	29,857.60	7,922.40	
Other Expenses		5,300.00	3,300.00	1,928.18	1,371.82	
Economic Development						
Other Expenses		20,000.00				
Revenue Administration						
Salaries and Wages		62,010.00	62,010.00	59,168.20	2,841.80	
Other Expenses		20,019.00	16,519.00	15,703.80	815.20	
Legal Services & Costs						
Other Expenses		150,000.00	192,000.00	184,931.94	7,068.06	
Municipal Court						
Salaries and Wages		114,788.00	114,788.00	106,260.64	8,527.36	
Other Expenses		12,445.00	12,445.00	9,833.06	2,611.94	
Public Defender						
Other Expenses		2,775.00	2,775.00	858.50	1,916.50	
Engineering Services and Costs						
Other Expenses		77,632.00	67,632.00	64,175.00	3,457.00	
Historical Sites Office						
Other Expenses		2,967.00	2,967.00	1,793.75	1,173.25	

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

**Current Fund**

**Year Ended December 31, 2015**

<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 Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		9,257.00	9,257.00	8,775.82	481.18	
Other Expenses		2,300.00	3,300.00	2,326.12	973.88	
Zoning Board of Adjustment						
Other Expenses		2,300.00	1,300.00	763.01	536.99	
Recycling						
Salaries and Wages		183,651.00	177,651.00	171,279.45	6,371.55	
Other Expenses		5,976.00	5,976.00	5,976.00		
Public Information						
Other Expenses		20,000.00	13,000.00	12,190.46	809.54	
Code Enforcement and Administration						
Other Code Enforcement Functions						
Salaries and Wages		32,661.00	32,661.00	28,273.90	4,387.10	
Other Expenses		500.00	700.00	549.94	150.06	
Insurance						
Liability Insurance		210,604.00	205,604.00	204,584.00	1,020.00	
Worker's Compensation		207,429.00	207,429.00	207,429.00		
Group Insurance Plan for Employees		967,008.00	967,008.00	831,851.35	135,156.65	
Health Benefit Waiver		20,000.00	20,000.00	11,680.49	8,319.51	
Public Safety:						
Fire						
Salaries and Wages		2,529.00	2,529.00	2,139.89	389.11	
Other Expenses		73,125.00	78,125.00	73,107.93	5,017.07	
Uniform Fire Safety Act (P.L. 1983,C.383)						
Salaries and Wages		26,540.00	26,540.00	25,596.43	943.57	
Other Expenses		3,100.00	3,100.00	1,846.96	1,253.04	
Police						
Salaries and Wages		2,997,243.00	3,025,243.00	2,928,737.05	96,505.95	
Other Expenses		116,426.00	121,426.00	117,952.53	3,473.47	
Emergency Management Services						
Salaries and Wages		9,627.00	9,627.00	7,215.07	2,411.93	
Other Expenses		8,575.00	7,575.00	6,701.06	873.94	
Municipal Prosecutor						
Salaries and Wages		8,200.00	8,200.00	7,052.50	1,147.50	
Other Expenses		200.00	200.00		200.00	
First Aid Organization - Contribution		30,000.00	30,500.00	30,500.00		

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

Current Fund

Year Ended December 31, 2015

<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>
Streets and Roads:						
Public Works Repairs and Maintenance						
Salaries and Wages		915,733.00	915,733.00	851,071.77	64,661.23	
Other Expenses		96,818.00	101,818.00	94,002.80	7,815.20	
Other Public Works Functions						
Other Expenses		6,875.00	6,875.00	6,875.00		
Shade Tree Commission (N.J.S.A. 40:64-1)						
Other Expenses		15,000.00	20,000.00	19,966.06	33.94	
Buildings and Grounds						
Salaries and Wages		64,860.00	64,860.00	64,860.00		
Other Expense		97,991.00	97,991.00	84,246.98	13,744.02	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages		151,196.00	151,196.00	150,789.72	406.28	
Other Expenses		107,400.00	127,400.00	123,527.21	3,872.79	
Community Services Act						
Other Expenses		24,280.00	24,280.00	24,280.00		
Sanitation:						
Garbage and Trash Removal						
Contractual (P.L. 1987 C.74)		310,800.00	310,800.00	310,800.00		
Other Expenses - Multifamily (P.L. 2000, C.26)		152,500.00	157,500.00	155,500.00	2,000.00	
Parking Lot Maintenance						
Other Expenses		5,700.00	5,700.00	5,697.50	2.50	
Sewer System						
Salaries and Wages		44,479.00	44,479.00	44,447.79	31.21	
Other Expenses		7,200.00	7,200.00	7,200.00		
Sanitation Landfill - Bergen County						
Contractual		290,000.00	222,100.00	183,855.20	38,244.80	
Health and Welfare:						
Public Health Services						
Salaries and Wages		47,510.00	47,510.00	46,757.58	752.42	
Other Expenses - Contractual		18,896.00	18,906.00	18,896.04	9.96	
Other Expenses - Miscellaneous		23,125.00	23,115.00	19,210.44	3,904.56	
Rehabilitation and Assistance to Discharged Veterans (R.S. 40:48-2.15)						
Other Expenses		950.00	950.00	712.50	237.50	
Animal Welfare						
Other Expenses		10,500.00	12,500.00	12,500.00		

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

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Board of Health (PEOSH, N.J.S.A. 34:6A-25 et seq.)H.B.V.						
Other Expenses		100.00	100.00		100.00	
Fire (N.J., PEOSH, N.J.A.C. 12:100-10)						
Other Expenses		100.00	100.00		100.00	
Celebration of Public Events						
Other Expenses		5,000.00	5,000.00	5,000.00		
Recreation & Education:						
Recreation Commission RS. 40:12-1						
Salaries and Wages		54,952.00	54,952.00	54,052.18	899.82	
Other Expenses		4,800.00	4,800.00	4,754.00	46.00	
Maintenance of Parks						
Salaries and Wages		175,957.00	181,957.00	180,560.18	1,396.82	
Other Expenses		3,800.00	3,800.00	3,800.00		
Aid to Senior Citizen Program (40:48-9.4)						
Other Expenses		27,459.00	27,459.00	23,112.50	4,346.50	
Other Common Operating Functions:						
Worker and Community Right to Know Act (P.L. 1983 C.315)						
Administrative and Executive						
Other Expenses		1,000.00	1,000.00	1,000.00		
Bus						
Salaries and Wages		34,087.00	26,087.00	21,558.21	4,528.79	
Other Expenses		250.00	250.00	250.00		
Accumulated Absences (N.J.A.C. 5:30-15)		5.00	5.00	5.00		
State Uniform Construction Code:						
Construction Code Officials						
Salaries and Wages		128,950.00	128,950.00	127,770.18	1,179.82	
Other Expenses		3,050.00	3,050.00	2,327.68	722.32	
Unclassified:						
Telephone		48,600.00	48,600.00	37,917.92	10,682.08	
Fire Hydrant Service		134,800.00	134,800.00	133,927.44	872.56	
Water		19,650.00	34,650.00	26,210.24	8,439.76	
Petroleum Products		125,000.00	115,000.00	83,973.52	31,026.48	
Electricity and Natural Gas		290,000.00	290,000.00	237,172.66	52,827.34	
Total Operations within "CAPS"		9,491,806.00	9,487,906.00	8,901,923.66	585,982.34	
Contingent		5.00	5.00		5.00	
Total Operations Including Contingent within "CAPS"		9,491,811.00	9,487,911.00	8,901,923.66	585,987.34	

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Detail:						
Salaries and Wages	A-1	5,585,569.00	5,602,569.00	5,372,424.81	230,144.19	
Other Expenses	A-1	3,906,242.00	3,885,342.00	3,529,498.85	355,843.15	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Prior Year's Bills						
Daniel H. Lee, Police Officer						
College Tuition Reimbursement - 2010		680.25	680.25	680.25		
College Tuition Reimbursement - 2011		680.25	680.25	680.25		
College Tuition Reimbursement - 2012		735.75	735.75	735.75		
George A. Koteen Associates, Inc.						
Electric Audit - 2013		2,004.19	2,004.19	2,004.19		
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		309,987.00	309,987.00	309,987.00		
Social Security System (O.A.S.I.)		263,064.00	263,064.00	250,373.02	12,690.98	
Police and Firemen's Retirement System		610,398.00	610,398.00	610,398.00		
Unemployment Compensation Insurance		15,000.00	18,000.00	18,000.00		
Defined Contribution Retirement Program		6,800.00	6,800.00	6,800.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,209,349.44	1,212,349.44	1,199,658.46	12,690.98	
Total General Appropriations for Municipal Purposes within "CAPS"		10,701,160.44	10,700,260.44	10,101,582.12	598,678.32	
Operations - Excluded from "CAPS"						
Employee Group Insurance (P.L. 2007, C.62)		32,471.00	32,471.00		32,471.00	
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)		449,266.00	449,266.00	438,800.45	10,465.55	
Salaries and Wages		116,163.00	116,163.00	115,557.15	605.85	
Other Expenses						
Hackensack/Paramus Sewer Charges		155,000.00	155,000.00	154,083.47	916.53	
Contractual						

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

**Current Fund**

**Year Ended December 31, 2015**

<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>
Bergen County Utilities Authority						
Service Charges Contractual						
Operation and Maintenance		664,505.00	664,505.00	664,297.21	207.79	
Debt Service		286,495.00	286,495.00	286,495.00		
Declared State of Emergency N.J.S.A. 40A:4-45.45(b)						
Cost for Snow Removal						
Salaries and Wages		12,081.00	12,081.00	12,081.00		
Other Expenses		12,798.00	12,798.00	12,798.00		
Recycling Tax (P.L.2007, C.311)						
Other Expenses		12,300.00	12,300.00	8,846.28	3,453.72	
NJPEDS Stormwater Permit (N.J.S.A. 40A:45.3(cc))						
General Administration						
Salaries and Wages		3,006.00	3,006.00	3,006.00		
Other Expenses		50.00	50.00		50.00	
Municipal Clerk						
Salaries and Wages		251.00	251.00	251.00		
Other Expenses		400.00	400.00		400.00	
Legal Services & Costs						
Other Expenses		1,200.00	1,200.00		1,200.00	
Public Information						
Other Expenses		1,000.00	1,000.00	178.00	822.00	
Other Code Enforcement Functions						
Salaries and Wages		13.00	13.00	13.00		
Police						
Salaries and Wages		36.00	36.00	36.00		
Public Works Repair and Maintenance						
Salaries and Wages		7,519.00	7,519.00	7,519.00		
Other Expenses		6,200.00	6,200.00	6,200.00		
Sewer System						
Other Expenses		3,000.00	3,000.00	3,000.00		
Public Health Services						
Salaries and Wages		11.00	11.00	11.00		
Engineering						
Other Expenses		2,500.00	2,500.00		2,500.00	

