

**REPORT OF AUDIT**  
**BOROUGH OF RIVER EDGE**  
**COUNTY OF BERGEN**  
**DECEMBER 31, 2018**

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**BOROUGH OF RIVER EDGE**

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**BOROUGH OF RIVER EDGE**

**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

June 18, 2019

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, 2018 and 2017, 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, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of River Edge as of December 31, 2018 and 2017, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 12 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,635,099.87 and \$1,694,980.66 for 2018 and 2017, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2018 and 2017, 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, 2018 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.

***Emphasis of Matter***

***Adoption of New Accounting Principle***

As discussed in Note 1 to the basic financial statements, during the year ended December 31, 2018, the Borough adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this statement only required financial statement disclosure. Our opinions are not modified with respect to this matter.

***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.

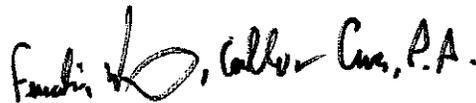
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2019 on our consideration of the Borough of River Edge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of River Edge's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
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June 18, 2019

## Borough of River Edge , N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ <u>7,894,819.48</u>	<u>9,784,673.47</u>
		<u>7,894,819.48</u>	<u>9,784,673.47</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	315,713.36	305,347.53
Tax Title Liens Receivable	A-10	136,242.58	122,051.46
Revenue Accounts Receivable	A-11	9,885.71	8,046.12
Interfund Receivables:			
General Capital Fund	A-12	<u>200.00</u>	<u>                    </u>
		<u>462,041.65</u>	<u>435,445.11</u>
Deferred Charges:			
Emergency Authorizations	A-13	95,185.00	188,706.27
Special Emergency Authorizations	A-14	<u>8,520.00</u>	<u>8,000.00</u>
		<u>103,705.00</u>	<u>196,706.27</u>
		<u>8,460,566.13</u>	<u>10,416,824.85</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-5	63,774.39	71,977.05
Grants Receivable	A-15	<u>44,876.00</u>	<u>64,695.99</u>
		<u>108,650.39</u>	<u>136,673.04</u>
Total Assets		\$ <u>8,569,216.52</u>	<u>10,553,497.89</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, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	\$ 806,713.90	738,247.31
Encumbrances Payable	A-17	448,505.52	392,511.74
Prepaid Taxes	A-18	195,991.32	2,992,613.24
Due to State of NJ Senior Cit. and Vet. Ded.	A-19	9,848.24	10,098.24
Interfund - Grant Fund	A	63,774.39	71,977.05
Accounts Payable	A-24	230,319.64	182,513.72
Due to State of NJ - Marriage License Fees	A-24		200.00
Reserve for:			
Codification of Ordinance	A-24	3,448.41	3,409.50
Sale of Municipal Assets	A-24	48,182.16	50,114.30
Tax Appeals Pending	A-24	534,214.81	467,600.55
		<u>2,340,998.39</u>	<u>4,909,285.65</u>
Reserve for Receivables	Contra	462,041.65	435,445.11
Fund Balance	A-1	<u>5,657,526.09</u>	<u>5,072,094.09</u>
		<u>8,460,566.13</u>	<u>10,416,824.85</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-25	<u>108,650.39</u>	<u>136,673.04</u>
		<u>108,650.39</u>	<u>136,673.04</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 8,569,216.52</u>	<u>10,553,497.89</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, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 839,857.00	425,000.00
Miscellaneous Revenue Anticipated	A-2	2,166,877.92	2,311,167.81
Receipts from Delinquent Taxes	A-2	305,225.07	291,200.65
Receipts from Current Taxes	A-2	49,203,682.63	48,614,161.61
Non-Budget Revenue	A-2	181,390.35	218,018.27
Other Credits to Income:			
Cancellation of Appropriated Reserves for Grants	A-25	318.65	5,274.34
Unexpended Balance of Appropriation Reserves	A-16	393,691.66	346,392.33
Cancelled - Accounts Payable	A-24	82,034.01	80,084.30
		<hr/>	<hr/>
Total Revenues and Other Income		53,173,077.29	52,291,299.31
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	6,819,576.00	6,643,270.46
Other Expenses	A-3	5,486,388.96	5,564,942.76
Capital Improvements	A-3	112,451.00	129,629.00
Municipal Debt Service	A-3	1,542,265.79	1,526,718.04
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,538,122.75	1,285,405.41
Refund/Adjustment of Prior Year Revenue			68,845.25
Cancellation of Federal and State Grants Receivable	A-15	318.65	5,274.34
Local District School Tax	A-20	16,446,125.00	16,096,293.00
Regional High School Tax	A-21	15,399,760.00	15,082,172.50
Municipal Open Space Taxes	A-22	146,271.19	145,794.46
County Taxes including Added Taxes	A-23	4,351,560.37	4,297,050.51
Prior Year Tax Appeals Pending including Interest	A-24	3,233.58	1,382.67
Interfund Advances	A-12	200.00	
		<hr/>	<hr/>
Total Expenditures		51,846,273.29	50,846,778.40

## Borough of River Edge , N.J.

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

## Current Fund

## Year Ended December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Excess (Deficit) Revenue Over Expenditures		1,326,804.00	1,444,520.91
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-13, A-14	<u>98,485.00</u>	<u>192,106.27</u>
Statutory Excess to Fund Balance		1,425,289.00	1,636,627.18
Fund Balance, January 1,	A	<u>5,072,094.09</u>	<u>3,860,466.91</u>
		6,497,383.09	5,497,094.09
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>839,857.00</u>	<u>425,000.00</u>
Fund Balance, December 31,	A	<u>\$ 5,657,526.09</u>	<u>5,072,094.09</u>

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

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 839,857.00	839,857.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	15,000.00	15,300.00	300.00
Fees and Permits				
Other	A-2	55,000.00	56,792.35	1,792.35
Fines and Costs:				
Municipal Court	A-11	135,000.00	100,093.10	(34,906.90)
Interest and Costs on Taxes	A-8	85,000.00	95,085.37	10,085.37
Interest on Investments	A-11	20,000.85	156,466.49	136,465.64
Parking Lot Fees	A-11	29,500.00	34,518.00	5,018.00
Energy Receipts Tax	A-11	1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-11	13,722.00	13,722.00	
Uniform Construction Code Fees	A-11	195,000.00	239,442.00	44,442.00
Interlocal Municipal Service Agreements				
County of Bergen - Snow Removal	A-11	9,440.00	9,440.00	
Public and Private Revenues:				
Drunk Driving Enforcement Fund	A-15	6,478.60	6,478.60	
Alcohol Education and Rehabilitation Fund	A-15	292.93	292.93	
Clean Communities Program	A-15	20,484.45	20,484.45	
Municipal Alliance on Alcoholism & Drug Abuse	A-15	9,876.00	9,876.00	
Nursing Services for Public School	A-15	13,204.00	13,204.00	
Community Development - Senior Activities	A-15	5,000.00	5,000.00	
Cooperative Housing Inspection Grant	A-15	8,681.00	8,681.00	
Donation Memorial Park Bench Program	A-11	3,500.00	3,500.00	
Other Special Items:				
Uniform Fire Safety Act	A-11	10,000.00	13,941.53	3,941.53
Cable Television Fees	A-11	157,046.78	157,046.78	
Reserve for Sale of Assets	A-24	10,000.00	10,000.00	
Police Outside Duty	A-11	90,000.00	140,520.32	50,520.32
Total Miscellaneous Revenues	A-1	1,949,219.61	2,166,877.92	217,658.31
Receipts from Delinquent Taxes	A-1/A-2	235,000.00	305,225.07	70,225.07
Subtotal General Revenues		3,024,076.61	3,311,959.99	287,883.38
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		12,344,561.00	12,560,284.97	215,723.97
Minimum Library Tax		589,312.00	589,312.00	
Total Amount to be Raised by Taxes for Support of Budget	A-2	12,933,873.00	13,149,596.97	215,723.97
Budget Totals		15,957,949.61	16,461,556.96	503,607.35
Non-Budget Revenue	A-1/A-2		181,190.35	181,190.35
		\$ 15,957,949.61	16,642,747.31	684,797.70
Adopted Budget	A-3	15,901,549.63		
Appropriated by N.J.S. 40A:4-87	A-3	56,399.98		
		15,957,949.61		

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, 2018

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-9	\$ 49,268,354.32
Less: Reserve for Tax Appeals Pending	A-24	<u>64,671.69</u>
	A-1	49,203,682.63
 Allocated to School, Municipal Open Space and County Taxes	 A-9	 <u>36,602,981.56</u>
 Balance for Support of Municipal Budget Appropriations		 12,600,701.07
 Add : Appropriation - Reserve for Uncollected Taxes	 A-3	 <u>548,895.90</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 13,149,596.97</u>
 Receipts from Delinquent Taxes:		
Delinquent Taxes	A-9	\$ <u>305,225.07</u>
	A-2	\$ <u><u>305,225.07</u></u>
 Fees and Permits - Other:		
Clerk	A-11	\$ 29,015.00
Police	A-11	2,796.35
Board of Health	A-11	11,631.00
Fire	A-11	<u>13,350.00</u>
	A-2	\$ <u><u>56,792.35</u></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, 2018

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenue Accounts Receivable			
Planning Board	A-11	\$	2,700.00
Board of Adjustment	A-11		2,200.00
Tax Collector	A-11		100.25
Tax Assessor	A-11		260.00
Borough Clerk	A-11		175.00
Rental of Borough Property	A-11		5,400.00
Farmers Market		\$	2,275.00
Crossing Guard Refunds			10,016.94
Interest on Assessments			131.73
Reimbursement of Prior Year Expenditures			3,241.21
FEMA			56,707.10
Police Outside Duty Prior Year Revenue			86,156.16
Bergen County Utilities Authority Connection Fee			382.73
Administrative Fee Senior Citizen & Veteran Report			1,438.08
Homestead Rebate Admin. Fee			727.80
Court/Police Restitution			50.00
Vendor Refund Prior Year			1,130.56
NJ Division of Motor Vehicles Inspection Fines			100.00
Bergen County JIF Insurance Safety Award			750.00
Commodity Resale Fuel Refund Prior Year			1,517.46
Miscellaneous / Contra			5,930.33
	A-4		<u>170,555.10</u>
	A-2	\$	<u><u>181,390.35</u></u>

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

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Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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		22,217.00	22,217.00	22,217.00		
Salaries and Wages	\$			12,855.45	898.55	
Other Expenses		37,554.00	13,754.00			
Mayor and Council		29,000.00	29,000.00	28,913.81	86.19	
Salaries and Wages		13,990.00	9,490.00	7,581.70	1,908.30	
Other Expenses						
Municipal Clerk		162,622.00	152,822.00	146,533.73	6,288.27	
Salaries and Wages		56,930.00	69,930.00	69,006.86	923.14	
Other Expenses			3,300.00	3,300.00		
Codification of Ordinances (Emergency \$3,300.00)						
Financial Administration		325,147.00	325,147.00	311,927.46	13,219.54	
Salaries and Wages						
Other Expenses		23,000.00	23,000.00	23,000.00		
Audit Services		53,318.98	50,318.98	37,125.91	13,193.07	
Other Expenses - Miscellaneous						
Tax Assessment Administration		39,344.00	39,344.00	26,340.00	13,004.00	
Salaries and Wages		4,800.00	3,800.00	1,855.54	1,944.46	
Other Expenses						
Economic Development		7,000.00				
Other Expenses						
Revenue Administration		47,796.00	47,796.00	47,796.00		
Salaries and Wages		18,519.00	18,519.00	9,982.39	8,536.61	
Other Expenses						

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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>						
Legal Services & Costs						
Other Expenses		130,000.00	130,000.00	114,750.00	15,250.00	
Municipal Court						
Salaries and Wages		118,877.00	108,877.00	105,516.86	3,360.14	
Other Expenses		12,445.00	12,445.00	8,305.15	4,139.85	
Public Defender						
Other Expenses		2,775.00	2,775.00	291.50	2,483.50	
Engineering Services and Costs						
Other Expenses		85,000.00	107,500.00	106,731.25	768.75	
Historical Sites Office						
Other Expenses		4,853.00	4,853.00	2,345.96	2,507.04	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		21,756.00	21,756.00	17,821.37	3,934.63	
Other Expenses		7,000.00	7,000.00	5,413.20	1,586.80	
Recycling						
Salaries and Wages		181,008.00	166,008.00	76,217.03	89,790.97	
Other Expenses		5.00	5.00		5.00	
Public Information						
Other Expenses		24,000.00	27,000.00	22,365.24	4,634.76	
Code Enforcement and Administration						
Other Code Enforcement Functions						
Salaries and Wages		45,747.00	45,747.00	37,737.60	8,009.40	
Other Expenses		900.00	900.00	783.28	116.72	

