

BOROUGH OF ALPINE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u>	
Independent Auditor’s Report	1-3
Financial Statements	
A	Comparative Balance Sheets - Regulatory Basis - Current Fund 4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund 5
A-2	Statement of Revenues - Regulatory Basis – Current Fund 6-7
A-3	Statement of Expenditures - Regulatory Basis – Current Fund 8-12
B	Comparative Balance Sheets - Regulatory Basis - Trust Funds 13-14
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund 15
B-2	Statement of Appropriations – Regulatory Basis – Open Space Preservation Trust Fund 15
C	Comparative Balance Sheets - Regulatory Basis - General Capital Fund 16
C-1	Comparative Statements of Changes in Fund Balance - Regulatory Basis – General Capital Fund 17
D	Comparative Statements of General Fixed Assets Account Group - Regulatory Basis 18
	Notes to Financial Statements 19-52
Supplementary Schedules	
<u>Current Fund</u>	
A-4	Statement of Current Cash and Investments – Collector/Treasurer 53
A-5	Statement of Change Funds 54
A-6	Statement of Petty Cash Funds 54
A-7	Statement of Due From State of New Jersey Senior Citizens' and Veterans' Deductions 54
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy 55
A-9	Statement of Revenue Accounts Receivable 56
A-10	Statement of Grant Receivables 56
A-11	Statement of 2014 Appropriation Reserves 57-58
A-12	Statement of Encumbrances Payable 59
A-13	Statement of Fees Payable 59
A-14	Statement of Prepaid Taxes 60
A-15	Statement of Tax Overpayments 60
A-16	Statement of County Taxes Payable 60
A-17	Statement of Local District School Tax Payable 61
A-18	Statement of Municipal Open Space Tax Payable 61
A-19	Statement of Reserve for Grants - Appropriated 62
A-20	Statement of Reserve for Grants - Unappropriated 62

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Trust Funds</u>		
B-3	Statement of Trust Funds Cash	63
B-4	Statement of Reserve for Animal Control Fund Expenditures	64
B-5	Statement of Due To the State of New Jersey - Animal Control Fund	64
B-6	Statement of Reserve for Unemployment Insurance Benefits	65
B-7	Statement of Due to State Unemployment Insurance Fund	65
B-8	Statement of Due from Current Fund – Open Space Preservation Trust Fund	65
B-9	Statement of Reserve for Open Space Expenditures – Open Space Trust Fund	66
B-10	Statement of Reserve for Recreation Expenditures – Recreation Trust Fund	66
B-11	Statement of Due from Current Fund – Other Trust Fund	67
B-12	Statement of Payroll Deductions Payable – Other Trust Fund	67
B-13	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	68
B-14	Statement of Due to Current Fund – Recreation Trust Fund	68
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash and Investments	69
C-3	Analysis of General Capital Cash and Investments	70
C-4	Statement of Grants Receivable	71
C-5	Statement of Deferred Charges to Future Taxation - Funded	71
C-6	Statement of Deferred Charges to Future Taxation - Unfunded	72
C-7	Statement of Improvement Authorizations	73
C-8	Statement of Contracts Payable	74
C-9	Statement of Capital Improvement Fund	74
C-10	Statement of Due to Current Fund	74
C-11	Statement of Bond Anticipation Notes	75
C-12	Statement of General Serial Bonds	76
C-13	Statement of Green Acres Loan Payable	76
C-14	Statement of Bergen County Improvement Authority Loan Payable	77
C-15	Statement of Bonds and Notes Authorized But Not Issued	77

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

	<u>Page</u>
<u>Part II – Government Auditing Standards</u>	
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	78-79
Schedule of Expenditures of Federal Awards, Schedule A – Not Applicable	80
Schedule of Expenditures of State Financial Assistance, Schedule B	81
Notes to the Schedules of Expenditures of State Financial Assistance	82
Schedule of Findings and Responses	83-85
<u>Part III – Supplementary Data and Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Change in Fund Balance - Current Fund	86
Property Acquired by Tax Title Lien Liquidation	87
Comparative Schedule of Fund Balances	87
Comparative Schedule of Tax Rate Information	87
Comparison of Levies and Collection Currently	88
Delinquent Taxes and Tax Title Liens	88
Officials in Office and Surety Bonds	89
General Comments	90-91
Suggestions to Management	91
Appreciation	91
Recommendations	92

BOROUGH OF ALPINE

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER F. 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
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT AMPONSAH, 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, 2015 and 2014, 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, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Alpine on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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, 2015 and 2014, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 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, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 6.4 percent and 6.3 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

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, 2015 and 2014, 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, 2015 in accordance with the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

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 and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

The 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 June 15, 2016 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Alpine's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
June 15, 2016

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	A-4	\$ 3,012,348	\$ 2,580,061
Cash - Change Funds	A-5	100	100
Grant Receivables	A-10	25,644	19,843
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	<u>2,253</u>	<u>2,253</u>
		<u>3,040,345</u>	<u>2,602,257</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	127,623	162,720
Revenue Accounts Receivable	A-9	17,198	6,143
Due from Recreation Trust Fund	B-14	1	
Due from General Capital Fund	C-10	<u>105</u>	<u>-</u>
		<u>144,927</u>	<u>168,863</u>
Total Assets		<u>\$ 3,185,272</u>	<u>\$ 2,771,120</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-11	\$ 393,854	\$ 405,922
Encumbrances Payable	A-12		16,100
Fees Payable	A-13	1,207	2,139
Prepaid Taxes	A-14	205,306	210,205
Tax Overpayments	A-15	2,986	14,609
Due to Other Trust Fund	B-11	124,882	44,704
County Taxes Payable	A-16	16,389	2,311
Local District School Tax Payable	A-17	741,998	683,823
Reserve for Grants - Appropriated	A-19	59,231	61,180
Reserve for Grants - Unappropriated	A-20	<u>12,032</u>	<u>26,493</u>
		1,557,885	1,467,486
Reserve for Receivables and Other Assets	A	144,927	168,863
Fund Balance	A-1	<u>1,482,460</u>	<u>1,134,771</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,185,272</u>	<u>\$ 2,771,120</u>

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,000,000	\$ 1,050,000
Miscellaneous Revenue Anticipated	A-2	1,680,429	1,402,649
Receipts from Delinquent Taxes	A-2	160,959	104,461
Receipts from Current Taxes	A-2	14,982,599	14,339,529
Non-Budget Revenue	A-2	270,508	76,834
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	208,154	299,964
Cancellation of Miscellaneous Reserves	A-1		17,962
Outstanding Checks Voided	A-1		318
Prior Year Interfunds Returned	A	-	100,438
		<u>18,302,649</u>	<u>17,392,155</u>
Total Revenue			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	2,548,895	2,460,160
Other Expenses	A-3	1,403,573	1,433,020
Debt Service	A-3	573,504	564,880
Capital Improvement Fund	A-3		15,000
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	521,351	542,329
County Taxes	A-16	5,841,645	5,463,645
Due to County for Added and Omitted Taxes	A-16	16,389	4,258
Local District School Tax	A-17	5,934,795	5,818,441
Municipal Open Space Tax	A-18	98,139	98,094
Prior Year Adjustment County Taxes	A-16	1,947	
Interfunds Advanced	A	106	
Refund of Prior Year Taxes	A-4	14,616	15,603
		<u>16,954,960</u>	<u>16,415,430</u>
Total Expenditures			
Statutory Excess in Revenue		1,347,689	976,725
FUND BALANCE, JANUARY 1	A	<u>1,134,771</u>	<u>1,208,046</u>
		2,482,460	2,184,771
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,000,000</u>	<u>1,050,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,482,460</u>	<u>\$ 1,134,771</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, 2015

	<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	\$ 1,000,000	-	\$ 1,000,000	-
MISCELLANEOUS REVENUES					
Fees and Permits					
Other	A-2	45,000		59,406	\$ 14,406
Fines and Costs - Municipal Court	A-9	37,000		40,833	3,833
Interest and Costs on Taxes	A-9	30,000		33,968	3,968
Interest on Investments	A-2	2,000		2,222	222
Cell Tower Rent	A-9	298,245		323,057	24,812
Energy Receipts Tax	A-9	405,408		405,408	-
Garden State Trust Fund	A-9	5,219		5,219	-
Uniform Construction Code Fees	A-9	160,000		376,695	216,695
Recycling Tonnage Grant	A-20	14,057		14,057	-
Alcohol Education and Rehabilitation Fund	A-20	354		354	-
Clean Communities Program	A-20	5,320		5,320	-
Body Armor Grant	A-20	1,512		1,512	-
Police Donations-Equipment	A-20	5,250		5,250	-
Municipal Alliance Grant	A-10		\$ 9,520	9,520	
Bergen County Prosecutors Forfeiture	A-10		9,148	9,148	
200 Club of Bergen County	A-10		1,500	1,500	
Uniform Fire Safety Act	A-9	3,800		2,208	(1,592)
Cresskill Leaf Compost	A-9	50,000		55,000	5,000
Rent - U.S. Post Office	A-9	85,000		77,917	(7,083)
Payment in Lieu of Taxes - Boy Scouts of America	A-9	53,130		53,130	
General Capital Fund Balance (Surplus)	A-4	50,000		50,000	
Open Space Trust Fund - Green Acres Loan	A-4	148,705	-	148,705	-
 Total Miscellaneous Revenues	 A-1	 1,400,000	 20,168	 1,680,429	 260,261
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	152,000	-	160,959	8,959
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2	3,190,160	-	3,806,631	616,471
	A-3	\$ 5,742,160	\$ 20,168	6,648,019	\$ 885,691
Non-Budget Revenue	A-1,A-2			270,508	
				<u>\$ 6,918,527</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, 2015

