

**BOROUGH OF ALPINE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**BOROUGH OF ALPINE**

**BERGEN COUNTY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Alpine  
Alpine, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Alpine, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Alpine on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

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

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

In our opinion, because of the significance of the 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 Alpine as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

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

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2019 and 2018. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 9.4 percent and 8.1 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2019 and 2018.

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

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Alpine as of December 31, 2019 and 2018, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2019 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Alpine as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Alpine.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2020 on our consideration of the Borough of Alpine'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 solely 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 the effectiveness of the Borough of Alpine's 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 Alpine's internal control over financial reporting and compliance.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Registered Municipal Accountant  
RMA Number CR00429

Fair Lawn, New Jersey  
September 22, 2020



**BOROUGH OF ALPINE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
Cash	A-4	\$ 3,458,990	\$ 3,571,065
Cash - Change Funds	A-5	100	100
Grant Receivables	A-10	4,866	5,711
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	<u>1,753</u>	<u>2,003</u>
		<u>3,465,709</u>	<u>3,578,879</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	293,339	263,394
Revenue Accounts Receivable	A-9	<u>37,528</u>	<u>14,439</u>
		<u>330,867</u>	<u>277,833</u>
Total Assets		<u>\$ 3,796,576</u>	<u>\$ 3,856,712</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-11	\$ 389,245	\$ 486,841
Encumbrances Payable	A-12	50,363	32,672
Fees Payable	A-13	1,529	2,037
Prepaid Taxes	A-14	253,135	304,796
Due to Other Trust Fund	B-12	50,000	75,000
Due to General Capital Fund	C-10	15,091	9,991
County Taxes Payable	A-16	16,273	10,144
Local District School Tax Payable	A-17	1,076,989	1,012,238
Reserve for Grants - Appropriated	A-19	66,112	68,418
Reserve for Grants - Unappropriated	A-20	<u>16,271</u>	<u>10,651</u>
		1,935,008	2,012,788
Reserve for Receivables and Other Assets	A	330,867	277,833
Fund Balance	A-1	<u>1,530,701</u>	<u>1,566,091</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,796,576</u>	<u>\$ 3,856,712</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,200,000	\$ 1,125,000
Miscellaneous Revenue Anticipated	A-2	1,385,274	1,434,778
Receipts from Delinquent Taxes	A-2	263,393	424,314
Receipts from Current Taxes	A-2	15,266,026	15,102,087
Non-Budget Revenue	A-2	88,376	89,586
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	361,869	349,515
Escrow Account Balances Cancelled	B-12	<u>81,350</u>	<u>-</u>
Total Revenue		<u>18,646,288</u>	<u>18,525,280</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	2,678,215	2,665,840
Other Expenses	A-3	1,484,613	1,441,948
Capital Improvements	A-3		13,000
Debt Service	A-3	470,219	456,228
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	649,177	594,126
County Taxes	A-16	5,428,626	5,502,659
Due to County for Added and Omitted Taxes	A-16	16,273	10,144
Local District School Tax	A-17	6,604,774	6,475,269
Municipal Open Space Tax	A-18	99,771	99,232
Prior Year Taxes Refunded	A-4	<u>50,010</u>	<u>-</u>
Total Expenditures		<u>17,481,678</u>	<u>17,258,446</u>
Statutory Excess in Revenue		1,164,610	1,266,834
FUND BALANCE, JANUARY 1	A	<u>1,566,091</u>	<u>1,424,257</u>
		2,730,701	2,691,091
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,200,000</u>	<u>1,125,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,530,701</u>	<u>\$ 1,566,091</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Reference</u>	<u>Budget</u>	<u>Added By:</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,200,000	-	\$ 1,200,000	-
MISCELLANEOUS REVENUES					
Fees and Permits					
Other	A-2	50,000		63,770	\$ 13,770
Fines and Costs - Municipal Court	A-9	20,000		27,774	7,774
Interest and Costs on Taxes	A-9	50,000		62,859	12,859
Interest on Investments	A-2	15,000		15,991	991
Cell Tower Rent	A-9	309,000		301,513	(7,487)
Energy Receipts Tax	A-9	405,408		405,408	-
Open Space Pilot Aid	A-9	5,219		5,219	-
Uniform Construction Code Fees	A-9	190,000		244,884	54,884
Municipal Alliance Grant	A-10	9,520		9,520	
Recycling Tonnage Grant	A-20	4,243		4,243	
Alcohol Education and Rehab Fund	A-20	146		146	
Body Armor Grant	A-20	1,592		1,592	
Clean Communities Program	A-20	6,005		6,005	
Police Donations	A-20	4,500		4,500	
Rent - U.S. Post Office	A-9	102,220		102,220	
Payment in Lieu of Taxes - Boy Scouts of America	A-9	53,130		53,130	
Cresskill Leaf Compost	A-9	65,000		67,500	2,500
General Capital Fund Balance (Surplus)	C-10	9,000	-	9,000	-
Total Miscellaneous Revenues	A-1	<u>1,299,983</u>	-	<u>1,385,274</u>	<u>85,291</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>224,000</u>	-	<u>263,393</u>	<u>39,393</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2	<u>3,348,427</u>	-	<u>3,906,582</u>	<u>558,155</u>
	A-3	<u>\$ 6,072,410</u>	<u>\$ -</u>	<u>6,755,249</u>	<u>\$ 682,839</u>
Non-Budget Revenue	A-1,A-2			<u>88,376</u>	
				<u>\$ 6,843,625</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 15,266,026
Less Allocated to School, County and Municipal Open Space Taxes	A-16,A-17 A-18	<u>12,149,444</u>
		3,116,582
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>790,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 3,906,582</u>
Fees and Permits - Other		
Borough Clerk	A-9	\$ 18,943
Health Officer and Registrar	A-9	12,865
Police Department	A-9	5,941
Other Fees and Permits	A-9	<u>26,021</u>
	A-2	<u>\$ 63,770</u>
Interest on Investments		
Interest on Investments	A-9	\$ 11,416
Due from Animal Control Fund	B-6	16
Due from Other Trust Fund	B-12	<u>4,559</u>
	A-2	<u>\$ 15,991</u>
Analysis of Non-Budget Revenue		
Police Outside Duty Fees		\$ 27,625
Cablevision Franchise Fee		22,759
Verizon Franchise Fee		10,716
Post Office Cleaning		6,696
B-Med Dividend		3,674
Uniform Fire Safety Act		2,956
Bergen County JIF Safety Award		5,800
Sale of SREC		1,112
Recycling Drop Off		1,639
Library State Aid Per Capital		450
Senior's & Veteran's Admin Fee		115
Miscellaneous		<u>4,834</u>
	A-2,A-4	<u>\$ 88,376</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Municipal Clerk					
Salaries and Wages	\$ 127,000	\$ 127,000	\$ 123,916	\$ 3,084	
Other Expenses	22,000	22,000	15,025	6,975	
Elections	2,600	2,600	1,660	940	
Financial Administration					
Salaries and Wages	95,100	95,100	90,617	4,483	
Other Expenses	10,000	10,000	4,822	5,178	
Audit Services					
Other Expenses	37,900	37,900	35,630	2,270	
Collection of Taxes					
Salaries and Wages	22,500	22,500	12,352	10,148	
Other Expenses	6,500	6,500	5,162	1,338	
Other Expenses - Postage	6,500	6,500	4,748	1,752	
Tax Assessment Administration					
Salaries and Wages	16,830	16,830	15,918	912	
Other Expenses	1,600	1,600	622	978	
Legal Services and Costs					
Other Expenses	165,000	165,000	35,953	129,047	
Engineering Services and Costs					
Other Expenses	48,000	48,000	31,576	16,424	
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries and Wages	7,000	7,000	6,780	220	
Other Expenses	5,000	5,000	2,358	2,642	
Zoning Board of Adjustment					
Salaries and Wages	8,570	8,570	6,489	2,081	
Other Expenses	6,950	6,950	1,804	5,146	
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	73,907	73,907	67,587	6,320	
Workers Compensation	69,927	69,927	69,927	-	
Employee Group Health	363,597	363,597	345,141	18,456	
PUBLIC SAFETY					
Police					
Salaries and Wages	1,880,000	1,959,725	1,956,530	3,195	
Other Expenses	65,000	65,000	64,179	821	
Police Acquisition of Vehicles					
Other Expenses	30,000	30,000	29,762	238	
Police Dispatch/911					
Other Expenses	23,227	23,227	17,420	5,807	
Emergency Management Services					
Salaries and Wages	4,080	4,080	3,171	909	
Other Expenses	3,000	3,000	2,050	950	
First Aid Organization - Contribution					
Contribution	6,000	6,000	6,000	-	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Continued)					
Fire					
Salaries and Wages	\$ 3,650	\$ 3,650	\$ 3,539	\$ 111	
Other Expenses	33,500	33,500	31,337	2,163	
Fire Hydrant Services	75,000	75,000	69,877	5,123	
Fire Prevention/Uniform Fire Code					
Salaries and Wages	9,200	9,200	6,232	2,968	
Other Expenses	3,800	3,800	730	3,070	
Municipal Prosecutor					
Other Expenses - Contractual	6,975	6,975	6,267	708	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	321,000	241,275	229,917	11,358	
Other Expenses	43,050	43,050	41,977	1,073	
Public Buildings and Grounds					
Other Expenses	39,950	39,950	31,200	8,750	
Recycling - DPW					
Salaries and Wages	7,780	7,780	6,352	1,428	
Other Expenses	62,400	62,400	62,400	-	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	10,780	10,780	5,338	5,442	
Other Expenses	2,000	2,000	114	1,886	
Other Expenses - Contractual	16,248	16,248	16,098	150	
Environmental Commission (NJSA 40:56A et seq.)					
Other Expenses	1,250	1,250	420	830	
Animal Control					
Other Expenses	500	500	-	500	
Municipal Alliance Coordinator					
Salaries and Wages	2,085	2,085	-	2,085	
Occupational Safety and Health Act					
Other Expenses - Hepatitis B. Inoculation	1,362	1,362	810	552	
PARKS AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Other Expenses	2,000	2,000	1,987	13	
Swim Pool Committee					
Other Expenses	6,500	6,500	3,500	3,000	
EDUCATION FUNCTIONS					
Cresskill Library Fees	1,500	1,500	-	1,500	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	6,000	6,000	6,000	-	
MUNICIPAL COURT FUNCTION					
Municipal Court					
Salaries and Wages	28,000	28,000	20,645	7,355	
Other Expenses	5,500	5,500	1,385	4,115	
Public Defender (P.. 1997, C. 256)					
Salaries and Wages	2,695	2,695	2,202	493	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)					
Uniform Construction Code					
Salaries and Wages	\$ 92,500	\$ 92,500	\$ 90,236	\$ 2,264	
Other Expenses	11,000	11,000	6,125	4,875	
Electrical Inspector					
Salaries and Wages	13,645	13,645	12,485	1,160	
Plumbing Inspector					
Salaries and Wages	12,600	12,600	11,230	1,370	
Zoning Official					
Salaries and Wages	13,200	13,200	12,494	706	
UTILITY EXPENSES AND BULK PURCHASES					
Electric	35,000	34,522	27,594	6,928	
Street Lighting	35,000	35,000	33,034	1,966	
Telephone	24,000	24,478	24,478	-	
Water	6,000	6,000	5,816	184	
Natural Gas	12,000	12,000	6,613	5,387	
Gasoline	42,500	42,500	24,762	17,738	-
Total Operations Within "CAPS"	4,097,958	4,097,958	3,760,393	337,565	-
Contingent	10,000	10,000	-	10,000	-
Total Operations Including Contingent - Within "CAPS"	4,107,958	4,107,958	3,760,393	347,565	-
Detail:					
Salaries and Wages	2,678,215	2,678,215	2,616,443	61,772	-
Other Expenses	1,429,743	1,429,743	1,143,950	285,793	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Social Security System	101,960	101,960	87,179	14,781	
Police and Fireman's Retirement System of NJ	469,743	469,743	469,733	10	
Public Employees Retirement System	76,874	76,874	76,559	315	
Defined Contribution Retirement Program	600	600	-	600	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	649,177	649,177	633,471	15,706	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,757,135	4,757,135	4,393,864	363,271	-