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

Current Fund

Year Ended December 31, 2018

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Insurance						
Liability Insurance		230,012.00	230,012.00	229,719.28	292.72	
Worker's Compensation		200,053.00	200,053.00	200,053.00		
Group Insurance Plan for Employees		805,000.00	805,000.00	593,029.01	211,970.99	
Health Benefit Waiver		45,000.00	45,000.00	17,867.11	27,132.89	
Public Safety:						
Fire						
Salaries and Wages		2,684.00	2,684.00	1,554.92	1,129.08	
Other Expenses		118,675.00	142,860.00	141,985.70	874.30	
Uniform Fire Safety Act (P.L. 1983,C.383)						
Salaries and Wages		29,402.00	29,402.00	29,073.35	328.65	
Other Expenses		3,000.00	3,000.00	2,491.41	508.59	
Police						
Salaries and Wages		3,303,650.00	3,388,650.00	3,349,852.93	38,797.07	
Other Expenses		121,225.00	121,225.00	118,224.21	3,000.79	
Emergency Management Services						
Salaries and Wages		13,601.00	13,601.00	12,643.71	957.29	
Other Expenses		9,350.00	9,350.00	6,343.75	3,006.25	
Municipal Prosecutor						
Salaries and Wages		11,200.00	11,200.00	10,507.15	692.85	
Other Expenses		200.00	200.00		200.00	
First Aid Organization-Contribution (40:5-2)		10,000.00	10,000.00	10,000.00		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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>						
Streets and Roads:						
Public Works Repairs and Maintenance						
Salaries and Wages		991,203.00	991,203.00	967,034.07	24,168.93	
Other Expenses		80,954.00	80,954.00	79,669.04	1,284.96	
Other Public Works Functions						
Other Expenses		11,950.00	11,950.00	11,950.00		
Shade Tree Commission (N.J.S.A. 40:64-1)						
Other Expenses		20,750.00	20,750.00	20,750.00		
Buildings and Grounds						
Salaries and Wages		73,239.00	78,239.00	76,928.95	1,310.05	
Other Expense		102,327.00	109,327.00	102,505.61	6,821.39	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages		171,284.00	171,284.00	164,237.16	7,046.84	
Other Expenses		134,525.00	134,525.00	130,607.34	3,917.66	
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)		314,100.00	315,900.00	315,200.00	700.00	
Other Expenses - Multifamily (P.L. 2000, C.26)		168,000.00	178,000.00	158,097.77	19,902.23	
Parking Lot Maintenance						
Other Expenses		5,700.00	5,700.00	5,495.60	204.40	
Sewer System						
Salaries and Wages		51,701.00	51,701.00	50,511.12	1,189.88	
Other Expenses		10,640.00	10,640.00	9,524.88	1,115.12	

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

Current Fund

Year Ended December 31, 2018

<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>
Sanitation Landfill - Bergen County Contractual		260,000.00	251,000.00	204,722.32	46,277.68	
Health and Welfare:						
Public Health Services		53,550.00	53,550.00	50,676.13	2,873.87	
Salaries and Wages		19,900.00	19,900.00	19,899.96	0.04	
Other Expenses - Contractual		26,873.00	23,073.00	17,812.75	5,260.25	
Other Expenses - Miscellaneous						
Animal Welfare						
Other Expenses		13,500.00	15,300.00	13,500.00	1,800.00	
Board of Health (PEOSHA, N.J.S.A. 34:6A-25 et seq.)H.B.V.		100.00	100.00		100.00	
Other Expenses						
Fire (N.J., PEOSHA, N.J.A.C. 12:100-10)		100.00	100.00		100.00	
Other Expenses						
Celebration of Public Events		1,150.00	1,150.00		1,150.00	
Other Expenses						
Recreation & Education:						
Recreation Commission RS. 40:12-1		64,000.00	64,000.00	41,679.04	22,320.96	
Salaries and Wages		14,800.00	9,800.00	9,187.85	612.15	
Other Expenses						
Maintenance of Parks		186,490.00	196,490.00	195,242.44	1,247.56	
Salaries and Wages		4,700.00	4,700.00	2,643.35	2,056.65	
Other Expenses						
Aid to Senior Citizen Program (40:48-9.4)		27,500.00	27,500.00	23,399.88	4,100.12	
Other Expenses						

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

Current Fund

Year Ended December 31, 2018

	<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>						
Other Common Operating Functions:						
Worker and Community Right to Know Act (P.L. 1983 C.315)						
Administrative and Executive						
Other Expenses		400.00	400.00	400.00		
Bus						
Salaries and Wages		40,512.00	35,512.00	31,703.10	3,808.90	
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		158,365.00	158,365.00	156,234.76	2,130.24	
Other Expenses		4,550.00	4,550.00	3,292.16	1,257.84	
Unclassified:						
Telephone		53,341.00	59,341.00	59,247.98	93.02	
Fire Hydrant Service		137,000.00	137,000.00	130,513.77	6,486.23	
Water		27,000.00	27,000.00	20,445.08	6,554.92	
Petroleum Products		87,726.00	87,726.00	81,632.44	6,093.56	
Electricity and Natural Gas		250,000.00	250,000.00	240,073.19	9,926.81	
Total Operations within "CAPS"		9,971,120.98	10,066,805.98	9,389,162.56	677,643.42	
Contingent		5.00	5.00		5.00	
Total Operations Including Contingent within "CAPS"		9,971,125.98	10,066,810.98	9,389,162.56	677,648.42	
Detail:						
Salaries and Wages	A-1	6,189,400.00	6,249,600.00	5,976,771.80	272,828.20	
Other Expenses	A-1	3,781,725.98	3,817,210.98	3,412,390.76	404,820.22	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Prior Year's Bills						
George A. Koteen Associates, Inc.						
Electric Audit - 2015	601.02	601.02	601.02	601.02		
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		365,004.00	365,004.00	365,003.10	0.90	
Social Security System (O.A.S.I.)		296,711.00	296,711.00	273,694.46	23,016.54	
Police and Firemen's Retirement System		626,840.00	626,840.00	626,840.00		
Unemployment Compensation Insurance		17,000.00	17,000.00	17,000.00		
Defined Contribution Retirement Program		8,800.00	8,800.00	8,800.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,314,956.02	1,314,956.02	1,291,938.58	23,017.44	
Total General Appropriations for Municipal Purposes within "CAPS"		11,286,082.00	11,381,767.00	10,681,101.14	700,665.86	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)						
Salaries and Wages		501,534.00	501,534.00	478,658.01	22,875.99	
Other Expenses		135,663.00	135,663.00	131,028.26	4,634.74	
Hackensack/Paramus Sewer Charges						
Contractual		158,000.00	158,000.00	150,430.58	7,569.42	

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

Current Fund

Year Ended December 31, 2018

<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		731,957.00	731,957.00	731,956.40	0.60	
Debt Service		272,890.00	272,890.00	272,890.00		
Declared State of Emergency N.J.S.A. 40A:4-45.45(b)						
Cost for Snow Removal						
Salaries and Wages		37,499.00	37,499.00	37,499.00		
Other Expenses		20,220.00	20,220.00	20,220.00		
Recycling Tax (P.L.2007, C.311)						
Other Expenses		13,500.00	13,500.00	9,551.58	3,948.42	
NJPEDS Stormwater Permit (N.J.S.A. 40A:45.3(cc))						
General Administration						
Salaries and Wages		3,190.00	3,190.00	3,190.00		
Other Expenses		50.00	50.00		50.00	
Municipal Clerk						
Salaries and Wages		269.00	269.00	269.00		
Other Expenses		400.00	400.00		400.00	
Legal Services & Costs						
Other Expenses		1,200.00	1,200.00		1,200.00	
Public Information						
Other Expenses		2,000.00	2,000.00	178.00	1,822.00	
Other Code Enforcement Functions						
Salaries and Wages		14.00	14.00	14.00		
Police						
Salaries and Wages		38.00	38.00	38.00		

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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>						
Public Works Repair and Maintenance						
Salaries and Wages		7,980.00	7,980.00	7,980.00		
Other Expenses		9,500.00	9,500.00	9,500.00		
Sewer System						
Other Expenses		3,000.00	3,000.00	3,000.00		
Public Health Services						
Salaries and Wages		12.00	12.00	12.00		
Engineering						
Other Expenses		5,000.00	5,000.00	5,000.00		
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, c.388)						
Other Expenses - Fire		59,160.00	59,160.00	59,160.00		
Other Expenses - First Aid Organization		30,600.00	30,600.00	30,600.00		
Implementation of 911 System (N.J.S.A. 40A:4-45.3 (cc))						
Police Communications		19,576.00	19,576.00	15,323.34	4,252.66	
Other Expenses						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)						
Electricity		18,000.00	20,800.00	20,651.09	148.91	
Telephone		1,400.00	1,400.00	1,204.41	195.59	
Natural Gas		3,000.00	3,000.00	1,352.89	1,647.11	
Water		7,500.00	7,500.00	6,249.21	1,250.79	
Employee Group Health		40,383.00	40,383.00	40,383.00		
Social Security		39,453.00	39,453.00	38,053.62	1,399.38	
Liability Insurance		13,602.00	13,602.00		13,602.00	
Workers Compensation Insurance		10,333.00	10,333.00	10,333.00		
Health Benefit Waiver		10,000.00	10,000.00	9,657.44	342.56	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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>						
Interlocal Municipal Service Agreements						
County of Bergen Snow Removal		9,440.00	9,440.00	9,440.00		
Salary and Wages						
Public and Private Programs Offset by Revenues						
State and Local Cooperative Housing		8,681.00	8,681.00	8,681.00		
Inspection Program		6,478.60	6,478.60	6,478.60		
Drunk Driving Enforcement Fund - Police		20,484.45	20,484.45	20,484.45		
Clean Communities Grant		13,204.00	13,204.00	13,204.00		
Nursing Services for Nonpublic Schools						
Municipal Alliance on Alcoholism & Drug Abuse		9,876.00	9,876.00	9,876.00		
State Share		2,469.00	2,469.00	2,469.00		
Local Share						
Community Development Block Grant						
Senior Citizen Activities		5,000.00	5,000.00	5,000.00		
Other Expenses		292.93	292.93	292.93		
Alcohol Education and Rehabilitation		3,500.00	3,500.00	3,180.13	319.87	
Donation Memorial Park Bench Program		5.00	5.00		5.00	
Matching Funds for Grants						
Total Operations - Excluded from "CAPS"		<u>2,236,353.98</u>	<u>2,239,153.98</u>	<u>2,133,105.94</u>	<u>106,048.04</u>	
Detail:						
Salaries & Wages	A-1	569,976.00	569,976.00	546,757.45	23,218.55	
Other Expenses	A-1	1,666,377.98	1,669,177.98	1,586,348.49	82,829.49	

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

		Current Fund				Unexpended
		Budget	Budget	Budget	Paid or	Balance
		After	Modification	Charged	Reserved	Cancelled
		Ref.	Ref.	Ref.	Ref.	Ref.
		General Appropriations	Budget	Modification	Charged	Cancelled
<b>Capital Improvements:</b>						
Capital Improvement Fund			112,451.00	112,451.00	112,451.00	
Total Capital Improvements Excluded from "CAPS"	A-1		112,451.00	112,451.00	112,451.00	
<b>Municipal Debt Service:</b>						
Payment of Bond Principal			1,300,000.00	1,300,000.00	1,300,000.00	1,046.00
Interest on Bonds			228,000.00	228,000.00	226,954.00	
NJ EIT Loan			20,000.00	20,000.00	15,172.89	4,827.11
Principal			3,000.00	3,000.00	138.90	2,861.10
Interest			1,551,000.00	1,551,000.00	1,542,265.79	8,734.21
Total Municipal Debt Service-Excluded from "CAPS"	A-1		1,551,000.00	1,551,000.00	1,542,265.79	
<b>Deferred Charges:</b>						
Emergency Authorization			188,706.27	188,706.27	188,706.27	
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)			2,780.00	2,780.00	2,780.00	
Deferred Charges to Future Taxation - Unfunded			7,000.00	7,000.00	7,000.00	
Ord 1794 Resurface 5th Avenue (Sec. I)			2,388.46	2,388.46	2,388.46	
Ord 1806 Various Improvements			500.00	500.00	500.00	
Ord 1859 Various Improvements			5,500.00	5,500.00	5,500.00	
Ord 1807 Acquisition of New or Replacement Equipment			9,556.00	9,556.00	9,556.00	
Ord 1829 Various Improvements			6,736.00	6,736.00	6,736.00	
Ord 1830 Various Improvements						
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1		223,166.73	223,166.73	223,166.73	

Borough of River Edge, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,122,971.71	4,125,771.71	4,010,989.46	106,048.04	8,734.21
Subtotal General Appropriations		15,409,053.71	15,507,538.71	14,692,090.60	806,713.90	8,734.21
Reserve for Uncollected Taxes		548,895.90	548,895.90	548,895.90		
Total General Appropriations		\$ 15,957,949.61	16,056,434.61	15,240,986.50	806,713.90	8,734.21
Adopted Budget	A-2		\$ 15,901,549.63			
Emergency Authorization	A-13		95,185.00			
Special Emergency Authorization	A-14		3,300.00			
Appropriated by N.J.S. 40A:4-87	A-2		56,399.98			
			\$ 16,056,434.61			

Analysis of Paid or Charged

Cash Disbursed	A-4	\$ 13,982,312.83
Encumbrances Payable	A-17	448,505.52
Deferred Charges - Special Emergency Authorization	A-14	2,780.00
Deferred Charges - Emergency Authorization	A-13	188,706.27
Reserve for Codification of Ordinances	A-24	3,300.00
Reserve for Uncollected Taxes	A-2	548,895.90
Matching Funds for Grants	A-4/A-25	2,469.00
Reserve for Grants	A-25	64,016.98
		\$ 15,240,986.50