**Borough of River Edge , N.J.**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

<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>
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, c.388)		58,140.00	58,140.00	58,140.00		
Other Expenses - Fire		37,740.00	37,740.00	37,740.00		
Other Expenses - First Aid Organization						
Implementation of 911 System (N.J.S.A. 40A:4-45.3 (cc))						
Police Communications		18,460.00	18,460.00	16,293.52	2,166.48	
Other Expenses						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)						
Electricity		18,875.00	18,875.00	12,247.38	6,627.62	
Telephone		1,500.00	1,500.00	949.33	550.67	
Natural Gas		5,000.00	5,000.00	4,886.73	113.27	
Water		4,955.00	4,955.00	4,572.20	382.80	
Employee Group Health		60,848.00	60,848.00	60,848.00		
Social Security		35,259.00	35,259.00	35,016.84	242.16	
Liability Insurance		13,012.00	13,012.00	13,012.00		
Workers Compensation Insurance		10,655.00	10,655.00	9,325.41	1,329.59	
Health Benefit Waiver		5,900.00	5,900.00	5,874.98	25.02	
Interlocal Municipal Service Agreements						
County of Bergen Snow Removal		14,460.00	14,460.00	14,460.00		
Salary and Wages						
Public and Private Programs Offset by Revenues						
State and Local Cooperative Housing						
Inspection Program		1,016.00	1,016.00	1,016.00		
Drunk Driving Enforcement Fund - Police		3,792.46	3,792.46	3,792.46		
Recycling Tonnage Grant		18,501.78	18,501.78	18,501.78		
Clean Communities Grant		21,464.29	21,464.29	21,464.29		
Nursing Services for Nonpublic Schools		13,793.40	13,793.40	13,793.40		
Municipal Alliance on Alcoholism & Drug Abuse						
State Share		19,752.00	19,752.00	19,752.00		
Local Share		2,469.00	2,469.00	2,469.00		
Community Development Block Grant						
Senior Bus Dispatcher						
Salary and Wages		13,500.00	13,500.00	13,500.00		

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

Current Fund

Year Ended December 31, 2015

	<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>						
Community Development Block Grant						
Senior Citizen Activities						
Other Expenses		1,800.00	1,800.00	1,800.00		
Community Development Block Grant						
Public Library ADA Service Desk		4,694.00	4,694.00	4,694.00		
FEMA Assistance to Firefighters Grant		50,000.00	50,000.00	50,000.00		
FEMA Hazard Mitigation Grant		1,237.60	1,237.60	1,237.60		
Alcohol Education and Rehabilitation		2,436.47	2,436.47	2,436.47		
Body Armor Grant		4,500.00	4,500.00	4,500.00		
Donation Memorial Park Bench Program		19,382.00	19,382.00	19,382.00		
Certified Local Government Historical Grant		63.64	63.64		63.64	
Donations to Police Department		5.00	5.00		5.00	
Matching Funds for Grants						
Total Operations - Excluded from "CAPS"		2,228,576.64	2,229,476.64	2,104,029.95	125,446.69	
Detail:						
Salaries & Wages	A-1	505,143.00	506,043.00	495,552.43	10,490.57	
Other Expenses	A-1	1,723,433.64	1,723,433.64	1,608,477.52	114,956.12	
Capital Improvements:						
Capital Improvement Fund						
Total Capital Improvements Excluded from "CAPS"	A-1	82,513.00	82,513.00	82,513.00		
Municipal Debt Service:						
Payment of Bond Principal		1,205,000.00	1,205,000.00	1,205,000.00		918.50
Interest on Bonds		243,000.00	243,000.00	242,081.50		447.23
Interest on Notes		1,500.00	1,500.00	1,052.77		
NJ EIT Loan						
Principal		20,000.00	20,000.00	14,615.59		5,384.41
Interest		6,000.00	6,000.00	3,755.35		2,244.65
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,475,500.00	1,475,500.00	1,466,505.21		8,994.79
Deferred Charges:						
Emergency Authorization						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)		38,500.00	38,500.00	38,500.00		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges to Future Taxation - Unfunded						
Ord. 1687 Resurface Howland Avenue		8,890.60	8,890.60	8,890.60		
Ord. 1768 Resurface Howland Avenue		14,947.29	14,947.29	14,947.29		
Ord. 1806 Various Public Improvements		91,459.11	91,459.11	91,459.11		
Ord. 1807 Acquisition of New Equipment & Machinery		14,000.00	14,000.00	14,000.00		
Ord. 1810 HVAC - Borough Hall		6,080.00	6,080.00	6,080.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	173,877.00	173,877.00	173,877.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		3,960,466.64	3,961,366.64	3,826,925.16	125,446.69	8,994.79
Subtotal General Appropriations		14,661,627.08	14,661,627.08	13,928,507.28	724,125.01	8,994.79
Reserve for Uncollected Taxes		514,301.70	514,301.70	514,301.70		
Total General Appropriations		\$ 15,175,928.78	\$ 15,175,928.78	\$ 14,442,808.98	724,125.01	8,994.79
Adopted Budget	A-2		\$ 15,050,902.92			
Appropriated by N.J.S. 40A:4-87	A-2		125,025.86			
			\$ 15,175,928.78			
Cash Disbursed	A-4		\$ 13,263,256.13			
Encumbrances Payable	A-16		452,912.15			
Deferred Charges - Special Emergency Authorization	A-13		38,500.00			
Reserve for Uncollected Taxes	A-2		514,301.70			
Matching Funds for Grants	A-4/A-24		2,469.00			
Reserve for Grants	A-24		171,370.00			
			\$ 14,442,808.98			

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, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-2	\$ 161.39	161.39
Assessments Receivable	B-4	2,433.61	543.93
		<u>2,595.00</u>	<u>705.32</u>
Animal License Fund:			
Cash - Treasurer	B-2	6,396.48	4,298.28
		<u>6,396.48</u>	<u>4,298.28</u>
Other Trust Funds:			
Cash - Treasurer	B-2	1,725,601.54	1,492,424.86
		<u>1,725,601.54</u>	<u>1,492,424.86</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-2	1,189,607.70	1,138,902.83
Contributions Receivable	B-5	95,880.00	71,400.00
		<u>1,285,487.70</u>	<u>1,210,302.83</u>
 Total Assets		 <u>\$ 3,020,080.72</u>	 <u>2,707,731.29</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, 2015 and 2014

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assessment Fund:			
Due to General Capital Fund	B-7	\$ 2,433.61	543.93
Fund Balance	B-1	161.39	161.39
		<u>2,595.00</u>	<u>705.32</u>
Animal License Fund:			
Reserve for Dog Fund Expenditures	B-8	6,396.48	4,298.28
		<u>6,396.48</u>	<u>4,298.28</u>
Other Trust Fund:			
Due to the State - Unemployment Claims	B-10	855.45	250.70
Developers' Escrow	B-11	53,401.94	33,880.35
Fire Prevention Penalties	B-11	1,103.00	1,103.00
Recycling	B-11	257,095.58	251,815.44
Vacancy Inspection	B-11	1,191.10	1,371.10
P.O.A.A.	B-11	2,213.52	1,979.52
Municipal Alliance	B-11	6,541.26	1,354.16
Street Opening Permits	B-11	2,000.00	3,000.00
Performance Bonds	B-11	325,974.00	340,974.00
Snow Removal	B-11	89,286.56	67,534.39
Commodity Resale	B-11	1,800.00	1,800.00
Public Defender	B-11	1,584.00	1,219.50
Accumulated Absences	B-11	3,985.00	3,980.00
Municipal Open Space	B-11	174,269.59	126,717.15
September 11th Memorial Gardens	B-11	3,881.98	3,881.98
Police Outside Duty	B-11	4,320.00	10,867.50
Donations Beautification	B-11	7,795.23	8,574.98
Tax Sale Premium	B-11	145,300.00	85,200.00
Donations for Shade Tree Commission	B-11	24,534.61	3,015.18
Performance Bonds - Shade Tree Commission	B-11	105,688.12	97,164.06
Senior / Community Center	B-11	65,250.00	65,000.00
Park & Field Maintenance	B-11	55,541.43	67,297.53
Donations Special Events	B-11	31,480.94	27,868.58
Reserve for:			
Self Insurance Fund (Commission)	B-12	57,279.21	40,691.31
Unemployment Insurance Trust Fund	B-12	18,607.47	16,818.02
Recreation Commission	B-13	109,678.79	99,823.25
Payroll Deductions Payable	B-14	174,942.76	129,243.16
		<u>1,725,601.54</u>	<u>1,492,424.86</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-15	1,285,487.70	1,210,302.83
		<u>1,285,487.70</u>	<u>1,210,302.83</u>
<b>Total Liabilities, Reserves &amp; Fund Balance</b>		<b>\$ <u>3,020,080.72</u></b>	<b><u>2,707,731.29</u></b>

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, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	B	\$ <u>161.39</u>	<u>161.39</u>
Balance - December 31, 2015	B/B-3	\$ <u><u>161.39</u></u>	<u><u>161.39</u></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, 2015 and 2014**

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2/C-3	\$ 845,610.81	570,421.85
Due from Bergen County - Open Space Trust	C-4	52,000.00	52,000.00
Due from Bergen County Community Development	C-4	65,771.00	92,530.00
Interfund - Assessment Trust Fund	C-5	2,433.61	543.93
Deferred Charges to Future Taxation:			
Funded	C-6	6,730,389.88	7,952,119.82
Unfunded	C-7	5,248,303.45	2,150,737.89
		<u>12,944,508.75</u>	<u>10,818,353.49</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	6,665,000.00	7,870,000.00
Environmental Infrastructure Trust / Loan	C-9	65,389.88	82,119.82
Bond Anticipation Notes	C-10	2,000,000.00	
Improvement Authorizations:			
Funded	C-11	1,035,265.66	1,541,165.69
Unfunded	C-11	3,098,156.04	1,225,880.92
Capital Improvement Fund	C-12	11,994.79	3,489.79
Fund Balance	C-1	68,702.38	95,697.27
		<u>\$ 12,944,508.75</u>	<u>10,818,353.49</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2015 and 2014 of \$3,248,303.45 and \$2,150,737.89 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, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	C	\$ 95,697.27	48,632.51
Increased by:			
Funded Improvement Authorizations Cancelled	C-11	<u>31,005.11</u>	<u>258,407.76</u>
		126,702.38	307,040.27
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-11	<u>58,000.00</u>	<u>211,343.00</u>
Balance - December 31, 2015	C/C-3	<u><u>68,702.38</u></u>	<u><u>95,697.27</u></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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>General Fixed Assets:</u>		
Land	\$ 4,798,358.73	4,799,112.73
Buildings and Building Improvements	5,383,345.57	5,383,345.57
Improvements - Other than Buildings	1,344,399.53	5,807,004.06
Machinery and Equipment	8,354,985.50	3,052,791.84
	<u>19,881,089.33</u>	<u>19,042,254.20</u>
Investment in General Fixed Assets	\$ <u>19,881,089.33</u>	<u>19,042,254.20</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, 2015 and 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

The Borough has the following funds and account 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, 2015 and 2014**  
**(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 11<sup>th</sup> day of the 11<sup>th</sup> 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, 2015 and 2014**  
**(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 2015, the Borough Council increased the original budget by \$125,025.86. The increase was funded by \$125,025.86 of additional grants and donations allotted to the Borough.

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, 2015 and 2014**  
**(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, 2015 and 2014**  
**(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 because their inclusion would make certain statements unduly complex and difficult to understand.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Basis of Accounting, (continued)**

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity’s financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity’s proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

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

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

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Basis of Accounting, (continued)**

**Recent Accounting Pronouncements, (continued)**

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

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Basis of Accounting, (continued)**

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.