**BOROUGH OF ALPINE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY					
Fire					
Other Expense-LOSAP	\$ 26,484	\$ 26,484	\$ 25,066	\$ 1,418	-
Total Other Operations Excluded from "CAPS"	<u>26,484</u>	<u>26,484</u>	<u>25,066</u>	<u>1,418</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Program					
County Share	9,520	9,520	2,445	7,075	
Local Share	2,380	2,380	510	1,870	
Clean Communities Program	6,005	6,005	875	5,130	
Body Armor Grant	1,592	1,592		1,592	
Police Donations - Equipment	4,500	4,500		4,500	
Alcohol Education and Rehab. Fund	146	146		146	
Recycling Tonnage Grant	4,243	4,243	-	4,243	-
Total Public and Private Programs Offset by Revenues	<u>28,386</u>	<u>28,386</u>	<u>3,830</u>	<u>24,556</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>54,870</u>	<u>54,870</u>	<u>28,896</u>	<u>25,974</u>	<u>-</u>
Detail:					
Other Expenses	<u>54,870</u>	<u>54,870</u>	<u>28,896</u>	<u>25,974</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Principal Capital Notes	400,000	400,000	400,000		
Interest on Notes	66,915	66,915	66,729		\$ 186
Green Trust Loan Program					
Loan Repayments for Principal and Interest	<u>3,490</u>	<u>3,490</u>	<u>3,490</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>470,405</u>	<u>470,405</u>	<u>470,219</u>	<u>-</u>	<u>186</u>



**BOROUGH OF ALPINE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 525,275	\$ 525,275	\$ 499,115	\$ 25,974	\$ 186
Subtotal General Appropriations	5,282,410	5,282,410	4,892,979	389,245	186
Reserve for Uncollected Taxes	<u>790,000</u>	<u>790,000</u>	<u>790,000</u>	-	-
Total General Appropriations	<u>\$ 6,072,410</u>	<u>\$ 6,072,410</u>	<u>\$ 5,682,979</u>	<u>\$ 389,245</u>	<u>\$ 186</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget As Adopted	A-3	<u>\$ 6,072,410</u>			
Cash Disbursements	A-4		\$ 4,842,616		
Encumbrances Payable	A-12		50,363		
Reserve for Uncollected Taxes	A-2		<u>790,000</u>		
			<u>\$ 5,682,979</u>		

**BOROUGH OF ALPINE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ <u>3,669</u>	\$ <u>4,650</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-3	<u>46,416</u>	<u>41,625</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Cash	B-3	<u>392,678</u>	<u>292,066</u>
<b>RECREATION TRUST FUND</b>			
Cash	B-3	<u>5,672</u>	<u>7,323</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	4,777,338	4,592,654
Due from Current Fund	B-12	<u>50,000</u>	<u>75,000</u>
		<u>4,827,338</u>	<u>4,667,654</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM</b>			
<b>TRUST FUND (UNAUDITED)</b>			
Investments	B	522,986	426,078
Contributions Receivable	B	<u>22,215</u>	<u>17,134</u>
		<u>545,201</u>	<u>443,212</u>
<b>Total Assets</b>		<u>\$ 5,820,974</u>	<u>\$ 5,456,530</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND RESERVES</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to State of New Jersey	B-5		\$ 4
Reserve for Animal Control Fund Expenditures	B-4	\$ 3,669	4,646
		<u>3,669</u>	<u>4,650</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-8	24	
Reserve for Unemployment Insurance Benefits	B-7	46,392	41,625
		<u>46,416</u>	<u>41,625</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Reserve for Open Space Expenditures	B-10	392,678	292,066
<b>RECREATION TRUST FUND</b>			
Reserve for Recreation Expenditures	B-11	5,672	7,323
<b>OTHER TRUST FUND</b>			
Payroll Deductions Payable	B-13	3,198	38,292
Miscellaneous Reserves and Deposits	B-14	4,824,140	4,629,362
		<u>4,827,338</u>	<u>4,667,654</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP Benefits	B	545,201	443,212
<b>Total Liabilities and Reserves</b>		<u>\$ 5,820,974</u>	<u>\$ 5,456,530</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ALPINE**  
**STATEMENT OF REVENUES-REGULATORY BASIS**  
**OPEN SPACE PRESERVATION TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Anticipated			Excess or Deficit
	Budget (Memo)	Budget After Modification (Memo)	Realized	
Amount to be Raised by Taxation	\$ 99,473	\$ 99,473	\$ 99,771	\$ 298
	<u>\$ 99,473</u>	<u>\$ 99,473</u>	99,771	<u>\$ 298</u>
Non-Budget Revenue:				
Interest on Investments			<u>841</u>	
			<u>\$ 100,612</u>	
<u>Reference</u>	B-2	B-2	B-10	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS**  
**OPEN SPACE PRESERVATION TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriated		Expended	
	Budget (Memo)	Budget After Modification (Memo)	Paid or Charged	Reserved
Reserve for Future Use	\$ 99,473	\$ 99,473	\$ -	\$ 99,473
	<u>\$ 99,473</u>	<u>\$ 99,473</u>	<u>\$ -</u>	<u>\$ 99,473</u>
<u>Reference</u>	B-1	B-1	B-10	

**BOROUGH OF ALPINE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 458,781	\$ 779,559
Grants Receivable	C-4	337,804	171,404
Due From Current Fund	C-10	15,091	9,991
Deferred Charges to Future Taxation			
Funded	C-5	6,768	10,150
Unfunded	C-6	<u>2,683,215</u>	<u>2,712,715</u>
 Total Assets		 <u>\$ 3,501,659</u>	 <u>\$ 3,683,819</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bergen County Improvement Authority Loan Payable	C-13	6,768	10,150
Bond Anticipation Notes Payable	C-12	2,517,161	2,731,211
Encumbrances Payable	C-8	2,426	130,411
Improvement Authorizations			
Funded	C-7	218,545	76,932
Unfunded	C-7	484,259	450,986
Capital Improvement Fund	C-9	73,234	92,734
Reserve for Field Improvements	C-11	10,000	10,000
Reserve for Grants Receivable	C-4	171,404	171,404
Fund Balance	C-1	<u>17,862</u>	<u>9,991</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 3,501,659</u>	 <u>\$ 3,683,819</u>

There were bonds and notes authorized but not issued on December 31, 2019 and 2018 of \$166,054 and \$9,304, respectively. (Exhibit C-14)

**BOROUGH OF ALPINE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	C	\$ 9,991	\$ 22,991
Increased by:			
Funded Improvement Authorizations Cancelled	C-7	22,871	
Premium on Notes Issued	C-10	<u>14,100</u>	<u>-</u>
		<u>46,962</u>	<u>22,991</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-7	20,100	
Due to Current Fund as Anticipated Revenue	C-10	<u>9,000</u>	<u>13,000</u>
		<u>29,100</u>	<u>13,000</u>
Balance, December 31	C	<u>\$ 17,862</u>	<u>\$ 9,991</u>

**BOROUGH OF ALPINE**  
**COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Land	\$ 6,101,500	\$ 6,101,500
Buildings and Building Improvements	1,772,789	1,755,614
Machinery and Equipment	<u>3,327,826</u>	<u>3,206,087</u>
	<u>\$ 11,202,115</u>	<u>\$ 11,063,201</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 11,202,115</u>	<u>\$ 11,063,201</u>

**NOTES TO FINANCIAL STATEMENTS**



**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Alpine (the "Borough") was incorporated in 1903 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

**B. Description of Regulatory Basis of Accounting**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Open Space Preservation Trust Fund - This fund is used to account for the revenues and expenditures relating to taxes and other revenues dedicated to the acquisition and maintenance of real property for open space.

Recreation Trust Fund - This fund is used to account for receipts from dedicated fees and associated disbursements relating to recreational activities administered by the Borough.

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

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

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

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

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

The Borough of Alpine follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

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

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Grant and Similar Award Revenues/Receivables** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Deferred Charges** – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

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

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

**BOROUGH OF ALPINE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Alpine has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$500 and an estimated useful life in excess of two years.

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

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

- Trust Funds (Except for Open Space Preservation Trust Fund)
- General Capital Fund

**BOROUGH OF ALPINE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2019 and 2018 the Borough Council did not increase the original budget. However, the governing body approved several budget transfers during 2019 and 2018.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2019 and 2018, the book value of the Borough's deposits were \$9,143,644 and \$9,289,042 and bank and brokerage firm balances of the Borough's deposits amounted to \$9,298,941 and \$9,359,298, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2019</u>	<u>2018</u>
Insured	<u>\$ 9,298,941</u>	<u>\$ 9,359,298</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**A. Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2019 and 2018, none of the Borough’s bank balances were exposed to custodial credit risk.

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2019 and 2018, the Borough had the following investments:

	<u>Fair Value</u> <u>(LOSAP)</u>	
	<u>2019</u>	<u>2018</u>
Investment:		
Lincoln Financial LOSAP		
Investment Fund (Unaudited)	\$ 522,986	\$ 426,078



**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2019 and 2018, \$522,986 and \$426,078 of the Borough’s investments was exposed to custodial credit risk as follows:

	<b>Fair Value (LOSAP) (Unaudited)</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 522,986</u>	<u>\$ 426,078</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2019 and 2018, the Borough’s investment in Lincoln Financial Group, a subsidiary to Lincoln National Corporation was rated Baa1 by Moody’s Investor Service.