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, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-2	\$ 461.39	461.39
Assessments Receivable	B-4	382.05	949.90
		<u>843.44</u>	<u>1,411.29</u>
Animal License Fund:			
Cash - Treasurer	B-2	6,737.61	6,529.51
		<u>6,737.61</u>	<u>6,529.51</u>
Other Trust Funds:			
Cash - Treasurer	B-2	2,227,142.53	2,169,291.15
		<u>2,227,142.53</u>	<u>2,169,291.15</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-2	1,562,679.87	1,629,700.66
Contributions Receivable	B-5	72,420.00	65,280.00
		<u>1,635,099.87</u>	<u>1,694,980.66</u>
Total Assets		\$ <u>3,869,823.45</u>	<u>3,872,212.61</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, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Assessment Fund:			
Due to General Capital Fund	B-7	\$ 382.05	949.90
Fund Balance	B-1	461.39	461.39
		<u>843.44</u>	<u>1,411.29</u>
Animal License Fund:			
Reserve for Dog Fund Expenditures	B-8	6,737.61	6,529.51
		<u>6,737.61</u>	<u>6,529.51</u>
Other Trust Fund:			
Due to the State - Unemployment Claims	B-10	1,846.26	453.57
Developers' Escrow	B-11	122,257.78	136,249.47
Fire Prevention Penalties	B-11	1,623.00	1,243.00
Recycling	B-11	162,981.35	195,492.26
Vacancy Inspection	B-11	391.10	451.10
P.O.A.A.	B-11	2,859.52	2,677.52
Municipal Alliance	B-11	2,029.74	1,636.00
Street Opening Permits	B-11	1,500.00	2,000.00
Performance Bonds	B-11	781,912.00	785,758.00
Storm Recovery	B-11	101,928.99	101,928.99
Commodity Resale	B-11	1,800.00	1,800.00
Public Defender	B-11	1,175.00	1,625.00
Accumulated Absences	B-11	57,000.00	38,995.00
Municipal Open Space	B-11	201,602.04	135,904.31
September 11th Memorial Gardens	B-11	3,881.98	3,881.98
Donations Beautification	B-11	4,724.84	5,817.32
Tax Sale Premium	B-11	32,000.00	47,000.00
Donations for Shade Tree Commission	B-11	33,092.42	26,696.52
Performance Bonds - Shade Tree Commission	B-11	101,550.45	86,312.17
Senior / Community Center	B-11	20,756.93	31,041.26
Park & Field Maintenance	B-11	63,902.21	51,710.57
Donations Special Events	B-11	24,966.05	32,710.30
Reserve for:			
Self Insurance Fund (Commission)	B-12	61,982.35	72,762.07
Unemployment Insurance Trust Fund	B-12	20,009.50	19,220.83
Recreation Commission	B-13	123,083.90	111,507.57
Payroll Deductions Payable	B-14	296,285.12	274,416.34
		<u>2,227,142.53</u>	<u>2,169,291.15</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-15	1,635,099.87	1,694,980.66
Total Liabilities, Reserves & Fund Balance		\$ <u>3,869,823.45</u>	<u>3,872,212.61</u>

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

Borough of River Edge , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Assessment Trust Fund

For the Years Ended December 31, 2018 and 2017

		<u>2018</u>	<u>2017</u>
Balance - December 31, 2017	<u>Ref.</u> B	\$ <u>461.39</u>	<u>461.39</u>
Balance - December 31, 2018	B/B-3	\$ <u>461.39</u>	<u>461.39</u>

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

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**Borough of River Edge , N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**General Capital Fund**

**December 31, 2018 and 2017**

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	C-2/C-3	\$ 1,413,738.36	2,221,643.86
Various Receivables	C-4	1,704,500.00	1,286,417.00
Interfund - Assessment Trust Fund	C-5	382.05	949.90
Deferred Charges to Future Taxation:			
Funded	C-6	7,717,728.18	9,032,901.07
Unfunded	C-7	4,839,705.73	2,084,904.54
		15,676,054.32	14,626,816.37
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	7,699,000.00	8,999,000.00
Environmental Infrastructure Trust / Loan	C-9	18,728.18	33,901.07
Improvement Authorizations:			
Funded	C-10	2,414,749.09	2,431,069.49
Unfunded	C-10	3,929,805.05	1,908,553.81
Capital Improvement Fund	C-11	7,906.03	7,751.03
Reserve for Receivables	C-12	1,533,000.00	1,153,875.00
Interfund - Current Fund	C-5	200.00	
Fund Balance	C-1	72,665.97	92,665.97
		\$ 15,676,054.32	14,626,816.37

Footnote: There was Authorized but not Issued Debt at December 31, 2018 and 2017 of \$4,839,705.73 and \$2,084,904.54 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, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Balance - December 31, 2017	C	\$ 92,665.97	63,240.33
Increased by:			
Premium on Sale of Bonds			49,000.00
Funded Improvement Authorizations Cancelled	C-10	<u>20,624.00</u>	<u>748,425.64</u>
		113,289.97	860,665.97
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10	<u>40,624.00</u>	<u>768,000.00</u>
Balance - December 31, 2018	C/C-3	<u>\$ 72,665.97</u>	<u>92,665.97</u>

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

## Borough of River Edge, N.J.

## Statement of General Fixed Assets - Regulatory Basis

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>General Fixed Assets:</u>		
Land	\$ 4,798,358.73	4,798,358.73
Buildings and Building Improvements	5,383,345.57	5,383,345.57
Improvements - Other than Buildings	1,344,399.53	1,344,399.53
Machinery and Equipment	<u>9,773,723.91</u>	<u>9,339,657.41</u>
	<u>21,299,827.74</u>	<u>20,865,761.24</u>
Investment in General Fixed Assets	<u>\$ 21,299,827.74</u>	<u>20,865,761.24</u>

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

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**BOROUGH OF RIVER EDGE, N. J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**

**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, 2018 and 2017**  
**(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, 2018 and 2017**  
**(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, 2018 and 2017**  
**(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 2018, the Borough Council increased the original budget by \$154,884.98. The increase was funded by \$56,399.98 of additional grants and donations allotted to the Borough, \$3,300.00 by a special emergency appropriation for codification of ordinances and emergency appropriations of \$80,000.00 for police salaries and wages, and \$15,185.00 for fire other expenses.

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, 2018 and 2017**  
**(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, 2018 and 2017**  
**(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, 2018 and 2017**  
**(continued)**

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

**Basis of Accounting, (continued)**

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

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

**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, 2018 and 2017, \$-0- of the Borough's bank balance of \$11,960,473.40 and \$13,995,545.62, respectively, were exposed to custodial credit risk.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Unaudited Investments**

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are 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, 2018 and 2017 amounted to \$1,562,679.87 and \$1,629,700.65, respectively.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Growth	\$978,686.50	\$1,015,888.86
Fixed Income	182,846.01	165,092.10
Income	169,276.97	183,914.87
Growth and Income	77,422.56	84,622.14
All Others	<u>154,447.83</u>	<u>180,182.68</u>
Total	<u>\$1,562,679.87</u>	<u>\$1,629,700.65</u>

**NOTE 3: MUNICIPAL DEBT**

Long-term debt as of December 31, 2018 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2017</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	\$8,999,000.00	\$	\$1,300,000.00	\$7,699,000.00	\$1,314,000.00
Other Liabilities:					
Compensated Absences Payable	621,160.10	271,063.90	75,886.00	816,338.00	
N.J. Environmental Infrastructure: Loan	<u>33,901.07</u>	<u>                    </u>	<u>15,172.89</u>	<u>18,728.18</u>	<u>18,728.18</u>
	<u>\$9,654,061.17</u>	<u>\$271,063.90</u>	<u>\$1,391,058.89</u>	<u>\$8,534,066.18</u>	<u>\$1,332,728.18</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(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 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$7,699,000.00	\$8,999,000.00	\$7,920,000.00
Loans	<u>18,728.18</u>	<u>33,901.07</u>	<u>49,453.90</u>
Total Issued	<u>7,717,728.18</u>	<u>9,032,901.07</u>	<u>7,969,453.90</u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>4,839,705.73</u>	<u>2,084,904.54</u>	<u>3,133,757.14</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,557,433.91</u>	<u>\$11,117,805.61</u>	<u>\$11,103,211.04</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .711%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$15,060,000.00	\$15,060,000.00	\$0.00
Regional High School District	3,631,636.75	3,631,636.75	0.00
General Debt	<u>12,557,433.91</u>		<u>12,557,433.91</u>
	<u>\$31,249,070.66</u>	<u>\$18,691,636.75</u>	<u>\$12,557,433.91</u>

Net Debt \$12,557,433.91 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,765,383,207.67 = .711%.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

3 ½% of Equalized Valuation Basis (Municipal)	\$61,788,412.27
Net Debt	<u>12,557,433.91</u>
Remaining Borrowing Power	<u>\$49,230,978.36</u>

The Borough's bonded debt consisted of the following at December 31, 2018:

	<u>Amount Outstanding</u>
Paid by Current Fund:	
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%	\$269,000.00
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%	780,000.00
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%	260,000.00
General Improvement Bonds - \$2,970,000.00 issued November 15, 2013 due through November 15, 2023 with variable interest rates of 1.00% to 2.50%	1,740,000.00
General Improvement Bonds - \$4,900,000.00 issued November 1, 2017 due through November 1, 2029 with variable interest rates of 2.125% to 2.50%	<u>4,650,000.00</u>
	<u>\$7,699,000.00</u>

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

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

	General		
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$1,314,000.00	\$189,971.50	\$1,503,971.50
2020	985,000.00	152,575.00	1,137,575.00
2021	985,000.00	128,425.00	1,113,425.00
2022	985,000.00	103,400.00	1,088,400.00
2023	790,000.00	77,500.00	867,500.00
2024-2028	2,200,000.00	202,950.00	2,402,950.00
2029	<u>440,000.00</u>	<u>11,000.00</u>	<u>451,000.00</u>
	<u>\$7,699,000.00</u>	<u>\$865,821.50</u>	<u>\$8,564,821.50</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

At December 31, 2018, the Borough had authorized but not issued debt of \$4,839,705.73.

**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>\$18,728.18</u>
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**N.J. WASTEWATER TREATMENT FINANCING PROGRAM, (continued)**

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

<u>Year</u>	Trust Loan (1)	
	<u>Principal</u>	<u>Interest</u>
2019	<u>\$18,728.18</u>	<u>\$294.39</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**

**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.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 4: BOND ANTICIPATION NOTES, (continued)**

On December 31, 2018, the Borough did not have any outstanding bond anticipation notes.

**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, 2018 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2018</u>	2019 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Special Emergency Authorizations	<u>\$8,520.00</u>	<u>\$2,840.00</u>	<u>\$5,680.00</u>
Current Fund:			
Emergency Authorizations	<u>\$95,185.00</u>	<u>\$95,185.00</u>	<u>\$0.00</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, 2018</u>	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,257,889.00	\$7,747,959.50
Deferred	<u>8,257,889.00</u>	<u>7,747,959.50</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 6: DEFERRED SCHOOL TAXES, (continued)**

	December 31, 2017	
	<u>Local School District</u>	<u>Regional High School</u>
Balance of Tax	\$8,094,783.00	\$7,651,800.50
Deferred	<u>8,094,783.00</u>	<u>7,651,800.50</u>
Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>

**NOTE 7: PENSION PLANS**

Description of Plans:

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

*Public Employees' Retirement System (PERS)*

Plan Description

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

Benefits Provided

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

Benefits Provided, (continued)

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

*Police and Firemens' Retirement System (PFRS)*

Plan Description

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

Benefits Provided

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

**Benefits Provided, (continued)**

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

**Defined Contribution Retirement Program**

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

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

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

**Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

Contribution Requirements, (continued)

PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2018	\$361,583.00	\$626,840.00	\$8,800.00
2017	339,434.00	583,036.00	8,800.00
2016	318,773.00	549,119.00	7,800.00

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

**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, 2018, the Borough had a liability of \$7,727,403.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Borough's proportion was 0.03924631 percent, which was an increase of 0.0002150434 percent from its proportion measured as of June 30, 2017.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

For the year ended December 31, 2018, the Borough recognized pension expense of \$361,583.00. At December 31, 2018, 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	\$147,363.00	\$39,845.00
Changes of assumptions	1,273,348.00	2,470,813.00
Net difference between projected and actual earnings on pension plan investments		72,483.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>284,126.00</u>	<u>30,333.00</u>
Total	<u>\$1,704,837.00</u>	<u>\$2,613,474.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$53,632
2020	(75,254)
2021	(532,465)
2022	(461,549)
2023	(147,794)

**Changes in Proportion**

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
Borough's Proportion	0.03924631%	0.0390312666%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

**Mortality Rates, (continued)**

Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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, 2018 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, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
Borough's proportionate share of the pension liability	\$10,108,782	\$7,727,403	\$6,058,830

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

**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).

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

At December 31, 2018, the Borough had a liability of \$10,534,894 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Borough's proportion was 0.0778537387 percent, which was a decrease of 0.0070258374 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Borough recognized pension expense of \$626,840.00. At December 31, 2018, 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	\$107,179.00	\$43,596.00
Changes of assumptions	904,279.00	2,699,912.00
Net difference between projected and actual earnings on pension plan investments		57,635.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,232,226.00</u>	<u>508,107.00</u>
Total	<u>\$2,243,684.00</u>	<u>\$3,309,250.00</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 7. PENSION PLANS, (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, 2018) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$90,601
2020	(305,412)
2021	(854,432)
2022	(548,486)
2023	(171,956)

**Changes in Proportion**

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

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$1,988,215,695	\$2,941,952,753
Collective deferred inflows of resources	4,286,994,294	3,262,432,093
Collective net pension liability	13,531,648,591	17,167,260,198
Borough's Proportion	0.0778537387%	0.0708279013%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Actuarial Assumptions, (continued)**

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

**Mortality Rates**

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Long-Term Rate of Return, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, 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, 2018 and 2017**  
**(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, 2018, 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, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.51%</u>	<u>6.51%</u>	<u>7.51%</u>
Borough's proportionate share of the pension liability	\$16,014,853	\$10,534,894	\$8,626,225

**Special Funding Situation - PFRS**

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

At December 31, 2018 and 2017, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,430,991 and \$1,224,751, respectively. For the years ended December 31, 2018 and 2017, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$169,499 and \$149,815, respectively, which is more than the actual contributions the State made on behalf of the Borough of

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(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)**

\$84,749 and \$61,243, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**Pension Plan Fiduciary Net Position**

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

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

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

**Special Funding Situation PFRS**

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

At December 31, 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$8,309,588 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$251,541.