**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, 2015 and 2014, \$-0- of the Borough's bank balance of \$8,189,696.21 and \$6,627,945.12, 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.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**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 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, 2015 and 2014 amounted to \$1,189,607.70 and \$1,138,902.83, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Growth	\$718,990.18	\$673,810.17
Fixed Income	140,316.30	121,537.09
Income	140,586.42	159,848.54
Growth and Income	58,212.02	56,114.75
All Others	<u>131,502.78</u>	<u>127,592.28</u>
Total	<u>\$1,189,607.70</u>	<u>\$1,138,902.83</u>

**NOTE 3: MUNICIPAL DEBT**

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

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General					
Obligation Debt	\$7,870,000.00	\$	\$1,205,000.00	\$6,665,000.00	\$1,245,000.00
Other Liabilities:					
Compensated Absences Payable	544,752.63	19,714.35		564,466.98	
N.J. Environmental Infrastructure: Loan	<u>82,119.82</u>	<u>                    </u>	<u>16,729.94</u>	<u>65,389.88</u>	<u>15,935.98</u>
	<u>\$8,496,872.45</u>	<u>\$19,714.35</u>	<u>\$1,221,729.94</u>	<u>\$7,294,856.86</u>	<u>\$1,260,935.98</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

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

The Borough's debt is summarized as follows:

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$8,665,000.00	\$7,870,000.00	\$9,075,000.00
Loans	<u>65,389.88</u>	<u>82,119.82</u>	<u>93,379.92</u>
Total Issued	<u>8,730,389.88</u>	<u>7,952,119.82</u>	<u>9,168,379.92</u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>3,248,303.45</u>	<u>2,150,737.89</u>	<u>312,210.52</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$11,978,693.33</u>	<u>\$10,102,857.71</u>	<u>\$9,480,590.44</u>

Footnote: In addition to the capital debt shown in the above statement, there was current debt as follows:

Current:	
Special Emergency Note (40A:4-55)	<u>\$34,000.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

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 .722%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$17,590,000.00	\$17,590,000.00	\$0.00
Regional High School District	5,355,132.37	5,355,132.37	0.00
General Debt	<u>11,978,693.33</u>		<u>11,978,693.33</u>
	<u>\$34,923,825.70</u>	<u>\$22,945,132.37</u>	<u>\$11,978,693.33</u>

Net Debt \$11,978,693.33 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,658,891,624.00 = .722%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$58,061,206.84
Net Debt	<u>11,978,693.33</u>
Remaining Borrowing Power	<u>\$46,082,513.51</u>

The Borough's bonded debt consisted of the following at December 31, 2015:

	<u>Amount Outstanding</u>
Paid by Current Fund:	
General Improvement Bonds - \$2,981,000.00 issued August 1, 2002 due through August 1, 2017 with variable interest rates of 3.50% to 4.25%	\$601,000.00
General Improvement Bonds - \$3,014,000.00 issued September 15, 2005 due through September 15, 2019 with variable interest rates of 3.50% to 3.60%	1,079,000.00
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%	1,380,000.00
General Improvement Bonds - \$2,465,000.00 issued November 15, 2009 due through November 15, 2019 with variable interest rates of 2.00% to 3.00%	995,000.00
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%	<u>2,610,000.00</u>
	<u>\$6,665,000.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

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

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

	General		
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,245,000.00	\$203,286.50	\$1,448,286.50
2017	1,321,000.00	162,904.00	1,483,904.00
2018	1,050,000.00	119,529.00	1,169,529.00
2019	1,064,000.00	87,859.00	1,151,859.00
2020	545,000.00	55,775.00	600,775.00
2021-2023	<u>1,440,000.00</u>	<u>75,025.00</u>	<u>1,515,025.00</u>
	<u>\$6,665,000.00</u>	<u>\$704,378.50</u>	<u>\$7,369,378.50</u>

At December 31, 2015, the Borough had authorized but not issued debt of \$3,248,303.45.

**N.J. WASTEWATER TREATMENT FINANCING PROGRAM**

**Loan Number 1:**

On November 4, 1999, two separate loan agreements were entered into by the Borough of River Edge for the purpose of improvements to the Wastewater Treatment Plant. The project was closed out in 2003. The outstanding amounts of the loans payable are detailed as follows:

New Jersey Wastewater Treatment Trust	<u>\$65,389.88</u>
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**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

N.J. WASTEWATER TREATMENT FINANCING PROGRAM, (continued)

Schedules of annual principal and interest payments for the loan is detailed as follows:

<u>Year</u>	<u>Trust Loan (1)</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$15,935.78	\$1,194.13
2017	15,552.83	799.96
2018	15,172.89	445.15
2019	<u>18,728.38</u>	<u>294.39</u>
	<u>\$65,389.88</u>	<u>\$2,733.63</u>

Installment payments of principal and interest on the above described Wastewater Treatment Loans are due on April 15 and October 15 of each year.

(1) The Borough is due a savings credit on the trust loan as all of the original trust loan proceeds were not spent. This credit is reflected in the outstanding principal and interest due on the loan.

**NOTE 4: BOND ANTICIPATION NOTES AND SPECIAL EMERGENCY 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, 2015, the Borough had \$2,000,000.00 in outstanding bond anticipation notes maturing on November 10, 2016 at an interest rate of .68%. It is the Governing Body's intent to renew these notes for one year when they mature.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 4: BOND ANTICIPATION NOTES AND SPECIAL EMERGENCY NOTES, (continued)**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
PNC Bank	<u>\$</u>	<u>\$2,000,000.00</u>	<u>\$</u>	<u>\$2,000,000.00</u>

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

**Special Emergency Notes**

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

**Current Fund**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2015</u>
Reassessment of Real Property	1.94%	1/13/2016	<u>\$69,000.00</u>	<u>\$34,000.00</u>	<u>\$69,000.00</u>	<u>\$34,000.00</u>

On January 13, 2016, the above special emergency note was paid off in its entirety.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**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, 2015 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2015</u>	2016 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Special Emergency Authorizations	<u>\$41,340.00</u>	<u>\$36,680.00</u>	<u>\$4,660.00</u>

**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, 2015</u>	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$7,668,963.00	\$7,199,954.00
Deferred	<u>7,668,963.00</u>	<u>7,199,954.00</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

	<u>December 31, 2014</u>	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$7,085,027.00	\$7,451,481.50
Deferred	<u>7,085,027.00</u>	<u>7,451,481.50</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7: PENSION PLANS**

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS), (continued)*

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

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

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

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

Defined Contribution Retirement Program

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

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Contribution Requirements

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$309,987.00	\$610,398.00	\$6,800.00
2014	278,615.00	561,839.00	2,500.00
2013	307,914.00	622,434.00	0.00

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.

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$8,323,311.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the Borough's proportion was 0.0370781910 percent, which was an increase/(decrease) of (0.0005239952) percent from its proportion measured as of June 30, 2014.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

For the year ended December 31, 2015, the Borough recognized pension expense of \$309,987.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$198,565.00	\$
Changes of assumptions	893,857.00	
Net difference between projected and actual earnings on pension plan investments		133,823.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	82,362.00	83,234.00
Borough contributions subsequent to the measurement date	<u>0.00</u>	<u>0.00</u>
Total	<u>\$1,174,784.00</u>	<u>\$217,057.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$174,513.00
2017	174,513.00
2018	174,513.00
2019	277,940.00
2020	157,119.00

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	0.0370781910%	0.0376021862%

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$10,344,857.00	\$8,323,311.00	\$6,628,461.00

**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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(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 (PFRS)**

At December 31, 2015, the Borough had a liability of \$11,252,259.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the Borough's proportion was 0.0675547063 percent, which was an increase/(decrease) of (0.0119170530) percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$610,398.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$97,054.00
Changes of assumptions	2,077,447.00	
Net difference between projected and actual earnings on pension plan investments		195,836.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	221,294.00	1,307,188.00
Borough contributions subsequent to the measurement date	<u>0.00</u>	<u>0.00</u>
Total	<u>\$2,298,741.00</u>	<u>\$1,600,078.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(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)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$338,920.00
2017	338,920.00
2018	338,920.00
2019	555,712.00
2020	212,085.00

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	0.06775547063%	0.0794717593%

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(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)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(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)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(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)**

**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, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Borough's proportionate share of the pension liability	\$16,134,946.00	\$11,252,259.00	\$9,062,285.00

**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](http://www.state.nj.us/treasury/pensions).

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2015 and 2014 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	<u>\$425,000.00</u>	<u>\$425,000.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 9: FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2015.

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land	\$4,799,112.73	\$	\$754.00	\$4,798,358.73
Buildings	5,383,345.57			5,383,345.57
Improvements-Other than Buildings	960,659.63	383,739.90		1,344,399.53
Machinery and Equipment	<u>7,899,136.27</u>	<u>679,731.46</u>	<u>223,882.23</u>	<u>8,354,985.50</u>
	<u>\$19,042,254.20</u>	<u>\$1,063,471.36</u>	<u>\$224,636.23</u>	<u>\$19,881,089.33</u>

**NOTE 10: 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 \$564,466.98 and \$544,752.63 at December 31, 2015 and 2014, 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, 2015 and 2014, the Borough has reserved in the Other Trust Fund \$3,985.00 and \$3,980.00, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 11: DUE TO/FROM OTHER FUNDS**

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

\$49,295.55	Due to the State and Federal Grant Fund from the Current Fund for Grant receipts deposited in the Current Fund.
<u>2,433.61</u>	Due to the General Capital Fund from the Assessment Trust Fund for confirmed assessments not collected.
<u>\$51,729.16</u>	

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 12: LEASES**

The Borough of River Edge has commitments to lease police cars under capital leases which expire in 2016. Total lease payments made during the year ended December 31, 2015 were \$9,652.80. Future minimum lease payments are as follows:

Year Ended <u>December 31,</u> 2016	Total <u>Amount</u>	<u>Principal</u>	<u>Interest</u>
	<u>6,435.20</u>	<u>6,289.68</u>	<u>145.52</u>
Total minimum lease payments	<u>\$6,435.20</u>	<u>\$6,289.68</u>	<u>\$145.52</u>

**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, 2015 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, 2015 and 2014**  
**(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, 2015 and 2014**  
**(continued)**

**NOTE 14: RISK MANAGEMENT, (continued)**

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:

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$190,930.33</u>	<u>\$195,980.83</u>
Cash Liability for Taxes Collected in Advance	<u>\$190,930.33</u>	<u>\$195,980.83</u>

**NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES**

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

**NOTE 17: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 22, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**SUPPLEMENTARY DATA**

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**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate:	<u>3.217</u>	<u>3.223</u>	<u>3.132</u>	<u>3.065</u>	<u>2.671</u>
Apportionment of Tax Rate:					
Municipal	.820	.813	.795	.775	.649
Municipal Library	.038	.039	.038	.041	.038
Municipal Open Space	.010	.010	.009	.000	.010
County	.272	.270	.261	.242	.231
County Open Space	.003	.003	.003	.003	.003
Local School	1.075	1.049	1.025	1.006	.871
Regional High School	.999	1.036	1.001	.998	.869

Assessed Valuation:

2015	\$1,442,542,931.00
2014	1,434,344,627.00
2013	1,434,261,798.00
*2012	1,437,652,112.00
2011	1,635,094,514.00

\*Reassessment Year

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$46,620,948.84	\$46,279,531.61	99.26%
2014	46,452,136.17	45,958,694.09	98.93
2013	44,986,398.94	44,527,397.05	98.97
2012	44,077,258.72	43,617,493.33	98.95
2011	43,794,494.85	43,099,625.24	98.41