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

The fair value of the above-listed investment was based on information provided by Lincoln Financial Group.

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2019 and 2018 consisted of the following:

	<b><u>2019</u></b>	<b><u>2018</u></b>
Property Taxes	<u>\$ 293,339</u>	<u>\$ 263,394</u>

In 2019 and 2018, the Borough collected \$263,393 and \$424,314 from delinquent taxes, which represented 100% and 100%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

	<u>2019</u>		<u>2018</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund		\$ 65,091		\$ 84,991
Trust Funds:				
Other Trust Fund	\$ 50,000		\$ 75,000	
General Capital Fund	<u>15,091</u>	<u>-</u>	<u>9,991</u>	<u>-</u>
Total	<u>\$ 65,091</u>	<u>\$ 65,091</u>	<u>\$ 84,991</u>	<u>\$ 84,991</u>

The above balances are the result of deposits made, revenues earned and/or appropriations budgeted by one fund on behalf of another fund.

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

**NOTE 6 DEFERRED SCHOOL TAXES**

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2019 and 2018 are as follows:

	<u>Local District School</u>	
	<u>2019</u>	<u>2018</u>
Balance of Tax	\$ 3,416,971	\$ 3,352,220
Deferred	<u>2,339,982</u>	<u>2,339,982</u>
Taxes Payable	<u>\$ 1,076,989</u>	<u>\$ 1,012,238</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	<b>2019</b>		<b>2018</b>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 1,524,082	\$ 1,185,000	\$ 1,558,377	\$ 1,200,000
Non-Cash Surplus	6,619	-	7,714	-
	<u>\$ 1,530,701</u>	<u>\$ 1,185,000</u>	<u>\$ 1,566,091</u>	<u>\$ 1,200,000</u>

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2019 and 2018.

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, December 31, 2019</u>
<b>2019</b>				
Land	\$ 6,101,500			\$ 6,101,500
Buildings and Building Improvements	1,755,614	\$ 17,175		1,772,789
Machinery and Equipment	3,206,087	121,739	-	3,327,826
	<u>\$ 11,063,201</u>	<u>\$ 138,914</u>	<u>\$ -</u>	<u>\$ 11,202,115</u>
	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, December 31, 2018</u>
<b>2018</b>				
Land	\$ 6,101,500			\$ 6,101,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	3,105,156	\$ 100,931	\$ -	3,206,087
	<u>\$ 10,962,270</u>	<u>\$ 100,931</u>	<u>\$ -</u>	<u>\$ 11,063,201</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et. seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects and acquisitions. 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 and acquisitions, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2019</u>	<u>2018</u>
Issued		
General		
Notes and Loans	\$ 2,523,929	\$ 2,741,361
Less Funds Temporarily Held to Pay Bonds,		
Notes and Loans	<u>-</u>	<u>27,800</u>
Net Debt Issued	2,523,929	2,713,561
Authorized But Not Issued		
General		
Bonds and Notes	<u>166,054</u>	<u>9,304</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,689,983</u>	<u>\$ 2,722,865</u>

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .126% and .118% at December 31, 2019 and 2018, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2019</u></b>			
General Debt	<u>\$ 2,689,983</u>	<u>\$ -</u>	<u>\$ 2,689,983</u>
<b><u>2018</u></b>			
General Debt	<u>\$ 2,750,665</u>	<u>\$ 27,800</u>	<u>\$ 2,722,865</u>

**Statutory Borrowing Power**

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

	<u>2019</u>	<u>2018</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 74,788,088	\$ 80,487,232
Net Debt	<u>2,689,983</u>	<u>2,722,865</u>
Remaining Borrowing Power	<u>\$ 72,098,105</u>	<u>\$ 77,764,367</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the Bergen County Improvement Authority (“BCIA”) for the financing relating to the Borough's solar power system program. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2019</u>	<u>2018</u>
\$47,368, 2008 BCIA Loans, due in annual installments of \$3,382 to \$3,385 through December, 2021, interest at 1.05%	\$ 6,768	\$ 10,150

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2019 is as follows:

Calendar Year	BCIA Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,383	\$ 71	\$ 3,454
2021	3,385	36	3,421
2022	-	-	-
	<u>\$ 6,768</u>	<u>\$ 107</u>	<u>\$ 6,875</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2019 and 2018 were as follows:

<b><u>2019</u></b>	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<b><u>General Capital Fund</u></b>					
Intergovernmental Loans Payable	\$ 10,150	\$ -	\$ 3,382	\$ 6,768	\$ 3,383
General Capital Fund Long-Term Liabilities	<u>\$ 10,150</u>	<u>\$ -</u>	<u>\$ 3,382</u>	<u>\$ 6,768</u>	<u>\$ 3,383</u>
<b><u>2018</u></b>	Balance, January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<b><u>General Capital Fund</u></b>					
Intergovernmental Loans Payable	\$ 13,534	\$ -	\$ 3,384	\$ 10,150	\$ 3,382
General Capital Fund Long-Term Liabilities	<u>\$ 13,534</u>	<u>\$ -</u>	<u>\$ 3,384</u>	<u>\$ 10,150</u>	<u>\$ 3,382</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2019 and 2018 was as follows:

**Bond Anticipation Notes**

<u>2019</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2019</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2019</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	2.00%	11/25/2020	\$ 582,930	\$ 390,651	\$ 582,930	\$ 390,651
	Road Program	2.00%	11/25/2020	1,562,804	1,579,499	1,562,804	1,579,499
	Acquisition of Fire Engine and Computer Equipment	2.00%	11/25/2020	432,622	405,512	432,622	405,512
	School Field Improvements and Vehicle Acq.	2.00%	11/25/2020	152,855	141,499	152,855	141,499
				<u>\$ 2,731,211</u>	<u>\$ 2,517,161</u>	<u>\$ 2,731,211</u>	<u>\$ 2,517,161</u>

<u>2018</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2018</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2018</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	2.45%	11/27/2019	\$ 625,511	\$ 582,930	\$ 625,511	\$ 582,930
	Road Program	2.45%	11/27/2019	1,422,713	1,562,804	1,422,713	1,562,804
	Acquisition of Fire Engine and Computer Equipment	2.45%	11/27/2019	459,732	432,622	459,732	432,622
	School Field Improvements and Vehicle Acq.	2.45%	11/27/2019	152,855	152,855	152,855	152,855
				<u>\$ 2,660,811</u>	<u>\$ 2,731,211</u>	<u>\$ 2,660,811</u>	<u>\$ 2,731,211</u>

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

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

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>2019</u>	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
There are none.			
<u>2018</u>			
	Road Improvements	\$130,411	2019

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$701,162 and \$700,109 at December 31, 2019 and 2018, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2019 and 2018, the Borough has reserved in the Other Trust Fund \$162,991 and \$194,209, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**B. Capital Lease Agreement**

The Borough entered into agreements for the leasing of police vehicles totaling \$90,821 under capital leases. The capital lease agreements are for terms of three year’s payable in advance. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at December 31, 2019.

<u>Years Ended December 31,</u>	<u>Amount</u>
2020	\$ 33,235
2021	31,389
2022	<u>7,397</u>
Total	72,021
Less: Amounts Representing Interest	<u>(4,808)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 67,213</u>



**BOROUGH OF ALPINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2019 and 2018 were as follows:

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<b><u>2019</u></b>					
Compensated Absences	\$ 700,109	\$ 82,271	\$ 81,218	\$ 701,162	\$ 5,380
Capital Leases	57,431	30,347	20,565	67,213	29,158
Net Pension Liability - PERS	1,498,016		114,044	1,383,972	
Net Pension Liability - PFRS	6,488,219		490,963	5,997,256	
Net OPEB Liability	<u>1,361,429</u>	<u>-</u>	<u>150,139</u>	<u>1,211,290</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 10,105,204</u>	<u>\$ 112,618</u>	<u>\$ 856,929</u>	<u>\$ 9,360,893</u>	<u>\$ 34,538</u>
	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<b><u>2018</u></b>					
Compensated Absences	\$ 704,457	\$ 59,307	\$ 63,655	\$ 700,109	\$ 80,718
Capital Leases	5,860	60,819	9,248	57,431	17,501
Net Pension Liability - PERS	2,050,067		552,051	1,498,016	
Net Pension Liability - PFRS	7,142,600		654,381	6,488,219	
Net OPEB Liability	<u>1,751,266</u>	<u>-</u>	<u>389,837</u>	<u>1,361,429</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 11,654,250</u>	<u>\$ 120,126</u>	<u>\$ 1,669,172</u>	<u>\$ 10,105,204</u>	<u>\$ 98,219</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

**Police and Firemen’s Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four 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

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% (tier 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.

**Public Employees’ Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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, if applicable, 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 ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 and 2018 is \$18.1 billion and \$19.7 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 56.27% and 53.60% respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2019 and 2018 is \$14.2 billion and \$15.4 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 65.00% and 62.48%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018, respectively.

**Actuarial Methods and Assumptions**

In the July 1, 2018 and 2017 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2019 and 2018 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2019 and 2018 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2019, 2018 and 2017 were equal to the required contributions.

During the years ended December 31, 2019, 2018 and 2017, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2019	\$ 468,767	\$ 75,677	None
2018	409,464	81,585	\$ 937
2017	391,738	76,587	539

In addition for the years ended December 31, 2019, 2018 and 2017 the Borough contributed for long-term disability insurance premiums (LTDI) \$397, \$904 and \$377, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2019 and 2018, the Borough reported a liability of \$1,383,972 and \$1,498,016, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, respectively. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough’s proportionate share was .00768 percent, which was an increase of .00007 percent from its proportionate share measured as of June 30, 2018 of .00761 percent.

**BOROUGH OF ALPINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the years ended December 31, 2019 and 2018, the pension system has determined the Borough’s pension expense to be \$25,466 and \$41,306, respectively, for PERS based on the actuarial valuations which are less than the actual contributions reported in the Borough’s financial statements of \$75,677 and \$81,585, respectively. At December 31, 2019 and 2018, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	2019		2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 24,840	\$ 6,114	\$ 28,567	\$ 7,724
Changes of Assumptions	138,195	480,372	246,848	478,986
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		21,847		14,051
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>85,485</u>	<u>201,260</u>	<u>115,316</u>	<u>286,728</u>
Total	<u>\$ 248,520</u>	<u>\$ 709,593</u>	<u>\$ 390,731</u>	<u>\$ 787,489</u>

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (67,359)
2021	(149,383)
2022	(159,998)
2023	(79,630)
2024	<u>(4,703)</u>
	<u>\$ (461,073)</u>

**BOROUGH OF ALPINE  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	2.00-6.00% Based on Years of Service	1.65-4.15% Based on Age
Thereafter	3.00%-7.00% Based on Years of Service	2.65%-5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018 and July 1, 2011 to June 30, 2014, respectively.