**NOTE 9: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2018 and 2017 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Current Fund	<u>\$975,000.00</u>	<u>\$839,857.00</u>

**NOTE 10: FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2018.

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Land	\$4,798,358.73	\$	\$	\$4,798,358.73
Buildings	5,383,345.57			5,383,345.57
Improvements-Other than Buildings	1,344,399.53			1,344,399.53
Machinery and Equipment	<u>9,339,657.41</u>	<u>522,579.66</u>	<u>88,513.16</u>	<u>9,773,723.91</u>
	<u>\$20,865,761.24</u>	<u>\$522,579.66</u>	<u>\$88,513.16</u>	<u>\$21,299,827.74</u>

**NOTE 11: ACCRUED SICK AND VACATION BENEFITS**

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

It is estimated that the current cost of such unpaid compensation would approximate \$816,338.00 and \$621,160.10 at December 31, 2018 and 2017, 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.

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 11: ACCRUED SICK AND VACATION BENEFITS, (continued)**

As of December 31, 2018 and 2017, the Borough has reserved in the Other Trust Fund \$57,000.00 and \$38,995.00, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 12: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2018 consist of the following:

\$200.00	Due to Current Fund from General Capital Fund for Current Fund receipts deposited in General Capital Fund.
63,774.39	Due to the State and Federal Grant Fund from the Current Fund for Grant receipts deposited in the Current Fund.
<u>382.05</u>	Due to the General Capital Fund from the Assessment Trust Fund for confirmed assessments not collected.
<u>\$64,356.44</u>	

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

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

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

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

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

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

We have reviewed the plan for the year ended December 31, 2018 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services. Since a review does not constitute an audit, the financial statements pertaining to the plan are presented as unaudited in this report as part of the Borough's trust fund.

**NOTE 14: RISK MANAGEMENT**

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

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

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 sued 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).

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

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

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

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

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

<b>Year Ended Dec. 31,</b>	<b>Interest Earnings/ Borough Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2018	\$17,094.29	\$16,154.35	\$32,459.97	\$20,009.50
2017	18,003.76	16,191.15	36,952.04	19,220.83
2016	20,002.08	15,126.81	31,758.40	21,977.96

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:

	<b>Balance Dec 31, 2018</b>	<b>Balance Dec 31, 2017</b>
Prepaid Taxes	<u>\$195,991.32</u>	<u>\$2,992,613.24</u>
Cash Liability for Taxes Collected in Advance	<u>\$195,991.32</u>	<u>\$2,992,613.24</u>

**BOROUGH OF RIVER EDGE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2018 and 2017**  
**(continued)**

**NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES**

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

**NOTE 17: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 18, 2019, 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate:	<u>3.395</u>	<u>3.362</u>	<u>3.286</u>	<u>3.217</u>	<u>3.223</u>
Apportionment of Tax Rate:					
Municipal	.846	.846	.832	.820	.813
Municipal Library	.041	.039	.038	.038	.039
Municipal Open Space	.010	.010	.010	.010	.010
County	.286	.284	.283	.272	.270
County Open Space	.012	.010	.003	.003	.003
Local School	1.138	1.121	1.097	1.075	1.049
Regional High School	1.062	1.052	1.023	.999	1.036

Assessed Valuation:

2018	\$1,459,042,122.00
2017	1,455,318,219.00
2016	1,452,389,603.00
2015	1,442,542,931.00
2014	1,434,344,627.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$49,654,283.13	\$49,268,354.32	99.22%
2017	49,016,059.14	48,641,815.07	99.24
2016	47,826,445.72	47,463,619.60	99.24
2015	46,620,948.84	46,279,531.61	99.26
2014	46,452,136.17	45,958,694.09	98.93

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current Year	\$315,713.36	\$305,347.53	\$294,082.98	\$258,359.91	\$366,608.09
Prior Years					
Tax Title Liens	<u>136,242.58</u>	<u>122,051.46</u>	<u>107,998.29</u>	<u>94,262.82</u>	<u>181,837.83</u>
Totals	<u>\$451,955.94</u>	<u>\$427,398.99</u>	<u>\$402,081.27</u>	<u>\$352,622.73</u>	<u>\$548,445.92</u>
Percentage of each Years Tax Levy	.91%	.87%	.84%	.76%	1.18%

**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>
2018	None
2017	None
2016	None
2015	None
2014	None

**COMPARATIVE SCHEDULE OF FUND BALANCE**

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2018	\$5,657,526.09	\$975,000.00
2017	5,072,094.09	839,857.00
2016	3,860,466.91	425,000.00
2015	3,493,975.25	425,000.00
2014	2,517,297.28	425,000.00

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Edward Mignone	Mayor	
Vito Acquafredda	Council President	
Alphonse Bartelloni	Councilman	
Ellen Busteed	Councilwoman	
Dario Chinigo	Councilman	
Mary Davis	Councilwoman	
Thomas Papaleo	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	
Bruce L. Safro, Esq	Magistrate	(A)
Noreen Patoray	Court Administrator	(A)
Lisa Sulikowski	Deputy Court Administrator	(A)
Gomattie Birnbaum	Accounts Supervisor, Certifying Officer	
Thomas Cariddi	Chief of Police	

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

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

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BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	C.F.D.A. Account No.	Grant Year	Total Grant Award Amount	Balance Jan. 1, 2018	Receipts	Expended	Balance Dec. 31, 2018	Memo
									Cumulative Total Expenditures
<u>Current Fund</u>									
<u>U.S. Department of Homeland Security</u>									
Pass Through NJ Department of Law & Public Safety:									
Public Assistance Grants	066-1200-100-C27	97.036	2018	55,900.28		55,900.28	55,900.28		55,900.28
	066-1200-100-A92	97.036	2013	59,320.30		806.82	806.82 (a)		59,320.30
						56,707.10	56,707.10		
<b>Total Current Fund</b>						56,707.10	56,707.10		
(a) = reimbursement of prior year expenditures									
<u>Federal and State Grant Fund</u>									
<u>U.S. Department of H.U.D.</u>									
Pass Through County of Bergen:									
Community Development Block Grant:		14.218	2017	20,153.00	(7,549.39)	20,153.00	12,603.61		20,153.00
Senior Bus Driver/Dispatcher Grant			2018	5,000.00					
			2017	1,800.00	(1,532.00)	1,800.00	268.00		1,800.00
Senior Activities					(9,081.39)	21,953.00	12,871.61		
<u>U.S. Department of Justice</u>									
Bulletproof Vest Partnership Program		16.607	2017	1,766.99	(612.50)	1,766.99	1,154.49		1,766.99
			2016	1,600.00	(1,600.00)	1,600.00			1,600.00
					(2,212.50)	3,366.99	1,154.49		
<b>Total Federal and State Grant Fund</b>					(11,293.89)	25,319.99	14,026.10		



BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2018	Receipts	Expended	Balance Dec. 31, 2018	Memo Cumulative Total Expenditures
<u>Federal and State Grant Fund</u>								
<u>NJ Department of Law and Public Safety:</u>								
Body Armor Replacement	066-1020-718-001	2017	2,347.94	2,347.94			2,347.94	*
		2016	2,264.37	2,264.37			2,264.37	*
		2015	2,436.47	770.61		312.91	457.70	1,978.77
				5,382.92		312.91	5,070.01	*
								*
<u>NJ Department of Environmental Protection:</u>								
Clean Communities Program	4900-765-004	2018	20,484.45		20,484.45	1,101.89	19,382.56	*
		2017	20,362.01	8,981.85		8,981.85	19,362.01	*
				8,981.85	20,484.45	10,083.74	19,382.56	*
Recycling Tonnage Grant	4910-100-224	2018	12,036.55	12,036.55		12,005.77	30.78	12,005.77
				12,036.55		12,005.77	30.78	*
Community Stewardship Incentive	4870-100-074	2017	30,000.00			28,124.00	(28,124.00)	28,124.00
								*

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2018	Receipts	Expended	Balance Dec. 31, 2018	Memo Cumulative Total Expenditures
<u>NJ Division of Highway Traffic Safety:</u>								
Drunk Driving Enforcement Fund	6400-100-078	2018	6,478.60		6,478.60		6,478.60	*
		2016	8,096.44	7,811.67		1,221.75	6,589.92	*
				7,811.67	6,478.60	1,221.75	13,068.52	*
<u>NJ Department of Health:</u>								
Alcohol Education Rehabilitation	9735-760-001	2018	292.93		292.93		292.93	*
		2017	965.10	965.10			965.10	*
		2016	966.90	966.90			966.90	*
		2015	1,237.60	1,237.60			1,237.60	*
		2014	708.96	708.96			708.96	*
		2013	1,002.72	1,002.72			1,002.72	*
		2012	917.00	917.00			917.00	*
		2011	647.00	647.00			647.00	*
		2010	603.28	603.28			603.28	*
		2009	232.05	232.05			232.05	*
		prior	9,000.68	1,305.69			1,305.69	*
				8,586.30	292.93		8,879.23	*

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2018	Receipts	Expended	Balance Dec. 31, 2018	Memo	
								Cumulative Total Expenditures	
<u>NJ Department of Human Services:</u> Public Health Priority Funding	4220-150-021030-60	2010	1,425.00	1,425.00			1,425.00	*	
		2009	2,240.00	2,240.00			2,240.00	*	
		2008	2,150.00	2,150.00			2,150.00	*	
		2007	2,160.00	2,160.00			2,160.00	*	
		2006	2,050.00	2,050.00			2,050.00	*	
		Prior	23,697.20	3,740.52			2,000.00	1,740.52	*
				13,765.52		2,000.00	11,765.52	*	
<u>NJ Department of Community Affairs:</u> Cooperative Housing Inspection	8010-100-023	2018	8,681.00		8,681.00	1,708.00	6,973.00	*	
		2016	7,937.00	2,350.00		2,350.00		7,937.00	*
				2,350.00		8,681.00	4,058.00	6,973.00	*
<u>NJ Department of Education</u> Pass Through River Edge Bd. Of Ed. Nonpublic Nursing Services	100-034-5120-070	2018	13,204.00		13,204.00		13,204.00	*	
		2017	13,195.00	13,195.00			13,195.00	*	
		2016	13,260.00	13,260.00	13,169.37	90.63	13,169.37	13,169.37	*
		2015	13,793.40	751.13	751.13		751.13	13,793.40	*
				27,206.13		13,204.00	13,920.50	26,489.63	*

BOROUGH OF RIVER EDGE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Program Amount	Balance Jan. 1, 2018	Receipts	Expended	Balance Dec. 31, 2018	Memo Cumulative Total Expenditures
<u>Council on Alcoholism and Drug Abuse:</u>								
Pass Through County of Bergen		2018	9,876.00			2,229.86	(2,229.86)	2,229.86
Municipal Drug Alliance		2017	9,557.35	(2,850.00)	9,057.35	6,207.35		9,557.35
				(2,850.00)	9,057.35	8,437.21	(2,229.86)	*
<b>Total Federal and State Grant Fund</b>				<u>83,270.94</u>	<u>58,198.33</u>	<u>80,163.88</u>	<u>61,305.39</u>	*
 <u>General Capital Fund</u>								
NJ Department of Transportation:								
Highway Planning and Construction	078-6320-480							*
Bogert Rd		2018	218,000.00					*
Howland Ave		2018	200,000.00					*
Fifth Ave. (Section 4)		2016	155,500.00		38,875.00	38,875.00		116,625.00
					38,875.00	38,875.00		*
<b>Total General Capital Fund</b>					<u>38,875.00</u>	<u>38,875.00</u>		*
<b>Total State Awards</b>				<u>83,270.94</u>	<u>97,073.33</u>	<u>119,038.88</u>	<u>61,305.39</u>	*

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, 2018

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2017	A	\$	9,784,673.47
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	170,555.10	
Interfund - Grant Fund	A-5	85,987.32	
Petty Cash Returned	A-6	1,800.00	
Change Fund	A-7	300.00	
Tax Collector Receipts	A-8	46,799,888.72	
Revenue Accounts Receivable	A-11	2,008,610.82	
Interfunds	A-12	3,312,333.79	
Due From State - Senior Citizen and Veteran Deductions	A-19	71,904.12	
Various Cash Liabilities and Reserves	A-24	<u>132,188.65</u>	
			<u>52,583,568.52</u>
			<u>62,368,241.99</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	13,982,312.83	
Matching Funds for Grants	A-3	2,469.00	
Interfund - Grant Fund	A-5	94,189.98	
Petty Cash	A-6	1,800.00	
Change Fund	A-7	300.00	
Interfunds	A-12	3,312,533.79	
Appropriation Reserves	A-16	586,958.55	
Local District School Taxes	A-20	16,446,125.00	
Regional High School Taxes	A-21	15,399,760.00	
Municipal Open Space Taxes	A-22	146,271.19	
County Taxes Payable	A-23	4,351,560.37	
Various Cash Liabilities and Reserves	A-24	<u>149,141.80</u>	
			<u>54,473,422.51</u>
Balance - December 31, 2018	A	\$	<u><u>7,894,819.48</u></u>

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

**Schedule of Interfund - Current Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2018**

	<u>Ref.</u>		
Balance - December 31, 2017	A		\$ 71,977.05
Increased by:			
Grants Receivable	A-4/A-15	83,518.32	
Grants Receivable - Cancelled	A-15	318.65	
Matching Funds for Grants	A-4/25	<u>2,469.00</u>	
			<u>86,305.97</u>
			158,283.02
Decreased by:			
Appropriated Reserve for Grants	A-4/25	94,189.98	
Appropriated Reserve for Grants - Cancelled	A-25	<u>318.65</u>	
			<u>94,508.63</u>
Balance - December 31, 2018	A		<u>\$ 63,774.39</u>

**Exhibit A-6**

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

**Schedule of Petty Cash**

**Current Fund**

**Year Ended December 31, 2018**

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

**Exhibit A-7**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2018**

	<u>Ref.</u>	
Increased by:		
Cash Advanced	A-4	\$ <u>300.00</u>
Decreased by:		
Cash Returned	A-4	\$ <u>300.00</u>

**Borough of River Edge , N.J.**  
**Schedule of Cash - Tax Collector**  
**Current Fund**  
**Year Ended December 31, 2018**

Ref.