**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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Year	\$258,359.91	\$366,608.09	\$373,441.16	\$382,589.61	\$441,934.20	\$403,006.10
Prior Years				54.76		4,740.84
Tax Title Liens	<u>94,262.82</u>	<u>181,837.83</u>	<u>142,246.95</u>	<u>101,856.57</u>	<u>41,159.89</u>	<u>25,936.46</u>
Totals	<u>\$352,622.73</u>	<u>\$548,445.92</u>	<u>\$515,688.11</u>	<u>\$484,500.94</u>	<u>\$483,094.09</u>	<u>\$433,683.40</u>
Percentage of each Years Tax Levy	.76%	1.18%	1.15%	1.10%	1.10%	1.03%

**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>
2015	None
2014	None
2013	None
2012	None
2011	None

**COMPARATIVE SCHEDULE OF FUND BALANCE**

<u>Fund Balance December 31,</u>	<u>Current Fund</u>	
		<u>Utilized in Budget of Succeeding Year</u>
2015	\$3,493,975.25	\$425,000.00
2014	2,517,297.28	425,000.00
2013	1,699,352.58	425,000.00
2012	1,052,378.16	425,000.00
2011	707,004.47	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>
Sandy Moscaritolo	Mayor	
Vito Acquafredda	Council President	
Thomas Papaleo	Councilman	
Ellen Busteed	Councilwoman	
Anthony Cappola	Councilman	
Kathleen M. Murphy	Councilwoman	
Vito Acquafredda	Councilman	
Edward Mignone	Councilman	
Alan P. Negreann	Administrator	
	Chief Finance Officer	(A)
Stephanie Evans	Borough Clerk	
Maureen Murphy	Tax Collector	(A)
	Tax Search Officer	
Thomas M. Sarlo	Borough Attorney	
Robert Costa	Borough Engineer	
James Anzevino	Assessor	
Adrienne Capasso	Registrar of Vital Statistics	
Robert Byrnes	Construction Code Official	
Nicole Shrapar	Construction Control Person	
Leonard Herman	Plumbing Inspector	
Bruce L. Safro, Esq	Magistrate	(A)
Noreen Patoray	Court Administrator	(A)
Carol Byrne	Deputy Court Administrator	(A)
Judy O'Connell	Deputy Borough Clerk	
Gomattie Birnbaum	Accounts Supervisor, Certifying Officer	
Stephen Depken	Building Inspector	
Mark Skerbetz	Zoning Official	
Thomas Cariddi	Chief of Police	
Bobbi Conway	Recreation Director	
Alan Silverman	Fire Prevention Officer	

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



SCHEDULE B

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

State Grantor Department	Program Title	State Program/Account Number	Grant Year	Program Amount	Balance Jan. 1, 2015	Receipts	Expended	Balance Dec. 31, 2015	Memo Cumulative Total Expenditures
Division of Criminal Justice	Body Armor Grant	1020-718-066-1020-001	2013	3,011.63	2,732.51		952.85	1,779.66	1,231.97
			2014	2,440.08	2,440.08		2,440.08	2,440.08	
			2015	2,436.47		2,436.47		2,436.47	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400	2013	3,967.01	2,533.82		2,533.82		1,433.19
			2014	4,207.32	4,207.32		1,338.16	2,869.16	1,338.16
			2015	3,792.46		3,792.46		3,792.46	
Department of Environmental Protection	Alcohol, Education & Rehabilitation	9735-760-098-1900	Prior 2009	9,000.68	2,005.69		700.00	1,305.69	7,694.99
			2010	232.05	232.05			232.05	
			2011	603.28	603.28			603.28	
			2012	647.00	647.00			647.00	
			2013	917.00	917.00			917.00	
			2014	1,002.72	1,002.72			1,002.72	
			2015	708.96	708.96			708.96	
				1,237.60			1,237.60		
Department of Environmental Protection	Clean Communities Program	4900-765-042-4900	2014	17,723.62	2,139.80		2,139.80	2,242.55	17,723.62
			2015	21,464.29		21,464.29		2,242.55	19,221.74
Department of Human Services	Public Health Priority Funding	4220-150-021030-60	Prior 2006	23,687.20	9,740.52		2,000.00	7,740.52	15,956.68
			2007	2,050.00	2,050.00			2,050.00	
			2008	2,160.00	2,160.00			2,160.00	
Pass Through Bergen County	Bergen County Municipal Alliance		2010	2,240.00	2,240.00			2,240.00	
			2015	1,425.00	1,425.00			1,425.00	
Department of Education Pass Through River Edge Bd. Of Ed.	Nonpublic Nursing Services	100-034-5120-070	2013	14,602.00	12,988.98		12,988.98	13,600.23	14,602.00
			2014	16,561.00	16,561.00		2,960.77	13,600.23	2,960.77
			2015	13,793.40		13,793.40			
Department of Community Affairs	Cooperative Housing Inspection	100-022-8010-020	2014	2,489.00	1,885.00		1,885.00	58.00	2,489.00
			2015	868.00		868.00		58.00	810.00
Department of Transportation	Transportation Trust Fund Resurfacing of Fifth Ave. Ord. 1794 Middle School Safety Program Ord. 1822 Resurfacing of Fifth Ave. (Section 2) Ord. 1828 Resurfacing of Fifth Ave. (Section 3) Ord. 1835	6320-460-078	2013	150,000.00	(37,500.00)		145,000.00	(37,500.00)	150,000.00
			2014	150,000.00		112,500.00		(32,500.00)	145,000.00
			2014	149,000.00		94,440.00		(51,566.70)	125,920.00
			2015	149,000.00					
					32,487.51	274,802.92	368,812.45	(75,305.42)	556,531.75

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, 2015

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2014	A		\$ 4,108,754.51
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	89,700.80	
Interfund - Grant Fund	A-5	92,657.48	
Petty Cash Returned	A-6	1,800.00	
Change Fund	A-7	250.00	
Tax Collector Receipts	A-8	46,781,732.56	
Revenue Accounts Receivable	A-11	1,813,192.19	
Interfunds	A-12	173.93	
Due From State - Senior Citizen and Veteran Deductions	A-18	88,041.79	
Various Cash Liabilities and Reserves	A-23	<u>163,582.87</u>	
			<u>49,031,131.62</u>
			<u>53,139,886.13</u>
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	34,239.45	
Current Year Budget Appropriations	A-3	13,263,256.13	
Matching Funds for Grants	A-3	2,469.00	
Interfund - Grant Fund	A-5	103,943.01	
Petty Cash	A-6	1,800.00	
Change Fund	A-7	250.00	
Interfunds	A-12	173.93	
Appropriation Reserves	A-15	728,892.29	
Local District School Taxes	A-19	14,925,975.00	
Regional High School Taxes	A-20	14,651,435.50	
Municipal Open Space Taxes	A-21	144,955.67	
County Taxes Payable	A-22	3,980,323.33	
Various Cash Liabilities and Reserves	A-23	<u>216,497.85</u>	
			<u>48,054,211.16</u>
Balance - December 31, 2015	A		\$ <u><u>5,085,674.97</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Interfund - Current Fund**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	A		\$ 60,581.08
Increased by:			
Grants Receivable	A-4/A-14	90,188.48	
Grants Receivable - Cancelled	A-14	1,311.55	
Matching Funds for Grants	A-4/24	<u>2,469.00</u>	
			<u>93,969.03</u>
			154,550.11
Decreased by:			
Appropriated Reserve for Grants	A-4/24	103,943.01	
Appropriated Reserve for Grants - Cancelled	A-24	<u>1,311.55</u>	
			<u>105,254.56</u>
Balance - December 31, 2015	A		<u>\$ 49,295.55</u>

**Exhibit A-6**

**Borough of River Edge , N.J.**

**Schedule of Petty Cash**

**Current Fund**

**Year Ended December 31, 2015**

	<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**

**Borough of River Edge , N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Increased by:		
Cash Advanced	A-4	\$ <u>250.00</u>
Decreased by:		
Cash Returned	A-4	\$ <u>250.00</u>

**Borough of River Edge , N.J.**  
**Schedule of Cash - Tax Collector**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Increased by:			
Interest and Cost on Taxes	A-2	\$	135,541.04
Taxes Receivable	A-9		46,354,239.12
Tax Title Liens	A-10		101,022.07
Prepaid Taxes	A-17		<u>190,930.33</u>
		\$	<u>46,781,732.56</u>
Decreased by:			
Deposited to Treasurer's Account	A-4	\$	<u>46,781,732.56</u>

Borough of River Edge, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Original Levy	Added Taxes	2014 Collected	2015 Collected	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	(Adjusted)/ Cancelled	Balance, Dec. 31, 2015
2014	\$ 366,608.09		11,277.28		361,688.34	(1,708.21)		17,905.24	
	366,608.09		11,277.28		361,688.34	(1,708.21)		17,905.24	
2015		46,406,607.83	214,341.01	195,980.83	45,992,550.78	91,000.00	13,447.06	69,610.26	258,359.91
	\$ 366,608.09	46,406,607.83	225,618.29	195,980.83	46,354,239.12	89,291.79	13,447.06	87,515.50	258,359.91
	A			A-2/A-17	A-2/A-8	A-2/A-18	A-10		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Property Tax	\$ 46,261,532.97
Public Utility Tax	145,074.86
Added Tax (R.S. 54:4-63.1 et seq.)	214,341.01
	<u>\$ 46,620,948.84</u>
Tax Levy:	
Local District School Tax	A-19
Regional High School Tax	A-20
Municipal Open Space Tax	A-21
County Tax - General	A-22
County Tax - Open Space	A-22
Added County Taxes	A-22
	\$ 3,919,728.64
	41,316.86
	19,277.83
	<u>3,980,323.33</u>
	A-2
	34,035,098.00
Local Tax for Municipal Purposes	A-2
Additional Taxes	12,384,723.00
	<u>201,127.84</u>
	12,585,850.84
	<u>\$ 46,620,948.84</u>

**Borough of River Edge , N.J.**  
**Schedule of Tax Title Liens**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ 181,837.83
Increased by:		
Transfer from Taxes Receivable	A-9	<u>13,447.06</u>
		195,284.89
Decreased by:		
Collected	A-2/A-8	<u>101,022.07</u>
Balance - December 31, 2015	A	<u>\$ 94,262.82</u>

Borough of River Edge, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2 \$		15,550.00	15,550.00	
Fees and Permits	A-2		32,512.25	32,512.25	
Parking Lot Fees	A-2		30,595.00	30,595.00	
Board of Health:					
Fees and Permits	A-2		10,590.00	10,590.00	
Fire Prevention Bureau:					
Fees and Permits	A-2		15,082.00	14,882.00	200.00
Uniform Fire Safety Act (Life Hazard Use)	A-2		10,095.80	10,095.80	
Police Department:					
Fees and Permits	A-2		2,081.60	2,081.60	
Police Outside Duty	A-2		93,792.21	93,792.21	
Tax Department:					
Miscellaneous Revenue	A-2		141.40	141.40	
Tax Assessor:					
Miscellaneous Revenue	A-2		358.20	358.20	
Planning Board					
Miscellaneous Revenue	A-2		3,500.00	3,500.00	
Board of Adjustment					
Miscellaneous Revenue	A-2		1,840.00	1,840.00	
Municipal Court :					
Fines and Costs	A-2	15,006.79	141,656.84	146,260.51	10,403.12
Uniform Construction Code:					
Fees and Permits	A-2		202,254.00	202,254.00	
Energy Receipts Tax	A-2		1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-2		13,722.00	13,722.00	
Rental of Borough Property	A-2		4,501.00	4,501.00	