**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	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%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.28%
2018	June 30, 2018	5.66%



**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

**Discount Rate (Continued)**

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2057	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2057 and Thereafter	From July 1, 2046 and Thereafter

\* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. The source is 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.

**Sensitivity of Net Pension Liability**

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.28% and 5.66%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.28% and 4.66%, respectively or 1-percentage-point higher 7.28% and 6.66%, respectively than the current rate:

<u>2019</u>	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,748,182</u>	\$ <u>1,383,972</u>	\$ <u>1,077,074</u>
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
<u>2018</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,883,583</u>	\$ <u>1,498,016</u>	\$ <u>1,174,550</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2019 and 2018, the Borough reported a liability of \$5,997,256 and \$6,488,219, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, respectively. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough’s proportionate share was .04901 percent, which was an increase of .00106 percent from its proportionate share measured as of June 30, 2018 of .04795 percent.

For the years ended December 31, 2019 and 2018, the pension system has determined the Borough pension expense to be \$553,770 and \$492,916, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Borough’s financial statements of \$468,767 and \$409,464, respectively. At December 31, 2019 and 2018, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<b>2019</b>		<b>2018</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 50,625	\$ 37,970	\$ 66,009	\$ 26,850
Changes of Assumptions	205,499	1,938,258	556,926	1,662,819
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		81,261		35,496
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>371,317</u>	<u>135,746</u>	<u>316,196</u>	<u>230,533</u>
Total	<u>\$ 627,441</u>	<u>\$ 2,193,235</u>	<u>\$ 939,131</u>	<u>\$ 1,955,698</u>

**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen’s Retirement System (PFRS) (Continued)**

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending December 31,	<u>Total</u>
2020	\$ (260,638)
2021	(603,049)
2022	(420,402)
2023	(173,951)
2024	<u>(107,754)</u>
	<u>\$ (1,565,794)</u>

***Actuarial Assumptions***

The Borough’s total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through	All Future Years 3.25%-15.25% Based on Years of Service	2026 2.10%-8.98% Based on Age
Thereafter	Not Applicable	3.10%-9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub - 2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and July 1, 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018 and July 1, 2010 to June 30, 2013, respectively.

**BOROUGH OF ALPINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.87%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	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%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.85%
2018	June 30, 2018	6.51%

**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2076	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2076 and Thereafter	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. The source is 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.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.85% and 6.51%, respectively, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.85% and 5.51%, respectively or 1-percentage-point higher 7.85% and 7.51%, respectively than the current rate:

<u>2019</u>	<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 8,106,105	\$ 5,997,256	\$ 4,251,880
	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
<u>2018</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 8,683,676	\$ 6,488,219	\$ 4,677,367

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF ALPINE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Special Funding Situation – PFRS***

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

At December 31, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$946,978 and \$881,317, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$110,031 and \$104,391, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$63,807 and \$52,195, respectively. At December 31, 2019 (measurement date June 30, 2019) the State's share of the PFRS net pension liability attributable to the Borough was .04901 percent, which was an increase of .00106 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .04795 percent. 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 PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF ALPINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. 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.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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 above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2019 and 2018 is \$13.5 billion and \$15.7 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% and 1.97%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018.

**Actuarial Methods and Assumptions**

In the June 30, 2018 and 2017 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contribution**

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$346.4 million and \$421.2 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million and \$53.5 million for fiscal years 2019 and 2018, respectively.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2019, 2018 and 2017 were \$10,923, \$12,608 and \$13,457, respectively, which equaled the required contributions for each year (or were not available).



**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2019 and 2018, the Borough reported a liability of \$1,211,290 and \$1,361,429, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and 2018, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and 2017, respectively. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2019 and 2018 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2019 and 2018, respectively. As of the measurement date of June 30, 2019 the Borough’s proportionate share was .00894 percent, which was an increase of .00025 percent from its proportionate share measured as of June 30, 2018 of .00869 percent.

For the years ended December 31, 2019 and 2018, the Plan has determined OPEB (benefit) expense to be (\$25,393) and \$31,741, respectively, based on the actuarial valuations which is less than the actual contributions in 2019, and more than the actual contributions in 2018 reported in the Borough’s financial statements of \$10,923 and \$12,608, respectively. At December 31, 2019 and 2018, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	2019		2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 354,228		\$ 276,419
Changes of Assumptions		429,254		345,344
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 998		\$ 719	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>69,508</u>	<u>122,797</u>	<u>22,280</u>	<u>147,162</u>
Total	<u>\$ 70,506</u>	<u>\$ 906,279</u>	<u>\$ 22,999</u>	<u>\$ 768,925</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (141,013)
2021	(141,013)
2022	(141,090)
2023	(141,214)
2024	(141,332)
Thereafter	<u>(130,111)</u>
	<u>\$ (835,773)</u>

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Actuarial Assumptions*

The Borough's total OPEB liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total OPEB liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2019</u>	<u>2018</u>
Inflation Rate	2.50%	2.50%
Salary Increases*		
PERS:		
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.65% to 8.98%
Rate Thereafter	3.00% to 7.00%	2.65% to 9.98%
PFRS:		
Initial Fiscal Year Applied Through	Rate for All Future Years	2026
Rate	3.25% to 15.25%	1.65% to 8.98%
Rate Thereafter	Not Applicable	2.65% to 9.98%
Mortality		
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
PFRS	Pub-2010 Safety Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
Long-Term Rate of Return	2.00%	1.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and for 2019 the members years of service and for 2018 the members age.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**BOROUGH OF ALPINE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the plan upon retirement.

***Long-Term Expected Rate of Return***

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% and 1.00% as of June 30, 2019 and 2018, respectively.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Calendar Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2019	June 30, 2019	3.50%
2018	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Discounts Rate*

The following presents the Borough's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 calculated using the discount rate of 3.50% and 3.87%, respectively, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 2.50% and 2.87%, respectively or 1-percentage-point higher 4.50% and 4.87%, respectively than the current rate:

<u>2019</u>	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 1,400,559</u>	<u>\$ 1,211,290</u>	<u>\$ 1,057,484</u>
<u>2018</u>	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 1,597,316</u>	<u>\$ 1,361,429</u>	<u>\$ 1,173,009</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the Borough's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2019</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 1,022,179</u>	<u>\$ 1,211,290</u>	<u>\$ 1,452,532</u>
<u>2018</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 1,135,650</u>	<u>\$ 1,361,429</u>	<u>\$ 1,653,620</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

***Special Funding Situation***

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums 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. 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. 75 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. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$3,892,372 and \$4,592,155, respectively. For the years ended December 31, 2019 and 2018 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$51,594 and \$139,010, respectively. At December 31, 2019, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Borough was .07044 percent, which was a decrease of .00346 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .07390 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 14 RISK MANAGEMENT**

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

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

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 14 RISK MANAGEMENT (Continued)**

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 6,343	\$ 1,639	\$ 46,392
2018	2,530	255	41,625
2017	2,626	87	39,248

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2019 and 2018. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2019 and 2018, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2019 and 2018, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Borough of Alpine Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on June 26, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Alpine approved the adoption of the Plan at the general election held on November 7, 2000.

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

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

The Borough of Alpine has contributed \$1,481 and \$1,318 for 2019 and 2018, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$22,215 and \$17,134 for 2019 and 2018, respectively.

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

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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



**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

**Interlocal Services Agreement**

The Borough of Alpine and Closter entered into an interlocal service agreement for the purposes of reimbursing the Borough of Closter as sponsoring agency for a length of service awards program for the Closter Volunteer Ambulance Corps., a volunteer organization which services each of the Boroughs.

The contributions are made in accordance with the plan established by the Borough of Closter pursuant to N.J.S.A. 40A:14-183 et seq. Alpine's share of the Closter Volunteer Ambulance Corps. LOSAP contributions for the years ended December 31, 2019 and 2018 were \$4,250 and \$5,750, respectively.

**NOTE 18 MORTGAGE NOTE**

On January 10, 2006 the Borough entered into a mortgage and mortgage note agreement with the Neighborhood Preservation Balanced Housing Program, Division of Housing and Community Resources, New Jersey Department of Community Affairs in the amount of \$2,000,000. The proceeds of the loan were used to fund a portion of the development costs incurred in the construction of an eight (8) unit family rental project occupied by duly qualified low and moderate income families in accordance with the Fair Housing Act of 1985 ("the Project").

The mortgage note will mature upon the expiration of thirty (30) years from the first day of the month following the issuance of a final Certificate of Occupancy for the Project by the Borough, if not sooner according to the terms of the mortgage note and the mortgage. Upon maturity, at the option of the Lender, the entire unpaid balance of the principal sum shall become due and payable. No interest shall accrue during the entire term of the mortgage and mortgage note.

It was expressly agreed that the entire balance of said principal sum shall become due at the option of the Lender, its successor or assignee upon (i) the happening of any default as described in the mortgage; (ii) the expiration of Affordability Controls on dwelling units completed with the proceeds of this loan, if said units are not retained exclusively for occupancy by low and moderate households as defined in the State of New Jersey's Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq.; and (iii) the unapproved sale, transfer or refinancing of the Project by the Municipal Borrower. As of December 31, 2019, there has been no default or event requiring repayment of the loan.

**NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the "COVID-19 Crisis"). On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, has also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which alter the behavior of businesses and people, are expected to have negative impacts on regional, state and local economies and significant declines in the financial markets in the United States and volatility attributed to concerns about the duration of the pandemic and its continued economic impact. Recently, the United States Congress has passed relief and stimulus legislation. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and financial markets. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor's executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. At this time, it is not possible to predict any other financial impacts as a result of this pandemic on the Borough's operations; however, such amounts, if any, could be material.

**BOROUGH OF ALPINE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 20 SUBSEQUENT EVENTS**

**Debt Authorized**

On April 22, 2020 the Borough adopted two (2) bond ordinances authorizing the issuance \$351,400 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**Purchase of Real Estate**

On June 30, 2020 the Borough entered into a contract for sale of real estate to purchase property located at Block 47, Lot 9; otherwise known as 6 East Main Street, Alpine, NJ, in the amount of \$285,000 to be funded from the Municipal Open Space Preservation Trust Fund.