Increased by:

Interest and Cost on Taxes	A-2	\$	95,085.37	
Taxes Receivable	A-9		46,508,812.03	
Prepaid Taxes	A-18		<u>195,991.32</u>	
				\$ <u>46,799,888.72</u>

Decreased by:

Deposited to Treasurer's Account	A-4	\$	<u>46,799,888.72</u>	
----------------------------------	-----	----	----------------------	--

Borough of River Edge, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2018

Year	Balance, Dec. 31, 2017	Original Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	(Adjusted)/ Cancelled	Balance, Dec. 31, 2018
				2017	2018				
2017	\$ 305,347.53		4,705.69	306,570.95	(1,345.88)			4,828.15	
	305,347.53		4,705.69	306,570.95	(1,345.88)			4,828.15	
2018		49,534,488.45	119,794.68	2,992,613.24	46,202,241.08	73,500.00	14,191.12	56,024.33	315,713.36
	\$ 305,347.53	49,534,488.45	124,500.37	2,992,613.24	46,508,812.03	72,154.12	14,191.12	60,852.48	315,713.36
	A			A-2/A-18	A-2/A-8	A-2/A-19	A-10		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Property Tax	\$ 49,379,611.16
Public Utility Tax	154,877.29
Added Tax (R.S. 54:4-63.1 et seq.)	119,794.68
	\$ 49,654,283.13

Tax Levy:	
Local District School Tax	A-20
Regional High School Tax	A-21
Municipal Open Space Tax	A-22
County Tax - General	A-23
County Tax - Open Space	A-23
Added County Taxes	A-23
	\$ 4,163,095.55
	177,538.19
	10,926.63
	4,351,560.37
	36,602,981.56

Local Tax for Municipal Purposes	A-2	12,933,873.00
Additional Taxes		117,428.57
		13,051,301.57
		\$ 49,654,283.13

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

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2018**

	<u>Ref.</u>	
Balance - December 31, 2017	A	\$ 122,051.46
Increased by:		
Transfer from Taxes Receivable	A-9	<u>14,191.12</u>
Balance - December 31, 2018	A	<u><u>\$ 136,242.58</u></u>

Borough of River Edge , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2018

	Ref.	Balance Dec. 31, 2017	Accrued	Collected	Balance Dec. 31, 2018
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	15,300.00	15,300.00	
Fees and Permits	A-2		29,015.00	29,015.00	
Parking Lot Fees	A-2		34,518.00	34,518.00	
Miscellaneous Revenue	A-2		175.00	175.00	
Board of Health:					
Fees and Permits	A-2		11,631.00	11,631.00	
Fire Prevention Bureau:					
Fees and Permits	A-2		13,350.00	13,350.00	
Uniform Fire Safety Act (Life Hazard Use)	A-2		13,941.53	13,941.53	
Police Department:					
Fees and Permits	A-2		2,796.35	2,796.35	
Police Outside Duty	A-2		140,520.32	140,520.32	
Tax Department:					
Miscellaneous Revenue	A-2		100.25	100.25	
Tax Assessor:					
Miscellaneous Revenue	A-2		260.00	260.00	
Planning Board					
Miscellaneous Revenue	A-2		2,700.00	2,700.00	
Board of Adjustment					
Miscellaneous Revenue	A-2		2,200.00	2,200.00	
Municipal Court :					
Fines and Costs	A-2	8,046.12	101,932.69	100,093.10	9,885.71
Uniform Construction Code:					
Fees and Permits	A-2		239,442.00	239,442.00	
Energy Receipts Tax	A-2		1,056,993.00	1,056,993.00	
Garden State Preservation Trust	A-2		13,722.00	13,722.00	
Rental of Borough Property	A-2		5,400.00	5,400.00	
Interest on Investments and Deposits	A-2		156,466.49	156,466.49	
County of Bergen Snow Removal	A-2		9,440.00	9,440.00	
Donation Memorial Park Bench Program	A-2		3,500.00	3,500.00	
Cable Television Fees	A-2		157,046.78	157,046.78	
		\$	8,046.12	2,008,610.82	9,885.71
		A	2,010,450.41	A-4	A

Borough of River Edge , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2018

<u>Fund</u>	Due From/(To) Balance <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2018</u>
Assessment Trust Fund	\$	160.07	160.07	
Animal License Fund		36.04	36.04	
Other Trust Fund		1,205,876.68	1,205,876.68	
General Capital Fund		<u>2,106,461.00</u>	<u>2,106,261.00</u>	<u>200.00</u>
	\$	<u>3,312,533.79</u>	<u>3,312,333.79</u>	<u>200.00</u>
 <u>Analysis</u>				
Due to Current Fund	A/A-1			<u>200.00</u>
				<u>200.00</u>
	<u>Ref.</u>			
Cash Disbursed	A-4	\$ 3,312,533.79		
Cash Received	A-4		<u>3,312,333.79</u>	
		<u>\$ 3,312,533.79</u>	<u>3,312,333.79</u>	

Borough of River Edge , N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Amount Resulting From 2018	Amount in 2018 <u>Budget</u>	Balance, Dec. 31, <u>2018</u>
Emergency Authorizations	\$ 188,706.27	95,185.00	188,706.27	95,185.00
	<u>\$ 188,706.27</u>	<u>95,185.00</u>	<u>188,706.27</u>	<u>95,185.00</u>
	A	A-1, A-3	A-3	A

Borough of River Edge, N.J.

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

Current Fund

Year Ended December 31, 2018

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of net amount Authorized</u>	<u>Balance, Dec. 31, 2017</u>	<u>Amount Authorized in 2018</u>	<u>Reduced in 2018</u>	<u>Balance, Dec. 31, 2018</u>
2/6/2012	Codification of Ordinances	3,000.00		600.00		600.00	
2/8/2014	Codification of Ordinances	5,000.00	1,000.00	2,000.00		1,000.00	1,000.00
2/16/2016	Codification of Ordinances	2,500.00	500.00	2,000.00		500.00	1,500.00
2/7/2017	Codification of Ordinances	3,400.00	680.00	3,400.00		680.00	2,720.00
3/26/2018	Codification of Ordinances	3,300.00	660.00		3,300.00		3,300.00
		<u>\$ 17,200.00</u>	<u>2,840.00</u>	<u>8,000.00</u>	<u>3,300.00</u>	<u>2,780.00</u>	<u>8,520.00</u>
				<u>A</u>	<u>A-1, A-3</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, 2018

Grant	Balance, Dec. 31, 2017	Budget Revenue	Received	Cancelled	Balance, Dec. 31, 2018
Federal Grants:					
Community Development Grants:					
Senior Activities	1,800.00	5,000.00	1,800.00		5,000.00
Senior Bus Driver/Dispatcher	20,153.00		20,153.00		
Bulletproof Vest Partnership Grant	3,366.99		3,366.99		
	<u>25,319.99</u>	<u>5,000.00</u>	<u>25,319.99</u>		<u>5,000.00</u>
State Grants:					
Municipal Alliance	9,376.00	9,876.00	9,057.35	318.65	9,876.00
Clean Communities Grant		20,484.45	20,484.45		
Nursing Services for Nonpublic Schools		13,204.00	13,204.00		
Alcohol Education and Rehabilitation Fund		292.93	292.93		
Cooperative Housing Inspection Grant		8,681.00	8,681.00		
Drunk Driving Enforcement Fund		6,478.60	6,478.60		
Community Stewardship Incentive Program	30,000.00				30,000.00
	<u>39,376.00</u>	<u>59,016.98</u>	<u>58,198.33</u>	<u>318.65</u>	<u>39,876.00</u>
\$	<u>64,695.99</u>	<u>64,016.98</u>	<u>83,518.32</u>	<u>318.65</u>	<u>44,876.00</u>
	A	A-2	A-5	A-1, A-5	A

## Borough of River Edge, N.J.

## Schedule of Appropriation Reserves

Page 1 of 4

## Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after Encumbrances and Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive				
Mayor and Council	\$ 169.23	169.23		169.23
Municipal Clerk	13,116.36	9,116.36	816.08	8,300.28
Financial Administration	7,514.60	7,514.60	1,377.36	6,137.24
Tax Assessment Administration	13,459.00	3,459.00		3,459.00
Revenue Administration	2,692.63	1,592.63		1,592.63
Municipal Court	10,494.75	10,494.75	701.42	9,793.33
Planning Board	1,709.67	1,709.67	768.00	941.67
Recycling	12,643.89	1,643.89		1,643.89
Other Code Enforcement Functions	4,144.88	4,144.88	821.10	3,323.78
Health Benefit Waiver	31,052.40	31,052.40		31,052.40
Police	87,855.30	87,855.30	35,677.52	52,177.78
Fire	349.08	349.08	183.04	166.04
Uniform Fire Safety Act	2,712.53	2,712.53	425.60	2,286.93
Emergency Management	1,498.44	1,498.44	45.76	1,452.68
Municipal Prosecutor	67.00	67.00		67.00
Public Works Repair and Maintenance	1,951.86	6,951.86	6,357.98	593.88
Building and Grounds	407.96	407.96		407.96
Vehicle Maintenance	1,017.71	1,017.71		1,017.71
Sewer Systems	66.07	66.07		66.07
Public Health Services	1,582.47	1,582.47	282.00	1,300.47
Recreation Commission	7,864.46	8,264.46	8,215.71	48.75
Maintenance of Parks	411.11	411.11		411.11
Bus	15,270.00	3,270.00	(7,948.59)	11,218.59
Accumulated Absences		18,000.00	18,000.00	
Construction Code Officials	112.27	812.27	782.28	29.99
<b>Total Salaries and Wages Within "CAPS"</b>	<u>218,163.67</u>	<u>204,163.67</u>	<u>66,505.26</u>	<u>137,658.41</u>
Other Expenses Within "CAPS":				
Administrative and Executive				
General Administration	979.49	2,458.49	1,489.00	969.49
Mayor and Council	4,451.50	4,531.15	498.10	4,033.05
Municipal Clerk	1,738.83	11,987.03	9,750.77	2,236.26
Audit		23,000.00	23,000.00	
Financial Administration	12,725.04	5,660.64	3,061.55	2,599.09
Revenue Administration	13,021.39	3,486.07	464.68	3,021.39
Tax Assessment Administration	3,363.61	3,363.61		3,363.61
Economic Development	6,000.00	1,000.00		1,000.00
Legal Services and Costs	9,637.50	63,995.00	49,357.50	14,637.50
Municipal Court	2,929.99	4,614.99	1,685.00	2,929.99
Public Defender	2,367.00	2,367.00		2,367.00