Borough of River Edge, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	Ref.	Balance Dec. 31, 2014	Accrued	Collected	Balance Dec. 31, 2015
Interest on Investments and Deposits	A-2		1,203.02	1,203.02	
County of Bergen Snow Removal	A-2		14,460.00	14,460.00	
Donation Memorial Park Bench Program	A-2		4,500.00	4,500.00	
Donation Police	A-2		63.64	63.64	
Cable Television Fees	A-2		153,296.56	153,296.56	
		\$ 15,006.79	1,808,788.52	1,813,192.19	10,603.12
		A		A-4	A

**Borough of River Edge , N.J.**

**Schedule of Interfunds**

**Current Fund**

**Year Ended December 31, 2015**

<u>Fund</u>	<u>Due From/(To)</u> <u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due From/(To)</u> <u>Balance</u> <u>Dec. 31, 2015</u>
Assessment Trust Fund	\$	16.27	16.27	
Animal License Fund		0.75	0.75	
Other Trust Fund		116.85	116.85	
General Capital Fund		40.06	40.06	
		<hr/>	<hr/>	
	\$	<u>173.93</u>	<u>173.93</u>	
Disbursed	A-4	\$ 173.93		
Received	A-4		<hr/>	
		<hr/>	<hr/>	
		\$ <u>173.93</u>	<u>173.93</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, 2015

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of net</u> <u>amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>	<u>Reduced</u> <u>in 2015</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2015</u>
2/1/2010	Codification of Ordinances	4,100.00	820.00	820.00	820.00	
2/7/2011	Codification of Ordinances	3,100.00	620.00	1,240.00	620.00	620.00
9/6/2011	Update Revaluation Program	174,000.00	34,800.00	69,000.00	35,000.00	34,000.00
2/6/2012	Codification of Ordinances	2,300.00	460.00	1,380.00	460.00	920.00
2/6/2012	Codification of Ordinances	3,000.00	600.00	2,400.00	600.00	1,800.00
2/8/2014	Codification of Ordinances	5,000.00	1,000.00	5,000.00	1,000.00	4,000.00
		<u>\$ 191,500.00</u>	<u>38,300.00</u>	<u>79,840.00</u>	<u>38,500.00</u>	<u>41,340.00</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, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Budget Revenue	Received	Cancelled	Balance, Dec. 31, 2015
Municipal Alliance Against Alcohol & Drug Abuse	\$ 19,752.00	19,752.00	9,364.45	1,011.55	9,376.00
Community Development - Senior Activities	1,750.00	1,800.00	1,450.00	300.00	1,800.00
Community Development - Senior Bus Driver/Dispatcher	8,665.30	13,500.00	14,910.91		7,254.39
Clean Communities Grant		21,464.29	21,464.29		
Certified Local Government Historical Grant		19,382.00			19,382.00
Cooperative Housing Inspection Grant		1,016.00	1,016.00		
Nursing Services for Nonpublic Schools		13,793.40	13,793.40		
Drunk Driving Enforcement Fund		3,792.46	3,792.46		
Alcohol Education and Rehabilitation Fund		1,237.60	1,237.60		
Body Armor Replacement Fund		2,436.47	2,436.47		
Community Stewardship Incentive Program	20,000.00		14,906.25		5,093.75
Recycling Tonnage Grant		18,501.78	18,501.78		
Bulletproof Vest Partnership Grant	1,270.65		1,270.65		
FEMA - Hazard Mitigation Grant		50,000.00			50,000.00
FEMA - Assistance to Firefighters Grant		4,694.00	4,694.00		
	\$ 31,685.95	171,370.00	108,838.26	1,311.55	92,906.14
	A	A-2		A-5	A

Transfer from Unappropriated Reserve for Grants Receipts

Ref.	\$ 18,649.78
A-25	90,188.48
A-5	\$ 108,838.26

Borough of River Edge , N.J.  
 Schedule of Appropriation Reserves

Current Fund  
 Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive				
Municipal Clerk	\$ 22,931.42	5,731.42	81.04	5,650.38
Financial Administration	8,373.02	8,373.02	1,548.00	6,825.02
Tax Assessment Administration	6,956.96	6,956.96		6,956.96
Revenue Administration	10,288.45	10,288.45	558.77	9,729.68
Municipal Court	1,252.28	1,752.28	1,575.72	176.56
Planning Board	1,329.84	1,329.84	656.85	672.99
Recycling	15,581.58	5,581.58		5,581.58
Other Code Enforcement Functions	1,423.59	1,423.59	540.54	883.05
Health Benefit Waiver	1,555.92	1,555.92		1,555.92
Police	99,768.56	44,768.56	23,457.20	21,311.36
Fire	407.22	407.22	151.27	255.95
Uniform Fire Safety Act	2,334.14	2,334.14	352.62	1,981.52
Emergency Management	2,180.91	2,180.91		2,180.91
Municipal Prosecutor	127.50	127.50		127.50
Public Works Repair and Maintenance	75,636.76	14,136.76	898.74	13,238.02
Vehicle Maintenance	2,043.72	2,043.72		2,043.72
Sewer System	10.75	10.75		10.75
Public Health Services	2,221.46	2,221.46	543.90	1,677.56
Recreation Commission	1,284.52	1,284.52		1,284.52
Maintenance of Parks	2,097.27	2,097.27		2,097.27
Bus	13,749.37	3,749.37	1,055.18	2,694.19
Construction Code Officials	2,247.34	2,247.34	258.72	1,988.62
<b>Total Salaries and Wages Within "CAPS"</b>	<b>273,802.58</b>	<b>120,602.58</b>	<b>31,678.55</b>	<b>88,924.03</b>
Other Expenses Within "CAPS":				
Administrative and Executive				
General Administration	575.81	6,397.81	5,835.98	561.83
Mayor and Council	710.65	710.65		710.65
Municipal Clerk	109.58	2,153.82	1,885.76	268.06
Audit		23,000.00	23,000.00	
Financial Administration	4,845.20	5,431.37	2,174.38	3,256.99
Revenue Administration	3,241.51	4,433.01	1,191.50	3,241.51
Tax Assessment Administration	3,412.56	3,412.56	364.00	3,048.56
Economic Development	1,250.00	1,250.00		1,250.00
Legal Services and Costs	2,708.84	63,077.32	45,058.48	18,018.84
Municipal Court	3,561.64	4,215.64	1,054.00	3,161.64
Public Defender		2,239.00	2,239.00	
Engineering Services & Costs	10,167.50	141,105.00	129,657.50	11,447.50
Historic Sites Office	1,100.00	1,100.00		1,100.00
Planning Board	219.50	1,469.50	1,250.00	219.50
Zoning Board of Adjustment	378.74	378.74		378.74
Recycling	315.15	315.15		315.15
Public Information	1,137.47	1,137.47		1,137.47
Other Code Enforcement Functions	214.04	214.04		214.04
Liability Insurance	917.00	1,117.00	1,000.00	117.00
Workmen's Compensation		2,393.63		2,393.63
Group Insurance Plan for Employees	145,506.32	145,506.32	145,506.32	
Police	5,653.43	7,266.70	6,539.09	727.61
Emergency Management Services	3,275.08	3,275.08	38.01	3,237.07
Fire	6,575.05	9,255.65	3,241.43	6,014.22

**Borough of River Edge , N.J.**  
**Schedule of Appropriation Reserves**

Page 2 of 3

**Current Fund**

**Year Ended December 31, 2015**

	Balance, Dec. 31, 2014	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Uniform Fire Safety Act	1,472.79	1,869.01	396.22	1,472.79
Municipal Prosecutor	200.00	200.00		200.00
Public Works Repair and Maintenance	9,338.80	47,222.62	40,680.46	6,542.16
Shade Tree Commission	28.94	791.53	729.63	61.90
Community Services Act		14,280.00	14,280.00	
Garbage & Trash Removal - Contractual	28,261.50	28,261.50	25,900.00	2,361.50
Garbage & Trash Removal - Multi Family	22,349.60	40,859.41	39,202.25	1,657.16
Public Buildings and Grounds	14,698.21	23,403.71	9,569.56	13,834.15
Vehicle Maintenance	2,461.27	12,340.20	11,825.92	514.28
Sewer System	758.08	758.08		758.08
Sanitation Landfill - BCUA Contractual	55,389.88	55,389.88	19,674.54	35,715.34
Public Health Services	5,245.86	5,398.86	153.00	5,245.86
Board of Health PEOSHA	100.00	100.00		100.00
Fire PEOSHA	100.00	100.00		100.00
Recreation Commission	57.86	57.86		57.86
Maintenance of Parks	48.16	48.16		48.16
Aid to Senior Citizen Program	3,665.10	8,165.10	6,285.76	1,879.34
Right to Know		800.00	800.00	
Bus	250.00	250.00		250.00
Construction Code Officials	270.37	2,346.37	2,076.00	270.37
Electricity and Natural Gas	53,343.02	53,370.10	46,329.80	7,040.30
Telephone	14,206.47	14,206.47	1,216.54	12,989.93
Petroleum Products	20,662.50	20,741.76	4,958.82	15,782.94
Fire Hydrant Service	21.88	21.88		21.88
Water	1,114.23	1,432.28	1,418.86	13.42
Contingent	5.00	5.00		5.00
<b>Total Other expenses Within "CAPS"</b>	<b>429,924.59</b>	<b>763,275.24</b>	<b>595,532.81</b>	<b>167,742.43</b>
<b>Deferred Charges and Statutory Expenditures Within "CAPS":</b>				
Public Employees' Retirement System		2,000.00		2,000.00
Social Security System (O.A.S.I.)	9,116.91	9,116.91		9,116.91
Consolidated Police and Firemen's Pension	340.76	340.76		340.76
Defined Contribution Retirement Program	2,300.00	2,300.00		2,300.00
<b>Total Deferred Charges and Statutory Expenditures Within "CAPS"</b>	<b>11,757.67</b>	<b>13,757.67</b>		<b>13,757.67</b>
<b>Total Reserves Within "CAPS"</b>	<b>715,484.84</b>	<b>897,635.49</b>	<b>627,211.36</b>	<b>270,424.13</b>
<b>Salaries &amp; Wages Excluded From "CAPS":</b>				
Maintenance of Free Public Library	14,554.71	14,554.71	8,948.52	5,606.19
Maintenance of Free Public Library				
Health Benefit Waiver	0.08	0.08		0.08
Declared State of Emergency				
Cost for Snow Removal	0.83	0.83		0.83
<b>Total Salary &amp; Wages Excluded From "CAPS"</b>	<b>14,555.62</b>	<b>14,555.62</b>	<b>8,948.52</b>	<b>5,607.10</b>