**CURRENT FUND**

**BOROUGH OF ALPINE**  
**STATEMENT OF CURRENT CASH AND INVESTMENTS - COLLECTOR/TREASURER**

Balance, December 31, 2018		\$ 3,571,065
Increased by:		
Taxes Receivable	\$ 15,219,123	
Revenue Accounts Receivable	1,345,693	
Non-Budget Revenue	88,376	
Grant Receivables	5,297	
Due from State of NJ (Ch. 20, P.L. 1972)	5,750	
Prepaid Taxes	253,135	
Tax Overpayments	9,730	
Fees Payable	7,476	
Reserve for Grants - Unappropriated	22,106	
Received From Animal Control Fund	16	
Received From Other Trust Fund	85,909	
Received for General Capital Fund	14,100	
Petty Cash	500	
	<u>17,057,211</u>	
		20,628,276
Decreased by Disbursements:		
2019 Budget Appropriations	4,842,616	
2018 Appropriation Reserves	53,934	
Encumbrance Payables	32,544	
County Taxes Payable	5,438,770	
Local District School Tax Payable	6,540,023	
Fees Payable	7,984	
Tax Overpayments	9,730	
Reserve for Grants - Appropriated	18,404	
Payments to Open Space Trust Fund	99,771	
Payments to Other Trust Fund	75,000	
Refund of Prior Year Taxes	50,010	
Petty Cash	500	
	<u>17,169,286</u>	
Balance, December 31, 2019		<u>\$ 3,458,990</u>

**BOROUGH OF ALPINE  
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2018	\$ <u>100</u>
Balance, December 31, 2019	\$ <u>100</u>

**STATEMENT OF PETTY CASH FUNDS**

Increased by:	
Received from Treasurer	\$ 500
Decreased by:	
Returned to Treasurer	\$ <u>500</u>

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

Balance, December 31, 2018		\$ 2,003
Increased by:		
Veterans' Deductions per Tax Duplicate		<u>5,750</u>
		7,753
Decreased by:		
Receipts from State of New Jersey	\$ 5,750	
Veterans' Deductions Disallowed by Tax Collector	<u>250</u>	
		<u>6,000</u>
Balance, December 31, 2019		\$ <u>1,753</u>

**BOROUGH OF ALPINE  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	Balance,	2019 <u>Levy</u>	Senior	<u>Cash Collections</u>		Senior	Remitted, Abated or <u>Cancelled</u>	Balance,
	December 31, <u>2018</u>		Citizens' and Veterans' Deductions <u>Disallowed</u>	2018	2019	Citizens' and Veterans' Deductions <u>Allowed</u>		December 31, <u>2019</u>
2018	\$ 263,394			\$ 263,393			\$ 1	
2019	<u>-</u>	\$ 15,562,481	\$ 250	\$ 304,796	14,955,730	\$ 5,750	3,116	\$ 293,339
	<u>\$ 263,394</u>	<u>\$ 15,562,481</u>	<u>\$ 250</u>	<u>\$ 304,796</u>	<u>\$ 15,219,123</u>	<u>\$ 5,750</u>	<u>\$ 3,117</u>	<u>\$ 293,339</u>

Analysis of 2019 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 15,516,047
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>46,434</u>
	<u>\$ 15,562,481</u>

TAX LEVY

Local District School Taxes	\$ 6,604,774
County Taxes - General	\$ 5,205,652
County Taxes - Open Space	222,974
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>16,273</u>
	5,444,899
Municipal Open Space Tax	99,473
Municipal Open Space Added Taxes	<u>298</u>
	99,771
Local Tax for Municipal Purposes	3,348,427
Add Additional Tax Levies	<u>64,610</u>
	<u>3,413,037</u>

\$ 15,562,481

**BOROUGH OF ALPINE**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2018</u>	Accrued in <u>2019</u>	<u>Collected</u>	Balance, December 31, <u>2019</u>
Borough Clerk				
Fees and Permits		\$ 18,943	\$ 18,943	
Health Officer and Registrar				
Fees and Permits		12,865	12,865	
Police Department				
Fees and Permits		5,941	5,941	
Other Fees and Permits		26,021	26,021	
Municipal Court				
Fines and Costs	\$ 1,197	28,563	27,774	\$ 1,986
Interest and Cost on Taxes	13,242	62,260	62,859	12,643
Interest on Investments		11,416	11,416	
Cell Tower Rent		324,412	301,513	22,899
Energy Receipts Tax		405,408	405,408	
Open Space PILOT Aid		5,219	5,219	
Uniform Construction Code Fees		244,884	244,884	
Cresskill Leaf Compost		67,500	67,500	
Rent - U.S. Post Office		102,220	102,220	
Payment in Lieu of Taxes - Boys Scouts	-	53,130	53,130	-
	<u>\$ 14,439</u>	<u>\$ 1,368,782</u>	<u>\$ 1,345,693</u>	<u>\$ 37,528</u>

**BOROUGH OF ALPINE**  
**STATEMENT OF GRANT RECEIVABLES**

	Balance, December 31, <u>2018</u>	Accrued in <u>2019</u>	Cash <u>Receipts</u>	Balance <u>Cancelled</u>	Balance, December 31, <u>2019</u>
Municipal Alliance Program	\$ <u>5,711</u>	\$ <u>9,520</u>	\$ <u>5,297</u>	\$ <u>5,068</u>	\$ <u>4,866</u>
	<u>\$ 5,711</u>	<u>\$ 9,520</u>	<u>\$ 5,297</u>	<u>\$ 5,068</u>	<u>\$ 4,866</u>
Reserve for Grants - Appropriated				<u>\$ 5,068</u>	



**BOROUGH OF ALPINE**  
**STATEMENT OF 2018 APPROPRIATION RESERVES**

	Balance, December 31, <u>2018</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>						
Municipal Clerk	\$ 3,344		\$ 3,344		\$ 1,000	\$ 2,344
Financial Administration	4,489		4,489		2,000	2,489
Revenue Administration	10,066		10,066		2,000	8,066
Tax Assessment Administration	894		894			894
Zoning Board Adjustment	2,062		2,062		1,000	1,062
Police	33,845		33,845	\$ 16,029	5,000	12,816
Emergency Management Services	240		240			240
Fire Prevention/Uniform Fire Code	1,914		1,914			1,914
Road Repairs and Maintenance	78,709		78,709	413	35,000	43,296
Solid Waste Collection	1,410		1,410			1,410
Board of Health	6,786		6,786		2,000	4,786
Municipal Alliance	2,040		2,040			2,040
Municipal Court	7,258		7,258		1,000	6,258
Public Defender	491		491			491
Building Inspector	4,614		4,614		1,000	3,614
Electrical Inspector	1,160		1,160			1,160
Plumbing Inspector	585		585			585
Zoning Official	2,730	-	2,730	-	-	2,730
<b>Total Salaries &amp; Wages</b>	<u>162,637</u>	<u>-</u>	<u>162,637</u>	<u>16,442</u>	<u>50,000</u>	<u>96,195</u>
<b>Other Expenses</b>						
Municipal Clerk	6,149		6,149	1,208		4,941
Financial Administration	4,204		4,204			4,204
Revenue Administration	2,846		2,846			2,846
Tax Assessment Administration	878		878			878
Audit Services	2,995		2,995			2,995
Legal Services & Costs	120,487		120,487	2,165		118,322
Engineering Services & Costs	18,376		18,376	1,600		16,776
Planning Board	1,813		1,813	47		1,766
Zoning Board of Adjustment	5,064		5,064	400		4,664
Liability Insurance	3,500		3,500			3,500
Employee Group Insurance	15,691		15,691			15,691
Employee Group Health Waiver	48		48			48
Fire - Other Expenses	11,781		11,781	3,238		8,543
Police	337		337	298		39
Police Acquisition of Vehicles	11,184		11,184	11,184		-
Emergency Management Services	271		271			271
Fire Prevention/Uniform Fire Code	2,641		2,641			2,641
Road Repairs and Maintenance	2,134		2,134	2,059		75
Public Buildings & Grounds	3,912		3,912	1,229		2,683
Solid Waste Collection	520		520			520
Board of Health	1,460		1,460			1,460
Board of Health Contractual	220		220			220

**BOROUGH OF ALPINE**  
**STATEMENT OF 2018 APPROPRIATION RESERVES**

	Balance, December 31, 2018	Cancelled Encumbrances	Balance After Modification	Expended	Transfer	Balance Lapsed
Other Expenses (Continued)						
Environmental Commission	\$ 801		\$ 801			\$ 801
Animal Control	500		500			500
Occupational Safety and Health Act	282		282	\$ 54		228
Parks and Playgrounds	51		51			51
Swim Pool Committee	3,000		3,000			3,000
Cresskill Library Fees	600		600			600
Celebration of Public Events	74		74			74
Contingent	10,000		10,000			10,000
Social Security System	17,453		17,453			17,453
Public Employees Retirement System	197		197			197
Municipal Prosecutor Contractual	456		456			456
Municipal Court	3,391	\$ 128	3,519			3,519
Building Inspector	4,540		4,540			4,540
Utility Expenses						
Electric	9,474		9,474			9,474
Street Lighting	1,064		1,064			1,064
Telephone	2,883		2,883			2,883
Water	594		594	395		199
Natural Gas	4,309		4,309	707		3,602
Gasoline	13,826		13,826	5,876		7,950
L.O.S.A.P.	3,454		3,454	3,454		-
Municipal Alliance						
County Share	7,592		7,592	1,565	\$ 6,027	-
Local Share	2,013		2,013	2,013		-
Alcohol Rehab and Education Fund	64		64		64	-
Body Armor Grant	784		784		784	-
Police Donations-Equipment	4,800		4,800		4,800	-
Clean Communities Grant	5,083		5,083		5,083	-
Recycling Tonnage Grant	4,408		4,408		4,408	-
Energy Efficient Lighting & Elec. Upgrades	6,000	-	6,000	-	-	6,000
Total Other Expenses	\$ 324,204	\$ 128	\$ 324,332	\$ 37,492	\$ 21,166	\$ 265,674
Total	<u>\$ 486,841</u>	<u>\$ 128</u>	<u>\$ 486,969</u>	<u>\$ 53,934</u>	<u>\$ 71,166</u>	<u>\$ 361,869</u>
Cash Disbursements				\$ 53,934		
Due to Other Trust Fund - Terminal Leave					\$ 50,000	
Transfer to Appropriated Grant Reserves				-	21,166	
				<u>\$ 53,934</u>	<u>\$ 71,166</u>	

**BOROUGH OF ALPINE  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2018		\$ 32,672
Increased by:		
Charges to Budget Appropriations		<u>50,363</u>
		83,035
Decreased by:		
Cash Disbursements	\$ 32,544	
Cancelled Encumbrances Restored to Appropriation Reserve	<u>128</u>	
		<u>32,672</u>
 Balance, December 31, 2019		 <u>\$ 50,363</u>