## Borough of River Edge , N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Engineering Services & Costs	4,056.75	38,245.36	32,032.00	6,213.36
Historic Sites Office	2,303.75	2,303.75	210.00	2,093.75
Planning Board	1,833.33	16,994.20	15,160.87	1,833.33
Zoning Board of Adjustment	2,104.46	7,104.46	5,000.00	2,104.46
Recycling	298.10	1,788.44	1,490.34	298.10
Public Information	4,417.16	10,487.15	369.99	10,117.16
Other Code Enforcement Functions	253.40	253.40		253.40
Liability Insurance	8,666.00	8,666.00	6,000.00	2,666.00
Workers' Compensation	98,922.15	98,932.15	98,922.45	9.70
Group Insurance Plan for Employees	93,493.45	93,493.45	62,419.60	31,073.85
Police	10,587.53	23,699.82	13,307.86	10,391.96
Emergency Management Services	352.79	4,439.28	4,124.50	314.78
Fire	5,011.76	16,922.40	10,676.21	6,246.19
Uniform Fire Safety Act	1,343.31	1,343.31		1,343.31
Municipal Prosecutor	200.00	200.00		200.00
Public Works Repair and Maintenance	13,583.28	29,512.13	17,042.07	12,470.06
Shade Tree Commission	67.92	23,413.04	23,345.12	67.92
Community Services Act		24,280.00	24,280.00	
Garbage & Trash Removal - Contractual	700.00	700.00		700.00
Garbage & Trash Removal - Multi Family	24,963.36	26,588.76	26,236.49	352.27
Public Buildings and Grounds	2,445.09	11,306.95	5,916.50	5,390.45
Vehicle Maintenance	847.43	10,978.69	8,418.90	2,559.79
Sewer System	2,685.00	4,325.00	1,640.00	2,685.00
Sanitation Landfill - BCUA Contractual	32,729.58	32,729.58	14,319.11	18,410.47
Public Health Services	8,948.74	3,013.73	64.99	2,948.74
Board of Health PEOSHA	100.00	100.00		100.00
Fire PEOSHA	100.00	100.00		100.00
Recreation Commission	793.71	857.83	190.86	666.97
Aid to Senior Citizen Program	5,436.92	9,936.92	6,706.93	3,229.99
Construction Code Officials	1,900.34	2,125.48	225.14	1,900.34
Electricity and Natural Gas	29,730.76	30,287.75	21,960.31	8,327.44
Telephone	4,615.22	5,615.22	4,891.06	724.16
Petroleum Products	4,520.15	12,419.28	10,646.92	1,772.36
Fire Hydrant Service	88.28	88.28		88.28
Water	11,786.91	11,786.91	859.52	10,927.39
Contingent	5.00	5.00		5.00
Total Other expenses Within "CAPS"	<u>437,105.98</u>	<u>691,507.70</u>	<u>505,764.34</u>	<u>185,743.36</u>

## Borough of River Edge , N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	6,130.22	6,130.22		6,130.22
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>6,130.22</u>	<u>6,130.22</u>		<u>6,130.22</u>
 Total Reserves Within "CAPS"	 <u>661,399.87</u>	 <u>901,801.59</u>	 <u>572,269.60</u>	 <u>329,531.99</u>
 Salaries & Wages Excluded From "CAPS":				
Maintenance of Free Public Library	18,069.75	18,069.75	8,163.77	9,905.98
Total Salary & Wages Excluded From "CAPS"	<u>18,069.75</u>	<u>18,069.75</u>	<u>8,163.77</u>	<u>9,905.98</u>
 Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	1,860.00	1,860.00		1,860.00
Bergen County Utilities Authority				
Service Charges - Contractual	99.96	99.96		99.96
Hackensack / Paramus Sewer Charge		25,839.86	25,839.86	
Recycling Tax	1,440.99	1,440.99	658.35	782.64
Emergency Services Volunteer Length of Service Award Program - Fire		58,140.00	58,140.00	
Emergency Services Volunteer Length of Service Award Program - First Aid Squad		33,660.00	33,660.00	
NJPEDS Stormwater Permit :	50.00	50.00		50.00
Municipal Clerk	400.00	400.00		400.00
Legal Services and Costs	1,200.00	1,200.00		1,200.00
Public Information	1,322.00	1,322.00		1,322.00
Engineering	2,500.00	2,500.00		2,500.00
Maintenance of Free Public Library				
Social Security	9.15	9.15		9.15
Electricity	2,007.84	2,007.84	1,468.72	539.12
Telephone and Telegraph	309.81	309.81	106.86	202.95
Natural Gas	2,485.61	2,485.61	183.82	2,301.79
Water	1,992.19	1,992.19	213.85	1,778.34
Employee Group Health	39,341.00	39,341.00		39,341.00
Workers Compensation Insurance	1,892.40	1,892.40	1,892.40	
Police Communications - 911 Services	1,699.90	2,029.90	330.00	1,699.90
Donations Memorial Park	161.84	4,302.00	4,140.16	161.84
Matching Funds for Grants	5.00	5.00		5.00
Total Other Expenses Excluded from "CAPS"	<u>58,777.69</u>	<u>180,887.71</u>	<u>126,634.02</u>	<u>54,253.69</u>

Borough of River Edge , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after Encumbrances and Transfers	Paid or Charged	Balance Lapsed
Capital Improvements Excluded from "CAPS" Capital Improvement Fund	<u>                    </u>	30,000.00	30,000.00	<u>                    </u>
Total Capital Improve. Excluded from "CAPS"	<u>                    </u>	30,000.00	30,000.00	<u>                    </u>
Total Reserves Excluded from "CAPS"	<u>76,847.44</u>	<u>228,957.46</u>	<u>164,797.79</u>	<u>64,159.67</u>
Total Reserves	<u>\$ 738,247.31</u>	<u>1,130,759.05</u>	<u>737,067.39</u>	<u>393,691.66</u>
	A			A-1
Appropriation Reserve	<u>Ref.</u>	\$ 738,247.31		
Prior Year Encumbrances	Above A-17	<u>392,511.74</u>		
		<u>\$ 1,130,759.05</u>		
Transfer to Accounts Payable	A-24		\$ 150,108.84	
Disbursed	A-4		<u>586,958.55</u>	
			<u>\$ 737,067.39</u>	

**Borough of River Edge , N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2018**

	<u>Ref.</u>	
Balance - December 31, 2017	A	\$ 392,511.74
Increased by:		
Transfer from Current Appropriations	A-3	448,505.52
		<u>841,017.26</u>
Decreased by:		
Transfer to Appropriation Reserves	A-16	392,511.74
		<u>392,511.74</u>
Balance - December 31, 2018	A	<u>\$ 448,505.52</u>

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017	A	\$ 2,992,613.24
Increased by:		
Receipts - Prepaid 2019 Taxes	A-8	195,991.32
		<u>3,188,604.56</u>
Decreased by:		
Applied to 2018 Taxes	A-9	2,992,613.24
		<u>2,992,613.24</u>
Balance - December 31, 2018	A	<u>\$ 195,991.32</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, 2018**

	<u>Ref.</u>	
Balance - December 31, 2017 - Due to	A	\$ 10,098.24
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>71,904.12</u> 82,002.36
Decreased by:		
Senior Citizens' Deductions Per Tax Billing		\$ 7,250.00
Veterans' Deductions Per Tax Billing		66,000.00
Senior Citizens' and Veterans' Allowed		<u>1,000.00</u> 74,250.00
Less:		
Senior Citizens' and Veterans' Disallowed - Prior		1,345.88
Senior Citizens' and Veterans' Disallowed - Current		<u>750.00</u> 72,154.12
	A-9	
Balance - December 31, 2018 - Due to	A	\$ <u><u>9,848.24</u></u>





Borough of River Edge , N.J.

Schedule of Municipal Open Space Taxes Payable

Current Fund

Year Ended December 31, 2018

	<u>Ref.</u>		
Increased by:			
Levy - Original	A-1/A-9	145,904.21	
Added and Omitted Taxes	A-1/A-9	<u>366.98</u>	
			<u>146,271.19</u>
Decreased by:			
Payments	A-4		<u>146,271.19</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2018

	<u>Ref.</u>		
Increased by:			
Levy - General	A-1/A-9	4,163,095.55	
Levy - Open Space	A-1/A-9	177,538.19	
Added and Omitted Taxes	A-1/A-9	<u>10,926.63</u>	
			<u>4,351,560.37</u>
Decreased by:			
Payments	A-4		<u>4,351,560.37</u>

Borough of River Edge , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2018

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2018</u>
<u>Liabilities:</u>				
Tax Overpayments	\$	106,332.79	106,332.79	
Accounts Payable	182,513.72	150,108.84	102,302.92	230,319.64
Due to State of N.J. - Const. Code Surcharge		12,150.00	12,150.00	
Due to State of N.J. - Marriage License Fees	200.00	675.00	875.00	
<u>Reserves for:</u>				
Codification of Ordinance	3,409.50	3,300.00	3,261.09	3,448.41
Sale of Municipal Assets	50,114.30	8,067.86	10,000.00	48,182.16
Maintenance of Free Public Library		4,963.00	4,963.00	
Tax Appeals Pending	467,600.55	67,905.27	1,291.01	534,214.81
	<u>\$ 703,838.07</u>	<u>353,502.76</u>	<u>241,175.81</u>	<u>816,165.02</u>
	A			A
	<u>Ref.</u>			
Interest on Pending Tax Appeals	A-1	3,233.58		
Cancelled - Accounts Payable	A-1		82,034.01	
Transfer from Current Year Collections	A-2	64,671.69		
Applied to Current Year Revenue	A-2		10,000.00	
Transfer from Current Year Appropriations	A-3	3,300.00		
Receipts	A-4	132,188.65		
Disbursed	A-4		149,141.80	
Transfer from Appropriation Reserves	A-16	150,108.84		
		<u>353,502.76</u>	<u>241,175.81</u>	

## Borough of River Edge , N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

<u>Grant</u>	Balance, Dec. 31, <u>2017</u>	Transfer From 2018 <u>Budget</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2018</u>
Local Grants:					
Municipal Alliance	\$ _____	2,469.00	_____	_____	2,469.00
		<u>2,469.00</u>	<u>_____</u>	<u>_____</u>	<u>2,469.00</u>
Federal Grants:					
Community Development Grants:					
Senior Activities	268.00	5,000.00	268.00		5,000.00
Senior Bus Driver/Dispatcher	12,603.61		12,603.61		
Bullet Proof Vest Partnership Grant	1,154.49		1,154.49		
	<u>14,026.10</u>	<u>5,000.00</u>	<u>14,026.10</u>	<u>_____</u>	<u>5,000.00</u>
State Grants:					
Body Armor Replacement Grant	5,382.92		312.91		5,070.01
Drunk Driving Enforcement Fund	7,811.67	6,478.60	1,221.75		13,068.52
Clean Communities Grant	8,981.85	20,484.45	10,083.74		19,382.56
Cooperative Housing Inspection Grant	2,350.00	8,681.00	4,058.00		6,973.00
Nursing Services for Nonpublic Schools	27,206.13	13,204.00	13,920.50		26,489.63
Municipal Alliance	6,526.00	9,876.00	8,437.21	318.65	7,646.14
Public Health Priority Funding Act	13,765.52		2,000.00		11,765.52
Alcohol Education and Rehabilitation Fund	8,586.30	292.93			8,879.23
Recycling Tonnage Grant	12,036.55		12,005.77		30.78
Community Stewardship Incentive Program	30,000.00		28,124.00		1,876.00
	<u>122,646.94</u>	<u>59,016.98</u>	<u>80,163.88</u>	<u>318.65</u>	<u>101,181.39</u>
	\$ <u>136,673.04</u>	<u>66,485.98</u>	<u>94,189.98</u>	<u>318.65</u>	<u>108,650.39</u>
	A			A-1, A-5	A
Transfer from Budget Appropriations	<u>Ref.</u>				
A-3		64,016.98			
A-3		2,469.00			
A-5			94,189.98		
Disbursement		<u>66,485.98</u>	<u>94,189.98</u>		

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## Borough of River Edge , N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2018

	Ref.	Assessment Trust Fund	Animal License Fund	Other Trust Fund	Unaudited Emergency Services Volunteer LOSAP
Balance - December 31, 2017	B	\$ 461.39	6,529.51	2,169,291.15	1,629,700.66
Increase by Receipts:					
Assessments Receivable	B-4	9,287.85			
LOSAP - Contributions Receivable	B-5				65,280.00
Interfund - Current Fund	B-6	160.07	36.04	1,205,876.68	
Dog License Fees	B-8		3,997.60		
Due State Dept. of Health	B-9		518.40		
Other Trust Funds	B-11			895,586.72	
Reserve for Insurance Funds	B-12			54,858.62	
Reserve for Recreation Commission	B-13			130,940.00	
Payroll Deductions	B-14			8,157,598.53	
LOSAP - Net Assets Available	B-15				(75,562.77)
Total Receipts		<u>9,447.92</u>	<u>4,552.04</u>	<u>10,444,860.55</u>	<u>(10,282.77)</u>
		<u>9,909.31</u>	<u>11,081.55</u>	<u>12,614,151.70</u>	<u>1,619,417.89</u>
Decreased by Disbursements:					
Interfund - Current Fund	B-6	160.07	36.04	1,205,876.68	
Due to General Capital Fund	B-7	9,287.85			
Reserve for Dog Expenditures	B-8		3,789.50		
Due State Dept. of Health	B-9		518.40		
Due to State - Unemployment Claims	B-10			453.57	
Other Trust Funds	B-11			862,582.09	
Reserve for Insurance Funds	B-12			63,003.41	
Reserve for Recreation Commission	B-13			119,363.67	
Payroll Deductions	B-14			8,135,729.75	
LOSAP - Net Assets Available	B-15				56,738.02
Total Disbursements		<u>9,447.92</u>	<u>4,343.94</u>	<u>10,387,009.17</u>	<u>56,738.02</u>
Balance - December 31, 2018	B	\$ <u>461.39</u>	<u>6,737.61</u>	<u>2,227,142.53</u>	<u>1,562,679.87</u>

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

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2018**

	<u>Ref.</u>	
Fund Balance	B-1	\$ <u>461.39</u>
		\$ <u><u>461.39</u></u>

Borough of River Edge, N.J.