**Borough of River Edge , N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Other Expenses Excluded From "CAPS":				
Declared State of Emergency				
Cost for Snow Removal	0.51	0.51		0.51
Maintenance of Free Public Library	2,405.06	2,405.06		2,405.06
Bergen County Utilities Authority				
Service Charges - Contractual	0.06	0.06		0.06
Hackensack / Paramus Sewer Charge		29,394.60	29,394.60	
Recycling Tax	2,934.87	2,934.87	946.65	1,988.22
Emergency Services Volunteer Length of				
Service Award Program - Fire		60,180.00	60,180.00	
Emergency Services Volunteer Length of				
Service Award Program - First Aid Squad		37,740.00	37,740.00	
NJPEDS Stormwater Permit :				
General Administrative	50.00	50.00		50.00
Municipal Clerk	400.00	400.00		400.00
Legal Services and Costs	1,200.00	1,200.00		1,200.00
Public Information	827.50	827.50		827.50
Public Works Repair and Maintenance	193.87	193.87		193.87
Engineering	2,500.00	2,500.00		2,500.00
Police Communications - 911 Services	1,283.06	1,613.06	330.00	1,283.06
Donations Memorial Park		160.83	160.83	
Maintenance of Free Public Library				
Social Security	431.81	431.81		431.81
Electricity	3,501.70	3,501.70	2,572.22	929.48
Telephone and Telegraph	111.41	111.41		111.41
Natural Gas	3,847.48	3,847.48	726.11	3,121.37
Water	567.26	1,527.90	1,362.66	165.24
Employee Group Health	59,807.00	59,807.00	19,789.92	40,017.08
Workers Compensation Insurance	0.31	0.31		0.31
<b>Total Other Expenses Excluded from "CAPS"</b>	<u>80,061.90</u>	<u>208,827.97</u>	<u>153,202.99</u>	<u>55,624.98</u>
<b>Total Reserves Excluded from "CAPS"</b>	<u>94,617.52</u>	<u>223,383.59</u>	<u>162,151.51</u>	<u>61,232.08</u>
<b>Total Reserves</b>	<u>\$ 810,102.36</u>	<u>1,121,019.08</u>	<u>789,362.87</u>	<u>331,656.21</u>
	A			A-1

Appropriation Reserve	<u>Ref.</u>		
Prior Year Encumbrances	Above	\$ 810,102.36	
	A-16	<u>310,916.72</u>	
		<u>\$ 1,121,019.08</u>	
Transfer to Accounts Payable	A-23		\$ 60,470.58
Disbursed	A-4		<u>728,892.29</u>
			<u>\$ 789,362.87</u>

**Borough of River Edge , N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	<u>Ref.</u> A	\$ 310,916.72
Increased by:		
Transfer from Current Appropriations	A-3	<u>452,912.15</u>
		763,828.87
Decreased by:		
Transfer to Appropriation Reserves	A-15	<u>310,916.72</u>
Balance - December 31, 2015	A	\$ <u><u>452,912.15</u></u>

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	A	\$ 195,980.83
Increased by:		
Receipts - Prepaid 2016 Taxes	A-8	<u>190,930.33</u>
		386,911.16
Decreased by:		
Applied to 2015 Taxes	A-9	<u>195,980.83</u>
Balance - December 31, 2015	A	\$ <u><u>190,930.33</u></u>

**Borough of River Edge , N.J.**

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

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014 - Due to	A	\$ 10,348.24
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	88,041.79
		<u>98,390.03</u>
Decreased by:		
Senior Citizens' Deductions Per Tax Billing	\$	9,000.00
Veterans' Deductions Per Tax Billing		81,250.00
Senior Citizens' and Veterans' Allowed		<u>1,250.00</u>
		91,500.00
Less:		
Senior Citizens' and Veterans' Disallowed - Prior		1,708.21
Senior Citizens' and Veterans' Disallowed - Current		<u>500.00</u>
	A-9	<u>89,291.79</u>
Balance - December 31, 2015 - Due to	A	\$ <u><u>9,098.24</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Local District School Tax**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014			
School Tax Payable	A		
School Tax Deferred		<u>7,085,027.00</u>	7,085,027.00
Increased by:			
Levy School Year - July 1, 2015			
to June 30, 2016	A-9		<u>15,509,911.00</u>
			22,594,938.00
Decreased by:			
Payments	A-4		<u>14,925,975.00</u>
Balance - December 31, 2015			
School Tax Payable			
School Tax Deferred		<u>7,668,963.00</u>	<u>7,668,963.00</u>
2015 Liability for Local School District Tax			
Tax Payable - Dec. 31, 2015	A		
Tax Paid			14,925,975.00
Less: Tax Payable - Dec. 31, 2014			
Amount Charged to 2015 Operations	A-1		<u>14,925,975.00</u>

**Borough of River Edge , N.J.**  
**Schedule of Regional High School Tax**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014			
School Tax Payable	A		
School Tax Deferred		<u>7,451,481.50</u>	7,451,481.50
Increased by:			
Levy School Year - July 1, 2015			
to June 30, 2016	A-9		<u>14,399,908.00</u>
			21,851,389.50
Decreased by:			
Payments	A-4		<u>14,651,435.50</u>
Balance - December 31, 2015			
School Tax Payable			
School Tax Deferred		<u>7,199,954.00</u>	<u>7,199,954.00</u>
2015 Liability for Regional High School Tax			
Tax Payable - Dec. 31, 2015	A		<u>14,651,435.50</u>
Tax Paid			<u>14,651,435.50</u>
Less: Tax Payable - Dec. 31, 2014			<u>                    </u>
Amount Charged to 2015 Operations	A-1		<u><u>14,651,435.50</u></u>

Borough of River Edge , N.J.

Schedule of Municipal Open Space Taxes Payable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Increased by:			
Levy - Original	A-1/A-9	144,254.29	
Added and Omitted Taxes	A-1/A-9	<u>701.38</u>	
			<u><u>144,955.67</u></u>
Decreased by:			
Payments	A-4		<u><u>144,955.67</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014			
Increased by:			
Levy - General	A-1/A-9	3,919,728.64	
Levy - Open Space	A-1/A-9	41,316.86	
Added and Omitted Taxes	A-1/A-9	<u>19,277.83</u>	
			<u><u>3,980,323.33</u></u>
Decreased by:			
Payments	A-4		<u><u>3,980,323.33</u></u>

## Borough of River Edge , N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
<u>Liabilities:</u>				
Tax Overpayments	\$	122,546.43	122,546.42	0.01
Accounts Payable	167,223.86	60,470.58	116,503.59	111,190.85
Due to State of N.J. - Const. Code Surcharge		11,290.00	11,290.00	
Due to State of N.J. - Marriage License Fees		750.00	750.00	
Due to FEMA Excess Grant Receipts	4,694.00		4,694.00	
Special Emergency Note Payable	69,000.00		35,000.00	34,000.00
<u>Reserves for:</u>				
Codification of Ordinance	3,012.02			3,012.02
Sale of Municipal Assets	39,438.12	24,037.44	5,000.00	58,475.56
Maintenance of Free Public Library		4,959.00	4,959.00	
	<u>\$ 283,368.00</u>	<u>224,053.45</u>	<u>300,743.01</u>	<u>206,678.44</u>
	A			A
	<u>Ref.</u>			
Cancelled - Accounts Payable	A-1		79,245.16	
Applied to Current Year Revenue	A-2		5,000.00	
Receipts	A-4	163,582.87		
Disbursed	A-4		216,497.85	
Transfer from Appropriation Reserves	A-15	60,470.58		
		<u>224,053.45</u>	<u>300,743.01</u>	

Borough of River Edge, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer From 2015 Budget	Expended	Cancelled	Balance, Dec. 31, 2015
Body Armor Replacement Grant	\$ 5,172.59	2,436.47	952.85		6,656.21
Drunk Driving Enforcement Fund	6,741.14	3,792.46	3,871.98		6,661.62
Clean Communities Grant	2,139.80	21,464.29	21,361.54		2,242.55
Cooperative Housing Inspection Grant	1,737.00	1,016.00	2,695.00		58.00
Nursing Services for Nonpublic Schools	29,549.98	13,793.40	15,949.75		27,393.63
Municipal Alliance on Alcoholism and Drug Abuse					
State Share		19,752.00	11,647.85	1,011.55	7,092.60
Local Share		2,469.00	2,469.00		
Public Health Priority Funding Act	19,765.52		2,000.00		17,765.52
Alcohol Education and Rehabilitation Fund	6,116.70	1,237.60	700.00		6,654.30
Community Development - Senior Activities	970.00	1,800.00	1,842.00	300.00	628.00
Community Development - Senior Bus Driver/Dispatcher	1,299.52	13,500.00	7,545.13		7,254.39
Recycling Tonnage Grant		18,501.78	18,501.78		
Certified Local Government Historical Grant	125.00	19,382.00	9,587.13		9,794.87
Community Stewardship Incentive Program		4,694.00	125.00		
FEMA - Assistance to Firefighters Grant		50,000.00	4,694.00		50,000.00
FEMA - Hazard Mitigation Grant					
	\$ 73,617.25	173,839.00	103,943.01	1,311.55	142,201.69
	A			A-5	A

Ref.

Transfer from Budget Appropriations	A-3	171,370.00
Matching Funds for Grants	A-3	2,469.00
Disbursement	A-5	103,943.01
		173,839.00
		103,943.01

Borough of River Edge , N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	Balance, Dec. 31, 2014	Transfer To 2015 <u>Budget</u>	Balance, Dec. 31, <u>2015</u>
Cooperative Housing Inspection Grant \$	148.00	148.00	
Recycling Tonnage Grant	18,501.78	18,501.78	
	<hr/>	<hr/>	<hr/>
	\$ 18,649.78	18,649.78	
	<u>A</u>	<u>A-14</u>	<u>A</u>

## Borough of River Edge , N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal License Fund</u>	<u>Other Trust Fund</u>	<u>Unaudited Emergency Services Volunteer LOSAP</u>
Balance - December 31, 2014	B	\$ 161.39	4,298.28	1,492,424.86	1,138,902.83
Increase by Receipts:					
Assessments Receivable	B-4	4,519.76			
LOSAP - Contributions Receivable	B-5				71,400.00
Interfund - Current Fund	B-6	16.27	0.75	116.85	
Dog License Fees	B-8		6,563.00		
Due State Dept. of Health	B-9		570.00		
Other Trust Funds	B-11			666,363.35	
Reserve for Insurance Funds	B-12			59,085.25	
Reserve for Recreation Commission	B-13			123,831.00	
Payroll Deductions	B-14			7,288,350.94	
LOSAP - Net Assets Available	B-15				(5,164.35)
Total Receipts		<u>4,536.03</u>	<u>7,133.75</u>	<u>8,137,747.39</u>	<u>66,235.65</u>
		<u>4,697.42</u>	<u>11,432.03</u>	<u>9,630,172.25</u>	<u>1,205,138.48</u>
Decreased by Disbursements:					
Interfund - Current Fund	B-6	16.27	0.75	116.85	
Due to General Capital Fund	B-7	4,519.76			
Reserve for Dog Expenditures	B-8		4,464.80		
Due State Dept. of Health	B-9		570.00		
Due to State - Unemployment Claims	B-10			250.70	
Other Trust Funds	B-11			507,723.91	
Reserve for Insurance Funds	B-12			39,852.45	
Reserve for Recreation Commission	B-13			113,975.46	
Payroll Deductions	B-14			7,242,651.34	
LOSAP - Net Assets Available	B-15				15,530.78
Total Disbursements		<u>4,536.03</u>	<u>5,035.55</u>	<u>7,904,570.71</u>	<u>15,530.78</u>
Balance - December 31, 2015	B	\$ 161.39	6,396.48	1,725,601.54	1,189,607.70

**Borough of River Edge , N.J.**  
**Analysis of Assessment Cash**  
**Assessment Trust Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Fund Balance	B-1	\$ <u>161.39</u>
		\$ <u><u>161.39</u></u>

Borough of River Edge, N.J.