**STATEMENT OF FEES PAYABLE**

	Balance, December 31, <u>2018</u>	Fees Collected	Payments	Balance, December 31, <u>2019</u>
Due State of New Jersey				
Marriage License Fees	\$ 204	\$ 252	\$ 250	\$ 206
State Training Fees	<u>1,833</u>	<u>7,224</u>	<u>7,734</u>	<u>1,323</u>
	<u>\$ 2,037</u>	<u>\$ 7,476</u>	<u>\$ 7,984</u>	<u>\$ 1,529</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2018		\$ 304,796
Increased by:		
Collection of 2020 Taxes		<u>253,135</u>
		557,931
Decreased by:		
Applied to 2019 Taxes Receivable		<u>304,796</u>
 Balance, December 31, 2019		 <u>\$ 253,135</u>

**BOROUGH OF ALPINE  
STATEMENT OF TAX OVERPAYMENTS**

Increased by:		
Overpayments Received		\$ 9,730
Decreased by:		
Overpayments Refunded		<u>\$ 9,730</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2018		\$ 10,144
Increased by:		
2019 Levy - General Taxes	\$ 5,205,652	
2019 Levy - Open Space Taxes	<u>222,974</u>	
		\$ 5,428,626
2019 Added and Omitted Taxes		<u>16,273</u>
		<u>5,444,899</u>
		5,455,043
Decreased by:		
Payments		<u>5,438,770</u>
Balance, December 31, 2019		<u>\$ 16,273</u>

**BOROUGH OF ALPINE  
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Balance, December 31, 2018		
School Tax Payable	\$ 1,012,238	
School Tax Deferred	<u>2,339,982</u>	\$ 3,352,220
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>6,604,774</u>
		9,956,994
Decreased by:		
Payments		<u>6,540,023</u>
Balance, December 31, 2019		
School Tax Payable December 31, 2019	1,076,989	
School Tax Deferred	<u>2,339,982</u>	\$ 3,416,971
<u>Liability for Local District School Tax</u>		
School Tax Payable December 31, 2019		\$ 1,076,989
Add: Payments		<u>6,540,023</u>
		7,617,012
Less: School Tax Payable at December 31, 2019		<u>1,012,238</u>
Amount Charged to 2019 Operations		<u>\$ 6,604,774</u>

**STATEMENT OF MUNICIPAL OPEN SPACE TAX PAYABLE**

Increased by:		
2019 Levy	\$ 99,473	
2019 Added and Omitted Taxes	<u>298</u>	\$ 99,771
Decreased by:		
Due to Open Space Preservation Trust Fund		<u>\$ 99,771</u>

**BOROUGH OF ALPINE**  
**STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED**

	Balance, December 31, <u>2018</u>	Transferred from 2018 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	<u>Cancelled</u>	Balance, December 31, <u>2019</u>
Alcohol Education Rehab. Fund	\$ 1,760	\$ 64			\$ 1,824
Clean Communities Grant	2,629	5,083			7,712
Drunk Driving Enforcement Fund	2,339				2,339
Recycling Tonnage Grant	26,336	4,408	\$ 5,683		25,061
NJ DEP Stormwater Grant	967				967
Municipal Recycling Assistance Program	1,693				1,693
Police Donations	23,755	4,800	12,721		15,834
DARE Municipal Alliance Program	7,439	6,027		\$ 5,068	8,398
200 Club of Bergen County Grant	1,500				1,500
Body Armor Grant	-	784	-	-	784
	<u>\$ 68,418</u>	<u>\$ 21,166</u>	<u>\$ 18,404</u>	<u>\$ 5,068</u>	<u>\$ 66,112</u>
		Grants Receivable		<u>\$ 5,068</u>	

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, December 31, <u>2018</u>	Cash <u>Receipts</u>	Anticipated in 2019 <u>Budget</u>	Balance, December 31, <u>2019</u>
Alcohol Education Rehabilitation Fund	\$ 146		\$ 146	
Body Armor Grant		\$ 1,592	1,592	
Clean Communities Program	6,005	6,704	6,005	\$ 6,704
Police Donations	4,500	5,300	4,500	5,300
Recycling Tonnage Grant	-	8,510	4,243	4,267
	<u>\$ 10,651</u>	<u>\$ 22,106</u>	<u>\$ 16,486</u>	<u>\$ 16,271</u>

**TRUST FUNDS**

**BOROUGH OF ALPINE  
STATEMENT OF TRUST FUNDS CASH**

	<u>Animal Control</u>	Unemployment <u>Insurance</u>	<u>Open Space</u>	<u>Recreation Trust</u>	<u>Other Trust</u>
Balance, December 31, 2018	\$ 4,650	\$ 41,625	\$ 292,066	\$ 7,323	\$ 4,592,654
Increased by Receipts:					
Received From Current Fund			\$ 99,771		\$ 75,000
Interest on Deposits	\$ 16	\$ 63	841		9,051
Miscellaneous Reserves and Deposits					1,206,767
Payroll Deductions Payable					3,719,708
Employee Unemployment Contributions		6,343			
Due to State of NJ - Registration Fees	415				
Due to State of N.J. - Refund	3				
Animal License Fees	3,544				
Recreation Fees	-	-	-	\$ 36,340	-
	<u>3,978</u>	<u>6,406</u>	<u>100,612</u>	<u>36,340</u>	<u>5,010,526</u>
	8,628	48,031	392,678	43,663	9,603,180
Decreased by Disbursements:					
Miscellaneous Reserves and Deposits					985,131
Payroll Deductions Payable					3,754,802
Payments to Current Fund	16		-	-	85,909
Due to State of NJ	422	1,615			
Reserve for Animal Control Expenditures	4,521				
Recreation Expenditures	-	-	-	37,991	-
	<u>4,959</u>	<u>1,615</u>	<u>-</u>	<u>37,991</u>	<u>4,825,842</u>
Balance, December 31, 2019	<u>\$ 3,669</u>	<u>\$ 46,416</u>	<u>\$ 392,678</u>	<u>\$ 5,672</u>	<u>\$ 4,777,338</u>



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

Balance, December 31, 2018	\$	4,646
Increased by:		
Dog License Fees	\$	2,479
Cat License Fees		362
Miscellaneous and Late Fees		<u>703</u>
		<u>3,544</u>
		8,190
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursements		<u>4,521</u>
Balance, December 31, 2019	\$	<u>3,669</u>

EXHIBIT B-5

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

Balance, December 31, 2018	\$	4
Increased by:		
State Fees Collected	\$	415
Refund For Overpaid Fees		<u>3</u>
		<u>418</u>
		422
Decreased by:		
Payments to the State	\$	<u>422</u>

EXHIBIT B-6

**STATEMENT OF DUE TO CURRENT FUND**  
**ANIMAL CONTROL FUND**

Increased by:		
Interest on Deposits	\$	16
Decreased by:		
Payments to the Current Fund	\$	<u>16</u>

**BOROUGH OF ALPINE  
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS**

Balance, December 31, 2018		\$ 41,625
Increased by:		
Employee Contributions	\$ 6,343	
Interest on Investments	<u>63</u>	
		<u>6,406</u>
		48,031
Decrease by:		
Unemployment Claims Due to State		<u>1,639</u>
Balance, December 31, 2019		<u>\$ 46,392</u>

EXHIBIT B-8

**STATEMENT OF DUE TO STATE  
UNEMPLOYMENT INSURANCE FUND**

Increased by:		
Unemployment Claims Charged to Reserve		\$ 1,639
Decreased by:		
Cash Disbursements		<u>1,615</u>
Balance, December 31, 2019		<u>\$ 24</u>

EXHIBIT B-9

**STATEMENT OF DUE FROM CURRENT FUND  
OPEN SPACE PRESERVATION TRUST FUND**

Increased by:		
Open Space Tax Levy	\$ 99,473	
Added Open Space Tax Levy	<u>298</u>	
		\$ 99,771
Decreased by:		
Cash Received from Current Fund		<u>\$ 99,771</u>

**BOROUGH OF ALPINE  
STATEMENT OF RESERVE FOR OPEN SPACE EXPENDITURES  
OPEN SPACE TRUST FUND**

Balance, December 31, 2018		\$ 292,066
Increased by:		
Due from Current Fund:		
Open Space Tax Levy	\$ 99,473	
Added Open Space Tax Levy	<u>298</u>	
	\$ 99,771	
Interest on Deposit	<u>841</u>	
		<u>100,612</u>
Balance, December 31, 2019		<u>\$ 392,678</u>

**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES  
RECREATION TRUST FUND**

	Balance, December 31, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
Swim and Racquet Club	\$ 2,539	\$ 32,090	\$ 33,741	\$ 888
Biddy Basketball	834			834
Men's Basketball	<u>3,950</u>	<u>4,250</u>	<u>4,250</u>	<u>3,950</u>
	<u>\$ 7,323</u>	<u>\$ 36,340</u>	<u>\$ 37,991</u>	<u>\$ 5,672</u>
Cash Receipts		\$ 36,340		
Cash Disbursed		<u>-</u>	<u>\$ 37,991</u>	
		<u>\$ 36,340</u>	<u>\$ 37,991</u>	

**BOROUGH OF ALPINE  
STATEMENT OF DUE FROM CURRENT FUND  
OTHER TRUST FUND**

Balance, December 31, 2018		\$	75,000
Increased by:			
Transfer from 2018 Appropriation Reserves - Terminal Leave		\$	50,000
Payments to Current Fund			<u>85,909</u>
			<u>135,909</u>
			210,909
Decreased by:			
Cash Receipts from Current Fund			75,000
Cancelled Escrow Deposit Balances			81,350
Interest on Deposits			<u>4,559</u>
			<u>160,909</u>
Balance, December 31, 2019		\$	<u>50,000</u>

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

Balance, December 31, 2018		\$	38,292
Increased by:			
Cash Receipts:			
Payroll Deposits			<u>3,719,708</u>
			3,758,000
Decreased by:			
Cash Disbursements			<u>3,754,802</u>
Balance, December 31, 2019		\$	<u>3,198</u>

**BOROUGH OF ALPINE**  
**STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS**  
**OTHER TRUST FUND**

	Balance, December 31, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
Escrow Deposits	\$ 1,588,749	\$ 730,853	\$ 761,649	\$ 1,557,953
Affordable Housing Developer Fees	1,868,644	277,233	74,299	2,071,578
Cell Tower Security Deposits	132,642		67	132,575
POAA Fees	745	16		761
Fire Inspection Penalty Fees	1,564			1,564
COAH/Balanced Housing Note Reserve	815,135	75,172	260	890,047
COAH Security Deposits	6,324	16		6,340
Terminal Leave Reserve	194,209	50,000	81,218	162,991
Police Outside Duty Fees	<u>21,350</u>	<u>127,969</u>	<u>148,988</u>	<u>331</u>
	<u>\$ 4,629,362</u>	<u>\$ 1,261,259</u>	<u>\$ 1,066,481</u>	<u>\$ 4,824,140</u>
Cash Receipts		\$ 1,206,767		
Interest on Deposits		4,492		
Due from Current Fund		50,000		
Due to Current Fund - Cancelled Escrow Deposit Balances			\$ 81,350	
Cash Disbursed		<u>-</u>	<u>985,131</u>	
		<u>\$ 1,261,259</u>	<u>\$ 1,066,481</u>	