Schedule of Assessments Receivable

Trust Funds

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Confirmation	Annual Installments	Balance Dec. 31, 2017	Assessments Confirmed	Collected	Balance Dec. 31, 2018	Balance Pledged to	
								Capital Fund	Reserve
1828	Resurfacing of 5th Avenue (Section II)	10/19/2015	5	189.51		189.51			
1865	Resurfacing of 5th Avenue (Section IV)	9/5/2017	5	760.39		378.34	382.05	382.05	
1874	Oxford Terr Curbs & Sidewalks Phase 2	4/23/2018	5		3,770.00	3,770.00			
18-04	Oxford Terr Curbs & Sidewalks Phase 3	9/24/2018	5		4,950.00	4,950.00			
				\$ 949.90	8,720.00	9,287.85	382.05	382.05	
				B	B-7	B-2, B-7	B	B	

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

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

**Trust Funds**

**Year Ended December 31, 2018**

	<u>Ref.</u>	
Balance - December 31, 2017	B	\$ 65,280.00
Increased by:		
Borough Contributions	B-15	<u>72,420.00</u>
		137,700.00
Decreased by:		
Receipts	B-2	<u>65,280.00</u>
Balance - December 31, 2018	B	<u><u>\$ 72,420.00</u></u>

**Borough of River Edge**  
**Schedule of Interfund - Current Fund**  
**Trust Funds**  
**Year Ended December 31, 2018**

	Due from/(to) Balance <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2018</u>
Assessment Trust	\$	160.07	160.07	
Animal Control Trust Fund		36.04	36.04	
Other Trust Fund		<u>1,205,876.68</u>	<u>1,205,876.68</u>	
	\$	<u><u>1,206,072.79</u></u>	<u><u>1,206,072.79</u></u>	

	<u>Ref.</u>		
Cash Receipts-Assessment Trust	B-2	160.07	
Cash Receipts-Animal Control Trust	B-2	36.04	
Cash Receipts - Other Trust Fund	B-2	1,205,876.68	
Cash Disbursements-Assessment Trust	B-2		160.07
Cash Disbursements-Animal Control Trust	B-2		36.04
Cash Disbursements-Other Trust Fund	B-2		<u>1,205,876.68</u>
		<u><u>1,206,072.79</u></u>	<u><u>1,206,072.79</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Interfund - General Capital Fund**  
**Trust Funds**  
**Year Ended December 31, 2018**

		<u>Ref.</u>	
Balance - December 31, 2017	- Due to	B	\$ 949.90
Increased by:			
Assessments Confirmed		B-4	8,720.00
			<u>9,669.90</u>
Decreased by:			
Disbursed		B-2, B-4	<u>9,287.85</u>
Balance - December 31, 2018	- Due to	B	\$ <u><u>382.05</u></u>

Borough of River Edge , N.J.

Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2018

	<u>Ref.</u>	
Balance - December 31, 2017	B	\$ 6,529.51
Increased by:		
Dog License Fees - Borough Share		3,547.60
Cat License Fees - Borough Share		252.00
Late Fees		<u>198.00</u>
	B-2	<u>3,997.60</u>
		10,527.11
Decreased by:		
Expenditures	B-2	<u>3,789.50</u>
		<u>3,789.50</u>
Balance - December 31, 2018	B	\$ <u><u>6,737.61</u></u>

License Fees Collected

2017	3,577.00
2016	<u>3,802.40</u>
	<u><u>7,379.40</u></u>

Due to State Department of Health

Trust Funds

Year Ended December 31, 2018

	<u>Ref.</u>	
Increased by:		
State Dog License Fees:	B-2	\$ <u><u>518.40</u></u>
Decreased by:		
Disbursed	B-2	\$ <u><u>518.40</u></u>

Borough of River Edge , N.J.

Due to State - Unemployment Claims

Trust Funds

Year Ended December 31, 2018

	<u>Ref.</u>	
Balance - December 31, 2017	B	\$ 453.57
Increased by:		
Unemployment Charges	B-12	<u>1,846.26</u>
		2,299.83
Decreased by:		
Disbursed	B-2	<u>453.57</u>
Balance - December 31, 2018	B	\$ <u><u>1,846.26</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Other Trust Funds**  
**Trust Funds**  
**Year Ended December 31, 2018**

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Developers' Escrow	\$ 136,249.47	65,423.75	79,415.44	122,257.78
Fire Prevention Penalties	1,243.00	380.00		1,623.00
Recycling	195,492.26	16,945.46	49,456.37	162,981.35
Vacancy Inspection	451.10	1,440.00	1,500.00	391.10
P.O.A.A.	2,677.52	182.00		2,859.52
Tax Sale Redemption		115,330.17	115,330.17	
Municipal Alliance	1,636.00	10,793.00	10,399.26	2,029.74
Street Opening Permits	2,000.00		500.00	1,500.00
Performance Bonds	785,758.00	7,120.00	10,966.00	781,912.00
Storm Recovery	101,928.99			101,928.99
Commodity Resale	1,800.00	5,265.47	5,265.47	1,800.00
Public Defender	1,625.00	1,550.00	2,000.00	1,175.00
Accumulated Absences	38,995.00	18,005.00		57,000.00
Municipal Open Space	135,904.31	147,326.39	81,628.66	201,602.04
September 11th Memorial Gardens	3,881.98			3,881.98
Police Outside Duty		422,241.07	422,241.07	
Donations Beautification	5,817.32		1,092.48	4,724.84
Tax Sale Premium	47,000.00	32,000.00	47,000.00	32,000.00
Donations Shade Tree Commission	26,696.52	6,395.90		33,092.42
Performance Bonds - Shade Tree	86,312.17	27,997.51	12,759.23	101,550.45
Senior / Community Center	31,041.26		10,284.33	20,756.93
Park & Field Maintenance	51,710.57	12,350.00	158.36	63,902.21
Donations Special Events	32,710.30	4,841.00	12,585.25	24,966.05
	<u>\$ 1,690,930.77</u>	<u>895,586.72</u>	<u>862,582.09</u>	<u>1,723,935.40</u>
	B	B-2	B-2	B

Borough of River Edge, N.J.

Schedule of Reserve for Insurance Funds

Trust Funds

Year Ended December 31, 2018

Increased by:

Insurance Fund	Balance Dec. 31, 2017	Increased by:			Paid or Billed	Balance Dec. 31, 2018
		Interest Earned	Payroll	Insurance Proceeds		
General Liability Self Insurance Fund	\$ 72,762.07			15,609.98	32,389.70	61,982.35
Unemployment Insurance Trust Fund	19,220.83	94.29	16,154.35	17,000.00	32,459.97	20,009.50
	\$ 91,982.90	94.29	16,154.35	15,609.98	64,849.67	81,991.85
	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>	<u>B</u>
				23,000.00		
				<u>B-2</u>		
				Ref.	63,003.41	
			Disbursed	B-2	1,846.26	
			Unemployment Charges	B-10	<u>64,849.67</u>	

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

**Schedule of Reserve for Recreation Commission**

**Trust Funds**

**Year Ended December 31, 2018**

	<u>Ref.</u>	
Balance - December 31, 2017	B	\$ 111,507.57
Increased by:		
Receipts	B-2	<u>130,940.00</u> 242,447.57
Decreased by:		
Disbursed	B-2	<u>119,363.67</u>
Balance - December 31, 2018	B	\$ <u><u>123,083.90</u></u>

Borough of River Edge , N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2018

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Withholding Tax	\$	698,892.06	698,892.06	
F.I.C.A. - Employee Share		311,429.09	311,429.09	
F.I.C.A. - Employer Share		311,433.08	311,433.08	
State Withholding Tax - NJ		239,737.82	239,737.82	
Unemployment Insurance		22,912.07	22,912.07	
Public Employees' Retirement System	21,129.12	268,829.17	265,154.07	24,804.22
Contributory Insurance	1,082.97	12,764.95	12,733.75	1,114.17
Defined Contribution Retirement Plan	2,814.76	25,457.77	25,743.84	2,528.69
Police and Firemen's Retirement System	22,730.61	274,609.60	272,251.49	25,088.72
Supplemental Annuity	155.69	2,510.58	2,386.44	279.83
Garnishes		34,996.08	34,996.08	
Employees' Union Dues - DPW		6,014.16	6,014.16	
Employees' Union Dues - PBA		18,260.00	18,260.00	
Deferred Compensation		138,871.32	138,871.32	
Employer Pension Contributions		991,843.10	991,843.10	
Health Benefits Contribution	226,503.19	242,469.49	226,503.19	242,469.49
Net Payroll including Direct Deposit		4,556,568.19	4,556,568.19	
	<u>\$ 274,416.34</u>	<u>8,157,598.53</u>	<u>8,135,729.75</u>	<u>296,285.12</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, 2018

	<u>Ref.</u>		
Balance - December 31, 2017	B		\$ 1,694,980.66
Increased by:			
Borough Contributions	B-5	\$ 72,420.00	
Appreciation/(Loss)	B-2	<u>(75,562.77)</u>	
			<u>(3,142.77)</u>
			1,691,837.89
Decreased by:			
Withdrawals		53,813.02	
Administration Fee		<u>2,925.00</u>	
	B-2		<u>56,738.02</u>
Balance - December 31, 2018	B		\$ <u><u>1,635,099.87</u></u>

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

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2018**

	<u>Ref.</u>		
Balance - December 31, 2017	C		\$ 2,221,643.86
Increased by Receipts:			
Various Grants Receivable	C-4	\$ 137,156.50	
Interfunds	C-5	11,121.98	
Deferred Charges to Future Taxation			
- Unfunded	C-7	31,680.46	
Capital Improvement Fund	C-11	<u>142,951.00</u>	
			<u>322,909.94</u>
			2,544,553.80
Decreased by Disbursements:			
Interfunds	C-5	2,334.13	
Improvement Authorizations	C-10	<u>1,128,481.31</u>	
			<u>1,130,815.44</u>
Balance - December 31, 2018	C, C-3		<u>\$ 1,413,738.36</u>

Borough of River Edge , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2018

Fund Balance	Ref.	
Due from Bergen County Community Development	C-1	\$ 72,665.97
Interfund - Assessment Trust Fund	C-4	(171,500.00)
Interfund - Current Fund	C-5	(382.05)
Capital Improvement Fund	C-5	200.00
	C-11	7,906.03

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1763	Various Public Improvements	19,255.22
1787	Various Public Improvements & Acquisitions	14,551.12
1789	Various Public Improvements	103,111.64
1794	Resurface Fifth Avenue	(6,000.00)
1806/1825	Various Public Improvements & Acquisitions	168,498.78
1807	Acquisition of New or Replacement Equipment	7,753.17
1822	River Dell Middle School Safety Project	(38,779.08)
1827	Purchase of Equipment and Improvement to Buildings and Grounds	3,288.39
1829	Various Public Improvements & Acquisitions	187,145.83
1830	Various Public Improvements & Acquisitions	29,594.52
1835	Resurfacing of 5th Avenue (Section 3)	(28,614.76)
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	(79,175.00)
1844	Improvement of Borough Grounds	1,606.48
1856	Purchase of Equip. & Imp. Buildings & Grounds	4,143.58
1859	Various Public Improvements & Acquisitions	176,290.11
1865	Resurfacing of 5th Avenue (Section 4)	(32,761.89)
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	10,310.36
17-11	Purchase of Equipment	2,339.18
17-12	Various Public Improvements & Acquisitions	737,309.89
17-18	Acq. of New Information Technology Equipment	12,000.00
17-19	Acquisition of Radio Equipment	(22,500.00)
17-22	Various Improvements to Senior/Community Center	479,000.00
17-25	Various Improvements to Senior/Community Center	257,000.00
17-26	Storm and Sanitary Sewer Replacement	(221,186.83)
18-08	Purchase of Equipment	6,750.75
18-09	Purchase of Equipment, Improv of Boro Grounds	676.07
18-10	Various Public Improvements & Acquisitions	(333,407.12)
18-11	Supplemental Funding Senior Community Center	20,624.00
18-18	Replacement of Sidewalks & Curb Ramps	2,000.00
18-20	Acquisition of Front End Loader	(147,476.00)
18-23	Road Resurfacing - Rutgers & Oxford (Phase 4)	171,500.00

C, C-2 \$ 1,413,738.36

Borough of River Edge, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2018

	Balance, Dec. 31, 2017	Grants Approved	Cash Received	Cancelled	Balance, Dec. 31, 2018
<u>New Jersey Department of Transportation</u>					
Ord. 1836 - Trans. Alternatives Program - Kinderkamack Rd	800,000.00				800,000.00
Ord. 1837 - Safe Routes to School	315,000.00				315,000.00
Ord. 1865 - Fifth Ave. Section IV	38,875.00		38,875.00		218,000.00
Ord. 18-24 - Bogert Rd		218,000.00			200,000.00
Ord. 18-24 - Howland Ave		200,000.00			1,533,000.00
	<u>1,153,875.00</u>	<u>418,000.00</u>	<u>38,875.00</u>		contra
<u>Bergen County Open Space Trust</u>					
Ord. 1869 - KBG Park Field Lighting Replacement	37,542.00		37,542.00		
Ord. 17-31 - KBG Park Field Lighting Replacement	30,000.00		30,000.00		
	<u>67,542.00</u>		<u>67,542.00</u>		
<u>Bergen County Community Development:</u>					
Ord. 17-28 - Construction of Curbs & Sidewalks (Phase III)	65,000.00		30,739.50	34,260.50	171,500.00
Ord. 18-23 - Road Resurfacing Various Locations (Phase IV)	<u>65,000.00</u>	<u>171,500.00</u>	<u>30,739.50</u>	<u>34,260.50</u>	<u>171,500.00</u>
	<u>1,286,417.00</u>	<u>589,500.00</u>	<u>137,156.50</u>	<u>34,260.50</u>	<u>1,704,500.00</u>
	C		C-2	C-10	C/C-3
	Ref.				
Improvement Authorizations	C-10	171,500.00			
Reserve for Receivables	C-12	418,000.00			
		<u>589,500.00</u>			