Schedule of Assessments Receivable

Trust Funds

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Confirmation	Annual Installments	Balance Dec. 31, 2014	Assessments Confirmed	Collected	Balance Dec. 31, 2015	Balance Pledged to	
								Capital Fund	Reserve
1733	Construction Reconstruct Sidewalks	9/17/2012	5	543.93		481.51	62.42	62.42	
1794	Resurfacing of 5th Avenue (Section I)	2/17/2015	5		1,516.00	1,259.86	256.14	256.14	
1822	River Dell Middle School Safety Improvement Project	10/19/2015	5		550.00	550.00			
1828	Resurfacing of 5th Avenue (Section II)	10/19/2015	5		3,125.00	1,783.96	1,341.04	1,341.04	
1835	Resurfacing of 5th Avenue (Section III)	12/21/2015	5		1,218.44	444.43	774.01	774.01	
				\$ 543.93	6,409.44	4,519.76	2,433.61	2,433.61	
				B	B-7	B-2	B	B	

Borough of River Edge , N.J.

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

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 71,400.00
Increased by:		
Borough Contributions	B-15	<u>95,880.00</u> 167,280.00
Decreased by:		
Receipts	B-2	<u>71,400.00</u>
Balance - December 31, 2015	B	<u><u>\$ 95,880.00</u></u>

**Borough of River Edge**  
**Schedule of Interfund - Current Fund**  
**Trust Funds**  
**Year Ended December 31, 2015**

	Due from/(to) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2015</u>
Assessment Trust	\$	16.27	16.27	
Animal Control Trust Fund		0.75	0.75	
Other Trust Fund		<u>116.85</u>	<u>116.85</u>	
	\$	<u><u>133.87</u></u>	<u><u>133.87</u></u>	

	<u>Ref.</u>		
Cash Receipts-Assessment Trust	B-2	16.27	
Cash Receipts-Animal Control Trust	B-2	0.75	
Cash Receipts - Other Trust Fund	B-2	116.85	
Cash Disbursements-Assessment Trust	B-2		16.27
Cash Disbursements-Animal Control Trust	B-2		0.75
Cash Disbursements-Other Trust Fund	B-2		<u>116.85</u>
		<u><u>133.87</u></u>	<u><u>133.87</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Interfund - General Capital Fund**  
**Trust Funds**  
**Year Ended December 31, 2015**

		<u>Ref.</u>		
Balance - December 31, 2014	- Due to	B	\$	543.93
Increased by:				
Assessments Confirmed		B-4		<u>6,409.44</u>
				6,953.37
Decreased by:				
Disbursed		B-2		<u>4,519.76</u>
Balance - December 31, 2015	- Due to	B	\$	<u><u>2,433.61</u></u>

**Borough of River Edge , N.J.**  
**Reserve for Animal License Fund Expenditures**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 4,298.28
Increased by:		
Dog License Fees - Borough Share	B-2	3,969.00
Cat License Fees - Borough Share	B-2	306.00
Replacement Fees	B-2	
Late and Late Fees	B-2	288.00
Budget Appropriations	B-2	<u>2,000.00</u>
		<u>6,563.00</u>
		10,861.28
Decreased by:		
Expenditures	B-2	<u>4,464.80</u>
		<u>4,464.80</u>
Balance - December 31, 2015	B	<u>\$ 6,396.48</u>

License Fees Collected

2014		4,008.20
2013		<u>4,716.60</u>
		<u>8,724.80</u>

**Due to State Department of Health**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Increased by:		
State Dog License Fees:	B-2	<u>\$ 570.00</u>
Decreased by:		
Disbursed	B-2	<u>\$ 570.00</u>

Borough of River Edge , N.J.  
 Due to State - Unemployment Claims  
 Trust Funds  
 Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 250.70
Increased by:		
Unemployment Charges	B-12	<u>855.45</u>
		1,106.15
Decreased by:		
Disbursed	B-2	<u>250.70</u>
Balance - December 31, 2015	B	<u>\$ 855.45</u>

**Borough of River Edge , N.J.**  
**Schedule of Other Trust Funds**  
**Trust Funds**  
**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Developers' Escrow	\$ 33,880.35	63,693.19	44,171.60	53,401.94
Fire Prevention Penalties	1,103.00			1,103.00
Recycling	251,815.44	25,862.90	20,582.76	257,095.58
Vacancy Inspection	1,371.10	2,700.00	2,880.00	1,191.10
P.O.A.A.	1,979.52	234.00		2,213.52
Tax Sale Redemption				
Municipal Alliance	1,354.16	16,486.71	11,299.61	6,541.26
Street Opening Permits	3,000.00	2,000.00	3,000.00	2,000.00
Performance Bonds	340,974.00	940.00	15,940.00	325,974.00
Snow Removal	67,534.39	35,000.00	13,247.83	89,286.56
Commodity Resale	1,800.00	6,300.76	6,300.76	1,800.00
Public Defender	1,219.50	1,925.50	1,561.00	1,584.00
Accumulated Absences	3,980.00	5.00		3,985.00
Municipal Open Space	126,717.15	151,876.41	104,323.97	174,269.59
September 11th Memorial Gardens	3,881.98			3,881.98
Police Outside Duty	10,867.50	232,397.06	238,944.56	4,320.00
Donations Beautification	8,574.98	1,014.50	1,794.25	7,795.23
Tax Sale Premium	85,200.00	60,100.00		145,300.00
Donations Shade Tree Commission	3,015.18	21,519.43		24,534.61
Performance Bonds - Shade Tree	97,164.06	17,191.89	8,667.83	105,688.12
Senior / Community Center	65,000.00	250.00		65,250.00
Park & Field Maintenance	67,297.53	17,730.00	29,486.10	55,541.43
Donations Special Events	27,868.58	9,136.00	5,523.64	31,480.94
	<u>\$ 1,205,598.42</u>	<u>666,363.35</u>	<u>507,723.91</u>	<u>1,364,237.86</u>
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

Borough of River Edge, N.J.  
 Schedule of Reserve for Insurance Funds  
 Trust Funds  
 Year Ended December 31, 2015

Insurance Fund	Balance Dec. 31, 2014	Increased by:			Paid or Billed	Balance Dec. 31, 2015
		Interest Earned	Payroll	Insurance Proceeds		
General Liability Self Insurance Fund	\$ 40,691.31			21,381.07	9,793.17	57,279.21
Unemployment Insurance Trust Fund	16,818.02	1.90	14,702.28		30,914.73	18,607.47
	\$ 57,509.33	1.90	14,702.28	21,381.07	40,707.90	75,886.68
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>	<u>B</u>
			Unemployment Charges	Disbursed	39,852.45	
				B-2	855.45	
				B-10	<u>40,707.90</u>	

**Borough of River Edge , N.J.**  
**Schedule of Reserve for Recreation Commission**  
**Trust Funds**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 99,823.25
Increased by:		
Receipts	B-2	<u>123,831.00</u> 223,654.25
Decreased by:		
Disbursed	B-2	<u>113,975.46</u>
Balance - December 31, 2015	B	<u><u>\$ 109,678.79</u></u>

Borough of River Edge, N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2015

<u>Account</u>	<u>Balance Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2015</u>
Federal Withholding Tax	\$	735,114.32	735,114.32	
F.I.C.A. - Employee Share		285,101.62	285,101.62	
F.I.C.A. - Employer Share		285,095.86	285,095.86	
State Withholding Tax - NJ		205,925.15	205,925.15	
Unemployment Insurance		20,899.81	20,899.81	
Public Employees' Retirement System	20,042.60	235,799.35	236,166.63	19,675.32
Contributory Insurance	972.52	12,132.48	12,093.83	1,011.17
Defined Contribution Retirement Plan	267.30	17,471.04	16,485.41	1,252.93
Police and Firemen's Retirement System	22,293.31	266,837.16	265,621.31	23,509.16
Supplemental Annuity	116.94	1,244.64	1,257.86	103.72
Garnishes		69,106.51	69,106.51	
Employees' Union Dues - DPW		6,016.72	6,016.72	
Employees' Union Dues - PBA		11,980.00	11,980.00	
Deferred Compensation		155,519.48	155,519.48	
Employer Pension Contributions		920,385.00	920,385.00	
Health Benefits Contribution	85,550.49	129,490.86	85,650.89	129,390.46
Net Payroll including Direct Deposit	0.00	3,930,230.94	3,930,230.94	0.00
	<u>\$ 129,243.16</u>	<u>7,288,350.94</u>	<u>7,242,651.34</u>	<u>174,942.76</u>
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

Borough of River Edge , N.J.

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

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	B		\$ 1,210,302.83
Increased by:			
Borough Contributions	B-5	\$ 95,880.00	
Appreciation/(Loss)	B-2	<u>(5,164.35)</u>	
			<u>90,715.65</u>
			1,301,018.48
Decreased by:			
Withdrawals		12,805.78	
Administration Fee		<u>2,725.00</u>	
	B-2		<u>15,530.78</u>
Balance - December 31, 2015	B		<u><u>\$ 1,285,487.70</u></u>

Borough of River Edge , N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		\$ 570,421.85
Increased by Receipts:			
Various Grants Receivable	C-4	\$ 92,530.00	
Interfund - Assessment Trust Fund	C-5	4,519.76	
Deferred Charges to Future Taxation			
- Unfunded	C-7	342,317.00	
Bond Anticipation Notes	C-10	2,000,000.00	
Capital Improvement Fund	C-12	<u>82,513.00</u>	
			<u>2,521,879.76</u>
			3,092,301.61
Decreased by Disbursements:			
Improvement Authorizations	C-11	<u>2,246,690.80</u>	
			<u>2,246,690.80</u>
Balance - December 31, 2015	C, C-3		<u><u>\$ 845,610.81</u></u>

## Borough of River Edge , N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	C-1	\$ 68,702.38
Due from Bergen County Community Development	C-4	(65,771.00)
Due from Bergen County - Open Space Trust	C-4	(52,000.00)
Interfund - Assessment Trust Fund	C-4	(2,433.61)
Capital Improvement Fund	C-11	11,994.79
Improvement Authorizations:		
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
1380	Various Public Improvements	15,600.00
1568/1730	Various Public Improvements	29,018.05
1656/1672	Various Improvements & Purchases	404,349.62
1693	Various Improvements & Purchases	220.00
1727	Purchase of Equipment and Improvement to Buildings and Grounds	1,484.10
1731	Various Public Improvements & Acquisitions	7,738.96
1762	Various Public Improvements	46,401.70
1763	Various Public Improvements	72,144.87
1784	Purchase of Equipment and Improvement to Buildings and Grounds	2,848.00
1787	Various Public Improvements & Acquisitions	45,906.57
1789	Various Public Improvements	203,855.43
1794	Resurface Fifth Avenue	(55,787.85)
1802	Construction, Reconstruction & Improvements of the Sanitary Sewer System	8,918.96
1803	Purchase of Equipment and Improvement to Buildings and Grounds	7,763.82
1804	Purchase of Equipment and Improvement to Buildings and Grounds	93,057.00
1806/1825	Various Public Improvements & Acquisitions	(68,251.30)
1807	Acquisition of New or Replacement Equipment	38,836.44
1810	Replacement of HVAC Equip. Municipal Building	(5,664.83)
1814	Improvement of Borough Grounds	1,030.00
1815	Construction of Curbs & Sidewalks	420.00
1822	River Dell Middle School Safety Project	(34,908.14)
1826	Purchase of Equipment	104.01
1827	Purchase of Equipment and Improvement to Buildings and Grounds	10,633.57
1828	Resurfacing of 5th Avenue (Section 2)	(60,554.20)
1829	Various Public Improvements & Acquisitions	39,086.07
1830	Various Public Improvements & Acquisitions	5,860.71
1835	Resurfacing of 5th Avenue (Section 3)	(8,764.31)
1839	Purchase of a Vehicle	12,000.00
1843	Construction of Curbs & Sidewalks (Ph. I)	65,771.00
1844	Improvement of Borough Grounds	6,000.00
	C, C-2	<u>\$ 845,610.81</u>