**GENERAL CAPITAL**

**BOROUGH OF ALPINE**  
**STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS**

Balance, December 31, 2018		\$ 779,559
Increased by Receipts:		
Bond Anticipation Notes		<u>213,750</u>
		993,309
Decreased by Disbursements:		
Encumbrances Payable	130,411	
Improvement Authorizations	376,317	
Bond Anticipation Notes	<u>27,800</u>	
		<u>534,528</u>
Balance, December 31, 2019		<u>\$ 458,781</u>

**BOROUGH OF ALPINE**  
**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

	Balance, December 31, <u>2019</u>
Fund Balance	\$ 17,862
Due from Current Fund	(15,091)
Encumbrances Payable	2,426
Capital Improvement Fund	73,234
Reserve for Field Improvements	10,000
Grants Receivable	(166,400)
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
699	2009 Various Capital Improvements 12,348
712	Various Capital Improvements 3,000
724	Various 2011 Capital Improvements 13,366
726	Acquisition of Computer Server 1,797
729	2012 Capital Improvements 3,000
730	2012 Road Program 16,213
735	Acquisition of Fire Engine and Computer Equipment 16,029
741	Various Capital Improvements 10,292
742	2014 Road Program 44,296
752	2015 Various Capital Improvements 30,568
753	2015 Road Program 42,689
758	School Field Improvements and Vehicle Acquisition 7,371
759	2016 Various Improvements 27,619
760	2016 Road Program 81,545
769	2017 Road Program 62,986
776	2018 Road Program 29,344
777/779	2018 Various Improvements 12,563
786	2019 Road Program 46,616
787	2019 Various Improvements (98,673)
788	2019 Various Improvements 173,781
	<u>\$ 458,781</u>



**BOROUGH OF ALPINE  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2018</u>	Grant <u>Awards</u>	Balance, December 31, <u>2019</u>	<u>Balance Pledged to</u> Improvement <u>Authorization</u>	<u>Reserve</u>
<b>N.J. Dept. of Transportation</b>					
Ord. 769 - 2017 Road Program	\$ 9,304		\$ 9,304		\$ 9,304
Ord. 776 - 2018 Road Program	162,100		162,100		162,100
Ord. 788 - 2019 Road Improvements	<u>-</u>	<u>\$ 166,400</u>	<u>166,400</u>	<u>\$ 166,400</u>	<u>-</u>
	<u>\$ 171,404</u>	<u>\$ 166,400</u>	<u>\$ 337,804</u>	<u>\$ 166,400</u>	<u>\$ 171,404</u>

EXHIBIT C-5

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2018	\$ 10,150
Decreased by:	
2019 Budget Appropriation:	
BCIA Loan	<u>3,382</u>
Balance, December 31, 2019	<u>\$ 6,768</u>

BOROUGH OF ALPINE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION- UNFUNDED

Analysis of Balance

Table with columns: Ord. No., Improvement Description, Balance, December 31, 2018, 2019 Authorizations, Notes Paid by Budget, Balance, December 31, 2019, Bond Anticipation Note, Expenditures, Unexpended Improvement Authorizations. Rows include items like 723 2011 Road Program, 724 Various 2011 Capital Improvements, etc.

Summary table showing Improvement Authorizations Unfunded \$ 484,259, Less: Unexpended Bond Anticipation Note Proceeds, and a list of Ordinance Nos. (724-786) with their respective amounts, totaling 416,878, resulting in a final amount of \$ 67,381.

**BOROUGH OF ALPINE  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Amount	2019 Authorizations								Balance, December 31, 2019				
				Balance, December 31, 2018		Capital Improvement	Deferred Charges	Grants	General Capital	Paid or Charged	Cancellations	Funded	Unfunded			
				Funded	Unfunded	Fund	Unfunded	Receiveable	Surplus							
683	2009 Capital Improvements	5/28/2009	\$ 130,200	\$ 22,871						\$ 22,871						
699	Various 2009 Capital Improvements	5/27/2009	229,500	12,348										\$ 12,348		
712	Various Capital Improvements	5/26/2010	135,386	3,000										3,000		
724	Various 2011 Capital Improvements	5/25/2011	286,325		\$ 17,352						\$ 3,986			\$ 13,366		
726	Acquisition of Computer Server	8/24/2011	10,000	1,797										1,797		
729	2012 Capital Improvements	4/25/2012	182,500		3,000										3,000	
730	2012 Road Program	4/25/2012	1,039,500		16,213										16,213	
735	Acquisition of Fire Engine and Computer Equipment	4/24/2013	541,500		16,029										16,029	
741	Various Capital Improvements	4/23/2014	64,000		10,292										10,292	
742	2014 Road Program	4/23/2014	350,000		44,296										44,296	
752	2015 Various Capital Improvements	4/22/2015	188,000		49,891						19,323				30,568	
753	2015 Road Program	4/22/2015	237,000		42,689										42,689	
758	School Field Improvements & Vehicle Acquisition	4/27/2016	160,900		12,156						4,785				7,371	
759	2016 Various Capital Improvements	4/27/2016	147,100	36,916							9,297			27,619		
760	2016 Road Program	4/27/2016	244,000		81,545										81,545	
769	2017 Road Program	4/26/2017	335,000		72,290										72,290	
776	2018 Road Program	4/25/2018	374,600		40,807						11,463				29,344	
777/779	2018 Various Capital Improvements	4/25/2018	93,500		44,426						31,863				12,563	
786	2019 Road Program	4/24/2019	225,000			\$ 11,250	\$ 213,750				178,384				46,616	
787	2019 Various Improvements	4/24/2019	165,000			8,250	156,750				106,923				58,077	
788	Road and Swim Pool Improvements	8/28/2019	186,500	-	-	-	-	\$ 166,400	\$ 20,100		-	12,719		173,781	-	
				<u>\$ 76,932</u>	<u>\$ 450,986</u>	<u>\$ 19,500</u>	<u>\$ 370,500</u>	<u>\$ 166,400</u>	<u>\$ 20,100</u>	<u>\$ 22,871</u>	<u>\$ 378,743</u>	<u>\$ 218,545</u>	<u>\$ 484,259</u>			
										Fund Balance	\$ 22,871					
										Cash Disbursements	\$ 376,317					
										Encumbrances Payable	-	2,426				
										<u>\$ 22,871</u>	<u>\$ 378,743</u>					

**BOROUGH OF ALPINE  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2018	\$ 130,411
Increase by:	
Charges to Improvement Authorization	<u>2,426</u>
	132,837
Decrease by:	
Cash Disbursements	<u>130,411</u>
Balance, December 31, 2019	<u>\$ 2,426</u>

EXHIBIT C-9

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2018	\$ 92,734
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>19,500</u>
Balance, December 31, 2019	<u>\$ 73,234</u>

EXHIBIT C-10

**STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2018	\$ 9,991
Increased by:	
Premium on Note Deposited in Current Fund	<u>14,100</u>
	24,091
Decreased by:	
Fund Balance Realized as Budget Revenue	<u>9,000</u>
Balance, December 31, 2019	<u>\$ 15,091</u>

EXHIBIT C-11

**STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS**

Balance, December 31, 2018	\$ 10,000
Balance, December 31, 2019	<u>\$ 10,000</u>

**BOROUGH OF ALPINE**  
**STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2019</u>
723	2011 Road Program	12/5/2016	11/28/2018	11/27/2019	2.25	\$ 146,513		\$ 146,513	
724	2011 Capital Improvements	12/13/2012	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	180,410	\$ 43,909	180,410	\$ 43,909
729	2012 Capital Improvements	12/13/2012	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	123,596	112,638	123,596	112,638
730	2012 Road Program	12/13/2012	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	247,125	230,650	247,125	230,650
735	2013 Acquisition of Fire Engine and Computer Equipment	12/12/2013	11/30/2017 11/26/2019	11/29/2018 11/25/2020	2.45 2.00	432,622	405,512	432,622	405,512
741	2018 Various Capital Improvements	12/10/2014	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	47,288	40,532	47,288	40,532
742	2014 Road Program	12/10/2014	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	169,966	159,949	169,966	159,949
752	2015 Various Capital Improvements	12/8/2015	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	142,836	104,772	142,836	104,772
753	2015 Road Program	12/8/2015	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	213,300	201,450	213,300	201,450
758	School Field Improvements and Vehicle Acq.	12/5/2016	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	152,855	141,499	152,855	141,499
760	2016 Road Program	12/5/2016	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	231,800	219,600	231,800	219,600
769	2017 Road Program	11/30/2017	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	179,500	179,500	179,500	179,500
776	2018 Road Program	11/28/2018	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	374,600	374,600	374,600	374,600
777/779	2018 Various Capital Improvements	11/28/2018	11/28/2018 11/26/2019	11/27/2019 11/25/2020	2.45 2.00	88,800	88,800	88,800	88,800
786	2019 Road Program	11/26/2019	11/26/2019	11/25/2020	2.00	-	213,750	-	213,750
						<u>\$ 2,731,211</u>	<u>\$ 2,517,161</u>	<u>\$ 2,731,211</u>	<u>\$ 2,517,161</u>

Renewals	\$ 2,303,411	\$ 2,303,411
Issued for Cash	213,750	
Paid by Capital Cash		27,800
Paid by Budget Appropriation	-	400,000
	<u>\$ 2,517,161</u>	<u>\$ 2,731,211</u>

**BOROUGH OF ALPINE  
STATEMENT OF BERGEN COUNTY IMPROVEMENT AUTHORITY LOAN PAYABLE**

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2018</u>	<u>Decrease</u>	<u>Balance, December 31, 2019</u>
685	Solar Power System	12/4/2008	\$ 47,368	1.05%	\$ 10,150	\$ 3,382	\$ 6,768
					<u>\$ 10,150</u>	<u>\$ 3,382</u>	<u>\$ 6,768</u>
						<u>\$ 3,382</u>	

Paid by Budget Appropriation

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2018</u>	<u>2019 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2019</u>
769	2017 Road Improvements	\$ 9,304			\$ 9,304
786	2019 Road Program		\$ 213,750	\$ 213,750	
787	2019 Various Capital Improvements		156,750	-	156,750
		<u>\$ 9,304</u>	<u>\$ 370,500</u>	<u>\$ 213,750</u>	<u>\$ 166,054</u>