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 14,982,599
Less Allocated to School, County and Municipal Open Space Taxes	A-16,A-17 A-18	<u>11,890,968</u>
		3,091,631
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>715,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 3,806,631</u>
Fees and Permits - Other		
Borough Clerk	A-9	\$ 8,451
Health Officer and Registrar	A-9	14,675
Police Department	A-9	7,405
Other Fees and Permits	A-9	<u>28,875</u>
	A-2	<u>\$ 59,406</u>
Interest on Investments		
Interest on Investments	A-9	\$ 266
Due from Recreation Trust Fund	B-14	1
Due from Other Trust Fund	B-11	1,850
Due from General Capital Fund	C-10	<u>105</u>
	A-2	<u>\$ 2,222</u>
Analysis of Non-Budget Revenue		
BMED Dividend		\$ 153,780
Escrow Deposits Cancelled		28,679
Cablevision Franchise Fee		21,959
Insurance Claims		20,000
Sale of Assets		12,318
Miscellaneous		11,460
Police Outside Duty Admin & Vehicle Fees		10,970
Verizon Franchise Fee		10,047
Bergen County JIF		1,175
Senior's & Veteran's Admin Fee		<u>120</u>
	A-1,A-2	<u>\$ 270,508</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, 2015

	<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"					
GENERAL GOVERNMENT					
Municipal Clerk					
Salaries and Wages	\$ 111,500	\$ 111,500	\$ 95,113	\$ 16,387	
Other Expenses	23,600	23,600	20,691	2,909	
Financial Administration					
Salaries and Wages	85,000	85,000	84,378	622	
Other Expenses	13,980	13,980	7,749	6,231	
Audit Services					
Other Expenses	34,500	34,500	34,500	-	
Revenue Administration (Collection of Taxes)					
Salaries and Wages	20,500	20,500	9,848	10,652	
Other Expenses	13,000	13,000	9,517	3,483	
Tax Assessment Administration					
Salaries and Wages	19,500	19,500	18,741	759	
Other Expenses	2,125	2,125	979	1,146	
Legal Services and Costs					
Other Expenses	165,000	144,168	55,769	88,399	
Engineering Services and Costs					
Other Expenses	44,000	44,000	29,813	14,187	
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries and Wages	6,400	6,400	5,848	552	
Other Expenses	5,000	5,000	2,049	2,951	
Zoning Board of Adjustment					
Salaries and Wages	7,800	7,800	5,881	1,919	
Other Expenses	6,950	6,950	1,093	5,857	
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	59,033	59,033	58,887	146	
Workers Compensation	75,638	75,638	75,637	1	
Employee Group Health	362,162	362,162	352,337	9,825	
Employee Group Health Waiver	12,681	12,681	12,681	-	
PUBLIC SAFETY					
Police					
Salaries and Wages	1,688,000	1,704,760	1,704,760	-	
Other Expenses	65,000	63,810	60,080	3,730	
Police Acquisition of Vehicles					
Other Expenses	40,000	40,000	39,936	64	
Police Dispatch/911					
Other Expenses	22,772	22,772	22,772	-	
Emergency Management Services					
Salaries and Wages	3,700	3,700	3,248	452	
Other Expenses	3,000	3,000	739	2,261	
First Aid Organization - Contribution					
Contribution	5,000	5,000	5,000	-	

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Continued)					
Fire					
Other Expenses	\$ 33,500	\$ 33,500	\$ 28,847	\$ 4,653	
Fire Hydrant Services	73,800	73,800	73,780	20	
Fire Prevention/Uniform Fire Code					
Salaries and Wages	15,000	15,000	8,817	6,183	
Other Expenses	2,477	3,190	2,334	856	
Municipal Prosecutor					
Contractual	6,300	6,540	6,540	-	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	370,000	370,000	320,428	49,572	
Other Expenses	43,950	43,950	35,594	8,356	
Public Buildings and Grounds					
Other Expenses	38,438	38,438	37,541	897	
Solid Waste Collection					
Salaries and Wages	8,900	8,900	6,846	2,054	
Other Expenses	15,539	15,539	12,869	2,670	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	30,000	30,000	19,807	10,193	
Other Expenses	2,600	3,656	2,005	1,651	
Other Expenses - Contractual	6,345	6,345	6,170	175	
Environmental Commission (NJS A 40:56A et seq.)					
Other Expenses	1,250	1,250	665	585	
Animal Control					
Other Expenses	500	500		500	
Municipal Alliance Coordinator					
Salaries and Wages	1,800	610		610	
Occupational Safety and Health Act					
Other Expenses - Hepatitis B. Inoculation	1,056				
PARKS AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Other Expenses	2,000	2,000	1,307	693	
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	4,838	1,162	
MUNICIPAL COURT FUNCTION					
Municipal Court					
Salaries and Wages	25,700	25,700	19,303	6,397	
Other Expenses	6,100	6,100	1,579	4,521	
Public Defender (P.. 1997, C. 256)					
Salaries and Wages	2,400	2,400	2,034	366	

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)					
Building Inspector					
Salaries and Wages	\$ 90,000	\$ 90,000	\$ 81,725	\$ 8,275	
Other Expenses	5,311	5,920	5,920	-	
Electrical Inspector					
Salaries and Wages	12,500	12,500	10,090	2,410	
Plumbing Inspector					
Salaries and Wages	13,200	13,985	13,985	-	
Zoning Official					
Salaries and Wages	14,100	14,100	11,321	2,779	
UTILITY EXPENSES AND BULK PURCHASES					
Electric	35,000	35,000	25,928	9,072	
Street Lighting	17,500	19,225	19,225	-	
Telephone	24,000	24,000	20,081	3,919	
Water	6,000	6,000	5,263	737	
Natural Gas	11,500	11,500	8,749	2,751	
Gasoline	52,500	52,500	25,882	26,618	-
Total Operations Within "CAPS"	3,872,607	3,870,227	3,537,519	332,708	-
Contingent	10,000	10,000	-	10,000	-
Total Operations Including Contingent - Within "CAP"S	3,882,607	3,880,227	3,537,519	342,708	-
Detail:					
Salaries and Wages	2,532,300	2,548,895	2,428,713	120,182	-
Other Expenses	1,350,307	1,331,332	1,108,806	222,526	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Social Security System	89,500	89,500	84,295	5,205	
Police and Fireman's Retirement System of NJ	359,408	359,408	359,408	-	
Public Employees Retirement System	72,443	72,443	72,443	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	521,351	521,351	516,146	5,205	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,403,958	4,401,578	4,053,665	347,913	-

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY					
Fire					
Other Expense-LOSAP	\$ 23,200	\$ 23,200	\$ 18,000	\$ 5,200	-
Total Other Operations Excluded from "CAPS"	<u>23,200</u>	<u>23,200</u>	<u>18,000</u>	<u>5,200</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Program					
County Share		9,520	7,015	2,505	
Local Share		2,380	910	1,470	
Clean Communities Program	5,320	5,320	375	4,945	
Body Armor Grant	1,512	1,512		1,512	
Police Donations - Equipment	5,250	5,250		5,250	
200 Club of Bergen County Grant		1,500		1,500	
Bergen Co. Pros. Police Forfeiture Fund		9,148		9,148	
Alcohol Education and Rehab. Fund	354	354		354	
Recycling Tonnage Grant	<u>14,057</u>	<u>14,057</u>	<u>-</u>	<u>14,057</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>26,493</u>	<u>49,041</u>	<u>8,300</u>	<u>40,741</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>49,693</u>	<u>72,241</u>	<u>26,300</u>	<u>45,941</u>	<u>-</u>
Detail:					
Other Expenses	<u>49,693</u>	<u>72,241</u>	<u>26,300</u>	<u>45,941</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	270,000	270,000	270,000	-	
Payment of Principal Capital Notes	116,000	116,000	116,000	-	
Interest on Bonds	13,488	13,488	13,488	-	
Interest on Notes	21,681	21,681	21,681	-	
Green Trust Loan Program					
Loan Repayments for Principal and Interest	148,705	148,705	148,703	-	2
BCIA Loan Repayments - Principal and Interest	<u>3,635</u>	<u>3,635</u>	<u>3,632</u>	<u>-</u>	<u>3</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>573,509</u>	<u>573,509</u>	<u>573,504</u>	<u>-</u>	<u>5</u>

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 623,202	\$ 645,750	\$ 599,804	\$ 45,941	\$ 5
Subtotal General Appropriations	5,027,160	5,047,328	4,653,469	393,854	5
Reserve for Uncollected Taxes	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>	-	-
Total General Appropriations	<u>\$ 5,742,160</u>	<u>\$ 5,762,328</u>	<u>\$ 5,368,469</u>	<u>\$ 393,854</u>	<u>\$ 5</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget As Adopted	A-3	\$ 5,742,160			
Added by 40A:4-87	A-2	<u>20,168</u>			
		<u>\$ 5,762,328</u>			
Cash Disbursements	A-4		\$ 4,653,469		
Reserve for Uncollected Taxes	A-2		<u>715,000</u>		
			<u>\$ 5,368,469</u>		