Borough of River Edge , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2018

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2017</u>	<u>Increases by</u>	<u>Decreased by</u>	Due From/(To) Balance <u>Dec. 31, 2018</u>
Current Fund	C		1,834.13	1,634.13	(200.00)
Assessment Trust	C	949.90	8,720.00	9,287.85	382.05
		<u>949.90</u>	<u>10,554.13</u>	<u>10,921.98</u>	<u>182.05</u>
	<u>Ref.</u>				
Cash Receipts	C-2		1,834.13	9,287.85	
Cash Disbursements	C-2		700.00	1,634.13	
Assessments Confirmed	C-7		<u>8,020.00</u>		
			<u>10,554.13</u>	<u>10,921.98</u>	

Borough of River Edge , N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

General Capital Fund

Year Ended December 31, 2018

	<u>Ref.</u>		
Balance - December 31, 2017	C	\$	9,032,901.07
Decreased by:			
Budget Appropriations to Pay Bonds	C-8	1,300,000.00	
Budget Appropriations to Pay Environmental Infrastructure Trust Loan	C-9	<u>15,172.89</u>	
			<u>1,315,172.89</u>
Balance - December 31, 2018	C	\$	<u><u>7,717,728.18</u></u>

Borough of River Edge, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2018

Analysis of Balance - Dec. 31, 2018

Ordinance Number	Improvement Description	Balance, Dec. 31, 2017	2018 Authorizations	Authorizations Funded	Cancelled	Balance, Dec. 31, 2018	Expended	Unexpended Improvement Authorization
	<b>General Improvements:</b>							
1794	Resurface of Fifth Avenue	\$ 13,000.00		7,000.00		6,000.00	6,000.00	
1806/1825	Various Public Improvements & Acquisitions	2,388.46		2,388.46				
1807	Acquisition of New or Replacement Equipment	5,500.00		5,500.00				
1822	River Dell Middle School Safety Project	38,779.08				38,779.08	38,779.08	
1829	Various Public Improvements & Acquisitions	9,556.00		9,556.00				
1830	Various Public Improvements & Acquisitions	6,736.00		6,736.00				
1835	Resurfacing of 5th Avenue (Section 3)	40,250.00			11,635.24	28,614.76	28,614.76	850,825.00
1836	Kinderkamack Rd. Regional Revitalization - Ph. 3	1,090,000.00			160,000.00	930,000.00	79,175.00	450,000.00
1837	School Safety Improvement Project	450,000.00				450,000.00		
1859	Various Public Improvements & Acquisitions	500.00		500.00				
1865	Resurfacing of 5th Avenue (Section 4)	105,175.00		38,875.00	33,538.11	32,761.89	32,761.89	
1874	Engineering Oxford Terrace Ph. 2	3,520.00		3,520.00				
17-12	Various Public Improvements & Acquisitions	11,000.00				11,000.00		11,000.00
17-19	Acquisition of Radio Equipment	23,500.00				23,500.00	22,500.00	1,000.00
17-26	Storm & Sanitary Sewer Replacement	285,000.00		4,500.00		285,000.00	221,186.83	63,813.17
18-04	Engineering - Rutgers & Oxford Terrace (Phase 3)		4,500.00				333,407.12	1,812,642.88
18-10	Various Public Improvements		2,146,050.00			2,146,050.00		38,000.00
18-18	Replacement of Sidewalks & Curb Ramps		38,000.00			38,000.00		4,524.00
18-20	Acquisition of Front End Loader		152,000.00			152,000.00	147,476.00	
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)		698,000.00			698,000.00		698,000.00
		\$ 2,084,904.54	3,038,550.00	78,575.46	205,173.35	4,839,705.73	909,900.68	3,929,805.05
		C	C-10/C-13		C-10	C		C-10

Funded by Budget Appropriation	Ref.	Amount
Funded by Grant Proceeds	C-2/C-13	\$ 31,680.46
Assessments Confirmed	C-12/C-13	38,875.00
	C-5/C-13	8,020.00
		\$ 78,575.46



Borough of River Edge , N.J.

Schedule of New Jersey Environmental Infrastructure Loan

General Capital Fund

Year Ended December 31, 2018

	<u>Ref.</u>	<u>Total</u>	<u>Loan</u>
Balance - December 31, 2017	C	\$ 33,901.07	33,901.07
Decreased by:			
Principal Paid	C-6	<u>15,172.89</u>	<u>15,172.89</u>
Balance - December 31, 2018	C	<u>\$ 18,728.18</u>	<u>18,728.18</u>

Borough of River Edge, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2017		2018 Authorizations	Paid or Charged	Cancelled	Balance, Dec. 31, 2018	
				Funded	Unfunded				Funded	Unfunded
<b>General Improvements:</b>										
1763	Various Public Improvements	04/16/12	845,000.00	19,255.22			9,100.00	6,000.00	19,255.22	
1787	Various Public Improvements & Acquisitions	05/06/13	350,000.00	23,651.12					14,551.12	
1789	Various Public Improvements	05/06/13	500,000.00	109,111.64					103,111.64	
1806/1825	Various Public Improvements & Acquisitions	04/21/14	1,330,000.00	206,881.33	2,388.46		38,383.01	2,388.00	168,498.78	
1807	Acquisition of New or Replacement Equipment	04/21/14	810,000.00	8,110.08	5,500.00		356.91	5,500.00	7,753.17	
1827	Purchase of Equipment and Improvement to Buildings and Grounds	04/20/15	40,000.00	3,288.39					3,288.39	
1829	Various Public Improvements & Acquisitions	05/04/15	840,000.00	177,589.83	9,556.00				187,145.83	
1830	Various Public Improvements & Acquisitions	05/04/15	543,000.00	31,094.52	6,736.00		1,500.00	6,736.00	29,594.52	
1835	Resurfacing of 5th Avenue (Section 3)	06/01/15	195,000.00	11,635.24						
1836	Kindertkamack Rd. Regional Revitalization - Ph. 3	06/15/15	1,090,000.00	1,069,200.00			58,375.00	160,000.00	850,825.00	450,000.00
1837	School Safety Improvement Project	06/15/15	450,000.00	450,000.00						
1844	Improvement of Borough Grounds	12/08/15	6,000.00	3,706.48			2,100.00		1,606.48	
1856	Purchase of Equip. & Imp. Buildings & Grounds	04/04/16	29,500.00	4,143.58					4,143.58	
1859	Various Public Improvements & Acquisitions	04/18/16	790,000.00	184,891.11	500.00		9,101.00		176,290.11	
1865	Resurfacing of 5th Avenue (Section 4)	07/11/16	225,000.00	33,538.11				33,538.11		
17-10	Purchase of Equipment and Improvement to Buildings and Grounds	04/03/17	20,000.00	10,310.36					10,310.36	
17-11	Purchase of Equipment	05/01/17	56,300.00	8,415.65			6,076.47		2,339.18	
17-12	Various Public Improvements & Acquisitions	05/01/17	1,243,000.00	811,420.18	11,000.00		74,110.29		737,309.89	11,000.00
17-18	Acq. of New Information Technology Equipment	06/20/17	12,000.00	12,000.00					12,000.00	
17-19	Acquisition of Radio Equipment	08/15/17	24,700.00	1,200.00	23,500.00		23,700.00			1,000.00
17-22	Various Improvements to Senior/Community Center	09/05/17	479,000.00	479,000.00					479,000.00	
17-25	Various Improvements to Senior/Community Center	11/20/17	257,000.00	257,000.00					257,000.00	
17-26	Storm and Sanitary Sewer Replacement	11/20/17	300,000.00	15,000.00	285,000.00		236,186.83			63,813.17
17-28	Construction of Curbs & Sidewalks (Ph. III)	11/20/17	65,000.00	65,000.00			30,739.50	34,260.50		
18-04	Engineering - Rutgers & Oxford Terrace (Phase 3)	02/13/18	4,800.00			4,800.00				
18-08	Purchase of Equipment	04/09/18	19,546.00			19,546.00			6,750.75	
18-09	Purchase of Equipment, Improv of Boro Grounds	04/09/18	20,000.00			20,000.00			676.07	
18-10	Various Public Improvements	04/23/18	2,259,000.00			2,259,000.00				1,812,642.88
18-11	Supplemental Funding Senior Community Center	05/29/18	20,624.00			20,624.00			20,624.00	
18-18	Replacement of Sidewalks & Curb Ramps	08/13/18	40,000.00			40,000.00			2,000.00	38,000.00
18-20	Acquisition of Front End Loader	09/24/18	160,000.00			160,000.00			2,000.00	4,524.00



Borough of River Edge , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2018

	<u>Ref.</u>	
Balance - December 31, 2017	C	\$ 7,751.03
Increased by:		
Budget Appropriation		\$ 112,451.00
Budget Appropriation - Appropriation Reserves		30,000.00
Assessments Confirmed		<u>500.00</u>
	C-2	<u>142,951.00</u>
		150,702.03
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>142,796.00</u>
Balance - December 31, 2018	C/C-3	<u><u>\$ 7,906.03</u></u>

**Borough of River Edge , N.J.**  
**Schedule of Reserve for Receivables**  
**General Capital Fund**  
**Year Ended December 31, 2018**

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 1,153,875.00
Increased by:		
Grant Awards	C-4	418,000.00
Decreased by:		
Receipt	C-7	<u>38,875.00</u>
Balance, December 31, 2018	C	<u>\$ 1,533,000.00</u>

Borough of River Edge, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance,	2018	Funded	Cancelled	Balance,
		Dec. 31, 2017	Authorizations			Dec. 31, 2018
<b>General Improvements:</b>						
1794	Resurface of Fifth Avenue	\$ 13,000.00		7,000.00		6,000.00
1806/1825	Various Public Improvements & Acquisitions	2,388.46		2,388.46		0.00
1807	Acquisition of New or Replacement Equipment	5,500.00		5,500.00		
1822	River Dell Middle School Safety Project	38,779.08				38,779.08
1829	Various Public Improvements & Acquisitions	9,556.00		9,556.00		
1830	Various Public Improvements & Acquisitions	6,736.00		6,736.00		
1835	Resurfacing of 5th Avenue (Section 3)	40,250.00			11,635.24	28,614.76
1836	Kinderkarnack Rd. Regional Revitalization Project - Ph. 3	1,090,000.00			160,000.00	930,000.00
1837	School Safety Improvement Project	450,000.00		500.00		450,000.00
1859	Various Public Improvements & Acquisitions	500.00				
1865	Resurfacing of 5th Avenue (Section 4)	105,175.00		38,875.00	33,538.11	32,761.89
1874	Engineering Oxford Terrace Ph. 2	3,520.00		3,520.00		
17-12	Various Public Improvements & Acquisitions	11,000.00				11,000.00
17-19	Acquisition of Radio Equipment	23,500.00				23,500.00
17-26	Storm & Sanitary Sewer Replacement	285,000.00	4,500.00	4,500.00		285,000.00
18-04	Engineering - Rutgers & Oxford Terrace (Phase 3)		2,146,050.00			2,146,050.00
18-10	Various Public Improvements		38,000.00			38,000.00
18-18	Replacement of Sidewalks & Curb Ramps		152,000.00			152,000.00
18-20	Acquisition of Front End Loader					
18-24	Resurfacing Bogert Ave (Section 2) & Howland Ave (Section 7)		698,000.00			698,000.00
		\$ 2,084,904.54	3,038,550.00	78,575.46	205,173.35	4,839,705.73
		Footnote C	C-7/C-10			Footnote C

	Ref.
Funded by Budget Appropriations	C-7
Funded by Grant Proceeds	C-7
Assessments Confirmed	C-7
	31,680.46
	38,875.00
	8,020.00
	78,575.46

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**BOROUGH OF RIVER EDGE**

**PART II**

**LETTER ON COMPLIANCE AND ON INTERNAL CONTROL**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

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

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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, 2018 and the related notes to the financial statements, and have issued our report thereon dated June 18, 2019, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

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

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

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



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

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

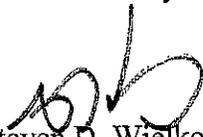
### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

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

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

June 18, 2019

## 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:

- Curb Replacement Project
- Sanitary and Storm Sewer Replacement
- Solid Waste Collection Services
- ADA Curb Ramp Improvements
- Pipe Repair at Elm Avenue Culvert

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

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

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

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 1, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

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

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

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

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

BE IT FURTHER RESOLVED by the Mayor and Council of the Borough of River Edge, County of Bergen, State of New Jersey, that taxes due the Borough of River Edge shall be payable on February 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 5, 2018 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>
2018	6
2017	6
2016	6

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

**Verification of Delinquent Taxes and Other Charges**

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

The result of the test, which was made for the year ending December 31, 2018, 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 some instances, outside office receipts were not in agreement with the amount deposited into the Current Fund bank account.
- 2.\* Political Disclosure forms were not received from all vendors required to submit them.

**RECOMMENDATIONS**

1. That outside office cash receipts be in agreement with deposits made to the Current Fund bank account.
- 2.\* That Political Disclosure forms be received from all vendors required to submit them.

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

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

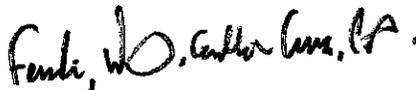
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,



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



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