**BOROUGH OF ALPINE**  
**PART II**  
**GOVERNMENT AUDITING STANDARDS**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Alpine  
Alpine, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Alpine as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2020. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

#### **Internal Control over Financial Reporting**

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

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



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

### **Compliance and Other Matters**

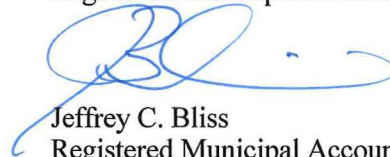
As part of obtaining reasonable assurance about whether the Borough of Alpine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **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 Alpine'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 Alpine's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lerch, Vinci & Higgins, LLP*

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



Jeffrey C. Bliss  
Registered Municipal Accountant  
RMA Number CR00429

Fair Lawn, New Jersey  
September 22, 2020

**BOROUGH OF ALPINE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2019 Grant Receipts</u>	<u>Balance, January 1, 2019</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2019</u>	<u>Memo Cumulative Expenditures</u>
Municipal Recycling Assistance Program (Passed Through County of Bergen)	4910-759-690-50	2004	\$ 1,591		\$ 1,591				\$ 1,591	
		2005	1,574		84				84	\$ 1,490
		2007	1,239		18				18	1,221
<u>Department of Environmental Protection</u> Clean Communities Program	042-4900-765-004	2015	6,463		2,629				2,629	3,834
		2017	6,280		5,083				5,083	1,197
		2018	6,005			\$ 6,005	\$ 875		5,130	875
		2019	6,704	\$ 6,704					-	-
Recycling Tonnage	042-4910-100-224	2012	5,918		2,649		2,649		-	5,918
		2013	5,858		3,327		3,034		293	5,565
		2014	14,057		13,985				13,985	72
		2016	6,375		6,375				6,375	-
		2017	13,857		4,408				4,408	9,449
		2018	4,243	4,243		4,243			4,243	-
		2019	4,267	4,267						-
NJ DEP Municipal Stormwater Program	N/A	2007	1,705		967				967	738
<u>Judiciary</u> Alcohol Education and Rehabilitation Fund	098-9735-760-001	2008	375		375				375	-
		2009	325		325				325	-
		2010	251		251				251	-
		2011	54		54				54	-
		2012	108		108				108	-
		2013	53		53				53	-
		2014	354		354				354	-
		2015	59		59				59	-
		2016	181		181				181	-
		2017	64		64				64	-
		2018	146			146			146	-
Drunk Driving Enforcement Fund	1110-448031020-22	2013	4,678		2,339				2,339	2,339
Municipal Alliance Program	N/A	2016	14,280		7,334			\$ (5,068)	2,266	6,946
		2017	4,760		105				105	4,655
		2018	9,520	643	7,592		1,565		6,027	3,493
		2019	9,520	4,654		9,520	2,445		7,075	2,445
Body Armor Grant	066-1020-718-001	2014	1,512						-	1,512
		2015	1,510						-	1,510
		2017	1,464		784				784	680
		2019	1,592	1,592		1,592			1,592	-
State Department of Transportation Local Municipal Aid										
Litchfield Way (Ord. #776)	078-6320-480-XXX	2018	162,100		29,959		6,009		23,950	138,150
Allison Road (Ord. #788)	078-6320-480-ANP	2019	166,400		-	166,400	-	-	166,400	-
					\$ 91,053	\$ 187,906	\$ 16,577	\$ (5,068)	\$ 257,314	

Note: The State Financial Assistance Programs were not subject to an audit in accordance with New Jersey OMB Circular 15-08.

See accompanying Notes to Schedule of Expenditures of State Financial Assistance

**NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE**

**BOROUGH OF ALPINE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 GENERAL**

The accompanying schedule presents the activity of all state financial assistance programs of the Borough of Alpine. The Borough is defined in Note 1(A) to the Borough's financial statements. All state financial assistance passed through other government agencies is included on the schedules of expenditures of state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>State</u>
Current Fund	\$ 21,506
General Capital Fund	<u>166,400</u>
	<u>\$ 187,906</u>

**NOTE 4 RELATIONSHIP TO STATE FINANCIAL REPORTS**

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



**BOROUGH OF ALPINE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

*Part 2 - Schedule of Financial Statement Findings*

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

There were none.

**BOROUGH OF ALPINE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**BOROUGH OF ALPINE**  
**BERGEN COUNTY, NEW JERSEY**

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**PART III**

**SUPPLEMENTARY DATA**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**



**BOROUGH OF ALPINE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2019</u>			<u>Year 2018</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 1,200,000	6.44 %	\$	1,125,000	6.07 %
Miscellaneous - From Other Than Local					
Property Tax Levies	1,473,650	7.90		1,524,364	8.23
Collection of Delinquent Taxes and Tax Title Liens	263,393	1.41		424,314	2.29
Collection of Current Tax Levy	15,266,026	81.87		15,102,087	81.52
Other Credits to Income	<u>443,219</u>	<u>2.38</u>		<u>349,515</u>	<u>1.89</u>
 Total Income	 <u>18,646,288</u>	 <u>100.00</u> %		 <u>18,525,280</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>					
Budget Expenditures					
Municipal Purposes	5,282,224	30.22 %		5,171,142	29.97 %
County Taxes	5,444,899	31.15		5,512,803	31.94
Local School Taxes	6,604,774	37.78		6,475,269	37.52
Municipal Open Space Tax	99,771	0.57		99,232	0.57
Other Expenditures	<u>50,010</u>	<u>0.28</u>		<u>-</u>	<u>-</u>
 Total Expenditures	 <u>17,481,678</u>	 <u>100.00</u> %		 <u>17,258,446</u>	 <u>100.00</u> %
 Excess in Revenue	 1,164,610			 1,266,834	
 Fund Balance, January 1	 <u>1,566,091</u>			 <u>1,424,257</u>	
	2,730,701			2,691,091	
 Less Utilization as Anticipated Revenue	 <u>1,200,000</u>			 <u>1,125,000</u>	
 Fund Balance, December 31	 <u>\$ 1,530,701</u>			 <u>\$ 1,566,091</u>	

**BOROUGH OF ALPINE  
SUPPLEMENTARY DATA**

**Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2017 through 2019 by foreclosure or deed, as a result of liquidation of tax title liens.

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2019	\$1,530,701	\$1,185,000
	2018	1,566,091	1,200,000
	2017	1,424,257	1,125,000
	2016	1,389,266	1,100,000
	2015	1,482,460	1,150,000

**Comparative Schedule of Tax Rate Information**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate</u>	<u>\$0.779</u>	<u>\$0.776</u>	<u>\$0.801</u>

Apportionment of Tax Rate

Municipal	.169	.166	.164
Municipal Open Space	.005	.005	.005
County (Including Open Space)	.273	.278	.313
Local School	.332	.327	.319

Assessed Valuation

2019	<u>\$1,989,451,900</u>	
2018	<u>\$1,980,990,900</u>	
2017		<u>\$1,980,125,600</u>

**BOROUGH OF ALPINE  
SUPPLEMENTARY DATA**

**Comparison of Levies and Collection 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>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$	15,562,481	\$	15,266,026	98.10%
2018		15,400,804		15,102,087	98.06%
2017		15,974,073		15,500,771	97.03%

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	None	\$ 293,339	\$ 293,339	1.88%
2018	None	263,394	263,394	1.71%
2017	None	424,317	424,317	2.66%

**BOROUGH OF ALPINE  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Paul H. Tomasko	Mayor		
Vicki Frankel	Council President		
Michael Cacouris	Councilman		
Arthur Frankel	Councilman		
Gayle Gerstein	Councilwoman		
John Halbreich	Councilman		
Laurence Shadek	Councilman		
Stephanie Wehmann	Borough Clerk		
Nancy Wehmann	Deputy Borough Clerk		
Marilyn Hayward	Treasurer		
	Tax Search Officer		
	Tax Collector	\$1,000,000	A
	Chief Financial Officer		
Rebecca Overgaard	Qualified Purchasing Agent		
Robert J. Cohan	Magistrate	1,000,000	A
Dawn Curatola	Court Administrator	1,000,000	A
Brian Frugis	Building Inspector		
Alden Blackwell	Construction Code Official		
Keith Dalton	Fire Sub-Code Official		
Christopher Belcolle	Police Chief		
William Yirce	Tax Assessor		
Alden Blackwell	Zoning Officer		

A The Municipal Excess Liability Joint Insurance Fund (MELJIF) provides a statutory position bond in the amount of \$1,000,000. In addition, MELJIF provides an Excess Public Officials Bond covering all other Borough employees in the amount of \$1,000,000.

**BOROUGH OF ALPINE  
LETTER OF COMMENTS AND RECOMMENDATION**

**GENERAL COMMENTS**

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for 2019. The Borough has adopted a resolution increasing the threshold to \$40,000 and has appointed the Chief Financial Officer as the qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid within the fiscal 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:

2019 Road Improvements

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. 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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

The New Jersey statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent. The Governing Body on January 3, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Alpine, County of Bergen, State of New Jersey, that the rate of interest on delinquent taxes for the year 2019, shall be computed at the rate of eight (8%) percent per annum and,

**BOROUGH OF ALPINE  
LETTER OF COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS (Continued)**

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

BE IT FURTHER RESOLVED, that the rate of interest on delinquent taxes in excess of \$1,500 shall be computed at eighteen (18%) percent per annum, and

BE IT FURTHER RESOLVED, that a grace period of ten (10) days be given on delinquent taxes without interest."

BE IT FURTHER RESOLVED, in connection with any delinquency of taxes, assessments or municipal charges in excess of \$10,000 which has not been paid prior to the end of a calendar year, there shall be imposed a penalty in a sum equal to six (6%) percent of the delinquency in excess of \$10,000.

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

**Delinquent Taxes and Tax Title Liens**

There was no tax sale held during 2018 nor 2019.

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

<u>Year</u>	<u>Number of Liens</u>
2019	None
2018	None
2017	None

**Managements Suggestions**

- The Borough should input all prior year fixed assets activity into Edmunds.
- The Borough should review with the Borough Attorney the requirement to adopt a salary ordinance reflecting the new PBA contract salaries.

**APPRECIATION**

We desire to express our appreciation to the Borough Clerk, Chief Financial Officer/Treasurer and other Borough staff who assisted us during the course of our audit.

**BOROUGH OF ALPINE  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

There are none.


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There were no recommendations reported in the prior year.

Should any questions arise as to our comments, please do not hesitate to call us.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Registered Municipal Accountant  
RMA Number CR00429