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2015 AND 2014

ASSETS	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ANIMAL CONTROL FUND			
Cash	B-3	\$ <u>3,404</u>	\$ <u>2,953</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>50,932</u>	<u>44,077</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	<u>141,965</u>	<u>192,503</u>
RECREATION TRUST FUND			
Cash	B-3	<u>10,686</u>	<u>23,754</u>
OTHER TRUST FUND			
Cash	B-3	4,556,098	4,543,566
Due from Current Fund	B-11	<u>124,882</u>	<u>44,704</u>
		<u>4,680,980</u>	<u>4,588,270</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	317,742	311,331
Contributions Receivable	B	<u>16,100</u>	<u>16,100</u>
		<u>333,842</u>	<u>327,431</u>
Total Assets		<u>\$ 5,221,809</u>	<u>\$ 5,178,988</u>

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Fund Expenditures	B-4	\$ <u>3,404</u>	\$ <u>2,953</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Reserve for Unemployment Insurance Benefits	B-6	<u>50,932</u>	<u>44,077</u>
OPEN SPACE PRESERVATION TRUST FUND			
Reserve for Open Space Expenditures	B-9	<u>141,965</u>	<u>192,503</u>
RECREATION TRUST FUND			
Due to Current Fund	B-14	1	
Reserve for Recreation Expenditures	B-10	<u>10,685</u>	<u>23,754</u>
		<u>10,686</u>	<u>23,754</u>
OTHER TRUST FUND			
Payroll Deductions Payable	B-12	13,781	17,803
Miscellaneous Reserves and Deposits	B-13	<u>4,667,199</u>	<u>4,570,467</u>
		<u>4,680,980</u>	<u>4,588,270</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>333,842</u>	<u>327,431</u>
Total Liabilities and Reserves		<u>\$ 5,221,809</u>	<u>\$ 5,178,988</u>

**BOROUGH OF ALPINE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget (Memo)	Realized	Excess or Deficit
Amount to be Raised by Taxation	\$ 97,865	\$ 98,139	\$ 274
Non-Budget Revenue:			
Interest on Investments		28	
		\$ 98,167	
<u>Reference</u>	B-2	B-9	

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget (Memo)	Paid or Charged	Expended Reserved
Reserve for Future Use	\$ 97,865	\$ -	\$ 97,865
<u>Reference</u>	B-1	B-9	

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	C-2,C-3	\$ 696,830	\$ 849,006
Grants Receivable	C-4	737,800	747,500
Deferred Charges to Future Taxation			
Funded	C-5	446,803	863,801
Unfunded	C-6	<u>2,456,473</u>	<u>2,206,223</u>
 Total Assets		 <u>\$ 4,337,906</u>	 <u>\$ 4,666,530</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-12	280,000	550,000
Green Trust Loan Payable	C-13	146,502	290,117
Bergen County Improvement Authority Loan Payable	C-14	20,301	23,684
Bond Anticipation Notes Payable	C-11	2,455,750	2,168,000
Contracts Payable	C-8	259,655	36,727
Due to Current Fund	C-10	105	
Improvement Authorizations			
Funded	C-7	245,476	239,008
Unfunded	C-7	622,500	970,489
Capital Improvement Fund	C-9	117,679	138,929
Reserve for Grants Receivable	C-4	27,800	37,500
Fund Balance	C-1	<u>162,138</u>	<u>212,076</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 4,337,906</u>	 <u>\$ 4,666,530</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$1,048 and \$38,223, respectively. (Exhibit C-15)

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	C	\$ 212,076	\$ 116,173
Increased by:			
Cancellation of Funded Improvement Authorizations	C-1		86,015
Premium on Notes Issued	C-2	<u>62</u>	<u>9,888</u>
		212,138	212,076
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2	<u>50,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 162,138</u>	<u>\$ 212,076</u>

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP -
REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Land	\$ 6,101,500	\$ 6,101,500
Buildings and Building Improvements	1,755,614	1,755,614
Machinery and Equipment	<u>3,158,257</u>	<u>2,719,350</u>
	<u>\$ 11,015,371</u>	<u>\$ 10,576,464</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 11,015,371</u>	<u>\$ 10,576,464</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 component units 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, 2015 AND 2014**

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, 2015 AND 2014**

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.

Reclassifications - Certain reclassifications may have been made to the December 31, 2014 balances to conform to the December 31, 2015 presentation.

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, 2015 AND 2014**

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 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/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.

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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 \$2,000 and an estimated useful life in excess of two years.

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

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

	Assessed Value
Land and Buildings	Replacement Cost
Machinery and Equipment	

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 Fund (Except for Open Space Trust Fund)
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015 and 2014 the Borough Council increased the original budget by \$20,168 and \$9,188. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2015 and 2014.

**BOROUGH OF ALPINE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2015 and 2014, the book value of the Borough's deposits were \$8,472,363 and \$8,236,020 and bank and brokerage firm balances of the Borough's deposits amounted to \$8,539,322 and \$8,358,621, 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>2015</u>	<u>2014</u>
Insured	\$ 8,539,322	\$ 8,358,621

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, 2015 and 2014, 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, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

**BOROUGH OF ALPINE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2015 and 2014, the Borough had the following investments:

	<u>Fair Value</u> <u>(LOSAP)</u>	
	<u>2015</u>	<u>2014</u>
Investment:		
Lincoln Financial Group LOSAP Investment Fund (Unaudited)	<u>\$ 317,742</u>	<u>\$ 311,331</u>

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, 2015 and 2014, \$317,742 and \$311,331 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u> <u>(LOSAP)</u> <u>(Unaudited)</u>	
	<u>2015</u>	<u>2014</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 317,742</u>	<u>\$ 311,331</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). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2015 and 2014, the Borough’s investment in Lincoln Financial Group, a subsidiary to Lincoln National Corporation was rated Baa1 respectively by Moody’s Investor Services.

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 investments were based on quoted market prices provided by the Trustee.

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Property Taxes	\$ 127,623	\$ 162,720

In 2015 and 2014, the Borough collected \$160,959 and \$104,461 from delinquent taxes, which represented 99% and 100%, respectively of the prior year delinquent taxes receivable balance.

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>2015</u>		<u>2014</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 106	\$ 124,882		\$ 44,704
Trust Funds:				
Other Trust Fund	124,882		\$ 44,704	
Recreation Trust Fund		1		
General Capital Fund	<u>-</u>	<u>105</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 124,988</u>	<u>\$ 124,988</u>	<u>\$ 44,704</u>	<u>\$ 44,704</u>

The above balances are the result of revenues earned and/or appropriations budgeted in one fund that are due to 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 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, 2015 and 2014 are as follows:

	<u>Local District School</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax Deferred	\$ 3,081,980 <u>2,339,982</u>	\$ 3,023,805 <u>2,339,982</u>
Taxes Payable	<u>\$ 741,998</u>	<u>\$ 683,823</u>

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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:

	<u>2015</u>		<u>2014</u>	
	<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	\$ 1,454,563	\$ 1,150,000	\$ 1,112,675	\$ 1,000,000
Non-Cash Surplus	<u>27,897</u>	<u>-</u>	<u>22,096</u>	<u>-</u>
	<u>\$ 1,482,460</u>	<u>\$ 1,150,000</u>	<u>\$ 1,134,771</u>	<u>\$ 1,000,000</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, 2015 and 2014.

	<u>Balance</u>			<u>Balance,</u>
	<u>January 1,</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u>
	<u>2015</u>			<u>2015</u>
<u>2015</u>				
Land	\$ 6,101,500			\$ 6,101,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	<u>2,719,350</u>	<u>\$ 629,407</u>	<u>\$ (190,500)</u>	<u>3,158,257</u>
	<u>\$ 10,576,464</u>	<u>\$ 629,407</u>	<u>\$ (190,500)</u>	<u>\$ 11,015,371</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance,</u>
	<u>January 1,</u>			<u>December 31,</u>
	<u>2014</u>			<u>2014</u>
<u>2014</u>				
Land	\$ 6,107,500		\$ (6,000)	\$ 6,101,500
Buildings and Building Improvements	1,748,795	\$ 6,819		1,755,614
Machinery and Equipment	<u>3,020,401</u>	<u>27,390</u>	<u>(328,441)</u>	<u>2,719,350</u>
	<u>\$ 10,876,696</u>	<u>\$ 34,209</u>	<u>\$ (334,441)</u>	<u>\$ 10,576,464</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2015</u>	<u>2014</u>
Issued		
General		
Bonds, Notes and Loans	\$ 2,902,553	\$ 3,031,801
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>325</u>	<u>-</u>
Net Debt Issued	2,902,228	3,031,801
Authorized But Not Issued		
General		
Bonds and Notes	<u>1,048</u>	<u>38,223</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,903,276</u>	<u>\$ 3,070,024</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 .123% and .131% at December 31, 2015 and 2014, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2015</u>			
General Debt	<u>\$ 2,903,601</u>	<u>\$ 325</u>	<u>\$ 2,903,276</u>
<u>2014</u>			
General Debt	<u>\$ 3,070,024</u>	<u>\$ -</u>	<u>\$ 3,070,024</u>

**BOROUGH OF ALPINE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9 MUNICIPAL DEBT (Continued)

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>2015</u>	<u>2014</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 82,469,809	\$ 82,172,793
Net Debt	<u>2,903,276</u>	<u>3,070,024</u>
Remaining Borrowing Power	<u>\$ 79,566,533</u>	<u>\$ 79,102,769</u>

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2015</u>	<u>2014</u>
\$1,635,000, 2008 Bonds, due in annual installments of \$270,000 to \$280,000 through May, 2016, interest at 3.25%	<u>\$ 280,000</u>	<u>\$ 550,000</u>
	<u>\$ 280,000</u>	<u>\$ 550,000</u>

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 has also entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing related to the acquisition of land under the Green Trust 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>2015</u>	<u>2014</u>
\$47,368, 2008 BCIA Loans, due in annual installments of \$3,383 to \$3,386 through December, 2021, interest at 1.05%	\$ 20,301	\$ 23,684
\$2,390,500, 1997 Green Acres Loan, due in semi-annual installments of \$71,808 to \$73,616 through November, 2016, interest at 2.00%	<u>146,502</u>	<u>290,117</u>
	<u>\$ 166,803</u>	<u>\$ 313,801</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2015 is as follows:

Calendar Year	General Bonds		Green Acres Loans		BCIA Loan		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 280,000	\$ 4,550	\$ 146,502	\$ 2,201	\$ 3,383	\$ 214	\$ 436,850
2017					3,383	178	3,561
2018					3,383	142	3,525
2019					3,383	107	3,490
2020					3,383	71	3,454
2021					3,386	36	3,422
	<u>\$ 280,000</u>	<u>\$ 4,550</u>	<u>\$ 146,502</u>	<u>\$ 2,201</u>	<u>\$ 20,301</u>	<u>\$ 748</u>	<u>\$ 454,302</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2015 and 2014 were as follows:

	Balance, January 1, 2015	Additions	Reductions	Balance, December 31, 2015	Due Within One Year
2015					
General Capital Fund					
Bonds Payable	\$ 550,000		\$ 270,000	\$ 280,000	\$ 280,000
Intergovernmental Loans Payable	313,801	-	146,998	166,803	149,885
General Capital Fund Long-Term Liabilities	<u>\$ 863,801</u>	<u>\$ -</u>	<u>\$ 416,998</u>	<u>\$ 446,803</u>	<u>\$ 429,885</u>
	Balance, January 1, 2014	Additions	Reductions	Balance, December 31, 2014	Due Within One Year
2014					
General Capital Fund					
Bonds Payable	\$ 810,000		\$ 260,000	\$ 550,000	\$ 270,000
Intergovernmental Loans Payable	457,970	-	144,169	313,801	146,998
General Capital Fund Long-Term Liabilities	<u>\$ 1,267,970</u>	<u>\$ -</u>	<u>\$ 404,169</u>	<u>\$ 863,801</u>	<u>\$ 416,998</u>

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

Bond Anticipation Notes

<u>2015</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2015</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2015</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	0.70%	12/7/2016	\$ 776,052	\$ 888,585	\$ 776,052	\$ 888,585
	Road Program	0.70%	12/7/2016	877,996	1,053,213	877,996	\$ 1,053,213
	Acquisition of Fire Engine and Computer Equipment	0.70%	12/7/2016	513,952	513,952	513,952	513,952
				<u>\$ 2,168,000</u>	<u>\$ 2,455,750</u>	<u>\$ 2,168,000</u>	<u>\$ 2,455,750</u>
<u>2014</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2014</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2014</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	1.00%	12/9/2015	\$ 838,866	\$ 776,052	838,866	\$ 776,052
	Road Program	1.00%	12/9/2015	723,274	877,996	723,274	877,996
	Acquisition and Installation of Photovoltaic Power System	1.00%	12/9/2015	15,908	-	15,908	-
	Acquisition of Fire Engine and Computer Equipment	1.00%	12/9/2015	513,952	513,952	513,952	513,952
				<u>\$ 2,092,000</u>	<u>\$ 2,168,000</u>	<u>\$ 2,092,000</u>	<u>\$ 2,168,000</u>

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

**BOROUGH OF ALPINE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

NOTE 10 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 \$771,714 and \$761,024 at December 31, 2015 and 2014, 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, 2015 and 2014, the Borough has reserved in the Other Trust Fund \$191,988 and \$125,648, 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 \$112,376 under capital leases. The capital lease agreements are for terms of 3 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, 2015.

<u>Years Ended December 31,</u>	<u>Amount</u>
2016	\$ 30,570
2017	16,159
2018	<u>5,981</u>
Total	52,710
Less: Amounts Representing Interest	<u>(3,014)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 49,696</u>

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 10 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, 2015 and 2014 were as follows:

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>	
<u>2015</u>						
Compensated Absences	\$ 761,024	\$ 69,350	\$ 58,660	\$ 771,714	\$ 71,707	
Capital Leases	53,378	28,166	31,848	49,696	28,478	
Net Pension Liability - PERS	1,645,263	143,513	65,981	1,722,795		
Net Pension Liability - PFRS	<u>5,886,215</u>	<u>2,244,655</u>	<u>378,330</u>	<u>7,752,540</u>	-	
Other Long-Term Liabilities	<u>\$ 8,345,880</u>	<u>\$ 2,485,684</u>	<u>\$ 534,819</u>	<u>\$ 10,296,745</u>	<u>\$ 100,185</u>	
	Balance, December 31, <u>2013</u>	Prior Period Adjustment (A)	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>						
Compensated Absences	\$ 731,704		\$ 119,741	\$ 90,421	\$ 761,024	\$ 58,660
Capital Leases	47,422		27,815	21,859	53,378	28,114
Net Pension Liability - PERS	\$ 1,666,656		51,050	72,443	1,645,263	
Net Pension Liability - PFRS	<u>-</u>	<u>6,468,825</u>	<u>-</u>	<u>582,610</u>	<u>5,886,215</u>	-
Other Long-Term Liabilities	<u>\$ 779,126</u>	<u>\$ 8,135,481</u>	<u>\$ 198,606</u>	<u>\$ 767,333</u>	<u>\$ 8,345,880</u>	<u>\$ 86,774</u>

(A) Represents the proportionate share of the Borough's net pension liability of the state sponsored employer retirement systems resulting from the requirements of Governmental Accounting Standards Board's Statement No. 68 "Accounting and Financial Reporting for Pensions".

NOTE 11 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.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. 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 work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. 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.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, which was rolled forward to June 30, 2014, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 52.08 percent and \$18.7 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 62.4 percent and \$13.9 billion, respectively.

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

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems and (b) changes to projected salary increases 2.15-5.40 percent based on age for PERS and 3.95-9.62 percent based on age for PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 10.0% for PFRS, 5.50% for DCRP and 6.92% for PERS of employee's annual compensation for fiscal year 2015.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended December 31, 2015 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2015, 2014 and 2013, 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>
2015	\$ 359,408	\$ 72,443	None
2014	361,738	66,849	None
2013	394,953	66,123	None

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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)

At December 31, 2015 and 2014, the Borough had a liability of \$1,722,795 and \$1,645,263, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportionate share was .00767 percent, which was a decrease of .00112 percent from its proportionate share measured as of June 30, 2014 of .00879 percent.

For the year ended December 31, 2015 and 2014, the pension system has determined the Borough's pension expense to be \$77,552 and \$87,707, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$72,443 and \$66,849, respectively. At December 31, 2015 and 2014, 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:

	2015		2014	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 41,100		\$ 51,736	
Changes of Assumptions	185,014			
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 27,699		\$ 98,049
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	8,836	176,780	10,823	-
Total	\$ 234,950	\$ 204,479	\$ 62,559	\$ 98,049

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending December 31,	Total
2016	\$ 6,082
2017	6,082
2018	6,082
2019	6,082
2020	6,143
	<u>\$ 30,471</u>

**BOROUGH OF ALPINE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.15-4.40% Based on Age	2.15-4.40% Based on Age
Thereafter	3.15-5.40% Based on Age	3.15-5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2014 and 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</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>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

Discount Rate

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

<u>Year</u>	<u>Discount Rate</u>
2015	4.90%
2014	5.39%

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 calculated using the discount rate of 4.90%, 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,141,223</u>	<u>\$ 1,722,795</u>	<u>\$ 1,371,988</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

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.

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2015 and 2014, the Borough had a liability of \$7,752,540 and \$5,886,215, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportionate share was .04654 percent, which was a decrease of .00025 percent from its proportionate share measured as of June 30, 2014 of .04679 percent.

For the years ended December 31, 2015 and 2014, the pension system has determined the Borough pension expense to be \$625,727 and \$368,192, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$359,408 and \$361,738, respectively. At December 31, 2015 and 2014, 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:

	2015		2014	
	<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		\$ 66,868		
Changes of Assumptions	\$ 1,431,312		\$ 220,988	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		134,926		\$ 600,668
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	-	195,062	-	207,826
Total	\$ 1,431,312	\$ 396,856	\$ 220,988	\$ 808,494

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2016	\$ 187,071
2017	187,071
2018	187,071
2019	337,238
2020	136,005
	<u>\$ 1,034,456</u>

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases: 2012-2021	2.60-9.48% Based on Age	3.95-8.62% Based on Age
Thereafter	3.60-10.48% Based on Age	4.95-9.62% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</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>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

Discount Rate

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

<u>Year</u>	<u>Discount Rate</u>
2015	5.79%
2014	6.32%

**BOROUGH OF ALPINE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 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:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2045
Municipal Bond Rate *	From July 1, 2045 and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 calculated using the discount rate of 5.79%, 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 (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 10,220,309</u>	<u>\$ 7,752,540</u>	<u>\$ 5,740,295</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. 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, 2015 AND 2014**

NOTE 11 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 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, 2015 and 2014, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$679,872 and \$633,846, respectively. For the years ended December 31, 2015 and 2014, 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 \$84,804 and \$80,311, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$35,391 and \$26,319, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in 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.

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

State Health Benefits Program Funds (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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.

Basis of Accounting

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**BOROUGH OF ALPINE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2014 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$173.9 million for 10,355 eligible retired members for Fiscal Year 2015. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$44.3 million in Fiscal Year 2015 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2015, 2014 and 2013 were \$12,378, \$15,261 and \$14,885, respectively, which equaled the required contributions for each year

NOTE 13 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.

**BOROUGH OF ALPINE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 RISK MANAGEMENT (Continued)

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.

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 December 31</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 6,962	\$ 107	\$ 50,932
2014	6,826	87	44,077
2013	2,577	90	37,338

NOTE 14 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.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 14 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2015 and 2014. 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, should be immaterial. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2015 and 2014, 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.

NOTE 15 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, 2015 and 2014, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 16 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 July 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.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Alpine has contributed \$1,150 for 2015 and 2014, respectively, for each eligible volunteer fire department member into the Plan. The total Borough contributions were \$16,100 and \$16,100 for 2015 and 2014, 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.

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, 2015 and 2014 were \$5,500 and \$3,500, respectively.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 17 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, 2015, there has been no default or event requiring repayment of the loan.

NOTE 18 SUBSEQUENT EVENTS

On April 27, 2016 the Borough adopted two bond ordinances authorizing the issuance of \$384,655 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.

CURRENT FUND

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

Balance, December 31, 2014		\$ 2,580,061
Increased by:		
Taxes Receivable	\$ 14,927,353	
Revenue Accounts Receivable	1,433,107	
Non-Budget Revenue	270,508	
Grant Receivables	14,367	
Due from State of NJ (Ch. 20, P.L. 1972)	6,000	
Prepaid Taxes	205,306	
Tax Overpayments	46,977	
Fees Payable	13,627	
Reserve for Grants - Unappropriated	12,032	
Received From Other Trust Fund	2,028	
Received From General Capital Fund - Fund Balance	50,000	
Received From Open Space Trust Fund - Green Acres Loans	148,705	
Petty Cash	500	
		17,130,510
		19,710,571
Decreased by Disbursements:		
2015 Budget Appropriations	4,653,469	
2014 Budget Reserves	80,802	
County Taxes Payable	5,845,903	
Local District School Tax Payable	5,876,620	
Fees Payable	14,559	
Tax Overpayments	58,600	
Reserve for Grants- Appropriated	10,015	
Payments to Open Space Trust Fund	98,139	
Payments to Other Trust Fund	45,000	
Refund of Prior Year Taxes	14,616	
Petty Cash	500	
		16,698,223
Balance, December 31, 2015		\$ 3,012,348

**BOROUGH OF ALPINE
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2014		\$ <u>100</u>
Balance, December 31, 2015		\$ <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, 2014		\$ 2,253
Increased by:		
Veterans' Deductions per Tax Duplicate 2015	\$ 5,750	
Veterans' Deductions Allowed by Tax Collector	<u>250</u>	
		<u>6,000</u>
		8,253
Decreased by:		
Receipts from State of New Jersey		<u>6,000</u>
Balance, December 31, 2015		\$ <u>2,253</u>

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

<u>Year</u>	Balance, December 31, <u>2014</u>	2015 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections <u>2014</u>	2015	Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, <u>2015</u>
2014	\$ 162,720			\$ 160,959			\$ 1,761	
2015	-	\$ 15,113,451	-	210,205	14,766,394	6,000	3,229	\$ 127,623
	<u>\$ 162,720</u>	<u>\$ 15,113,451</u>	<u>\$ -</u>	<u>\$ 210,205</u>	<u>\$ 14,927,353</u>	<u>\$ 6,000</u>	<u>\$ 4,990</u>	<u>\$ 127,623</u>

Analysis of 2015 Property Tax Levy

TAX YIELD	
General Purpose Tax	\$ 15,071,246
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>42,205</u>
	<u>\$ 15,113,451</u>
TAX LEVY	
Local District School Taxes	\$ 5,934,795
County Taxes - General	\$ 5,780,565
County Taxes - Open Space	61,080
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>16,389</u>
Municipal Open Space Tax	97,865
Municipal Open Space Added Taxes	<u>274</u>
	98,139
Local Tax for Municipal Purposes	3,190,160
Add Additional Tax Levies	<u>32,323</u>
	<u>3,222,483</u>
	<u>\$ 15,113,451</u>

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

	Balance, December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collected</u>	Balance, December 31, <u>2015</u>
Borough Clerk				
Fees and Permits		\$ 8,451	\$ 8,451	
Health Officer and Registrar				
Fees and Permits		14,675	14,675	
Police Department				
Fees and Permits		7,405	7,405	
Other Fees and Permits		28,875	28,875	
Municipal Court				
Fines and Costs		40,833	40,833	
Interest and Cost on Taxes	\$ 6,143	32,181	33,968	\$ 4,356
Interest on Investments		266	266	
Cell Tower Rent		328,816	323,057	5,759
Energy Receipts Tax		405,408	405,408	
Garden State Trust Fund		5,219	5,219	
Uniform Construction Code Fees		376,695	376,695	
Uniform Fire Safety Act		2,208	2,208	
Cresskill Leaf Compost		55,000	55,000	
Rent - U.S. Post Office		85,000	77,917	7,083
Payment in Lieu of Taxes - Boys Scouts	-	53,130	53,130	-
	<u>\$ 6,143</u>	<u>\$ 1,444,162</u>	<u>\$ 1,433,107</u>	<u>\$ 17,198</u>

STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2014</u>	Accrued in <u>2015</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2015</u>
Municipal Alliance Program	\$ 15,415	\$ 9,520	\$ 8,439	\$ 16,496
Bergen County Prosecutor Forfeiture	4,428	9,148	4,428	9,148
200 Club of Bergen County	-	1,500	1,500	-
	<u>\$ 19,843</u>	<u>\$ 20,168</u>	<u>\$ 14,367</u>	<u>\$ 25,644</u>

BOROUGH OF ALPINE
STATEMENT OF 2014 APPROPRIATION RESERVES

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Municipal Clerk	\$ 3,149	\$ 3,149		\$ 3,000	\$ 149
Financial Administration	2,805	2,805			2,805
Revenue Administration	10,572	10,572		10,000	572
Tax Assessment Administration	826	826			826
Planning Board	766	766			766
Zoning Board Adjustment	2,118	2,118			2,118
Police	40,038	40,038	\$ 9,651	30,000	387
Emergency Management Services	1,267	1,267			1,267
Fire Prevention/Uniform Fire Code	4,398	4,398		4,000	398
Municipal Prosecutor	647	647			647
Road Repairs and Maintenance	50,239	50,239	876	49,000	363
Solid Waste Collection	2,262	2,262			2,262
Board of Health	9,242	9,242		9,000	242
Public Assistance Liaison	510	510			510
Municipal Court	5,414	5,414		3,000	2,414
Public Defender	472	472			472
Building Inspector	9,642	9,642	650	8,000	992
Electrical Inspector	2,600	2,600			2,600
Plumbing Inspector	265	265			265
Zoning Inspector	2,203	2,203	-	-	2,203
Total Salaries & Wages	<u>149,435</u>	<u>149,435</u>	<u>11,177</u>	<u>116,000</u>	<u>22,258</u>
Other Expenses					
Municipal Clerk	2,600	2,600	16		2,584
Financial Administration	523	523	523		-
Audit Services	850	850	487		363
Revenue Administration	4,253	4,253			4,253
Tax Assessment Administration	1,878	1,878			1,878
Legal Services & Costs	47,189	43,713	4,377		39,336
Engineering Services & Costs	-	3,476	3,476		-
Planning Board	9,373	9,373	200		9,173
Zoning Board of Adjustment	10,419	10,419			10,419
Uniform Fire Code	669	669			669
Liability Insurance	9,507	9,507			9,507
Employee Group Insurance	9,180	9,180		9,000	180
Employee Group Health Waivers	1	1			-
Fire - Other Expenses	5,294	5,294	4,930		364
Fire Hydrant Services	6,168	6,168	6,148		20
Police	12,189	12,189	7,405		4,784
Police Acquisition of Vehicles	655	655			655
Emergency Management Services	201	201			201
First Aid Organization - Contribution	5,000	5,000	5,000		-
LOSAP	2,350	18,450	18,450		-

BOROUGH OF ALPINE
STATEMENT OF 2014 APPROPRIATION RESERVES

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Road Repairs and Maintenance	\$ 8,205	\$ 8,205	\$ 5,357		\$ 2,848
Public Buildings & Grounds	1,923	1,923	1,582		341
Board of Health	571	571	40		531
Board of Health Contractual	320	320			320
Environmental Commission	935	935			935
Animal Control	500	500			500
Occupational Safety and Health Act	288	288			288
Parks and Playgrounds	768	769	160		609
Cresskill Library Fees	900	900			900
Contingent	20,000	20,000			20,000
Social Security System	3,425	3,425			3,425
Police and Fireman's Retirement System of NJ	19,408	19,408			19,408
Public Employees Retirement System	6,614	6,614			6,614
Municipal Court	4,746	4,746			4,746
Building Inspector	5,990	5,990			5,990
Utility Expenses					
Electric	9,249	9,249	2,242		7,007
Street Lighting	4,786	4,786	1,573		3,213
Telephone	6,488	6,488	787		5,701
Water	1,178	1,178	381		797
Natural Gas	4,624	4,624			4,624
Gasoline	16,759	16,759	4,046		12,713
Municipal Alliance					
County Share	33	33		\$ 33	
Local Share	415	415		415	
Alcohol Rehab and Education Fund	53	53		53	
Body Armor Grant	1,984	1,984		1,984	
Police Donations-Equipment	3,000	3,000		3,000	
Clean Communities Grant	2,817	2,817	2,178	639	
Recycling Tonnage Grant	2,209	2,209	267	1,942	
	<u>256,487</u>	<u>272,587</u>	<u>69,625</u>	<u>17,066</u>	<u>185,896</u>
Total Other Expenses					
Total	<u>\$ 405,922</u>	<u>\$ 422,022</u>	<u>\$ 80,802</u>	<u>\$ 133,066</u>	<u>\$ 208,154</u>
		\$ 405,922			
Appropriation Reserves		<u>16,100</u>			
Encumbrances Payable		<u>\$ 422,022</u>			
			\$ 80,802		
				\$ 125,000	
				<u>8,066</u>	
				<u>\$ 133,066</u>	

BOROUGH OF ALPINE
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2014	\$ 16,100
Decreased by	
Restored to 2014 Appropriation Reserves	<u>\$ 16,100</u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2014</u>	Fees Collected	<u>Payments</u>	Balance, December 31, <u>2015</u>
Due State of New Jersey				
Marriage License Fees	\$ 98	\$ 280	\$ 325	\$ 53
State Training Fees	<u>2,041</u>	<u>13,347</u>	<u>14,234</u>	<u>1,154</u>
	<u>\$ 2,139</u>	<u>\$ 13,627</u>	<u>\$ 14,559</u>	<u>\$ 1,207</u>

**BOROUGH OF ALPINE
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2014	\$	210,205
Increased by:		
Collection of 2016 Taxes		<u>205,306</u>
		415,511
Decreased by:		
Transferred to 2015 Taxes Receivable		<u>210,205</u>
Balance, December 31, 2015	\$	<u>205,306</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2014	\$	14,609
Increased by:		
Tax Overpayments Received		<u>46,977</u>
		61,586
Decreased by:		
Overpayments Refunded		<u>58,600</u>
Balance, December 31, 2015	\$	<u>2,986</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2014	\$	2,311
Increased by:		
2015 Levy - General Taxes	\$	5,780,565
2015 Levy - Open Space Taxes		61,080
2015 Added and Omitted Taxes		16,389
Prior Period Adjustment		<u>1,947</u>
		<u>5,859,981</u>
		5,862,292
Decreased by:		
Payments		<u>5,845,903</u>
Balance, December 31, 2015	\$	<u>16,389</u>

BOROUGH OF ALPINE
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2014			
School Tax Payable	\$	683,823	
School Tax Deferred		<u>2,339,982</u>	
			\$ 3,023,805
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016			<u>5,934,795</u>
			8,958,600
Decreased by:			
Payments			<u>5,876,620</u>
Balance, December 31, 2015			
School Tax Payable December 31, 2015		741,998	
School Tax Deferred		<u>2,339,982</u>	
			<u>\$ 3,081,980</u>
<u>Liability for Local District School Tax</u>			
School Tax Payable December 31, 2015			\$ 741,998
Add: Payments			<u>5,876,620</u>
			6,618,618
			<u>683,823</u>
Less: School Tax Payable at December 31, 2014			<u>683,823</u>
Amount Charged to 2015 Operations			<u>\$ 5,934,795</u>

EXHIBIT A-18

STATEMENT OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:			
2015 Levy	\$	97,865	
2015 Added and Omitted Taxes		<u>274</u>	
			\$ 98,139
Decreased by:			
Due to Open Space Trust Fund			<u>\$ 98,139</u>

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

	Balance, December 31, <u>2014</u>	Transferred from 2014 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2015</u>
Alcohol Education Rehab. Fund	\$ 1,113	\$ 53		\$ 1,166
Clean Communities	78	639		717
Drunk Driving Enforcement	2,339			2,339
Recycling Tonnage Grant	14,676	1,942	\$ 8,149	8,469
NJ DEP Stormwater Grant	1,128		161	967
Municipal Recycling Assistance Program	1,693			1,693
Police Donations	23,792	3,000	1,167	25,625
DARE Municipal Alliance				
County Share	8,224	33	538	7,719
Local Share	5,131	415		5,546
Body Armor	3,006	1,984	-	4,990
	<u>\$ 61,180</u>	<u>\$ 8,066</u>	<u>\$ 10,015</u>	<u>\$ 59,231</u>

EXHIBIT A-20

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2014</u>	Cash <u>Receipts</u>	Anticipated in 2015 <u>Budget</u>	Balance, December 31, <u>2015</u>
Body Armor Grant	\$ 1,512	\$ 1,510	\$ 1,512	\$ 1,510
Recycling Tonnage Grant	14,057		14,057	-
Alcohol Education Rehabilitation Fund	354	59	354	59
Police Donations	5,250	4,000	5,250	4,000
Clean Communities	5,320	6,463	5,320	6,463
	<u>\$ 26,493</u>	<u>\$ 12,032</u>	<u>\$ 26,493</u>	<u>\$ 12,032</u>

TRUST FUNDS

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

	<u>Animal Control</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Recreation Trust</u>	<u>Other Trust</u>
Balance, December 31, 2014	\$ 2,953	\$ 44,077	\$ 192,503	\$ 23,754	\$ 4,543,566
Increased by Receipts:					
Received From Current Fund		\$ 98,139			\$ 45,000
Interest on Deposits		28		1	3,648
Miscellaneous Reserves and Deposits					1,006,422
Payroll Deductions Payable					3,357,957
Unemployment Employee Contributions	\$ 6,962				
Due to State of NJ - Registration Fees					
Animal License Fees					
Recreation Fees	<u>4,022</u>	<u>6,962</u>	<u>98,167</u>	<u>36,947</u>	<u>4,413,027</u>
	6,975	51,039	290,670	60,702	8,956,593
Decreased by Disbursements:					
Miscellaneous Reserves and Deposits					1,036,488
Payroll Deductions Payable			148,705		3,361,979
Payments to Current Fund					2,028
Dog License Fees Paid to State of NJ	406				
Reserve for Animal Expenditures	3,165				
Due to State Unemployment Benefits		107			
Recreation Expenditures				<u>50,016</u>	
	<u>3,571</u>	<u>107</u>	<u>148,705</u>	<u>50,016</u>	<u>4,400,495</u>
Balance, December 31, 2015	<u>\$ 3,404</u>	<u>\$ 50,932</u>	<u>\$ 141,965</u>	<u>\$ 10,686</u>	<u>\$ 4,556,098</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Balance, December 31, 2014		\$	2,953
Increased by:			
Dog License Fees		\$	2,754
Cat License Fees			567
Miscellaneous and Late Fees			295
			3,616
			6,569
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements			3,165
			3,165
Balance, December 31, 2015		\$	3,404

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

Increased by:			
State Fees Collected		\$	406
Decreased by:			
Payments to the State		\$	406
			406

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

Balance, December 31, 2014	\$ 44,077
Increased by:	
Employee Contributions	<u>6,962</u>
	51,039
Decrease by:	
Unemployment Claims Due to State	<u>107</u>
Balance, December 31, 2015	<u>\$ 50,932</u>

EXHIBIT B-7

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

Increased by:	
Unemployment Claims Charged to Reserve	\$ 107
Decreased by:	
Cash Disbursements	<u>\$ 107</u>

EXHIBIT B-8

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

Increased by:	
Open Space Tax Levy	\$ 97,865
Added Open Space Tax Levy	<u>274</u>
	\$ 98,139
Decreased by:	
Cash Received from Current Fund	<u>\$ 98,139</u>

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

Balance, December 31, 2014		\$ 192,503
Increased by:		
Due from Current Fund:		
Open Space Tax Levy	\$ 97,865	
Added Open Space Tax Levy	<u>274</u>	
		\$ 98,139
Interest on Deposit		<u>28</u>
		<u>98,167</u>
		290,670
Decreased by:		
Payments to Current Fund as Anticipated Revenue		<u>148,705</u>
Balance, December 31, 2015		<u>\$ 141,965</u>

EXHIBIT B-10

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

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Swim and Racquet Club	\$ 13,421	\$ 32,697	\$ 45,739	\$ 379
Biddy Basketball	6,383		27	6,356
Men's Basketball	<u>3,950</u>	<u>4,250</u>	<u>4,250</u>	<u>3,950</u>
	<u>\$ 23,754</u>	<u>\$ 36,947</u>	<u>\$ 50,016</u>	<u>\$ 10,685</u>
Cash Receipts		\$ 36,947		
Cash Disbursed		<u>-</u>	<u>\$ 50,016</u>	
		<u>\$ 36,947</u>	<u>\$ 50,016</u>	

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

Balance, December 31, 2014		\$	
Due from Current Fund - Terminal Leave		45,000	
Due to Current Fund - Developer's Escrow		<u>(296)</u>	
			\$ 44,704
Increased by:			
Transfer from 2014 Appropriation Reserves - Terminal Leave		125,000	
Payments to Current Fund		<u>2,028</u>	
			<u>127,028</u>
			171,732
Decreased by:			
Cash Receipts from Current Fund		45,000	
Interest on Investment		<u>1,850</u>	
			<u>46,850</u>
Balance, December 31, 2015			<u>\$ 124,882</u>

Analysis of Balance

Due from Current - Terminal Leave		\$	125,000
Due to Current - Developer's Escrow			<u>(118)</u>
			<u>\$ 124,882</u>

EXHIBIT B-12

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

Balance, December 31, 2014		\$	17,803
Increased by:			
Cash Receipts			<u>3,357,957</u>
			3,375,760
Decreased by:			
Cash Disbursements			<u>3,361,979</u>
Balance, December 31, 2015			<u>\$ 13,781</u>

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

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Escrow Deposits	\$ 2,013,203	\$ 636,866	\$ 649,716	\$ 2,000,353
Affordable Housing Developer Fees	1,528,955	246,162	159,213	1,615,904
Cell Tower Security Deposits	238,646	1,500		240,146
POAA Fees	677	10		687
Fire Inspection Penalty Fees	2,462	100	998	1,564
Tax Sale Premium Deposits	96,000		96,000	-
COAH/Balanced Housing Note Reserve	534,528	62,022	3,709	592,841
COAH Security Deposits	5,030	2,093	821	6,302
Terminal Leave Reserve	125,648	125,000	58,660	191,988
Police Outside Duty Fees	25,318	59,467	67,371	17,414
	<u>\$ 4,570,467</u>	<u>\$ 1,133,220</u>	<u>\$ 1,036,488</u>	<u>\$ 4,667,199</u>
Cash Receipts		\$ 1,006,422		
Interest on Deposits		1,798		
Due from Current Fund		125,000		
Cash Disbursed		-	\$ 1,036,488	
		<u>\$ 1,133,220</u>	<u>\$ 1,036,488</u>	

EXHIBIT B-14

BOROUGH OF ALPINE
STATEMENT OF DUE TO CURRENT FUND
RECREATION TRUST FUND

Increased by:		
Interest on Investment		<u>\$ 1</u>
Balance, December 31, 2015		<u>\$ 1</u>

GENERAL CAPITAL

BOROUGH OF ALPINE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2014		\$ 849,006
Increased by Receipts:		
Premium on Notes Issued	\$ 62	
Interest on Deposits	105	
Bond Anticipation Notes	403,750	
Grant Receipts	<u>37,500</u>	
		<u>441,417</u>
		1,290,423
Decreased by Disbursements:		
Contracts Payable	36,727	
Improvement Authorizations	506,866	
Fund Balance Anticipated as Current Fund Revenue	<u>50,000</u>	
		<u>593,593</u>
Balance, December 31, 2015		<u>\$ 696,830</u>

BOROUGH OF ALPINE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2015</u>
Fund Balance		\$ 162,138
Capital Improvement Fund		117,679
Grants Receivable		(710,000)
Due to Current fund		105
Contracts Payable		259,655
Excess Note Proceeds		325
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
671/695	Acquisition of Real Property	(1,000)
683	2009 Various Capital Improvements	23,471
699	Various 2009 Capital Improvements	12,348
712	Various Capital Improvements	3,000
724	Various 2011 Capital Improvements	25,162
726	Acquisition of Computer Server	1,797
729	2012 Capital Improvements	3,000
730	2012 Road Program	522,276
735	Acquisition of Fire Engine and Computer Equipment	30,034
741	Various Capital Improvements	10,292
742	2014 Road Program	44,296
752	2015 Various Capital Improvements	113,269
753	2015 Road Program	<u>78,983</u>
		<u>\$ 696,830</u>

**BOROUGH OF ALPINE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2014</u>	Grant <u>Awards</u>	Grant <u>Receipts</u>	Balance, December 31, <u>2015</u>	<u>Balance Pledged To</u> Improvement <u>Authorizations</u>	<u>Reserve</u>
N.J. Dept. of Transportation						
Ord. 723 - Anderson Ave. Phase 4						
Ord. 730 - 2012 Road Program	\$ 300,000			\$ 300,000	\$ 300,000	
Ord. 742 - 2014 Road Program	37,500		\$ 37,500	-		
County of Bergen						
Ord. 730 - 2012 Road Program	410,000			410,000	410,000	
Ord. 752 - Soccer Field Upgrade Phase 2	-	\$ 27,800	-	27,800	-	\$ 27,800
	<u>\$ 747,500</u>	<u>\$ 27,800</u>	<u>\$ 37,500</u>	<u>\$ 737,800</u>	<u>\$ 710,000</u>	<u>\$ 27,800</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2014	\$ 863,801
Decreased by:	
2015 Budget Appropriation:	
Serial Bonds	\$ 270,000
Green Trust Loan	143,615
BCIA Loan	<u>3,383</u>
	<u>416,998</u>
Balance, December 31, 2015	<u>\$ 446,803</u>

**BOROUGH OF ALPINE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2014		2015 Authorizations		Balance, December 31, 2015	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges	Funded	Unfunded
683	2009 Capital Improvements	5/28/2009	\$ 130,200	\$ 23,471			\$ 23,471		
699	Various 2009 Capital Improvements	5/27/2009	229,500	12,348			12,348		
712	Various Capital Improvements	5/26/2010	135,386	13,000			3,000		
724	Various 2011 Capital Improvements	5/25/2011	286,325	25,985			25,162		
726	Acquisition of Computer Server	8/24/2011	10,000	1,797			1,797		
729	2012 Capital Improvements	4/25/2012	182,500	3,600			3,000		
730	2012 Road Program	4/25/2012	1,039,500	211,865			209,251	313,025	
735	Acquisition of Fire Engine and Computer Equipment	4/24/2013	541,500	25,346			509,264	30,082	
741	Various Capital Improvements	4/23/2014	64,000	17,692			7,400	10,292	
742	2014 Road Program	4/23/2014	350,000	47,368			3,072	9,868	
752	2015 Various Capital Improvements	4/22/2015	188,000	-	\$ 9,400	\$ 178,600	74,731	113,269	
753	2015 Road Program	4/22/2015	237,000	-	11,850	225,150	158,017	78,983	
			<u>\$ 239,008</u>	<u>\$ 970,489</u>	<u>\$ 21,250</u>	<u>\$ 403,750</u>	<u>\$ 766,521</u>	<u>\$ 622,500</u>	

Cash Disbursements	\$ 506,866
Contracts Payable	<u>259,655</u>
	<u>\$ 766,521</u>

EXHIBIT C-8

**BOROUGH OF ALPINE
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2014	\$ 36,727
Increase by:	
Charges to Improvement Authorization	<u>259,655</u>
	296,382
Decrease by:	
Cash Disbursements	<u>36,727</u>
Balance, December 31, 2015	<u>\$ 259,655</u>

EXHIBIT C-9

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2014	\$ 138,929
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>21,250</u>
Balance, December 31, 2015	<u>\$ 117,679</u>

EXHIBIT C-10

STATEMENT OF DUE TO CURRENT FUND

Increased by:	
Interest on Deposits	<u>\$ 105</u>
Balance, December 31, 2015	<u>\$ 105</u>

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

Ord. No.	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2014	Increased	Decreased	Balance, December 31, 2015
683	2008 Capital Improvements	2/12/2009	12/10/2014 12/8/2015	1.00 .70	\$ 67,443	\$ 57,321	\$ 67,443	\$ 57,321
684	2008 Road Program	2/12/2009	12/10/2014 12/8/2015	1.00 .70	24,634	15,962	24,634	15,962
699	2009 Capital Improvements	2/10/2010	12/10/2014 12/8/2015	1.00 .70	119,800	100,403	119,800	100,403
700	2009 Road Program	2/10/2010	12/10/2014 12/8/2015	1.00 .70	155,685	143,110	155,685	143,110
711	2010 Road Program	2/14/2011	12/10/2014 12/8/2015	1.00 .70	194,327	182,116	194,327	182,116
712	2010 Capital Improvements	2/14/2011	12/10/2014 12/8/2015	1.00 .70	104,594	97,899	104,594	97,899
724	2011 Capital Improvements	12/13/2012	12/10/2014 12/8/2015	1.00 .70	255,987	237,092	255,987	237,092
729	2012 Capital Improvements	12/13/2012	12/10/2014 12/8/2015	1.00 .70	167,428	156,470	167,428	156,470
730	2012 Road Program	12/13/2012	12/10/2014 12/8/2015	1.00 .70	313,025	296,550	313,025	296,550
735	2013 Acquisition of Fire Engine and Computer Equipment	12/12/2013	12/10/2014 12/8/2015	1.00 .70	513,952	513,952	513,952	513,952
741	Various Capital Improvements	12/10/2014	12/10/2014 12/8/2015	1.00 .70	60,800	60,800	60,800	60,800
742	2014 Road Program	12/10/2014	12/10/2014 12/8/2015	1.00 .70	190,325	190,325	190,325	190,325
752	Various Capital Improvements	12/8/2015	12/8/2015 12/7/2016	.70	178,600	178,600	178,600	178,600
753	2015 Road Program	12/8/2015	12/8/2015 12/7/2016	.70	-	225,150	-	225,150
					<u>\$ 2,168,000</u>	<u>\$ 2,455,750</u>	<u>\$ 2,168,000</u>	<u>\$ 2,455,750</u>
					Renewals Issued for Cash	\$ 2,052,000	\$ 2,052,000	
					Paid by Budget Appropriation	403,750	116,000	
					<u>\$ 2,455,750</u>	<u>\$ 2,168,000</u>	<u>\$ 2,168,000</u>	<u>\$ 2,455,750</u>

**BOROUGH OF ALPINE
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement of 2008	5/1/2008	\$ 1,635,000	5/15/2016	\$ 280,000	3.25%	\$ 550,000	\$ 270,000	\$ 280,000
						\$ 550,000	\$ 270,000	\$ 280,000
Paid by Budget Appropriation						\$ 270,000		

STATEMENT OF GREEN ACRES LOAN PAYABLE

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Loan Repayment</u>	<u>Balance, December 31, 2015</u>
Paid by Budget Appropriation						\$ 143,615	

**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, 2014</u>	<u>Decrease: Loan Repayment</u>	<u>Balance, December 31, 2015</u>
685	Solar Power System	12/4/2008	\$ 47,368	1.05%	\$ 23,684	\$ 3,383	\$ 20,301
					\$ 23,684	\$ 3,383	\$ 20,301
						\$ 3,383	

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, 2014</u>	<u>2015 Authorizations</u>	<u>Grant Receipt</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2015</u>
671/695	Acquisition of Real Property	\$ 1,000			\$ 1,000	
735	Acquisition of Fire Engine and Computer Equipment	48			48	
742	2014 Road Program	37,175		\$ 37,175		
752	2015 Various Capital Improvements		\$ 178,600		\$ 178,600	
753	2015 Road Program		225,150		225,150	
		\$ 38,223	\$ 403,750	\$ 37,175	\$ 403,750	\$ 1,048
				\$ 37,500		
				325		
				\$ 37,175		

Grant Receipts

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
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, 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, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 15, 2016. 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.

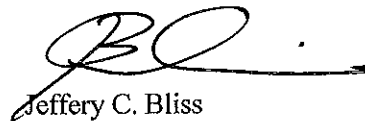
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Alpine in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of 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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
June 15, 2016

**BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

State Grant Program	Grant Number	Grant Year	Grant Award	2015 Grant Receipts	Balance, January 1, 2015	Revenue Realized	Expended	Adjustment	Balance, December 31, 2015	Memo Cumulative Expenditures
Municipal Recycling Assistance Program (Passed Through County of Bergen)	4910-759-690-50	2004	\$ 1,591	\$	\$ 1,591	\$			\$ 1,591	\$ 1,490
		2005	1,574		84				84	1,221
		2007	1,239		18				18	
Department of Environmental Protection Clean Communities Program	4900-765-004	2012	4,831		78				78	4,753
		2013	5,672		2,817	\$	2,178		639	5,033
		2014	5,320			5,320	375		4,945	375
		2015	6,463	6,463						
Recycling Tonnage	4900-752-001	2007	1,433		1,433		1,433		-	1,433
		2008	2,668		983		983		-	2,668
		2009	5,243		5,083		5,083		-	5,243
		2010	4,523		906		906		-	4,523
		2011	3,991		1,079		65	321	1,335	2,656
		2012	5,918		5,192		267		5,192	726
		2013	5,858		2,209				1,942	3,916
		2014	14,057			14,057			14,057	-
NJ DEP Municipal Stormwater Program	N/A	2007	1,705		1,128		161		967	738
Judiciary Alcohol Education and Rehabilitation Fund	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						
Drunk Driving Enforcement Fund	1110-448031020-22	2013	4,678		2,339				2,339	2,339
Municipal Alliance Program	N/A	2010	10,000		2,001		538		1,463	8,537
		2011	10,000		860				860	9,140
		2012	10,000		2,087				2,087	7,913
		2013	9,320	4,660	3,276				3,276	6,244
		2014	4,760	3,779	33				33	3,027
		2015	9,520	9,520		9,520	7,015		2,505	7,015
Body Armor Grant	1020-718-001	2008	3,394		2,149				2,149	1,245
		2009	1,273		348				348	925
		2012	1,551		509				509	1,042
		2013	1,884		1,984				1,984	
		2014	1,512			1,512			1,512	
		2015	1,510	1,510						
State Department of Transportation Local Municipal Aid	78-6320-480-xxx	2012	300,000		201,422		2,614		198,808	101,192
2012 Road Program (Ord. #730)	78-6320-480-ALL	2014	150,000	37,500						150,000
2014 Road Program (Ord. #742)										
						\$ 30,763	\$ 21,618	\$ 321	\$ 250,241	

Note: This schedule was not subject to Single Audit as defined by 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, 2015**

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 schedule 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	\$ <u>30,763</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND 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.

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2015, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Green Acres Loan Program	0255-92-083	\$ <u>146,502</u>

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements Modified - Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified _____ yes X no

2) Significant deficiency(ies) that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to the financial statements noted? _____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015**

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

PART III

SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,000,000	5.46 %	\$ 1,050,000	6.04 %
Miscellaneous - From Other Than Local				
Property Tax Levies	1,950,937	10.66	1,479,483	8.50
Collection of Delinquent Taxes and Tax Title Liens	160,959	0.88	104,461	0.60
Collection of Current Tax Levy	14,982,599	81.86	14,339,529	82.45
Other Credits to Income	<u>208,154</u>	<u>1.14</u>	<u>418,682</u>	<u>2.41</u>
 Total Income	 <u>18,302,649</u>	 <u>100.00</u> %	 <u>17,392,155</u>	 <u>100.00</u> %
 EXPENDITURES				
Budget Expenditures				
Municipal Purposes	5,047,323	29.77 %	5,015,389	30.55 %
County Taxes	5,858,034	34.55	5,467,903	33.31
Local School Taxes	5,934,795	35.00	5,818,441	35.44
Municipal Open Space Tax	98,139	0.58	98,094	0.60
Other Expenditures	<u>16,669</u>	<u>0.10</u>	<u>15,603</u>	<u>0.10</u>
 Total Expenditures	 <u>16,954,960</u>	 <u>100.00</u> %	 <u>16,415,430</u>	 <u>100.00</u> %
 Excess in Revenue	 1,347,689		 976,725	
 Fund Balance, January 1	 <u>1,134,771</u>		 <u>1,208,046</u>	
	2,482,460		2,184,771	
 Less Utilization as Anticipated Revenue	 <u>1,000,000</u>		 <u>1,050,000</u>	
 Fund Balance, December 31	 <u>\$ 1,482,460</u>		 <u>\$ 1,134,771</u>	

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2013 through 2015 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>	2015	\$1,482,460	\$1,150,000
	2014	1,134,771	1,000,000
	2013	1,208,046	1,050,000
	2012	1,103,604	1,000,000
	2011	997,665	900,000

Comparative Schedule Of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	<u>\$0.770</u>	<u>\$0.741</u>	<u>\$0.724</u>

Apportionment of Tax Rate

Municipal	.162	.160	.158
Municipal Open Space	.005	.005	.005
County (Including Open Space)	.299	.279	.269
Local School	.304	.297	.292

Assessed Valuation

2015	<u>\$1,957,304,700</u>	
2014		<u>\$1,960,360,500</u>
2013		<u>\$1,947,052,600</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>
2015	\$	15,113,451	\$	14,982,599	99.13%
2014		14,537,580		14,339,529	98.63%
2013		14,175,916		14,070,079	99.25%

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>
2015	None	\$ 127,623	\$	127,623	0.84%
2014	None	162,720		162,720	1.12%
2013	None	104,465		104,465	0.74%

**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		
Laurence Shaddek	Councilman		
Gayle Gerstein	Councilwoman		
John Halbreich	Councilman		
Arthur Frankel	Councilwoman		
Nancy Wehmann	Acting Borough Clerk		
Marilyn Hayward	Treasurer		
	Tax Search Officer		
	Tax Collector	\$1,000,000	A
Rebecca Overgaard	Chief Financial Officer		
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		
Frank Rickenbaugh	Fire Sub-Code Official		
Christopher Belcolle	Police Chief		
Stuart Stolarz	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

Current Year Comments

Our audit of the employee health benefit contributions noted three (3) employees whose employee contributions were less than the amounts required under Ch. 78. It is recommended that the employee's health benefit contributions be calculated in accordance with the requirements of Ch. 78.

We noted certain contracts awarded in the Current and General Capital Funds that were not recorded as encumbrances at year end. It is recommended that internal control procedures be enhanced to ensure contract awards are encumbered and properly recorded in the Current and General Capital Funds.

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 \$36,000 for 2015. 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:

- Curbside Recycling
- Soccer Field 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 4, 2015 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 2015, 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 required in 2015. The date of the last tax sale was October 1, 2014.

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

<u>Year</u>	<u>Number of Liens</u>
2015	None
2014	None
2013	None

Suggestions to Management

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

It is recommended that:

1. The employee's health benefit contributions be calculated in accordance with the requirements of Ch. 78.
2. Internal control procedures be enhanced to ensure contract awards are encumbered and properly recorded in the Current and General Capital Funds.

A review was performed on all prior year's recommendations and corrective action has been taken on all.

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

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, 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