Borough of River Edge, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2015

	<u>Balance,</u> <u>Dec. 31, 2014</u>	<u>Grants</u> <u>Approved</u>	<u>Cash</u> <u>Received</u>	<u>Balance,</u> <u>Dec. 31, 2015</u>
<u>Bergen County Open Space Trust</u>				
Ord. 1811 - Improvement of Cherry Blossom Community Park	52,000.00			52,000.00
	<u>52,000.00</u>			<u>52,000.00</u>
<u>Bergen County Community Development:</u>				
Ord. 1815 - Construction of Curbs & Sidewalks	92,530.00	65,771.00	92,530.00	65,771.00
Ord. 1843 - Construction of Curbs & Sidewalks (Phase I)	92,530.00	65,771.00	92,530.00	65,771.00
	<u>144,530.00</u>	<u>65,771.00</u>	<u>92,530.00</u>	<u>117,771.00</u>
	C	C-10	C-2	C/C-3

**Borough of River Edge , N.J.**  
**Schedule of Interfund - Assessment Trust Fund**  
**General Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	C	\$	543.93
Increased by:			
Assessment Confirmed	C-7		<u>6,409.44</u> 6,953.37
Decreased by:			
Receipt	C-2		<u>4,519.76</u>
Balance, December 31, 2015	C/C-3	\$	<u><u>2,433.61</u></u>

## Borough of River Edge , N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

## General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C	\$	7,952,119.82
Decreased by:			
Budget Appropriations to Pay Bonds	C-8	1,205,000.00	
Savings Credit NJEIT Loan	C-9	2,114.35	
Budget Appropriations to Pay Environmental Infrastructure Trust Loan	C-9	<u>14,615.59</u>	
			<u>1,221,729.94</u>
Balance - December 31, 2015	C	\$	<u><u>6,730,389.88</u></u>

**Borough of River Edge, N.J.**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	2015 Authorizations	Authorizations Funded	Cancelled	Balance, Dec. 31, 2015	Analysis of Balance - Dec. 31, 2015		
							Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
<b>General Improvements:</b>									
1687	Resurfacing of Howland Avenue	\$ 8,890.60		8,890.60					
1768	Resurface Howland Avenue	14,947.29		14,947.29		61,984.00	55,787.85	6,196.15	
1794	Resurface of Fifth Avenue	63,500.00		1,516.00		1,172,040.89	68,251.30	603,789.59	
1806/1825	Various Public Improvements & Acquisitions	1,263,500.00		91,459.11		755,500.00	500,000.00	5,500.00	
1807	Acquisition of New or Replacement Equipment	769,500.00		14,000.00		24,320.00	750,000.00	5,664.83	
1810	Replacement of HVAC Equip. Municipal Building	30,400.00		6,080.00		91,950.00	34,908.14	18,655.17	
1822	River Dell Middle School Safety Project		205,000.00	113,050.00		92,435.00	410,000.00	389,556.00	
1828	Resurfacing of 5th Avenue (Section 2)		190,000.00	97,565.00		799,556.00	340,000.00	176,736.00	
1829	Various Public Improvements & Acquisitions		799,556.00	516,736.00		516,736.00	8,764.31	185,017.25	
1830	Various Public Improvements & Acquisitions		516,736.00	193,781.56		1,090,000.00	1,090,000.00	450,000.00	
1835	Resurfacing of 5th Avenue (Section 3)		195,000.00			193,781.56			
1836	Kinderkamack Rd. Regional Revitalization Project - Ph. 3		1,090,000.00			1,090,000.00			
1837	School Safety Improvement Project		450,000.00			450,000.00			
		\$ 2,150,737.89	3,446,292.00	348,726.44		5,248,303.45	2,000,000.00	233,930.63	3,014,372.82
			C-11/C-13			C			
	Funded by Budget Appropriation		Ref.						
	Funded by Grant Proceeds		C-2/C-13	\$ 135,377.00					
	Assessment Confirmed		C-2/C-13	206,940.00					
			C-5	6,409.44					
		\$ 348,726.44							
	Less: Unexpended Proceeds of Bond Anticipation Notes								
	Ord. 1807							38,836.44	
	Ord. 1829							39,086.07	
	Ord. 1830							5,860.71	
									83,783.22
									3,014,372.82

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

**General Capital Fund**

**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
General Improvement Bonds	8/1/2002	\$ 2,981,000.00	8-1-2016	300,000.00	4.250%	901,000.00	300,000.00	601,000.00
			8-1-2017	301,000.00	4.250%			
General Improvement Bonds	9/15/2005	\$ 3,014,000.00	9-15-2016/18	270,000.00	3.60%	1,349,000.00	270,000.00	1,079,000.00
			9-15-2019	269,000.00	3.60%			
General Improvement Bonds	12/15/2007	2,955,000.00	12-15-2016	210,000.00	3.625-3.75%	1,590,000.00	210,000.00	1,380,000.00
			12-15-2017/22	195,000.00	3.75-4.00%			
General Improvement Bonds	11/15/2009	2,465,000.00	11-15-2016	245,000.00	2.75%			
			11-15-2017/18	245,000.00	3.00%			
			11-15-2019	260,000.00	3.00%	1,240,000.00	245,000.00	995,000.00
General Improvement Bonds	11/15/2013	2,970,000.00	11-15-2016	220,000.00	1.50%			
			11-15-2017	310,000.00	2.00%			
			11-15-2018/19	340,000.00	2.00%			
			11-15-2020	350,000.00	2.00%			
			11-15-2021	350,000.00	2.25%			
			11-15-2022/23	350,000.00	2.50%	2,790,000.00	180,000.00	2,610,000.00
						C	C-6	C
						\$ 7,870,000.00	1,205,000.00	6,665,000.00

Borough of River Edge , N.J.

Schedule of New Jersey Environmental Infrastructure Loan

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Total</u>	<u>Loan</u>
Balance - December 31, 2014	C	\$ 82,119.82	82,119.82
Decreased by:			
Savings Credits	C-6	2,114.35	2,114.35
Principal Paid	C-6	<u>14,615.59</u>	<u>14,615.59</u>
Balance - December 31, 2015	C	<u>\$ 65,389.88</u>	<u>65,389.88</u>

Borough of River Edge, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Original Amount Issued	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
1806/1825	Various Public Improvements & Acquisitions	500,000.00	11/13/15	11/13/15	11/1016	0.68%		500,000.00		500,000.00
1807	Acquisition of New or Replacement Equipment	750,000.00	11/13/15	11/13/15	11/1016	0.68%		750,000.00		750,000.00
1829	Various Public Improvements & Acquisitions	410,000.00	11/13/15	11/13/15	11/1016	0.68%		410,000.00		410,000.00
1830	Various Public Improvements & Acquisitions	340,000.00	11/13/15	11/13/15	11/1016	0.68%		340,000.00		340,000.00
							\$	2,000,000.00		2,000,000.00
								C-2/C-13		C



**Borough of River Edge , N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 3,489.79
Increased by:		
Budget Appropriation	C-2	\$ 82,513.00
Improvement Authorizations Cancelled	C-11	<u>4,000.00</u>
		<u>86,513.00</u>
		90,002.79
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>78,008.00</u>
Balance - December 31, 2015	C/C-3	<u>\$ 11,994.79</u>

Borough of River Edge, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance,		2015 Authorizations	Funded	Cancelled	Balance, Dec. 31, 2015
		Dec. 31, 2014	2015				
<u>General Improvements:</u>							
1648/1654	Acquisition of Real Property for Bogert Road Park	\$	8,890.60		8,890.60		0.00
1687	Resurfacing of Howland Avenue		14,947.29		14,947.29		(0.00)
1768	Resurfacing of Howland Avenue		63,500.00		1,516.00		61,984.00
1794	Resurface of Fifth Avenue		1,263,500.00		591,459.11		672,040.89
1806/1825	Various Public Improvements & Acquisitions		769,500.00		764,000.00		5,500.00
1807	Acquisition of New or Replacement Equipment		30,400.00		6,080.00		24,320.00
1810	Replacement of HVAC Equip. Municipal Building			205,000.00	113,050.00		91,950.00
1822	River Dell Middle School Safety Project			190,000.00	97,565.00		92,435.00
1828	Resurfacing of 5th Avenue (Section 2)			799,556.00	410,000.00		389,556.00
1829	Various Public Improvements & Acquisitions			516,736.00	340,000.00		176,736.00
1830	Various Public Improvements & Acquisitions			195,000.00	1,218.44		193,781.56
1835	Resurfacing of 5th Avenue (Section 3)			1,090,000.00			1,090,000.00
1836	Kinderkamack Rd. Regional Revitalization Project - Ph. 3			450,000.00			450,000.00
1837	School Safety Improvement Project						
		\$	<u>2,150,737.89</u>	<u>3,446,292.00</u>	<u>2,348,726.44</u>		<u>3,248,303.45</u>
			Footnote C	C-10			Footnote C

	Ref.	
Funded by Budget Appropriations	C-7	135,377.00
Funded by Note Proceeds	C-10	2,000,000.00
Assessments Confirmed	C-7	6,409.44
Funded by Grant Proceeds	C-7	206,940.00
		<u>2,348,726.44</u>

**BOROUGH OF RIVER EDGE**

**PART II**

**LETTER ON COMPLIANCE AND ON INTERNAL CONTROL**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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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, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 22, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

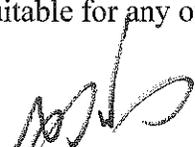
### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

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

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

June 22, 2016



## GENERAL COMMENTS

### Contracts and Agreements

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

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

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

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

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

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

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

5<sup>th</sup> Avenue Road Improvements  
ADA Curb Ramp Construction  
Drainage Improvements

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 5, 2015 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, 2005.

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 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> 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 2, 2015 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>
2015	6
2014	7
2013	7

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, 2015, 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. In a few instances, political contribution forms were not on file for vendors exceeding \$17,500.
2. Several state contracts were not being approved in the minutes.
3. In several instances, purchases are being made prior to requisition/purchase order approval.
4. Building Department - in two instances, receipts were not turned over within 48 hours.
5. Farmer's Market money not turned over in 48 hours. There is no policy set up on how much was being charged.

## RECOMMENDATIONS

1. That political contribution forms be filed for vendors exceeding \$17,500.
2. That all state contracts be approved in the minutes.
3. That purchase requisitions/purchase orders approval be prepared prior to purchases being made.
4. That the Building Department turn receipts over within 48 hours of collection.
5. Farmer's Market money be turned over in 48 hours. That a policy be set up on how much to charge vendors and that proper records be kept.

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all items.

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. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants